

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

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

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

The Pledge of Allegiance was recited.

AGENDA:

ITEM 1: APPROVE MINUTES OF THE JUNE 15, 2022 BOARD MEETING

No corrections were made to the minutes. A motion was made "to approve the minutes of the Board Meeting held on June 15, 2022."

MOTION BY: Wesley Fisher  
SECOND BY: Kim Galbraith  
FOR: Wesley Fisher, Kim Galbraith  
ABSTAIN: 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. There was discussion on a few items: 1) The District's excavator purchase was noted; Greg Neff mentioned that it has been used a couple of times already. 2) There was discussion regarding DEF that is purchased from Crus Oil, Inc. 3) There was discussion regarding the District's fuel budget for this year, along with the current price per gallon vs a year ago. Spencer Evans explained that \$135,000 is this year's fuel budget. The average price per

gallon for June, 2022 was over \$5.00 vs June, 2021 was \$3.38. 4) The costs of mailing the District's statements were discussed. The District pays approximately \$3,000 a month for the billing statement process, which includes postage. 5) There was discussion on the tree removal for a District repair on Bell Canyon Circle. Trustee Galbraith asked if these are the same trees where a District patron wrote a letter regarding dead trees on his property approximately a year ago. Greg Neff said no, those are different trees and that issue was resolved. A motion was made "to approve and ratify the disbursements."

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

#### (B) FINANCIAL STATEMENTS – REVIEW

Copies of the unaudited financial statements as of June 30, 2022 were provided to the Board for their review.

Spencer Evans provided and explained a report he gave to the Board containing a year over year comparison of District revenues and expenses through June, 2022. The report includes a brief explanation of any differences greater than 10% and \$10,000. Spencer will start including this report on a quarterly basis. Trustee Katter said it was a good report. Spencer pointed out and explained the CVWRF's increase due to the new debt service on the 2021 bonds, which the District started paying on last June. Spencer also explained the differences in the travel expenses. Chairman Galbraith thanked Spencer for the additional information.

#### ITEM 4: INTENT TO RAISE 2023 PROPERTY TAXES - DISCUSSION

Spencer Evans discussed the District's sewer rate study that was presented in the March 2022 Board of Trustees meeting, which concluded that existing revenues are insufficient to meet the District's future capital and operating needs. In that meeting, the Board analyzed different scenarios to meet the projected revenue shortfalls and selected a combination of incremental fee and tax increases occurring over several years. The Board directed management to proceed with the Truth in Taxation process for a 50% tax increase in 2022. Spencer explained the next steps in the Truth in Taxation process, which are 1) calculate the increase, and 2) in a public meeting, notify the public of intent to increase tax, in this July 20, 2022 Board meeting. The additional tax revenue from a 50% increase is estimated to be \$746,106 calculated from the 2022 Final Certified Tax of \$1,492,212. A notification statement in a regular public meeting as an agenda item is required. The statement must contain the following items: 1) intent to increase property taxes, 2) total dollar amount of increase, 3) purpose of increase, and 4) approximate percentage increase. Spencer also included a Tentative Tax Increase Calendar spreadsheet outlining the dates for the public hearing and mailing the parcel specific notices and other tasks as required by law. A motion was made "that Cottonwood Improvement District intends to levy a property tax rate in 2023 that exceeds the District's certified property tax rate. The additional tax revenue generated by the increase is approximately \$746,106, which is a 50% increase. The increase will be used to pay for District capital improvements, operations and the District's share of costs relating to the rebuilding of the Central Valley Water Reclamation Facility treatment plant."

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

#### ITEM 5: MISTER CAR WASH EASEMENT RELOCATION - APPROVAL

Greg Neff explained that a company would like to construct a Mister Car Wash facility located at 4181 S. State Street. The location of the proposed building is over the District's existing sewer mainline and easement. This proposal is to reroute the sewer line by removing a manhole, setting a new sewer line and adding a new manhole. This will require to reroute the existing easement.

Greg displayed an aerial, along with plat maps and explained what portion of the easement will need to be abandoned and where the new easement will be located, along with the new sewer installation that will be granted to the District. The company proposing this project will pay for all of the documents and costs associated including Cottonwood Improvement's Attorney, Jeremy Cook, to look over and approve the disclaimer documents and the relocation of the evacuated and new easement. Greg recommends that the District approve the relocation of the easement agreements. The Board gave Greg the authority to authorize and sign the documents once they are viewed and approved by Jeremy. A motion was made "to approve the Mister Car Wash easement relocation and to authorize the District's General Manager, Greg Neff, to sign the District's counsel approved document agreements." Greg explained to the Board that a preconstruction meeting will be held. Inspection fees will be required. The District's inspector will be on site to make sure that all of the District's specifications are followed. The line will be televised and pressure tested; The new line won't be accepted until everything is completed and passed off.

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

ITEM 6: KEARNS IMPROVEMENT DISTRICT LINE REPLACEMENT AND EASEMENT SHARING AGREEMENT - APPROVAL

Greg Neff explained and discussed the documents and exhibits included in the Board book regarding the Kearns Improvement District line replacement and easement sharing agreement. Greg said that he and Jeremy Cook, the District's attorney, are still working with Kearns Improvement on a couple of the agreement details. Greg explained some of the details in the agreement he would like changed, along with some of the history of the existing lines. Greg explained that the agreement is not ready today for Board approval; however, Greg wanted to apprise the Board on some of the details of this agreement. Greg talked about some of the District's proposals before finalizing the agreement. The two main points are 1) take over part of Kearns' 30" trunk line that Kearns will abandon to Cottonwood Improvement District. The line is located within the District's boundaries and services six District patrons and 2) Kearns will relocate a new proposed 60" diameter line that will be in a shared easement with the District. Greg said he will request in the agreement that the District inspect the line prior to Kearns abandoning the line to the District. If necessary, the District will make changes or repairs to the line to continue using it, which will also allow the District to utilize the line for more development if requested. Construction is planned for October, 2022. The agreement should be finalized and completed for Board review and approval in the August or September Board meeting.

ITEM 7: POSSIBLE ONE YEAR, ONE ACRE GROUND LEASE ON MURRAY SITE – DISCUSSION

Greg Neff showed an aerial plat and explained that the District has had a couple of requests to lease approximately one acre of ground located at the District's Murray facility site. Whitaker Construction just used this space for a CVWRF project where the District worked with CVWRF to allow Whitaker to utilize this site. Whitaker Construction still needs to raise a manhole from this project. Whitaker Construction is requesting to use this same location for the Kearns Improvement District's relocation project as discussed in Item 6. The Board is in favor of leasing this property. The anticipated starting date for this project is October, 2022. Greg thinks it is a considerable project and anticipates the project timeline to be more than a year. There was some discussion regarding pricing, along with a lease agreement with specific stipulations. Greg will discuss pricing with Whitaker Construction, along with the tenants of the agreement and see if they're still interested in leasing the site. If they are still interested, Jeremy Cook, attorney for the District, will draw up a lease agreement or review theirs and make any necessary changes to protect the District and to move forward with the property lease to Whitaker Construction.

ITEM 8: CENTRAL VALLEY WATER RECLAMATION FACILITY UPDATE

Trustee Wesley Fisher reported on the following CVWRF matters: 1) Information was given on the upcoming WEFTEC Conference. 2) CVWRF is hosting a charitable event golf tournament on August 5, 2022. It will be located at the Bountiful Ridge Golf Course. 3) CVWRF received a Rocky Mountain Power Rebate check for \$13,800. 4) CVWRF received a \$5,300 dividend check for a Workers Compensation fund rebate. 5) The Dumpster-Veyor purchase for the Thickening and Straining Building was approved. 6) A set time for the 2023 budget meeting schedule public hearing was approved. 7) Consideration and approval of the 2022 rate fee schedule for the CVWRF rates charged for compost products, which will now be included in the CVWRF budget each year. 8) Discussion and updates on PFAS (polyfluoroalkyl substance) and testing it locally with an outside source. There are currently no state regulatory requirements; however, CVWRF is trying to ascertain how PFAS regulations may affect the Facility in the future. 9) An update on capital projects was given. The cement plant that produces the powder is back online, which should resolve any timeline issues receiving cement. There was a closed session regarding the lease agreement. After the closed session, a motion was made to start working on the details of the lease agreement terms. It was mentioned that there was a 30-day limit on coming to an agreement set at CVWRF's May board meeting.

ITEM 9: MANAGEMENT REPORT

None.

ITEM 10: BOARD REPORT

Trustee Fisher asked how the District's RV dump station revenue is doing. Spencer Evans said the revenue is down a little from last year.

ITEM 11: INFORMATION ITEMS

(A) MURRAY CITY CORP – NOTICE OF PUBLIC MEETING – ZONING MAP AMENDMENT REQUEST

ITEM 12: CLOSED SESSION TO DISCUSS COMPETENCE OF EMPLOYEE

A motion was made "to move into a closed session to discuss competence of an employee."

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

A motion was made "to close the closed session of the meeting and move back into an open meeting."

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

At 5:12 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, Kim Galbraith  
AGAINST: None

PREPARED BY: Jami Phillips, Secretary