

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

DATE: October 20, 2021
PLACE : Cottonwood Improvement District Office
TIME: 3:00 P.M.

PRESENT:
Wesley Fisher, Chairman
Kim Galbraith, Trustee
Greg Neff, General Manager/Engineer
Spencer Evans, Chief Financial Officer
Jeremy Cook, Attorney for the District
Lonn Rasmussen, Assistant General Manager/Operation Supervisor
Jami Phillips, Board Secretary

Mark Katter, Trustee, was unable to attend.

Public in Attendance: None.

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

The invocation was offered by Greg Neff. The Pledge of Allegiance was recited.

AGENDA:

ITEM 1: APPROVE MINUTES OF THE SEPTEMBER 15, 2021 BOARD MEETING

A correction was made on Mark Katter's title from Mark Katter, Chairman to Mark Katter, Acting Chairman. A motion was made "to approve the minutes of the Board meeting held on September 15, 2021."

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

ITEM 2: PUBLIC COMMENT

None.

ITEM 3: FINANCIAL INFORMATION

(A) DISBURSEMENTS

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 towing and repair charges for Unit 84, along with a retread tires charge on a flusher truck. Chairman Fisher challenged management to find ways to save on expenses and brought up the following possible considerations: There was discussion on postage charges for statements mailed through the post office and possible

options to encourage District patrons to go electronic/paperless. Greg Neff will look at posting electronic/paperless information or instructions on the District's website. Chairman Fisher inquired about the District's various costs associated with providing patrons to pay electronically. There was discussion on yearly payment discounts. Management tries to stay informed on the cost comparatives and the options available. A motion was made "to approve and ratify the disbursements."

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

(B) FINANCIAL STATEMENTS

Copies of the unaudited financial statements as of September 30, 2021 were provided to the Board for their review. There was discussion on why penalties and other income actual was much higher than the budget on the Budget vs Actual Summary. The reason is that when the budget was prepared in 2020, the District had stopped charging late fees, penalties and certifications because of Covid and the budget was based on that number. The District resumed charging those fees in 2021.

There was discussion on the increase for Non-Operating Revenues (Expenses), Impact Fees that are due to an increase and development of multifamily dwellings, apartments and a couple of hotels, which must be allocated to the District's capital projects.

There was discussion on the Gain(Loss) on Sale of Assets; some District fleet was sold.

There was discussion on revenue listed for Big and Little Cottonwood Canyon's metered flow service charges, along with the District's canyon agreements and possible addendums for pass-through impact fees.

ITEM 4: TENTATIVELY ADOPT 2022 TENTATIVE BUDGET

Spencer Evans prepared a PowerPoint presentation to coincide with the proposed tentative budget for 2022 reflecting the District's past and current estimated expenses. There was discussion on each slide item. 1) District's Operating Expenses, Excluding CVWRF. 2) Expenses Including CVWRF and Capital. There was some discussion on the District's capital projects, asset management and upcoming studies from Bowen Collins & Associates' forecast, along with project timeline considerations. It was asked when Bowen Collins & Associates will make a presentation on the studies; Greg Neff explained that he met with the consultants when CVWRF's updated years' worth of flow meter data became available and the consultants are currently updating the model. The results of the studies should be available near the end of year with a draft report coming soon. This years' budget is based on the District's updated contribution percentage with CVWRF. 3) CVWRF Costs Billed to CID. 4) CID Debt Service on CVWRF Bonds. 5) Unrestricted Reserves; These reserves have increased over the past several years, but will begin to decrease now that debt service has begun on the CVWRF 2020 and 2021 series bonds. There was discussion concerning the possibility of a future rate increase or a property tax increase, along with the calendar timing requirements. 6) 2022 Budget Highlights; Utah Local Governments Trust is in the process of providing renewal cost information for property, liability insurance and Workers Comp premium. These anticipated increases will be included in next month's budget figures. There was some discussion on Blue Stake costs. 7) CID Cost of Living Adjustments (Consumer Price Index, West Region).

The CID Comparison of Charges was displayed and discussed; CID is among the lowest in the valley.

Property tax mill levy/rates were discussed, along with the range allowed by law and the calendar timing requirements to change them.

Trustee Fisher commented that we should always be looking inward to see if a better job can be done to be good stewards. He asked where can the District shave costs. For the past several years the District reduced several positions through attrition and the number of flusher trucks from four to

three. Management is always conscious on saving the District/patrons money. Trustee Fisher complimented the District for doing a great job.

A copy of the tentative budget is attached to and thereby made part of these minutes. A motion was made "to tentatively adopt the 2022 Tentative Budget".

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

ITEM 5: SET TIME AND DATE FOR PUBLIC HEARING FOR 2022 BUDGET

A motion was made "to set November 16, 2021 at 6:00 p.m. as the date and time of November's regular Board meeting, Election Canvass, and the Public Hearing regarding the 2022 budget."

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

ITEM 6: CENTRAL VALLEY WATER RECLAMATION FACILITY UPDATE

Trustee Kim Galbraith reported on the following CVWRF matters: The Resolution of CVWRF's local limits was approved and submitted to the Department of Water Quality.

The Wasatch Front Water Quality Council Cooperation Interlocal Agreement Amendment was approved.

A Resolution for the agreement for membership in Utah Associated Power Systems UAMPS was approved. This will allow CVWRF to purchase excess power, if needed, at a lower rate than Rocky Mountain Power (after the initial contract usage purchased with RMP). It also gives CVWRF the ability to sell future excess engine generated power.

A Brown and Caldwell Task Order Amendment was approved. This amendment affects the timing on some of the projects.

The following capital projects are moving along: 1) 3W Improvements Project are two to three months away from completion. 2) A couple of large projects are still pending. The Headworks Rehabilitation Project has been commissioned. Other building completion dates will be in Spring, 2022 and a couple have been delayed until Fall, 2022. 3) Digester 3 and 4 Cover Replacement Project is getting the final insulation attached to the roof, which will complete this project.

A couple of items were discussed in a closed session.

Greg Neff mentioned that CVWRF has two meetings this month: 1) Public hearing on the tentative 2022 budget held on October 13th. 2) Regular meeting to adopt the final 2022 Budget, which is scheduled for October 27, 2021.

ITEM 7: MANAGEMENT REPORT

None.

ITEM 8: BOARD REPORT

None.

ITEM 8: INFORMATION ITEMS

- (A) CENTRAL VALLEY ESTIMATED COSTS
- (B) PUBLIC UTILITY EASEMENT ENCROACHMENT BY PROPERTY OWNER – GRANDVIEW ESTATES #1, LOT 9 (2693 GRANDVIEW DRIVE)

At 5:19 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