

EMIGRATION IMPROVEMENT DISTRICT
BOARD OF TRUSTEES REGULAR MEETING

THURSDAY, JULY 20, 2017

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

Work Meeting

Work meeting prior to the regular meeting to give training to Brent Tippetts, who is new to the board. Meeting called to order at 6:03. Board members in attendance: Mike Hughes – Chair, Brent Tippetts – Co-Chair, David Bradford -- Secretary/Clerk. Eric Hawkes – District Manager. Discussion was had regarding the various wells, required training meetings, legal procedures of the District, accurate public transparency and various policies of the District. Pros and cons of electronic readers, suggested to relook at electronic readers after the repairs are finished on the Brigham Fork well.

Regular Meeting

Board Members in Attendance: Mike Hughes – Chair, Brent Tippetts – Co-Chair, David Bradford – Secretary/Clerk

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

Chair Hughes called the meeting to order at 7:01 p.m.

1. Consent Approval - Minutes for June 27, 2017

MOTION: David Bradford made a motion to approve the minutes of the June 27, 2017 Trustee Meeting as written. Mike Hughes seconded the motion.

VOTE: Unanimous in favor of the motion.

2. Financial Considerations & Report

Mr. Hawkes gave a report of financials, including operating income and expenses to date. David Bradford asked if it would be possible to get the interest rate on the bonds reduced. Jeremy

Cook responded that the cost to refinance would be more than would be saved to reduce the interest rate (since the rates are already so low). Steve Hook made the comment that “deduct bond principal payment” should be included, to which Mr. Hawks said he would correct it.

3. Transparency

All members of the board said they had reviewed the 2nd quarter transparency report and had no questions or concerns.

4. Water Quality Report 2016 – Larry Hall, Aqua Environmental

Larry Hall was not present, but the water quality report that he did is on the District’s website. The report found that the District did not have any contaminants or violations with the water quality. The only issue with the Division of Drinking Water had to do with the permanent well source protection plan. The plan was slow to be filed but it has been filed and everything is clear with the Division of Drinking Water.

5. Public Official Bonds and Treasurer Bond Coverages

Mr. Hawkes reported that each trustee has a public official bond of \$5,000. There is supposed to be \$40,000 bond on each trustee but the District compensates for it by having additional coverage (crime bond and positions scheduled bonds). With the change in trustees from Mark Stevens to Brent Tippetts, it was suggested to increase the coverage to be \$40,000/trustee. At the same time, it is suggested to combine the bond coverage to be for 3 non-specific trustees. This would help when board members change, the bonds wouldn’t have to change. Mr. Hawkes stated that he is not sure about costs yet. Jeremy Cook stated that the District is required by the state to insure as part of having a bond. The District will work with the auditors to ensure that we have the proper amount of coverage. It would increase it from \$5,000 to \$40,000 and cover it as one group bond instead of 3 separate policies. Mr. Hawkes responded that a benefit of that would be that no matter when board members change, the bond wouldn’t change (it would be the same for a set number of 3 members, no matter who they are.). Mr. Cook stated that they would need to run it by the state auditor. Mr. Hawkes said they will have costs by the next meeting.

6. Maintenance Report

Don Barnett gave a report on the Brigham Fork well repair. Petersen Brothers Drilling is moving ahead to remove the 8-inch PVC line around the well. Then they will brush the inner casing and then camera the well and inspect it. All the gravel on the inside was extracted, there is still some on the sides, we don’t know how much yet. Questions of how much gravel was put down the

exterior at the beginning. Chair Hughes asked about chemically treating it. Mr. Barnett responded that it would be best to do that after it's been cleaned up. They are coming up with pricing options for chemically treating it. The chemicals aren't expensive, but the process to do so is.

7. Water Levels Report

Don Barnett gave a report on the water levels. Bottom line is that we are really close to median water usage. Per capita usage matches median water usage, which means that water usage was a little higher because we have more connections now. David Bradford asked about average winter usage; it is roughly 7,000 per user per month. Review of the wells. Question from Mr. Tippets regarding the impact that the wells have on each other, which is almost none. The need to get Brigham Fork well repaired to back up the Freeze Creek well.

8. Wastewater Meeting with County and State (June 29th) Report

Eric Hawkes and Mike Hughes gave a report on the meeting with the county and state regarding the wastewater in the canyon. Salt Lake City is willing to take the District's waste, but to do so they would have to increase the line capacity. The line isn't big enough to carry the load so the city would have to replace the line for quite a long distance. This makes that solution (putting in a sewer system throughout the canyon) almost impossible. The new director of the Division of Environmental Quality is more open to looking at a phased approach to the problem in the canyon, instead of being fixated on putting in a sewer system. Thus far, the best solution that is palatable to both the District and the county is to have a sewer system only go up to Ruth's and Camp K; the upper canyon would put in package plants that would treat the water and leave it in the canyon. The hope is that this would be funded almost entirely through grant money. To have the sewer system go up to Camp K wouldn't tap into the water of the canyon at all because of the location of the aquifer. Steve Hook expressed concern that these conversations deal entirely with finances, and not at all with benefits. Chair Hughes replied that this does benefit us because it cleans up the creek, which helps the canyon and residents, and it is done in a way that is funded with money from outside sources. The only way to get the county to change their mind about putting in a sewer system throughout the canyon is money. Utah has more people on a sewer system than any other state in the country; getting the county to change their minds about putting in a sewer system in the canyon has been very difficult. Don Barnett also said that the benefit is that they are trying to solve the E. coli problem in the creek. The spikes hit in the dry months and after Ruth's and Dog Park. But because they found caffeine in the creek, they assume that failed septic systems in the canyon are contributing to the E. coli in the creek. There is no data to say how much the residents are accountable for. The District has been clear to the stake holders that whatever decision is made needs to work for the residents of Emigration Canyon or we're not going to do it. It's been a battle with them. Mr. Barnett communicated the

immense pressure put on Chair Hughes from the city, county, and state. Don Barnett suggested that we put in a package plan along one of the places we know is a failing drain system, monitor above and below, and prove to them that it really does work. The District hopes to have the project entirely funded with outside grants.

9. Any Items Requested by Visiting Public, Dismiss Public

Steve Hook asked questions to clarify the bond issue, along with what a transparency report is. Eric Hawkes responded that the state has a website that has every transaction posted from the District (as well as all state entities). Transparent.utah.gov is the website. Mr. Hook also made the comment that it would be helpful to educate the canyon residents about the fact that the wells don't affect each other. Eric Hawkes has begun to put the well levels on the District's website. Comment from Dustin Finch, who is working on getting permits for new construction. He said things are moving along; he needs a variance for the road so they can get a firetruck up the road with a turnaround.

10. Closed Session

MOTION: Board Member David Bradford made a motion to convene in closed session to discuss pending and imminent litigation. Brent Tippetts seconded the motion.

VOTE: Unanimous in favor of the motion.

The Board of Trustees met in closed session from 8:21 p.m. to 9:35 p.m. Those present included the Board of Trustees, Eric Hawkes, and Jeremy Cook.

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

VOTE: Unanimous in favor of the motion.

The regular meeting of the Emigration Improvement District adjourned at 9:35 p.m.