

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

DATE: March 20, 2019
PLACE : Cottonwood Improvement District Office
TIME: 6:00 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 6:00 p.m., Mark Katter called the meeting to order.

The Pledge of Allegiance was recited.

AGENDA:

ITEM 1: APPROVE MINUTES OF THE FEBRUARY 13, 2019 BOARD MEETING

No corrections were made to the minutes. A motion was made "to approve the minutes of the Regular Board Meeting held on February 13, 2019."

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

ITEM 2: PUBLIC COMMENT

Frank Christianson of 8817 Shady Meadow Drive asked the Board to have District staff do a preliminary investigation to consider a consolidation with another sewer district to see if that would be beneficial and reduce costs.

Bruce Blanchard at 8802 Shady Meadow Drive said he has a responsibility to be involved in the governance of each public service unit that serves him. One of his objectives is to improve the amount of quality of transparency provided by his public service units and he reminisced about the things he has learned. Bruce said two years ago he attended his first Cottonwood Improvement District Board meeting. Since then, he has learned a lot about what CID does, including the challenges, successes and the quality of operations. However, he still doesn't understand the protocol and expectations of attendant to the interaction of the public to the Board. He commended the Board on obeying the State laws that govern the District. Bruce thanked the Board for moving the public hearing budget meeting to November for public input consideration before passing the budget in December. Bruce does not think the two-minute time restraint (which is not enforced) for public comment is adequate. He asked if there are expectations that the public should have from the Board members after public comments.

ITEM 3: FINANCIAL INFORMATION

(A) DISBURSEMENTS

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 February 28, 2019 were provided to the Board for their review.

ITEM 4: COLA ADJUSTMENT FOR EMPLOYEES BELOW MIDPOINT OF PAY-BAND

In February, 2019's Board meeting there was public comment requesting the Board explore methods to get these employees closer to the midpoint of the pay-band. Spencer explained three possible methods and management's recommendation. 1) COLA based on midpoint. 2) COLA based on max-point. 3) Merit increase. Management's recommendation is a combination, which is a retroactive 2019 COLA adjustment and double the merit increase range for midpoint employees thereafter starting July, 2020. After some discussion, a motion was made "to have a one-time COLA adjustment for below midpoint employees based on the pay-band midpoint retroactive to January 1, 2019 and to make it policy to double the merit increase range for below midpoint employees to be effective for the merit period that ends June 30, 2020."

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

ITEM 5: RFP INVESTMENT ADVISORY UPDATE

In January, 2019's Board meeting it was discussed that the District would send out request for proposal for investment advisory services. Spencer Evans explained the response, evaluation criteria and fees for the top five companies. Management's conclusion based on results of scoring, fees and references, recommends inviting Moreton and Zions to make presentations to the Board. The current District investment policy is to invest in the PTIF, which complies with the Utah Money Management Act. Management and the Board want to structure and update the District's investment policy to provide a framework guideline. There is a \$3 million investment minimum. The investment money is not locked in and can be withdrawn. After much discussion, The Board directed staff to invite Moreton and Zions to come to the May 15, 2019 Board meeting and make presentations, no longer than 20 minutes each.

ITEM 6: REVIEW AND APPROVE SLCO ELECTION'S DIVISION INTERLOCAL COOPERATION AGREEMENT FOR THE DISTRICT'S 2019 ELECTION

Salt Lake County Clerk Elections Division has given the District a not-to-exceed cost estimate of \$92,229.90 for conducting the District's 2019 election this November. A motion was made to approve the Interlocal Cooperation Agreement provided by Salt Lake County Clerk Elections Division to conduct the District's 2019 election and authorize Mr. Neff to execute the agreement."

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

ITEM 7: CENTRAL VALLEY WATER RECLAMATION FACILITY UPDATE

Mark Katter said there were some procurements needed for Board approval. 1) Six primary effluent pumps for \$462,497. 2) Headworks equipment consisting of four bar screens, four washer compactors, two conveyors, and four grit classifiers for \$1,581,601.

CVWRF's Board is holding a public hearing on March 27 for two purposes. 1) Approve a Bond a Parameters Resolution. 2) Pursuing public bonds in the amount of \$37 million.

On April 29th, one Board member will go with CVWR's staff to San Francisco to meet with one of the credit bureaus and get everything arranged and settled for this bond. The preliminary official statement could be released to the marketplace at the end of May allowing the bonds to be priced at the first part of June and closing in July. This bond will help offset the \$65 million State bond.

The 2018 GRAMA activity report was disclosed. There was one single requestor with eight different record requests.

The Legislature approved \$500 thousand appropriation for research for projects on the Great Salt Lake, which was approved by the Natural Resources and Agricultural Appropriations Committee.

ITEM 8: MANAGEMENT REPORT

- (A) AUGASON TAX DEED UPDATE – Jeremy Cook said this matter is taking a little longer than expected. There were some issues getting Mr. Augason served, but that has been worked out.
- (B) BILLING QUESTIONS – Greg Neff said he spoke with a District patron that didn't like the billing structure. His complaint is some homes have one person, some have six and the cost is the same. He was advocating to make a sewer bill cost distinction. I asked him to send a letter to the Board if he wanted to discuss the matter. I anticipated a letter from him, but didn't get one. I invited him to the meeting, but he didn't want to come. This has been discussed in length before. When there is more time and if the Board would like, staff can address the different reasons and philosophies behind the billing. It's a complicated issue.
- (C) BOARD ROOM PROJECTION/TV – Management looked at several options on video and display for the Board room. It will be used for Board meetings and for the public attending the District's annual budget meeting. The TV was less expensive and the better option.

ITEM 9: BOARD REPORT

Wesley Fisher brought up the issue that Frank Christensen addressed during Item 2, Public Comment, regarding the District consolidating with another district. Wesley said this has been discussed before and the conclusion was it would be nearly impossible to do. Jeremy Cook said there would be many difficult issues to deal with between bonds, reserves, rate structures, the value comparisons to each system that would make it extremely unlikely. The cost to facilitate that type of merger would far out-way the potential savings of maybe being able to cut out a couple of staff members. The other entity board would have to be receptive to the idea, which is also unlikely.

Wesley Fisher asked Bruce Blanchard if there were questions not answered from the November Board meeting and invited Bruce to email him and he will make sure they're addressed. Wesley also said that he thinks it's important for the public to come to the meetings and be involved.

Kim Galbraith said at last month's Board meeting, Tony Hale suggested having an employee representative attend Board meetings. According to District policy, the Board and management agree that an employee's representative would be their supervisor first, then the General Manager. The Board expressed to Tony as a patron of the District, that he could always email any Board member with thoughts or questions.

Kim Galbraith asked if Murray City's contractor, Acme Construction, repaired the sewer mainline they broke. Greg Neff said yes; everything was properly fixed and inspected. Kim also asked about the repair done from the Sandy City water line break. Greg said everything was fixed. There was no damage to any homes.

ITEM 10: INFORMATION ITEMS
(A) MURRAY CITY CORP – NOTICE OF PUBLIC MEETING. CONDITIONAL USE PERMIT TO ALLOW VEHICLE SALES LOCATED AT 4195 SOUTH 500 WEST, UNIT 31 & 32

At 7:34 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