

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

DATE: October 16, 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 SEPTEMBER 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 September 18, 2019."

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

ITEM 2: PUBLIC COMMENT

There was no public in attendance at this point of the meeting; however, Keith Mercer of 7546 Stone Road came later. Keith made a public comment at the end of the regular meeting, prior to the motion to enter into a closed session of the meeting. Keith complimented Greg Neff, Spencer Evans and Jeremy Cook for their comments in the September 18, 2019 Board meeting. Keith said one thing to always remember is Cottonwood Improvement District is the best.

ITEM 3: FINANCIAL INFORMATION

(A) DISBURSEMENTS

Disbursements report was provided to the Board for their review. There were clarification questions regarding the disbursement report on CVWRF's charges; a brief explanation of CVWRF's

charges are listed under the “description column” of the disbursement report. After review and some discussion regarding the TV van generator, a motion was made “to approve and ratify the September 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 September 30, 2019 were provided to the Board for their review.

ITEM 4: APPROVE 2020 TENTATIVE BUDGET

Spencer Evans presented the proposed tentative budget for 2020; an overview of the 2020 Budget, along with a 2019 budget vs. 2020 budget is included. Spencer said the workers compensation costs is still unknown, but he will have a cost update available before the November meeting. There was some discussion regarding management’s proposed budget cost in 2020 for a capital facilities plan, an impact fee analysis, and a rate study. The last capital facilities plan and impact fee study was done in 2009. Wes Fisher said he is not in favor of having a rate study; he would rather see it done in-house. Management discussed that the intent for a rate study is to have a third party assessment of the District’s rates to assist the Board in the anticipation of a future rate increase. Kim Galbraith commented that the use of a rate study is a valuable guide.

Spencer pointed out some savings with the reduction of employees and fleet. Spencer talked about some of CVWRF’s increases associated with the plant rebuild. There was some discussion regarding the District’s reserves and the reasoning behind the amount, along with future bonding potential with CVWRF for the plant rebuild. A comparison of property taxes and monthly fee charges of districts and cities that provide sewer in the Salt Lake valley was shown with the District having some of the lowest combined costs. There was some discussion on Repairs and Maintenance and R&M System, i.e., District parking lots, HVAC for the office and shops, carpet replacement and the Vapex maintenance kit, manhole rings and lids. There was some discussion on year comparisons on operating and capital budget regarding salaries & wages and contingencies on employee benefits. Spencer discussed merchant, online and bank fees.

A copy of the tentative budget is attached to and thereby made part of these minutes. After some discussion, a motion was made “to approve the 2020 Tentative Budget.”

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

ITEM 5: SET TIME AND DATE FOR PUBLIC HEARING FOR 2020 BUDGET

A motion was made “to set November 13, 2019 at 6:00 p.m. as the date and time of November’s regular Board meeting and the Public Hearing regarding the 2020 Budget.”

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

ITEM 6: CENTRAL VALLEY WATER RECLAMATION FACILITY UPDATE

Chairman Katter gave the following report: CVWRF filled 374 bags and saved approximately \$1 million because it wasn't necessary to fill all of the 472 bags anticipated to remove the uranium mill tailings encountered while excavating. CVWRF's current insurance policies were renewed, along with additional coverages for cyber security and pollution coverage for an overall premium cost of approximately \$353,000.

Greg Neff said the nutrient removal plans are complete and are with the State waiting approval; once approved, they will go out for bid, hopefully by the end of this year. Spencer Evans said he will have an updated Central Valley estimated costs update for next month's meeting.

ITEM 7: MANAGEMENT REPORT

Greg Neff said the District servers are in need of upgrades because of age and the software support has been dropped by Microsoft. The servers are previously budgeted items. One server was recently upgraded, which was discussed in previous meetings. Another one is needed and should be coming before the end of the year. SCADA (Supervisory Control and Data Acquisition) has been in the budget almost perennially and management would like to purchase it this year and some of it is budgeted for next year. SCADA will be used for the District's four lift stations. It updates and will send reports to the lift station mechanic and the on-call personnel if there is a problem. The device allows off-site control; a pump can be started from home for a high level alarm while the employee drives out to the location to investigate the issue. Management would like to evaluate some proposals in the next few weeks.

The Salt Lake County Election Division conducts the District's Board of Trustee Election and provides the District with a final official summary tabulation report for canvassing. The District Board is required to Canvass the Board of Trustee Election on November 19th (20A-4-301). SLCO Election Division suggests any time after 4:00 p.m. The Cottonwood Improvement District Board of Trustees Election Canvass will be held on November 19, 2019 at 4:00 p.m.

ITEM 8: BOARD REPORT

None.

ITEM 9: INFORMATION ITEMS

- (A) CENTRAL VALLEY ESTIMATED COSTS
- (B) PUBLIC UTILITY EASTMENT ENCROACHMENT BY PROPERTY OWNER – LOT 64, EASTWOOD SUBDIVISION (2414 E. GRANITE HILLS CIRCLE)
- (C) SANDY CITY COMMUNITY DEVELOPMENT – PUBLIC NOTICE, ANNEXING MULTIPLE PARCELS

ITEM 10: 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 open the closed session of the Board meeting."

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

AGAINST: None

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

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

At 5:20 p.m., a motion was made “to adjourn the regular Board meeting.”

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

PREPARED BY: Jami Phillips, Board Secretary