

MINUTES
CENTRAL VALLEY WATER RECLAMATION FACILITY
Wednesday August 28, 2024
Central Valley Board Room
3:00 p.m.

Board Members Present:

Chair Debra Armstrong	Granger-Hunter Improvement District
Vice Chair Don Russell	Taylorville-Bennion Improvement District
Member Kim Galbraith	Cottonwood Improvement District
Member Cheryle Hatch	Kearns Improvement District
Member Keith Lord	Mt Olympus Improvement District
Alternate Member Ben Ford	Murray City

Board Members Absent:

Member LeAnne Huff	City of South Salt Lake
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Staff Members Present:

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
Michael Lee	Controller
LeAnn Dipo	HR Manager
Navneet Prasad	Electrical Controls Engineer
Chris Reilley	Maintenance Manager

Staff Members Present Electronically:

Phillip Heck	General Manager
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Member Entity Representatives Present:

Greg Neff	Cottonwood Improvement District
Spencer Evans	Cottonwood Improvement District
Greg Anderson	Kearns Improvement District
Giles Demke	Mt Olympus Improvement District
Stephen Rohwer	Mt Olympus Improvement District
Jason Helm	Granger Hunter Improvement District
Austin Ballard	Granger Hunter Improvement District
Brandon Richards	Murray City
Chris Merket	City of South Salt Lake
Mark Chalk	Taylorville-Bennion Improvement District

Visitors Present:

Trevor Lindley	Brown and Caldwell Engineers
Neil Kunz	Brown and Caldwell Engineers
Mark Hansen	Brown and Caldwell Engineers

Japheth McGee
Alex Buxton
Eric Hunter

Zions Bank
Zions Bank
Chapman and Cutler

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

Cheryle Hatch stated that on the last page of the minutes, LeAnne Huff's name is noted incorrectly on the motion to adjourn. With this correction, Cheryle Hatch made a motion to approve the minutes of the July 18, 2024 board meeting as amended.

MOTION: Cheryle Hatch

SECOND: Don Russell

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

PUBLIC COMMENTS

No comments were received.

GENERAL MANAGER COMMENTS

Mr. Brandon Heidelberger presented the General Manager comments on behalf of Dr. Phil Heck.

- 1. CVWRF Golf Tournament** – The tournament was a great success and was well attended. An accounting of the final amount of charitable contribution will be given at the next meeting. Mr. Heidelberger thanked all those who attended.
- 2. WEFTEC Conference** – Dates are October 7-9. CVWRF's Challenge Team will be participating. As well, CVWRF will be conducting an exhibit hall tour to view some of the equipment that is being installed in the Facility over the next few years.
- 3. Rocky Mountain Power Rebate** – We were informed that we will be receiving a rebate from RM Power for a couple of asset management projects wherein we replaced some of the older fluorescent lighting. The rebate is approximately \$13,000.
- 4. Poll for Plant Tour** – There will be four board members attending the tour constituting a quorum. The meeting will remain open until the end of the tour at which time a motion to close the meeting will be made.

CONSIDERATION OF RESOLUTION AUTHORIZING THE ISSUANCE OF UP TO \$87 MILLION OF SEWER REVENUE BONDS; AND RELATED MATTERS

Mr. Justin Zollinger stated that we will be discussing the parameters resolution for the final bond for the upgrades at the Facility. Mr. Zollinger indicated that in attendance today are Mr. Alex Buxton from Zions Bank Public Finance and Eric Hunter from Chapman and Cutler.

Mr. Buxton is the municipal advisor for the Facility. He stated there is a calendar of events that will be completed as we move forward in the issuance of the bonds. Next steps include: publishing a notice that bonds are being issued; holding a public hearing – scheduled for October 16, 2024; a competitive bond sale in the open market scheduled for November 20, 2024; bond closing date is December 4, 2024. Prior to the bond sale, Mr. Buxton will work with staff to get a bond rating. CVWRF has been through this process before and had received a favorable investment grade bond rating. The Fed will be meeting in mid-September and again in November. It is anticipated that there may be a cut in interest rates.

Mr. Hunter stated he is bond counsel for the upcoming bond issuance. He explained that the resolution the Board is considering authorizes the issuance of up to \$87 million in principal amount of bonds for the project. It establishes a parameter of maximum interest rate of 6 percent and a maximum maturity of 26 years. It also delegates authority to the Board Chair and General Manager to finalize the bond terms and enter the final bond documents subject to these limitations.

Mr. Keith Lord asked which projects this \$87 million will cover. Mr. Heidelberger responded that these funds will be used to complete the nutrient removal project which will include the close out of the BNR Project, Straining and Thickening Facility, the Dewatering Facility, Digesters 1, 2, 5 covers.

Mr. Lord indicated that in the last paragraph of the resolution it states that the Indentures will be available for public review Monday through Friday. Given that the Facility is open Monday through Thursday, this should be changed to state the same.

Debra Armstrong made a motion to approve a resolution authorizing the issuance of up to \$87,000,000 of Sewer revenue bonds, Series 2024A of Central Valley Water Reclamation Facility; authorizing the execution and delivery of a supplemental indenture and other documents required in connection herewith; authorizing the taking of all other actions necessary for the consummation of the transactions contemplated by this resolution; and related matters.

MOTION: Debra Armstrong

SECOND: Don Russell

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

FINANCIAL REPORT

Mr. Zollinger gave a PowerPoint presentation outlining the second quarter financial report. The January – July budget summary by department was reviewed. All departments overall are within budget target of 58%. One of the budget lines inside the Laboratory is running a little bit high, but will be offset by the maintenance account within the Lab.

Other main points are:

- We were able to bid out our ferric sulfate, this resulted in a budget decrease of approximately 32 percent from our 2024 to our 2025 budget.
- The CPI in July was 2.6%, this results in 4.80% COLA for 2024 using the rolling three-year average CPI average as per our policy.
- Our preliminary health insurance renewal is 7 percent, but we are working to get this decreased with our brokers help.
- CVWRF is evaluating our arbitrage liability, if there is a balance due, we will pay it out of the interest revenue received this year.
- The 2025 budget will be presented to the Entity Managers next week.
- We are targeting the first part of December to issue the last bond.

Mr. Lord asked if there was a reason that the Laboratory has gone over budget. Mr. Zollinger responded that we have been performing additional sampling and testing of our septage haulers. Mr. Heidelberger added that we have been undertaking an effort to get a good understanding of what the septage haulers were bringing into the plant. This testing has not been done in quite a long time. We will be conducting further testing and sampling in the Fall. The data gathered will be prime consideration as we move toward a rate increase for septage haulers.

CAPITAL PROJECTS UPDATE

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

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

CLOSED SESSION TO DISCUSS THE LEASE OR SALE OF REAL PROPERTY

At 3:29 p.m., Cheryle Hatch made a motion to go into closed session to discuss the lease or sale of real property.

MOTION: Cheryle Hatch

SECOND: Kim Galbraith

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

At 3:42 p.m., Cheryle Hatch made a motion to come out of closed session.

MOTION: Cheryle Hatch

SECOND: Ben Ford

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

INFORMATIONAL ITEMS

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

There were no comments or questions.

BOARD TOUR

Debra Armstrong, Keith Lord, Kim Galbraith, Cheryle Hatch and Ben Ford toured the construction projects at the Facility. The tour was led by Brandon Heidelberger along with assistance from the Brown and Caldwell team. Keith Lord left the tour at 4:47 p.m.

ADJOURNMENT

Debra Armstrong made a motion to adjourn.

MOTION: Debra Armstrong

SECOND: Cheryle Hatch

The motion passed with the following individuals voting in the affirmative: Debra Armstrong, Cheryle Hatch, Ben Ford, and Kim Galbraith.

The meeting adjourned at 5:23 p.m.

Cindie Foote
Board Secretary