

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

DATE: July 21, 2021
PLACE : Cottonwood Improvement District Office
TIME: 3:00 P.M.

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

Lonn Rasmussen, Assistant General Manager/Operations Supervisor, was unable to attend.

Public in Attendance: Chris Coccimiglio, 8878 Taft Hill Court.

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 JUNE 16, 2021 BOARD MEETING

A motion was made "to approve the minutes of the Board meeting held on June 16, 2021."

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

ITEM 2: PUBLIC COMMENT

None.

ITEM 3: EASEMENT ENCROACHMENT – WILLOW CREEK HILLS PLAT A, LOT 16 (8878 TAFT HILL COURT)

Chris Coccimiglio, the homeowner of 8878 Taft Hill Court, was in attendance to discuss this matter with the Board. Greg Neff showed a 2012 property aerial of the District's 8" mainline concrete pipe that runs through 8878 Taft Hill Court located in a Public Utility Easement. The pipeline was installed in 1984 and serves ten houses. A Sandy City storm drain is also located in the easement and runs on

the west side of the District's sewer line. Greg said the owner contacted him a while back for an easement encroachment; however, Greg told him that there was a sewer line there and the District could not grant an easement encroachment. Sandy City approved and issued a building permit because of a misunderstanding or a misinterpretation of a plat and where the easement is located. Greg showed a plat with the location of the easement, along with an approximate location of the building/detached garage. The red hatched areas reflect the approximate building encroachment; Chris has had some survey work done, but it's not finalized. The footing and foundation are constructed, along with slab and framing; there are trusses on sight, but not installed. Given the situation, Greg's recommendation is to have Jeremy Cook, Cottonwood's attorney, draft an easement agreement to protect the District. The easement agreement puts the burden on the property owner and stipulates any repairs or construction needed to the District's mainline, the property owner would have to remove or remodel it in such a way that the District could access the pipeline. After some discussion, a motion was made "to draft an easement encroachment agreement for 8878 Taft Hill Court for review and approval by the District; to be signed by the homeowner and the District. Attorney fees for the draft will be reimbursed to the District by the homeowner." The Board approved Greg to review, approve and sign the drafted easement encroachment agreement. A copy of the Willow Creek Hills Plat A, Lot 16 (8878 Taft Hill Court) building plat with the current easement and the detached garage location 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 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 discussion on a few items: A Mack truck and a Vac-con flusher truck were purchased; Unit 72 was traded in as part of the Vac-con flusher truck purchase. There was some discussion on trade-in value, selling on the open market, along with some differences in the manufactures. There was a Westech Equipment purchase to replace the water tank floats. Some of the District's software and licensing costs were discussed. A motion was made "to approve and ratify the disbursements."

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

(B) FINANCIAL STATEMENTS

Copies of the unaudited financial statements as of June 30, 2021 were provided to the Board for their review. There was some discussion on the District's revenue on penalties and other income, along with some hotel projects' impact fees and some future development in the District. The District's dump station revenue was discussed.

ITEM 5: CENTRAL VALLEY WATER RECLAMATION FACILITY UPDATE

Trustee Kim Galbraith said that he was unable to attend last month's CVWRF's meeting; Greg Neff, the District's alternate, went in Kim's place. After comparison and review of CVWRF's current and past agenda, along with speaking to Greg for an update, Trustee Galbraith reported on the following CVWRF matters: An amendment to the Side-Stream Nitrogen Design task order approval; the lower level of an old filtrate building is seismically adequate and will be utilized. The building will be demolished from the ground up. The upper part of the building will be replaced with improvements for seismic protection. The cost is approximately \$280 thousand and will be financed through a contingency fund.

Biosolids Engineering Evaluation: No motion was made on this item. There was continued discussion on evaluating and possibly switching technologies from the current belt filter press dewatering to centrifuge dewatering process. CVWRF's management recommends using a centrifuge process and would like to negotiate a price with the same centrifuge supplier being utilized in another area of the plant for synergy, resulting in time and cost savings.

Annual Insurance Risk Report: CVWRF's insurance coverage was reviewed and discussed to determine if the premiums are reasonable and if there are any savings available. Wet and dry fire sprinkler protection recommendations were made concerning servers and IT equipment.

CVWRF's 2022 budget meeting calendar was approved: CVWRF's management and staff of various departments prepare their budgets in August. The preliminary budget will be provided to CVWRF's Board on September 22. A public hearing is scheduled for October 13th and the final 2022 budget adoption on October 27, 2021.

Discussion of Electrical Service Provider – Utah Associated Municipal Power Systems (UAMPS): Greg Neff explained that Murray City belongs to an organization called UAMPS. If you're a member of that entity, you can buy or sell power. CVWRF's current agreement with Rocky Mountain Power is if some generators go down, they have to draw power from Rocky Mountain Power and pay a high rate because of the high consumption. It is assumed that UAMPS does not have such restrictions. Additionally, CVWRF will be able to sell excess power that is possibly generated with the new engines and also through increased biogass production as part of the plant rebuild food waste program. CVWRF's management is researching the requirements to join UAMPS and will update the CVWRF's Board.

Trustee Galbraith reported that the various CVWRF's capital projects are moving along, meeting the general timeline; the plant is on track to meet the permit limit by 2024.

Negotiations continue regarding the CVWRF's golf course lessor.

ITEM 6: MANAGEMENT REPORT

Spencer Evans explained that he updated the Central Valley Estimated Costs spreadsheet based on various sources of information from Central Valley, dated April, 2021, listed in the Information Items. There was discussion regarding increasing material pricing and projects under contract; District management is not aware of any revisions to those awarded contracts. Spencer explained that the updated spreadsheet still reflects CID's estimated portion at 18.4 percent. However, later this year, a year's worth of flow metering data will give a true 12-month average, which will result in the District's percentage obligation to lower. Throughout this year, the District has metered approximately 2 percent points lower.

Spencer discussed Item 8, Information Item, A) Utah State Auditor Fraud Risk Assessment requirements: CID's Annual Conflict of Interest Disclosure form and the Annual Ethics Pledge form were given to the Board of Trustees to sign. District employees will sign similar forms.

ITEM 7: BOARD REPORT

None.

ITEM 8: INFORMATION ITEMS

- (A) UTAH STATE AUDITOR FRAUD RISK ASSESSMENT
- (B) CENTRAL VALLEY ESTIMATED COSTS
- (C) PUBLIC UTILITY EASEMENT ENCROACHMENT BY PROPERTY OWNER – SUNSET RIDGE #2 SUBDIVISION, LOT 210 (9413 S. SUNSET RIDGE DRIVE)
- (D) PUBLIC UTILITY EASEMENT ENCROACHMENT BY PROPERTY OWNER – TANNENBAUM COVE SUBDIVISION, LOT 102 (9668 S. TANNENBAUM COVE)

ITEM 9: CLOSED SESSION TO DISCUSS COMPETENCE OF EMPLOYEE

A motion was made “to move into a closed session for the purpose of discussing the character, professional competence, or physical or mental health of an individual.”

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

A motion was made “to reconvene in an open session.”

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

After Greg Neff, District’s General Manger’s review, a motion was made “to authorize Greg Neff a 1% salary increase, along with a one-time \$2,000 bonus, effective July 1, 2021.”

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

At 5:15 p.m., a motion was made “to adjourn the regular Board meeting.”

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

PREPARED BY: Jami Phillips, Secretary