

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

DATE: April 20, 2022
PLACE : Cottonwood Improvement District Office
TIME: 3:00 P.M.

PRESENT:
Wesley Fisher, Trustee
Mark Katter, Acting Chairman
Greg Neff, General Manager/Engineer
Spencer Evans, Chief Financial Officer
Jeremy Cook, Attorney for the District
Jami Phillips, Board Secretary

Kim Galbraith, Chairman, is unable to attend.
Lonn Rasmussen, Assistant General Manager/Operation Supervisor, is unable to attend

Public in Attendance: None.

At 3:00 p.m., Acting Chairman Mark Katter called the meeting to order.

The Pledge of Allegiance was recited.

AGENDA:

ITEM 1: APPROVE MINUTES OF THE MARCH 16, 2022 BOARD MEETING

No corrections were made to the minutes. A motion was made "to approve the minutes of the Board Meeting held on March 16, 2022."

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

ITEM 2: PUBLIC COMMENT

None.

ITEM 3: FINANCIAL INFORMATION

(A) DISBURSEMENTS - APPROVAL

The disbursement report was provided to the Board for their review, along with the District Manager's Wells Fargo credit card statement. Spencer Evans pointed out that the CVWRF invoice payment was larger this month because of the debt service obligation. A motion was made "to approve and ratify the disbursements."

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

(B) FINANCIAL STATEMENTS – REVIEW

Copies of the unaudited financial statements as of March 31, 2022 were provided to the Board for their review. Greg Neff mentioned that the District is having to use some of the District's reserves in the PTIF to pay for some of the debt service obligation to CVWRF each month.

(C) SET 2021 DESIGNATED UNRESTRICTED NET POSITION

The Board was in possession of the proposed designation of unrestricted net position to be included in the notes of the 2021 audited financial statements. A motion was made "that the December 31, 2021 unrestricted net position in excess of the District's carrying value of the investment in CVWRF be designated for District and CVWRF capital projects."

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

ITEM 4: APPROVAL OF PEBBLE HILLS BOUNDARY ADJUSTMENT

Greg Neff explained that the Pebble Hills Boundary Adjustment Resolution was previously motioned, approved and signed last year. However, Jeremy Cook, Cottonwood's attorney, after conferring with counsel of the other two districts involved, advised the District to have a resolution to notice the boundary adjustment with a 60-day notice requirement, which the Board approved at the February 16, 2022 Board Meeting. The 60-day time period has passed; therefore, Resolution No. 2022-03 will reapprove and finalize the Pebble Hills Boundary adjustment.

Acting Chairman Katter opened up the public hearing for any public comment. There were no public comments.

Acting Chairman Katter closed the public hearing. A motion was made "to approve Resolution No. 2022-03, for the Pebble Hills Boundary Adjustment." A copy of the District's Notice of Public Hearing Regarding Boundary Adjustment, Castlewood's Petition for Cottonwood Improvement District Boundary Line Adjustment, along with a Final Local Entity Plat is attached to and thereby made part of these minutes.

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

ITEM 5: CENTRAL VALLEY WATER RECLAMATION FACILITY UPDATE

Trustee Wesley Fisher reported on the following CVWRF matters: A photography session is scheduled for the new Board members prior to the April board meeting. A site walk facility tour is scheduled after the April board meeting.

CVWRF had a Compost Day marketing event the day of the March 23, 2022 board meeting.

The April 12-15, 2022 WEAU Operator Challenge held in St. George was discussed.

The Water Quality Board passed CVWRF's State Loan Amendment to waive the reserve requirement for maintenance fund reserves.

CVWRF UPDES permit renewal update was discussed. Trustee Fisher said the Mill Creek discharge sample location will change.

All of the CVWRF capital projects are moving along.

There was Board approval for CVWRF's Municipal Wastewater Planning Program.

There was Board approval for the CVWRF Tunnel Air Conditioning Improvements Contract.

The CVWRF Elevator Contract and Variance to the Procurement Policy was postponed to a later date.

CVWRF had a closed session to discuss CVWRF's lease of real property.

Spencer Evans pointed out the Construction Contract Completion Summary that CVWRF includes in their monthly board books. There was discussion on the following columns: 1) Costs. 2) Percentage Complete by Date. 3) Percentage Time Elapsed. 4) Final Date of Completion. 5) The CVWRF Project list and the timing schedule order of certain projects.

Spencer Evans mentioned that the independent auditors, Keddington & Christensen, CPAs issued a report on CVWRF's 2021 audited financial statements. All of the opinions were clean or unmodified; there were no findings. Spencer mentioned that he didn't see any items of concern in the financial statements. A copy of the report is included in the CVWRF board material. Spencer pointed out the section called Management's Discussion and Analysis, which is a required part of the financial statements. This analysis gives a brief but in-depth history and background of the plant, the State of Utah Division of Water Quality's (DWQ) new implementation discharge requirements, along with the process of choosing a new treatment process to meet DWQ's new discharge requirements. Which is the reason the plant rebuild was needed. The process chosen is a biological nutrient removal (BNR) process. Capital assets and debt administration are also explained. Spencer pointed out Note 7, which shows all the debt of CVWRF and each entity's portion of the debt. He encouraged the Board to view all of the beneficial information given in the analysis.

Greg Neff informed the Board of a couple of items discussed in the CVWRF's manager's meeting. He first asked the District's Board if they are interested in having a closed session at Cottonwood Improvement District's May 18, 2022 Board meeting to discuss CVWRF's ongoing lease of real property issue. Trustee Fisher and Trustee Katter would like this item put on the May 18, 2022 Board meeting agenda to be discussed in a closed session. The following items were discussed in the CVWRF's manager's meeting: 1) CVWRF's management is looking for additional low-cost funding; possible ARPA funds through the state. CVWRF management is trying not to bond for a couple of projects that have gone over budget. It's possible CVWRF may look for another private financing option as part of their overall funding package. 2) CVWRF owns property in Cedar Valley; there was discussion about a ranch management plan with reseeding on the property to be used for biosolids application as needed. 3) The CVWRF elevator maintenance contract and variance to the procurement policy. 4) CVWRF's pretreatment ordinance and limits were approved by the state; however, the UPDES discharge permit is not approved yet. CVWRF is still operating under the old permit while the new details are being worked out. 5) CVWRF management will be asking for approval for a portion of the new fire alarm system.

ITEM 6: MANAGEMENT REPORT

Greg Neff mentioned the Juneteenth National Freedom Day recently signed into law and is now a state holiday. While celebrated on June 19th, it will be observed on a Monday. Currently the District observes all state holidays with the exception of Columbus Day. The Board will need to discuss and determine the District's policy on this newly recognized state holiday; will the District office be closed,

will this holiday be traded for a current paid time off holiday, etc. This matter will be put on the May 18, 2022 agenda for discussion and a policy decision.

Greg Neff said the District has been doing more sewer repairs in-house with District staff. It has proved to be a quicker response time and cost effective. Management would like to purchase some equipment and will ask the Board for approval to put them in the budget. The first equipment management would like to purchase is a larger used trailer to move District equipment around to the job sites. The current trailer is smaller and will be used as a trade in to purchase a larger trailer. The Board gave Greg approval to look for and purchase a larger trailer.

Greg Neff discussed with the Board that CVWRF has requested the District's modeling data for flow studies because Central Valley wants to do a study for their collector lines to model for future conditions, which requires aggregating all of the different flows from the different entities.

ITEM 7: BOARD REPORT

ITEM 8: INFORMATION ITEMS

- (A) CENTRAL VALLEY ESTIMATED COSTS
- (B) MURRAY CITY SEWER RATE INCREASE – There was some discussion on this item.
- (C) SANDY CITY COMMUNITY DEVELOPMENT – PUBLIC HEARING PLUMB HOLDING, LLC, APPLICATION PROPOSES TO REZONE FIVE PARCELS, LOCATED AT APPROXIMATELY 8968 SOUTH 1300 EAST
- (D) PUBLIC UTILITY EASEMENT ENCROACHMENT BY PROPERTY OWNER – WILLOW WICK ESTATES SUBDIVISION, LOT 3 (2733 E. WILLOW WICK DRIVE)
- (E) PUBLIC UTILITY EASEMENT ENCROACHMENT BY PROPERTY OWNER – GIVERNY AMENDED PUD, LOT 302 (9267 REGATTA LANE)

At 4:00 p.m., a motion was made “to adjourn the regular Board meeting.”

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

PREPARED BY: Jami Phillips, Secretary