

**SOUTH VALLEY WATER RECLAMATION FACILITY  
BOARD MEETING  
Wednesday, November 20, 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

**2020 Tentative Budget** Mr. Rawlings presented staffs responses to several questions and assignments given from the October Board meeting budget discussion. There were no additional questions or discussion.

**Resolution  
11-20-2019(D) –  
Adjusting Retirement  
Benefits** Mr. White expressed his appreciation for all the information presented and said it was very helpful. He did have a concern as to why, in the budget, total wages verses total benefits ran 72% but the information presented shows roughly 58%. Mr. Dunn responded that there are different factors that need to be considered. Vacant positions are budgeted as having family benefits, a reserve account is held for workers compensation with fluctuating premiums during the year, which is refunded back to the board if there is an excessive reserve balance. He added that in 2018, budget to actual, payroll spent was at 96%.

He used the example of the Retirement Health Savings Account. The budget is at the maximum employees can receive and then as they use their sick leave throughout the year those dollars are reduced and the excess is refunded to the board at the end of the year. He assured the board, money left over in any account is refunded back to the board and dollars in the payroll account do not get moved to other accounts.

The board had a brief discussion as to what insurance benefits are offered by their entity to their employees.

Midvale City offers Utah State Retirement (URS), 457 Plan, and a 401 Plan that the city matches up to 1%. West Jordan offers 18.47% to URS, does not participate in social security which puts the 6.2% in the employee's salary. The employee does have the option to participate in an employee funded 457 Plan. South Valley Sewer District offers 18.47% to URS, and 6.20% to Social Security.

Mr. White stated that employees are getting the 6.20% that would otherwise go to social security as part of their salary which means they are receiving the benefit. The premise of exempting out of social security was so the employee can be the wise steward of their funds and invest their money as they see fit. If they choose not to invest, it is their issue. He said that if the retirement is increased by 5% then the employee receives another 5% on top of the 6.2% already being received. He feels that's a problem and the easiest way to fix that is to go back in to social security.

Mr. Powell was concerned that when URS rates increase, SVWRF takes the shortage from the balance of the 20.15%. Mr. White responded that if you join social security it would be a non-issue. Mr. Powell agreed.

Mr. White said that there is a reason why entities opted out of social security and there are reasons they set up the different retirement plans that they have, for the benefit of the employees.

Mr. White asked if SVWRF has a Retirement Health Savings Account. Mr. Dunn responded that that we do and took a moment to explain how the program works. Employees have access to those funds when they retire or terminate. Employees also designate how they want those funds invested.

Mr. White added that being exempt from social security has significant costs to the employee and they don't see it until they retire.

Mr. Rawlings said that he is concerned about the retirement issue. He understands the employees are getting the 6.2%, which would otherwise go to social security, as part of their salary. He suggested possibly recouping some of that and offering a retirement program with matching funds.

Mr. Stoker requested time to study this further and bring back more options. In the meantime leaving the retirement program the way it is currently, with changes possibly made next year.

**Mr. White moved to table Resolution 11-20-2019(D) – Adjusting Retirement Benefit until it's brought back for further discussion. Mr. Powell seconded the motion. All were in favor, motion carried.**

Mr. Cowdell asked if there is any information that staff can provide that might make the decision more helpful. Mr. White said that if you spoke with the employees they may not want to participate in social security. Mr. Stoker added that we don't know for sure. Mr. Powell responded that if you didn't join social security the employees would definitely want the 5%.

Mr. White, Mr. Powell, Mr. Stoker, and Chairman Knight agreed that it would make sense to go back in to social security. Mr. Stoker added that if you are in social security you can qualify for both URS and full social security as long as you have contributed enough quarters, which is a good deal.

Mr. Cowdell said he thought it was interesting that staff doesn't look at cost for healthcare as a raise but it's costing the facility more money. Also, when URS premiums increase, staff doesn't view that as an increase in their compensation necessarily. But they certainly will view social security as a deduction in their compensation by 6.2%. If the Board decides to go this route the employees will need to be educated.

Mr. White said that there are senior employees here, depending on their age and how many years, that will still get hit with a penalty. They will not be able to work long enough to offset that.

Mr. Cowdell said that when he was with the school district the question came up about whether or not being a part of social security. The employees took a vote and they voted overwhelmingly to opt in.

Mr. Ludwig clarified that by not participating in social security the entity is saving 6.2%. He then asked, "Why not give the employee the 5% because the facility is saving 6.2% by not participating in social security?"

Mr. Stoker suggested possibly offering a 401k matching up to 5%. Mr. Ludwig agreed. Mr. White requested this option be researched and brought back to the board. It was also suggested letting the employees vote on it.

Mr. White said that it's important to remember the whole discussion started off with SVWRF having more benefits than the five member entities who are paying in to it. Giving another 5% you would solidify that. As long as it's a conscientious decision, he is okay.

Mr. Stoker reminded the board that West Jordan's total retirement benefit is the 18.47% contribution to URS by the employer.

**Public Hearing – South Valley Water Reclamation Facility 2020 Budget @ 1:00 p.m.**

Chairman Knight opened the public hearing at 1:00 p.m. for the purpose of the SVWRF 2020 proposed budget.

No one from the public appeared.

Chairman Knight closed the public hearing.

**Resolution 11-20-2019(A) – Adoption of South Valley Water Reclamation Facility 2020 Budget**

There was no additional discussion or questions concerning the proposed SVWRF 2020 budget.

**Mr. Stoker moved to approve Resolution 11-20-2019(A) as amended to include the step and grade chart as part of the final budget. Mr. Ludwig seconded the motion. Roll call vote was as follows:**

<u>Mr. Powell</u>	<u>“aye”</u>
<u>Mr. Stoker</u>	<u>“yes”</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.**

**Resolution 11-20-2019(B) – Amendment to SVWRF Employee Policies and Procedures Manual Section 8.4 – Facility Vehicles**

Mr. Rawlings said that Utah Local Government’s Trust suggested that employees receiving car allowance maintain insurance limits at 100/300/100.

**Mr. Powell moved that Section 8.4 of the SVWRF Employee Policies and Procedures Manual on use of facility vehicles be replaced with the attached revision. Mr. Ludwig seconded the motion. Roll call vote was as follows:**

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

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

**Resolution 11-20-2019(C) – South Sewer Interceptor Pipeline CIP Project**

Staff thought it would be helpful to have an agreement in place which would show the participation and commitment of the board members to the trunk line rehabilitation project.

Mr. Cowdell felt that a resolution would be a better way to move ahead with this complicated project. A first draft was presented at this meeting for discussion.

Mr. Cowdell said that the intent of this resolution is to nudge everyone along giving staff some direction. Rather than debating the old interlocal agreements, this resolution provides the following, it gives SVWRF ownership of the trunk line from the junction box north of 90<sup>th</sup> South where flows from South Valley Sewer District (SVSD), City of West Jordan (WJ), and Sandy Suburban (SSID), Midvale City (Midvale) come together, it would approve the expenditures, preliminary cost projection which is just under \$10.2 million, and staff will have authorization to spend the funds as a capital project, it allocates the percentages each entity

will pay, and includes a formula for ongoing maintenance, operations, and future rehabilitation. Mr. Worthen was tasked to obtain the legal description of the line. Mr. Cowdell will create a draft resolution for each entity, with the legal description attached, for their approval.

Chairman Knight does not agree with the percentage/cost shown for SSID. SSID showed as being responsible for 23% of the rehabilitation cost while WJ showed only 11%. Mr. Stoker said that looking at the entire length of the pipe there is very little flow from WJ between 7800 South and 9000 South. Mr. Knight confirmed that the pipe is 35 years old and his flow has been between 2.8 mgd – 3.5 mgd with one industrial user.

Mr. Cowdell said that Chairman Knight has a legitimate concern. We have old agreements, not sure if we have everything, and are they legally binding? With the new resolution we are agreeing to move forward from this point with a new formula for ongoing maintenance, operations, and future rehabilitation.

Mr. Cowdell reminded the board that he also represents SSID. If Chairman Knight decides to take his concern further the board might want to consider obtaining an independent attorney.

Mr. White suggested equalizing WJ and SSID with a 50-50 split. It wouldn't affect the dollars too much but it would equal it out. Mr. Cowdell suggested agreeing on a formula for the future so we don't need to go through this again.

Mr. Cowdell asked the Board if they had a preference on how they would like the future maintenance bills to be determined. Mr. White said percent flow and load is fantastic but a 20 year average from the past is ridiculous. Once you have the new pipe he suggested going forward based on flow and load. Mr. Rawlings added that the facility does have all the flow data but not load data.

Mr. Cowdell said that staff was thinking the Board might like them to bid this project in such a way that they can include other projects as alternate schedules. We just need to make sure we follow everyone's procurement policy.

Mr. Cowdell, Mr. Rawlings, and Mr. Worthen will re-do the formula going forward as well as track the data.

Mr. Knight said he didn't want to hold up the project. If worse comes to worse SSID will pay the \$2.4 million. But he still feels there is a more reasonable way to handle this.

Mr. Cowdell asked the Board to take some time and come up with some figures they feel is fair and staff will adjust the table. Mr. Ludwig said that regardless how the numbers are created it will need to be justifiable. Mr. Stoker added that this will need to be data driven. Mr. Rawlings offered to staff to put together flow data.

Mr. White said, "This resolution is based upon the agreements. Now we're saying forget the agreements we're now going with what the flow is? I'm ok with receiving that information but do not want to go down that path." Chairman

Knight responded that the agreements favor SVSD. If we go back 35 years we will find a lot of flow coming from SVSD. Mr. Stoker said it would be easier to go with the agreements at this point.

Mr. Ludwig said that this will take a lot of work to put this data together. Will staff be doing this work? Mr. White responded by saying that, "they are the independent party". Mr. Cowdell said that staff will help the Board in any way that they can. He added that, "We don't even want the pipe. We want SVSD to keep the pipe. We don't even want to be involved in this. We would rather you figure it out but you're saddling us with this. Now we have to be the big boys and handle it."

Mr. Powell asked if he should be voting on this project. Mr. Cowdell said yes because you are making a decision to accept a \$10 million dollar asset.

Mr. Worthen added that from the junction box where all north and south flows combine, staff would like to line that box coming in to headworks. We would like to add that work to this project. It has not been included in the \$10 million dollar figure.

Chairman Knight requested that Resolution 11-20-2019(C) be tabled.

**Justification of  
Pretreatment  
Director's Salary**

Chairman Knight shared his concern regarding the process of listing different duties and functions and then comparing them with other entities. He said that what the pretreatment director position responsibilities are here, more or less, it doesn't matter. Mr. Powell added that every entity is different and he respects the general manager's recommendation. Mr. Ludwig added that regardless of comparing job functions with other entities, in this organization they are part of a management level. Mr. Stoker added that every position has ancillary responsibilities associated with that job and you pay for a full time job at a certain position.

Mr. White said that he red lined his pretreatment coordinator position last year as a result of a salary survey. He found that his position was the second highest in the state. SVWRF's pretreatment director position is the highest in the state by \$30,000. The position grade maxes out at \$122,000. He asked if the board is comfortable with that.

Mr. Rawlings said that there is no comparable pretreatment director in the state. He shared Jordan Basin WRF's Rules and Regulations which lists the responsibilities of the pretreatment coordinator position and shows that the facility manager over sees the pretreatment department. At SVWRF it is the pretreatment director that oversees the pretreatment department. Mr. White said that when you get down to what they actually do it's almost equal. Mr. Rawlings disagreed.

Mr. Rawlings displayed the program document for Jordan Basin WRF which lists responsibilities for their pretreatment coordinator position as well as the facility manager's responsibilities to the pretreatment department. In the program document for SVWRF, the pretreatment director is responsible for the entire pretreatment program. Mr. Stoker added that telephone calls, formal meetings,

and notice of violations are like an administrative assistant responsibility. Mr. White agreed and said that his pretreatment coordinator does all the work and presents it to the facility manager for signature. Mr. Rawlings responded, "Yes, but that pretreatment coordinator position does not have the responsibility for the entire program." He clarified that the only time SVWRF's facility manager is involved is for emergency suspensions. These are significantly different programs with different responsibilities with different pay. Mr. White said that he disagrees because his program is modeled after SVWRF's with minor changes such as who they report to and who signs off on what. Is it worth \$30,000? Mr. Stoker added that West Jordan only has five individuals in this \$120,000 or higher range which includes their city attorney, public works director, development services director, city manager, and assistant city manager. To compare the pretreatment director position to those individuals is pretty extraordinary. Mr. Powell added that it is very difficult to compare positions in a district with positions in a city, because they are totally different.

Chairman Knight asked if Central Valley WRF has a pretreatment coordinator position. Mr. Rawlings said that they have a coordinator but not a director. They are the most similar to our program but there is no program run like our program.

Mr. White mentioned that he was told by Mr. Rawlings in an email that his pretreatment coordinator position compares to SVWRF's inspector II position. Mr. White said, "Obviously it appears we are not in the same world with how you view your personnel and how I view my personnel."

Mr. White added, "When you look at the pretreatment program over the last 30 years, and I don't care what facility it is, there has always been an attitude that the pretreatment department is the primadonna of any wastewater treatment plant and they are the most important people that there are. And I go back to what Mr. Palmer told me. He believed that whole heartedly. They are the only department I know that when you have a conference you empty out the entire pretreatment department to go to wherever the conference is. And nobody is left here. Why is that? Because they believe that they are the most important people. And then you look at the salary chart here well, is it any wonder? "

Mr. Stoker mentioned looking at the job requirements because you will never be able to compare job duties. Mr. White said that the pretreatment coordinator at Jordan Basin WRF does not need a degree. Mr. Rawlings said that the pretreatment director at SVWRF does need a degree.

Chairman Knight said that he doesn't understand the nuances of the pretreatment position because he doesn't run a sewer treatment plant. But he can see that Mr. Rawlings is frustrated which makes him think that he really believes in what he's saying.

Mr. Cowdell asked if the pretreatment director position has management responsibilities. Mr. Rawlings responded, "Yes and he also serves on the executive committee."

Mr. Ludwig said that the pretreatment director should be treated like the other directors because they are at that same level of management.

Mr. Rawlings reminded the Board that in 2012, during the re-organization, the Board set the pay grade for the pretreatment director.

Mr. Stoker explained what the City of West Jordan focuses on. Rather than comparing job responsibilities, they look at degree/certification requirements, how many employees they supervise, what size of a budget they are responsible for, and compare those. That's a better way to determine what a salary should be.

Mr. Stoker suggested maybe using a third party to assess all the positions at SVWRF. This study would include recommending a wage.

Chairman Knight said that if Mr. Rawlings, as the general manager, feels this is the way to go, I trust his judgement.

**Mr. Powell moved that the pretreatment director's pay is justified and should not be capped but continue to progress on the pay lane assigned to that position. Mr. Ludwig seconded the motion. All in favor.**

<u>Mr. Powell</u>	<u>"yes"</u>
<u>Mr. Stoker</u>	<u>"no"</u>
<u>Mr. Ludwig</u>	<u>"yes"</u>
<u>Mr. White</u>	<u>"no"</u>
<u>Chairman Knight</u>	<u>"yes"</u>

**Motion carried 3 to 2.**

**Renew Professional Services Agreement with Redmon Engineering & Task Order #7**

Mr. White clarified that the work has been completed and asked if there is a reason this needed to come to the Board. Mr. Rawlings responded that professional service agreements come to the Board but the task order he can handle due to the lower dollar amount.

**Mr. White moved that the SVWRF Board approve the Agreement with Redmon Engineering and ratify Task order #7 for \$12,500. Mr. Stoker seconded the motion. All were in favor, motion carried.**

**Contract Renewal with Wasatch Regional Landfill**

Mr. Rawlings explained that our contract with Wasatch Regional Landfill will expire at the end of the year and staff is requesting approval from the Board to renew the contract for another three years.

Mr. Cowdell asked staff to keep in mind that this contract automatically renews which means if you decide to opt out you need to give them a one year notice.

**Mr. Ludwig moved that the Board approve the three year contract with Wasatch Regional Landfill for biosolids disposal and direct the chairman to sign the contract. Mr. Powell seconded the motion. All were in favor, motion carried.**

**Consent Calendar**

Items included on the consent calendar are as follows:

- Ratify Check Register: October 2019
- Approval of Minutes: October 16, 2019 Board Meeting
- Next Board Meeting Date: December 18, 2019 at 10:00 a.m.

**Mr. Powell moved to approve the consent calendar. Mr. Stoker 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 have a brief update on Project 5. He reported that a dump truck tipped over at the facility last week. There were no injuries. Mr. Cowdell requested Mr. Worthen to obtain verification of workers compensation coverage from the contractor.

The punch list for the Clarifier 1 & 2 Rehabilitation Project is completed. Vancon continues to make steady progress on the Laboratory Project. Employees may not be moving in to the new laboratory until after the new year.

Some small RM&A projects have been postponed and those funds were used for thermal dryer repairs.

**Closed Meeting**

There was no closed meeting.

**Other Business**

Mr. Cowdell reported that we have a person who is interested in purchasing the Lark property. Correspondence has been sent to the Board and the EPA. He asked the Board to be thinking about the future of that property and what they might want to do with it. If anyone on the Board would like to discuss this further feel free to give him or Mr. Rawlings a call.

Mr. White reported that roads have been platted up to the boundary of the property and road construction has begun. Also, South Jordan is putting pressure on Trans-Jordan on how soon they can close down as a landfill.

**Adjournment**

Chairman Knight adjourned the meeting at 2:56 p.m.

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Jerry L. Knight, Board Chairman

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Belinda Patterson, Facility Clerk