

**SOUTH VALLEY WATER RECLAMATION FACILITY
BOARD MEETING**
Wednesday, November 17, 2021
7495 South 1300 West
West Jordan, Utah 84084

Attendance	Board Chairman Board Vice Chairman Board Member Board Member Board Member General Manager Facility Engineer Facility Clerk Attorney for South Valley	Jerry L. Knight, Sandy Suburban Improvement District Brad Powell, Midvalley Improvement District Craig L. White, South Valley Sewer District Glen Kennedy, Midvale City Brian Clegg, City of West Jordan Lee Rawlings Taigon Worthen Belinda Patterson Tracy S. Cowdell
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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. Powell	“here”
Mr. Clegg	“here”
Mr. Kennedy	“here”
Mr. White	“here”
Chairman Knight	“here”

**Ceremonies/
Presentations/Public
Comments**

None

RM&A Rollover

As of October 31, 2021, the RM&A 750 account has a balance of approximately \$1,130,869.68. \$1 million of those dollars is committed to the Generator Replacement Project and wrapping up Project 5. Staff is requesting that the remaining \$130,869.68 be rolled over into the reserve account at the end of 2021.

Mr. Dunn added that the board can always do a mid-year transfer if they wish. As money is spent during November and December there will be less dollars at the end of the year.

As of October 31, 2021, there is a balance of \$1,491,612 remaining in the RM&A 790 account for projects in 2021. Staff requested that the unused portion of those funds, at the end of the year, be rolled over into the 2022 budget to complete the projects for which they were intended.

Mr. White asked if we are beginning to talk about two different RM&A funds. One for past history, which would be for maintenance, and the other for future projects. Mr. Rawlings responded that he calls them the RM&A Fund and the Capital Facility's Plan. It has not yet been decided how to deal with these two items.

Mr. White stated, "The capital facility's plan was rolled over, past history, in to the RM&A, so that we wouldn't have to ask for so much money from each of the entities every year. It eliminated the roller coaster. So, they are really becoming two separate pots."

Mr. Powell moved that the board approve the transfer of up to \$130,870 from the 750 account into the reserve account for future needs and transfer the remaining 2021 RM&A funds, up to \$1,491,612, into the 750 account to be used to complete projects originally scheduled for 2021. Mr. Kennedy seconded the motion. All were in favor, motion carried.

Board Meeting Schedule for 2022

Mr. White moved that the board approve the proposed schedule for the South Valley Water Reclamation Facility board meetings for the calendar year 2022. Mr. Powell seconded the motion. All were in favor, motion carried.

Selection of Auditing Services

Staff went out to bid for auditing services due to the fact the current contract for auditing services is five years old. Two bids were received as follows:

Larsen & Company	\$72,500
Keddington & Christensen	\$74,327

Staff recommends Keddington & Christensen, for the next five years. The difference in bids does not seem significant enough to change auditors. Keddington & Christensen are familiar with our facility accounting process and our staff. Transitioning to a new firm would be far too time consuming and very labor intensive.

Mr. Cowdell reminded everyone that if this relationship doesn't work out we just need to give a 15-day notice to terminate.

Mr. White clarified that because this is a request for proposal we do not have to accept low bid. Mr. Cowdell responded, no, it is not mandatory.

Mr. Kennedy moved that the board approve the five-year contract for auditing services with Keddington and Christensen and direct the chairman to sign the contract. Mr. Clegg seconded the motion. All were in favor, motion carried.

How to Fund Capital Facility Plan

Mr. Rawlings began by describing that a capital facility plan is to plan for the future and do things incrementally which helps minimize large projects. A capital facility's plan would be the next step to keep the facility running. The facility has another 50 years we could operate. We need a plan to keep producing quality effluent to meet our discharge permit. He felt staff has done well so far.

Last week, staff met with engineers and discussed thermal drying and other options for solids disposal. Mr. Rawlings suggested investing some money and utilizing the regional biosolids study from several years ago and pick options that are the most potentially viable and hire an engineer to do a biosolids master plan. Staff would bring that master plan back to the board for direction. He requested this be done next year and the resulting information be included in the capital facility plan.

Mr. Kennedy requested a copy of the regional biosolids study.

Chairman Knight asked why we're only drying 40% of our biosolids. Mr. Rawlings said that we only run one train at a time leaving the other available for maintenance. They rotate every three months except for the holidays or during peak vacation times, then both dryers are in operation.

Mr. Worthen added that the dryers were never sized for the full biosolids loading of this facility. Even at today's flow, when both dryers are running, we cannot dry all of our biosolids but it definitely minimizes how much is trucked.

Chairman Knight asked if we are saving a significant amount of money by drying. Mr. Worthen said that the last time he looked at the data it was before tipping fee increases.

Chairman Knight said "So we're running the dryers at 40% and we're not sure it's giving us a cost savings? What are we doing? And then we're going to do a \$100,000 study to study if it's still an option? It's not worth it." Mr. Worthen will run a cost analysis.

Mr. White said that the state has posted South Valley Sewer District's permit for public comment. West Valley City has filed a comment regarding it because of E.T. The state will now be holding a public hearing the end of December at South Valley Sewer District. He added that their facility has not hauled anything to ET in the past eight months.

Mr. Worthen said that when the board made the decision to proceed with thermal drying the goal at the time was a three-prong approach. Composting, land filling, and thermal drying. Since then composting has shut down leaving us with only two options. We've had limited success with land filling. Out of the last 12 years thermal drying has been running 10 years. Things have changed and a majority of our biosolids are going to Wasatch Regional. Mr. Rawlings added that one dried truckload equals seven wet truckloads.

Mr. White said the only free option would be to have a farmer pick up the dried biosolids at his own expense. Mr. Worthen responded that we did have a farmer in Idaho who came and picked up our dried biosolids but the product was too dusty and he ended the relationship.

If a biosolids study is done in 2022, money will need to be added to the budget.

Mr. White asked if we will be continuing to move forward with a capital facility plan based upon either capacity rights versus flow and load? Is this where we are headed in the future or are we going to continue on as we have in the past where anything brought in new was based on capacity rights as a general rule.

Mr. Rawlings responded that past projects have been a mix of flow & load and capacity rights.

Chairman Knight said he only wants to do what's right. Determine what needs replacing and what wore out that piece of equipment?

Mr. Cowdell gave a brief history on South Valley becoming a legal entity and when ownership became known as capacity rights.

Mr. White added that the capacity of this facility is 50 mgd. We're never going to get to 50 mgd at buildout. We have an excess of 10 mgd that will never be used.

Staff will do a flow analysis for the past 10, 15, and 20 years. And going forward calculate buildout.

Mr. Worthen suggested the entities adopt a resolution each year making their capacity rights equal to their flow & loads based on information from the past 12 months. Mr. White responded, "I wouldn't go there. Those are fighting words. Capacity rights, my entity holds dearly."

Mr. Powell added that capacity rights may not be the most equitable but by far the simplest.

Mr. Cowdell asked if we have documentation which lists how items are being billed. Mr. Rawlings said there was a resolution passed in 2018.

**Public Hearing on the
Proposed 2022 SVWRF
Budget**

Chairman Knight opened the public hearing at 1:00 p.m. for the purpose of the SVWRF 2022 proposed budget.

No one from the public appeared.

Chairman Knight closed the public hearing.

**Resolution 11-17-
2021(A) Adopt South
Valley Water
Reclamation Budget
for CY 2022**

Staff asked how the board would like to pay for items meeting the definition of capital purchases that have previously been included in the department budgets and paid by flow and load. Should these be paid according to capacity rights?

Mr. Dunn added that a question came up about the server. That is not being capitalized but it does match the description of a capital asset.

Mr. Rawlings said that staff would prefer not to include these items in the RM&A schedule but they can still be paid according to capacity rights if the board prefers.

Mr. Dunn added that if the board decides they would like to pay according to capacity rights, these items can be transferred out of the departmental budget and transferred into the non-departmental budget to be handled separately.

Mr. White stated that his whole premise wasn't necessarily that one or the other is correct, it was all based upon if we have a policy that was adopted by the board. He said, "Are we going to follow that policy, if we're going to follow it then we need to follow and do the capital. If not, let's change the policy, and I don't care which."

Mr. Rawlings responded that we will bill these items according to capacity rights.

Mr. Dunn added that this change will show as an additional line item and will change the billing amounts slightly.

Staff did not receive direction at the last meeting on what the board would like to give for salary increases in 2022.

Mr. Clegg said the City of West Jordan received 5.25% increase and he can't go higher than that because he felt it wasn't fair to his staff.

Mr. Kennedy said that Midvale City received a total of 4% beginning December. He reported that they had a 43% turnover in 2020, with no layoffs. Midvale has several industries mixed together which makes it hard to focus on one individual industry. Mr. Rawlings added that this is why a table was included which showed starting pay for operators in the sewer treatment industry as a comparison. Mr. Kennedy suggested, for the future, possibly looking at one-time cost options to incentivize i.e. bonuses.

Mr. White proposed a 5% increase to his board and received a 6.7%. He added that his board consists of mayors and each of them had heartburn over this because each of their cities received lower increases.

Mr. Rawlings requested that the increase the board chooses be used as a COLA which raises the step/grade chart and gives us a higher starting wage.

Mr. Kennedy moved the board adopt a 5.9% COLA. Mr. White seconded the motion.

Mr. Powell moved the board adopt a 6.0% COLA total. Chairman Knight seconded the motion. Role call vote was as follows:

<u>Mr. Powell</u>	"yes"
<u>Mr. Clegg</u>	"no"
<u>Mr. Kennedy</u>	"no"
<u>Mr. White</u>	"yes"
<u>Chairman Knight</u>	"yes"
<u>Motion carried 3 to 2.</u>	

Mr. Rawlings informed the board that we are in the process of renewing our discharge permit. The new permit includes some additional testing. Laboratory budget will need to be increased another \$30,000.

For the Biosolids Master Plan study in 2022, an additional \$100,000 will need to be added to the budget.

Mr. Powell moved that the Board approve Resolution 11-17-2021(A) adopting the South Valley Water Reclamation Facility Budget for calendar year 2022 as amended and authorize the chairman to sign the resolution.
Mr. White seconded the motion. Roll call vote was as follows:

<u>Mr. Powell</u>	<u>“aye”</u>
<u>Mr. Clegg</u>	<u>“aye”</u>
<u>Mr. Kennedy</u>	<u>“aye”</u>
<u>Mr. White</u>	<u>“aye”</u>
<u>Chairman Knight</u>	<u>“aye”</u>

All were in favor, motion carried.

Consent Calendar

Items included on the consent calendar are as follows:

- Ratify Check Register: October, 2021
- Approval of Minutes: October 13, 2021 Board Meeting
- Next Board Meeting Date: December 15, 2021 @ 10:30 a.m.

Mr. Kennedy moved to approve the consent calendar. Mr. Clegg seconded the motion. All were in favor, motion carried.

General Manager Report

Mr. Kennedy asked for a brief update regarding the metals side of things for the Trans Jordan Landfill as it is an agenda item at their next meeting, and Mr. Kennedy will be attending as an alternate on their board of directors. Mr. Cowdell explained that Kleinfelder wrote a letter stating that, in their opinion, the soil from the Bastion Ditch met the requirements to be used as daily cover at the landfill. After reviewing the letter, it was passed on to Mr. Jaron Scott, general manager for Jordan Landfill. South Valley Water Reclamation Facility want to do all they can to keep this project moving forward. Mr. Kennedy further asked if there was anything we would like him to convey at the meeting. Mr. Cowdell said to just let them know we need this project to reach the finish line.

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Project Updates

Project 5 – Asphalt has been replaced, sod is down. Demobilization should take place after Thanksgiving. Now working on punch lists. Substantial completion has been given to RSCI.

CIPP Project – First pay request has been received by Insituform. By Christmas they will be almost to 7800 South. There is a contract requirement to stay out of Gardner Village until after the first of the year. There are signs on the trail, metal plates have been laid across the trail.

Generator Project – The new facility needs to be powered up by the generator. We are not anticipating receiving the electrical gear for the generator until February 2022. The generator is scheduled for delivery mid-December.

Thermal Drying Pipeline Work – Substantial completion has been granted. Two small items still need to be taken care of.

Closed Meeting

There was no closed meeting.

Other Business

Chairman Knight informed the board that, due to Covid, staff once again were unable to hold their Lagoon Day and requested to use that budget as an employee Christmas bonus. Chairman Knight felt it was an administrative decision. The board gave their support.

Adjournment

Chairman Knight adjourned the meeting at 2:09 p.m.

Jerry L. Knight, Board Chairman

Belinda Patterson, Facility Clerk