

**SOUTH VALLEY WATER RECLAMATION FACILITY  
BOARD MEETING  
Wednesday, September 18, 2019  
7495 South 1300 West  
West Jordan, Utah 84084**

<b>Attendance</b>	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	Keith Ludwig, Midvale City
	Board Member	Justin Stoker, City of West Jordan
	General Manager	Lee Rawlings
	Facility Engineer	Taigon Worthen
	Facility Clerk	Belinda Patterson
	Attorney for South Valley	Tracy S. Cowdell
	Finance Director	Gary Dunn
	Operations Director	Randy Wyness
	Laboratory Director	Sherry Sheffield
	Pretreatment Director	Spencer Parkinson
	IT Director	John Hunter

**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 as follows:

Mr. Powell	“here”
Mr. Stoker	“here”
Mr. Ludwig	“here”
Mr. White	“here”
Chairman Knight	“here”

**Ceremonies/  
Presentations/Public  
Comments** None

**Resolution Adopting  
Policy for Employee’s  
Personal Use of Public  
Owned Property** Mr. Rawlings presented Resolution 09-18-2019(A) which amends the Employee Policies and Procedures Manual to add a policy regarding employee personal use of facility owned property.

**Mr. Stoker moved that the Board approve Resolution 09-18-2019(A) Employee Use of Facility Property and direct the Chairman to sign the resolution. Mr. Powell seconded the motion. Roll call vote was as follows:**

<u>Mr. Powell</u>	<u>“aye”</u>
<u>Mr. Stoker</u>	<u>“aye”</u>
<u>Mr. Ludwig</u>	<u>“aye”</u>
<u>Mr. White</u>	<u>“aye”</u>
<u>Chairman Knight</u>	<u>“aye”</u>

**All were in favor, motion carried.**

**Revision of Section 8.4  
of Employee Policy  
and Procedures  
Manual on Facility  
Vehicles**

Mr. Rawlings presented an amended policy for employee use of facility vehicles and car allowance, for Board approval.

Chairman Knight recommended that it be stated in the policy that you cannot receive a car allowance and use a company vehicle.

Mr. Rawlings shared a conversation he had with a representative at Utah Local Governments Trust (Trust). He stated that if an employee has non-employee passengers in the vehicle and there is an accident the Trust most likely will not cover those individuals under SVWRF's insurance policy. For this reason, we are adding that non-employees are not allowed to ride in Facility vehicles.

Mr. Cowdell stated he had conversation with the Trust a few years ago and they said that if it's in your policy that the employee receiving car allowance is allowed to transport non-employee passengers, and there was an accident, the owner of the vehicle's insurance would be primary and in some cases the Trust may provide secondary coverage.

Mr. Stoker said that it is West Jordan's policy that when an employee is on call and they need to drive the district vehicle in order to respond within the 30 minute timeline they are allowed to have family members in the vehicle. Should they be called, other arrangements need to be made to get the family member home. As a result, the family member is covered on the insurance.

Mr. Cowdell added that the employer is on shaky ground if they do not have a district policy stating that an employee driving a district vehicle can have non-employee passengers under certain circumstances.

Mr. Rawlings recommended that the facility discontinue paying car allowance and incorporate those dollars into the employee's salary. Mr. White stated at that point it would not just be car allowance. You would need to add another 20-30 percent on top of that, due to benefits. Mr. Cowdell added that employees like those dollars added to their salary, especially as they get closer to retirement, for Utah State Retirement purposes.

Mr. White had no concerns with what was being proposed except the car allowance. He felt that the car allowance should not be combined with their salary.

Mr. Stoker had no concerns with what was being proposed because it excludes family members. But should you allow family members, there needs to be more specific guidelines.

Mr. Stoker clarified what is being proposed in this policy, regarding car allowance. The employee would drive his or her own vehicle to and from work and be allowed to use company vehicles at work. He then asked how that is different from any other employee. At that point why is a car allowance given? He recommended that if you are given a car allowance you are to use your own vehicle at all times. Chairman Knight added that he also agreed.

Mr. White and Mr. Stoker prefer that car allowance be itemized and not included

in the employee's salary. Mr. Powell, Mr. Ludwig, and Chairman Knight were ok either way.

Mr. Cowdell suggested bringing this back to the Board with car allowance as a separate item and the Board can decide.

Chairman Knight moved to table this item for further consideration.

**Resolution & Licensing Agreement with Gardner Village for Overflow Parking**

Gardner Village is requesting to use the south pasture of our facility for parking during their annual Witchfest Event held in October. Mr. Rawlings presented Resolution No. 09-18-2019(C) which approves a licensing agreement between South Valley Water Reclamation Facility and Gardner Village over the next five years. Staff will continue to renew a licensing agreement with Gardner Village on an annual basis.

**Mr. White moved to approve the resolution as presented. Mr. Stoker seconded the motion. Roll call vote was as follows:**

<u>Mr. Powell</u>	<u>"aye"</u>
<u>Mr. Stoker</u>	<u>"aye"</u>
<u>Mr. Ludwig</u>	<u>"aye"</u>
<u>Mr. White</u>	<u>"aye"</u>
<u>Chairman Knight</u>	<u>"aye"</u>

**All were in favor, motion carried.**

**Method of Approving Budget Transfers**

At the August meeting the Board expressed concern that budget transfers are being made without a formal process to approve them. Mr. White explained that last month there was a large transfer included in the general manager's report but the Board did not vote on it. He asked why we go through the budget process approving specific line items if staff rearranges money afterwards?

Mr. Rawlings suggested moving the budget transfers from the General Manager's Report to the Consent Calendar for monthly approval. He said he understands most entities allow accounts to go in the negative and at the end of the year money is transferred to cover the shortfalls. Currently at our facility budget line items are not allowed to go into the negative, which is controlled by Caselle. Directors do not have the authorization to override the controls which stops them from overspending. If a director needs to make a purchase and the account is low on funds the director must first obtain approval from the finance director and general manager to move money from another account to make that purchase. The objective is to stay under the overall budget, which is a firm number adopted by the board. This process works well for the facility with controls in place. Mr. Rawlings recommended staying with this process.

Mr. Stoker added that at the City of West Jordan there are budget categories that go in to the red. But when money is moved from one category to another category a budget adjustment needs to be made. Categories can be in the red the entire year as long as the total budget stays in the black.

Mr. White said that will not happen here because it is an enterprise fund. Even though there are separate departments you can transfer anything you want as long as it's plus and minus. He would like the Board to approve the transfers.

Mr. Cowdell said that staff does not need to change their process. But the Board is requesting that allocation changes not be made without Board authorization even if the account goes in to the negative.

Mr. Dunn stated that if the Board would like accounts to go in to the red and stay in the red until year end we can accommodate that as long as the total budget remains in the black.

Mr. Cowdell said that transfers should be handled with a notice on the agenda and Board passing an amended budget at the last meeting of the year.

Mr. Cowdell will send a sample resolution for the budget amendment process which will also include language for accrual transfers which happen in December and January each year.

The Board directed staff to begin this new process from this point forward.

**Resolution Adopting  
the 2020 Tentative  
Budget**

Mr. Rawlings presented the SVWRF 2020 Tentative Budget which will be discussed in detail during the October 16, 2019 Board meeting. He explained that staff did a survey on what other agencies are giving for COLA's. Based on the results he recommended 2%. Staff also did a retirement survey, of similar entities, and found that the average is from 26% up to 30%. The Facility is currently at 20.15%. He recommended a 5% increase designated for retirement.

Mr. White highlighted that the Facility is exempt from social security. Mr. Stoker responded that for that reason the entity must come up with a qualified retirement plan.

Overall, department budgets, without salary or retirement increases, went up 2.6%. With the salary and retirement increases the budget increases 6.4%.

Mr. Dunn highlighted that there is no debt service reserve payment this year for the 2008 bond. The funds are already in the account. The repair and maintenance portion will still take place and the fiscal year column has been removed.

**Mr. Ludwig moved to approve Resolution 09-18-2019(B) the South Valley Water Reclamation Facility's 2020 Tentative Budget. Mr. Powell seconded the motion. Roll call vote was as follows:**

<u>Mr. Powell</u>	<u>"aye"</u>
<u>Mr. Stoker</u>	<u>"aye"</u>
<u>Mr. Ludwig</u>	<u>"aye"</u>
<u>Mr. White</u>	<u>"aye"</u>
<u>Chairman Knight</u>	<u>"aye"</u>

**All were in favor, motion carried.**

Mr. Rawlings asked Mr. White if he was interested in changing his percentage of flows to the plant for 2020. Mr. White will get back with him.

**Project 5 Handrails**

Mr. Worthen reported that there was a mistake regarding the handrails for Project 5 and an additional \$200,000 is needed. We would like handrails that match our current architecture at the bioreactors which is a picket style railing. Because the new grit building is a separate structure the 3-rail clear anodized rail is acceptable which will create a slight cost reduction to approximately \$176,000.

He added that around the open water surfaces and in places where public may be escorted i.e. tours, the picket style railing is required by IBC. Where public is not allowed there will be 3-rail railing.

**Mr. White moved to authorize the change order subject to the picket rail system. Mr. Powell seconded the motion. All were in favor, motion carried.**

**Slip-Lining Project**

Mr. Rawlings requested direction from the Board as to how to proceed forward on the Slip-Lining Project and what everyone's responsibilities will be.

Mr. Cowdell reported that he sent a letter to all the attorney's requesting a meeting to address any concerns they might have regarding this project being turned over to the facility. He's hoping they will agree to move forward concurrently with the slip-lining project and the revision of the interlocal agreements.

It was the consensus of the Board that the facility takes the lead in the project and bills the Board. SVSD completed a cost estimate as to how the project will be billed using the percentages in the interlocal agreements. He would like someone else to look at it and verify that it has been done correctly. Mr. Cowdell stated that it's accurate in terms of the interlocal.

Mr. Worthen will plot the easements. Mr. Cowdell added that the easements are SVSD's easements and may not be transferable. An agreement may need to be created.

Mr. Worthen asked what the Board would like the facility to do at this point. Mr. Cowdell suggested creating a timeline. Mr. Stoker said to continue with PEC and get the design completed and then go out for bid.

The Board agreed to pay according to the breakdown in the interlocal agreements. Mr. Worthen asked the Board how they will be paying. Mr. White stated SVSD will get in a position they can pay. Mr. Stoker stated that West Jordan will pay \$500,000 this year and \$700,000 next year. Mr. White stated that if this goes out to bid in July the Board will have two budget cycles to plan. Tracy confirmed that no one will be bonding.

Mr. Rawlings asked if someone could generate an estimate of the value of the pipeline for insurance purposes. Mr. Stoker responded that it is a depreciated asset – with cost per foot of the new lines. Mr. Cowdell added that it currently is a liability.

Mr. White clarified that this will be two separate tasks. Slip lining is one task billed to four entities (SSID, SVSD, Midvale, and City of West Jordan). The headworks, which all flow goes through, will be billed to all five entities. Mr. Stoker offered \$500,000 if the facility needs it to start the project.

**Consent Calendar**

Items included on the consent calendar are as follows:

- Ratify Check Register: August 2019
- Approval of Minutes: August 21, 2019 Board Meeting
- Next Board Meeting Date: October 16, 2019

**Mr. Stoker moved to approve the consent calendar. Mr. Ludwig seconded the motion. All were in favor, motion carried.**

**General Manager's Report**

There was no discussion on this agenda item.

**Project Updates**

Mr. Worthen gave a brief update on current projects.

Project 5 - Staff received their first invoice from RSCI. Cleaning of the grit in bioreactor 3 is wrapping up this week. Next week diffuser replacements will take place, which will take a couple of weeks. Then the bioreactor will be turned over to RSCI. The resident engineer will be here soon.

Clarifier Project - Both clarifiers now have drives and bridges mounted on them. Painting is wrapping up in clarifier one. Westech will be on site October 1. This project should be completed during the month of October.

Laboratory Project – Still waiting on the pay request from last month. There are several outstanding issues that are currently being negotiated. The contractual completion date is the end of November. The project will go to the end of the year.

**Closed Meeting**

There was no closed meeting.

**Long Term Facility Planning**

There was no discussion on this agenda item.

**Other Business**

There was no discussion on this agenda item.

**Adjournment**

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

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Jerry L. Knight, Board Chairman

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Belinda Patterson, Facility Clerk