

MINUTES OF THE REGULAR BOARD MEETING
OF THE BOARD OF TRUSTEES
COTTONWOOD IMPROVEMENT DISTRICT

DATE: December 18, 2019
PLACE : Cottonwood Improvement District Office
TIME: 3:00 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 3:00 p.m., Mark Katter called the meeting to order.

The Pledge of Allegiance was recited.

AGENDA:

ITEM 1: APPROVE MINUTES OF THE NOVEMBER 13, PUBLIC HEARING AND BOARD MEETING

Kim Galbraith commented that he would like to be notified of the potential CVWRF ground breaking ceremony discussed in the November 13th Board meeting. No corrections were made to the minutes. A motion was made "to approve the minutes of the Regular Board Meeting held on November 13, 2019."

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

ITEM 2: APPROVE MINUTES OF THE NOVEMBER 19, 2019 SPECIAL BOARD MEETING

No corrections were made to the minutes. A motion was made "to approve the minutes of the Special Board Meeting held on November 19, 2019."

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

ITEM 3: PUBLIC COMMENT

Bruce Blanchard of 8802 Shady Meadow Drive asked where in budget is the expense for the increase in the compensated absences accrual due to pay raises. Spencer said it is part of the salaries and wages expense.

ITEM 4: FINANCIAL INFORMATION

(A) DISBURSEMENTS

Wesley Fisher noted on a few expenses: The Dell Poweredge, for the new District server. The Trustee election costs came in a lot lower than what was budgeted for and expected. The Jordan Camper bed cover for one of the District's pickup trucks. There was some discussion regarding clarification regarding the description used for the CVWRF 2019A bond payments. Disbursements report was provided to the Board for their review. A motion was made "to approve and ratify the November 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 November 30, 2019 were provided to the Board for their review.

ITEM 5: UPDATE FROM MORETON INVESTMENT

Dawn Dachenhausen and Jason Williams with Moreton Asset Management were in attendance. Jason presented to the Board an update and review of the District's investment portfolio performance and progress and discussed some 2020 allocation recommendations. Jason said the District's investment timing was decent resulting in some capital gain of approximately \$26,000. Jason mentioned that the FDIC insured negotiable certificates of deposits are now allowed under the Utah Money Management Act. Just under \$3 million of the District's investment is in CDs and carries full FDIC insurance. Kim Galbraith asked what is the average life maturity of the CDs. Jason said just over two years.

Jason said income from the CDs will hold at 2 percent. Moreton is recommending an additional \$4 million and bolstering both the treasury and CD part of the portfolio. There was some discussion regarding the PTIF and other investment options, along with the unlikelihood of any federal increases this next year. After some discussion, a motion was made "to increase the District's investment an additional \$4 million in the investment portfolio with Moreton Asset Management."

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

ITEM 6: DISCUSSION AND APPROVAL OF PROPERTY AND LIABILITY INSURANCE RENEWAL AND WORKERS COMPENSATION INSURANCE RENEWAL

Spencer explained that overall there is no increase in the rates relating to these premiums and is actually less than last year's premium. Cyber insurance is included in the District policy. Management recommends renewal of the liability, property, automobile and workers compensation policies for 2020 with the Utah Local Governments Trust. A motion was made "to approve Utah Local Governments Trust, property, liability insurance and workers compensation policies for 2020."

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

ITEM 7: SCADA PROPOSAL ACCEPTANCE/APPROVAL

Greg Neff talked about the SCADA (Supervisory Control and Data Acquisition) system proposal and management's recommendation for the District's four lift stations. Lift stations must be monitored continuously to avoid sewer overflows. SCADA will dramatically improve the District's ability to detect and respond to lift station problems. Less overtime pay will be required and lift stations will operate more reliably. Management looked at four different companies and recommends that the District accept the proposal from Dorsett Technologies with a base bid of \$49,946.61 to be implemented now and to add the control option for \$17,906.35 in calendar year 2020. There is money allocated for this in the 2019 and 2020 budgets. Wesley Fisher asked the likelihood of an overflow. Greg said it's a possibility for all the lift stations; the Erekson lift station is right next to the creek and if it overflowed, it would go right into the creek, which would result in very expensive fines. After some discussion a motion was made "to accept the Dorsett bid of \$49,946.61 to be implemented in 2019 and \$17,906.35 to be implemented in 2020 for the SCADA system for the District lift stations."

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

ITEM 8: WEAU OPERATIONS CHALLENGE – ST GEORGE, APRIL 14-17, 2020 – APPROVAL TO SEND DISTRICT TEAM

Greg Neff said the District typically sends a five-member team to participate in the WEAU Operations Challenge. Management thinks it's a good benefit and training to the operators and asked for Board approval to send an operator's challenge team to participate in the WEAU Operations Challenge in St George next April. A motion was made "to send an operator's District team to the WEAU Operations Challenge in St George on April 14-17, 2020."

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

ITEM 9: CENTRAL VALLEY WATER RECLAMATION FACILITY UPDATE

Chairman Katter said that Leland Myers and Theron Miller did a presentation regarding the WFWQB, Wasatch Front Water Quality Board. This Board gathers on the first Tuesday of every month. WFWQB worked with Representative, Keven Stratton, on a bill to amend the provisions relating to the Water Quality Board rulemaking procedure and the Administrative Rules Review Committee. The bill provides for review and Legislative approval of Water Quality Board rules or standards that have a significant cost increase to POTWs.

A contract was approved and awarded on five thickening centrifuges in the approximate amount of \$2.4 million. Also approved was an award of contract for 3W/Reuse System UV equipment in the amount of \$266,000.

Chairman Katter said some of the upcoming projects were described; they consist of construction management services and the side-stream phosphorus, nitrogen and thickening design. Construction management projects include: South Salt Lake Force Main, Cogeneration; Headworks Improvement project; 3 Water Improvement Project; South Interconnect; Blower Building; BNR Basins/PEPS. The total project budget on these task orders is \$4.3 million. Brown and Caldwell was

approved for the engineering and construction management on all these projects. The total for these task orders is \$2.7 million.

There was Board approval for surplus equipment for a 2005 Komatsu Loader.

Future CVWRF Board meeting times were discussed, but nothing has been passed yet.

ITEM 10: SET 2020 BOARD MEETING DATES AND TIMES

There was some discussion on the 6:00 PM Board meeting times. The Board decided to continue with four evening meetings at 6:00 PM. If there isn't a lot of public attendance, the later meeting times might be reviewed later in the year. The Board meetings are typically held the 3rd Wednesday of the month. There are a few conflicts due to a few conference/classes. A motion was made "to set the monthly Board meeting for the 3rd Wednesday of the month with the exception of February, which will be held on the 2nd Wednesday and April, which will be held on the 3rd Tuesday. The times are scheduled at 3:00 PM, with the following four months scheduled for 6:00 PM: March, June, September and November." A copy of the dates and times is attached to and thereby made part of these minutes.

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

ITEM 11: APPOINT COTTONWOOD IMPROVEMENT DISTRICT BOARD CHAIRMAN, CLERK, AND TREASURER FOR 2020

A motion was made "to appoint Wesley Fisher to be the Board Chairman, Spencer Evans to be the Clerk and Lonn Rasmussen to be Treasurer for 2020."

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

ITEM 12: APPOINT BOARD MEMBER AND ALTERNATE FOR 2020 CENTRAL VALLEY BOARD

A motion was made "to appoint Kim Galbraith to serve on the Central Valley Board and Greg Neff to be the alternate in 2020."

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

ITEM 13: APPOINT 2020 DISTRICT REPRESENTATIVE AND ALTERNATE FOR THE UTAH ASSOCIATION OF SPECIAL DISTRICTS

A motion was made "to appoint Spencer Evans to be representative and Lonn Rasmussen to be the alternate in 2020."

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

ITEM 14: MANAGEMENT REPORT

- (A) NEW TV VAN – COMPLETED AND IN OPERATION PICTURES
- (B) NEW EMPLOYEES
- (C) UTAH LOCAL GOVERNMENTS TRUST MANAGEMENT SURVEY

ITEM 15: BOARD REPORT

None

ITEM 16: INFORMATION ITEMS

- (A) CENTRAL VALLEY ESTIMATED COSTS
- (B) PEHP LOCAL GOVERNMENT RISK POOL REFUND
- (C) WEAU OPERATIONS CHALLENGE – ST GEORGE, APRIL 14-17, 2020

ITEM 17: CLOSED SESSION TO DISCUSS LITIGATION

A motion was made “to move into a closed session to discuss pending and imminent litigation.”

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

At 5:21 p.m., the meeting was adjourned.

PREPARED BY: Jami Phillips, Secretary