

**MINUTES OF THE MEETING OF THE
KEARNS IMPROVEMENT DISTRICT (KID) BOARD OF TRUSTEES
HELD DECEMBER 13, 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
Linson Terrell	Field Manager
Frank deJong	Assistant Operations Manager

Call to Order:

Chair Hatch called the meeting to order at 5:32 p.m. and welcomed all those present. The invocation was offered by Cheryle Hatch and the pledge of allegiance was led by Riley Astill.

Public Comments:

There were no public comments.

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

None of the Trustees having any questions regarding the November 15, 2022 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 November 15, 2022 regular Board meeting be approved as presented.

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

Board Training – How Does One Become a Certified Operator:

Linson Terrell presented the monthly “snippet” training, going into detail concerning how District employees become Certified Water and/or Wastewater Operators. While doing so, he

related his personal employment history with KID. He was hired part-time when he was still in high school and was told at that time that, after he got certified, a full-time job would be available. He passed his certification on the second try, and has been a KID employee ever since. Using a power point to highlight his presentation, Mr. Terrell reviewed the levels of certification, I through IV. A system with 15,000 or more customers, such as KID, is required to have at least one grade IV operator for the water system and at least one for the sewer system, which are separate, distinct certifications. At the end of his presentation, the Trustees thanked Mr. Terrell for the valuable information and for his long-time service to the District.

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

A copy of Greg Anderson's written monthly report was included in the Board Book. Mr. Anderson asked for questions from the Trustees. In response to a question from Trustee Monson, Mr. Anderson reported concerning the District's recent hirings and efforts to locate, hire, train and retain good employees. Presently, an Operator position is open. Riley Astill noted that a Meter Tech position has been filled by a current employee. Six candidates have been interviewed for the GIS position.

After the General Manager concluded his report, Riley Astill reviewed highlights from the monthly Finance Report, including the Financial Summary, a copy of which was included in the Board Book. He noted that the District's financial performance has been steadily improving, and responded to questions from the Trustees, including a question regarding wholesale water purchases from the Jordan Valley Water Conservancy District.

James Woodruff reviewed his monthly Public Works Report, a copy of which was included in the Board Book, using a power point. In particular, he discussed the District's use of LIDAR (Light Detection and Ranging Survey) technology, which uses lasers to locate the precise measurement and location of an object, which will assist Operations and Maintenance employees by connecting KID's assets and information to the GIS (Geographic Information System) Database. Greg Anderson praised the value of the new LIDAR technology. During Mr. Woodruff's review of current infrastructure construction projects, there was a lengthy discussion regarding the syphon that will be installed under the Jordan River as part of the 4700 South Sewer Main Project and Mr. Woodruff responded to questions from the Trustees.

Consider Check Register:

Riley Astill and Greg Anderson responded to questions from the Trustees regarding specific payments identified in the October 2022 Check Register, which is a list of all payments made by the District during the month. A copy of the Check Register was included in the Board Book. Once the Check Register had been reviewed and all questions had been answered, it was moved by Trustee Christensen and seconded by Trustee Monson as follows:

That the October 2022 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:

The October 2022 Financial Report, which consists of several individual Reports including the Statement of Net Position, the Investment/Reserves Report, the Connection & Population Report and the Executive Safety Report, was included in the Board Book. Among other things, Mr. Astill noted an almost 3% interest return on the District's reserve accounts. The District has collected almost \$40,000 in 2022 interest income, which is approximately ten times more than had been collected a year ago.

Consider Training Requests:

There were no training requests to be considered by the Board. Greg Anderson noted that Linson Terrell will attend an in-town Leadership Forum, for which Board approval was not required.

Consider Purchases/Costs Over \$50,000:

James Woodruff reviewed a Memorandum that was distributed to the Trustees regarding the final invoice for work on the 6200 South Booster Pump Station submitted by Whittaker Construction in the amount of \$119,052.37. The work being complete, the contractor also requested the release of retained funds totaling \$205,978.43, for a total payment request of \$325,030.80, which will close out the project.

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

That a payment of \$325,030.80 be made to Whittaker Construction Co., Inc., which is the final payment for the 6200 South Booster Pump Station.

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

Mr. Woodruff then reviewed a Memorandum regarding a payment to Noland & Son Construction Co., Inc. for work on the Zone E Sewer Main completed and inspected during October, Contractor's Application for Payment No. 4, in the amount of \$279,508.00, less a 5% retention of \$13,975.40, yielding a net payment due of \$265,532.60, which represents 68% of the contract.

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

That a payment to Noland & Son Construction Co., Inc. totaling \$265,532.60 be approved for work on the Zone E Sewer Main.

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

Mr. Woodruff then reviewed a Memorandum dealing with a \$183,176.50 payment request submitted by Noland & Son Construction Co., Inc., Contractor's Application for Payment No. 5,

for work completed and inspected during November, from which a 5% retention amount of \$9,158.83 would be withheld, yielding a net payment of \$174,017.67, which represents 82% of the contract.

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

That a payment of \$174,017.67 to Noland & Son Construction Co., Inc. be approved for work on the Zone E Sewer Main.

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

Mr. Woodruff then reviewed a payment request submitted by Noland & Son Construction Co., Inc. for work on the Zone E Sewer Main completed and inspected during the month of December 2022 in the amount of \$246,305.50. Since this is the final payment, no retention will be withheld and the contractor has requested the release of previous retention amounts totaling \$54,317.76. Mr. Woodruff recommended that the Trustees approve a final payment to Noland & Son Construction for work on the Zone E Sewer Main in the amount of \$300,623.26.

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

That a final payment for work on the Zone E Sewer Main be made to Noland & Son Construction Co., Inc. in the amount of \$300,623.26.

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

Mr. Woodruff then reviewed a payment request, Contractor's Application for Payment No. 2, from Noland & Son Construction Co., Inc. for work completed and inspected on the Zone D Loop Waterline during October in the amount of \$61,703.90, less a 5% retention of \$3,085.20, leaving a net payment due of \$58,618.70, which represents 24% of the contract.

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

That a payment be approved to Noland & Son Construction Co., Inc. for work on the Zone D Loop Waterline in the amount of \$58,618.70.

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

Mr. Woodruff then reviewed his Memorandum regarding restocking the District's inventory of brass saddles, corp. stops (corporation stops), yoke valves and related brass items. Price quotations were received from three suppliers, with Mountainland Supply Company submitting the lowest quotation in the amount of \$53,527.58. Greg Anderson noted that the inventory items will not be delivered until July or August (due to supply chain issues) but, by ordering the supplies now, the price will be locked in and will not be subject to anticipated future price increases.

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

That the designated supplies be purchased from Mountainland Supply at a cost of \$53,527.58.

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

Riley Astill then reviewed two invoices from Zions Bank regarding the District's 2019 A Series Bonds, for a bond payment and a bond reserve deposit in the total amount of \$1,245,984.42. Mark Anderson noted that the District is contractually obligated to make these payments.

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

That a bond payment and a bond reserve deposit be made to Zions Bank on the District's 2019A Series Bonds in the total amount of \$1,245,984.42.

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

Riley Astill noted that it will be necessary to order Neptune Water Meters through MeterWorks before the end of June, to beat a price increase that is expected to be effective on July 1st and to provide meters that will be required for the last meter installation cycle. That expenditure will total almost \$1,000,000. Mr. Astill noted that, each time there has been an increase in the price of meters, the increase has been in the 10% to 15% range. It was noted that Mark Kelly is doing a good job staying on top of the District's meter supply needs.

Memoranda, invoices, applications for payment and other supporting documentation regarding each of the above purchases was provided to the Trustees and included in the Board Book.

Consider Resolution Adopting 2023 Budget and Rate Increase:

A copy of Resolution 2022-12-01, approving the District's 2023 Budget and fee increases, was included in the Board Book. Riley Astill provided a brief overview of the Operating Budget, including both revenues and expenses, the Capital Budget and the proposed schedule of rates and fees. There was a brief discussion of fee increases that are being imposed in nearby jurisdictions, which were larger than the proposed Kearns Improvement District fee increases. A joint public hearing having been held in November regarding the 2023 Budget and the proposed fee increases, the revenues from which were included in the Budget, and none of the Trustees desiring any changes, it was moved by Trustee Monson and seconded by Trustee Christensen as follows:

That Resolution 2022-12-01 be adopted, thereby approving and adopting the 2023 Budget and the proposed fee increases.

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

Discuss/Consider State of Utah Auditor's Fraud Risk Assessment Scoring Certification:

Mr. Astill presented the District's 2022 Fraud Risk Assessment, a copy of which was included in the Board Book. Based on the Assessment, the District is in the "low risk" category. Mr. Astill responded to questions from the Trustees regarding specific entries in the Assessment.

Discuss/Consider Interlocal Agreement with West Jordan City for Emergency Cross Connection Installations:

Mr. Woodruff reviewed Resolution No. 2022-12-02, a copy of which was included in the Board Book. He explained that, by adopting the Resolution, the Board would approve an Interlocal Cooperation Agreement between the District and West Jordan City pursuant to which each jurisdiction would provide water to the other jurisdiction in case of an emergency. The Agreement was included in the Board Book.

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

That Resolution 2022-12-02 be adopted, thereby approving the Interlocal Cooperation Agreement between the District and West Jordan City.

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

Discuss/Consider Task Order No. 1 Engineering Services Contract with AE2S for the 5400 South Waterline Replacement Project:

A Memorandum prepared by Mr. Woodruff explaining that AE2S, LLC had been selected to provide engineering services for the 5400 South, 5600 West to Zone A Water Tank Water Main Replacement. The work will consist of design drawings and specifications, bidding assistance, and construction administration for the waterline, at a cost of not to exceed \$134,521.00. Mr. Woodruff explained that the waterline will be upsized from a 12-inch diameter line to a 18-inch diameter line, which will improve water pressure in Zone A. He recommended that the General Manager be authorized to sign Task Order No. 1 to the already existing Master Engineering Services Agreement with AE2S, LLC and that the General Manager also be authorized to issue a notice to proceed to the engineering firm. The Task Order was included in the Board Book. Greg Anderson added that the not to exceed price was "heavily negotiated" by KID management.

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

That Task Order No. 1 to the Master Engineering Services Agreement with AE2S, LLC be approved, that KID's General Manager be authorized to sign the Task Order, and that a notice to proceed be issued to the engineering firm.

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.

Central Valley Water Reclamation Facility:

A copy of the November 17, 2022 Central Valley Board meeting agenda was included in the Board Book. Trustee Monson, who represents KID on the Central Valley Board, reported that Central Valley is making good progress on its capital projects; reviewed a report provided by Darrell Child, who is with Olympus Insurance, regarding Central Valley's insurance coverage; presented information regarding Central Valley's Budget, including utility costs; and declared that, all in all, Central Valley is making good progress. Greg Anderson added that Central Valley staff and management are working to finalize language for the Golf Course Contract.

Jordan Valley Water Conservancy District:

Jordan Valley's December Board meeting having been canceled, there was no report.

Utah Association of Special Districts:

A copy of the December 1, 2022 UASD Board meeting agenda was included in the Board Book. Greg Anderson reported that Senator McCay's Bill that would prohibit governmental water suppliers from imposing a property tax for water related purposes will go to interim study, which is to take place over a two-year period. Among other things, Mr. Anderson praised Heather Anderson for effectively communicating with others regarding the issue, which is of great importance to the UASD in general and water suppliers in particular.

Kearns Metro Township Council:

Chair Hatch noted that the Kearns Metro Township Council meeting was being held at the same time as the KID Board meeting. Among other things, she expected the Metro Township Council to discuss Utah Department of Transportation construction projects in Kearns.

Kearns Community Council:

A copy of the agenda for the December 6, 2022 meeting of the Kearns Community Council was included in the Board Book. During that meeting, Trustee Monson, who chairs the Board of Trustees of the Oquirrh Recreation and Parks District, reported concerning Kearns Oquirrh Park Fitness Center and Kearns Improvement District activities. He stated that The Pointe Church served 50 Thanksgiving meals, will provide Christmas presents for 200 kids, and will provide coats to those in need during January. Finally, he noted that most of the comments regarding the "Christmas on 54th" light display were very positive; and that the mural project is being cancelled.

Chamber West – Legislative Committee:

A copy of the agenda for the December 1, 2022 meeting of the Chamber West Legislative Affairs Committee was included in the Board Book. Greg Anderson presented a position paper on water to the Committee and to Legislators who attended the meeting. Mr. Anderson also reported concerning meetings with other water system General Managers.

Trustee Per Diem Report:

The latest 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 7:29 p.m.

Approved by the Board of Trustees of the Kearns Improvement District on the 10th day of January 2023.


Date: 10 Jan. 2023


Cheryl A. Hatch, Chair

Date: 10 Jan 2023


Gregory R. Christensen, Vice Chair

Date: 10 January 2023


Jeff Monson, Board Clerk