

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

DATE: January 15, 2020
PLACE : Cottonwood Improvement District Office
TIME: 3:00 P.M.

PRESENT:
Wesley Fisher, Chairman
Kim Galbraith, Trustee
Mark Katter, 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., Wesley Fisher called the meeting to order.

The Pledge of Allegiance was recited.

AGENDA:

ITEM 1: APPROVE MINUTES OF THE DECEMBER 18, 2019 BOARD MEETING

No corrections were made to the minutes. A motion was made "to approve the minutes of the Regular Board Meeting held on December 18, 2019."

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

ITEM 2: PUBLIC COMMENT

None.

ITEM 3: FINANCIAL INFORMATION

(A) DISBURSEMENTS

There was discussion regarding the timing of the District's insurance premium payments, which are paid annually, excluding workers' compensation, which is paid monthly. Chairman Fisher asked about the landscaping charges. Spencer explained that the landscaping company is slow to invoice their charges and the work was done last Fall. The Annual Membership dues for the Utah Association of Special Districts was discussed concerning the value of the membership benefits, the cost,

and how the rate is calculated. The Disbursements report was provided to the Board for their review. A motion was made “to approve and ratify the December disbursements.”

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

(B) FINANCIAL STATEMENTS

There are some additional outstanding invoices that will be accrued into December 2019. In February/March there will be a few entries for Utah Retirement System and the Districts share of equity for CVWRF. Copies of the unaudited financial statements as of December 31, 2019 were provided to the Board for their review.

ITEM 4: CENTRAL VALLEY WATER RECLAMATION FACILITY UPDATE

Mark Katter said there was recognition of service for two Board members that will no longer be serving on the Board, Mark Kindred from South Salt Lake and Jim Brass from Murray City.

A contract was awarded for the side stream nitrogen project to Veolia in the amount of \$1,824,000.

The CVWRF’s 2020 Board meeting schedule was approved. The meeting time was moved one hour later to 4:00p.m. and several are scheduled for 6:00p.m. to better accommodate the public.

As part of the phosphorus rule put in place by the State, there was discussion regarding a CVWRF letter to DWQ requesting a nitrogen removal limit waiver for a ten-year period. Greg Neff said since that meeting, CVWRF was granted the waiver and the DWQ won’t put a more stringent nitrogen limit on Central Valley for a period of ten years. The new treatment process will help meet any limits without a lot of additional expense.

ITEM 5: MANAGEMENT REPORT

Greg Neff said that Phil Heck, CVWRF’s General Manager and Justin Zollinger, CVWRF’s CFO called him today to inform him of a couple bid projects received. The 3W Reuse Water Project was estimated at \$14 million and the bid came in at \$18 million. The new equipment for the Headworks Rehabilitation Project was estimated at \$10 million and the bid came in at \$12 million. Greg said the driving force behind the increased costs is the phosphorus limit timeline rule and the competition with other large projects like the airport and the prison. Salt Lake City will also be building a new treatment plant.

Earlier in the month, Chairman Fisher requested to have informational and educational information given periodically at the Board meetings. Greg Neff put together a PowerPoint presentation of the District’s collection system, including the two canyon’s collection system. The District is paid to do routine maintenance i.e., cleaning and televising, etc., for the canyons based on flow. The presentation slides show the District’s pipes by age (70% is more than 40 years old), replacement costs, types and size of pipes, corrosion of concrete pipe that’s been replaced and replacement options. Bruce Blanchard, part of the public attending, asked what would happen in the event of an earthquake. Greg said we don’t know how it will impact the entirety of the system, it depends on where it moves. The District has an emergency preparedness plan to go out and check some key points in the District’s service area.

ITEM 6: BOARD REPORT

Chairman Fisher said he would like this Board to be a learning Board and asked Greg Neff to teach the Board about the system so the Board can make informative decisions. He expressed

an urgency to understand how the District is going to raise rates at some point and what the time line will be and realizes the rate study approved in the 2020 budget will help with that. Spencer Evans said after the District receives CVWRF's audited financials and the District's audit is complete, he will update the forecast and provide more information at that time. Greg Neff said a Request for Proposal will be going out for the fee study as directed by the Board, then the Board will approve a proposal. The study will help understand what rates need to be to cover the District's expenses and the different ways that can be financed through taxes or fees. This should help the Board make an informative decision. Kim Galbraith mentioned the CVWRF contracts coming through now and how this will impact the consideration of the District's rate increase timeline and the amount needed. Spencer said the District has participated in all of the Central Valley bonds, which helps with forecasting and allows for a longer planning horizon. After covering District operating costs, and the District's portion of CVWRF's operating and capital costs, what's left over either goes into reserves or pays for District capital improvements. The rate needs to support all those components with sufficient remaining so that District capital needs don't suffer. The rate study will help articulate those components.

ITEM 7: UTAH OPEN MEETINGS ACT TRAINING

Jeremy Cook did a review and summary and handed out a copy of the Utah Code, Title 52, Chapter 4, Open and Public Meetings Act and provided the Board with the required annual training. The District has to follow the policies set by State law and Jeremy discussed some of the following definitions used in the chapter: meetings, electronic meetings, quorum, electronic messages. He advised the Board if they have any questions to call Greg Neff. Meetings are open to the public, except for closed meetings and the closed meeting requirements. Public notice of meetings and emergency meetings was discussed and the notice requirements. Meeting minutes are recorded and written with some exceptions and provisions. Jeremy explained the criminal penalty to a member of the public body for the closed meeting violation is a class B misdemeanor.

ITEM 8: INFORMATION ITEMS

- (A) CENTRAL VALLEY ESTIMATED COSTS
- (B) NEW BOARD MEMBER TRAINING: The training needs to be done within the first year of office. A certificate of completion is required in the District audit.

ITEM 9: CLOSED SESSION TO DISCUSS LITIGATION

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

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

At 4:27 p.m., the closed session was closed and the regular Board meeting was adjourned.

PREPARED BY: Jami Phillips, Secretary