

**SOUTH VALLEY WATER RECLAMATION FACILITY
BOARD MEETING
Wednesday, October 19, 2022
7495 South 1300 West
West Jordan, Utah 84084**

Attendance	Board Chairman	Jerry L. Knight, Sandy Suburban Improvement District
	Board Vice Chairman	Brad Powell, Midvalley Improvement District
	Board Member	Craig L. White, South Valley Sewer District
	Board Member	Glen Kennedy, Midvale City
	Board Member	Brian Clegg, City of West Jordan (excused)
	Attorney for South Valley	Tracy S. Cowdell
	General Manager	Lee Rawlings
	Facility Engineer	Taigon Worthen
	Finance Director	Gary Dunn
	Facility Clerk	Belinda Patterson
	Alternate, City of West Jordan	Greg Davenport
	City of West Jordan	Dave Murphy

Call to Order Chairman Knight called the meeting to order at 12:30 p.m. and welcomed those in attendance.

Roll Call Roll call vote was as follows:

Mr. Davenport	“here”
Mr. Kennedy	“here”
Mr. White	“here”
Mr. Powell	“here”
Chairman Knight	“here”

**Ceremonies/
Presentations/Public
Comments** None

**Discussion on 2023
Proposed Budget** Mr. White referred to a memo in the packet which states that as a result of questions from SVSD and the finance committee, it has prompted a total budget reduction of \$209,288. Then, a chart a few pages in, states an increase of \$177,000. Mr. White asked if the number in the budget should be a net of the two figures? Mr. Rawlings responded that the second figure, \$177,000, has already been included in the budget.

Mr. Rawlings added that the cost of sodium hypochlorite has recently increased. As a result, the dollars included in the budget will need to be increased to accommodate. Mr. Worthen talked about how inflation has affected the cost of chemicals. Mr. Knight said, “We’re not here to discuss things you can’t control. We’re here to discuss things you can control. The price is what it is on chemicals.”

Mr. Murphy said, "On the salary survey you have a couple of water districts that shouldn't be on the list. And shouldn't be a comparable. This is a wastewater treatment facility. It is a special organization but shouldn't be compared against special districts. In the next salary survey make sure you're not comparing cross district disciplines. We need to stay within the wastewater discipline in my book."

Mr. Davenport brought up Jordan Valley Water Conservancy District (JVWCD) specifically.

Mr. Rawlings responded that occasionally we do need to include cities. JVWCD does have a laboratory. They were one of the best comparable we could find for the laboratory.

Mr. Cowdell said that he felt we shouldn't compare ourselves to Central Valley Water Reclamation Facility (CVWRF). Mr. White added, "We don't. When I do a salary survey they come out because they're the anomaly in the industry. When they do their wage survey they are doing theirs with California. You can't compete with them."

Mr. Rawlings responded, "CVWRF does go out of state but their step and grade chart is almost identical to ours. Their board would not let them include what they did out of state in their salary survey. What they did do to compensate is start all their employees at 50%. We are losing employees to them. They pay \$5 an hour more, starting, for new operators. So, we did include them."

Mr. Rawlings explained how the step and grade chart works and shared some raw data from the market study. Mr. White asked if we used the Technet system. Mrs. Patterson responded, "We did use the TechNet system and I personally contacted other facilities that were not part of the system. I performed the market study according to job descriptions and salary ranges." Mr. White added that they used actual salaries. If they used a range it would be higher. Which would place their employees above market.

Mr. Rawlings continued with his market study presentation which included his recommendation for adjustments. He added that the focus is mainly on entry level positions. As a result of the \$2 an hour increase we were able to retain a couple of employees.

He further shared how the recent increase affected the overall market study and reminded the board that the increase was designed for retention purposes and the beginning of an inflation fighter, rather than waiting until the end of the year. The market study is based on 2022 data and the \$2 adjustment brought the entry level positions where we wanted them to be for 2022. Looking ahead we need to realize other entities will be receiving an increase for 2023 and we need to do the same, otherwise we will be back in the same spot where we started.

Mr. White said, "When we did this two or three months ago I was under the assumption, and obviously incorrect, that the \$2 increase would be factored in with the salary increase we were going to do at the end of the year. If I would have known that I was giving a \$2 increase plus another 10% for a 20% there's no way in this world I would have approved it two months ago."

Chairman Knight said, "But doesn't that keep them behind the eight-ball next year? Aren't you just constantly in reactive mode?"

Mr. White said, "Yes, but that's only if you're entrance level. We've got 41 employees and not all 41 are below market. Only entrance level was below market. So, we're giving someone who is not below market a 20% increase in pay. I have a problem with that." A couple of other board members agreed.

Mr. White continued, "It chaffs my hide because I thought it would be factored in to the increase next year. For you to even propose a 10% increase based on what we did two months ago, I take that as an insult."

Mr. Knight said, "I misunderstood, I thought you made it clear from the start that this is just for now and was worried we were going to use it during raise time."

Mr. White added, "I have no problem giving \$2 an hour increases to entry level positions. You had to get the wage up. I understand that. But it's all the other employees not at entrance level and at market that we're giving a 20% pay increase."

Mr. Rawlings said, "But you're not because that person would not be 20%. The \$2 an hour increase was really targeted at 18 people and hit most everybody at a varying degree."

Mr. White suggested, "Move the position down, to market, and don't play with the individuals. I just did the exact same thing. I have positions below market. Changed the entrance level on those markets, modified the step grade chart so that it only impacts the entry level positions and everybody else stays the same."

Mr. Rawlings responded that this is what he is proposing here.

Mr. White said, "I also have a hard time when I've given an 8% to my employees which I think is fair and then I have to go back and report that your sister entity just gave a 15% pay increase."

Mr. Knight responded that you are one vote, you don't control what happens here.

Mr. Powell asked what the finance committee thought about the \$2 an hour increase. Mr. Dunn responded that they were also more concerned with the below market positions and struggled with the raise across the board.

Mr. Rawlings reminded the board that the direction given last year was to use the CPI and then a merit which is what we're proposing for 2023. CPI is 8.3%, merit is 3%. We rounded it to 10%.

Mr. Murphy proposed to take in to account the \$2 increase already performed as part of the overall merit/cola increase for the next budget year.

Mr. Davenport stated he was not ready to decide at this meeting. He requested getting all the information, having a good discussion, and giving their feedback at

the next meeting.

There was a brief discussion on whether to give a COLA & Merit or 100% COLA.

Mr. Rawlings requested shift differential be changed from \$1.25 to \$2.00 per hour. These dollars have not been included in the budget.

Staff met with the health insurance broker yesterday and meeting again next week. Talked about PEHP, Blue Cross Blue Shield, and Select Health. Mr. Murphy said to also think about high deductible plans and HSA's. If we go with PEHP the increase estimate is 9%. Mr. Cowdell stated he spoke with PEHP directly giving SSID a good price. Mr. White stated he fired their broker which gave SVSD a good price going with PEHP directly. Staff will continue with this project and report back to the board.

Mr. Murphy asked what the board thought about making the finance committee a permanent committee, with some authority, and the board receiving recommendations from them at budget time each year. Mr. Cowdell added that Central Valley WRF currently has a finance sub committee and a technical sub committee made up of engineers. Mr. Davenport and Mr. Murphy expressed an interest in doing the same thing at South Valley WRF. The board requested that Mr. Cowdell put together a draft resolution forming these two committees and bringing it back to the board for further discussion.

Mr. Murphy stated that the Capital Plan is good and understands Carollo's list for \$82 million they are recommending. But the City of West Jordan is unable to pay \$82 million dollars over 10 years, maybe 20 years. He requested to know what is the most critical upgrades and replacements in Carollo's priority list. What is the likelihood of failure and what's the consequence of that failure. With this information a determination is made on what takes priority. Mr. White added that SVSD is comfortable with funding 2023.

Mr. White said the finance committee felt that there were a lot of contingencies built in to the budget. Last year the facility returned \$1 to \$2 million dollars to the entities which they felt was excessive.

Mr. Rawlings understood the finance committee recommended limiting that to \$1 million. Contingencies are hard to tighten up, it gets complicated. There will not be a \$2 million dollar return next year. Mr. Kennedy said, "I would rather open up the budget than having it padded."

Mr. Dunn added that the finance committee was in favor of opening budgets, even two to three times a year. Should the facility have a failure and need to open the budget, which would increase your monthly billings, and as a result you need to open your budgets, does the board have a problem with that? They had no problem with that.

**Amend Job
Description for**

During the market study and review of job descriptions it has become apparent

**Inventory Controller to
Work Order and
Inventory Control
Clerk**

that the duties listed in the inventory controller job description only included about half of the duties being performed by this individual.

Therefore, staff is recommending that the inventory controller job description be changed to a work order and inventory control specialist. This amended job description will include the additional duties and certifications with an adjustment in the salary accordingly.

Mr. White moved that the board approve the job description for the work order and inventory control clerk with an effective 1/1/2023 to correspond with the new budget year. Mr. Powell seconded the motion. All were in favor, motion carried.

**Award Headworks and
Solids VFD
Replacement**

Mr. Worthen explained when staff was reviewing the low bid for \$720,500 that bid was for a 75 HP VFD motor. It was determined that, in the RAS building, there would be an issue with a low RPM motor therefore it was upgraded to a 100 HP VFD motor. This increases the price by \$25,000. The bid changes to \$745,500. These funds will be coming from the RM&A budget.

Mr. Powell moved the board award the 2022 VFD Replacement Procurement to Intermountain Fuse Supply in the amount of \$745,500 and authorize the board chairman to sign the agreement between buyer and seller inclusive of agreed upon exceptions upon review and acceptance by the facility attorney. Mr. White seconded the motion. All were in favor, motion carried.

**Increase Capitalization
Threshold to \$10,000**

Currently the definition for a capital purchase is that it is expected to last at least three years and cost \$5000 or more. Staff is requesting to have the dollar amount raised to \$10,000.

Mr. White stated, "That over \$5,000 there is a set process that needs to be followed. Back in the day there were some cities that did some things in order so their employees can go for some items in the back of their trunk and dispose of it. That was very common that it occurred. Going from \$5000 to \$10,000 opens the door a little more but I don't have a problem with the \$10,000. It's just what procedures do you have to dispose of property."

After further discussion staff was assigned to do some policy research regarding how property is disposed of and then bring both of these items back to the board at a future meeting.

Consent Calendar

Items included on the consent calendar are as follows:

- Ratify Check Register: September 2022
- Approval of Minutes: September Board Meeting
- Next Board Meeting Date: November 16, 2022 with Public Hearing on 2023 Proposed Budget

Mr. Kennedy moved that the board approve the Consent Calendar. Mr.

Powell seconded the motion. All were in favor, motion carried.

**General Manager
Report**

There was no additional discussion.

Project Updates

Mr. Worthen gave a brief overview on the status of current projects.

Closed Meeting

There was no closed meeting.

Other Business

Mr. Cowdell gave a quick report on the status of the south interceptor easements.

Adjournment

Chairman Knight adjourned the meeting at 1:52 p.m.

Jerry L. Knight, Board Chairman

Belinda Patterson, Facility Clerk