

EMIGRATION IMPROVEMENT DISTRICT
BOARD OF TRUSTEES REGULAR MEETING
THURSDAY, OCTOBER 27, 2016

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

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

Ex Officio: Eric Hawkes – Manager, Jeremy Cook – Legal Counsel, Joe Smolka – Project Manager and Fred Smolka

Chair Hughes called the meeting to order at 7:00 p.m.

1. Consent Approval – Minutes for September 22, 2016

MOTION: David Bradford made a motion to approve the minutes of the September 22, 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 October 26, 2016, as shown on his printed report.

Eric addressed the issue of amending budget for Secretarial Fees and Utilities. He proposed utilizing budget funds from Interest Expense (\$3,000) and Exploring Pinecrest (\$10,000). Eric explained that \$1,000 for Secretarial fees and \$3,000 for utilities would be sufficient for the remainder of the year. David Bradford clarified that most of the funds would be for electricity. Eric recommended increasing Utilities budget to \$37,000 and Secretarial Fees to \$4,000. Chair Hughes suggested taking all the money from the Interest Expense budget first then the remainder from Exploring Pinecrest.

MOTION: David Bradford made a motion to approve the budget transfers. Chair Hughes seconded the motion.

VOTE: Unanimous in favor of the motion.

Eric talked about the Transparency Transaction Report (3rd Quarter) as reviewed on his printed handout to be posted on the Utah Public Transparency Website. David Bradford commented that he had reviewed the report online and didn't see anything out of order. Chair Hughes had no problem with report.

MOTION: Chair Hughes made a motion to approve the Transparency Transaction Report (3rd Quarter). David Bradford seconded the motion.

VOTE: Unanimous in favor of the motion.

3. Financial Audit Report 2014 & 2015

Ian Robbins (Robbins, Buehler & Osbourne CPA'S) reviewed his report and findings as required by the State and found no issues with the District. He reminded District of annual training required by the State for all members of the Board of Trustees. Ian further commented that in continual reading of meeting minutes, no evidence was found of any member of the public being hindered in their right to make comments at EID's public meetings. He encouraged board members to continue taking all comments into consideration. Chair Hughes agreed and thanked Ian for his report and dismissed his attendance for the remainder of the board meeting.

Steve Hook asked question regarding Financial Audit for 2014, 2015 and why it was delayed. Ian replied that is was due to the pending litigation which has been resolved to the State's satisfaction enough to release audit information and financial statement. Steve reiterated that the lawsuit is still pending. Ian replied that the State was no longer concerned with an outstanding liability to the district. Steve asked about the insurance settlement received by the district and if it would be prorated in 2014 – 2015. Eric interjected that settlement will be reflected in 2015 – 2016 because lawsuit started in 2015 and Jeremy Cook confirmed matter.

4. District Procurement Policy

Jeremy Cook discussed the recommended Procurement Policy he compiled to suit the needs of the district. He explained in detail changes and inclusion of money management specific policies, purchases and authority to purchase and approval procedures. Jeremy talked about the need for the district's online bank statements to be reviewed monthly by a member of the board. Chair Hughes asked David Bradford if he reviewed the statements. David replied that he didn't but reviews everything sent to his e-mail. Eric informed that Mark Stevens was authorized to overview the online accounts. Jeremy further stated the importance of review to catch any impropriety. David mentioned that he would also be willing to review the district's online bank statements. Jeremy informed that the district's Procurement Policy can be revised or amended anytime it becomes problematic. He said he will report to the State Auditor's office that the district has complied with their recommendations and now have a Procurement Policy in place. David Bradford asked Jeremy if policy followed a specific code requirement. Jeremy replied that he incorporated a policy format from another small district combined with other recommendations from the Utah Association of Special District's template. He explained how he used issues applicable to EID including mention of employees with the clear definition that district doesn't have employees, just independent contractors.

Richard Andrew asked if the district had a red-flag in place that would indicate there was a problem. Chair Hughes replied that the district has a process in place that requires two signatures on all the checks and review of the register which he felt was sufficient. Chair Hughes thanked Richard for his inquiry.

MOTION: Jeremy Cook made a motion to adopt District Procurement Policy as written. David Bradford seconded the motion.

VOTE: Unanimous in favor of the motion

Jeremy Cook commented that he would give Eric a digital copy of the Procurement Policy to post on the district's website.

5. Report on Waste Water Study Meeting with County & State Officials

Eric Hawkes talked about the meeting with Chair Hughes, Fred Smolka, Craig Neely and Brad Rasmussen prior to meeting with the State. He informed that they are trying to avoid putting in a sewer collection system that the State is in favor of. Eric explained the need to brainstorm and find alternative solutions because of the huge impact a sewer collection system would have on the hydrology and eco system of the canyon plus the enormous cost that would be distributed to all residents. He discussed the option of treating the creek water to get it off the TMDL list. David Bradford asked if the State has backed off its position and Eric replied that they haven't but they are open to communication. Chair Hughes interjected that there is a major problem with the math and paying for the sewer collection system even with the promised 40million, interest free loan. He also advocated that the Division of Water Quality needs to get Emigration Canyon off their list. Chair Hughes discussed alternatives of how Emigration can get off the list. He talked about several package systems and Salt Lake County Health Department's suggestion that district find a group of people to fund one of the systems before obtaining grant money. Chair Hughes informed that the district must show proof of concept. David asked is State was unresponsive to the dewatering argument and Chair Hughes replied that they were. Chair Hughes commented that Emigration was compared to Big and Little Cottonwood Canyons but there are many differences which he explained. He discussed some other options that were suggested that included large pipe down canyon, mechanically or chemically treating the stream which district doesn't support. Chair Hughes expressed concern to find alternative solutions.

Richard Andrew asked for clarification regarding systems involved. Chair Hughes explained that it makes more sense for district to do small package plants involving 5 – 15 homes in areas where they know there is a problem to establish that it works before receiving grant money to fix all the problem areas. Richard asked for more specific details regarding the systems and Chair Hughes discussed 3 – 4 different concepts including one utilizing secondary water. Richard asked how many systems were contaminating Emigration Creek and Chair Hughes replied that it's probably 10 -15% of the systems on or near the creek and another 20% of the systems will potentially be in trouble soon.

Steve Hook asked question regarding the study done by Aqua Engineering with State Representatives at the presentation and wanted to know the basis of the State's desire now for a canyon wide sewer collection system. Chair Hughes reiterated that the driving force is Emigration Canyon being on the TMDL List and the embarrassment it creates with the Division of Water Quality. He talked about the study done at the same time for caffeine and brighteners which would specifically target contaminants from human waste yet the TMDL is worst at the

bottom of the canyon from the dog park to Hogle Zoo. Chair Hughes and others expressed the need to resolve issues effectively.

Kathy Christiansen asked if the water contamination problem extends to the dog park than why doesn't the State just move the park or take it out. Chair Hughes responded that the dog park isn't in their district and not relevant to issues in the canyon.

Sam Plumb commented regarding his line of profession, opioid overdose statistics and lack of State funds for research. He made the point that some home owners are unaware of the problems with their septic systems while others inherited issues that shouldn't be the burden of all the canyon residents. Brett Wheelock interjected regarding the canyon's long history of water pollution. Sam further stated his opinion about grant money and the difficulty to obtain it. Chair Hughes affirmed that district is trying to be proactive to find solutions, not be dictated to. He explained the need for proof of concept and options available to residents with an understanding that there are some properties where no solution is possible for various reasons.

Richard Andrew asked who would pay for the first trial, proof of concept. Chair Hughes responded that the district could probably get users to fund the first small package plant. He informed that the County has the authority to flag a home and condemn it until issues are resolved but he doesn't want to get there.

Steve Hook asked for the position of the board on sewer issue and expressed his concerns. Chair Hughes proclaimed that the district doesn't want to do a sewer system which makes no economic sense. Jeremy Cook interjected that DWQ only looks at point sources they can regulate. Chair Hughes explained the mentality of the meetings with Salt Lake County and the enormous financial ramifications. Brett Wheelock brought up Big and Little Cottonwood Canyon and a discussion ensued regarding their problem, issues and solutions related to Emigration Canyon. Chair Hughes indicated that he wants to solve the problem with TMDL so that issues with sewer will be resolved.

Richard Andrew discussed his involvement with the Owl Meadow Project and his endeavors to secure funds to purchase property. He wants area held as open land to ensure that there is no further development in canyon that will contribute to additional contamination of the creek. Sam Plumb asked for clarification of the area and offered his assistance. Richard thanked Chair Hughes for his letter of support and requested donations from everyone. Eric Hawkes remarked that the district has an easement on Owl Meadow because there is a monitoring well in that area.

Steve Hook asked for a timeline regarding sewer issue. Eric replied that the next meeting with Salt Lake County is scheduled for December and it will be extensive. Chair Hughes informed that Salt Lake County can't do anything without the support of the district. David Bradford commented that Salt Lake City has already stated they won't take canyon sewage. Chair Hughes said discussion is open because Salt Lake City is also being pressured to solve their issues with polluted water.

6. Report on UFC Well culvert/trail work

Eric Hawkes reported that the work was completed and problem solved using a 2-foot diameter pipe, rubber-lined cobble ditch and water drainage that goes underneath the trail which daylights by Freeze Creek. David Bradford asked if the work solved the problem and Eric replied that he thinks it has. Ed Mcgough expressed thanks and appreciation for the project and the way it was accomplished without disruption of the foliage and mentioned that it has worked great so far but the trail hasn't been challenged yet. Chair Hughes was content and asked Jack Christiansen for his opinion on the matter but he stated that he hasn't walked up there yet.

Jack Christiansen asked question regarding culvert, where it daylights into the creek and possible erosion. Eric explained that it daylights on the other side, 20 – 30 feet before it hits the creek. He talked about the stop barrier which is 25 feet of foliage that acts as erosion control. Eric informed that the culvert will empty above where erosion control is in place so it's in a good spot.

7. Water Levels Report

Eric Hawkes reported that the water levels are looking good for this time of the year. He also mentioned that water usage was down. Eric informed that Well 1 is -114 feet, Brigham Fork is still artesian and just being exercised. He stated that Upper Freeze Creek Well is -906, and Well 2 is -174 but measurement may not be accurate because telemetry is a factor. Chair Hughes and David Bradford agreed that levels are good.

8. Any items requested by the visiting public, dismiss public

Sam Plumb addressed his complaint with a minor operating heavy machinery on a construction site in the canyon and how it was in violation with U.S. Department of Labor Laws. He wanted on record that something has been done because it wasn't put on the agenda as he requested. Eric replied that he alerted the trustees, talked with Mark Stevens and Jeremy Cook who thought it wasn't a concern. Sam restated his complaint and asked if EID supports child labor. Eric responded that the district does not support child labor and are now aware of the age requirement of 18 to do excavation work. Eric pointed out that the young adult was 16, using a compactor on 2 feet of fill dirt under the direction of his father. He stated that all contractors are now made aware of the age restriction. Jeremy interjected that the district has been made aware of Sam's concerns and has responded adequately.

Sam inquired if the district had obtained liability insurance and the company. Eric replied that the district has retained liability insurance with Allied World. Chair Hughes thanked public for attending.

9. 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 motion.

The Board of Trustees met in closed session from 8:16 p.m. to 8:28 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 8:28 p.m.

Minutes Approved