

MINUTES
CENTRAL VALLEY WATER RECLAMATION FACILITY
Thursday, April 18, 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
Alternate Member Greg Anderson	Kearns Improvement District
Member Keith Lord	Mt Olympus Improvement District
Alternate Member Ben Ford	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
Navneet Prasad	Electrical Controls Engineer
Chris Reilley	Maintenance Manager
Denny Stock	Electrical Supervisor
Annie Jensen	Administrative Assistant

Staff Members Present Electronically:

Cindie Foote	Employee Services Manager
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Member Entity Representatives Present:

Greg Neff	Cottonwood Improvement District
Spencer Evans	Cottonwood Improvement District
Troy Stout	Granger Hunter Improvement District
Giles Demke	Mt Olympus Improvement District
Brandon Richards	Murray City
Mark Chalk	Taylorsville-Bennion Improvement District

Member Entity Representatives Present Electronically:

Stephen Rohwer	Mt Olympus Improvement District
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Visitors Present:

Trevor Lindley	Brown and Caldwell Engineers
Amy Coombs	Prestige Group

Visitors Present Electronically:

Dan Griffin	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. Kim Galbraith led the Pledge of Allegiance.

APPROVAL OF MINUTES

Don Russell made a motion to approve the minutes of the March 27, 2024 board meeting as presented.

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, Ben Ford, Kim Galbraith, and Greg Anderson.

PUBLIC COMMENTS

No comments were received.

GENERAL MANAGER COMMENTS

- 1. WEAU Annual Conference** – will be held next week. The Challenge team has been training and practicing and we wish them good luck in the competition in St. George. Also, CVWRF staff are giving six different presentations at the conference. If you are attending the conference, please consider stopping in and supporting these presenters.
- 2. South Salt Lake Planning Commission Meeting** – The Dakota Pacific Development plat map is going to be discussed. The meeting is at 7:00 p.m. at South Salt Lake City Hall.

QUARTERLY FINANCIAL REPORT

Mr. Justin Zollinger presented the 2024 first quarter financial report. A copy of the PowerPoint is attached to these minutes and incorporated by this reference.

The Facility budget summary shows an annual budget target of 25 percent. At the end of the first quarter the Facility is at 24.17 percent overall. The Laboratory budget is the only budget running higher than target at 26 percent. This is due to whole effluent toxicity (WET) test failures and subsequent increased testing frequency required per our permit, and the additional cost for sampling and testing of the septage haulers. The cost of testing for septage haulers will be billed back to the individual companies.

Dr. Heck gave an overview of the data that we gather and review to evaluate how much to charge the septage haulers per gallon. The fees are evaluated every few years. We reviewed past sampling procedures, and some deficiencies were found. We have now updated the sampling procedures and have established a standardized testing protocol. This has resulted in better data collection which will aid in setting a more accurate fee per septage gallon received. The current rate is \$.07 per gallon. We anticipate this rate increasing based upon

the updated sampling procedures and current cost of treatment. Should there be a rate change, we will bring this back to the Board for approval.

Bond debt budget shows remaining principal budget of \$4,967,000; remaining interest budget of \$6,928,154; and remaining fiscal charges budget \$644,872.

Final bond calculations indicate funding sources, including bond proceeds, pay-go funding, entity cash and cash reserves total \$127,720,050. The expected use of funds will be \$127,485,980. The current estimate for new bond funding needed is \$62M.

When discussing the expected use of funds, it was noted that the Facility is low on digester capacity. Dr. Heck stated that Brown and Caldwell is performing a biosolids and digester evaluation. They have looked at existing capacity and loading into the digesters. There have been more solids coming into the Facility than anticipated. We are likely going to revamp Digester 5, which has been out of service for approximately twenty years. It will need a new cover and other equipment. We will have more information once the study is complete.

Mr. Zollinger discussed the bond draw down schedule. We are hoping to reduce the bond draws. This will perhaps give time for interest rates to reduce to a more manageable level. It is hoped that we not have to issue more bonds until January 2025.

A table was shown depicting the debt service coverage ratio with a year over year comparison beginning 2019 to 2023. The aggregate debt service coverage ratio in 2019 was 7.53 and in 2023 it is 1.72. Our covenant ratio is 1.25.

The Facility's cash reserves at 2023 year end was \$9.1M. The Board has authorized a 135 day maximum cash reserve level which calculates to \$10.1M. We anticipate that by the end of 2024, we will hit the maximum cash reserves as allowed by the Board. Reserve levels can be changed by the Board by adjusting the number of days we allow in cash reserves. The Board must approve the use of cash reserves through either a budget opening, or through the annual budgeting process.

CAPITAL PROJECTS UPDATE

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

Blower Building Project	BNR Basins Project
Side-Stream Nitrogen Removal Project	Thickening and Straining Building Project
Dewatering Building Upgrade Project	

Mr. Brandon Heidelberger gave an update on the influent pumps and some of the electrical problems that have been occurring. As reported last month, we had two arc flash incidents in the headworks building that damaged the electrical gear for influent pumps 3 & 4 and rendered them inoperable. This left the Facility with only three operating pumps, causing a potential redundancy issue. As indicated at the last board meeting, we leased a standby generator to ensure we could power the pumps in case of further electrical issues.

Photos were shown depicting the damage to the electrical gear in the headworks caused by the arc flash.

After extensive assessment, we believe the cause of the arc flash issues are with the existing original bus bar and isolators inside the electrical gear. The replacement equipment has been ordered with an anticipated delivery timeframe of 14-16 weeks. Several coordination meetings were held to determine the best method for powering the pumps in the interim. This resulted in utilization of new gear that was recently installed and identified for the BNR project. This equipment has been temporarily wired to and is providing power for pumps 3&4 making them operational again without issue. We are going to begin the process of installing influent pump 5, which is onsite. We anticipate completion in Fall 2024.

We are underway making a list of critical electrical spares that should be kept on hand and identifying other aging electrical parts of the Facility that may need to be addressed. We are developing a specification for purchase of a mobile emergency generator that can be used to power critical equipment such as the influent pumps in headworks and can also be used in other critical functions of the Facility.

Photos of the emergency generator were shown. We do not anticipate leasing it for another month given the electrical wiring solution obtained by using the BNR equipment.

INFORMATIONAL ITEMS

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

Mr. Keith Lord inquired as to the timelines inside of the Engineering Projects report. He asked for an update on the Fire Alarm Project, as it seems to be holding steady at its completion rate. Mr. Heidelberger responded that it is a long-term project over a four-year period. Last year we were behind due to the wrong type of fire panels being received. We needed to work with our contractor to get the correct ones. All the panels should be in place by the end of construction, or another 12 to 18 months approximately.

Mr. Lord asked about the timeline for the Thickening and Straining building. It appears that it is almost done, however it is a bit behind schedule. Mr. Heidelberger explained that when the project started and the contractor began excavation, we encountered old foundations from the original District One Plant. This required time and investigation to plan for old foundation removal, which was not anticipated. In terms of critical path, all the nutrient removal projects should be up and running next year as the BNR comes online. Additional explanation on individual project schedules will be included in the Engineering Projects Report.

There were no further comments or questions.

ADJOURNMENT

Don Russell made a motion to adjourn.

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, Greg Anderson, Ben Ford, and Kim Galbraith.

The meeting adjourned at 3:54 p.m.

Cindie Foote
Board Secretary