

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

DATE: January 17, 2024  
PLACE : Cottonwood Improvement District Office  
TIME: 3:00 P.M.

PRESENT:  
Wesley Fisher, Chair  
James Durrant, Trustee  
Kim Galbraith, Trustee  
Greg Neff, General Manager/Engineer  
Spencer Evans, Assistant General Manager/Chief Financial Officer  
Jeremy Cook, Attorney for the District  
Jami Phillips, Board Secretary

Public in Attendance: None.

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

The Pledge of Allegiance was recited. Chair Wesley Fisher welcomed the District's new Board member, James Durrant.

AGENDA:

ITEM 1: APPROVE MINUTES OF THE DECEMBER 20, 2023 BOARD MEETING

No corrections were made to the minutes. A motion was made "to approve the minutes of the Board Meeting held on December 20, 2023."

MOTION BY: Kim Galbraith  
SECOND BY: Wesley Fisher  
FOR: Kim Galbraith, Wesley Fisher  
ABSTAIN: James Durrant  
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 purchase items: 1) An appraisal of easement payment for Project 7. 2) Canyon School District's manhole refund deposit for the Brighton High School rebuild project. 3) Unit F1 Mack truck chassis purchase for the Vac-con Flusher truck assembly. The Vac-con equipment portion is currently being added; those charges will soon reflect on the disbursements. 4) Wheeler Machinery Company for equipment rental. 5) Home

Depot charges, which are supplies typically used for District's repair projects. The District's operators have individual cards that are kept locked in the office; a purchase order is required for all credit card purchases. 6) The District's General Manager's Wells Fargo credit card is used mostly for online purchases; The Board reviews the monthly itemized statements. Greg Neff reviews the other two supervisor's credit cards monthly itemized statements. A motion was made "to approve and ratify the disbursements."

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

#### (B) FINANCIAL STATEMENTS – REVIEW

Copies of the unaudited financial statements as of December 31, 2023 were provided to the Board for their review. Spencer Evans included the District's quarterly Revenues and Expenses Year-to-Date Comparison (Unaudited) ending December 31, 2023. There are a few year-end items still pending. There was discussion on the election costs, which the District was in receipt of SLCO's invoice as of January 16, 2024. The total costs from SLCO for the District's 2023 election is \$120,090.72. The District's budget for the election was \$100,000. There was discussion on the PTIF's 2023's interest earnings, which were 5.1% vs 1.1% in 2022. Spencer pointed out and discussed the property tax increase that took effect in 2023 and the favorable interest earnings on the District's reserve funds.

#### (C) REVIEW 2023 FINANCIAL FORECAST & SEWER RATE DISCUSSION

Spencer Evans did a review of September 20, 2023's PowerPoint property tax/fee increase scenarios forecasting the District's current reserves and future projections. Spencer explained the different costs reflected in the graphs. Different scenarios were discussed. The District's prudent reserves fund target balance for contingencies/emergencies was discussed. Based on projected revenue needs, the District will potentially need to increase its revenue in order to meet its debt obligation to CVWRF, along with maintaining the District's aging infrastructure. In 2022 the District's Capital Facilities Plan was updated. A couple of projects were identified that are needed for capacity/growth, along with deteriorating infrastructure in need of repair either through rehabilitation or replacement. There was some discussion regarding the types of pipe material used in the District, along with pipe size. There was discussion on the District's current property tax rate vs the maximum rate allowed and the District's history on property tax rate changes. The Monthly Fee and Tax Comparison graph summary was discussed. There was discussion on timeline requirements for fee and property tax increases, along with the timelines for the different increases to take effect. The incumbent Board has previously discussed and recognizes the obvious need for the increase in revenue.

The Board would like to see the different scenarios with updated figures for thought and additional consideration. This will also give the new Board member, James Durrant, the opportunity and time to consider the reasons and different options. The Board would like to discuss this item, with the updated figures in the February 21, 2024 meeting.

#### ITEM 4: APPROVE REVISED SCOPE FOR BOWEN COLLINS AND ASSOCIATES ON CAPITAL FACILITIES PROJECT 4

Greg Neff explained that the District has been working with Bowen, Collins & Associates to design and obtain approval from the Utah Department of Transportation for Capital Project 4, which includes the replacement of approximately 1700 feet of 33-inch diameter pipe with 48-inch diameter pipe. The project is needed to provide flow capacity and was identified as a priority in our most recent Capital Facilities Plan. During the course of the design for Capital Project 4, two additional and required design items, not included in the original scope of work for this project, were identified: UDOT I-215 ROW Environmental Clearance (NEPA) and I-215 ROW Access Road Design. The additional cost for this work is estimated at \$38,000. Management thinks it's reasonable and is requesting Board approval for the revised scope of work. A motion was made "to approve the revised scope for Bowen Collins and Associates on Capital Facilities Project 4 for an additional \$38,000."

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

ITEM 5: DESIGNATE VAC-CON FLUSHER BEING REPLACED AS SURPLUS PROPERTY

Spencer Evans explained the District's Purchasing Policy. If the District has a surplus property greater than \$25,000, it must be Board approved prior to the sale. Board approval is not required for a trade in. Management is requesting Board approval to surplus the Vac-con flusher being replaced; either through surplus or trade in, whichever is greater. Greg Neff explained the Vac-con flusher truck being replaced is a 2018. Management thinks turning over District fleet while it is still viable and before it starts to break down maximizes the District's return and minimizes the maintenance costs. A motion was made "to designate the Vac-con flusher truck being replaced as surplus property."

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

ITEM 6: CENTRAL VALLEY WATER RECLAMATION FACILITY UPDATE

Chair Wesley Fisher reported on the following CVWRF matter for the December 21, 2023, Board meeting: 1) The December meeting was combined with CVWRF's holiday luncheon. 2) CVWRF received an energy savings rebate check from Rocky Mountain Power for \$167,000. It is anticipated the plant will save approximately \$98,000 per year in electrical energy costs. 3) CVWRF's New Roots Garden was recognized and discussed. 4) The new Board member from Mount Olympus, Keith Lord, was welcomed. 5) There was a closed meeting to discuss CVWRF's General Manager, Phil Heck's annual performance evaluation; Approval was given for an increase to Phil's salary. 6) Discussion and approval of a Task Order. 7) Award of contract for the Dewatering Building Project; The low bid by Gerber Construction was \$56,152,514. 8) The CVWRF Board meetings for 2024 are 3:00 p.m., with the exception of October's budget hearing and December's meeting. A strategy session is scheduled in February. A plant tour should be coming up, which would be good for the Board members to attend.

ITEM 7: UTAH OPEN MEETINGS ACT TRAINING – JEREMY COOK

Jeremy Cook did a review and summary of the Utah Code, Title 52, Chapter 4, Open and Public Meetings Act and provided the Board with the required annual training. Jeremy handed out an updated Open and Public Meetings Act, which is State law that governs how all public entities have to conduct their public meetings. He mentioned and discussed a few highlights: 1) The definition of a "Meeting" as outlined. 2) Notice requirements. A public body shall give not less than 24 hours' public notice of each meeting, unless it's an emergency meeting. A public notice is required to include an agenda. Each topic shall be listed under an agenda item on the meeting agenda, unless the public raises an issue during the meeting, it can be discussed; however, no actions or votes can be made during that meeting. 3) Approved minutes of an open meeting are the official record of the meeting. 4) Closed meetings; the requirements and the purpose of a closed meeting was explained. A closed meeting may only be held for: discussion of the character, professional competence, or physical or mental health of an individual; Strategy sessions to discuss reasonably imminent litigation; to discuss the purchase, exchange, or lease of real property. Strategy sessions to discuss the sale of real property. Deployment of security personnel, devices, or systems. 5) An ordinance, resolution, rule, regulation, contract, or appointment may not be approved at a closed meeting. 6) A vacancy discussion of an elected position may not be discussed in a closed meeting. 7) Electronic message transmissions as outlined in the Act was discussed. Board members should use their CID email address when conducting District business. Emails and text messages are subject to GRAMA requests. No policy issues should be sent through emails or texts. 8) The Criminal Penalty for a Closed Meeting Violation for a Board member is a class B misdemeanor.

ITEM 8: MANAGEMENT REPORT

(A) 2023 GRAMA Request – A GRAMA request summary was given to the Board for their review. There was some brief discussion on GRAMA fees.

(B) 2023 District’s Total Lines Cleaned and Televised – Greg Neff gave a summary report, along with various PowerPoint pictures, and discussed Cottonwood’s operations and maintenance report for 2023: 1) Pipeline Cleaning: 356 miles. 2) CCTV Inspection: 159 miles. 3) Manhole Cover Maintenance: 497 each. 4) Major Line Replacements: 3 each. 5) Vehicle and Equipment Maintenance and Repairs: 388 each. 6) Cured-In-Place Pipe Rehabilitation (Insituform): 3600 ft. 7) Pipeline Replacement: 810 ft. Greg mentioned that there were several minor repairs that are not listed.

ITEM 9: BOARD REPORT

None.

ITEM 10: INFORMATION ITEMS

(A) None

ITEM 11: CLOSED SESSION TO DISCUSS LITIGATION

Greg Neff and Jeremy Cook stated that there are no new updates to report regarding litigation; A closed session is unnecessary.

At 4:59 p.m., a motion was made “to adjourn the regular Board meeting.”

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

PREPARED BY: Jami Phillips, Secretary