

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

DATE: December 20, 2023
PLACE : Cottonwood Improvement District Office
TIME: 3:00 P.M.

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

Jeremy Cook, Attorney for the District, is unable to attend.

Public in Attendance: None.

At 3:04 p.m., Chair Kim Galbraith called the meeting to order.

The Pledge of Allegiance was recited.

AGENDA:

ITEM 1: RECOGNITION OF SERVICE

Chair Kim Galbraith expressed to Trustee Mark Katter the Board's appreciation for his longevity and sewer background experience and expertise that Mark has contributed to the District as a Board of Trustee for 16 years. His knowledge and input have benefited the patrons of the District. Greg Neff said it has been a pleasure working with Mark over the years and expressed his appreciation of Mark's knowledge in the sewer industry and being able to straddle very ably the needs of the public and the District employees. Greg presented Mark with a District recognition plaque for 16 years of service as a member of the Cottonwood Improvement District's Board of Trustees. Trustee Mark Katter expressed his appreciation working with the other two Board members and the District's staff. Trustee Wes Fisher agreed with the previous sentiments and expressed his appreciation learning from Mark as a new Board member and teaching him things about this industry.

ITEM 2: APPROVE MINUTES OF THE NOVEMBER 15, 2023 PUBLIC HEARING AND BOARD MEETING

No corrections were made to the minutes. A motion was made "to approve the minutes of the Public Hearing and Board Meeting on November 15, 2023."

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

ITEM 3: APPROVE MINUTES OF THE DECEMBER 6, 2023 SPECIAL BOARD MEETING/2023 ELECTION CANVASS

No corrections were made to the minutes. A motion was made “to approve the minutes of the Special Board Meeting/2023 Election Canvass on December 6, 2023.”

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

ITEM 4: PUBLIC COMMENT

None

ITEM 5: 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 purchase items: 1) Bowen Collins & Associate’s approved agreement for Project 4’s design and engineering. 2) A \$5.00 dump station charge to confirm there were no issues with the QR code associated with the dump station’s electronic charge payment initiated by a dump station customer having issues paying electronically. 3) A Caselle accounting software license was purchased for new office employee. A motion was made “to approve and ratify the disbursements.”

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

(B) FINANCIAL STATEMENTS – REVIEW

Copies of the unaudited financial statements as of November 30, 2023 were provided to the Board for their review. Chair Kim Galbraith asked if the District has of yet to receive the election invoice from SLCO. The District has not yet received the election invoice. There were some timing issue comments on the Wells Fargo balance.

ITEM 6: INCREASE ASSET CAPITALIZATION THRESHOLD FROM \$5,000 TO \$15,000

Spencer Evans explained the difference between capitalizing an asset vs expensing (useful life terminology). Increasing the asset capitalization from \$5,000 to \$15,000 will increase the efficiency in financial reporting. A motion was made “to increase asset capitalization threshold from \$5,000 to \$15,000.” For clarity, this increase will only affect future capital purchases.

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

ITEM 7: CENTRAL VALLEY WATER RECLAMATION FACILITY UPDATE

Trustee Wesley Fisher reported on the following CVWRF matters for the November 16, 2023, Board meeting: 1) Some awards were given: Don Russell received a distinguished Board member award for excellent service. A Board service appreciation award was given to Giles Demke; Giles is

stepping down from the CVWRF Board and will be the General Manager for Mt. Olympus Improvement District. 2) Department of Water Quality gave CVWRF a permit extension for compliance with the TBPEL Rule to July 1, 2026. 3) CVWRF's employee Christmas Party, including Board members and retirees. 4) Justin Zollinger pointed out a budget overrun of the plant's natural gas, which was anticipated and should be resolved with a recent new negotiated contract addressing any future fluctuations. 5) Discussion regarding South Salt Lake's storm water collection and fees. CVWRF collects and treats all of the plants storm water and is trying to get any fees removed. 6) Discussion on the Side-Stream Nitrogen Removal Project. 7) Discussion regarding the plant's compost sales, which have been lower this year than previous years. A new wood chip supplier is in the works, which will help boost compost productivity, increasing income from compost sales. 8) Capital projects update. \$360 million of construction has been completed; it is anticipated one and a half more years before start up.

Greg Neff informed the Board of a few items discussed in the CVWRF's management meeting. 1) CVWRF's insurance was approximately \$62,000 more than expected. 2) CVWRF will have their financials in by January 15th. 3) Wasatch Front Water Quality Counsel, which represents CVWRF is involved in changing some issues with the appeals process with the Division of Water Quality. 4) The BNR Basins are coming soon. CVWRF will install them to save sales tax. 5) There were some deficiencies with the side-stream nitrogen removal when the side-stream phosphorus was brought online. A solution was found to resolve these issues. 6) The low bid for the Dewatering Design Project is \$56 million. Board approval will probably be requested in the January, 2024 Board meeting to approve and award that contract. CVWRF management will also be asking to award an engineering task services order for approximately \$535,000 with Brown and Caldwell. Part of this package is to restore the plant site after the rebuild completion.

ITEM 8: SET 2024 BOARD MEETING DATES AND TIMES

A motion was made "to set the monthly Board meeting for the 3rd Wednesday of every month at 3:00 P.M., with the exception of November's Board Meeting/Public Hearing, which will be held at 6:00 P.M."

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

ITEM 9: APPOINT COTTONWOOD IMPROVEMENT DISTRICT'S BOARD CHAIR, CLERK, AND TREASURER FOR 2024

A motion was made "to appoint Wesley Fisher to be the Board Chair, Spencer Evans to be the Clerk and Jonathan Gubler to be Treasurer for 2024."

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

ITEM 10: APPOINT BOARD MEMBER AND ALTERNATE FOR 2024 CENTRAL VALLEY BOARD

A motion was made "to appoint Kim Galbraith to serve on the Central Valley Board and Greg Neff to be the alternate in 2024."

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

ITEM 11: APPOINT 2024 DISTRICT REPRESENTATIVE AND ALTERNATE FOR THE UTAH ASSOCIATION OF SPECIAL DISTRICTS

A motion was made “to appoint Spencer Evans to be representative and Greg Neff to be the alternate in 2024.”

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

ITEM 12: GALLOWAY ARCHITECTURAL PROPOSAL – ACCEPTANCE

Greg Neff discussed the District’s office remodel, which the Board has previously approved and is included in the budget. Greg reached out and met with three architectural firms in connection with this project; however, only Galloway & Company submitted a proposal. Greg thinks it’s a good and fair proposal and the District has worked with this company before. Greg discussed some of the desired and necessary remodel changes. The building is over thirty-plus years old and is in need of some updating, maintenance and some minor improvements. Security is also needed. This agreement should include everything for the District to get a building permit to get the remodel started. There was discussion regarding the stated agreement’s engineering fixed fees and other fees that may arise, which are included in the agreement. The District has \$150,000 as a placeholder in the budget. Management will bring information to the Board for approval and discussion of any additional costs. The total cost at this point is unknown until the design is developed; however, it will be conservative. Management is asking for Board approval to get started with the architectural services. A motion was made “to approve and award Galloway & Company, Inc.’s architectural proposal/agreement for the Cottonwood Improvement District’s Sandy office remodel.”

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

ITEM 13: MANAGEMENT REPORT

A) 7625 S. Repair - Greg Neff updated the Board on the progress of this difficult project. It’s approximately 80% completed. Everything is going well; the District’s staff is doing a good job. There was an unfortunate no-fault accident; a retired employee has been working part-time for the District and he was injured on the job site. He lost his balance and fell. He is covered under Workers’ Comp. No long term affects are anticipated.

Greg reminded and extended a second invitation to the Board for the District’s employee Christmas luncheon on December 22nd.

ITEM 14: BOARD REPORT

None.

ITEM 15: INFORMATION ITEMS

- (A) PEHP – LOCAL GOVERNMENT RISK POOL REBATE
- (B) PUBLIC UTILITY EASEMENT ENCROACHMENT BY PROPERTY OWNER – COBBLECREEK SUBDIVISION, PHASE 2, LOT 218 (1154 CASTLECREEK CIRCLE)

A motion was made "to go into a closed session to discuss litigation."

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

At 4:25 p.m., the Board reconvened back into the open meeting and a motion was made "to adjourn the regular Board meeting."

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

PREPARED BY: Jami Phillips, Secretary