APPROVED

Timpanogos Special Service District
Administrative Board
Electronic Meeting Minutes
6400 North 5050 West Utah County, Utah

May 21, 2026 6:00 p.m. Conference Room/Electronic Meeting

Board Members Present:	Sullivan Love (Chair)	Blaine Thomas	David Bunker
	Chandler Goodwin	Joel Thompson	
Electronic:	Mark Christensen	Mack Straw*	Shane Sorensen
	Dave Norman	Neal Winterton*	Richard Nielson
Excused:	Brian Braithwaite		
District Staff:	Richard Mickelsen, District Manager		David Barlow, District Engineer
	Steven Carter, CFO		Sam Grimes, Treatment Manager
	Addison Winn, Risk Manager		Danette Smith, Board Secretary
	Joe Martin, CPA		
Others:	Mark Bell, Hayes Godfrey Bell PC		Mark Hansen, Brown and Caldwell
	Trevor Lindley, Brown and Caldwell		Ryan Bench, Carollo Engineers
	Brandon Wyatt, Bowen Collins		Japheth Mcgee, Zions Public Finance
	Naseem Ghandour, Vineyard (online)		

Call to Order

Sullivan Love, Board Chair, called the meeting to order. 6:05 p.m.

Public Comment

There was no public comment.

Approval of Minutes

1. Approval of minutes of April 16, 2026 Board Meeting

Chandler Goodwin made a motion to approve the minutes of the April 16, 2026, Board Meeting. David Bunker seconded the motion. Sullivan Love, Chair, took a roll call vote. Those voting "Aye" – Sullivan Love, Blaine Thomas, Joel Thompson, David Bunker, Chandler Goodwin, Mark Christensen, Mack Straw, Shane Sorensen, Neal Winterton, Richard Nielson, and Dave Norman. Those voting "Nay" – None. Brian Braithwaite was not present. The motion passed unanimously.

Closed Meeting

1. **To discuss Litigation, Property Acquisition, and Personnel**

Blaine Thomas made a motion to go into Closed Session for Litigation, Property Acquisition, and Personnel in the TSSD Conference Room. David Bunker seconded the motion. Sullivan Love, Chair, took a roll call vote. Those voting "Aye" – Sullivan Love, Blaine Thomas, Joel Thompson, David Bunker, Chandler Goodwin, Mark Christensen, Mack Straw, Shane Sorensen, Neal Winterton, Richard Nielson, and Dave Norman. Those voting "Nay" – None. Brian Braithwaite was not present. The motion passed unanimously. 6:07 p.m.

Others present at Closed Meeting: Richard Mickelsen, Mark Bell, Joe Martin, Steven Carter, and David Barlow

***Mack Straw and Neal Winterton left the meeting. 6:42 p.m.**

Chandler Goodwin made a motion to go back into regular session. Mark Christensen seconded the motion. Those voting "Aye" – Sullivan Love, Blaine Thomas, Joel Thompson, David Bunker, Chandler Goodwin, Mark Christensen, Shane Sorensen, Richard Nielson, and Dave Norman. Those voting "Nay" – None. Brian Braithwaite, Neal Winterton and Mack Straw were not present. The motion passed unanimously. 6:45 p.m.

Consent Calendar

1. **TSSD Check Register**
2. **TP-4/5 – Clarifier**
   a. **East Clarifier: Archer Western pay Request #20 ($176,658.20) retainage ($9,297.80)**
3. **Package A – Thermal Dryer**
   a. **Builders' risk insurance ($280,512)**
4. **Package B – Tertiary filtration and UV Disinfection**
   a. **Gerber pay Request #15 ($993,790.25) retainage ($52,344.75)**
5. **Package C – PCAD**
   a. **GMP2 Earthwork and Shoring – Alder Construction pay Request #8 ($96,377.51) retainage ($5,072.50)**
   b. **GMP3 digester Complex Piles and Deep Foundations – Alder Construction pay Request #15 ($897,400.55) retainage ($47,231.61)**
   c. **GMP4 Digester Complex –**
      i. **Alder Construction pay Request #3 ($1,130,864.46) retainage ($59,519.18)**
   d. **GMP EQ-01 Change order**
      i. **Oversight on time of 1,380 days (48 months) versus 180 days. Attached seven-page summary (detail 1,308 pages).**
      ii. **Quadrogen $368,632.77 booster blowers, VOC tank risers, additional analytical instrumentation, and pressure safety relief valve.**

There were no questions on the consent calendar.

David Bunker made a motion to approve the items on the Consent Calendar as presented. Blaine Thomas seconded the motion. Sullivan Love, Chair, took a roll call vote. Those voting "Aye" – Sullivan Love, Blaine Thomas, Joel Thompson, David Bunker, Chandler Goodwin, Mark Christensen, Shane Sorensen, Richard Nielson, and Dave Norman. Those voting "Nay" – None. Brian Braithwaite, Neal Winterton and Mack Straw were not present. The motion passed unanimously.

Finance

1. **Financial Report**

The April 2026 financials were in the board packet for review.

Action Items

1. **Tentatively Adopt the 2026 Tentative Amended Operations and Maintenance Budget and the 2026 Tentative Amended Capital Budget**

   a. **Set a Public Hearing Date for June 18, 2026, for the 2026 Tentative Amended Operations and Maintenance Budget and the 2026 Tentative Amended Capital Budget**

Rich said he needed to add his manager report to the budget book talking about moving to a Fiscal Year instead of a calendar year budget. The 2026 amended budget is approximate and is a calendar year budget. There is a change to the organizational chart by adding the Assistant District Manager, an RNG Lead Operator, and additional operators. There is a significant change in the amended budget as we go from calendar year to fiscal year, so it is 6 months instead of 12 months. It is approximately 50% reduction.

Rich said on the FY 2027 budget you will see the change from the 2026 adopted budget, not the amended as it is only six months. There are some significant changes in the general administration. There is a 25% change, which is mostly from the insurance review of our assets at the facility. Those assets that were not on the insurance list

were updated and costs increased by just over $200,000. Other changes were to salaries and benefits at about 12.6%, which includes the compensation policy we have, and the 4 extra positions mentioned earlier. We considered the increased solids we have been hauling as well as the cost of fuel and made that cost adjustment. Normally we would do 3%, we did 10.6% to cover those costs. Mark Christensen asked if we were given notice from North Pointe Solid Waste on the tipping fee increase. Rich said yes, we were notified and he has incorporated the $3/ton increase in the budget. We have another funding source in this with the $200 million bond that we will talk about later in the meeting.

The capital improvement budget is listed as well as revenues, actuals of wastewater treatment fees, impact fees and salaries. We continue to follow the plan that we set forth with the 2020 Master Plan, User Rate Study, and IFAP, IFFP. The plan is to set a public hearing for June 18, 2026, for the budgets. David Bunker asked for clarification about the impact fees and why they are more than double 2026 and we are trending down. Rich said the 2026 amended is just for half of the year. David said he understands that but is a little concerned about it. Richard said we are using the engineer's numbers on that with our IFFP, CFP and IFA and that is what the numbers are coming out with the correction made in December. Rich said, looking at the impact fee report, we collect about 70% of those impact fees every month, but this is what is recorded in our studies and documentation. David said he is not super worried about it, we can always budget amend and impact fees are a fund account set aside for eligible capital improvements, so we need to keep an eye on that. Rich said there are also grants or other funding we expect to receive. Our finance tax advisors have looked at Package C (PCAD) and what is potentially refunded to us once the project is complete. It is $143 million, if we follow the criteria required, and we have met two of those already. The other is that we need to know the total cost of the project to see if we cross the 5% threshold. We anticipate that refund in 2029-2030 once that project is over.

Chandler Goodwin made a motion to tentatively adopt 2026 Tentative Amended Operations and Maintenance Budget and the 2026 Tentative Amended Capital Budget and set a public hearing date for June 18, 2026, for the 2026 Tentative Amended Operations and Maintenance Budget and the 2026 Tentative Amended Capital Budget. Joel Thompson seconded the motion. Those voting "Aye" – Sullivan Love, Blaine Thomas, Joel Thompson, David Bunker, Chandler Goodwin, Mark Christensen, Shane Sorensen, Richard Nielson, and Dave Norman. Those voting "Nay" – None. Brian Braithwaite, Neal Winterton and Mack Straw were not present. The motion passed unanimously

2. **Resolution 2026-04: Budget to Fiscal Year – FY 2027**
    a. **Tentatively Adopt the FY 2027 Tentative Proposed Operations and Maintenance Budget and the FY 2027 Tentative Proposed Capital Budget**
    b. **TSSD Draft FY 2027 budget book**
    c. **Set a Public Hearing Date for June 18, 2026, for the FY 2027 Tentative Proposed Operations and Maintenance Budget and FY 2027 Tentative Proposed Capital Budget**

Rich said as we are moving from a special service district to a local district (Utah County Commission Public Hearing - June 10, 2026). This resolution 2026-04 is to mover from a calendar year budget to a fiscal year budget and to tentatively adopt the FY 2027 tentative proposed budgets and set the public hearing.

Blaine Thomas made a motion to approve Resolution 2026-04 Budget to Fiscal Year – FY 2027, Tentatively Adopt the FY 2027 Tentative Proposed Operations and Maintenance Budget and the FY 2027 Tentative Proposed Capital Budget, and Set a Public Hearing Date for June 18, 2026 for the FY 2027 Tentative Proposed Operations and Maintenance Budget and FY 2027 Tentative Proposed Capital Budget. Chadler Goodwin seconded the motion. Sullivan Love, Chair, took a roll call vote. Those voting "Aye" – Sullivan Love, Blaine Thomas, Joel Thompson, David Bunker, Chandler Goodwin, Mark Christensen,

Shane Sorensen, Richard Nielson, and Dave Norman. Those voting "Nay" – None. Brian Braithwaite, Neal Winterton and Mack Straw were not present. The motion passed unanimously.

3. Set a Public Hearing Date for June 18, 2026, for the Delegating Bond Resolution

a. Zions summary report (TSSD Finance Committee)

Chandler Goodwin said Rich asked him to give a presentation on the District's 2026-2028 debt plans. Chandler said the expected borrowing over the course of the next 3 years is $200 million in 2026, $200 million in 2027 and $120 million in 2028. Last year we spoke about the WIFIA program and the money we can obtain from the Federal Government. Chandler said according to Rich, to keep the projects going, there could be the need for additional money up to $125 million in February 2027. We are looking at that as a short-term line of credit or bond to use as a stop gap measure until the WIFIA money becomes available. We are anticipating WIFIA funds of $335-$390 million in May 2027, as we make that application for WIFIA funds, which usually takes about a year. The $125 million loan would be immediately re-paid from the WIFIA funds.

The question looked at by the Finance Committee was a 20-year term vs a 30-year term. The tax credit expected from the use of the WIFIA program is $143 million (40%) which becomes available in 2029-2030. That would be used to repay the WIFIA loan vs traditional bonding which is (25%) $90 million refund. In September 2025, the board approved an application for $580 million to WIFIA loan program. The WIFIA loan funds 49% of total project with 51% coming from cash on hand revenues and borrowing. These funds are callable at any time so that is a nice feature we can use to our advantage. With WIFIA the application is a little more demanding as well as the compliance and it has a slightly higher interest rate.

Chandler said we have already approved the 15% rate increase for 2027. As we look at that pro forma over time, we are always watching that debt service coverage with and without impact fees. In 2028-2029 is where it becomes the most stressed because that is when most of the debt comes online. Even under our current pro forma in 2029 we are at 1.3% debt coverage, and we need to maintain 1.25%. If there is a slowdown in development, that is something we will have to watch, as it does go down to .81 in 2029 if there are no impact fees collected.

The 30-year period is a lower debt service up front and minimizes the likelihood of rate increases. There have been expressions of concern from some of the member cities which are to be expected. The 30-year loan extends over the course of the asset itself which means the people who are using the asset are paying for it over the course of the life of the asset. Despite the savings in a 20-year borrowing period, the Finance Committee is recommending the board seek out a 30-year period just to keep those user rates as reasonable as we can.

The project meets the requirement of beginning before January 1, 2025, and we have up to $143 million in that tax credit. We can apply for up to $401 million WIFIA funding. Rich said it varies with project costs, if you add those projects together and multiply by 49%, WIFIA will loan us up to that amount. Chandler said that it becomes money you can call on, you do not need to use all of it but can use just what you need. That gives Rich the flexibility to get these projects done under this WIFIA funding. The Finance Committee is recommending the $395 million WIFIA loan application. Mark Christensen thanked Chandler and said the Finance Committee discussed and are mindful about all our options. We are trying to give ourselves as much flexibility as we can while also trying to find a balance in making sure the people that are using it at the appropriate time are helping to pay their proportionate share.

David Bunker said he agrees that the 30-year term is better. Yes, we pay more interest, but he thinks it is the right decision. David said timing matters with everything. American Fork went out to bond, and they knew they would go out for that bond a year and a half ago and they deliberately tried to be in the market in January. They saved a lot of money being in the market when they did. Chandler said under WIFIA, you can make the application and get an interest rate, then you can at no cost and one time get a lower rate if it drops before you start drawing on that funding. David said the data shows if you are in the market in January vs October, your tick will probably be better in January. Japheth said it is hard to time the markets. Chandler said the timing of this is important because the reason we may need the money in February is as a stop-gap measure to keep these projects moving along, even though the WIFIA money will be available in May (3 months later). Chandler asked if we

wait from October to January would that put us in a bind to not have that money. Rich said we have forty-five projects, with two completed. These projects are coming online, and we need money to pay for these. The money from the 2024 bond should be spent by this October which means we need more money to pay for these tax-exempt projects. The taxable project is package C (PCAD), which is a separate set of money we are trying to get from WIFIA. We are only going for the February money if we need it. We are trying to pay as we go, and the board has been clear to spend the money we have before we go out for another bond. To carry it through to January, it could be tight if we bring the LS-1 and CL-N2 projects online. Japheth said he could do a historical analysis of rates at different times of the year. He does not really know that time of year is as big a factor as what is going on in the overall economy and that is hard to predict. Mark Christensen said the finance committee debated as to the ideal time to issue the debt. If we do not spend the money fast enough then we have the flexibility to delay, and if we are on target, we are going to have to take the market as we see it as we get close to those dates. David Bunker said we can get prepped and ready and then just see what it looks like. David said he is trying to be as frugal as he can with the interest rates.

Rich said this action item is to set the public hearing date for June 18, 2026, for the delegating bond resolution. We need fourteen days' notice before we can approve that delegating bond resolution and then next month the board can approve it. Sullivan said he appreciates the presentation by Chandler and all the work the finance committee has done. It is true that the citizens are concerned about rate increases because we are seeing rate increases from multiple districts. Sullivan is fearful that construction costs are going to go up more because of all the data center construction. Sullivan has heard of some trades paying up to $150 per diem to get trades people out on projects. Sullivan hopes that does not affect us, but something to keep in mind.

David Bunker said we have this master indenture as part of us being part of the county. We will no longer be part of the county once we make the change July 1, 2026. Do we need to look at the verbiage in this document that talks about the master indenture. Rich said that would be a question for Eric Hunter, Bond Counsel. Rich's understanding is that since we are still a special service district, we need to function as one and as we transfer over to the sanitary sewer district then the language carries over according to the Utah Law.

Mark Christensen made a motion to Set a Public Hearing Date for June 18, 2026, for the Delegating Bond Resolution. Chandler Goodwin seconded the motion. Sullivan Love, Chair, took a roll call vote. Those voting "Aye" – Sullivan Love, Blaine Thomas, Joel Thompson, David Bunker, Chandler Goodwin, Mark Christensen, Shane Sorensen, Richard Nielson, and Dave Norman. Those voting "Nay" – None. Brian Braithwaite, Neal Winterton and Mack Straw were not present. The motion passed unanimously.

4. Brown & Caldwell

a. TO 2025-03 Pkg C CMP4 ESDC Amendment 1 ($2,631,034)

b. TO 2025-04 Pkg A ESDC Amendment 1 ($465,807)

Rich said these amendments are for Engineering Services During Construction to amend both TO 2025-03 and TO 2025-04. When they put the price together for these task orders, they failed to put the price for ESDC. This is an amendment to add $2,631,034 for Pkg C and $465,807 for Pkg A. Rich said Mark Hansen, CM from Brown and Caldwell was present and would answer any questions the board had. There were no questions from the Board.

Chandler Goodwin made a motion to approve Brown and Caldwell Amendment TO 2025-03 Pkg C CMP4 ESDC Amendment 1 for $2,631,034 and TO 2025-04 Pkg A ESDC Amendment 1 for $465,807. Richard Nielson seconded the motion. Those voting "Aye" – Sullivan Love, Blaine Thomas, Joel Thompson, David Bunker, Chandler Goodwin, Mark Christensen, Shane Sorensen, Richard Nielson, and Dave Norman. Those voting "Nay" – None. Brian Braithwaite, Neal Winterton and Mack Straw were not present. The motion passed unanimously.

5. SR-1 60-inch Outfall Rehabilitation Project – Insituform ($6,591,985.00)

Rich said this is the outfall line from BHLS to the plant. It is a 60-inch concrete reinforced line. Several years ago, we inspected it and it was in poor condition. We have monitored to see if we could make it through as we initially thought we would not be using that asset again. It will be another 4 or 5 years before we get the new BHPS online and this line needs to last that long and it is questionable whether it will. Insituform is on the state contract, and we have a bid from them for $6,591,985.00. We looked at this with our master plan and when we hit 2040 flows, we do not meet those peak flows and this is an asset we could use at that time, so it is not completely abandoned. David Bunker asked if this is in the IFFP and if there is a portion that is impact fee eligible, if we are going to take peak flows from a future date. Rich said it is in the IFFP, but he does not think the impact fee eligibility has been updated to accommodate those 2040 peak flows. Rich said we will look at that. David would like us to look at the IFFP and make sure it is calculated correctly.

David Bunker made a motion to award the SR-1 60-inch Outfall Rehabilitation Project to Insituform for $6,591,985.00. Mark Christensen seconded that with the admonition to add that to the IFFP as appropriate. David Bunker approved of that amendment to the motion. Those voting "Aye" – Sullivan Love, Blaine Thomas, Joel Thompson, David Bunker, Chandler Goodwin, Mark Christensen, Shane Sorensen, Richard Nielson, and Dave Norman. Those voting "Nay" – None. Brian Braithwaite, Neal Winterton and Mack Straw were not present. The motion passed unanimously.

Communication

1. Manager's Report

Rich said Utah County has approved the land swap with our trail easements so those are now complete. That is a good development, and we are moving along according to our plans.

a. Plant performance

Rich said we are meeting our permit parameters. Rich added the landfill biosolids data by weekly averages and weekly max. Last year's average was 780 tons/week and right now we are 993 tons/week.

Adjourn: David Bunker made a motion to adjourn. Chandler Goodwin seconded the motion. All present "Aye." Meeting adjourned. 7:38 p.m.