

MINUTES OF THE PUBLIC HEARING AND REGULAR BOARD MEETING  
OF THE BOARD OF TRUSTEES  
COTTONWOOD IMPROVEMENT DISTRICT

DATE: November 13, 2019  
PLACE : Cottonwood Improvement District Office  
TIME: 6:00 P.M.

**PRESENT:**

Mark Katter, Chairman  
Wesley Fisher, Trustee  
Kim Galbraith, Trustee  
Greg Neff, General Manager/Engineer  
Lonn Rasmussen, Assistant General Manager/Operations Supervisor  
Spencer Evans, Chief Financial Officer  
Jeremy Cook, Attorney for the District  
Jami Phillips, Board Secretary

Public: A list of public in attendance is attached to and thereby made part of these minutes.

At 6:00 p.m., Mark Katter called the meeting to order.

The Pledge of Allegiance was recited.

AGENDA:

**ITEM 1: PUBLIC HEARING – Final Budget for Fiscal Year 2020**

Chairman Katter opened the meeting for Board discussion regarding the 2020 tentative budget. The only change in this draft of the budget is an approximate \$49,000 increase in the treatment cost due to the finalization of the CVWRF budget, everything else is the same as discussed in the October 16<sup>th</sup> Board meeting. Wesley Fisher reiterated that he doesn't agree with paying for a rate study; he thinks it should be done in-house. There was discussion about several items that appeared in both the 2019 and 2020 budget. Greg Neff explained that if it is subsequently determined that a budget item is not needed that year, it gets included in the next year budget. The District doesn't replace material or supplies until needed. There was no more discussion from the Board; Chairman Katter opened the Public Hearing.

**PUBLIC COMMENT**

Bruce Blanchard of 8802 Shady Meadow Drive asked how the percentage increase in employee compensation at CVWRF compares to CID. Chairman Katter explained CID is lower and there was some discussion on comparisons.

Frank Christianson of 8817 Shady Meadow Drive said he believes that budgeting is more of an art than a science and explained his reasoning. Frank realizes the District will need to increase fees over the next few years and gave his theory on the appropriate uses of property taxes and the appropriate uses of user fees. He thinks the rate study should be done in-house by District management. Frank expressed his concerns that there isn't a rate increase on fees or property taxes structured into the 2020 budget because he realizes an increase is needed soon. Frank encouraged the Board to develop a reasoning whether it should be a tax or a fee increase and then do what is needed instead of what is easiest.

Jim Edwards of 1873 E. Richard Road said at last year's budget public hearing, he expressed some concerns about salaries and benefits. He asked the Board what's been done this past year concerning this issue. Wesley Fisher said the District did a compensation study and developed some policies based on that study. Spencer said a high deductible plan with a smaller network was added this past year resulting in some savings to the District. Jim asked if employees pay anything into their healthcare. Spencer explained that there is an employee share on the traditional plan.

Chairman Katter asked if there were any more questions; there were no more questions. Chairman Katter closed the Public Hearing at 6:24 pm and resumed into the regular Board meeting.

ITEM 2: ADOPT 2020 BUDGET

After a brief discussion regarding the rate study, a motion was made "to approve and adopt the final 2020 Budget as presented." A copy of the approved budget is attached and thereby made part of these minutes.

MOTION BY: Kim Galbraith  
SECOND BY: Mark Katter  
FOR: Kim Galbraith, Mark Katter  
AGAINST: Wesley Fisher

ITEM 3: APPROVE MINUTES OF THE OCTOBER 16, 2019 REGULAR BOARD MEETING

Kim Galbraith pointed out that the minutes were missing the time that the meeting was called to order. A motion was made "to approve the minutes of the regular Board Meeting held on October 16, 2019 with the time Chairman Katter called the meeting to order amended."

MOTION BY: Wesley Fisher  
SECOND BY: Kim Galbraith  
FOR: Wesley Fisher, Kim Galbraith, Mark Katter  
AGAINST: None

ITEM 4: FINANCIAL INFORMATION

(A) DISBURSEMENTS

Chairman Katter pointed out some of the costs for the new TV van. Wesley Fisher asked about the traffic control flagging classes through LTAP and some repair costs associated with a District on-call truck that was rear ended. Wesley asked about the District's Sam's Club membership and the kind of items purchased there. Disbursements report was provided to the Board for their review. A motion was made "to approve and ratify the October disbursements."

MOTION BY: Kim Galbraith  
SECOND BY: Wesley Fisher  
FOR: Kim Galbraith, Wesley Fisher, Mark Katter  
AGAINST: None

(B) FINANCIAL STATEMENTS

Copies of the unaudited financial statements as of October 31, 2019 were provided to the Board for their review.

ITEM 5: CENTRAL VALLEY WATER RECLAMATION FACILITY UPDATE

Chairman Katter said because of the Thanksgiving holiday and the WEAU midyear Conference, CVWRF is having the Board meeting next Thursday, November 21<sup>st</sup> instead of the traditional Wednesday.

Chairman Katter reported on the following: Cyber security was discussed and it was reported that Central Valley has experienced a number of social engineering email spoofs. Staff is trying to tighten up the system's security. There was an approximate \$10,000 increase in the insurance for cyber security. Wesley Fisher asked if the District has cyber security insurance coverage. Spencer Evans will ask that question and get a quote when he meets with the broker at Utah Local Governments Trust.

On October 9<sup>th</sup>, there was two different legislature treatment plant tours. It was good public relations and informative to the elected officials to help understand what's going on along the Wasatch front regarding the treatment plants and the costs of rehabilitating them to meet the state standards.

There is discussion on having a ground breaking ceremony in January 2020 for the public. Discussion regarding the revenue bonds and approving the resolution for \$65.1 million. A contract was awarded to COP Construction on the South Salt Lake force main replacement project for \$1.5 million.

Every month there is an updated drone video on CVWRF's website showing the progress of all of the construction projects.

ITEM 6: MANAGEMENT REPORT

Spencer Evans discussed the Central Valley estimated costs summary. He reported that Central Valley had an increase of roughly \$20 million. Spencer explained that he will exclude the estimated costs for 2025 through 2037 presented on the current summary going forward. The plant rebuild has to be completed by January 1, 2025 and capital expenditures decrease significantly after this date. He will simplify the cost summary formatting and have an updated summary in the next meeting for review and discussion.

ITEM 7: BOARD REPORT

Wesley Fisher said that he was unable to attend the Utah Association of Special District's conference held November 6 through November 8<sup>th</sup>.

Chairman Katter briefly discussed the UASD conference.

ITEM 8: INFORMATION ITEMS  
(A) CENTRAL VALLEY ESTIMATED COSTS  
(B) MIDVALE CITY – PUBLIC HEARING, GENERAL PLAN AMENDMENT TO INCORPORATE A NEW HOUSING PLAN FOR MIDVALE CITY

At 6:59 p.m., a motion was made "to adjourn the regular Board meeting."

MOTION BY: Wesley Fisher  
SECOND BY: Kim Galbraith  
FOR: Wesley Fisher, Kim Galbraith, Mark Katter  
AGAINST: None

PREPARED BY: Jami Phillips, Secretary