

EMIGRATION IMPROVEMENT DISTRICT
BOARD OF TRUSTEES REGULAR MEETING
THURSDAY, DECEMBER 8, 2016

EMIGRATION CANYON FIRE STATION
5025 EMIGRATION CANYON ROAD
SALT LAKE CITY, UTAH

Board Members in Attendance: Mike Hughes – Chair, Mark Stevens – Vice Chair, David Bradford – Secretary/Clerk

Ex Officio: Eric Hawkes – Manager, Jeremy Cook – Legal Counsel, Don Barnett – Barnett Intermountain Consulting, and Fred Smolka

Chair Hughes called the meeting to order at 7:12 p.m.

1. Consent Approval – Minutes for November 17, 2016

MOTION: Chair Hughes made a motion to approve the minutes of the November 17, 2016, Board of Trustees meeting as written. Mark Stevens seconded the motion.

VOTE: Unanimous in favor of the motion.

2. Financial Considerations & Report

Eric Hawkes reviewed the monthly financial report and fund balances as of December 7, 2016, as shown on his printed report.

Mark Stevens asked for clarification on the loan payments. Eric explained each loan and payment in detail. David Bradford addressed rounding amounts to the nearest dollar on the financial report. Eric replied that he can do that. Fred Smolka asked how district was collecting taxes from the County. Eric reported that the District receives payments biweekly and will continue to do so until the new year. Mark Stevens asked about the water usage. Eric explained the water usage and collection. He talked about the State reimbursement of \$33,841.96 for grant and adjusted amounts.

Chair Hughes inquired regarding collection of delinquent accounts and tax sales. A discussion ensued regarding delinquent accounts and various means of collection throughout the year including property sells. Jeremy Cook explained the process of a tax sale. Chair Hughes made note that there is no advantage of being a debtor in possession. David Bradford interjected that delinquent accounts should be left to the due process of the County.

3. FY 2017 – Public Hearing – Budget Approval

Chair Hughes opened the public hearing for the 2017 budget.

Eric Hawkes reviewed the individual line items in the proposed 2017 budget as shown in his printed report. He pointed out that the 2017 budget is relatively close to last year's budget. Eric informed that the Maintenance & Repairs budget is padded for repair of Brigham Fork Well. He explained reserve transfers and how District anticipates spending more than receiving. Eric talked about payments coming out of cash reserves and how it affects the budget. He informed that there are adequate funds to meet bonds and debt obligations.

David Bradford talked about doing some of the repair work on Brigham Fork Well with funds from 2016 budget to reduce the strain on the 2017 budget and cash reserves. Eric explained that there is about \$40,000.00 available in Maintenance & Repairs budget to get started this year. Chair Hughes commented that he is not sure what they could do this year. Jeremy Cook informed that unused money rolls into capital improvement fund so there is no issue with cash position.

Don Barnett talked about a water treatment from Bicarbus for Brigham Fork Well to solve the iron bacteria problem. He said that the company will do water treatment at no cost to District if it doesn't fix the problem. Don also discussed pulling pump as a possible option. Eric interjected that there is an issue with gravel plugging up actuator valve which forces pump to be used manually. Other ideas were discussed. Chair Hughes indicated that they need to be aggressive to resolve issues.

Kathy Christiansen asked about the water treatment and benefit of water usage if the iron bacteria just grows back. Don responded that some wells get years of usage before they need to be retreated. He further explained the oxidation process in greater detail. Fred Smolka asked if Brigham Fork Well was still artesian and mentioned possible complications. Don further explained the water treatment process. Chair Hughes interjected that water treatment will bind with everything to clean up issue but there could be a possible reaction with the iron. Don talked about the oxidation potential and treatment process and other possible repair options. They all agree that there are many unknowns.

Jack Christiansen asked if the chemical would have any adverse effect on septic systems. Chair Hughes stated that the treatment is solid chemistry and after its reaction only oxygen and hydrogen remain. Don stated that the water chemical has a MSD sheet, it's a non-hazardous material.

David Bradford encouraged starting repairs this year to reduce draw on cash reserves from 2017 budget from a political standpoint. Eric Hawkes interjected that budget can be amended but it needs to be submitted to the State first after its adopted. David asked if the district could run a deficit budget in the cash reserves. Eric replied that it was allowed. Jeremy Cook commented that the cash reserves fund is really a capital reserve fund to be rolled over into next year for capital projects.

Jack Christiansen asked about funds remaining in Maintenance & Repairs budget. Eric explained that the budget is speculated, there may be more increased revenue with new building. It is better to have a cushioned budget that can be amended than having to have a budget hearing.

Chair Hughes closed the public hearing for the 2017 budget.

MOTION: Mark Stevens made a motion to adopt the 2017 budget as presented. David Bradford seconded the motion.

VOTE: Unanimous in favor of the motion.

4. Electronic Meeting Policy

Jeremy Cook explained the policy and procedure for meeting electronically. He stated that trustees can call into public meetings if requested by the chairman. Jeremy informed that this policy doesn't include the public. He mentioned to Eric that this information should be posted on the district's website. Eric replied that he would post the information.

MOTION: Chair Hughes made a motion to adopt the Electronic Meeting Policy as stated. Mark Stevens seconded the motion.

VOTE: Unanimous in favor of the motion.

5. Fire Hydrant Maintenance and Repair Items

Eric Hawkes talked about the Unified Fire Authority inspecting fire hydrants along the main canyon road and the problems they encountered with stuck caps and height of hydrants. Chair Hughes mentioned that he talked to Captain Morgan about the issues and he asked Eric how they can be resolved. Eric replied that he and Larry Hall had gotten all the hydrants to function using various methods. He expressed that hydrant caps need to be cleaned off and lubricated.

Jack Christiansen talked about loose and falling signs in Emigration Oaks that need to be repaired. He also encouraged everyone to remove snow around local hydrants. Eric clarified that bolts on the signs need to be replaced and repairs will be made.

Eric talked about the necessary repairs and indicated that it will cost \$300-\$500 per hydrant that needs to be raised. He discussed new collars and extensions. David Bradford asked why the hydrants need to be raised. Eric explained that its necessary for access. Chair Hughes commented that hydrants buried in snow for an extended period rust so increased height would eliminate the problem. Eric informed that couplings too low on a hydrant can also cause issues, they break in the wrong spot if hit by a car. Chair Hughes asked for a timeline. Eric answered that progress would be reported by next EID meeting.

6. Water Right Leases

Eric Hawkes updated information on 8 properties in question. He reported that 3 of the properties connected to canyon water system. Eric then informed that one of the properties purchased a water right which hasn't been recorded by the Division of Water Rights. He further explained that one property got temporary water rights from a neighbor which will remain an issue because

the water right isn't an adequate amount. Eric then stated that two of the contacted properties claimed they were going to purchase a water right which hasn't occurred. He said there was one more property to be contacted. Chair Hughes discussed deadline and informed Eric that he needs to send out a notice of default and decision by a certain date. Jeremy Cook expressed that 45 days would be an appropriate amount of time to allow for a response.

7. Water Levels Report

Don Barnett discussed the system well levels and consumption report as seen on his monthly printed graphs. He talked about Eric adding one more connection to the water system this month. They discussed the water usage and collection. Mark Stevens asked when the water rates were raised. Eric replied they were raised in 2013.

Eric Hawkes discussed the well levels. He talked about removing the transducer in Upper Freeze Creek Well which is at -906 feet. Eric reported Well 1 at -90 feet. Chair Hughes commented on the challenges with telemetry. Eric mentioned the problems with transducers and reviewed attempts with radio and hard-wire. Don talked about the deep tape Eric will be ordering with its benefits and drawbacks. Eric stated that Well 2 is turned off. Chair Hughes reviewed usage of Well 2 and its need to remain dormant.

8. Visiting Public

Gary Bowen requested an overview of the lawsuit against the district. Jeremy Cook gave a brief overview of the litigation. Chair Hughes thanked the public for attending.

9. Closed Session – Pending Litigation

MOTION: David Bradford made a motion to convene in closed session to discuss pending litigation. Chair Hughes seconded the motion.

VOTE: Unanimous in favor of the motion.

The Board of Trustees met in closed session from 8:13 p.m. to 8:28 p.m. to discuss pending and imminent litigation.

MOTION: A motion was made and unanimously approved to resume the public meeting.

10. Resumed Public Meeting

David Bradford inquired about the possibility of changing the district's name from Emigration Improvement District to Emigration Canyon Improvement District. Chair Hughes asked Jeremy Cook if a DBA would be the easiest way to make the change. Jeremy suggested the board revisit this proposal at the next board meeting since the board couldn't act on an item that was not on the agenda. David Bradford asked about internet service at the Fire Station.

MOTION: Chair Hughes made a motion to dismiss from the regular session and to adjourn the meeting. David Bradford seconded the motion.

VOTE: Unanimous in favor of the motion.

The regular meeting of the Emigration Improvement District adjourned at 8:32 p.m.

Minutes Approved