EMIGRATION IMPROVEMENT DISTRICT

BOARD OF TRUSTEES REGULAR MEETING

THURSDAY, DECEMBER 12, 2024

EMIGRATION CANYON FIRE STATION

5025 EMIGRATION CANYON ROAD

SALT LAKE CITY, UTAH

AND ZOOM

 **Regular Meeting**

Board Members in Attendance: David Bradford – Chair, Brent Tippets – Co-Chair

Ex Officio: Eric Hawkes—District Manager, Jeremy Cook—Legal Counsel, Don Barnett—Barnett Intermountain Consulting

David Bradford called the meeting to order at 7:00 p.m.

**1. Consent Approval - Minutes for November 14, 2024**

MOTION: Brent Tippets made a motion to approve the minutes of the November 14, 2024, Trustee Meeting as written. David Bradford seconded the motion.

VOTE: Unanimous in favor of the motion.

**2. Financial Considerations and Report**

1. Mr. Hawkes presented the monthly financial report, and Jeremy Cook inquired about the certified delinquent balance. The report showed that water usage exceeded projections, and they are expecting three more significant tax deposits, which will increase the cash balance. Looking at the bottom line, everything was close to expectations, and there were no concerns from the Board. Steve Hook brought up depreciation, noting that it seems to be exactly in line with the budget, specifically the $272,000 figure. Eric explained that he takes the annual depreciation and divides it by months, but that certain line items, like capital improvements, could affect depreciation. He adjusts for these at the end of the year, as assets drop off the depreciation schedule.
2. FY2023 Agreed Upon Procedures Report—Ian Robbins, CPA. Ian Robbins and Eric Hawkes met in person to conduct the audit, with additional correspondence taking place as well. Mr. Robbins confirmed that the agreed-upon procedure report has been completed and that everything being recorded in the general ledger is in line with expectations. There are no discrepancies, meaning the information being reported is accurate and in good order. There are many checks and balances, ensuring everything is running smoothly. Bradford praised Eric Hawkes for his work. Mr. Robbins mentioned that there is a report outlining the procedures followed and confirming that EID is complying with state law.

**3. FY2025 Budget Hearing and Motion**

In reviewing the budget for FY2025, the Board inquired about upcoming legal fees. Mr. Cook replied that in the case involving California litigation, there are not many anticipated fees since the situation is mostly settled, and no further action is expected at this point. Mark Tracy, now labeled a vexatious litigant in both Utah and California, appealed the case, but overall, not much is expected to happen in the near future. As for the Mt. Olivet case, it's close to a settlement, with just a wait-and-see approach, as they're waiting on both Mt. Olivet and Salt Lake City.

Brent Tippets asked about water usage revenue, and it is anticipated that the revenue will increase by another $10,000. Mr. Hawkes noted that this projection is a very conservative estimate.

OPEN PUBLIC HEARING

There was one public comment from Steve Hook who asked if the debt service number was correct, noting that it’s decreasing. He also pointed out that, while a significant amount is budgeted for maintenance and repairs, it is not a notable lift in terms of cash.

CLOSE PUBLIC HEARING

MOTION: Mr. Tippets made a motion to approve the FY2025 budget as written. Mr. Bradford

seconded the motion.

VOTE: Unanimous in favor of the motion.

**4. Meeting Schedule for 2025**

The Board members agreed to hold meetings on the third Thursday of each month, except for the second Thursday in November and December.

**5. Water System Report—System Consumption Report—Don Barnett**

Mr. Barnett presented the water system report, noting that the report was relatively uneventful. The per-connection water usage is below the median. However, the water supply is still below average, though it's still early in the year. He showed charts for Lookout Peak and Louis Meadow, which are currently lower in snowpack than expected.

Projections for the rest of the year suggest that Utah precipitation could go either way, depending on upcoming weather.

**6. Maintenance & Repairs**

1. **Brigham Fork Well Rehabilitation Discussion**

The Board discussed the situation with the Brigham Fork well, which was drilled by Alan Lang. Over the past few years, the Board held several meetings with Alan Lang where it seemed like he was not interested in drilling a new well, but that changed with a proposal to potentially drill a new well. Mr. Lang suggested two options for the well: one was to remove everything and drill a new well. The other option was to cement the top 400 feet and see if they could get better production. However, cementing might reduce the current flow of about 100 gallons per minute. Testing each zone would cost roughly $40,000, and if they drilled everything out, they would need to perform a packer test. There was discussion around whether to proceed with cementing or drilling out the well completely. Peterson believes the tool in the well may be clogged, so further analysis is needed. The Board also discussed the logistics of accessing the site and whether the retaining wall is far enough from the hole. The possibility of drilling a new well in a different location was also considered, but the priority is resolving the Brigham Fork well issue first. The existing infrastructure (power and pipeline) is a significant factor in favor of fixing the current well.

1. **PRV valve repairs above Young Oaks and Killyons**

The team worked on a Pressure Reducing Valve (PRV) rebuild above Young Oaks and then did the same at Killyons. They checked 2 or 3 valves in total, and they will likely want to replace a few more next year. The rebuild near Young Oaks cost around $7,000, while the others were about $5,000 each.

Regarding a leak near 1295 Pinecrest Canyon Rd, it was identified as a problem with the saddle. The issue was fixed, with the saddle replaced by solid brass. Afterward, the area was patched up and the repair is now complete.

**7. Any items for Discussion from Board and/or from visiting public, Dismiss public.**

There were no comments from the visiting public.

**8. CLOSED SESSION—Pending Litigation and Real Property Acquisition**

MOTION: Board Chairman David Bradford made a motion to convene in closed session to discuss pending litigation. Brent Tippets seconded the motion.

VOTE: Unanimous in favor of the motion.

The Board of Trustees met in closed session from 7:57 — 8:35 p.m. Those present included David Bradford, Brent Tippets, Eric Hawkes, Don Barnett, Jeremy Cook.

MOTION: Board Member Brent Tippets made a motion 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 8:35 p.m.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Minutes Approved