

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

DATE: September 21, 2022
PLACE : Cottonwood Improvement District Office
TIME: 3:00 P.M.

PRESENT:
Kim Galbraith, Chairman
Wesley Fisher, Trustee
Greg Neff, General Manager/Engineer
Spencer Evans, Chief Financial Officer
Jami Phillips, Board Secretary

Mark Katter, Trustee, Lonn Rasmussen, Assistant General Manager/Operation Supervisor, and Jeremy Cook, Attorney for the District are unable to attend.

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 AUGUST 17, 2022 BOARD MEETING

No corrections were made to the minutes. A motion was made "to approve the minutes of the Board Meeting held on August 17, 2022."

MOTION BY: Wesley Fisher
SECOND BY: Kim Galbraith
FOR: Wesley Fisher, Kim Galbraith
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 the washer and dryer purchase for the District's shop. A motion was made "to approve and ratify the disbursements."

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

AGAINST: None

(B) FINANCIAL STATEMENTS – REVIEW

Copies of the unaudited financial statements as of August 31, 2022 were provided to the Board for their review.

ITEM 4: ADOPT CHANGE IN DISTRICT'S COLA POLICY

Spencer Evans' memorandum to the Board outlines the District's current Cost of Living Adjustment (COLA) policy and the proposed policy as discussed in the August 17, 2022 Board meeting. The proposed policy for the COLA, approved by the board each year effective January 1st will be based on the CPI-U West Urban index (CUUR0400SA0) published by the Bureau of Labor Statistics (BLS). The COLA percentage increase will be an average of the annual percentage change in the index from September to September for the three years immediately preceding the date the COLA is to take effect. If the annual percentage change in the index is negative, the change in the index for that year used in calculating the average will be 0%. The COLA is not subject to any salary cap. A motion was made "to approve the new proposed COLA policy to average the last three years for the upcoming year." A copy of the Cost of Living Adjustment (COLA) Board of Trustees Memorandum is attached to and therefore made part of these minutes.

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

ITEM 5: KEARNS IMPROVEMENT DISTRICT LINE REPLACEMENT AGREEMENT - UPDATE

Greg Neff discussed the Kearns Improvement District (KID) line replacement and easement sharing agreement with Cottonwood Improvement District (CID) that was presented and approved in its current form in the August 17, 2022 Board meeting. KID came back with some changes. Jeremy Cook, CID's attorney is working with KID's attorney. The updated agreement has a few changes; however, it includes the same following recommendations as discussed previously: 1) CID not abandon or relinquish any easement rights. 2) CID installs a new line to serve 700 West properties. 3) KID abandons its existing 30-inch line after CID has finished installation and put into service its new pipeline. Greg viewed the new agreement. Jeremy is waiting to hear back from KID's attorney on the new agreement. A motion was made "to approve the proposed updated Cooperative Agreement between KID and CID with the understanding that it will be brought back before the Board for discussion if any change request is made by KID." A copy of the new Cooperative Agreement between KID and CID is attached to and thereby made part of these minutes.

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

ITEM 6: EASEMENT ISSUE, GOODER PROPERTY, 7941 S. FOREST OAKS COURT

Greg Neff explained that the homeowner located at 7941 S. Forest Oaks Court contacted the District about constructing a pool in his backyard. The sewer was marked and it was apparent there was a conflict with the proposed pool. The sewer line, installed in the 1970's, was not located in the public utility easement on the east side of the lot as originally intended. Greg showed the record drawing of the original installation of the sewer for this subdivision. This line was installed prior to the subdivision development. Greg also showed the District GIS mapping system and the recorded subdivision plat with the public utility easement highlighted in yellow across Lot 15, which is only 7 feet wide. The District's line is not in that easement. Greg met with Mr. Gooder on site. Mr Gooder talked about moving the location of the pool to a place where it wouldn't conflict with the easement. This

brought up other issues with the pipeline location not in the easement. Greg spoke with Jeremy Cook, Cottonwood's attorney, regarding this matter. Greg met with Mr. Gooder and made him a tentative offer. Mr. Gooder countered. Greg finished his overview and suggested discussing in a closed session how the Board would like to proceed in this matter.

ITEM 7: CLOSED SESSION TO DISCUSS REAL ESTATE TRANSACTION

A motion was made "to move into a closed session to discuss real estate transaction."

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

A motion was made "to move back into an open meeting."

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

ITEM 8: CENTRAL VALLEY WATER RECLAMATION FACILITY UPDATE

Trustee Wesley Fisher reported on the following CVWRF matters: 1) CVWRF's Golf Tournament raised \$7,000 for Make-A-Wish Foundation. 2) CVWRF went to the Department of Water Quality requesting available federal funds; however, it was not available to CVWRF, apparently the funds are for smaller entities. 3) On July 29th there was a wind storm that caused the power lines to cross, blowing out a power box resulting in the loss of power. The new emergency generator kicked on and the plant was able to successfully function. CVWRF is still in the process of accessing the damages. 4) The Mosquito Abatement District detected the West Nile Virus in some of the CVWRF Golf Course ponds. The Mosquito Abatement District will treat the golf course ponds. 5) The year-to-date financial reports were discussed. Natural gas prices have increased. It was reported that CVWRF had seven fraudulent checks that were blocked by their bank's Positive Pay service, in one month's time frame. Spencer Evans said that CVWRF uses Positive Pay, which is used to detect and deter check fraud. Spencer informed the Board that the District has Positive Pay. 6) PFAS was discussed. CVWRF did some sample testing for PFAS, which came back extremely low. CVWRF's management thinks that PFAS will be a future issue with testing requirements for sewer plants. Testing for PFAS is considerably costlier than standard testing. 7) Capital Projects update, along with a drone video. 8) There was a closed session to discuss lease of real estate property.

Greg Neff informed the Board of some items discussed in the CVWRF's manager's meeting. 1) CVWRF's budget was discussed. Insurance costs have increased, along with energy costs, which are reflected in the budget.

ITEM 9: MANAGEMENT REPORT

(A) PROJECT 8 – UPDATE - Located on the west side of Union Park Avenue between South Union Avenue and 7800 South. Greg Neff informed the Board that this project is being done in-house. The laid pipe for this project is about two thirds of the way done. The job is fairly difficult, but is going well. District staff is working hard. The crew had to set up bypass pumping; installing a new line right next to the old one. You will see all of the upcoming costs associated to this project and allocated to the impact fees already collected for this use.

(B) UPDATE ON TENTATIVE TAX INCREASE PROCESS – The increase information to SLCO Treasurer to prepare parcel specific notice of 2023 tax increase was submitted. SLCO will send out the notices at the end of September or early October.

(C) LISA HOLTON NOTE – A District patron called the office to express her gratitude to District employees who came out after hours and were professional, kind and courteous and went above and beyond.

There was some discussion regarding an incident with a District patron who was upset at a District employee for not chocking the flusher truck while on his property. The patron emailed a complaint to the Board and District management. During this incident, the patron got physical and pushed one of the District's operators. Greg said the regulations for the brakes on the new flusher trucks don't require chocks. However, in the future, the flusher trucks will carry them and the operators will use them when on steep grades for an extra measure of safety.

(D) WHITAKER CONSTRUCTION GROUND LEASE – UPDATE – Greg Neff informed the Board that he responded to Whitaker Construction with the District's requirements in the Lease document drafted by Jeremy Cook, Cottonwood's attorney. However, there has been no response back from Whitaker Construction.

ITEM 10: BOARD REPORT

Trustee Fisher mentioned a KSL article regarding Salt Lake City's Department of Public Utilities using sound technology to check sewer line pipes for blockages. Greg Neff said the technology is called the SL Rat, Sewer Line Rapid Assessment Tool. Greg has investigated this technology in the past; it doesn't give as much data and information as TVing the line. There was discussion regarding the District's timeline of TVing and flushing the District's sewer lines.

Chairman Galbraith mentioned that he would have liked seeing the blackline copy indicating the differences made in the Kearns Improvement District Line Replacement Agreement. Greg said the changes were minor and both versions are available. Greg can provide the blackline copy if the Board would like to view it. Greg will be sure to provide the blackline copy in the future.

ITEM 11: INFORMATION ITEMS

- (A) PUBLIC UTILITY EASEMENT ENCROACHMENT BY PROPERTY OWNER – SOUTHLAND TERRACE #1 SUBDIVISION, LOT 17 (2656 DOLPHIN WAY)
- (B) MURRAY CITY – NOTICE OF PUBLIC HEARING, PROPOSED OFFICE AND LOW DENSITY RESIDENTIAL TO RESIDENTIAL MEDIUM DENSITY LOCATED AT 787 AND 825-865 EAST 4800 SOUTH

At 4:20 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
AGAINST: None

PREPARED BY: Jami Phillips, Secretary