

**MINUTES**  
**CENTRAL VALLEY WATER RECLAMATION FACILITY**  
**Wednesday September 25, 2024**  
**Central Valley Board Room**  
**3:00 p.m.**

**Board Members Present:**

Chair Debra Armstrong  
Alternate Member Mark Chalk  
Member Kim Galbraith  
Member Keith Lord  
Member Brett Hales  
Member LeAnne Huff  
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Granger-Hunter Improvement District  
Taylorsville-Bennion Improvement District  
Cottonwood Improvement District  
Mt Olympus Improvement District  
Murray City  
City of South Salt Lake

**Board Members Absent:**

Member Cheryle Hatch

Kearns Improvement District

**Staff Members Present:**

Phil Heck  
Brandon Heidelberger  
Justin Zollinger  
Graham Gilbert  
Jake Crookston  
Kevin Gallagher  
Bryan Mansell  
Navneet Prasad  
Chris Reilley

General Manager  
Assistant General Manager  
Chief Financial Officer  
Legal Counsel  
IT Manager  
Construction Supervisor  
Chief Engineer  
Electrical Controls Engineer  
Maintenance Manager

**Member Entity Representatives Present:**

Greg Neff  
Spencer Evans  
Riley Astill  
Giles Demke  
Stephen Rohwer  
Austin Ballard  
Ben Ford  
Brandon Richards

Cottonwood Improvement District  
Cottonwood Improvement District  
Kearns Improvement District  
Mt Olympus Improvement District  
Mt Olympus Improvement District  
Granger Hunter Improvement District  
Murray City  
Murray City

**Visitors Present:**

Mark Hansen  
Ryan Overman

Brown and Caldwell Engineers  
Brown and Caldwell Engineers

**Visitors Present Electronically:**

Skyler 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. Keith Lord led the Pledge of Allegiance.

### **APPROVAL OF MINUTES**

Brett Hales made a motion to approve the minutes of August 28, 2024 as presented.

MOTION: Brett Hales

SECOND: Kim Galbraith

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

### **PUBLIC COMMENTS**

No comments were received.

### **GENERAL MANAGER COMMENTS**

- 1. CVWRF Golf Tournament** – The tournament was a great success and was well attended. An accounting of the final amount of charitable contribution was \$10,000 and it will be donated to the Make-A-Wish Foundation.
- 2. WEFTEC Conference** – The Operator Challenge event schedule has been mailed out to Board members and entity managers. All are invited, if attending WEFTEC, to cheer on the Challenge teams from Utah. The exhibit hall tour will be Tuesday at 9 a.m. A map will be sent out next week.

### **PRESENTATION, DISCUSSION AND ADOPTION OF THE 2025 TENTATIVE BUDGET**

Mr. Justin Zollinger presented the 2025 Tentative budget for discussion. As an overview, some of the budgetary challenges include inflation of electricity costs and increase in usage with new facilities coming online, expansion of maintenance and operations requirements with new facilities, stabilization of natural gas costs, and general inflationary pressures. We have seen a decrease in chemical costs due to increased competition in the market as well as the procurement of process instrumentation which has allowed the Facility to decrease chemical dosing rates.

The four major categories of the budget include, wages and benefits, operational, debt service, and capital.

**Wages and Benefits** – The health insurance budget is increasing by 5.02%. The national average is a 9.0% increase. The COLA is 4.8 percent as calculated by the Board policy using the three-year running average of the west region CPI-U. We are proposing a new electrician position due to an increase in electrical maintenance workload due to new facilities. There are four possible retirement payouts which are included in the budget. The total Wage and Benefits budget increase is 7.29%

**Operations Budget** – This budget includes all operational departments, not just the operations department. It also includes contract services. Increases in Operations budget line items are as follows: Travel and Learning \$5,500; membership costs \$8,700; uniforms \$10,000; janitorial \$9,000; tipping fees \$150,000; general supplies \$11,700; and open house/ribbon cutting \$55,000. The changes in Contract Services budget line items are as follows: An increase in roll-up door services, replacement of HVAC equipment, and welding contract work totaling \$70,000; an increase in medium voltage electrical gear maintenance and testing totaling \$220,000; a decrease of \$135,000 in Engineering as the biosolids study has been completed.

The Utility category increased by \$448,000. This is due to a power rate increase of 18 percent by Rocky Mountain Power and a projected increase in power consumption of 40 percent due to new facilities being brought online. The Chemicals category decreased by \$311,000. This decrease is composed of a \$99,000 decrease in sodium hypochlorite; \$162,000 decrease in ferric sulfate; and \$35,000 decrease in magnesium chloride.

The Maintenance category increased by \$270,000. This increase consists of the purchase of spare parts inventory for the cogeneration engines of \$50,000; an increase of \$122,000 for cleaning and closed-circuit TV inspection of the interceptor pipelines; an increase in IT software maintenance of \$39,000; and an increase of \$50,000 for installation of a secondary clarifier weir cleaning system.

There is an increase of \$220,000 in the property insurance budget category - 95 percent of this increase is from new assets added to the insured value and 5 percent from an insurance rate increase.

**Debt Service Budget** - CVWRF will issue the final bond in 2024, this will provide funding to complete our construction projects. The bond amount is estimated to be \$81 million. Kearns Improvement District is going to pay their capital contribution through their cash reserves. The increase in debt service budget is from adding the principal and interest payments from the 2024 bond.

**Capital Projects Budget** – The major construction projects in the upcoming budget are the Thickening and Straining Building - \$6.88 million; Dewatering - \$24.23 million; BNR Basins - \$12.5 million; Digester 1 & 5 Cover Replacement - \$11.57 million; Thermophilic Digestion Process Upgrade - \$3.5 million; Blower Building - \$1.1 million; Side-stream Nitrogen - \$1.25 million; Site Restoration - \$2 million.

Mr. Zollinger presented a chart which depicted total project costs to date of \$414,258,441; capital projects under contract of \$94,077,518; capital projects not under contract \$26,150,000; and uncompleted project costs of \$120,227,518. The total estimated facility upgrades and project costs are \$534,485,959.

By board policy, each year at budget presentation, staff reviews the annual cash account reserves. The current policy allows the Facility to retain in reserves up to 135 days of

operational costs which equates to \$10,928,608. The current cash balance is \$9,168,053, making of difference of \$739,457. CVWRF Management would like to discuss changing the retention policy from 135 days to 150 days, which would equate to approximately \$1.2 million in additional reserves. This will help reduce the amount of money CVWRF would need to bond for since some of the reserves would be used for the final stages of construction. This will be discussed at a later Board meeting.

Mr. Keith Lord asked about the increases in the overtime budgets. Mr. Zollinger responded that as the new process and facilities come online, overtime will be required to commission and place them into service.

Mr. Lord stated that he understood that we were going to raise septage rates, however it is not reflected in the budget. Dr. Heck responded that we are conducting more sampling of waste hauler and have not completed the study necessary to determine the proper rate, so the current rate has remained static in the 2025 budget. We anticipate the sampling and lab analysis to be completed in the next two months and should have the results and recommendations on septage rates in the December board meeting.

Keith Lord made a motion to accept the 2025 Tentative Budget as presented.

MOTION: Keith Lord  
SECOND: LeAnne Huff

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

### **SET DATE AND TIME FOR A PUBLIC HEARING FOR THE ISSUANCE OF SEWER REVENUE BONDS**

Dr. Heck explained that we need to set a public hearing to receive public comment on the issuance of up to \$87,000,000 of sewer revenue bonds. We are proposing to have the hearing held in conjunction with the budget public hearing which is set for October 16, 2024 at 6:00 p.m.

Mr. Kim Galbraith made a motion to set a public hearing to receive public comment on the issuance of up to \$87,000,000 of sewer revenue bonds for October 16, 2024 at 6:00 p.m.

MOTION: Kim Galbraith  
SECOND: Brett Hales

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

**TECHNOLOGY-BASED PHOSPHORUS EFFLUENT LIMITS (TBPEL) RULE  
VARIANCE – YEAR 8 PROGRESS UPDATE**

Dr. Heck stated that our TBPEL variance requires us to annually report to the Division of Water Quality the progress that we have made over the past year to meet and exceed the TBPEL Rule requirements. This progress includes our construction upgrade completed to date and the financial planning and bonding necessary to complete the projects.

**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	

**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**

Mark Chalk made a motion to adjourn.

MOTION: Mark Chalk

SECOND: LeAnne Huff

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

The meeting adjourned at 3:53 p.m.

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Cindie Foote  
Board Secretary