

**MINUTES OF THE MEETING OF THE
KEARNS IMPROVEMENT DISTRICT (KID) BOARD OF TRUSTEES
HELD JUNE 6, 2023 AT THE DISTRICT OFFICE
LOCATED AT 5350 WEST 5400 SOUTH, KEARNS, UTAH**

Trustees Present:

Cheryle A. Hatch
Jeff Monson
Gregory R. Christensen

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:

Rob Wood	Hansen, Bradshaw, Malmrose, Erickson
Warren Anderson	Hansen, Bradshaw, Malmrose, Erickson

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 Cheryle Hatch and the pledge of allegiance was led by James Woodruff.

Public Comments:

There were no public comments.

Approval of Minutes (Regular Meeting, May 9, 2023):

None of the Trustees having any questions or concerns regarding the May 9, 2023 Board meeting minutes, a copy of which was included in the Board Book, it was moved by Trustee Monson and seconded by Trustee Christensen as follows:

That the minutes of the May 9, 2023 regular Board meeting be approved as presented.

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

Board Training – “The Anatomy of a Sewer”:

James Woodruff presented detailed information regarding the District’s sewage collection system. Among other things, he explained that, in designing a sewer collection system, the goal is for the wastewater to flow at a rate of two feet per second to effectively carry solids away; discussed groundwater infiltration, which should be minimized; stated that KID owns and maintains 147.8 miles of sewer pipe; explained that most service laterals that hook into KID’s sewage collection system are four inches in diameter and have a grade of approximately 2%; explained how District staff cleans and examines sewer lines using a robotic TV camera; explained the use of cured in-place pipe (CIPP) as an effective, cost efficient way to rehabilitate an aging sewer line; and explained the “pipe bursting” technique. Throughout his presentation, Mr. Woodruff responded to questions from the Trustees. The Trustees thanked Mr. Woodruff for his report and his service to the District.

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

The General Manager’s written monthly Report, together with the Administrative Financial Report prepared by Riley Astill and the Public Works Report prepared by James Woodruff, was included in the Board Book.

Greg Anderson reviewed his monthly Report and provided details about a meeting with Congressman Burgess Owens’ office and the General Managers of the Jordan Valley Water Conservancy District the Taylorsville-Bennion Improvement District, and the Granger-Hunter Improvement District during which KID’s 2023 grant submittal to the Congressional Appropriations Committee was discussed, along with major water and sewer issues that are faced by providers of culinary water and sanitary sewer services. Greg Anderson explained his response, which included information provided by Mark Anderson, to an inquiry from the Utah Auditor’s Office regarding 2022 Trustee compensation. Mr. Anderson touched upon a number of other issues, including the finalized Lead and Copper informational films and clips; the upcoming Trustee election; and coordination with the Utah Department of Transportation and the general contractor regarding the relocation of a sewer main outfall line to accommodate the 4700 South underpass at Bangerter Highway. During his presentation, Mr. Anderson responded to questions from the Trustees.

Mr. Astill then reviewed his monthly Report, declaring that the District’s financial performance is significantly better than the 2023 Budget. Among other things, he explained the timing of the District’s revenues, with most of the property tax revenue coming in at the end of the year. He also explained that the District is utilizing impact fees to repay qualifying capital costs that have already been incurred by the District, as allowed by the Impact Fees Act. As a consequence, the District had no impact fees on hand as of December 31, 2022, as reflected in the report submitted to the State Auditor. Mr. Astill responded to questions during his presentation.

Mr. Woodruff then reviewed his May, 2023 Public Works Report, including an explanation of work on the 4460 Water Main Replacement Project that is being conducted “in house”; activities of Whitaker Construction on the 4700 South Outfall Sewer Line, stressing the importance of the completion of work at the intersection of Riverboat Road and 4700 South, noting that the schedule will be extended into late fall or early spring due to the refusal of the Jordan Valley Water Conservancy District to allow KID’s contractor to loop a 24 inch waterline during the high Summer water use demand period and the relocation of Taylorville-Bennion Improvement District’s 18 inch waterline; and work on the District’s new 8,000 gallon fuel tank, which is expected to be completed by the end of June. Mr. Woodruff’s report included a lead-copper map update and a report concerning a Zone D waterline loop that is being installed by Noland & Son Construction. Mr. Woodruff responded to questions throughout his presentation.

Present and Consider 2022 Draft Audit:

At the request of Mr. Astill, Chair Hatch declared that Agenda Item IV.A. would be considered out of order for the convenience of the auditors, Rob Wood and Warren Anderson. After being introduced, Rob Wood declared that KID staff was “phenomenal” in assisting the auditors. He explained that a single audit was performed, including a comparison with the prior year. Mr. Wood then turned the discussion over to Warren Anderson, who declared that KID’s audit resulted in a “clean opinion”, which is the best possible result. He then reviewed high points from the Independent Auditor’s Report, a copy of which was included in the Board Book. Rob Wood noted that the Utah Retirement Systems (“URS”) is now fully funded as a result of URS stock market investments having performed well. Greg Anderson complemented Mr. Wood and his team. Riley Astill noted that pages 5 through 12 of the Financial Statements and Independent Auditor’s Report were prepared by KID staff, but the balance of the Report was prepared by the auditors. Mr. Astill suggested that, if they were satisfied, the Trustees could approve the Independent Auditor’s Report in substance, including minor corrections if any are needed. Rob Wood responded that it is the Board’s call – the Report could be final as presented, or the Board could take more time to review the Report before acting.

At the end of the discussion, it was moved by Trustee Christensen and seconded by Trustee Monson as follows:

That the draft Independent Auditor’s Report be accepted and approved as final, including any minor changes that might be necessary.

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

Consider Check Register:

The Check Register, which is a list of all expenditures made by the District during the month of April, 2023, was included in the Board Book. Mr. Astill responded to questions from the Trustees regarding payments, such as a payment to AFLAC utilizing funds withheld from individual employee’s wages as requested by the employees; the purchase from Aquafix of a case

of 9 # Bug On A Rope Degreaser for the Cougar Pump Station (it keeps fat from solidifying in the lift station); and the escalating cost of concrete. At the end of the discussion, it was moved by Trustee Christensen and seconded by Trustee Monson as follows:

That the April 2023 Check Register be ratified and approved as presented.

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

Consider Financial Report:

A copy of the monthly Financial Report, which consists of a series of individual reports including the Statement of Net Position, the Statement of Revenues & Expenses, and the Customer Service Report, was included in the Board Book. Mr. Astill highlighted items in individual reports, including such items as the gallons per capita per day summary in the Connection & Population Report; the collection procedure when a customer's account becomes delinquent, which includes the imposition of a \$20 collection fee; and a back and forth discussion regarding the Customer Service Report.

Consider Training Requests:

Greg Anderson presented a training request for the Intermountain Section of the American Water Works Association (IMS-AWWA) Conference at the Davis Conference Center in Layton, Utah to be held September 19-21, 2023. He requested approval for three Trustees and three staff members to attend the Conference. All three Trustees expressed a desire to attend. In response to a question regarding which staff members will attend, Mr. Anderson stated that he, Riley Astill, and a third, yet to be determined, staff member will participate in the Conference. It was then moved by Trustee Monson and seconded by Trustee Christensen as follows:

That training be approved for three Board members and three staff members to attend the Conference of the Intermountain Section of the American Water Works Association at the Davis Conference Center in Layton, Utah from September 19 to September 21, 2023 at the District's expense, including lodging during the Conference.

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

Jamie Banh then discussed arrangements preparatory to a training trip to Toronto, Canada, advising that travelers should check with their cell phone providers and their credit card companies prior to making the trip.

Consider Purchases/Costs Over \$50,000:

Mr. Woodruff reviewed a Memorandum, a copy of which was included in the Board Book, regarding a progress payment to Whitaker Construction Co., Inc. for work on the 4700 South

Sewer Outfall that was completed and inspected for the month of May, 2023, in the total amount of \$390,530.15, less a 5% retention of \$19,526.51, yielding a net payment due of \$371,003.64. Mr. Woodruff recommended that Whitaker Construction Co.'s Application and Certificate for Payment No. 6 be approved as presented. None of the Trustees having any questions, it was moved by Trustee Monson and seconded by Trustee Christensen as follows:

That Progress Payment No. 6 to Whitaker Construction Co. Inc. for work on the 4700 South Outfall Sewer be approved in the amount of \$371,003.64.

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

Mr. Woodruff then reviewed a payment request (Invoice No. 31438) from Bowen Collins & Associates for work completed on the SCADA Upgrade Project during May, 2023 in the amount of \$206,154.34. A copy of Mr. Woodruff's Memorandum and Bowen Collins & Associates' itemized Invoice were included in the Board Book. Mr. Woodruff explained that, with this payment, almost 94% of the total contract amount will have been paid to Bowen Collins & Associates. In response to a question from Trustee Monson, Mr. Wood stated that the engineers should be wrapping the Project up within a month. Mr. Woodruff recommended approval of the payment request.

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

That a payment to Bowen Collins & Associates for work on the SCADA Upgrade Project be approved in the total amount of \$206,154.34.

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

A Memorandum from Mr. Woodruff regarding a payment to Mountain West Truck Center for the purchase of a 2024 Mack GR84F dump truck chassis and a separate Memorandum covering a payment to Mountain West Truck Center for the purchase of a 2024 Mack GR64F vector truck chassis were included in the Board Book. Mr. Woodruff recommended that both payment requests be approved. In response to a question regarding the timing of delivery of the trucks, Greg Anderson and Mr. Woodruff stated that they are hopeful that the completed dump truck will be delivered by August, with the vac truck to be delivered later. A discussion of ongoing supply chain issues followed.

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

That a payment to Mountain West Truck Center in the amount of \$125,515.68 be approved for the dump truck chassis.

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

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

That a payment of \$118,564.00 to Mountain West Truck Center be approved for the purchase of a vactor truck chassis.

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/Consider the Annual Water Quality Report – Reporting Year 2022:

A copy of KID's 2022 Annual Water Quality Report was included in the Board Book. Greg Anderson explained that the Report must be completed each year and be placed on the District's website so it can be accessed with a single click. Following a brief discussion, it was moved by Trustee Christensen and seconded by Trustee Monson as follows:

That the KID Annual Water Quality Report for reporting year 2022 be approved as presented.

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

Consider Resolution 23-06-01 Setting Certified Property Tax Rate:

A copy of Resolution 23-06-01, determining and fixing the Kearns Improvement District's property tax rate for 2023 at the certified rate, was included in the Board Book. Mr. Astill stated that a letter had been received regarding the date when a number for the certified property tax rate will be available. It was then moved by Trustee Monson and seconded by Trustee Christensen as follows:

That Resolution 23-06-01 Determining and Fixing the Kearns Improvement District's Property Tax Rate for 2023 be adopted and approved as presented.

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

Consider Awarding the Slip Lining of the Existing 16" Water Line Beneath the UPRR-UTA Rail Spur at 4820 West 5300 South:

A Memorandum prepared by Mr. Woodruff relating to the slip lining of KID's existing 16 inch water line that runs beneath the Union Pacific/Utah Transit Authority Rail Spur at 4820 West 5300 South, which summarized bids that were presented by prequalified contractors, was included in the Board Book. Mr. Woodruff recommended that the work be awarded to Noland & Son Construction, which presented the low bid of \$86,200, to slip line an existing water line that is located beneath the railroad spur at 4820 West 5300 South, that the General Manager be authorized

to sign the contract documents, and that a notice to proceed be issued, with work to be conducted during non-peak times late in the fall and into the winter because the line must be taken out of service for the slip lining work to proceed.

Following a general discussion of the Project, it was moved by Trustee Monson and seconded by Trustee Christensen as follows:

That KID be authorized to enter into a contract with Noland & Son Construction for the 16 Inch Steel Pipe Lining (UPRR) Project in the total amount of \$86,200, that the General Manager be authorized to sign the contract documents, and that a notice to proceed be issued.

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

Consider Planning Principal Forgiveness Agreement – Lead Service Line Inventory – State of Utah Department of Environmental Quality, Drinking Water Board:

A copy of the Planning Principal Forgiveness Agreement with the Department of Environmental Quality (DEQ) Drinking Water Board was included in the Board Book. Greg Anderson explained that the Agreement had been reviewed by Mark Anderson, and a few minor corrections have been noted.

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

That the Planning Principal Forgiveness Agreement between the District and the DEQ Drinking Water Board be approved with minor corrections.

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

Central Valley Water Reclamation Facility:

Trustee Monson, who is KID's representative on the Central Valley Board, reviewed highlights from the May 24, 2023 Central Valley Board meeting agenda, a copy of which was included in the Board Book. Trustee Monson presented a detailed report, including an informative walk through of the Central Valley facilities; compliance issues that are being addressed by Central Valley; the recent Annual Conference of the Water Environment Association of Utah (WEAU), which is an affiliate of the Water Environment Federation (WEF), that was held in April at the Dixie Convention Center in St. George, during which Central Valley's Operator Challenge Team placed first in the State; Central Valley's participation in the approximately \$12,800,000 WATTS Smart Program (Central Valley qualified for approximately \$2,900,000, which is a big chunk of the total energy savings incentive); Central Valley's success in reducing annual electricity costs by approximately \$1,700,000; and Central Valley's long range planning effort.

Jordan Valley Water Conservancy District:

A copy of Jordan Valley's Notice of Public Hearing on Tentative Budget and Proposed Rate Increase was included in the Board Book. Trustee Christensen stated that, at the next Jordan Valley Board meeting, a 4.8% wholesale rate increase to KID will be solidified; and an approximately 9.9% property tax increase will be the subject of a public hearing in August. In response to a question from Trustee Monson regarding Jordan Valley's proposed rate and property tax increases, Greg Anderson explained that Jordan Valley is losing staff and needs more money to keep up with the employment market. A discussion of Jordan Valley's property tax philosophy, which involves imposing regular property tax increases of less than 10%, followed.

Utah Association of Special Districts:

A copy of the June 1, 2023 UASD Board of Trustees meeting agenda was included in the Board Book. Greg Anderson, who serves on the UASD Board, reported that Executive Director Legrand Bitter and Government Affairs Director Heather Anderson have been involved with interim Legislative Committee meetings, noting that a number of Bills that will impact special districts are already in the hopper. Mr. Anderson went into detail concerning the impact of recent legislation on the Unified Police Department, which is the law enforcement agency for Kearns, four other metro townships, the Town of Brighton, and unincorporated Salt Lake County.

Kearns Metro Township Council:

There was nothing new to report regarding the Kearns Metro Township Council.

Kearns Community Council:

A copy of the agenda for the June 6, 2023 Kearns Community Council public meeting was included in the Board Book. Since that meeting was occurring at the same time as the KID Board meeting, there was nothing to report.

ChamberWest – Legislative Committee:

A copy of the May 18, 2023 Chamber West Board of Governors meeting agenda was included in the Board Book. Greg Anderson presented an overview of that meeting, which included reports regarding assistance to help working parents with childcare issues and other matters. Greg Anderson also noted an organizational legislative affairs meeting.

Trustee Per Diem Report:

A copy of the June 2023 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 7:46 p.m.

Approved by the Board of Trustees of the Kearns Improvement District on the 11th day of July, 2023.

Date: 11 July 2023


Cheryl A. Hatch, Chair

Date: 18 July 2023


Gregory R. Christensen, Vice Chair

Date: 18 July 2023


Jeff Monson, Board Clerk