

MINUTES
CENTRAL VALLEY WATER RECLAMATION FACILITY
Wednesday, July 26, 2023
Central Valley Board Room
4:00 p.m.

Board Members Present:

Chair Debra Armstrong	Granger-Hunter Improvement District
Vice Chair Don Russell	Taylorsville-Bennion Improvement District
Member Wesley Fisher	Cottonwood Improvement District
Alternate Member Greg Anderson	Kearns Improvement District
Member Giles Demke	Mt Olympus Improvement District
Alternate Member Ben Ford	Murray City
Alternate Member Dennis Pay	City of South Salt Lake

Staff Members Present:

Phillip Heck	General Manager
Brandon Heidelberger	Assistant General Manager
Justin Zollinger	Chief Financial Officer
Graham Gilbert	Legal Counsel
Jake Crookston	IT Manager
Cindie Foote	Employee Services Manager
Sharon Burton	Plant Superintendent
Chris Reilley	Maintenance Manager
Chad Fryrear	Operations Department
Cooper Fryrear	Buildings/Grounds Department
Joshua Hunsaker	Operations Department
Darin Morris	Operations Department
Isaac Talbot	Safety Manager
Jay Nowell	Electrical Department
Justin Miller	Electrical Department

Member Entity Representatives Present:

Kerry Eppich	Mt Olympus Improvement District
Mark Chalk	Taylorsville-Bennion Improvement District
Jason Helm	Granger Hunter Improvement District
Austin Ballard	Granger Hunter Improvement District
Brandon Richards	Murray City
Greg Neff	Cottonwood Improvement District
Spencer Evans	Cottonwood Improvement District

Visitors Present:

Trevor Lindley	Brown and Caldwell Engineers
Gary Faulkner	Retired CVWRF Plant Superintendent
Margie Faulkner	
Christian Scott	Golf the Round

David Robertson

Lewis Young Robertson Burningham

Visitors Present Electronically:

Dan Griffin
Skylar Davies

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. Don Russell led the Pledge of Allegiance.

APPROVAL OF MINUTES

Debra Armstrong made a motion to approve the meeting minutes of the June 28, 2023 Board meeting as presented.

MOTION: Debra Armstrong
SECOND: Don Russell

The motion passed with the following individuals voting in the affirmative: Debra Armstrong, Don Russell, Dennis Pay, Greg Anderson, Ben Ford, and Giles Demke.

Wes Fisher arrived at 4:03 p.m.

GENERAL MANAGER COMMENTS

- 1. CVWRF Annual Golf Tournament** – The annual golf tournament will be held Monday, August 14, 2023 at Westridge Golf Course. If you would like to join, registrations should be mailed back to CVWRF attention Jeremy Deppe.

ADOPT RESOLUTION OF APPRECIATION – GARY C. FAULKNER

Debra Armstrong read into the record a resolution of appreciation to Mr. Gary C. Faulkner who retired from Central Valley Water Reclamation Facility after 45 years of service. Many staff members were in attendance to show their support and appreciation for Mr. Faulkner. Mr. Faulkner accepted a framed copy of the resolution as each Board member shook hands with him and wished him well in retirement.

Giles Demke made a motion to adopt the resolution of appreciation to Mr. Faulkner.

MOTION: Giles Demke
SECOND: Wesley Fisher

The motion passed with the following individuals voting in the affirmative: Debra Armstrong, Don Russell, Dennis Pay, Greg Anderson, Ben Ford, Wesley Fisher, and Giles Demke.

BOARD SERVICE APPRECIATION AWARD – SHARLA BYNUM

Don Russell made a motion to reschedule this agenda item to the August board meeting.

MOTION: Don Russell

SECOND: Debra Armstrong

The motion passed with the following individuals voting in the affirmative: Debra Armstrong, Don Russell, Dennis Pay, Greg Anderson, Ben Ford, Wesley Fisher, and Giles Demke.

UPDES AMMONIA PERMIT LIMIT EXCEEDANCE - JUNE

Dr. Heck stated that we did exceed the permit limit for the average ammonia concentration in June. The limit is 5.3 mg/L, and the Facility average was 6.3 mg/L. We did meet our maximum daily concentration and monthly loading limits. We have notified the Division of Water Quality and received a response from the Director, John Mackey. Dr. Heck read excerpts from the letter wherein Mr. Mackey thanked CVWRF for the notification and expressed appreciation to the CVWRF team, noting our determination, creativity, and investments in clean water for Utah. He went on to state that CVWRF has made remarkable progress in getting our nitrogen and phosphorus removal systems in place and meeting water quality objectives.

Some process changes were made with the aeration blowers which allowed us to operate a fourth blower. This additional blower improved the ammonia removal and dropped the effluent ammonia concentrations to less than 1.0 mg/L. With this change, the Facility should be substantially under permit limits in future months.

DISCUSSION AND APPROVAL OF CHANGES TO THE EMPLOYEE HANDBOOK/ADMINISTRATIVE POLICIES AND SALARY SURVEY RESULTS IMPLEMENTATION

Mrs. Cindie Foote stated that the Employee Services Committee met on July 10, 2023 to discuss the proposed changes to the Employee Handbook, the Administrative Policy, and the results of the salary survey and recommendations.

The proposed changes to the Employee Handbook include removing the Operator I certification requirement for the maintenance painter; and the addition of two holidays. It is the recommendation of the Committee that the certification requirement be removed. CVWRF currently observes nine holidays. CVWRF polled our seven entities, along with the State, and the average number of holidays observed was 12. The Committee recommends adding Juneteenth and Veterans Day, bringing the total observed holidays to 11. There were no comments or questions from the Board on these recommendations.

The proposed changes to the Administrative Policy include additional language in both the travel and vehicle policies. The Committee recommends changing the Travel Policy which adds language that suggests using available designated pool vehicles for in-state travel in lieu of using a personal vehicle. Additional information was put in the Vehicle Policy which

addresses acceptable use of CVWRF owned vehicles. These additions conform with State's vehicle policies.

Greg Anderson expressed concern with the optics of not observing Martin Luther King Day as opposed to Juneteenth. Debra Armstrong stated that the Committee discussed both holidays and concluded that they would use the employee survey results which indicated Juneteenth rated higher than Martin Luther King Day. Ben Ford asked if a floating holiday was discussed instead of a specific holiday observation. Mrs. Foote indicated that we had discussed this, however it was determined that because CVWRF is 24/7, managing for shift coverage and tracking purposes would prove to be challenging.

Mrs. Foote discussed the approach and methodology and source data used to conduct the 2023 salary survey. It is noted that the major adjustments made following the 2020 survey have kept pace with the market and very few adjustments are necessary to stay at the Board's recommended seventy fifth percentile.

After a review of each position recommended for increase, the Committee recommended that the Board implement the salary increases as proposed. The overall effect on the annual wage budget will be 0.22 percent.

Wesley Fisher made a motion to approve the changes to the Employee Handbook and the changes to the Administrative Policy as outlined above and as stated in the board book.

MOTION: Wesley Fisher
SECOND: Don Russell

The motion passed with the following individuals voting in the affirmative: Debra Armstrong, Don Russell, Dennis Pay, Greg Anderson, Ben Ford, Wesley Fisher, and Giles Demke.

Debra Armstrong made a motion to implement the salary increases into the 2024 budget as outlined in the 2023 salary survey.

MOTION: Debra Armstrong
SECOND: Don Russell

The motion passed with the following individuals voting in the affirmative: Debra Armstrong, Don Russell, Dennis Pay, Greg Anderson, Ben Ford, Wesley Fisher, and Giles Demke.

DISCUSSION AND APPROVAL OF THE FIRST AMENDMENT TO THE GROUND LEASE AGREEMENT WITH DAKOTA PACIFIC

Dr. Heck stated that Dakota Pacific has requested a two-year extension to the lease agreement in order to allow more time to get financing due to current commercial real estate lending issues in the banking industry. This was discussed previously with the board. A

copy of the negotiated amendment is in the board book. There are several other additions that are clean up in the language in the original lease agreement.

- Initial Term, 2A. The two-year extension for the lease start date is shown now as October 31, 2025.
- Rent, 2B. This provides a potential escalation of lease payments that are paid to CVWRF pursuant to the Golf Course Lease to account for a two-year extension in the start date.
- Utility Installation Right, 2C. This further clarifies the Recapture Parcel boundaries should CVWRF need this property and gives CVWRF the ability to install piping and other utilities under a portion of the leased property adjacent to, but not contained in, the Recapture Parcel.
- Adjusted Gross Income, 2D. In the original lease agreement, Dakota Pacific had the option of accelerating their 15-Year annuity payout to Christian Scott. The amendment eliminates this option and clarifies the name to which the annuity payments are made from Christian Scott to Christian Scott Golf Management, LLC.
- List of Permitted Uses, 2E. Warehousing has been further defined to include refrigerated warehousing. Retail (Accessory and subordinate to the warehouse/industrial use) has been added with a very detailed description.
- Depiction of Premises, 2F. Exhibit A has been replaced with a new map showing the updated recapture parcel and adjacent utility installation areas.

Greg Anderson asked about timing. If in two years Dakota Pacific is still in the same position with financing, what happens? Dr. Heck responded that the agreement expires without final execution.

Giles Demke reiterated his position of disagreement with the original lease agreement. He also stated that when this was discussed with the Board last month, his understanding was that it was only a straight contract extension. He would like more time to discuss the other items that are being proposed.

Mr. Demke also stated that in the previously approved original agreement, retail was specifically excluded. This amendment allows retail and could potentially increase the Facility's liability. He disagrees with this addition.

Mr. Demke would like to see a "working copy" document showing what language was stricken from the original lease document and what was added. Graham Gilbert indicated this can be provided.

Wesley Fisher stated he would agree that more time could be taken to review the new terms being discussed today.

Dr. Heck stated that Dakota Pacific is under a hard deadline of July 31, 2023 with Christian Scott to extend two years. To that end, if the Board is willing, we can exclude the other items of the Amendment until the Board has had additional time to review, and only approve Amendment 1 to include Items 2A – Initial Term, and 2B - Rent.

Mr. Wesley Fisher made a motion to approve Amendment 1 with Items 2A – Initial Term, and 2B – Rent with conforming changes to the rest of the document. All other changes to Amendment 1 as shown will be eliminated and discussed at a later date.

MOTION: Wesley Fisher

SECOND: Dennis Pay

The motion passed with the following individuals voting in the affirmative: Debra Armstrong, Don Russell, Dennis Pay, Greg Anderson, Ben Ford, Wesley Fisher. Giles Demke voted nay.

CAPITAL PROJECTS UPDATE

Mr. Kevin Gallagher presented a drone video of the following projects:

Blower Building Project

BNR Basins Project

Side-Stream Phosphorus Removal Project Side-Stream Nitrogen Removal Project

Thickening and Straining Building Project

Mr. Brandon Heidelberger stated that the 90 percent design meeting for the Dewatering Design project was held July 11, 2023. The design will be ready for bid in September. Some of the equipment procurement, such as dewatering centrifuges, gravity belt filters, and the electrical switchgear will be presented to the Board over the next two months. The Engineer's Cost Estimate will also be updated.

CLOSED SESSION TO DISCUSS THE DEPLOYMENT OF SECURITY PERSONNEL, DEVICES, OR SYSTEMS

At 5:09 p.m. Don Russell made a motion to go into closed session to discuss the deployment of security personnel, devices, or systems.

MOTION: Don Russell

SECOND: Wesley Fisher

The motion passed with the following individuals voting in the affirmative: Debra Armstrong, Dennis Pay, Giles Demke, Wesley Fisher, Ben Ford, Greg Anderson, and Don Russell.

At 5:45 p.m. Greg Anderson made a motion to come out of closed session.

MOTION: Greg Anderson

SECOND: Don Russell

The motion passed with the following individuals voting in the affirmative: Debra Armstrong, Dennis Pay, Giles Demke, Wesley Fisher, Ben Ford, Greg Anderson, and Don Russell.

INFORMATIONAL ITEMS

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

There were no further comments or questions.

ADJOURNMENT

Giles Demke made a motion to adjourn.

MOTION: Giles Demke

SECOND: Dennis Pay

The motion passed with the following individuals voting in the affirmative: Debra Armstrong, Don Russell, Wes Fisher, Dennis Pay, Greg Anderson, Ben Ford, and Giles Demke.

The meeting adjourned at 5:46 p.m.

Cindie Foote
Board Secretary