

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

DATE: February 13, 2019
PLACE : Cottonwood Improvement District Office
TIME: 3:00 P.M.

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

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

At 3:00 p.m., Mark Katter called the meeting to order.

The Pledge of Allegiance was recited.

AGENDA:

ITEM 1: APPROVE MINUTES OF THE JANUARY 16, 2019 BOARD MEETING

Kim Galbraith made a clarification to Item 3, paragraph 2. A motion was made "to approve the minutes of the Regular Board Meeting held on January 16, 2019 with the clarification adjustment to Item 3, paragraph 2."

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

ITEM 2: PUBLIC COMMENT

Bruce Blanchard at 8802 Shady Meadow Drive has suggestions concerning the District's COLA policy. He said the District has 18 out of 29 employees that are below the mid-point of the pay-band. He recommends that the 3.4 percent COLA for these employees be based on the mid-point of their pay-band and be retroactive to January 1. This will bring these employees closer to the mid-range making the COLA's more equal and fair. Bruce suggested the District have a proposal in next month's meeting outlining a plan to get these 18 employees to the mid-range of the pay-band in an appropriate amount of time in their current job positions.

Anthony Hale lives at 7012 South 2825 East and is an employee of the District. He asked the Board if they would consider allowing a District operator field worker to be represented and attend future Board meetings. The Board explained that it's a management decision and Chairman Katter asked for Jeremy Cook's expertise opinion. Jeremy agreed that it should be a management decision. He explained that it's not typical to have employees attend that are not needed for a particular discussion, but it would be up to the Board. Jeremy recommends Greg to think about it and make a recommendation to the Board and then decide if it should be put on the agenda.

ITEM 3: FINANCIAL INFORMATION

(A) DISBURSEMENTS

Kim Galbraith asked for some clarification regarding year-to-date expense comparisons for the current and prior years on CVWRF – Debt Service. Spencer Evans explained that the difference in the year-to-date amounts was due to the timing of the 2017A bond payments as required by the bond trustee. After review and discussion, a motion was made “to approve and ratify the disbursements.”

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

(B) FINANCIAL STATEMENTS

Copies of the unaudited financial statements as of January 31, 2019 were provided to the Board for their review.

ITEM 4: CENTRAL VALLEY WATER RECLAMATION FACILITY UPDATE

Chairman Katter said Tom Holstrom, CVWRF’s General Manager, is retiring in March. Tom has been training Phil Heck, Assistant General Manager, to take over his position. There was discussion regarding authorization for use of Contingency Budget for Retirement Incentive for Tom.

New officers were elected. Chair, Debra Armstrong, and Vice-Chair, Mark Kindred, were both nominated and elected to these positions again for 2019. Chairman Katter said he was assigned to the Retirement Committee regarding CVWRF’s employee retirement funds.

Chairman Katter said there were a lot of capital project updates: Relocating utilities on the Power-Gen Tunnel Extension with the excavation starting on this project. The Secondary Clarifiers are being installed and are close to completion. The bio filter is on the way for the Odor Control Project; the concrete is in the process of being formed, along with blowers and piping. Four engine generators, digester and gas equipment are being installed.

There was a change to CVWRF’s Board meeting schedule; November 20th meeting was moved to November 21st.

Wesley Fisher inquired about two Linkedin annual fees on the CVWRF expense detail and asked management to find out more detail regarding these fees.

ITEM 5: RELEASE OF GIVERNY BOND

Several years ago Cottonwood Improvement District entered into an Improvement Completion Agreement with Giverny, LLC, the developer, for the installation of part of the sewer mainline for Giverny P.U.D. Subdivision. The project has been completed and accepted and management needs the Board’s authorization to sign a release of escrowed funds. Management recommends that the Board approve the bond release. A motion was made “to approve the release of the Giverny bond.”

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

ITEM 6: DECLARE FLUSHER SURPLUS PROPERTY – AUTHORIZE SALE

Greg Neff said the District has four flusher trucks. Management has discussed and would like to sell one of the trucks with the goal to continue to annually maintain the District using only three flusher trucks. This will be a significant savings to the District. District policy requires the Board to

declare surplus property at this dollar amount. A local dealership has offered the District \$175 thousand for the oldest flusher. Upon Board surplus approval, management will get the best price value for the flusher truck. A motion was made "to declare the flusher truck surplus property."

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

ITEM 7: DISTRICT EMPLOYEE TUITION REIMBURSEMENT APPROVAL

District policy allows employees to be reimbursed for tuition costs up to \$2,000 per person per year. Management explained that Lonn Rasmussen completed his 2018 classes and he's registered for 2019 classes. Management is requesting reimbursement approval to reimburse Lonn \$2,000 for the 2018 classes completed and also upon completion and passing of the 2019 classes enrolled up to the actual cost or \$2,000, whichever is less. The Board was presented with a list of the 2018 classes completed and the 2019 enrolled classes. A motion was made "to approve the reimbursement of the tuition to Mr. Rasmussen."

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

ITEM 8: APPROVAL OF EMINENT DOMAIN ACTION

Jeremy Cook discussed the spite strip of property located in the District's Murray shop parcel. The District files has it listed as the Augason Tax Deed. Jeremy will continue to correspond with Mr. Augason to resolve this title issue. If necessary, the District will file an eminent domain action with the court. State law requires the Board approve use of eminent domain. A motion was made "to approve eminent domain action for the Augason tax deed."

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

ITEM 9: MANAGEMENT REPORT
(A) WEAU Conference Info – April 9 – 12, 2019, St. George, Utah

Murray City's contractor, Acme Construction, was replacing part of the road on 6400 South 1300 East. Part of that project included replacing a bridge structure, which houses the canal owned by Salt Lake City. During the process of removing the old canal, Acme tore out part of the District's sewer mainline that runs underneath filling the line with dirt and rocks. Acme fixed the break and didn't call the District. Approximately 5 hours later a homeowner was backed up in their basement with a few inches of water. As soon as the District was notified, District crews arrived and cleaned out the debris and were able to get the line flowing. Under the Underground Utility Facilities act, through Blue Stakes, if the line is properly marked and is damaged, the contractor is responsible for any damages. Murray City said they will take care of the homeowner. Greg had a meeting with Acme Construction. Acme will have to replace a big section of pipe and put in a new casing, which should start next Monday.

Greg Neff presented a video that District staff put together for the Board to view showing some of the equipment that staff uses to clean and maintain District sewer lines and to help familiarize the Board with what District operators do out in the work field.

Sandy City had a water line break on Buttonwood Drive. On February 12th, a District patron called the office and said his sewer wasn't draining and he had called a rooter company. District

staff arrived and discovered the mainline was backing up. A District TV crew was sent there to televise the line and discovered that a section of pipe was missing and had rocks and dirt in the end of the pipe. Something had happened that took out a section of District pipe. Staff quickly did some research and discovered that Sandy City had a main water line break at this location a couple of days previously and had filled a nearby house with 2 feet of water. District crews worked until midnight to get the sewer back in service. Fortunately, there wasn't a lot of flow in this line and there were no customers backed-up with sewer. Greg said it was clear that the side of the water line pipe had a hole in it. Greg thinks when the contractor opened it up to repair the water break, the water hit the pavement and started churning all the rocks and broke the top of the sewer pipe and filled the line with mud and rocks. The contractor repaired the water pipe and without investigating didn't realize the sewer pipe had been broken. Greg said someone from the water department came out to investigate. Management will negotiate with Sandy City to hopefully get reimbursed for District time and materials.

ITEM 10: BOARD REPORT

Wesley asked for two items to be listed on the agenda for next month, 1) District employees who are below the mid-point on the compensation study and how their COLA is handled. 2) Discussion on District field worker represented in future Board meetings. Greg said management and staff will discuss this matter and come back and report to the Board. He thinks there may be a way to handle it that is fair without the District having to pay someone else to be at the meetings.

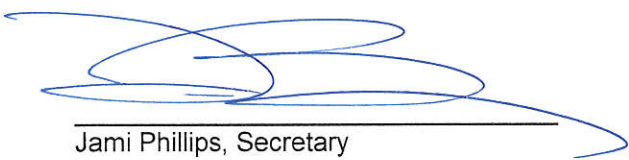
There was discussion regarding the 2019 District election and if a primary election is needed. There are two Board of Trustee positions up for election this year. The law states a primary election may be held if the number of candidates exceeds twice the number of persons needed to fill that position or office. This would require at least five candidates or more filing for office. The District did not budget for a primary. Last year's estimated fee for Salt Lake County Election Division to conduct the District's general election was \$92,000. This amount did not include a primary. If the District has a primary election, Salt Lake County will charge the District an additional cost. In the prior election Salt Lake County quoted an additional cost for a primary that was equal to the cost of the general election. The fee is based on registered voters and turnout. The declaration of candidacy filing period is in June. After the filing period, the Board will decide if the Board wants to hold a primary election. Jeremy pointed out that it's less critical to have a primary when candidates aren't party affiliated.

ITEM 11: INFORMATION ITEMS – None

At 4:13 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, Mark Katter
AGAINST: None

PREPARED BY:



Jami Phillips, Secretary