

EMIGRATION IMPROVEMENT DISTRICT
BOARD OF TRUSTEES REGULAR MEETING
THURSDAY, NOVEMBER 17, 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, Joe Smolka – Project Manager and Fred Smolka

Chair Hughes called the meeting to order at 7:08 p.m.

1. Consent Approval – Minutes for October 27, 2016

MOTION: David Bradford made a motion to approve the minutes of the October 27, 2016, Board of Trustees meeting as written. Chair Hughes 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 November 16, 2016, as shown on his printed report which included amendments and adjustments to Secretarial Fees and Utilities.

Steve Hook asked a question regarding actuals and cash flow budget. Eric Explained how budget will balance out after collection of taxes by the end of December.

3. FY 2017 Budget Review

Eric Hawkes reviewed the proposed budget for 2017 and the amended 2016 budget. He explained the estimated, actual and proposed budgets as shown on his printed report. Chair Hughes asked Eric what he foresees in Maintenance & Repairs for 2017. Eric explained that 2016 budget included repair of Brigham Fork Well which wasn't fixed but there were other repairs of failed saddles and additional repairs including a culvert that utilized the budget. Chair Hughes discussed the need to repair Brigham Fork Well which would increase budget substantially. Don Barnett interjected that he spoke with Ronnie and it would take \$20-\$25,000 to clean out debris and inspect pipe with a camera. He discussed with Chair Hughes other possible issues with pipe, gravel pack, solutions and expenses. Don addressed the issue of iron

bacteria and possible \$5-\$7,000 treatment using chemical solution of energized water to solve contamination problem. Other ideas were discussed to replace plug at -1,200 to -720 feet to save the well. Chair Hughes talked about past expenses and advocated to increase Maintenance & Repairs budget.

Steve Hook talked about cash balance and asked if district could obtain additional funds if Brigham Fork repairs required more money than available. Chair Hughes stated that he could answer that question later.

Eric pointed out depreciation schedule which included new well and its adjustments. Chair Hughes stated that district has a revenue problem. Jeremy Cook reported that district will get at least \$30,000 from lawsuit to put back into the budget. Eric mentioned an additional \$33,000. Chair Hughes continued discussion regarding Brigham Fork Well with Don Barnett. Other ideas, possible problems and scenarios were addressed extensively. Jeremy Cook interjected an idea to place a screen at the point of the gravel which would allow for pumping water without sediment. Don Barnett discussed different options and costs. Chair Hughes proposed to increase Maintenance & Repairs budget to \$250,000 to get Brigham Fork Well back online. David Bradford asked if remainder in budget would be enough to start working on Brigham Fork Well this year and Don thought it would be and he further explained chemical process.

Steve Hook asked question regarding debt covenant issues and budget loss. Chair Hughes didn't know the answer but stated he would find out. Eric said he would check the covenants/bond. Jeremy Cook said it isn't a matter of showing a loss but a percentage to keep in reserve.

Jeremy Cook asked Don Barnett question concerning wells, production and survival issues if they go down. Eric, Don and Chair Hughes explained pumping, recovery process and need for wells to be recharged. Chair Hughes told Don to schedule work early in the spring. Don referenced water sample taken by Larry Hall but Eric explained it wasn't gathered properly and must be resent.

Steve Hook asked if budget is approved by the State and inquired about the Legal Fees budget. Eric explained that the budget hearing is next month. Steve suggested that Eric simplify his budget proposal and not include pennies to make his presentation easier. Chair Hughes stated that he was good with the budget. Jeremy Cook commented that the budget for Legal Fees was adequate.

Chair Hughes asked Eric about the bill from the Fire Department. Eric replied that he wasn't sure of the amount but the Fire Department wants all the fire hydrants raised because they are too close to the ground. Chair Hughes talked about obtaining a hydraulic hammer and its cost. Joe Smolka addressed the need to exercise all fire hydrants and maintenance. He also talked about replacing valve at Little Tree and some other necessary minor maintenance, replacing concrete collars. Eric pointed out in the budget that there is more water usage revenue, additional connections, surcharge and impact fees from new building. David Bradford asked about obtaining a repair bond but Jeremy Cook informed everyone that the bond process is very expensive. Chair Hughes noted the need to look at revenue. Mark Stevens mentioned a special assessment might be necessary. Chair Hughes stated that the worst-case scenario would be to

increase rates. Jeremy Cook stated that the only way to increase revenue would be to raise user fees. Joe interjected that when rates were increased before, water usage went down. David Bradford spoke about some issues being resolved after the lawsuit is over. Chair Hughes restated that he was good with the budget the way it is and David Bradford agreed.

4. 2017 – Trustee Meeting Schedule

Eric Hawkes talked about the board meetings set for every third Thursday except for November and December. Chair Hughes mentioned that it doesn't always work out but it was fine to attempt same board meeting schedule for 2017.

5. Water Levels Report

Don Barnett discussed the system well levels and consumption report as seen on his monthly printed graphs. Chair Hughes mentioned that temperature affects the water levels. Don added that rain also affects water usage. He reported that there were basically no changes to levels of monitoring wells after comparing data from the past 15 years. Don informed that monitoring well levels trend with the flow of the creek. He asked Eric Hawkes when he would take new measurements. Eric stated that he will take measurements in the spring. Chair Hughes asked for information regarding the Owl Meadow Property. Eric replied that he thought project got funded which was confirmed by the visiting public. Chair Hughes asked about district's easement. Eric stated that it was recorded. Jeremy Cook interjected that access to the well would also be granted in the easement.

6. Visiting Public

Kathy Christensen requested results from water tests to be posted on EID website for her water study, particularly pH levels. Eric answered that he could post the results but she could also look at the water quality. Chair Hughes interjected that the hardness of the water will tell you the pH level, hardness indicates calcium which would be alkaline. Eric reported that water results stay relatively consistent from year to year

David Steed asked a question regarding tracking of overall water balance, volume verses availability. Don Barnett attempted to explain using his data. Chair Hughes interjected that canyon has an interesting geology. He explained that the process in the canyon is fleeting. Don reported that 3 of the wells draw down and replenish in the spring except for the largest well. He commented that peak daily demand and instantaneous capacity might reflect more of the information David Steed is looking for. Chair Hughes thanked the public for attending and informed them regarding the upcoming work session.

7. Work Session

Jeremy Cook discussed the Utah Law requirement (yearly) of board member training for public and open meetings as written in his handout. He went over each section meticulously defining rules and regulations pertaining to each meeting including emergency meetings, work meetings, written/posted minutes and recordings. Jeremy explained violations of closed meetings are a Class B Misdemeanor. David Bradford asked Jeremy if district was deficient in any area.

Jeremy stated that he thought district did a great job. David Bradford asked if there was a location requirements for meeting publicly. Jeremy replied that there isn't a specific location requirement but it should be convenient to the public.

8. Closed Session – Pending Litigation

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

VOTE: Unanimous in favor of the motion.

The Board of Trustees met in closed session from 8:42 p.m. – 9:00 p.m. to discuss pending and imminent litigation.

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

VOTE: Unanimous in favor of the motion.

The regular meeting of the Emigration Improvement District adjourned at 9:00 p.m.

Minutes Approved