

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

DATE: September 19, 2018  
PLACE : Cottonwood Improvement District Office  
TIME: 3:00 P.M.

PRESENT:  
Mark Katter, Chairman  
Wesley Fisher, Trustee  
Kim R. Galbraith, Trustee  
Greg Neff, General Manager/Engineer  
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 AUGUST 15, 2018 REGULAR BOARD MEETING

No corrections were made to the minutes. A motion was made "to approve the minutes of the Regular Board Meeting held on August 15, 2018."

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

ITEM 2: PUBLIC COMMENT

Bruce Blanchard of 8802 Shady Meadow Drive said Salt Lake County handled the District 2017 election at a cost of approximately \$90,000. Rozan Mitchell who has worked in the SLCO Election Division is running against incumbent, Sherri Swenson, for Salt Lake County Clerk this year. Bruce asked if anyone has asked Rozan Mitchell if she has any ideas to reduce the cost of the District election. Jeremy Cook stated that he thinks SLCO's costs are comparable with other counties in the State.

P. Robert Augason attended to discuss agenda Item 6: Proposed Purchase of District Property by SLCO for VOA Housing Units. Mr. Augason said he received a call from Derrick Sorensen, Director of Real Estate for Salt Lake County. Mr. Sorensen informed Mr. Augason that he was going to be filing eminent domain to take the property owned by Mr. Augason and lease it to the VOA for housing. Mr. Augason owns a property tax strip within the parcel area that SLCO wants to purchase from the District. Mr. Augason asked if Cottonwood Improvement District had finalized the sale of property to Salt Lake County. The District made a counter offer to Salt Lake County, but they haven't responded. Jeremy Cook said SLCO has separate legal condemnation authority and Mr. Augason's issue is with Salt Lake County not Cottonwood Improvement District.

ITEM 3: FINANCIAL INFORMATION

(A) DISBURSEMENTS

After review and discussion, a motion was made "to approve and ratify the disbursements."

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

(B) FINANCIAL STATEMENTS

Copies of the unaudited financial statements as of August 31, 2018 were provided for Board review.

ITEM 4: CVWRF – UPDATED CAPITAL PROJECT FUNDING SUMMARY

Greg said the CVWRF August 20-year capital projects cost summary was approximately \$60 million higher than the summary provided in June, 2018. Because of contractor availability, construction cost and steel costs increasing, CVWRF's consultant advised them to raise projections by 5% per year, which makes up the increase. The biggest portion of that is nutrient removal. There are still issues to be resolved, like the State loan, which will decrease the District's cash flow requirements. The District is working on a projection that will be available when it's clear how much the State loan will be and when and if it's available. Some of the other entities are asking for State loans to update their facilities. Central Valley anticipates the proceeds from the 2017 bond to run out mid-2019 and will start the process of issuing another round of bonds for 2019. When it is determined when and how much the State loan is, the District will decide at that time if it wants to bond again, use District reserves or if it will be necessary to increase District rates. The District Board will decide at that time if the District will participate in the bond with Central Valley or if we will get our own revenue bond and pay Central Valley cash. A technical limit rule was set for phosphorus and nutrient removal by the DEQ, which started the process of upgrading sewer plants.

ITEM 5: CENTRAL VALLEY WATER RECLAMATION FACILITY UPDATE

Chairman Katter said Central Valley's Board approved the Odor Control Project bid to Alder Construction for \$3.4 million. The UV Channel No. 2 Equipment bid was awarded for \$625 thousand. CVWRF contracted with Olympus Insurance as their new insurance carrier. Revisions were approved to the employee handbook regarding retirement. An employee can retire at the age of 59 ½ with 25 years of service. Central Valley is not a part of Utah Retirement Systems. It pays into its own retirement fund.

ITEM 6: PROPOSED PURCHASE OF DISTRICT PROPERTY BY SLCO FOR VOA HOUSING UNITS – UPDATE

This Item was discussed under Item 2: Public Comments, with Mr. P. Robert Augason.

ITEM 7: UTAH LOCAL GOVERNMENTS TRUST – SEWER LOSS PERFORMANCE

Utah Local Governments Trust does a yearly Sewer Loss Performance comparison with everyone in the Trust to the average. The District had zero claims this year. The Trust's average claim

cost per mile of pipe from 2013-2017 is \$132 vs \$0 for the District. Greg Neff said that is quite remarkable and you probably won't find that anywhere else. Kim Galbraith suggested that we make copies of the comparison and make them available in the office for District patrons.

ITEM 8: UTAH ASSOCIATION OF SPECIAL DISTRICTS 30<sup>TH</sup> ANNUAL CONVENTION – NOVEMBER 7-9, 2018, DAVIS CONFERENCE CENTER, LAYTON, UTAH

Chairman Katter said this is a very good conference. Chairman Katter and Wesley Fisher both plan to attend this year.

ITEM 9: MANAGEMENT REPORT

Greg Neff said that Steve Regan Company sent him a letter requesting to purchase 1 to 1.5 acres of District property for the appraised value of \$6.85 per square foot. Greg asked the Board if this request should be put on next month's agenda for Board discussion and consideration. The Board wants to wait on the outcome of the SLCO/VOA proposed property purchase.

Greg gave the Board information on electronic device options and cost for Board books.

ITEM 10: BOARD REPORT

Chairman Katter mentioned a tragic newspaper article about a Hooper City sewer worker that fell into the sewer headfirst and drowned.


ITEM 11: INFORMATION ITEMS

- (A) PUBLIC UTILITY EASEMENT ENCROACHMENT BY PROPERTY OWNER – LOT 44, LITTLE COTTONWOOD SUBDIVISION, PLAT A, (2089 E. CANDLE SPRUCE COVE).
- (B) PUBLIC UTILITY EASEMENT ENCROACHMENT BY PROPERTY OWNER – LOT 44, CARRIAGE CREEK SUB, PL 1, (561 E. SPRUCE GLEN ROAD).

At 4:14 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