

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

DATE: August 21, 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 JULY 17, 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 July 17, 2019."

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

ITEM 2: PUBLIC COMMENT

Bruce Blanchard of 8802 Shady Meadow Drive said the primary election is over and now's a good time for the four Board candidates to post their biographies on the website for November's District election.

ITEM 3: FINANCIAL INFORMATION

(A) DISBURSEMENTS

After review and discussion, a motion was made "to approve and ratify the July disbursements."

MOTION BY: Wesley Fisher

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

(B) FINANCIAL STATEMENTS

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

ITEM 4: CENTRAL VALLEY WATER RECLAMATION FACILITY UPDATE

Spencer Evans gave the following report on CVWRF: The CVWRF 2017 bond has \$7.3 million in proceeds left; it is expected that those proceeds will be spent by the end of September. The \$38.5 million proceeds for the 2019 bond have been received. The District's participation in both bonds is roughly 30 percent.

The nutrient removal design process is expected to be bid on by the end of the year, which is a significant portion of the plant rebuild cost.

Approval to purchase \$2.4 million in blowers for the aeration process and \$2.5 million for the side-stream phosphorus removal system.

There have been approximately 75 bags out of an estimated 350 that CVWRF thinks it will take to remove all of the uranium mill tailings; each bag holds approximately 8,000 pounds. A construction update video is put together for every board meeting and is posted on CVWRF's website. The last video posted has a panning shot over the plant and you can see the bags on site.

Wesley Fisher questioned the monthly overtime man-hours in CVWRF's board book, monthly plant performance parameters; May-19's monthly man-hour average is 292 vs 2017's 168. Greg Neff said management will ask CVWRF that question and report back to the Board.

ITEM 5: MANAGEMENT REPORT

Item (B) was briefly discussed first:

(B) UTAH STATE TAX COMMISSION 2020 CALENDAR YEAR ENTITY PROPERTY TAX INCREASE REQUIREMENTS

For the Board's information, Spencer Evans included a 2020 calendar year tax increase summary requirements from by the Utah State Tax Commission website. The summary lists the public notice, timing and action requirements. A copy of the 2020 calendar year tax increase requirement summary is attached to and thereby made part of these minutes.

(A) CENTRAL VALLEY ESTIMATED COSTS - UPDATE

Spencer Evans presented a summary of CVWRF's treatment plant rebuild he compiled to help the District's Board track the actual and estimated construction costs. Spencer explained, along with some discussion, the summary layout. The summary will be updated annually or when there are significant changes to the estimated costs, but will be included in the monthly board book regardless as a quick reference for the Board.

Bruce Blanchard of 8802 Shady Meadow Drive said in 2016 the public was told by CVWRF's General Manager, Tom Holstrom that the rebuild estimated costs will be \$250 million and now the costs are up to \$372 million. Management explained that when the new requirements were imposed on CVWRF, it was an entirely new treatment process with many unknowns. Since then, much engineering design work has occurred and costs have been updated as the design work progresses. A significant portion of the nutrient removal design work is expected to be complete at the end of the year. Once those projects start bidding, there will likely be changes to some of the previously estimated costs.

Wesley Fisher brought up property taxes and mentioned that some people would like to see fees increase only when the actual cost of services increase and taxes go up when infrastructure is involved. Greg Neff said it's a decision made by the Board and management will implement whatever the Board decides.

ITEM 6: BOARD REPORT

None.

ITEM 7: INFORMATION ITEMS

- (A) PUBLIC UTILITY EASEMENT ENCROACHMENT BY PROPERTY OWNER – LOT 263, HOLLY PARK, #2 SUBDIVISION (2259 EAST 10140 SOUTH).
- (B) THANK YOU LETTER.

ITEM 8: CLOSED SESSION TO DISCUSS LITIGATION

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

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

A motion was made “to move from the closed session back into the regular Board meeting.”

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

At 5:21 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, Board Secretary