



HEBER VALLEY SPECIAL SERVICE DISTRICT

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BOARD MEETING AGENDA

January 27, 2022

4:00 P.M.

Administration Building
1000 E Main Midway, UT 84049

MINUTES

CONDUCTING: Board Chair, Celeste Johnson

ENTITY UPDATES, specifically regarding growth that could affect HVSSD:

- A. Heber City
- B. Midway City
- C. Midway Sanitation District
- D. Charleston Town
- E. Wasatch County

Celeste Johnson asking if any entities have updates? Reminding this is to keep everyone in the loop as to what is going on that could affect HVSSD. Nothing reported.

ACTION ITEMS:

1. **Consent Agenda** Approval – (5 minutes).
 - F. [December 16, 2021, Board Meeting Minutes](#)
 - G. [December 2021, Profit & Loss](#)
 - H. [December 2021, Reconciliation](#)
 - I. [Ratify approval of December 2021's Warrants](#)
 - J. [January 2022 Warrants](#)

Celeste introducing the Consent Agenda and asking if any questions for staff or any discussion.

Motion that “we accept the Consent Agenda as posted,” by Brenda Kozlowski, **second by** Don Huggard. **Voting**, all AYES. Motion carries. Consent Agenda is accepted.

2. **2022 Meeting Schedule** discuss and possibly approve - (10 minutes)

Celeste introducing the proposed 2022 meeting schedule and asking for any discussion. Celeste mentioning Interlocal Meeting is on a Thursday, quarterly and Midway is hosting this year. Celeste further, she will need to attend this and that it typically doesn't start until 6 or 7. Mike Johnston asking for the December meeting moved from the 22nd to the 15th.

Motion to “accept the 2022 Meeting Schedule with the change of December 22 moved to the 15th.” By Heidi Franco, **second by** Mike Johnston. **Voting:** all AYES. Motion carries. 2022 Meeting Schedule is adopted.

3. **Election of Officers** discuss and possibly approve. – (5 minutes)

Celeste introducing the Election of Officers and asking to bring up her suggestion, stating the in light of all of the work we have been doing over the past couple years and what we have been working towards, she would like to keep the board as it currently is. Celeste representing that

the MSD board is in agreement with this and Don Huggard will remain on the board for MSD, she is happy to continue as chair and she is just throwing that out there.

Brenda Kozlowski agreeing with Celeste. Thanks, expressed to Don for agreeing to continue by various board members.

Steve Farrell suggesting, we leave it up to the two rate payers to trade off if they want to. Steve further, Heber City and Midway are the only two rate payers we've got, that they have to deal with their constituents and that it be up to them who they have represent them on the board. Heidi stating, she is willing to serve any way the board wants her to.

Celeste suggesting, she feels it would help as we move forward, maybe for six months.

Motion "we have Mayor, Celeste Johnson continue as Board Chair and Mayor, Heidi Franco serve as Vice-Chair this coming year," by Mike Johnston. **Second** by Brenda Kozlowski.

Discussion on the motion, Yvonne Barney asking for clarification, when we talk about two rate payers, we're talking about Heber City and Midway? Steve Farrell explaining Heber City represents all of Heber City on the board and same for Midway Sanitation District. Don Huggard explaining, it is not Midway City but Midway Sanitation District which are different entities. Wes Johnson further asking Dennis Gunn how many bills are sent out each month? Dennis responding two, one to Midway Sanitation District and one to Heber City. Dennis inviting Yvonne to visit, and he will update her and orient her.

Celeste further asking for a vote on the motion. **Voting**, all AYES. Motion carries. Mayor Johnson will continue to serve as Board Chair and Heidi will serve as Vice-Chair.

4. **Committee Assignments** - (15 minutes)

Celeste explaining our committees and how they have been used in the past. Dennis Gunn pulling the roster up on the screen. Celeste commenting on the activities, or lack thereof, of the previous committees we have. Celeste discussing committees, we have our Executive and Finance Committees and the Finance we need for our Fraud Risk. Then the committee assignments, we had Personnel, which this committee we have used when we hired Tina and Gladys and Michele, Capital Facilities, she doesn't know if they have met and the Water Return Flow Committee, asking Steve if they have had a meeting and he replied, no. Steve and Heidi confirming the Farm Committee has met. Don suggesting leaving the committees as constituted and Steve seconded. *Heidi and Yvonne concerned with not being able to get on internet.* Dennis asking about the Finance Committee, typically we have the mayors from Heber and Midway, Kelleen is no longer on the board and Heidi is willing to serve on this committee. Celeste mentioning, we do need to list our Negotiating Committee and we have been functioning. This committee is Celeste Johnson, Mike Johnston and Steve Farrell. In Kelleen's absence, Heidi asking Yvonne Barney to serve on the personnel committee. Capital Facilities Committee still in place with Brenda, Celeste, Mike, Dennis and Wes. Water Return Flow is Steve, Heidi, Celeste, Wes, and Dave, Farm is Steve, Heidi, Don and Bryan Provost.

Heidi asking to have the personnel committee look at the changes that Jody made.

Heidi asking to be on the Capital Facilities Committee. Mike will take Heidi's place on the farm committee and Heidi will be on the Capital Facilities Committee.

Brenda asking Dennis to send out a copy of the committee assignments and schedule to board members.

Motion to "accept the committee assignments as they have now been created," by Steve Farrell. **Second** by Don Huggard. **Voting**, All AYES. Motion carries. Committee Assignments are accepted.

5. [Groundwater Monitoring Plan Proposal](#), discuss and possibly approve sampling and water quality monitoring at water disposal farm. – (10 minutes)
Dennis asking if people online could still hear us, and Brad Rasmussen answered yes.
Dennis now discussing the groundwater monitoring plan. Dennis stating as we have now mostly completed the farm wells and made the analysis of the groundwater under the farm. Dennis stating, he asked Loughlin to put a plan together and help us monitor and interpret the effects we may have regarding the ground water under the farm. Steve Farrell asking how we have been monitoring the farm up to now? Dennis replying, the existing wells at the farm went down 12' and have never had water in them so the attempt to monitor them was ceased many years ago. The new well go down to the groundwater so we can sample it and determine what effect if any we may have on the water under the farm. Dennis further explaining the water under the farm is in a mixing zone from east and north etc. We need to have a hydrologist put a plan together and review the data. Discussion ensued on details of the proposal.
Heidi asking about references Loughlin has. Wes reminding, we had an RFP for the hydrologist and Loughlin was selected with by far the best credentials. Heidi further desiring security for the data as well as our having access to the database.
Celeste suggesting, we have a line in the contract that states “all data will be submitted to the district as soon as it is prepared, and it will be kept by Loughlin Water as well.” Further discussion ensuing regarding the handling of the database. Data sharing with appropriate groups discussed with determine that data sharing with appropriate groups ok. More general discussion ensuing.

Motion that “we accept the Groundwater Monitoring Plan Proposal and on task 3, step 4, to add in,” maintain a database of the results and grant HVSSD access to such database, provide highest levels of security to such database, so we can see it in real time.” By Heidi Franco.
Second by Yvonne Barney. **Voting**, all AYES. Motion carries. Groundwater Monitoring Plan Proposal from Loughlin Water is accepted with conditions.

6. [Winter Social](#) - discussion and possibly approve and schedule. – Dennis Gunn (5 minutes)
Celeste reminding last month we talked about possibly doing something in January and that we ran out of time so asking what everyone would like to do. Don asking to have it in the summer.

Motion, “we divert this to our May meeting and decide from there when we will have it.” By Steve Farrell. **Second** by Heidi.

Discussion, Mike Johnston stating he wants to do this so he can get to know the staff and families. Celeste suggesting, we can do both, summer and winter.

Voting, all AYES. Motion carries. Winter Social is diverted to May 2022 meeting.

7. [Conflict of Interest Policy](#) – discuss and possibly approve. – (10 minutes).
Celeste introducing the Conflict-of-Interest Policy.
Dennis explaining that last year, December meeting, we approved the State Auditor’s Fraud Risk Assessment. The board asked staff to complete items 2 and 7 by the end of the second quarter. The first item he has for the board is the Conflict-of-Interest Policy. The majority of this has come from the State Auditor’s website and adjusted to match us. Dennis explaining the Declaration of Conflicts form that it is a Word Document and as you enter your information in the boxes, they will expand as needed. When you are all done, you can email back to him and they will be kept on file. Dennis further, editing the document with changes requested by the board. First change to change “officers” to “board members”. Heidi suggesting, we change it to “board members and employees.” Celeste adding this to the email list. Celeste further stating she does not want our policy to negate a staff member from having a side job here, welding, for example if approved. Further discussion on wording and no other additions settled on.

Motion that “we accept the Conflict-of-Interest Policy with mentioned changed, ie., “officers” changed to “board members and employees”,” by Heidi Franco. **Second** by Steve Farrell. **Voting**, all AYES. Motion carries. Conflict-of-Interest Policy is accepted with conditions.

8. **Presentation of Implementation for Expansion** – Celeste Johnson – (60 minutes).

Celeste introducing her presentation on implementing the plan. Celeste presenting PowerPoint slides. Celeste explaining that after we couldn't buy Ken Probst's property, it kind of tail spun us a bit and she wants to determine what the next steps will be. We have had lots of suggestions and input given. She wants to bring us back to the matter at hand and hopefully boil it down to what we need to look at. First Slide, a quick reminder of what we have. Celeste describing how our facility functions and some limitations. If we expand just the aeration, we will need \$6-7M. This will get the mechanical portion up to 2MGD. Dennis explaining current flows are between 1.9 and 2.3MGD. Discussion on pumping and capacities ensuing. Dennis explaining the disposal part of the lagoons is the limiting factor and what we are able to process through the lagoons. Brad clarifying the capacities shown include the new farm.

Slides 2,3, and 4 are related. Decision One being, what is our boundary? If we have additional communities hook on how does this work? Example given, if Independence hooks on, they could pay money and sign over their reuse rights as an example. Other side being that our service boundary will max out at some point. Celeste continuing with explanation. Could explore eliminating lagoons and convert to mechanical plant and use RIBs. Slide Three, do we want to eliminate lagoons, if so, we don't need to clean the lagoons in the next year or so. Celeste continuing that if the plant goes mechanical, we can still use the farm. If we decide to do away with the farm, we may have federal issues to deal with. Celeste stating, she doesn't feel these decisions should be made with any other interest in mind except for what is best for the community.

Celeste suggesting, we have an expert answer the questions in the slide, imported into these minutes for reference, by an engineer. We have Brad or get someone else to answer them.

- Sub-contract with sewer engineer to answer the following (complete in 6 Mon. – 1 Year)
 1. If needed, what type of enclosure for aeration?
 2. Re-use options for water?
 3. Best mechanical system and when it should be built?
 4. Determine if an odor nuisance easement is needed and if so, the parameters.
- Water attorney to start immediately on the following:
 1. Start process of working with municipalities and irrigation companies to obtain re-use rights
 2. Sell water to help finance projects including getting current mechanical plant to 2 MGD and acquiring additional land if it can be obtained for a reasonable price.
- Regarding potential effluent disposal options:
 1. Land – at \$65k per acre, it is financially viable
 2. RIB – can currently process 2 MGD – own land for additional 2 MGD
 3. River – applying for discharge permit, no timeline estimate, or if it will even get approved
 4. Re-use – don't have necessary agreements or rights – pursue this option so that the district can have more options down the road
- Regarding Rate and Impact Fee Increases and Bonding
 1. Impact fee's increase immediately
 2. Rates increase in April, approximately half of what was proposed
 3. Once engineer's findings are brought to the board and decisions are made, bonding can occur

Returning to Slide one, asking for any questions on this slide. Steve asking how many ERU's 4MGD would give us? Brad will get this amount. Brad explaining if we don't expand our boundaries, we will exceed 4MGD before 2050. Brad looked at population projections to determine future flow. Brad stating, we need to know if your boundaries will change or do you want to service additional clients. Projections are based on population projections. Boundary discussion ensuing. Mike expressing most of the growth that will occur via Heber will be in Twin creeks, which we get but the rest will be North, and we won't see that. Mike further, the only major growth would be is someone creates a new city, or if Daniel or Charleston do something different.

Celeste restating the point being we can say we have very clear service boundaries, it's Heber Midway, Charleston, unincorporated Wasatch County. So, if another city wants to come to us, we get to say, yes or no. If we say yes, we can make them pay their way.

Celeste suggesting, we state we will work within our current boundaries, Midway, Heber, Charleston, unincorporated Wasatch County and let's keep our focus on that and do what ever we need to process the sewer for the area we have committed to. All agree.

Item No. 2, Celeste asking, "Do we want to clean the lagoon if we want to do away with the lagoon?" if we do away with the lagoon, we need to get the mechanical plant ready so we can shut the lagoon down. We can tell our experts this is what we want to do and they come back in six months with how we do it. Discussion ensuing as to capacity and operation of the mechanical plant. Heidi explaining, we need to keep the flexibility associated with the lagoons. Brad stating the design was based upon the existing infrastructure. Brad suggesting the decisions to keep or do away with the lagoons is a board decision, not engineering. The existing lagoon is just fine if you want to keep it. If the board wants to replace it, he will come back with a cost to do so, and it is not impact fee eligible. Heidi asking about what odors are while drying. Brad explaining once a crust is formed over it odors will be minimized, but will be present. Brad continuing describing how this process would work and volumes involved. Yvonne asking how long does it take to get the mechanical plant in place? Brad replying about 3 years. Mike suggesting, we don't have to remove the structure, we could just dry it (cell 1) out and much cheaper to remove. Then we could put it back online if desired. Discussion of drying and removing as a maintenance cycle. Yvonne asking if we dry the cell, will we have enough capacity if we have a strong year. Brad discussing impact fee eligible options.

Celeste restating, we want to keep the farm, we want to keep our boundaries where they are at, we want to keep the flexibility of the lagoons and dry the cell which would save \$5M, get the aeration expanded and in six months have the rest of the decisions made. We can continue using our plan we have.

Further discussion ensuing. Heidi asking if we need to borrow to get the aeration in. This could be sent to our Financial Committee to look at. Heidi asking about winter storage. Brad replying this is related to land so it can stay in the plan. Heidi asking about the RIBs. Brad stating, he heard we wanted to keep everything we have. Steve and Celeste asking if we can get our plan updated by next month.

Celeste reiterating, we're going to continue to serve our service boundary, and that is what the plan was designed for, we look at drying our lagoon after we have the aeration component and solids handling component in, and then we dry up our lagoon, potentially keeping it and having it in the future, but drying it and cleaning it out, saving us \$5M. We are not at all interested in selling the farm. We do recognize we need an updated capital Facilities Plan. What potential costs would be for an enclosure, but not right now. We explore the things with our attorney, and we look at, if we don't want to keep our

lagoons, what kind of mechanical system should be built. It is felt, we are buying a lot of time doing this. The engineers can come back with those price tags and costs.

Wes reminding if we dry up the lagoon, we won't save the whole \$5M there will still be costs to haul and dispose.

Brad asking if Paul included the costs of the blowers in his plan. Dennis responding, he did. Brad further asking if he also included the aeration system in that. Dennis responding, he had asked him to, but doesn't recall for sure if it is in there.

Heidi asking how much it will cost us to look t the reuse rights. Celeste responding, she talked to Brad about this, and he explained it is a very complex issue. Some discussion ensued relating to this. Brad stating, he would say the water that goes to the farm could be 100 percent reuse water. Brad explaining the state wants us to declare our water reuse. In order for us to make it truly reuse, we have to have the rights, but we don't. If we go to reuse, it gives us the ability to sell to others. But to do this, we have to get a contract from the water right owner to do this. This is very complicated and difficult to accomplish. Brad explaining the different types of reuse quality water and the requirements for each.

Celeste reaffirming, right now we are focusing on disposal while exploring these other options. But not holding up our decision now.

Celeste asking Brad if he is clear on what he needs to do? Brad responding, yes we are going to move the aeration up, get rid of the land disposal, winter storage, and the time frame when we have to get the new mechanical plant moves up. This is simple based on the discussions tonight.

Heidi asking if we are going to move forward with the farm shed, laboratory, etc. Discussion continued on impact fee related items portion of the fee.

The decision was to continue collecting the impact fee and leave these projects as existing.

Steve asking about the rates. **Brad will get his new numbers to Zion's as quick as he has them so the new adjustments can be presented next month.**

Motion "to continue this item so Brad can bring back his information next month." By Steve Farrell. **Second** by Don Huggard. **Voting**, all AYES. Motion carries. Item 8 Implementation for Expansion is continued to February 2022 meeting.

9. Consideration of closed session pursuant to Utah Code section 52-4-205

- ii. (c) Strategy session to discuss the purchase and or sale of real property.

No closed session.

DISCUSSION ITEMS:

1. **Manager's Updates.** – Dennis Gunn
Board expressing positive responses on the report.

Dennis stating going back to the desire to get the other side online. Dennis has asked WesTech to provide an estimate for truing the aerotors and help install new chains. We will then tack weld the cross members after securing with bolts, so they don't move. Their quote is for approx. \$18,000 to do this. Dennis asking if the board wants him to do this. The welding will be extra. Board authorizing this.

Mike asking about the JSSD agreement in the Manager's Report. This is mainly in there for a reminder we need to get this done. MSD is working on this also.

Steve mentioning with our attorney retiring, what do we want to do? Dennis stating, we can continue using Ray Quinney and Nebeker, it's only Craig Carlile who is retiring.

Celeste suggesting, we put this on the agenda next month.

2. Other Business

3. Adjourn

Motion” to adjourn” by Steve Farrell. **Second** by Brenda. **Voting**, all Ayes. Motion carries.
Meeting is adjourned.

Board Chair,
Celeste Johnson

District Manager
Dennis Gunn

