

MINUTES
CENTRAL VALLEY WATER RECLAMATION FACILITY
Thursday, November 21, 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 Keith Lord	Mt Olympus Improvement District
Member Cheryle Hatch	Kearns Improvement District
Alternate Member Ben Ford	Murray City
Member LeAnne Huff	City of South Salt Lake

Staff Members Present:

Phil Heck	General Manager
Brandon Heidelberger	Assistant General Manager
Justin Zollinger	Chief Financial Officer
Graham Gilbert	Legal Counsel
David Gittins	Network Administrator
Kevin Gallagher	Construction Supervisor
Bryan Mansell	Chief Engineer
Sharon Burton	Operations Superintendent
Chris Reilley	Maintenance Manager
Navneet Prasad	Electrical Controls Engineer
Cindie Foote	Employee Service Manager
LeAnn Dipo	Human Resource Manager

Staff Members Present Electronically:

Jake Crookston	IT Manager
Mike Lee	Controller

Member Entity Representatives Present:

Greg Neff	Cottonwood Improvement District
Spencer Evans	Cottonwood Improvement District
Giles Demke	Mt Olympus Improvement District
Jason Helm	Granger Hunter Improvement District
Austin Ballard	Granger Hunter Improvement District
Brandon Richards	Murray City
Greg Anderson	Kearns Improvement District
Mark Chalk	Taylorville-Bennion Improvement District

Member Entity Representatives Present Electronically:

Criag Giles	South Salt Lake
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Visitors Present:

Ryan Overman	Brown and Caldwell Engineers
Jeremy Frischknecht	Golf the Round
Alex Buxton	Zions Bank

Visitors Present Electronically:

Skyler Davies	Department of Water Quality
Dan Griffin	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. Debra Armstrong led the Pledge of Allegiance.

APPROVAL OF MINUTES

Cheryle Hatch made a motion to approve the minutes of October 16, 2024 as presented.

MOTION: Cheryle Hatch

SECOND: LeAnne Huff

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

Ben Ford requested a correction to the October 23, 2024 minutes to remove Brett Hales and add Ben Ford the approval of minutes section. With this correction, Don Russell made a motion to approve the minutes of October 23, 2024 as amended.

MOTION: Don Russell

SECOND: Kim Galbraith

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

PUBLIC COMMENTS

No comments were received.

GENERAL MANAGER COMMENTS

- 1. Upcoming Meeting Schedule** – As a reminder, December board meeting is Thursday, December 19th at noon and a luncheon will be served.
- 2. Rotating Algae Bioreactor Project** –Professor Ron Sims from Utah State University sent an article regarding the Rotating Algae Bioreactor Project that Central Valley has been sponsoring. The author, Jake Watkins, is one of the master's students working on the project as was Co-author Clayton Lords. Dr. Heck served on both of their master's committees. The article abstract was passed around for others to see.

CLOSED SESSION TO DISCUSS THE LEASE OR SALE OF REAL PROPERTY

At 3:07 p.m., Keith Lord made a motion to go into closed session to discuss the lease or sale of real property.

MOTION: Keith Lord
SECOND: LeAnne Huff

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

At 3:21 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, Mark Chalk, Keith Lord, Ben Ford, LeAnne Huff, Kim Galbraith, and Cheryle Hatch.

APPROVAL OF CHANGE TO DAKOTA PACIFIC GOLF COURSE LEASE AGREEMENT

At 3:22 p.m., Debra Armstrong made a motion to approve the termination of the lease agreement with Dakota Pacific.

MOTION: Debra Armstrong
SECOND: Cheryle Hatch

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

SEPTAGE HAULER RATE DISCUSSION

As previously discussed, Dr. Phil Heck spoke on increasing the rate for the septage haulers and that CVWRF was waiting to complete a second round of sampling to confirm that a rate increase was needed. The first round of sampling was completed in late February and the second round was completed in September. The first round concluded that the septage was strong in terms of BOD and suspended solids and that based on the results of the sampling a rate increase from 7 cents to 9 cents a gallon was warranted. The second round concluded the waste was substantially less strong in terms of BOD and suspended solids than the previous samples. After averaging the results of the two sampling events and calculating the rate, it was confirmed that the septage rate should remain at 7 cents per gallon. It is recommended that that the septage rate remain at 7 cents per gallon and that it be reevaluated in the future.

STATE AUDITOR FRAUD CHECKLIST

Mr. Justin Zollinger stated that it is a state requirement that we bring our fraud risk assessment to the Board once a year. Our assessment policies have not changed. We do not have an internal audit function due the size of our organization; rather we have Phil Heck, Brandon Heidelberger, Justin Zollinger, our controller, accounts payable, and our supervisors who continually review to help identify and reduce any fraud activity. Because of the lack of internal audit capability, we are reduced by 20 points in the assessment, and our score is 375 out of 395 total points. Scores greater than 355 are considered very low risk.

QUARTERLY FINANCIAL REPORT

Mr. Justin Zollinger presented the quarterly financial report. All departments are below target budget levels based on percent of time elapsed in the budget year. Our Operations department is under budget; our Lab, Engineering, and Safety departments are closer to budget, but still under budget. Our total year-to-date expenditure currently stands at 74 percent spent at 83 percent time elapsed in the budget year.

Mr. Zollinger touched on our construction projects. The site restoration design work with Brown and Caldwell is under budget. BNR is on track. Dewatering was bid out and started this year, slightly above budget, but still doing well. The Sidestream Phosphorus Project is mostly completed and will be closed out this year, this will show on our financial statements moving out of the construction process and into assets.

The Pay-Go Capital budget is 55 percent spent. We will begin using remaining Pay-Go Capital funding in November for the Dewatering Project.

Regarding the ongoing discussion on Cash Reserves Policy and increasing the allowable limit, it was suggested there be a minimum and a maximum cash reserves threshold by our member entity managers. Additional editing of the policy needs completed to include the minimum and maximum limits before bringing the policy to the Board. The Cash Reserved Policy changes will be on the December Board agenda.

Mr. Justin Zollinger reported that S&P gave CVWRF an AA rating with a stable outlook. They reported our facility is in a strong economic location, has sufficient capacity to handle growth in our service area, and shows good historical financial performance of the member entity agencies.

Mr. Alex Buxton with Zions Bank spoke regarding our Bond sale held on November 20th. He communicated the bidding process we used was the best way to obtain the lowest interest rate on sale of a bond. We received a true interest cost (TIC) of 3.83 percent. The 2024 proceeds from our bond sale in November will be received on December 4, 2024.

APPROVAL OF BROWN AND CALDWELL CONSTRUCTION MANAGEMENT SERVICES TO 2025-01

Mr. Brandon Heidelberger advised there was a correction made in the final Board Memo regarding this agenda item, the last sentence in the last paragraph the 4 and 8 were transposed.

Mr. Heidelberger highlighted that the Blower Building is almost complete and that the blowers will be commissioned early next year once power is turned on in the building which is happening now. The blowers are needed to provide air to startup the BNR Basins. The BNR Basins Project will start receiving water next spring with startup over the summer followed by startup of the Thickening and Straining Project which supports the BNR process. Side-stream Phosphorus had a final walk-through, and the contractor will be finishing up a few remaining items for final completion by year end. Side-stream Nitrogen is coming along and is expected to be complete next year. The Digester Improvements Project will bid the stainless-steel covers in the next few weeks for approval in January of 2025. Construction on the digester covers will start next spring. The site cleanup package is wrapping up design on all the pavement and site restoration projects that will then be completed throughout the next several years.

In our Capital Program, \$4,847,000 is allocated for construction services for next year. Our budgets have started to decrease, at the peak in 2022-2023 our construction services budget was about 9 million, 6 million last year, and not to exceed 4.847 million for next year.

Keith Lord made a motion to approve the construction services project for Brown and Caldwell in an amount not to exceed \$4,847,000.

MOTION: Keith Lord

SECOND: Don Russell

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

CAPITAL PROJECTS UPDATE

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

BNR Basins Project

Thickening and Straining Building Project

Dewatering Building Upgrade Project

INFORMATIONAL ITEMS

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

There were no comments or questions.

ADJOURNMENT

Kim Galbraith made a motion to adjourn.

MOTION: Kim Galbraith

SECOND: LeAnne Huff

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

The meeting adjourned at 4:08 p.m.

Annie Jensen
Administrative Assistant