

**MINUTES OF THE MEETING OF THE
KEARNS IMPROVEMENT DISTRICT (KID) BOARD OF TRUSTEES
HELD MARCH 15, 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
Dana Timothy, Office Manager
Abby Williams, Assistant Office Manager
Frank deJong, Assistant Operations Manager
Eric Reid, System Operator III

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

Public Comments:

There were no public comments.

Approval of Minutes (Regular Meeting, February 8, 2022):

Mark Anderson called the Trustees’ attention to minor changes under the “Consider Check Register” and “Central Valley Water Reclamation Facility” agenda items (replacing “direct deposits” with “ACH withdrawal payments”, as requested by Riley Astill, and the insertion of the word “of”, respectively). It was moved by Trustee Monson and seconded by Trustee Christensen as follows:

**That the minutes of the February 8, 2022 Board meeting be approved,
with two minor corrections as noted.**

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

Board Training – Customer Service When A Customer Payment is Made:

Abby Williams discussed the District’s billing, payment and collection procedures, the Caselle government accounting software, and how customer information is protected. During her excellent power point presentation, Ms. Williams responded to questions from Trustees Hatch and Monson. Speaking for the Board, Trustee Monson thanked Ms. Williams for her efforts and those of the entire Customer Relations Department and Chair Hatch thanked Ms. Williams for her and the staff’s patience as they care for the District’s customers. Ms. Williams and Dana Timothy then left the Board room.

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

Greg Anderson reviewed his written report, a copy of which was included in the Board Book. Among other things, he pointed out that, over the life of the District’s \$20,000,000 bond that was purchased by the Bank of Utah, the District will save more than \$1,400,000 in interest charges and, by privately placing the bond, the District saved \$100,000 in issuance costs. He mentioned “slight adjustments” in the District’s investment portfolio that were made in response to a portfolio review with Moreton Asset Investment representatives. Riley Astill indicated that the portfolio adjustments will be reflected in next month’s Financial Report. Greg Anderson also reviewed water conservation activities and a number of legal matters with which he and Mark Anderson are dealing, and reported that all thirteen Bills opposed by the Utah Association of Special Districts failed to pass during the recently completed Legislative session and that, of 62 Bills supported by the Association, 48 passed.

Riley Astill then reviewed his Financial Report, a copy of which was included in the Board Book. He noted that, for the month of January, the District’s Financial Report performance was \$260,436 better than anticipated in the Budget. Mr. Astill noted that there was nothing unusual in the Report.

James Woodruff then reviewed his monthly Public Works Report, a copy of which was included in the Board Book, including a review of the status of critical infrastructure construction projects. He noted that there have been delays in obtaining materials for some construction projects due to supply chain issues. Once again, there were no grease trap inspection failures. Mr. Woodruff reported that the staff training that has been completed for various KID facilities, such as pump houses, has been very good and Frank deJong added that the training will save the District money.

Consider Check Register:

The January 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. Riley Astill responded to questions from Trustees Hatch and Monson respecting specific checks and Frank deJong responded to a question from Trustee Christensen regarding lighting at a District tank site. At the end of the discussion, it was moved by Trustee Christensen and seconded by Trustee Monson as follows:

That the January 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 Net Position, the Connection & Population Report, the Administrative Service Report, and the Customer Service Report, was included in the Board Book. Respecting the Investment/Reserves Report, Greg Anderson noted that moving \$2,000,000 from the Public Treasurer’s Investment Fund into US Treasury securities with Moreton Asset Investment is expected to yield an additional \$30,000 in interest income for the District. Trustee Christensen noted that KID is setting a water conservation example. In response to a question from Trustee Monson respecting past due service charges, Riley Astill stated that the collection effort is ramped up after 90 days, but sending a customer to collections is a last resort that is used in very few instances.

Consider Training Requests:

There were no training requests to be considered by the Board.

Consider Purchases/Costs Over \$50,000:

James Woodruff briefly reviewed Contractor’s Application for Payment No. 12 from Gerber Construction Inc., for work on the Zone D 5MG (million gallon) Tank that was completed and inspected for the month of February, in the amount of \$221,250, less a 5% retention of \$11,062.50, for a net payment due of \$210,187.50. The payment request and a short Memorandum from Mr. Woodruff recommending approval of the payment were included in the Board Book. It was moved by Trustee Monson and seconded by Trustee Christensen as follows:

That the Gerber Construction Inc. invoice be approved for payment for work on the Zone D 5MG Tank in the amount of \$210,187.50.

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

An invoice and Application for Payment No. 5 presented by Whitaker Construction Co., Inc. for work on the 6200 South Booster Pump Station completed and inspected for the month of January, requesting a payment of \$143,698.11, less a 5% retention of \$7,184.91, yielding a net payment of \$136,513.20, was included in the Board Book. It was moved by Trustee Christensen and seconded by Trustee Monson as follows:

That the Whitaker Construction Co., Inc. invoice for work on the 6200 South Booster Pump Station be approved for payment in the amount of \$136,513.20.

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

A Memorandum from Mr. Woodruff and an invoice and Application for Payment No. 6 for work on the 6200 South Booster Pump Station by Whitaker Construction Co., Inc. completed and inspected for the month of February were included in the Board Book. Whitaker Construction requested a payment \$268,095.45, less a 5% retention of \$13,404.77, yielding a net amount due of

\$254,690.68. The Trustees having no questions, it was moved by Trustee Christensen and seconded by Trustee Monson as follows:

That the payment requested by Whitaker Construction Co., Inc for work on the 6200 South Booster Pump Station be approved in the net amount of \$254,690.68.

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

A Memorandum from Mr. Woodruff and an itemized Hansen Allen & Luce Inc. statement requesting a payment of \$80,873.14 for design work on the 4700 South Sewer Outfall completed between October 16, 2021 and February 15, 2022 were included in the Board Book. In response to a question from Trustee Monson, Mr. Woodruff stated that the design work is close to being finished. He expects one smaller invoice for design work, after which construction activities will begin.

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

That the invoice from Hansen Allen & Luce Inc. for design work on the 4700 South Sewer Outfall be approved for payment in the amount of \$80,873.14.

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

Greg Anderson explained that Owen Equipment Company is the only dealership authorized to provide CUES spare parts, service repairs, trouble shooting, and major unit equipment in Utah. A price quotation from Owen Equipment Company for a CUES CCTV (closed circuit television) inspection vehicle, in the total amount of \$254,840, was included in the Board Book. Mr. Anderson recommended approval of the purchase of the camera inspection vehicle, noting that \$260,000 was included in the District’s 2022 Budget for this purchase.

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

That a CUES CCTV inspection vehicle be purchased from Owen Equipment Company at a cost of \$254,840.

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

Consider Bond Releases/Reductions:

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

Consider the Proposal and Contract with le DEBUT for Development of Conservation Campaign:

A document prepared by le DEBUT entitled “Water Conservation Campaign Estimate” was included in the Board Book. A description of each project or deliverable, together with the cost, was included in the Estimate. Greg Anderson stated that the Jordan Valley Water Conservancy District might help fund the water conservation campaign through a grant. It was moved by Trustee Christensen and seconded by Trustee Monson as follows:

That staff be authorized to proceed with the le DEBUT Water Conservation Campaign, with the General Manager and the District's General Counsel to work out and execute the final contract.

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

Discuss Electronic Billing & Paying Encouragement Options:

Greg Anderson explained that, relatively soon, the District will be required to have the capability to contact customers within 24 hours. There have been discussions with Text My Government, which could replace the District's after hours call service. One option would be to offer a \$2.00 rebate to those customers who provide contact information and go paperless, possibly coupled with a \$2.00 surcharge on those customers who do not provide the requested contact information and go paperless. Trustee Monson expressed concern respecting customers who can't afford internet or another electronic communications service. A back and forth discussion ensued. Greg Anderson will provide additional information.

Discuss the Municipal Wastewater Planning Program Annual Report for 2021:

Greg Anderson explained that the Division of Water Quality requires the District to complete and submit an annual Municipal Wastewater Planning Program (MWPP) Report. He reviewed the District's MWPP Report for 2021, a copy of which was included in the Board Book, noting two corrections to the Report. He stated that, even though Board action was not required, the Board should be fully aware of the Report.

Discuss the Division of Water Rights Survey Response and Accompanying Information for 2021:

The Division of Water Rights requires the District to complete the Utah Public Water Supply Use Form every year and to submit the information electronically to the Division. A copy of the District's 2021 Public Water Supply Use Form was included in the Board Book. Riley Astill used a power point to graphically depict the District's water use. During the year, the District used 8,303.40 acre feet of water, 7,822.39 acre feet of which was purchased from the Jordan Valley Water Conservancy District and 481.01 acre feet came from the District's wells. Estimated water loss within the system was 564.46 acre feet, or 6.8%.

Discuss/Consider Alternative Conferences/Training to Attend for Board & Staff:

Trustee Christensen requested that this subject be included on the agenda. In response to a question from Trustee Christensen, Mark Anderson stated that the selection of training opportunities is up to the Board. Greg Anderson then reviewed upcoming training opportunities, including training in future years.

Discuss/Consider KID Fuel Dispenser/Emergency Storage:

Greg Anderson explained that staff has been reviewing options and plans for self-dispensing and emergency storage of both unleaded gasoline and diesel fuel. With escalating fuel prices and potential concerns respecting availability, Mr. Anderson found the time to be right to

present the subject for consideration by the Board. He explained that it will cost approximately \$200,000 to install a fuel station, but thereafter the District might realize an approximately \$.80 per gallon cost savings. Frank deJong provided additional information concerning the proposal. By saving approximately \$.80 per gallon, the District would recoup its investment in approximately 15 years, with annual savings of approximately \$13,500. Greg Anderson noted that the fuel station is in the District's ten year plan and is slated to be constructed next year. However, with current conditions, it might be wise to move the project up into 2022. Mr. Woodruff contributed additional details and staff responded to questions and comments from the Trustees.

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

That the construction of the KID Fuel Dispenser/Emergency Storage be approved as presented.

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

Consider Declaration and Sale of Salvaged Equipment:

A Memorandum prepared by Riley Astill respecting the disposal of the District's old valve exerciser truck, which has been replaced, was included in the Board Book. The value of the truck is estimated at between \$20,000 and \$30,000. It was moved by Trustee Christensen and seconded by Trustee Monson as follows:

That the District's 2005 Chevrolet C4500 truck be declared to be surplus and that staff be authorized to dispose of the truck in a commercially reasonable manner.

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

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

There was no need for a closed meeting.

Consider Right of First Refusal to Purchase the Zone D Pump Station Parcel from Northrop Grumman Systems Corporation:

Mark Anderson provided information respecting an Easement held by the District covering the land on which the District's Zone D Pump Station is located. The District holds the exclusive right to use the land, but the recorded Easement includes a right of first refusal in favor of the District should the owner of the land, which is now Northrop Grumman, ever decide to sell it. Northrop Grumman has decided to exchange the land, along with other real property, with a third party, which is the reason KID now has an opportunity to purchase the Zone D Pump Station parcel. Management will look into the situation and report back to the Board. A copy of a letter from Northrop Grumman and a copy of the Easement Agreement were included in the Board Book.

Consider Closed Meeting – Discussion regarding deployment of security personnel, devices, or systems:

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

That the meeting be closed to discuss the deployment of security personnel, devices or systems.

The motion carried with Trustees Hatch, Christensen and Monson each voting “aye”. Chair Hatch declared the meeting to be closed at 8:13 p.m. All three Trustees, along with Greg Anderson, James Woodruff, Mark Anderson, Riley Astill and Jamie Banh, remained in the closed portion of the meeting, which was held in the District Board room.

Chair Hatch declared the meeting to again be open at 8:46 p.m. No action was taken during the closed portion of the meeting other than the approval of a motion to come out of closed session and return to open session, which was made by Trustee Monson and seconded by Trustee Christensen.

Central Valley Water Reclamation Facility:

Chair Hatch suggested that, due to the lateness of the hour, the remaining agenda items be considered only if the discussion is particularly important. In response, Trustee Monson, who represents KID on the Central Valley Board, indicated that this agenda item could be skipped. A copy of the agenda for the February 28, 2022 Central Valley Board meeting was included in the Board Book.

Jordan Valley Water Conservancy District:

A copy of the agenda for the March 9, 2022 Jordan Valley Board meeting was included in the Board Book.

Greg Anderson provided critical information respecting current drought conditions. For example, the Provo River watershed is at 76% of normal and Trial Lake is at 68% of normal. In view of the drought situation, the Jordan Valley Water Conservancy District is considering a level one drought declaration, which means that water supply availability will be set at 95%. Greg Anderson stated that Jordan Valley has done a good job managing its water sources, which has resulted in reserve water for 2023 being held in reservoirs. Well water will be used to meet immediate water needs. Each wholesale customer will be asked to reduce water purchases by 5%. If, in response to the drought, wholesale customers take less water than their take or pay contractual commitments, Jordan Valley will allow the shortfall to be made up over the next year or year plus.

Greg Anderson indicated that Jordan Valley is close to approving a contract extension for KID, which will increase KID’s take or pay commitment but reduce KID’s overage purchase right from 25% down to 20%. Jordan Valley has a Strawberry Reservoir water allotment that could be initiated as a last resort, should the need arise. Mr. Anderson expects a level one drought declaration to be issued by Jordan Valley. It was noted that the Weber Basin Water Conservancy District is facing a serious water supply situation that could result in big reductions in water deliveries to its customers.

Greg Anderson concluded by mentioning the lift station that would be toured the following Tuesday at 5:00 p.m.

Utah Association of Special Districts:

The agenda for the February 11, 2022 UASD Board of Trustees meeting was included in the Board Book.

Kearns Metro Township Council:

The agendas for the February 14 and the March 14, 2022 Kearns Metro Township Council meetings were included in the Board Book.

Kearns Community Council:

A copy of the agenda for the March 1, 2022 Kearns Community Council meeting was included in the Board Book.

Trustee Per Diem Report:

A copy of the February 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 9:08 p.m.

Approved by the Board of Trustees of the Kearns Improvement District on the 19th day of April, 2022.

Dated: April 19, 2022 by /s/ Cheryle Hatch, Chair

Dated: April 19, 2022 by /s/ Gregory R. Christensen, Vice-Chair

Dated: April 19, 2022 by /s/ Jeff Monson, Board Clerk