

**MINUTES OF THE MEETING OF THE
KEARNS IMPROVEMENT DISTRICT (KID) BOARD OF TRUSTEES
HELD OCTOBER 18, 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

Others Present:

Marie Owens	Senior Project Manager (AE2S)
Keith Larsen	Bowen Collins & Associates, Inc.

Call to Order:

Chair Hatch called the meeting to order at 5:30 p.m. and welcomed all those present. The invocation was offered by Greg Christensen and the pledge of allegiance was led by Greg Anderson.

Public Comments:

There were no public comments.

Approval of Minutes (Regular Meeting, September 13, 2022):

None of the Trustees having any questions regarding the September 13, 2022 Board meeting minutes, a copy of which was included in the Board Book, it was moved by Trustee Christensen and seconded by Trustee Monson as follows:

That the minutes of the September 13, 2022 regular Board meeting be approved as presented.

The motion carried with Trustees Hatch, Christensen, and Monson each voting in the affirmative.

Board Training – Blue Stakes:

This agenda item was tabled.

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

Greg Anderson discussed high points from his written report, a copy of which was included in the Board Book. In particular, he noted that PEHP (Public Employees Health Program) premiums will increase by 2.9% in 2023, but reminded the Trustees that the District received an approximately 2% PEHP premium rebate earlier this year, which makes the effective rate increase approximately 0.9%. He noted that PEHP renewal rates applicable to other governmental employers generally increased by 4.9% or more. Mr. Anderson also reported concerning meetings with the General Managers of the Jordan Valley Water Conservancy District, the Taylorsville-Bennion Improvement District, and the Granger-Hunter Improvement District to review critical anticipated legislation that will impact governmental water service providers and a position paper prepared by Mr. Anderson for ChamberWest, a copy of which was included in the Board Book, dealing with those issues. He also reported concerning the status of KID's grant request to the federal government and the Build America, Buy American (BABA) waiver that has been extended until next March. Hopefully, the grant funds will be in hand soon enough for KID to obligate the money before that extension runs out. Mr. Anderson also discussed coordination involving the Division of Drinking Water (DDW), Marie Owens (who was present at the KID Board meeting) and staff regarding a \$100,000 DDW grant to help meet Lead and Copper Rule (LCR) service line inventory requirements. In addition, KID is preparing to submit a \$100,000 grant application for LCR line replacement.

Riley Astill then reviewed his monthly Administrative/Financial Report, a copy of which was included in the Board Book. In particular, he reviewed the August Financial Summary "snapshot" covering operating revenues, operating expenses, non-operating revenues, non-operating expenses and net income, which was \$81,817 better than the Budget; and the year to date (through August) numbers, which were trending closer to the Budget. Greg Anderson added insights gained from discussions with developers concerning expected future impact fee receipts.

James Woodruff then reviewed his monthly Public Works Report, a copy of which was included in the Board Book. Among other things, he discussed the Statement of Qualifications (SOQ) for Professional Engineering Services process that resulted in the following recommendations: for the water design consultant pool (approved vendor list): AE2S, Bowen Collins & Associates, and Hansen Allen & Luce; and for the sewer design consultant pool: Bowen Collins & Associates and Horrocks Engineers. Mr. Woodruff also reviewed the status of the Zone D 5MG (Million Gallon) Tank, the 6200 South (Zone C) Pump Station, the Zone E 15 Inch Sewer Main, the 4700 South Sewer Main, and the Water/Sewer IFFP (Impact Fee Facilities Plan) projects; water and sewer operations reports; and other Public Works Department activities; and responded to questions from the Trustees.

Consider Check Register:

Riley Astill asked the Trustees if they had any questions regarding the August 2022 Check Register, a copy of which was included in the Board Book. After a brief discussion of designated payments, during which Mr. Astill responded to questions from the Trustees, it was moved by Trustee Christensen and seconded by Trustee Monson as follows:

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

The motion carried with Trustees Hatch, Christensen, and Monson each voting in the affirmative.

Public Hearing on a new Water and Sewer Capital Facilities Plan, Proposed new Water and Sewer Impact Fee Facilities Plans, a Water Impact Fee Analysis, a Sewer Impact Fee Analysis, and an Impact Fee Resolution:

It being 6:00 p.m., the time advertised for the public hearing to start, Chair Hatch declared that agenda item IV would be considered out of order, and declared the public hearing to be open.

Greg Anderson introduced Keith Larson, who oversaw the preparation of new Water and Sewer Impact Fee Facilities Plans and Water and Sewer Impact Fee Analyses. Mr. Larson explained the objectives and approaches utilized in the preparation of a new Capital Facilities Plan (noting that there is room for significant development and growth within the District) and the individual Water and Sewer Impact Fee Facilities Plans (IFFPs) and Water and Sewer Impact Fee Analyses (IFAs), copies of all of which were included in the Board Book. A copy of Resolution 2022-10-1, the adoption of which would approve new water and sewer impact fees as stated in the Resolution, was also included in the Board Book. All of the documents were available to the public for the requisite statutory period and notices of the public hearing were published and posted as required by law.

Following Mr. Larson's comments, Chair Hatch called for comments from the public. There being none, she declared the public hearing to be closed at 6:19 p.m.

Consider Financial Report:

A copy of the monthly Financial Report, which consists of a series of reports including the Statement of Net Position, the Statement of Revenues & Expenses, the Investment/Reserves Report and the Executive Safety Report, was included in the Board Book. Mr. Astill responded to questions from the Trustees and there was a brief discussion of points in the individual Reports.

Consider Training Requests:

Greg Anderson called the Trustees attention to information in Board Book regarding the AWWA/WEF (American Water Works Association/Water Environment Federation) Utility Management Conference to be held in Sacramento, California between March 28 and March 31,

2023. He requested approval for three Trustees and four staff members to attend the Conference. It was moved by Trustee Monson and seconded by Trustee Christensen as follows:

That three Trustees and four staff members be authorized to attend the Utility Management Conference, from March 28 through March 31, 2023, in Sacramento California at District expense.

The motion carried with Trustees Hatch, Christensen, and Monson each voting in the affirmative.

Greg Anderson then called the attention of the Trustees to a schedule of the ACE 23 Conference to be held next June in Toronto, Canada that was included in the Board Book. The ACE 23 Conference is sponsored by the American Water Works Association and will be held from June 11 through June 14, 2023. Trustee Christensen stated that he would not be able to attend the ACE 23 Conference. Following a brief discussion, it was moved by Trustee Monson and seconded by Trustee Christensen as follows:

That two Trustees and four staff members be authorized to attend the AWWA ACE 23 Conference from June 11 through June 14, 2023 in Toronto, Canada at District expense.

The motion carried with Trustees Hatch, Christensen, and Monson each voting in the affirmative.

Consider Purchases/Costs Over \$50,000:

A Memorandum from James Woodruff recommending a progress payment to Noland & Son Construction Co., Inc. for work on the Zone D Loop Waterline, including Contractor's Application for Payment No. 1, was included in the Board Book. Mr. Woodruff recommended the approval of a payment of \$248,620.07, less a 5% retention of \$12,421, for a net payment of \$236,189.07, representing 19% of the contract.

There being no questions, it was moved by Trustee Monson and seconded by Trustee Christensen as follows:

That a payment be made to Noland & Son Construction Co., Inc. in the amount of \$236,189.07 for work on the Zone D Loop Waterline.

The motion carried with Trustees Hatch, Christensen, and Monson each voting in the affirmative.

Mr. Woodruff next reviewed Contractor's Application for Payment No. 3 from Noland & Son Construction Co., Inc. for work completed on the Zone E Sewer Outfall Line and his Memorandum recommending a payment of \$96,346, less a 5% retention of \$4,817.30, for a net payment of \$91,528.69, covering 47% of the contract. The Memorandum and the Contractor's Application for Payment were included in the Board Book.

There being no questions from the Trustees, it was moved by Trustee Monson and seconded by Trustee Christensen as follows:

That a payment to Noland & Son Construction Co., Inc. be approved for Zone E Sewer Main construction work in the amount of \$91,528.69.

The motion carried with Trustees Hatch, Christensen, and Monson each voting in the affirmative.

Consider Bond Releases/Reductions:

There were no bond releases or reductions to be considered by the Board.

Discuss Blue Stakes Quarterly Report:

A copy of the Blue Stakes Report was included in the Board Book. Due to Google and other construction activities, recent Blue Stakes activities have increased.

Consider Approving the Water Impact Fee Facilities Plan:

Following a brief discussion, during which the Trustees expressed satisfaction respecting KID's recent capital improvement projects and the timing of the issuance of bonds (which avoided high bond interest rates), it was moved by Trustee Monson and seconded by Trustee Christensen as follows:

That the Kearns Improvement District Water Impact Fee Facilities Plan dated October 2022 be adopted and approved with any necessary minor adjustments.

The motion carried with Trustees Hatch, Christensen, and Monson each voting in the affirmative.

Consider Approving the Sewer Impact Fee Facilities Plan:

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

That the Kearns Improvement District Sewer Impact Fee Facilities Plan dated October 2022 be adopted and approved as presented.

The motion carried with Trustees Hatch, Christensen, and Monson each voting in the affirmative.

Consider Adopting Resolution 2022-10-1, Thereby Approving new Water and Sewer System Impact Fees:

Following a brief discussion, it was moved by Trustee Monson and seconded by Trustee Christensen as follows:

That Resolution 2022-10-1 be adopted, thereby approving new water system impact fees and new sewer system impact fees.

The motion carried with Trustees Hatch, Christensen, and Monson each voting in the affirmative.

Consider Approving the 2022 Capital Facilities Plan and each Impact Fee Analysis:

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

That the Capital Facilities Plan dated October 2022 prepared by Bowen Collins & Associates for the Kearns Improvement District be approved and that the Water Impact Fee Analysis and the Sewer Impact Fee Analysis prepared by Bowen Collins & Associates also be approved.

The motion carried with Trustees Hatch, Christensen, and Monson each voting in the affirmative.

Discuss/Consider 2023 Tentative Budget:

Riley Astill highlighted recent minor changes to the 2023 Tentative Budget and responded to questions from the Trustees. In particular, there was a back and forth discussion regarding the rates and fees that are included in the revenues portion of the Budget. Among other things, the Trustees and management staff also discussed extra responsibilities that have been assumed by KID employees, resulting in ongoing cost savings for the District. At the end of the discussion, it was moved by Trustee Christensen and seconded by Trustee Monson as follows:

That the District's 2023 Tentative Budget be tentatively adopted.

The motion carried with Trustees Hatch, Christensen, and Monson each voting in the affirmative.

Consider Setting Public Hearing for 2023 Budget:

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

That a public hearing for the 2023 Budget be held on Tuesday, November 15, 2022 at 6:00 p.m. in the District Board Room.

The motion carried with Trustees Hatch, Christensen, and Monson each voting in the affirmative.

Consider/Discuss 2023 Water and Sewer Rates:

Riley Astill reviewed District's current 2022 rates and fees and compared them with the proposed 2023 rates and fees. A public hearing must be held before any rate and fee increases may be considered by the Board.

Consider Setting Public Hearing for 2023 Water and Sewer Rates:

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

That a public hearing regarding the District's 2023 water and sewer rates and fees be held jointly with the public hearing on the 2023 Tentative Budget on Tuesday, November 15, 2022 commencing at 6:00 p.m. in the District Board Room.

The motion carried with Trustees Hatch, Christensen, and Monson each voting in the affirmative.

Consider/Discuss Ratification and Approval of the Selected Professional Consulting Engineering Firms for the 2023 thru 2028 time frame:

Earlier during the Board meeting, James Woodruff reviewed the process pursuant to which an evaluation committee reviewed the qualifications of engineering firms that submitted responses to the District's Request for Statements of Qualifications. The evaluation committee recommended that contract discussions be entered into with AE2S, Bowen Collins & Associates, and Hansen Allen and Luce for water system engineering services and with Bowen Collins & Associates and Horrocks Engineers for sewer system engineering services. The intention is to enter into Master Engineering Services Agreements with each of the firms, effectively creating an approved vendor list for water system engineering services and a separate approved vendor list for sewer system engineering services. Mr. Woodruff recommended that the Trustees authorize the General Manager to sign the Master Engineering Services Agreements.

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

That the District negotiate and enter into Engineering Services Agreements as recommended by the evaluation committee, to be effective over the next five years, and that the General Manager be authorized to approve and sign each of the Agreements.

The motion carried with Trustees Hatch, Christensen, and Monson each voting in the affirmative.

Discuss/Consider 2023 Training Snippets for Board of Trustees:

Suggested training topics for the 12 regular monthly Board meetings to be held in 2023 were included in the Board Book. Greg Christensen suggested that the anatomy of a sewer system be included on the list and Trustee Monson suggested that training on why cameras are used in sewer lines, and more, be included in the training.

Discuss/Consider Title 2 Chapter 3 – Travel Policies:

A copy of the revised Travel Policies and Procedures for the District was included in the Board Book. A few minor edits (primarily deleting the words "or consultant" in two places; changing "600 miles" and "400 miles" to a uniform "500 miles"; changing "Assistant General Manager" to "Executive Administrative Assistant"; and deleting language in Section 2.3.11) were agreed upon by the Trustees. It was then moved by Trustee Christensen and seconded by Trustee Monson as follows:

That revised Title 2 Chapter 3 of the District's Administrative Policies and Procedures Manual, Travel, be approved as adjusted.

The motion carried with Trustees Hatch, Christensen, and Monson each voting in the affirmative.

Discuss/Consider Title 2 Chapter 7 – Administrative Policies and Procedures Conflict of Interest (New):

A proposed Conflict of Interest Policy which, when approved, will be Title 2 Chapter 7 in the District's Administrative Policies and Procedures Manual, was included in the Board Book. After correcting one typo (changing "king" to "kind"), it was moved by Trustee Monson and seconded by Trustee Christensen as follows:

That new Title 2 Chapter 7 be adopted as part of the District's Policies and Procedures Manual, thereby establishing a Conflict of Interest Policy for the District.

The motion carried with Trustees Hatch, Christensen, and Monson each voting in the affirmative.

Discuss/Consider Title 2 Chapter 8 – Administrative Policies and Procedures Ethical Behavior (New):

A proposed new Ethical Behavior Policy, or Code of Ethics, was included in the Board Book. The Trustees favorably discussed changing "Board of Trustees" to "General Manager" in Section 2.8.2.A.4 and agreed to the addition of a provision that will require a Trustee to resign from the Board before applying for employment with the District. Trustee Monson agreed to prepare "non-compete" language for consideration by the Board. Formal action on the Ethical Behavior Policy was deferred until the additional language has been prepared and can be considered by the Board.

Central Valley Water Reclamation Facility:

Due to the lateness of the hour, Chair Hatch suggested that only critical information regarding outside agency business be reported. An agenda for the Central Valley Water Reclamation Facility Board meeting was not available for inclusion in the Board Book.

Jordan Valley Water Conservancy District:

A copy of the October 12, 2022 Jordan Valley Board meeting agenda was included in the Board Book. It was noted that Jordan Valley's General Manager will retire in January. Trustee Christensen commented that Jordan Valley already has 50 applicants for the General Manager position.

Utah Association of Special Districts:

A copy of the October 6, 2022 UASD Board meeting agenda was included in the Board Book. The Association is preparing for the upcoming UASD Convention.

Kearns Metro Township Council:

A copy of the agenda for the October 10, 2022 Kearns Metro Township Council meeting was included in the Board Book.

Kearns Community Council:

An agenda wasn't available for inclusion in the Board Book.

Chamber West – Legislative Committee:

Greg Anderson has been actively involved as a member of the ChamberWest Legislative Committee, particularly regarding anticipated legislation to be considered by the Utah Legislature in 2023.

Trustee Per Diem Report:

A copy of the September 2022 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 8:55 p.m.

Approved by the Board of Trustees of the Kearns Improvement District on the 15th day of November 2022.

Date: 15 November 2022


Cheryle A. Hatch, Chair

Date: 15 Nov 2022


Gregory R. Christensen, Vice Chair

Date: 15 November 2022


Jeff Monson, Board Clerk