

**MINUTES OF THE MEETING OF THE
KEARNS IMPROVEMENT DISTRICT (KID) BOARD OF TRUSTEES
HELD APRIL 19, 2022 AT THE DISTRICT OFFICE
LOCATED AT 5350 WEST 5400 SOUTH, KEARNS, UTAH**

Trustees Present:

Cheryle A. Hatch
Gregory R. Christensen
Jeff Monson

Staff Present:

Greg Anderson	General Manager/CEO
Riley Astill	Finance Director/Controller
James "Woody" Woodruff	Public Works Director/Engineer
Mark H. Anderson	Attorney
Jamie Banh	Executive Administrative Assistant
John Lawson	Operations Specialist/Backflow Technician

Call to Order:

Chair Hatch called the meeting to order at 5:31 p.m. and welcomed all those present. The invocation was offered by Gregory Christensen and the pledge of allegiance was led by Greg Anderson.

Public Comments:

There were no public comments.

Approval of Minutes (Regular Meeting, March 15, 2022):

Trustee Christensen noted that the word "has" should be corrected to "as" on page 2 of the minutes. It was moved by Trustee Monson and seconded by Trustee Christensen as follows:

That the minutes of the March 15, 2022 Board meeting be approved as corrected.

The motion carried with Trustees Hatch, Christensen and Monson each voting "aye".

Board Training – Water Sampling and Testing:

John Lawson discussed his water testing duties and responsibilities. He reviewed the list of items for which KID's water is tested, including lead and copper, but focused much of his presentation on sampling for bacteria. Sixty water samples are taken each month to be tested for bacteria. Mr. Lawson reviewed the chain of custody that is required for each sample. The samples

are tested in a laboratory operated by the Jordan Valley Water Conservancy District. Throughout his career, Mr. Lawson estimated that he has collected approximately 15,330 water samples to be tested for bacteria. Greg Anderson praised Mr. Lawson as a valuable, dependable member of the KID team, and the Trustees expressed their appreciation for his efforts. Mr. Lawson then left the Board room.

Consider General Manager's Report (including the Administrative/Financial Report and the Public Works Report):

Greg Anderson reviewed his Report, a copy of which was included in the Board Book. Among other things, he explained that KID's 2022 Water Conservation Plan has been reviewed by the Utah Department of Natural Resources. The Department of Natural Resources was impressed with KID's water conservation efforts and has, with minor corrections, authorized the Plan to be finalized. The final Plan will be submitted to the Trustees for approval, most likely next month. Mr. Anderson discussed the U.S. Census Bureau 2021 Vehicle Inventory and Use Survey, which has been completed and submitted; efforts by Bowen and Collins/APCO and Executech to make sure the results of the Cybersecurity Audit are implemented; bulletins received from Homeland Security and the Utah Division of Drinking Water respecting ongoing cyber threats from foreign entities; the upcoming KID employee summer party; grant applications to the federal government and the Utah Division of Drinking Water; participation in the Olympus Insurance Risk Conference; a safety compliance review of KID's facilities by Hannah Phillips of the Workman's Compensation Fund; numerous legal activities; outside agency activities; and other matters.

Riley Astill reviewed high points from his monthly Finance Report, a copy of which was included in the Board Book, declaring that the first two months of 2022 have been good, with net income running a little over \$500,000 better than budgeted. He explained some of the reasons for the positive financial performance, and responded to questions from all three Trustees during a back and forth discussion.

James Woodruff then reviewed his monthly Public Works Report, a copy of which was included in the Board Book. As Mr. Woodruff reviewed the current status of the District's ongoing capital improvement projects, there was a back and forth discussion between the Trustees and Mr. Woodruff. Among other matters, Mr. Woodruff explained that bids for the construction of the 4700 South Sewer Outfall will soon be opened, with the work to commence this year and be completed in 2023. Mr. Woodruff expects new water and sewer Impact Fee Facilities Plans and Impact Fee Analyses to be ready for submittal to the Board in June or July. In response to a question from Trustee Christensen, Chair Hatch and Mr. Woodruff provided information respecting the subdivision of land for future businesses in the Warehouse District. In response to a question from Trustee Christensen, Greg Anderson explained that sewer line cleaning typically starts in February or March and runs through the fall.

Consider Check Register:

The February 2022 Check Register, which is a list of all checks issued and ACH withdrawal payments made during the month, was included in the Board Book. Mr. Astill, Greg Anderson and Mr. Woodruff responded to questions from Trustees Hatch and Christensen respecting

individual payments, after which it was moved by Trustee Christensen and seconded by Trustee Monson as follows:

That the February 2022 Check Register be ratified and approved as presented.

The motion carried with Trustees Hatch, Christensen and Monson each voting "aye".

Consider Financial Report:

The monthly Financial Report, which consists of a series of individual reports, including the Statement of Revenues & Expenses, the Investment/Reserves Report, and the Administrative Service Report, was included in the Board Book. As Mr. Astill reviewed the individual Reports, he noted a correction to the date of a Report and responded to questions from the Trustees, a number of which related to the Executive Safety Report and safety incentives for KID's employees.

Consider Training Requests:

Greg Anderson recommended that the Board authorize Jamie Banh to participate in online training. A brochure reviewing the topics that will be covered during a three day human resources seminar was included in the Board Book. Mr. Anderson expects this training to be particularly valuable with respect to succession planning.

It was moved by Trustee Monson and seconded by Trustee Christensen as follows:

That Jamie Banh be authorized to participate in the three day human resources seminar program as discussed, at District expense.

The motion carried with Trustees Hatch, Christensen and Monson each voting "aye".

Consider Purchases/Costs Over \$50,000:

Greg Anderson explained that bond payments and contractual payments to the Jordan Valley Water Conservancy District and the Central Valley Water Reclamation Facility have routinely been made (and included in the Check Register for ratification) without prior Board approval. Mark Anderson stated that the Trustees may consider modifying the District's Bylaws and Policies to bring them into harmony with long-time actual practices. That will be a subject for a later Board meeting. Greg Anderson stated that, in the meantime, the Trustees will have an opportunity to specifically approve these payments, starting with bond payments totaling \$1,586,829.58 that were due on April 16, 2022 to Zions Bank, KID's Bond Trustee, and were paid to prevent a delinquency. Invoices from Zions Bank and a Memorandum from Riley Astill listing the bond payments were included in the Board Book.

It was moved by Trustee Christensen and seconded by Trustee Monson as follows:

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That payments totaling \$1,586,829.58 to Zions Bank, acting as KID's Bond Trustee, be ratified as listed.

The motion carried with Trustees Hatch, Christensen and Monson each voting "aye".

Riley Astill presented two Invoices from Meterworks (\$69,811.20 and \$139,622.40) for meters, a Wholesale Invoice from the Jordan Valley Water Conservancy District for contracted water (\$214,462.16), and an Invoice from the Central Valley Water Reclamation Facility for treating wastewater (\$460,112.97); for a grant total of \$884,008.73. Each of the Invoices were included in the Board Book.

It was moved by Trustee Monson and seconded by Trustee Christensen as follows:

That the Invoices from Meterworks, the Jordan Valley Water Conservancy District, and the Central Valley Water Reclamation Facility be approved for payment.

The motion carried with Trustees Hatch, Christensen and Monson each voting "aye".

James Woodruff reviewed Contractors Application for Payment No. 13 from Gerber Construction Inc. for work on the Zone D 5MG (million gallon) Tank that was completed and inspected during the month of March. A copy of the Application for Payment, along with a Memorandum from Mr. Woodruff, was included in the Board Book. Mr. Woodruff recommended approval of the \$200,194.60 Invoice, less a five percent retention of \$10,009.73, leaving a net balance due of \$190,184.87. He noted that approximately 90% of the work on the Zone D 5MG Tank has been completed.

It was moved by Trustee Monson and seconded by Trustee Christensen as follows:

That the Invoice and Application for Payment from Gerber Construction Inc for work on the Zone D 5MG Tank be approved for payment in the amount of \$190,184.87.

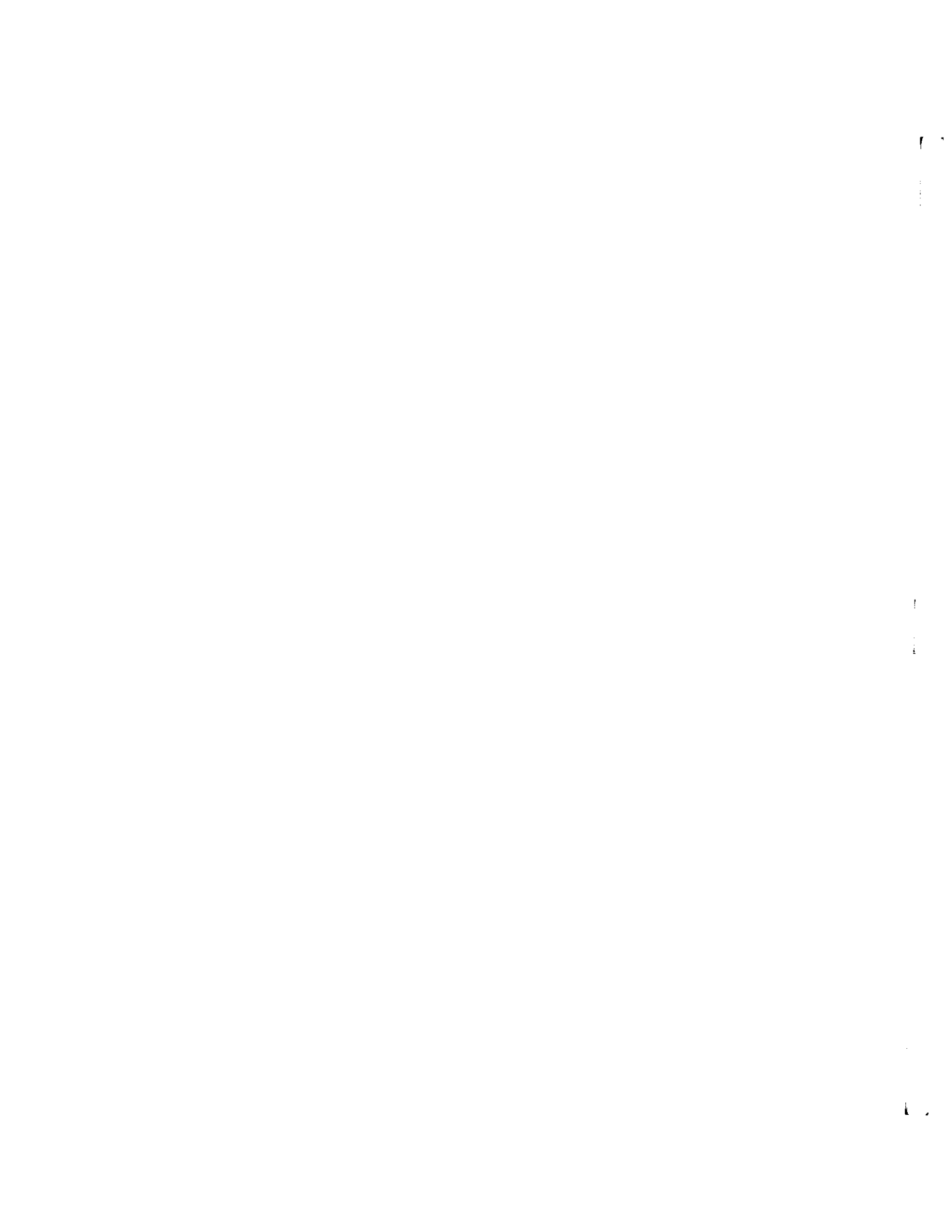
The motion carried with Trustees Hatch, Christensen and Monson each voting "aye".

Mr. Woodruff reviewed Application for Payment No. 7 from Whitaker Construction Co., Inc. for work on the 6200 South Booster Pump Station that was completed and inspected during March, in the amount of \$595,555.25, less a five percent retention of \$29,777.76, leaving a net balance due of \$565,777.49. Mr. Woodruff stated that approximately 54% of the contracted work has been completed and recommended payment of the invoiced amount.

It was moved by Trustee Monson and seconded by Trustee Christensen as follows:

That the Invoice from Whitaker Construction Co., Inc. for work on the 6200 South Booster Pump Station be approved for payment in the amount of \$565,777.49.

The motion carried with Trustees Hatch, Christensen and Monson each voting "aye".



Consider Bond Releases/Reductions:

The water and sewer system improvements, including punch list items, having been completed, Mr. Woodruff recommended that the water and sewer system bonds for the Views # 2 Subdivision be reduced by 90%, down to 10%, which will be maintained during the 12 month warranty period. After Mr. Woodruff and Greg Anderson responded to questions from Trustee Christensen, it was moved by Trustee Christensen and seconded by Trustee Monson as follows:

That the water and sewer system completion bonds be reduced by 90%, leaving bonds totaling \$22,870.40 (10%) in place during the 12 month warranty period.

The motion carried with Trustees Hatch, Christensen and Monson each voting “aye”.

Quarterly Blue Stakes Report:

The January 2022 Blue Stakes Report was included in the Board Book.

Consider the Proposed Water Purchase Agreement and Petition from JWCD:

Greg Anderson and Mark Anderson briefly reviewed Resolution 2022-04-01, the adoption of which would approve a new Water Purchase Agreement and Petition with the Jordan Valley Water Conservancy District that will increase KID’s water purchase commitment to 7,250 acre feet in 2022, 7,500 acre feet in 2023, and 7,750 acre feet in 2024 and each year thereafter. The new replacement Water Purchase Agreement will reduce KID’s overage rights from 25% down to 20%, the same as other Jordan Valley wholesale customers.

It was moved by Trustee Monson and seconded by Trustee Christensen as follows:

That Resolution 2022-04-01 be adopted, thereby approving the new Water Purchase Agreement and Petition with the Jordan Valley Water Conservancy District.

The motion carried with Trustees Hatch, Christensen and Monson each voting “aye”.

Discuss/Consider the KID Water Conservation Grant Proposal with JWCD:

A copy of KID’s Water Conservation Grant Application, which has been submitted to the Jordan Valley Water Conservancy District, was included in the Board Book. It was moved by Trustee Christensen and seconded by Trustee Monson as follows:

That KID’s Water Conservation Grant Application to the Jordan Valley Water Conservancy District be approved.

The motion carried with Trustees Hatch, Christensen and Monson each voting “aye”.

Discuss Federal Community Project Funding Grant Application:

A copy of a Grant Application submitted with the assistance of Congressman Owens' office seeking \$1,760,000 from the federal government for the 5400 South Water Line Replacement Project, which is projected to cost \$2,200,000, was included in the Board Book. Greg Anderson stated that he does not expect to hear anything from the government before July, and explained that the construction must be completed within 12 months after the Grant is approved. Letters supporting KID's request for Community Project Funding from Dominic Burchett, Fire Chief of the Unified Fire Authority, Kearns Metro Township Mayor Kelly Bush, and Barbara Riddle, President/CEO of ChamberWest, were included in the Board Book.

Discuss/Consider Easement Acquisition from JHC Real Estate, LLC:

Mr. Woodruff reviewed two Easement Grants, copies of which were included in the Board Book, that name JHC Real Estate, LLC as the Grantor and the Kearns Improvement District as the Grantee. The Easements are necessary for the District to complete a new outfall line that will deliver wastewater collected by KID to the Central Valley Water Reclamation Facility. It was moved by Trustee Monson and seconded by Trustee Christensen as follows:

That both Easement Grants from JHC Real Estate, LLC as Grantor naming the Kearns Improvement District as Grantee be approved as presented.

The motion carried with Trustees Hatch, Christensen and Monson each voting "aye". One of the Easement Grants will be assigned to the Cottonwood Improvement District ("CID") so KID can relocate CID's sewer line to make room for KID's new outfall line.

Discuss/Consider Amendment to Task Order No. 6 with Bowen Collins & Associates:

A Memorandum from James Woodruff dealing with Task Order No. 6 submitted by Bowen Collins & Associates, Inc. covering work on the District's Capital Facilities Plan, along with water and sewer Impact Fee Facilities Plans and Impact Fee Analyses, was included in the Board Book, as was Task Order No. 6. Mr. Woodruff explained that Task Order No. 6, with a not to exceed cost of \$14,935, will increase the revised contract maximum not to exceed cost to \$77,055. He stated that the Task Order was necessary because of additional work required on the sewer side, including additional modeling.

It was moved by Trustee Christensen and seconded by Trustee Monson as follows:

That Task Order No. 6 under the Master Agreement between KID and Bowen Collins & Associates, Inc. be approved in the additional amount of not to exceed \$14,935.

The motion carried with Trustees Hatch, Christensen and Monson each voting "aye".

Consider Closed Meeting – Discuss the Purchase, Exchange, or Lease of Real Property:

Greg Anderson asked the Trustees to approve going into a closed session to discuss real property values relative to a parcel that may be acquired by the District. It was moved by Trustee Monson and seconded by Trustee Christensen as follows:

That the Board go into closed session to discuss the purchase, exchange, or lease of real property.

The motion carried with Trustees Hatch, Christensen and Monson each voting “aye”. Chair Hatch declared the meeting to be closed at 7:32 p.m., with all three Trustees, along with Greg Anderson, Riley Astill, James Woodruff, Mark Anderson and Jamie Banh, remaining in the Board Room during the closed portion of the meeting.

Chair Hatch declared the meeting to again be open at 7:44 p.m. No action was taken by the Board during the closed portion of the meeting, other than the approval of a motion to return to open session that was made by Trustee Monson and seconded by Trustee Christensen.

Consider Closed Meeting – Discuss the Character and Professional Competence of an Individual(s):

It was moved by Trustee Christensen and seconded by Trustee Monson as follows:

That the Board go into closed session to discuss the character, professional competence and physical or mental health of an individual(s).

The motion carried with Trustees Hatch, Christensen and Monson each voting “aye”. Chair Hatch declared the meeting to be closed at 7:46 p.m. All three Trustees, along with Greg Anderson, Riley Astill, James Woodruff, Mark Anderson and Jamie Banh, remained in the Board Room during the closed portion of the meeting.

Chair Hatch declared the meeting to again be open at 8:01 p.m. No action was taken during the closed portion of the meeting, other than the approval of a motion to return to open session.

Central Valley Water Reclamation Facility:

Trustee Monson being unavailable, Greg Anderson attended the March 23, 2022 Central Valley Board meeting, the agenda for which was included in the Board Book, as KID’s Alternate Representative on the Central Valley Board. Greg Anderson reported on a number of matters, including a tour of Central Valley’s facilities that will take place after the next Central Valley Board meeting; Central Valley’s “clean” independent audit; KID’s updated ownership interest in Central Valley (10.73%); difficulties encountered by Central Valley in meeting ammonia limits (Central Valley has requested a three year extension from the state while a new facility is constructed); and the use of treated effluent to water the Central Valley Golf Course.

Trustee Monson stated that he has been impressed by the Central Valley management team and the way Central Valley is operated. Particularly in light of the current bidding environment and escalating materials costs, Trustee Monson is pleased that Central Valley started construction on its \$400,000,000 expansion project when it did. Salt Lake City is undertaking a similar project, which originally had a \$300,000,000 estimated cost but now is projected to cost more than \$700,000,000.

Jordan Valley Water Conservancy District:

A copy of the agenda for the April 13, 2022 meeting of the Jordan Valley Board of Trustees was included in the Board Book. Trustee Christensen asked if the other KID Trustees would like him to attend Jordan Valley Board meetings as a member of the public and report back to the KID Board. Chair Hatch expressed support for Trustee Christensen continuing to attend Jordan Valley Board meetings, and reporting back to the KID Board, even though Trustee Christensen is no longer a member of the Jordan Valley Board of Trustees. Greg Anderson noted that Jordan Valley will increase, by 3.8%, KID's wholesale water purchase rate beginning July 1st, compared to an overall average wholesale rate increase of only 2.5%. Greg Anderson also mentioned that Jordan Valley will hold a drought contingency meeting later in the week. He expects Jordan Valley to declare a Level 1 Drought Contingency, which will not result in an increase to either KID's or Jordan Valley's rate structure. If a Level 2 Contingency is declared, the overage applicable to Jordan Valley's wholesale customers will be reduced from 20% down to 10%. If a Level 3 Drought Contingency is declared, there will be no overage. With a Level 4 Drought Contingency, there will be a 10% reduction, down to 90%, in the amount of water delivered to Jordan Valley's wholesale customers. In the Drought Contingency meeting representatives from the member agencies voted for a Level 1 Drought Contingency, which will be recommended to the Jordan Valley Board. Greg Anderson noted that Jordan Valley is reserving water in reservoirs for use next year. If there is no improvement in the drought situation next year, Mr. Anderson expects, at a minimum, a Level 2 Drought Contingency to be declared by Jordan Valley.

Utah Association of Special Districts:

Greg Anderson, who serves on the UASD Board of Trustees, reported concerning current activities of the Association. He explained that the Board of Trustees conducted a personnel review of Executive Director LeGrand Bitter, and approved bonuses for Mr. Bitter and for Heather Anderson. Greg Anderson provided a brief overview of the recently completed successful, insofar as local and special service districts are concerned, session of the Utah Legislature. He noted that David Robertson and Nathan Bracken have been reappointed as Ex-officio Members of the UASD Board and that Don Russell is retiring from the UASD Board. A copy of the March 24, 2022 UASD Board meeting agenda was included in the Board Book.

Kearns Metro Township Council:

A copy of the April 11, 2022 Kearns Metro Township Council meeting agenda was included in the Board Book. Greg Anderson noted that the Unified Fire Authority expressed its appreciation to Kearns Metro Township Mayor Kelly Bush for her active support of the Fire Department. May has been proclaimed "Child Abuse Prevention Month" by the Kearns Metro

Township Council. Mr. Anderson reported concerning contracts and agreements that were approved by the Kearns Metro Township Council. Mr. Anderson informed the Council that snowpack is only 76% of normal and there is a critical need to reduce water use.

Kearns Community Council:

Trustee Monson noted that the Unified Police Department recently reported to the Community Council respecting the neighborhood policing model that has been implemented in the community. With the exception of domestic violence, crime statistics are going down in Kearns. Currently, two UPD officers are assigned to Kearns High School, which has been experiencing problems, so that number may increase to three officers. The Unified Fire Authority has chosen a new Fire Chief (Dominic Burchett), and the Kearns Recreation Center, which is operated by Salt Lake County, has a new Manager. Trustee Monson reported that the Point Church continues to support the Kearns community through its food drive and other activities. On June 10th, there will be a "Night Out Against Crime" event at the Kearns Library. Finally, Trustee Monson reported that the Kearns Community Council is considering bringing back Kearns Hometown Days festivities.

Trustee Per Diem Report:

The Trustee Per Diem Report was included in the Board Book.

Adjourn:


There being no further business to come before the Board, Chair Hatch declared the meeting to be adjourned at 8:28 p.m.

Approved by the Board of Trustees of the Kearns Improvement District on the 10th day of May, 2022.

Date: 10 May 2022


Cheryle A. Hatch, Chair

Date: 10 May 2022


Gregory R. Christensen, Vice Chair

Date: 10 May 2022


Jeff Monson, Board Clerk