

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

DATE: April 19, 2023  
PLACE : Cottonwood Improvement District Office  
TIME: 3:00 P.M.

PRESENT:  
Kim Galbraith, Chair  
Wesley Fisher, 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

Mark Katter, Trustee, is unable to attend.

Public in Attendance: None.

At 3:00 p.m., Chair Kim Galbraith called the meeting to order.

The Pledge of Allegiance was recited.

AGENDA:

ITEM 1: APPROVE MINUTES OF THE MARCH 15, 2023 BOARD MEETING

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

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 an expenditure to Fast Track Welding; a metal mold was made to be used for manhole conversion sections. 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 March 31, 2023 were provided to the Board for their review. Spencer Evans provided and discussed some of the comparisons in the Revenues and Expenses Year-to-Date Comparison (Unaudited) report dated March 31, 2023.

(C) SET 2022 DESIGNATED UNRESTRICTED NET POSITION

The Board was in possession and there was discussion on the proposed designation of unrestricted net position to be included in the notes of the 2022 audited financial statements. A motion was made “that the December 31, 2022 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: Kim Galbraith  
FOR: Wesley Fisher, Kim Galbraith  
AGAINST: None

ITEM 4: OPEN 2023 BUDGET TO ADJUST SPENDING PRIORITIES WITH NO INCREASE TO OVERALL BUDGETED AMOUNT

District management is proposing to reallocate budget amounts within the 2023 adopted capital budget. The reallocations do not increase the total capital budget. Spencer Evans explained the following proposed reallocations: A) \$185,000 from Project 4. Based on current engineering and design work, construction is now anticipated to begin in 2024 instead of 2023. Less than 20% of the 2023 adopted budget for this project is anticipated to be used in 2023. B) \$50,000 increase to the Murray metal building. The increase is needed based on information received from vendors and also for site preparation work. C) \$60,000 increase for pickup trucks. There were two pickups in the 2023 adopted budget. This reallocation will allow for the purchase of a third pickup truck. The District was unable to purchase pickup trucks in 2022 due to limited supply of new truck inventory. The District currently has five pickups at or above the typical replacement threshold. D) \$75,000 increase to the flusher truck line item. The increase is based on quotes received from vendors. The 2023 adopted budget with the proposed reallocations is attached to and thereby made part of these minutes. A motion was made “to approve \$185,000 from Project 4 and reallocate \$50,000 to the Murray metal building; \$60,000 towards pickup trucks; and \$75,000 towards a flusher truck.”

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

ITEM 5: MECHANICAL WATER RECLAMATION AND COLLECTIONS RATE STUDY BY CENTRAL DAVIS SEWER DISTRICT, SOUTH DAVIS SEWER DISTRICT

Greg Neff provided this study to the Board for informational purposes. In this comparison study, Cottonwood Improvement District has one of the lowest rate fees in the state. Many of the districts are having to increase rates to meet the new treatment standards and plant updates. This information, along with an updated financial forecast, can be useful as a starting point for discussion as the District Board strategizes to meet the financial needs of the District. There was some discussion on the possible factors for the different rates reflected in this study regarding the costs of the different treatment processes, and economy of scale.

ITEM 6: DISCUSSION AND CONSIDERATION OF A MODIFICATION OF THE DISTRICT'S POLICY ON DANGEROUS WEAPONS

Greg Neff discussed the current and a proposed District policy on dangerous weapons. The District's existing policy has been in-place for many years. Due to recent changes in Utah law, Greg felt a review and possible modification to the District's policy was needed. Greg asked for Jeremy's assistance, the District's attorney, in writing a new proposal. Greg mentioned that he reached out to Board members for approval to add the item to the Board's agenda. Proposed changes were presented to the Board.

Greg mentioned that several employees have requested a less restrictive policy and that many of the surrounding district and cities have less restrictive policies than Cottonwood's and are more in line with the proposed policy.

Jeremy discussed some of the law in the Utah Code § 76-10-505 (2021) and his opinion is that the District can't make laws that are more restrictive than the State law. There was some discussion on the District's risk by not changing its policy to comply with State law. Management and council recommend the Board approve this policy.

A motion was made "to change and update the District's policy to meet the regulations of the State law as written in the proposed policy.

MOTION BY: Wesley Fisher  
SECOND BY: None  
FOR:  
AGAINST:

There was discussion and a suggestion to discuss this item further and to include Trustee, Mark Katter, in the conversation. A motion was made "to reconsider and to table the item until next month's meeting."

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

After the votes, Jeremy mentioned that an argument has been made that public entities and employers in general are required to provide a safe work place and that some have asserted that prohibiting people from carrying concealed weapons makes it so they can't have a safe work place. Greg mentioned that Sandy City and other cities with their own police force are able to have an officer on-site for protection and, given the District's size and budget, this hasn't been an option for Cottonwood.

ITEM 7: CENTRAL VALLEY WATER RECLAMATION FACILITY UPDATE

Trustee Wesley Fisher reported on the following CVWRF matters for the strategy session held on March 22, 2023, at 2:00 p.m., prior to the Board meeting: 1) Discussion on asset management and Facility goals. Trustee Fisher discussed the Nexgen AM Software, which is impressive and beneficial asset management monitoring used by CVWRF. Trustee Fisher asked how the District manages its equipment. Greg Neff discussed some of the asset management differences between CVWRF and Cottonwood Improvement District. The District uses a GIS system (geographic information system), which knows the location, age, type, and condition of all the District's pipes. The District did a recent asset management plan that highlighted the pipes requiring immediate repairs. 2) Remaining bond funding is needed; there is a short fall of approximately \$51 million. There was discussion on some of the cost savings measures that have been used; including some of the new equipment purchased. 3) Management asked the board for any goal input ideas. 4) Different land use opportunities, including the redevelopment and construction of the current golf course area. 5) CVWRF promotion for website and social media presence to help the public with environmental understanding, and possible government grants and funding resources. 6) Employee services and training, turnover and retention techniques.

The following are the CVWRF matters from March 22, 2023's regular board meeting: 1) The Utah Association of General Contractors awarded CVWRF the 2022 Award of Excellence for the Cogeneration Project. 2) A Facility plant tour is scheduled for May 24, 2023 immediately following the May board meeting. Board members, managers, and staff are invited. 3) There was discussion on January's exceptionally high natural gas bill because of the state contract agreement, which uses the prior month's last three days' average cost to set the price for the following month's billing. There was discussion on doing a natural gas lock hedge with British Petroleum to avoid these high charges in the future. 4) There was a CVWRF 2022 audit report presentation. 5) Justin Zollinger, CVWRF's CFO presented and highlighted the financial report. 6) An update was given on Phil Heck's application to be on the Water Quality Board. 7) Capital projects update. 8) Approval of the Municipal Wastewater Planning Program. 9) Approval of the Secondary Clarifier Stainless Steel Purchase. 10) Update on the \$5 million Federal Funding Applications.

Greg Neff informed the Board of a couple of items discussed in the CVWRF's manager's meeting: 1) Flood mitigation planning; it might be necessary to move the UV equipment. 2) Discussion on a new Federal PFAS proposed Rule for water. There is no current limit for wastewater; however, in the long term, it could affect the biosolids applications. 3) Requirements on migrating governmental website domains to .gov. Greg has already submitted Cottonwood's request and is waiting to hear back. The implementation deadline is January 1, 2025. 4) Request board approval to draw down on the reserves. 5) still working on the land lease with Lantis Fireworks.

ITEM 8: MANAGEMENT REPORT

None

ITEM 9: BOARD REPORT

None.

ITEM 10: INFORMATION ITEMS

(A) MURRAY CITY CORPORATION – NOTICE OF PUBLIC HEARING, BOYER COMPANY APPLICATION FOR PUD DEVELOPMENT, LOCATED APPROXIMATELY 6550 SOUTH 900 EAST

At 4:22 p.m., a motion was made "to adjourn the regular Board meeting."

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

PREPARED BY: Jami Phillips, Secretary