

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

DATE: December 15, 2021
PLACE : Cottonwood Improvement District Office
TIME: 3:00 P.M.

PRESENT:
Wesley Fisher, Chairman
Kim Galbraith, Trustee
Mark Katter, Trustee, Electronically
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

Public in Attendance: A list of public in attendance is attached to and thereby made part of these minutes.

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

The invocation was offered by Wesley Fisher. The Pledge of Allegiance was recited.

AGENDA:

ITEM 1: APPROVE MINUTES OF THE NOVEMBER 16, 2021 PUBLIC HEARING, BOARD MEETING AND THE 2021 ELECTION CANVASS

A motion was made "to approve the minutes of the Public Hearing, Board Meeting and the 2021 Election Canvass held on November 16, 2021."

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

ITEM 2: SEWER CAPITAL FACILITIES PLAN REPORT – BOWEN COLLINS & ASSOCIATES

Bowen Collins & Associates' Consultants, Keith Larson, Wyatt Andersen and Brent Packer were in attendance to give an update on the progress of the Capital Facilities Plan and the Asset Management Plan to the Board. Keith Larson presented a PowerPoint presentation and explained the condition of the District's assets (main sewer lines) and their recommendations. Keith talked about three common industry challenges, which are growth, aging infrastructure and changing regulations (the changing regulations specifically with CVWRF). A very small portion of the District's infrastructure has deficiencies, which were outlined and discussed, along with ratio and capacity. There are eleven specific projects identified for the Capital Facilities Plan improvements, along with timelines and estimated costs.

Keith discussed the Asset management component, rehabilitation management; he commended the District on gathering information, asset management and cleaning data and said it is exemplary. In assessing asset management, two things are combined together, 1) probability of failure. 2) consequence of failure. To assist the District in prioritizing projects, this data is rated by condition assessment from very important to low importance and their timelines. Overall, Keith mentioned that Cottonwood Improvement District's infrastructure is in very good condition.

Keith explained the next step. He and Wyatt have drafted impact fees and are reviewing those with Greg Neff. The target date to present those to the Board is sometime in February, along with recommendations for the District's sewer rates.

Greg expressed his approval in working with Bowen & Collins and said they have done a really good job and thinks the study will help in focusing the District's efforts. Greg generally agrees with the study's conclusions, particularly the capacity improvements and the spending on rehabilitation of some of the District's more critical larger trunk line pipes that are made out of concrete.

Jeremy Cook, Cottonwood's legal counsel, will assist the District in any compliance needed for adopting and resolution enactments for the Capital Facilities Plan and the Impact Fee Facilities Plan, if necessary. Any changes will require a public hearing and a 90-day waiting period.

A copy of the Capital Facilities Plan Report is attached to and thereby made part of these minutes.

ITEM 3: PUBLIC COMMENT

None.

ITEM 4: 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 some discussion on the District's property tax revenue received from SLCO in November with a trickle amount to be received in the month of December, along with the 2021 final settlement and statement that's received in March. A motion was made "to approve and ratify the disbursements."

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

(B) FINANCIAL STATEMENTS

Copies of the unaudited financial statements as of November 30, 2021 were provided to the Board for their review. Trustee Galbraith asked if the District has received the cost for the 2021 Election. The District has not yet received an invoice from Salt Lake County. It is anticipated to be on the next month's disbursement list.

ITEM 5: DISCUSSION AND APPROVAL OF PROPERTY AND LIABILITY INSURANCE RENEWAL AND WORKERS COMPENSATION INSURANCE RENEWAL

Spencer Evans provided and explained Utah Local Governments Trust's renewal rates for liability, property, auto and workers compensation policies for 2022. The rates are within the estimated amounts contained in the 2022 budget. The District's policy year will change from a calendar year to a July 1 – June 30 year.

ITEM 6: CENTRAL VALLEY WATER RECLAMATION FACILITY UPDATE

Trustee Kim Galbraith reported on the following CVWRF matters: In October/November, CVWRF had an increase in employee Covid cases, but has since improved.

CVWRF's management discussed an OSHA Covid vaccine mandate requirements imposed by the Federal government; however, that ruling is currently in the courts and has been put on hold.

CVWRF's property insurance proposal with Olympus Insurance was approved. There was a \$60,000 increase, based mostly because of the plant's increased value and some newly built facilities.

CVWRF's 2022 budget adjustment to the capital and debt billing percentage to correct a slight change to the Cottonwood Improvement's percentage calculation that CVWRF input in error.

CVWRF participated in the State Auditor's Fraud Risk Assessment Checklist and scored in the Low Risk level.

CVWRF awarded a task order for construction management services to Brown and Caldwell.

Trustee Galbraith reported that CVWRF's capital projects are moving along and are mostly on schedule.

There was a closed session to discuss CVWRF's lease of real property.

Greg Neff reported on the manager's meeting and mentioned that CVWRF did a four-month lock on the natural gas pricing. CVWRF put banking services out to bid and will use Zions Bank.

ITEM 7: SET 2022 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 PM, with the exception of December's meeting, which will be held the 2nd Wednesday of the month. November's Board Meeting/Public Hearing, will be held at 6:00 PM." A copy of the dates and times is attached to and thereby made part of these minutes.

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

ITEM 8: APPOINT COTTONWOOD IMPROVEMENT DISTRICT'S BOARD CHAIRMAN, CLERK, AND TREASURER FOR 2022

A motion was made "to appoint Kim Galbraith to be the Board Chairman, Spencer Evans to be the Clerk and Lonn Rasmussen to be Treasurer for 2022."

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

ITEM 9: APPOINT BOARD MEMBER AND ALTERNATE FOR 2022 CENTRAL VALLEY BOARD

A motion was made “to appoint Wesley Fisher to serve on the Central Valley Board and Greg Neff to be the alternate in 2022.”

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

ITEM 10: APPOINT 2022 DISTRICT REPRESENTATIVE AND ALTERNATE FOR THE UTAH ASSOCIATION OF SPECIAL DISTRICTS

A motion was made “to appoint Spencer Evans to be representative and Lonn Rasmussen to be the alternate in 2022.”

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

ITEM 11: MANAGEMENT REPORT

None.

ITEM 12: BOARD REPORT

There was some discussion on Cytozyme’s unlawful discharge into CVWRF.

ITEM 13: INFORMATION ITEMS

(A) CENTRAL VALLEY ESTIMATED COSTS

At 4:21 p.m., a motion was made “to adjourn the regular Board meeting.”

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

PREPARED BY: Jami Phillips, Secretary