

MINUTES
CENTRAL VALLEY WATER RECLAMATION FACILITY
Thursday, April 20, 2023
Central Valley Board Room
4:00 p.m.

Board Members Present:

Chair Debra Armstrong
Alternate Member Mark Chalk
Alternate Member Greg Neff
Member Jeff Monson
Member Giles Demke
Alternate Member Ben Ford
Alternate Member Dennis Pay

Granger-Hunter Improvement District
Taylorsville-Bennion Improvement District
Cottonwood Improvement District
Kearns Improvement District
Mt Olympus Improvement District
Murray City
City of South Salt Lake

Staff Members Present:

Phillip Heck
Brandon Heidelberger
Justin Zollinger
Graham Gilbert
Jake Crookston
Cindie Foote

General Manager
Assistant General Manager
Chief Financial Officer
Legal Counsel
IT Manager
Employee Services Manager

Staff Members Present Electronically:

Chris Reilley
Bryan Mansell

Maintenance Manager
Chief Engineer

Member Entity Representatives Present:

Kerry Eppich
Jason Helm
Austin Ballard

Mt Olympus Improvement District
Granger Hunter Improvement District
Granger Hunter Improvement District

Member Entity Representatives Present Electronically:

Stephen Rohwer

Mt Olympus Improvement District

Visitors Present:

Trevor Lindley
Neil Kunz

Brown and Caldwell Engineers
Brown and Caldwell Engineers

Visitors Present Electronically:

Skylar Davies
Dan Griffin

Department of Water Quality
Department of Water Quality

A complete copy of each exhibit referred to in these minutes is filed in the official Central Valley Water Reclamation Facility Board Book. Chair Debra Armstrong conducted the meeting. Debra Armstrong led the Pledge of Allegiance.

APPROVAL OF MINUTES

Jeff Monson made a motion to approve the meeting minutes of the March 22, 2023 Board meeting as presented.

MOTION: Jeff Monson
SECOND: Debra Armstrong

The motion passed with the following individuals voting in the affirmative: Debra Armstrong, Mark Chalk, Greg Neff, Dennis Pay, Jeff Monson, Ben Ford, and Giles Demke.

Jeff Monson made a motion to approve the meeting minutes of the March 22, 2023 Board Strategy Session as presented.

MOTION: Jeff Monson
SECOND: Debra Armstrong

The motion passed with the following individuals voting in the affirmative: Debra Armstrong, Mark Chalk, Greg Neff, Dennis Pay, Jeff Monson, Ben Ford, and Giles Demke.

GENERAL MANAGER COMMENTS

- 1. Facility Construction Tour** – Reminder of the construction tour on May 24, 2023 immediately following the May board meeting. Board members and managers and staff are invited.
- 2. WEAU Annual Conference** – The annual conference is next week in St. George. We have two employees presenting at the conference and we have a team participating in the Challenge competition.
- 3. Great Utah Shake Out** – CVWRF participated in the State's Shake Out. Some good information was sent out by our Safety Department personnel regarding earthquake preparedness and safety. We will share this information.

FINANCIAL REPORT

Mr. Justin Zollinger presented the quarterly financial report highlighting each department's actual expense compared to budget target. Some departments are running a bit higher than the 25 percent target, however the Facility overall is below target. Some of the overages are due to increased chemical and fuel costs.

Mr. Zollinger explained how British Petroleum calculates their fuel costs and how these calculations largely impacted CVWRF in January. In an effort to control and mitigate costs, we quickly moved and changed over to alternate energy sources and employed other

conservations methods where we could. Had we not been proactive, we estimate that our bill would have been ~\$276K more in the month of January. Quick thinking and quick action reduced the cost implications to approximately \$200-\$240K. In the future we will use hedges and rate locks to control costs.

Mr. Zollinger reported on the bond disclosure documents he prepares. These documents show the Facility's financial health, reserves, and coverage ratio. Our bond covenants for coverage ratio are set at 1.25 percent. Our current reserves are approximately \$7.8M. The Board has authorized revenue retention up to a limit of \$9.4M. We are at approximately 83 percent of Board authorized retention.

Discussion ensued regarding the use of reserves for capital costs thereby reducing the amount of necessary bond funding. Bond interest rates are higher than they were at the last bond issuance, and it may make fiscal sense to lower the bond issuance to save on interest and issuance costs.

RETIREMENT COMMITTEE REPORT

Mr. Zollinger stated the Retirement Committee met on March 23, 2023 to review the status of CVWRF's retirement plan and investment fund performance.

He reported that four investment funds were removed. Three funds were removed due to poor performance and one fund removed due to a high expense ratio. The funds that were replaced for poor performance are: PIMCO TOT RETURN ADM; INVS DEVELOP MKT Y; GLENMEDE LG CAP CORE. The fund removed for high expense ratio is JPM US SMALL CO A.

The replacement funds for the poor performers are FID TOTAL BOND; JPM US EQUITY; FID EMERGING MKTS. The potential replacement fund for the high expense ratio fund is PIF SMALL CAP R4.

One investment fund remained on the watchlist, but it has improved from the prior year. The fund is JH TRITON T.

The Committee is considering a couple of changes to the 401K retirement plan. The first change is allowing the employees to purchase an in-plan annuity plan with age and years of service restrictions. The second change is allowing an option for employees to convert some in-plan funds to an after-tax Roth IRA. These changes were presented to Fidelity and more research and information will be forthcoming and the Committee will meet again as soon as information is available.

FLOOD MITIGATION PLANNING UPDATE

Dr. Heck indicated that there may be potential for some flooding in the Salt Lake Valley. CVWRF has a Flood Emergency Response Plan which has been in place since 2013. We

have reviewed this plan and have been implementing some of the phases of the plan. One area of the Facility that could be at risk is the north ramp that goes into the tunnel system. The entrance to that ramp is three feet above the 100-year flood level. That is a potential point where the waters of the Millcreek could back up and enter the tunnel. Several years ago, we had a gate fabricated that is approximately 2 ½ feet tall that can be placed on the entrance to the ramp thereby raising the flood level by same height. As part of preparation, we have tested the gate and it still fits and works correctly.

There is another risk at the UV Building. The lamp modules sit in the channel and the risk is that water from the Millcreek could flood and back up into the UV system. The lamps are six feet tall vertically. There is about three inches of clearance on the water level which requires operation to be strictly controlled with gates so as not to flood into the top of the lamp. Our mitigation plan is to pull the modules out of the channels to protect the equipment. We have notified the State of this plan as we may be in violation of permit for a few days until flooding subsides. This plan would put CVWRF out of compliance for days versus months if the equipment were to be flooded and rendered inoperable.

We have also purchased and filled a large quantity of sandbags. We have removed debris from the vitro ditch, bar racks and other places where water potentially could back up and flood areas of the Facility. We have verified that bypass bar screens are operable. Each potential area of flooding has been reviewed and mitigation measures have been taken to ensure that the Facility can withstand a potential flood event.

RECOMMENDATION FOR FEDERAL GRANT AWARD FOR DEWATERING PROJECT

CVWRF has received notification from Congressman Burgess Owens' office that he has recommended CVWRF be appropriated \$5M in Community Project funds for dewatering equipment purchase.

CVWRF also made an application to Congressman Chris Stewart's office for digester covers on Digesters 1 & 2. At this time, we have not received any communication from his office regarding the status of the application.

APPROVAL OF CHANGE ORDER FOR SIDESTREAM P PROJECT

Mr. Brandon Heidelberger stated CVWRF is nearing completion of the Sidestream Phosphorus Removal Project. In preparation for start-up and commissioning, CVWRF consulted with, and visited other wastewater treatment plants that have similar systems to observe operation and maintenance procedures. From these observations and discussions came some important design enhancements that we are recommending to better mitigate the adverse effects of struvite formation in the discharge piping. This will help improve the overall maintenance and operability of the system.

CVWRF personnel have requested redundant discharge piping to allow for maintenance/cleaning, shorter and straighter piping runs to the downstream Blend Tank, additional clean-out/flushing ports, dismantling joints at key locations, extending the hot water pressure washer system piping in the tunnels to the top of the reactor tanks. The additional piping will be routed overhead from the overflow of the reactor tanks to the Blend tank by the SSP Building. Piping on the outside of the building will be heat traced and insulated.

A cost proposal was received from Alder Construction for installation of the modifications in the amount of \$290,607. Contingency funds on the capital construction budgets will be allocated to cover the additional cost of this work. There will also be an increase of 120 days to the project schedule.

Jeff Monson made a motion to approve the change order to Alder Construction for Piping Modifications to Sidestream Phosphorus Removal in the amount of \$290,607 and a schedule increase of 120 days.

MOTION: Jeff Monson

SECOND: Greg Neff

The motion passed with the following individuals voting in the affirmative: Debra Armstrong, Mark Chalk, Greg Neff, Dennis Pay, Jeff Monson, Ben Ford, and Giles Demke.

CAPITAL PROJECTS UPDATE

Mr. Kevin Gallagher presented a video showing the following projects:

- Blower Building Project
- BNR Basins Project
- Side-Stream Phosphorus Removal Process
- Side-Stream Nitrogen Removal Project
- Thickening and Straining Building Project

INFORMATIONAL ITEMS

Debra Armstrong stated that the performance/flow monitoring, and engineering projects reports are included in the board packet.

There were no further comments or questions.

ADJOURNMENT

Jeff Monson made a motion to adjourn.

MOTION: Jeff Monson

SECOND: Greg Neff

The motion passed with the following individuals voting in the affirmative: Debra Armstrong, Mark Chalk, Greg Neff, Dennis Pay, Jeff Monson, Ben Ford, and Giles Demke.

The meeting adjourned at 5:14 p.m.

Cindie Foote
Board Secretary

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