

**MINUTES**  
**CENTRAL VALLEY WATER RECLAMATION FACILITY**  
**Wednesday, August 23, 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
Member Jeff Monson	Kearns Improvement District
Member Giles Demke	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
Cindie Foote	Employee Services Manager
Sharon Burton	Plant Superintendent
Bryan Mansell	Chief Engineer
Navneet Prasad	Electric Controls Engineer
LeAnn Dipo	HR Manager

**Member Entity Representatives Present:**

Mark Chalk	Taylorsville-Bennion Improvement District
Jason Helm	Granger Hunter Improvement District
Greg Neff	Cottonwood Improvement District
Spencer Evans	Cottonwood Improvement District

**Visitors Present:**

Mark Hansen	Brown and Caldwell Engineers
Sharla Bynum	City of South Salt Lake
Alex Buxton	Zions Bank
Jafeth McGee	Zions Bank

**Member Entity Representatives Present Electronically:**

Kerry Eppich	Mt Olympus Improvement District
Stephen Rowher	Mt Olympus Improvement District

**Visitors Present Electronically:**

Dan Griffin	Department of Water Quality
Skylar Davies	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 and led the Pledge of Allegiance.

### **APPROVAL OF MINUTES**

Don Russell made a motion to approve the meeting minutes of the July 26, 2023 Board meeting as presented.

MOTION: Don Russell

SECOND: Wes Fisher

The motion passed with the following individuals voting in the affirmative: Debra Armstrong, Don Russell, LeAnne Huff, Jeff Monson, and Ben Ford.

Giles Demke arrived at 4:10 p.m.

### **GENERAL MANAGER COMMENTS**

- 1. CVWRF Annual Golf Tournament** – The annual golf tournament was a great success with approximately \$5,500 being raised and donated to the Make A Wish Foundation. Thanks to all who attended and supported this annual event as well as Jeremy Deppe from Central Valley who organized the outing.

### **BOARD SERVICE APPRECIATION AWARD – SHARLA BYNUM**

Debra Armstrong presented a Board service award to Sharla Bynum who served on the Board representing the City of South Salt Lake. Mrs. Bynum served on the Board from January 2020 to July 2023. The Central Valley Water Reclamation Facility appreciates the dedication and service to the Facility and in representing the City of South Salt Lake.

### **QUARTERLY FINANCIAL REPORT**

Mr. Justin Zollinger presented the quarterly financial report for the period ending July 2023. For the budget overall, the Facility is at 51.65 percent expended as compared to the seasonally adjusted target budget of 58 percent.

Some of the budget challenges so far this year have been with natural gas, potable water, increased cost in laboratory chemicals, and ferric sulfate. We estimate that the expenditure for natural gas will be close to the budget by year's end. Putting the two natural gas hedges in place as previously discussed will help with meeting that goal. This will not only help to finish the year out at budget but will cover the entire year of 2024 as well. The potable water budget is running high as the City of South Salt Lake added a storm water fee. We are hoping to mitigate some of this fee since we have our own stormwater permit, manage our own stormwater collection system, and do not discharge stormwater offsite. We are in discussions with South Salt Lake on this matter. Chemical costs for the laboratory budget are at 68 percent spent as compared to the 58 percent budget target. This is being offset by

the laboratory's maintenance budget which is at 30 percent spent YTD. The price for ferric sulfate has had a substantial rate increase. We are offsetting this cost with a lower than anticipated price in hypochlorite due to our ability to now purchase in bulk using the bulk hypochlorite storage tanks installed as part of the 3W project.

Other informational items relating to the financials year to date are:

- Congressman Owens' award was reduced to \$750,000 from \$5,000,000 during the budgeting process in Congress
- We have fully utilized our 2021A & 2021B bond funds
- We paid our first principal and interest payment on the State loan in July
- The CPI in July was 3.5%, this results in 5.66% COLA for 2024 using the average of the past three-year CPI as per our policy
- We owe \$459,000 in arbitrage rebate for the 2021B & 2021C bonds to the IRS
- We are in the process of sizing our last bond for Facility upgrade completion mainly to cover the dewatering project

CVWRF staff have been discussing strategies to limit the amount of bond funding that will be necessary to complete projects. This will be discussed with the entity managers to receive input and further information will be given during the budget presentation to the Board next month.

Two months ago, CVWRF went out to bid for a financial advisor. Three bids were received. The review committee met and selected Zions Bank as the new municipal financial advisor. Mr. Zollinger introduced Alex Buxton and Japheth McGee from Zions Bank. Mr. Buxton gave an overview of the team from Zions Bank and the part that Zions Bank will perform in the upcoming bonding cycle.

Mr. Zollinger indicated that department budgets have been completed and are now being compiled and will be ready next month for the tentative budget presentation to the Board.

We have been working with Olympus Insurance on the property and liability insurance package. As we have completed construction projects, we have moved them from the construction project insurance policy over to the general property insurance policy. As discussed previously, projects in construction have a higher cost to insure, so as soon as construction is completed, the structure is moved over to the general property insurance policy.

#### **FAIRFIELD PROPERTY UPDATE**

Dr. Heck stated we have had requests from the public to hunt on the property. After discussion we have decided that hunting is not consistent with the future use of the property and could have some management and liability issues. The request was denied, and we have posted the property with No Hunting signs.

Discussions had stalled with Lantis Fireworks regarding leasing a small portion of the property to place a storage container. Now that fireworks season is over, Lantis has re-engaged in discussions. There will be more information at a later date. CVWRF received notice of a public hearing for Fairfield Town to receive input on their proposed general plan. We reviewed the General Plan Revision, and we submitted a letter to the Fairfield Planning Commission that was read at the public hearing.

The first issue in our letter was that the General Plan Revision stated that the town could create standards for biosolids land application. We pointed out that the EPA is the body that creates standards for biosolids land applications and that is delegated down to the State of Utah, Division of Water Quality. We operate under a permit issued by the State. It is not in the purview of the town to create these standards or for us to operate under any other regulation other than our state issued permit. State code prohibits other regulatory bodies from imposing more stringent rules than the EPA standards.

The second issue is with a private road to the south of CVWRF's property. In the plan, the town has designated it as a public ATV trail. We pointed out that the land is privately owned, and they would need to work with landowners to designate it as public.

The third issue is with regard to flooding that is damaging adjacent properties downstream of our property. They indicated that the flooding is due to land degradation on our property. We pointed out that there are 13 culverts crossing SR73 that direct water from upstream of our property across the highway and onto our property all along one border. That water floods across our land and then leaves and heads to the downstream portion of the property which is adjacent to the air park property. We pointed out that that degradation is due to the upstream water and needs to be solved in concert with upstream property owners and the downstream receiver of the stormwater.

We have been working on another issue that pertains to a private road that is adjacent to the south side of our property. Graham Gilbert stated that the road is approximately 55 feet wide. Prior to our purchase of the property, the former owner sold the road to another entity called Farm Training. Farm Training owns a piece of property that is on the southwest corner of CVWRF's property. They use the road to access their land. As part of that deal was that seller, George Felt, would get a title insurance policy for Farm Training. In the course of securing that policy, they identified a potential interest in the 55-foot strip where the road is located which is held by Central Valley. Farm Training would like CVWRF to deed over the property to them. CVWRF is inclined to do so with an easement on the property allowing access to the road to haul and dispose of biosolids in the future.

We have been negotiating the Quit Claim Deed of the strip of property and the easement. There is a specific legal order under which and to whom the quit claim deeds and easement must be negotiated. Mr. Gilbert will also be pursuing title insurance which will protect CVWRF's interest in the easement.

### **CAPITAL PROJECTS UPDATE**

Mr. Kevin Gallagher presented a drone video of the following projects as well as some footage of how the gas meters were relocated on the property.

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

Mr. Brandon Heidelberg stated that Brown and Caldwell has submitted their 90 percent design. The electrical substation package is out for pricing and will be presented to the Board in the September Board meeting for approval.

Dr. Heck stated that on the Sidestream Nitrogen removal project, the culture (Anammox bacteria) will be arriving next Monday, August 28, 2023. In preparation, the plastic media has been aerating with primary clarifier effluent and conditioning for approximately 45 days. The culture will be added, and the process will begin operating over the next few weeks.

### **CLOSED SESSION TO DISCUSS THE LEASE OF REAL PROPERTY**

At 4:45 p.m. LeAnne Huff made a motion to go into closed session to discuss the lease of real property.

MOTION: LeAnne Huff

SECOND: Don Russell

The motion passed with the following individuals voting in the affirmative: Debra Armstrong, LeAnne Huff, Giles Demke, Wesley Fisher, Ben Ford, Jeff Monson, and Don Russell.

At 5:04 p.m. Jeff Monson made a motion to come out of closed session.

MOTION: Jeff Monson

SECOND: Giles Demke

The motion passed with the following individuals voting in the affirmative: Debra Armstrong, LeAnne Huff, Giles Demke, Wesley Fisher, Ben Ford, Jeff Monson, and Don Russell.

### **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**

Don Russell made a motion to adjourn.

MOTION: Don Russell

SECOND: Jeff Monson

The motion passed with the following individuals voting in the affirmative: Debra Armstrong, LeAnne Huff, Giles Demke, Wesley Fisher, Ben Ford, Jeff Monson, and Don Russell.

The meeting adjourned at 5:06 p.m.

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Cindie Foote  
Board Secretary