

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

DATE: May 18, 2022
PLACE : Cottonwood Improvement District Office
TIME: 3:00 P.M.

PRESENT:
Wesley Fisher, Acting Chairman
Kim Galbraith, Electronically
Mark Katter, Trustee
Greg Neff, General Manager/Engineer
Lonn Rasmussen, Assistant General Manager/Operation Supervisor
Spencer Evans, Chief Financial Officer
Jeremy Cook, Attorney for the District
Jami Phillips, Board Secretary

Public in Attendance: None.

At 3:00 p.m., Acting Chairman Wesley Fisher called the meeting to order.

The Pledge of Allegiance was recited.

AGENDA:

ITEM 1: INDEPENDENT AUDITOR'S REPORT – KEDDINGTON & CHRISTENSEN

Marcus Arbuckle of Keddington & Christensen was in attendance to report to the Board on the completed independent audit of Cottonwood Improvement District's 2021 financial statements. He explained that the Board and management are responsible for financial reporting and an audit does not relieve them of those responsibilities. He went over the three applicable audit reports required as part of Government Auditing Standards. The report on the financial statements and related notes, report on internal controls and financial reporting, and report on compliance with general state compliance requirements each had an unmodified, or "clean" opinion and there were no findings. The state compliance area tested this year: Budgetary Compliance, Fund Balance, Impact Fees and the reporting of those fees, Fraud Risk Assessment and a new one this year, which is Government Fees. The results have found the District to be in compliance in all of those areas. Marcus explained that the District has a reliable accounting system that produces reliable financial statements with sound accounting policies. There were no difficulties performing the audit. There were no uncorrected misstatements that need to be corrected or recorded in the financial statements. There were no instances of fraud. Marcus commended management for their great work and preparedness, which allows the audit to go smoothly. A motion was made "to approve and accept the Keddington & Christensen independent audit of the 2021 financial statement."

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

ITEM 2: APPROVE MINUTES OF THE APRIL 20, 2022 BOARD MEETING

No corrections were made to the minutes. A motion was made “to approve the minutes of the Board Meeting held on April 20, 2022.”

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

ITEM 3: PUBLIC COMMENT

None.

ITEM 4: 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. There was some discussion on a few disbursement items. 1) District patron’s overpayment refund. 2) Insituform Technologies for various 2021 pipe lining in the District’s collection system. 3) The purchase of the Eager Beaver Trailer to haul the District’s construction equipment. A motion was made “to approve and ratify the disbursements.”

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

(B) FINANCIAL STATEMENTS – REVIEW

Copies of the unaudited financial statements as of April 30, 2022 were provided to the Board for their review. Spencer Evans mentioned that the District is on track with the budget; however, fuel is higher than anticipated in the budget, but overall he doesn’t have any concerns at this point. Trustee Fisher asked if the District patron accounts are staying current. Spencer said he watches that pretty closely and the accounts are staying pretty steady. Trustee Katter asked about the dump station revenue. Spencer explained that the revenues are a little less than last year at this time.

ITEM 5: TUITION REIMBURSEMENT – DISCUSSION AND ADJUSTMENT TO CURRENT POLICY

Greg Neff explained the current District tuition reimbursement policy. After some research and discussion, management recommends increasing the dollar amount of the tuition reimbursement program policy from \$2,000 per person in any calendar year to \$2,500 per person for undergraduate studies and \$4,000 per person for graduate studies in any calendar year. The current qualifications in the program policy will remain the same. A motion was made “to increase the District’s tuition reimbursement program policy to \$2,500 per person for undergraduate studies and \$4,000 per person for graduate studies in any calendar year.”

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

ITEM 6: EXCAVATOR PURCHASE – DISCUSSION AND APPROVAL

Greg Neff explained that District staff have done quite a few repairs in the last couple of years, which has required an excavator. Given the age of the District's system, the possible urgency, the current availability of contractors and the current scarce rental availability, management thinks that purchasing an excavator will be beneficial to the District in urgency preparedness, response and cost. There is money allocated in the budget that can be used for this purchase. Trustee Fisher and Katter expressed their agreement with management to be able to act quickly in an emergency repair situation if necessary. After some discussion, a motion was made "to allow District management to purchase an excavator."

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

ITEM 7: CENTRAL VALLEY WATER RECLAMATION FACILITY UPDATE

Trustee Wesley Fisher and Greg Neff reported on the following CVWRF matters: There was discussion and concerns regarding the disposal of biosolids and especially biosolids containing PFAS (Perfluoroalkyl substances), which may affect future land application and composting of the biosolids disposal.

The Director of the Division of Water Quality, Erica Gaddis, stepped down. The current interim director is up for the position.

There was recognition of the WEAU awards given to the CVWRF staff that participated in WEAU Operator's Challenge held in St. George.

An update on Capstone Strategies' lobbying work and plan for 2022/23 and looking for more funding.

Approval and reorganization of the Pretreatment Rule; Approval of Local Limits.

Discussion and approval of the Procurement Policy for the elevator, including a long-term maintenance agreement, which will save CVWRF money.

The Fire Alarm System Replacement Contract was approved.

Approval of the New Influent Pump contract.

A drone video was presented displaying all of the new construction progress.

The Biosolids Dewatering Building is still in the process of getting designed and approved. Because of substantial higher construction cost, CVWRF is doing a value engineering and configuration redesign to reduce cost. Parts of the existing building and equipment will be utilized.

CVWRF had a new construction tour of the facility.

ITEM 8: MANAGEMENT REPORT

A) Property Tax Increase Tentative Schedule Discussion

Spencer Evans discussed and displayed an outline showing the task, dates and timing requirements of a tentative 2023 property tax increase. Also displayed are the responsibilities of management and Board approval items.

ITEM 9: BOARD REPORT
None.

ITEM 10: INFORMATION ITEMS

- (A) CENTRAL VALLEY ESTIMATED COSTS
- (B) PUBLIC UTILITY EASEMENT ENCROACHMENT BY PROPERTY OWNER – GOLDEN HILLS #14 SUBDIVISION, LOT 10 (8962 ALPEN WAY)
- (C) PUBLIC UTILITY EASEMENT ENCROACHMENT BY PROPERTY OWNER – GIVERNY AMENDED, PUD, LOT 210 (3358 E. LA VIE LANE)
- (D) PUBLIC UTILITY EASEMENT ENCROACHMENT BY PROPERTY OWNER – MEADOW CREEK ESTATES, LOT 16 (6284 S. VINECREST DRIVE)

ITEM 11: CLOSED SESSION TO DISCUSS THE PURCHASE, EXCHANGE, OR LEASE OF REAL PROPERTY

A motion was made “to go into a closed session to discuss the purchase, exchange, or lease of real property.”

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

A motion was made “to adjourn the closed meeting.”

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

At 4:33 p.m., a motion was made “to adjourn the regular Board meeting.”

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

PREPARED BY: Jami Phillips, Secretary