

**MINUTES**  
**CENTRAL VALLEY WATER RECLAMATION FACILITY**  
**Wednesday, March 27, 2024**  
**Central Valley Board Room**  
**3:00 p.m.**

**Board Members Present:**

Chair Debra Armstrong	Granger-Hunter Improvement District
Vice Chair Don Russell	Taylorsville-Bennion Improvement District
Member Kim Galbraith	Cottonwood Improvement District
Member Cheryle Hatch	Kearns Improvement District
Member Keith Lord	Mt Olympus Improvement District
Member Brett Hales	Murray City
Member LeAnne Huff	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
Sharon Burton	Plant Superintendent
Kevin Gallagher	Construction Supervisor
Bryan Mansell	Chief Engineer
Chris Reilley	Maintenance Manager
Mike Lee	Controller
Cindie Foote	Employee Services Manager

**Member Entity Representatives Present:**

Greg Anderson	Kearns Improvement District
Spencer Evans	Cottonwood Improvement District
Greg Neff	Cottonwood Improvement District
Jason Helm	Granger Hunter Improvement District
Giles Demke	Mt Olympus Improvement District
Stephen Rowher	Mt Olympus Improvement District
Ben Ford	Murray City
Brandon Richards	Murray City
Bruce Hicken	Taylorsville-Bennion Improvement District

**Visitors Present:**

Steven Rowley	Keddington & Christensen
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**Visitors Present Electronically:**

Skyler Davies	Department of Water Quality
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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. Keith Lord led the Pledge of Allegiance.

### **APPROVAL OF MINUTES**

Kim Galbraith made a motion to approve the minutes of the February 28, 2024 board meeting and strategy session as presented.

MOTION: Kim Galbraith

SECOND: Don Russell

The motion passed with the following individuals voting in the affirmative: Debra Armstrong, Don Russell, Keith Lord, LeAnne Huff, Brett Hales, Kim Galbraith, and Cheryle Hatch.

### **PUBLIC COMMENTS**

No comments were received.

### **GENERAL MANAGER COMMENTS**

- 1. April Board Meeting** – Reminder that the next meeting will be held Thursday, April 18, 2024 due to WEAU Annual Conference.
- 2. CVWRF Employee Service Project** – Employees raised \$1,287 for Roy Elementary School, a Title I elementary school. With that money we purchased supplies and necessities for students who couldn't otherwise afford these items.
- 3. Golf Course Property Development Information** – The Redevelopment Agency of South Salt Lake City held a public hearing on March 13, 2024. No comments were received. It will go before the City Council for approval this evening. LeAnne Huff indicated that she did not anticipate any issues with the approval.
- 4. Headworks Influent Pumps** – On March 15, 2024 there was an arc flash explosion in some of the switchgear that operates the influent pumps. Two days later, fuses were blown in the same switchgear, and just as recently as Monday, more fuses were blown. We are working toward resolution of the issue by having the manufacturer, as well as another electrical company who does power studies out to review. The root cause of the arc flash and failure is still undetermined. The bus bars and insulators are original to the Facility and are nearly 40 years old. We have replaced the switches in the switch gear recently as part of the headworks rehabilitation project but not the bus bars and insulators. The recently blown fuses have been replaced and more are on order. We will now replace the bus bars and insulators.

Because of the failure in the switchgear in the headworks, ammonia levels exceeded the permit daily max on that day. Over the next following few days, we had a higher than normal effluent ammonia levels. This may result in an exceedance of the monthly average ammonia level. Levels are currently reading back down to low levels. If the levels remain low for the next couple of days, it should average below permit levels. The daily exceedance has been reported to the State.

The influent pumps are the only way that the wastewater can get into the plant and are a critical piece of equipment for the operation. Without these pumps we would spill untreated wastewater directly to the river. In the short term, we are investigating the rental of a diesel generator so if there are any further problems with the switchgear, we can unwire the influent pumps from the switchgear and plug them directly into a temporary generator. For the long term, we are looking at purchasing a mobile generator for this purpose.

### **2023 FINANCIAL AUDIT REPORT PRESENTATION**

Mr. Justin Zollinger introduced Mr. Steven Rowley from Keddington and Christensen Certified Public Accountants, the Facility's auditors.

Mr. Rowley discussed the process of the audit and the resulting findings. It is the opinion of the auditors that the Financial Statements present the Facility's financial position fairly in all material respects. This is an unmodified opinion and is as clean of an opinion as an entity can receive. He recommended reading the Management Discussion and analysis (MD&A), which gives an excellent description of the operations of the Facility and changes that have occurred in 2023.

The Government Auditing Standards Report is separated into two sections; Internal Controls over Financial Reporting – the process and procedures of tracking money coming in and expenditure process; Compliance and Other Matters. The audit does not give an opinion, however if there were weaknesses in these controls or compliance, it would be reported in this section. According to their tests, there were no weaknesses or deficiencies in the internal controls or in compliance.

Mr. Justin Zollinger presented the annual financial statement highlights. They are:

- The Facility invested significant resources in CIP during 2023, with \$74,196,000 going into facility upgrades.
- The Facility's net position increased by \$17,162, 538 primarily due to revenue received for future capital and bond payments.
- The Dewatering Building project, which is the last significant construction project for the Facility upgrade, was bid out and awarded in December 2023. This means all major projects for the Facility's rehabilitation and upgrade are under contract.
- The Facility amended the ground lease agreement which was signed in 2022 for two additional years for the golf course property. The property is expected to be converted to warehouse space after the buildings are constructed by the developer.
- The Facility had trouble with supply chain delays regarding electrical equipment.
- The Facility plans to issue the last bond for construction completion in 2024.

The major capital asset events during 2023 included:

- Nutrient removal process construction - \$31,222,146
- Thickening building - \$15,480,880
- Blower building construction - \$11,450,141
- Sidestream nitrogen - \$7,351,978

- Dewatering Building Design - \$2,715,448
- Tunnel & Miscellaneous HVAC - \$1,461,978
- Sidestream phosphorus - \$1,282,491

Mr. Zollinger reported the annual cash account reserves. In 2021, the Board increased the reserve policy to 135 days of cash reserves. Based on this policy, the calculated maximum cash allowance is \$10,116,775. At the 2022 year's end, the cash balance was \$7,822,192. At 2023 year's end, the cash balance was \$9,168,053.

The 2023 Member Entity Ownership has changed as follows:

Member Entity	Beginning	Ending
Cottonwood	16.46%	16.14%
Mt Olympus	23.98%	24.29%
Granger-Hunter	24.58%	24.58%
Kearns	10.78%	11.02%
Murray	8.10%	7.91%
South Salt Lake	5.22%	5.08%
Taylorville-Bennion	10.88%	10.98%

A complete copy of the audit report and audited financial statements is attached to these minutes in the board book.

Brett Hales made a motion to accept the 2023 Financial Audit and Financial Statements as presented.

MOTION: Brett Hales  
 SECOND: Cheryle Hatch

The motion passed with the following individuals voting in the affirmative: Debra Armstrong, LeAnne Huff, Keith Lord, Kim Galbraith, Brett Hales, Cheryle Hatch, and Don Russell.

**ANNUAL RETIREMENT COMMITTEE REPORT**

Mr. Zollinger reported that the Retirement Committee, comprised of three department employees, the executive staff, and one board member, met with Fidelity Investments on March 19<sup>th</sup> to review the 2023 investment funds performance.

It was determined that the JH Triton T fund should be removed because it has not met performance benchmarks for the last three years. It was replaced with FID Small Cap Growth K6 fund. This replacement fund also has a lower expense ratio.

The following funds are on watchlist:

- AF AMER MUTUAL R4 (In the lower half of performance the last 5 years)



MOTION: Don Russell  
SECOND: LeAnne Huff

The motion passed with the following individuals voting in the affirmative: Debra Armstrong, Don Russell, Keith Lord, LeAnne Huff, Cheryle Hatch, Brett Hales, and Kim Galbraith.

The meeting adjourned at 4:07 p.m.

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Cindie Foote  
Board Secretary