

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

Greg Anderson reviewed his monthly Report, a copy of which was included in the Board Book. Highlights included playing a two minute water conservation "video snippet" that will be available on the District's website and may be used in other ways to promote water conservation and inform District customers concerning the importance of conservation; and announcing plans for a retirement party that will be held for Manny Domingo. Mr. Anderson informed the Trustees that Congressman Burgess Owens has submitted his list of Community Project Funding (earmarks), on which KID's \$1,760,000 grant application is listed. That is an essential step in the approval process.

Riley Astill reviewed his Financial Report, a copy of which was included in the Board Book. Noting that KID's financial numbers are continuing to trend well compared to the 2022 Budget. Mr. Astill explained that non-operating revenues are lower than anticipated due primarily to an unexpected reduction in impact fee collections. However, operating expenses are also lower than anticipated. There was a back and forth discussion among the Trustees and Mr. Astill respecting money that has been saved by KID during the current inflationary cycle by pre-ordering supplies. Mr. Astill reviewed KID's proportionate share of the bonded indebtedness of the Central Valley Water Reclamation Facility.

Mr. Woodruff then reviewed his monthly Report, a copy of which was included in the Board Book, and presented a video of the installation of a new eight inch water line in 4460 West Street, which is being installed by the KID work crew. As Mr. Woodruff reviewed the 4460 West Water Line Project and other current capital projects, Greg Anderson provided additional information. Trustee Christensen stated that he likes the new format of the written Public Works Report.

Consider Check Register:

The April 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 provided specifics on some of the listed payments and responded to questions, after which it was moved by Trustee Monson and seconded by Trustee Christensen as follows:

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

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

Consider Financial Report:

A copy of the written Financial Report, which consists of a number of individual reports including the Statement of Revenues and Expenses, the Administrative Service Report, and the Executive Safety Report, was included in the Board Book. Mr. Astill reviewed highlights from several of the Reports.

Consider Training Requests:

Greg Anderson recommended that the Trustees and six staff members be authorized to attend the 2022 Annual Conference of the Intermountain Section of the American Water Works Association (AWWA), which will be held during October at the Uintah Conference Center in Vernal, Utah. Chair Hatch stated that she will not be able to attend the Conference, while Trustees Monson and Christensen each expressed a desire to attend.

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

That two KID Board members and six staff members be authorized to attend the 2022 AWWA Intermountain Section Annual Conference at District expense.

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

Consider Purchases/Costs Over \$50,000:

The Board Book included a Memorandum prepared by James Woodruff to recommend a progress payment to Gerber Construction for work completed and inspected for the month of May 2022 on the Zone D 5MG (million gallon) Tank in the amount of \$73,132.50, less a 5% retention of \$3,656.61, leaving a net payment due of \$69,475.59. After Mr. Woodruff responded to a question from Trustee Christensen, it was moved by Trustee Christensen and seconded by Trustee Monson as follows:

That the recommended payment to Gerber Construction Inc. for work on the Zone D 5MG Tank be approved for payment in the amount of \$69,475.59.

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

Mr. Woodruff then reviewed Invoice # 32339 (Application for Payment No. 9) presented by Whitaker Construction Co., Inc. for installation work on the 6200 South Booster Pump Station completed and inspected for the month of May 2022 in the amount of \$215,039.25, less a 5% retention of \$10,751.96, yielding a net payment due of \$204,287.29. Details concerning the invoice were included in the Board Book. During a brief discussion of the payment request, Trustee Christensen noted that there have been very few change orders on any of the District’s construction projects, which is very desirable.

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

That a payment to Whitaker Construction for installation work on the 6200 South Booster Pump Station be approved in the amount of \$204,287.29.

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

Mr. Woodruff then reviewed a payment request from Bowen Collins & Associates for work on the SCADA Upgrade Project completed for the month April 2022 in the amount of \$106,626.97, and recommended that the payment be approved. Documentation, including a Memorandum prepared by Mr. Woodruff respecting the payment request, was included in the Board Book. It was moved by Trustee Christensen and seconded by Trustee Monson as follows:

That the invoice presented by Bowen Collins & Associates for engineering work on the SCADA Upgrade Project completed during April 2022 be approved for payment in the amount of \$106,626.97.

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

Riley Astill reviewed Invoice number 8133 presented by MeterWorks for 1,152 replacement residential meters, documentation for which was included in the Board Book, in the amount of \$279,244.80. Mr. Astill responded to a question from Trustee Christensen respecting the purchase, after which it was moved by Trustee Monson and seconded by Trustee Christensen as follows:

That the Invoice presented by MeterWorks for residential meters be approved for payment in the amount of \$279,244.80.

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

Consider Bond Releases/Reductions:

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

Present and Consider 2021 Draft Audit:

The Independent Auditor’s Report prepared by HBME, LLC, Certified Public Accountants, was included in the Board Book. Todd Sullivan was the senior HBME auditor for the KID audit. Mr. Sullivan declared that the result of the audit is a “clean unmodified opinion”. He stated that work on the audit was “smooth”, and that Riley Astill was very helpful to the auditors. Mr. Sullivan moved around within the Audit Report, pointing out and discussing key elements and findings, and Riley Astill added additional details. Among other things, Mr. Sullivan noted that, due to refunding \$13,000,000 of bond debt, total debt service payments to be made by KID will be reduced by \$1,314,652 and the present value difference between the old and new debt is \$879,523 in favor of KID.

Mr. Sullivan explained that, because the \$21,000,000 Division of Drinking Water loan to KID was seeded by federal money, three separate opinions were required to be included in the Audit Report. The third opinion dealt with compliance by the District with state laws and the strength of the District’s internal controls over compliance, as required by the State Compliance Audit Guide. Mr. Sullivan declared that no issues were presented in any of the opinions, all of which were clean and unmodified.

Riley Astill pointed out that the Audit Report, a copy of which was included in the Board Book, is still in draft format, but Mr. Sullivan noted that any changes are expected to be minor. The Trustees and staff expressed their appreciation to Mr. Sullivan and his firm for their excellent work on the audit, after which it was moved by Trustee Christensen and seconded by Trustee Monson as follows:

That the Kearns Improvement District Financial Statement and Independent Auditor’s Report bearing a date of December 31, 2021 and 2020 be approved, subject to the correction of clerical errors.

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

Consider Resolution 22-06-01 Setting Certified Property Tax Rate:

A copy of Resolution 22-06-01, determining and fixing the Kearns Improvement District’s property tax rate for 2022 at the certified rate, was included in the Board Book. KID’s certified rate will be determined by the County based upon information provided by the Utah Tax Commission. Mr. Astill stated that the District’s 2022 Budget reflects property tax income of \$1,324,000 and, as of June 7, 2022, the preliminary certified tax rate was .000381. Legally, the District could impose a property tax rate as high as .0008. Even though the precise certified rate was not known, adoption of the Resolution by the Board would approve the certified tax rate, whatever it might be, as the District’s property tax rate for 2022.

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

That Resolution 22-06-01 be adopted to determine and fix the Kearns Improvement District’s property tax rate for 2022.

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

Discuss/Consider the Revisions to the KID Request for Letter of Availability for Water and Sewer Services Form:

A copy of the District’s Request for Letter of Availability for Water and Sewer Services Form, including amendments recommended by staff, was included in the Board Book. Greg Anderson reminded the Trustees that the form was first considered by the Board in May. Since then, additional edits have been made in response to questions and concerns raised by the Trustees. Mark Anderson recommended a few additional minor changes, which Greg Anderson supported, and Greg Christensen noted a typographical error that will also be corrected. During the discussion, Greg Anderson and James Woodruff provided information respecting backflow prevention responsibilities. Following a back and forth conversation, it was moved by Trustee Christensen and seconded by Trustee Monson as follows:

That the KID Request for Letter of Availability for Water and Sewer Services form be approved, including amendments as noted and discussed.

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

Consider Resolution 22-06-02 Approving the Cottonwood Improvement District Cooperative Agreement:

Greg Anderson reviewed and explained the 4700 South Sewer Outfall Line Replacement Project. A portion of KID’s major (60 inch diameter) new outfall line will be located within a prescriptive easement held by the Cottonwood Improvement District (“CID”), in which CID’s 8 inch diameter sewer line is located. KID is obtaining a new written easement from the landowner, as recommended by Mark Anderson. It will be necessary to relocate CID’s 8 inch sewer line, which is the subject of a proposed Cooperative Agreement between KID and CID, a copy of which was included in the Board Book. James Woodruff and Mark Anderson noted that some minor

additional edits will be required before the Cooperative Agreement is signed. In response to a question from Trustee Christensen, Mr. Woodruff verified the relationship between the legal descriptions and the drawings that are attached as Exhibits to the Cooperative Agreement.

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

That Resolution No. 22-06-02 be approved and adopted, thereby approving the Cooperative Agreement between Kearns Improvement District and Cottonwood Improvement District, and that the Chair and/or General Manager be authorized to approve minor changes to the Cooperative Agreement and to sign and deliver the Agreement on behalf of the Kearns Improvement District.

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

Consider Juneteenth National Freedom Holiday:

A Memorandum from Greg Anderson to the Board regarding the Juneteenth National Freedom Day holiday was included in the Board Book. In addition, a red-lined draft of Section 2.1.17, Holidays and Leaves, which is part of KID’s Personnel Policies and Procedures, was included in the Board Book. The proposed amendments add the Juneteenth National Freedom Day as a recognized holiday for KID employees and reduce the number of preference day holidays from 2 to 1. At the end of the discussion, it was moved by Trustee Monson and seconded by Chair Hatch as follows:

That Juneteenth National Freedom Day be recognized as a holiday by KID and that Section 2.1.17, Holidays and Leaves, of the Kearns Improvement District Personnel Policies and Procedures be amended as recommended by staff.

The motion carried with Trustees Hatch and Monson voting “aye” and Trustee Christensen abstaining.

Consider the revisions to Title 2 – Chapter 1 – Administrative Policies and Procedures – Personnel, 2.1.17 Holidays and Leaves, Section F. Unpaid Medical Leave, and Section J. Sick Leave Bank, item 6(c):

The Trustees and staff then turned their attention to proposed edits to Section 2.1.17.F of the District’s Administrative Policies and Procedures, dealing with unpaid medical leave. Greg Anderson explained the proposed amendments and Mark Anderson provided additional information. Trustee Monson noted that the Trustees had concerns about the wording of a sentence dealing with the District continuing to pay insurance benefits. It was agreed that the sentence would be combined with the prior sentence and that the words “provided by the District” would be deleted and replaced with the words “while an employee is on short-term disability”. It was then moved by Trustee Monson and seconded by Trustee Christensen as follows:

That the proposed amendments to pages 2.1-17 and 2.1-32 of the District’s Administrative Policies and Procedures Manual, dealing with unpaid medical leave and the use of the sick leave bank, be approved as discussed.

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

Central Valley Water Reclamation Facility:

A copy of the amended agenda for the Central Valley Water Reclamation Facility Board meeting held on May 25, 2022 was included in the Board Book. Trustee Monson, who represents KID on the Central Valley Board, reviewed and discussed current Central Valley activities. While doing so, he noted the challenges that are caused by supply shortages, particularly concrete shortages. Concrete is being rationed by suppliers. Mr. Woodruff noted that the Devils Slide Plant in Croydon, Utah is producing more concrete powder, but it may take time to work through the backlog. Greg Anderson noted that KID's timing in entering into construction contracts and ordering and purchasing materials has been lucky. Trustee Monson discussed events that could adversely impact Central Valley's ability to land apply treated sludge. Central Valley biosolids are land applied in Fairfield, and Central Valley is working closely with Fairfield City. Finally, Trustee Monson noted that Capstone Strategies is lobbying the state for wastewater funding.

Jordan Valley Water Conservancy District:

A copy of the agenda for the June 8, 2022 meeting of the Jordan Valley Water Conservancy District Board of Trustees was included in the Board Book. Riley Astill, who attended the meeting, reported that the new Water Purchase Contract between KID and Jordan Valley has been approved by the Jordan Valley Board. He also briefly reviewed Jordan Valley's wholesale water rate increases, noting that KID is not the only impacted wholesale customer. Trustee Christensen added that the Jordan Valley Board will hold a truth in taxation hearing to increase Jordan Valley's property tax rate to .0004, which is slightly less than a 10% increase, noting that the Jordan Valley Board wants to avoid a double-digit property tax increase. Trustee Christensen declared that Jordan Valley is sitting on substantial cash reserves, but the reserves will not be used to reduce wholesale water rates. He stated that KID's wholesale water rate increase will be 3.8%.

Utah Association of Special Districts:

A copy of the agenda for the June 2, 2022 UASD Board meeting was included in the Board Book. Greg Anderson, who serves on the UASD Board, reported that Jamie Banh, the Convention Committee and LeGrand Bitter, the UASD Executive Director, are working on the 2022 Convention program. There will be a 5% increase in the cost to attend the Convention. Mr. Anderson explained that Mr. Bitter is coordinating with the National Special Districts Coalition regarding the availability of federal grant money, noting that the Ferguson Group will help districts with grant applications. Applying for and obtaining grants will be the subject of a breakout session during the 2022 UASD Convention. Mr. Anderson noted that the Utah Legislature is looking into the elimination of property taxes for water, which could be detrimental in a number of ways, including losing of the ability to stabilize rates which, in turn, could substantially increase the cost of borrowing. He also noted that the Legislature may consider requiring appointed local district board members to instead be elected. There was a fairly lengthy back and forth discussion between the Trustees and staff concerning these issues.

Kearns Metro Township Council:

The agenda for the next Kearns Metro Township Council meeting was not yet available.

Kearns Community Council:

The agenda for the Kearns Community Council meeting was not available.

Chamber West – Legislative Committee:

The agenda for the June 2, 2022 ChamberWest Legislative Affairs Committee meeting was included in the Board Book. Greg Anderson commented on an upcoming meeting of the Committee.

Trustee Per Diem Report:

A copy of the May 2022 Trustee Per Diem Report was included in the Board Book. Riley Astill briefly reviewed the report with the Trustees.

Adjourn:

There being no further business to come before the Board, Chair Hatch declared the meeting to be adjourned at 8:02 p.m.

Approved by the Board of Trustees of the Kearns Improvement District on the 12th day of July, 2022.

Date: August 9, 2022

Cheryle A. Hatch
Cheryle A. Hatch, Chair

Date: 9 Aug 2022

Gregory R. Christensen
Gregory R. Christensen, Vice Chair

Date: 9 August 2022

Jeff Monson
Jeff Monson, Board Clerk