

**SOUTH VALLEY WATER RECLAMATION FACILITY  
BOARD MEETING  
Wednesday, December 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

**Call to Order** Chairman Knight called the meeting to order at 10:00 a.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

**Board Elections** Mr. Cowdell provided each Board member with a ballot to elect a Board Chairman for the years 2020 and 2021. The ballots indicated Mr. Jerry Knight has been re-elected as Board Chairman.

Mr. Cowdell provided each Board member with a ballot to elect a Board Vice Chairman for the years 2020 and 2021. The ballots indicated Mr. Brad Powell has been re-elected as Board Vice Chairman.

**2020 Board Meeting  
Calendar** **Mr. White moved to approve the proposed schedule for the South Valley Water Reclamation Facility Board meetings for the calendar year 2020 as presented. Mr. Powell seconded the motion. All were in favor, motion carried.**

**2020 YDM Calendar** Staff presented the Board with a 2020 YDM sampling calendar for their information.

**Resolution  
12-18-2019(A) – Year  
End Budget  
Adjustment Policy**

Staff presented a resolution which establishes a new procedure for the Board to review and approve budget adjustments each year.

Staff had a concern regarding needed adjustments between now and the end of the year. Mr. White responded that you just live with it. Chairman Knight responded that those are unavoidable. Mr. Dunn offered to inform the Board if adjustments are made. Mr. White said that if you go over a line item at year end it doesn't really matter. Mr. Stoker added that this process is more of a cleanup and shows the Board where money has been moved.

**Mr. Powell moved that the Board adopt Resolution 12-18-2019(A) establishing a procedure for the Board to review and approve adjustments to the annual budget. Mr. Stoker 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  
12-18-2019(C) – Year  
End Budget  
Adjustment 2019**

Staff presented budget transfers and adjustments made in 2019 for Board approval.

**Mr. White moved to adopt Resolution 12-18-2019(C) approving the transfers and adjustments to the 2019 annual budget as shown in Exhibit “A”. Mr. Ludwig 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.**

**Resolution  
12-18-2019(B) –  
Adjusting Retirement  
Benefit**

Mr. Rawlings asked if the Board had any additional comments or questions to add to last month's discussion concerning staff's request to adjust the retirement benefit.

Mr. White stated that he reviewed the minutes from last month and felt they laid out his arguments why his position is the way it is and was not interested in rehashing it again.

Mr. Rawlings requested an additional 5% be added to the existing 401A plan with ICMA-RC.

Mr. Stoker said that he would like to take this process more slowly. He felt uneasy with making any benefit enhancement at this point without seeing the big picture.

Mr. White added that he is opposed with what is being presented. But he can support a matching program, 401K, up to a certain amount. Because then there is some buy in from the employees. He asked Mr. Stoker if the City of West Jordan has a matching program. Mr. Stoker responded that they do not. He said that 18.47% goes to Utah Retirement Systems and they contribute the 6.6% they would have contributed into social security into a 401. Mr. Ludwig added that Midvale City matches up to 1% in to a 401.

**Mr. White moved to table this item to be brought back next month to include a matching program of 3% employee and 3% employer. Mr. Ludwig seconded the motion. All were in favor, motion carried.**

Mr. Stoker added that the current 401A contribution will not change.

Mr. Dunn added that with this change benefits are slightly over budgeted for 2020. The Board was in agreement to just leave the budget as is.

Mr. Dunn stated that staff will speak with URS and ICMA-RC. Mr. White stated that it was very simple to go through URS. Mr. Stoker added that URS has very low maintenance fees.

**Rollover of Unspent  
RM&A Funds**

**Mr. Powell moved that the Board approve transfer of up to \$61,308.28 from the 2018 RM&A into a reserve account for future needs and transfer the remaining 2019 RM&A funds, up to \$387,060.16 into a reserve account to be used to complete projects scheduled in 2019. Mr. Ludwig seconded the motion. All were in favor, motion carried.**

**South Trunk Line  
Rehabilitation  
Alternative Method for  
Cost Allocation**

Per the request of the Board, staff presented alternative cost sharing based on historical flow and load for the four entities involved in the Trunk Line Rehabilitation Project (South Valley Sewer District, Sandy Suburban Improvement District, Midvale City, and the City of West Jordan).

Mr. White was interested in the methodology of why flows and pollutant loads were equally weighted at 25% when there is a study by Bill Farmer that directs how we bill it monthly to each entity. Mr. Worthen responded that the study by Bill Farmer is a treatment study applicable only to treatment processes within the facility. This is a collection line which would not be applicable. It was just an even split on the three pollutants that we monitor and then the flow. Mr. Worthen offered to weight them differently if the Board would like. Mr. White asked, "If they are being weighted equally, and one constituent doesn't cause deterioration, than why it is even being factored in?"

Mr. White said, "We have four agreements in place that were entered in to long before any of us were here. You honor the agreements and do what you're supposed to do and whether you like it or not the agreement rules. But thinking about it, what are we trying to accomplish? The whole premise is we're taking the agreements and throwing them out and turning the ownership over to SVWRF. I discussed the concept with my legal counsel and if I need to swallow hard and accept more I'm willing to do that in order to keeps this project moving forward."

Mr. Stoker said, "West Jordan's biggest concern is that we are throwing out the legal agreements before we do the rehabilitation of the pipe."

Mr. Knight said, "We are throwing out 50 year old legal agreements with no data to back them up."

Mr. Stoker responded, "But right now that is the only legal ground we have. We've been talking about this for six months. And now we've decided six months later that we're just going to throw them out and do something different."

He added that his legal counsel feels that if we're not going with the agreements then we need to start over.

Mr. Cowdell reminded the Board that "SVWRF does not want the pipe. Since you looped us in you've already contemplated getting rid of the agreements." The resolution was written in such a way that once the pipe is deeded to SVWRF, the agreements become null and void and SVWRF receives the asset. The Board just needs to figure out how they will pay for the project. Once decided, Mr. Cowdell will draft a new resolution to send to each entity for their approval. Once adopted we will begin the project. Staff feels very uncomfortable starting the project prior to the final resolution being adopted.

Staff will have the pipes surveyed and it will be attached to the resolution.

Mr. Stoker said that if we give the asset to the facility and then figure out how we will break down the cost we will never come to an agreement in a timely manner to be able to take care of the pipe. Chairman Knight responded that it's much easier to come to an agreement now.

Mr. Cowdell brought up another alternative to just go with the agreements and let the entities involved work it out. Chairman Knight pointed out that SVSD is taking the biggest hit, and willing to do it, and we've got four yes votes. Mr. White added that this vote needs to be unanimous.

Mr. Stoker stated that West Jordan wants to stick with the agreements. Chairman Knight responded, "Then we're not going to agree. Any reasonable person would look at the data compared to the 50 year old agreements and say that is not unreasonable." Mr. Stoker responded, "But the agreements were based upon data and ownership." Chairman Knight said that he's not paying \$500,000 extra because West Jordan doesn't think it's fair. Mr. Stoker said that the agreements are the only legal basis we have right now.

Mr. Powell added that Mr. Worthen has done a good job and felt that moving forward; this is a very equitable way. The agreements were what they were then but times have changed. Based on flow and load is the way to go.

Mr. White requested a resolution be brought to the next meeting.

If the Board doesn't come to an agreement Mr. Cowdell suggested that they might want to consider finding other legal counsel.

**Chairman Knight tabled this item until the next meeting.**

Mr. White inquired about the procurement process for this project. Mr. Cowdell responded that we will be following the procurement policy and right now everything is on hold until the Board makes some decisions. Mr. Worthen added that the facility did not hire PEC. He did meet with their engineers and cost was a concern. Chairman Knight suggested paying PEC for the work they've done so far and then bid out the project. The Board agreed. Mr. Rawlings said that staff will begin putting together the procurement documents so we will be ready once the Board passes the resolution.

**Consent Calendar**

Items included on the consent calendar are as follows:

- Ratify Check Register: November 2019
- Approval of Minutes: November 20, 2019 Board Meeting
- Next Board Meeting Date: January 15, 2020

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

**General Manager's Report**

There was no additional discussion.

**Project Updates**

There were no project updates.

**Closed Meeting**

**Mr. White moved to go in to a closed meeting to discuss potential litigation and the sale of real property. Mr. Stoker seconded the motion. All were in favor, motion carried.**

Chairman Knight declared the Board out of closed meeting.

**Other Business**

Mr. Ludwig announced that Mr. Glen Kennedy will be replacing him on the SVWRF Board beginning January, 2020. Mr. Ludwig will be his alternate.

**Adjournment**

Chairman Knight adjourned the meeting at 11:20 a.m.

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Jerry L. Knight, Board Chairman

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Belinda Patterson, Facility Clerk