

**MINUTES OF THE MEETING OF THE
KEARNS IMPROVEMENT DISTRICT (KID) BOARD OF TRUSTEES
HELD SEPTEMBER 9, 2025 AT THE DISTRICT OFFICE
LOCATED AT 5350 WEST 5400 SOUTH, KEARNS, UTAH**

Trustees Present:

Gregory R. Christensen
Cheryle A. Hatch
Jeff Monson

Staff Present:

Greg Anderson, General Manager/CEO
Riley Astill, Finance Director/Controller
James “Woody” Woodruff, Public Works Director/Engineer
Kara Lutz, Director of Administrative Services
Robert Lutz, Director of Operations
Mark H. Anderson, Attorney
Jamie Banh, Manager of Communications, Marketing, & Executive Assistance

Others Present:

Miranda Giles, Resident/Trustee Candidate
Royce Gibson, Resident/Trustee Candidate

Call to Order:

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

Public Comments:

Miranda Giles discussed her internet footprint, including on Facebook. She indicated that KID customer Tina Brown asked about the impact of new development in West Jordan City on current KID customers. Greg Anderson responded, explaining that the City of Kearns, along with portions of West Jordan City and West Valley City and a small part of Taylorsville, are served by the Kearns Improvement District. He acknowledged that a development is being planned west of U-111 that will include approximately 3,000 homes. Before a house is connected to KID’s culinary water and sanitary sewer service lines, impact fees must be paid to KID to help pay for new infrastructure and repay bonds that have been issued to finance infrastructure that will serve the development, which is beneficial to KID and its existing customers.

Approval of Minutes (August 12, 2025):

Two corrections were noted in the minutes: one on page 7 to state that the Jordan Valley Water Conservancy District's new property tax rate is ".000340" and a correction from "2026" to "2025" in a motion on page 8. In response to a question from Chair Christensen, Greg Anderson stated that the statutorily mandated fee that must be assessed by KID and other retail water suppliers in Utah is 3.13 cents per 1,000 gallons, with the fee to be remitted to the Utah Division of Drinking Water, noting that it is more of a tax than a fee. The increased cost to a typical KID residential customer will be approximately 70 cents per month, on average.

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

That the August 12, 2025 KID Board meeting minutes be approved with two changes as discussed.

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

Board Snippet Training – "Rates & Fees – What goes into our Annual Study":

Using a PowerPoint presentation, Riley Astill provided the monthly "snippet" training. He described the magnitude of the District's culinary water distribution and sanitary sewer collection systems, and discussed the cost to replace the pipe. At current rates, it would cost \$2,500,000 per year for 60 years to replace the water system pipe and \$1,500,000 per year for 40 years to replace the sewer system pipe, not including labor or inflation, just the current cost of the pipe. He discussed the District's escalating costs and regulatory requirements that must be satisfied by KID. He explained that KID has hired an outside consultant to "get into the weeds" regarding the service rates and fees that will be required over the next several years. He also discussed the use of accumulated reserves versus the issuance of bonds to pay for capital projects (infrastructure), explaining the need for balance between the two funding sources. Chair Christensen noted that one goal behind systematically replacing old infrastructure is to avoid mainline breaks. Trustee Monson added that, if the District doesn't keep on top of the maintenance and replacement of old water and sewer lines, it will cost more money down the road. The Trustees thanked Mr. Astill for his presentation and for his invaluable service to the District.

Discuss the General Manager's Report:

Greg Anderson discussed highlights from his written monthly Report, a copy of which was included in the Board Book. Among other things, he noted that Malissa DiAnn Pahl, who filed to be a candidate in the upcoming KID Trustee election, has withdrawn her name from the ballot. He reported concerning his "KID's Story" presentation at the Neptune Industries Annual Conference, which was well received, and also mentioned his presentation at a Women of Water event. He reported that redevelopment of the old Kmart property, which is located in the Taylorsville-Bennion Improvement District but can be served more efficiently by KID, has been put on hold, at least for the time being. Mr. Anderson has again been asked

to be presenter at Olympus Insurance Company's Fall Risk Conference. He noted that water usage by KID's customers, compared to last year, is now close to flat (an approximately 2% increase); and that Congressman Burgess Owens' District Director, Casey Saxton, with whom a good relationship has been developed, is a KID customer. Mr. Anderson reviewed the status of communications and interactions with Jordan Valley Water Conservancy District management and Trustees about KID's Water Efficiency Standards Grant Application. Regarding legal matters, Mark Anderson explained an issue with the legal description in the recorded deed for KID's Zone D Pump Station that was discovered by Mr. Woodruff. Mark Anderson is working with a title company to resolve the issue.

Discuss the Communications and Marketing Report:

A copy of Ms. Banh's written monthly Communications/Public Outreach Report was included in the Board Book. Ms. Banh briefly reviewed efforts to launch and promote an EPA WaterSense monthly announcement "Have No Doubt About Drought", the issuance of announcements for the new LocalScapes class on September 16 and that the office will be closed for the Labor Day holiday; interactions with the Engineering Department and the General Manager regarding training registrations and announcements; and Facebook/website postings; in addition to other activities.

Discuss the Public Works Report:

Mr. Woodruff reviewed his written monthly Report, a copy of which was included in the Board Book. In particular, he discussed repeated failures by the contractor to get a portion of the new 5400 South waterline to pass a water quality test, which took four tries and delayed completion of the work. During the delay, KID was required to repair a water leak on the existing 12-inch waterline near 6055 West which would have been abandoned if the 5400 South waterline had passed the first water quality test. He also reviewed issues that have arisen regarding a \$1,000,000 EPA grant for the Kearns Junior High School Waterline Project which, among other things, would enable the District to abandon a waterline that runs under the Junior High School. Contrary to earlier expectations, the grant has not yet officially been approved and communications and EPA staffing issues have arisen.

Mr. Woodruff went into detail regarding the effect of replacing a 16-inch valve on the water use peaking factor that is applicable to KID. The new valve allows KID to control the flow, rather than being at the mercy of the Jordan Valley Water Conservancy District. Last year's peak was approximately 9,000 gallons of water per minute. This year's peaking factor will be dramatically lower, but it may take up to four years to see the full benefit reflected in KID's Jordan Valley wholesale water purchase rate. In response to a question from Trustee Hatch, Mr. Woodruff explained that some fluoride occurs naturally in the water system, but fluoride is no longer being added to KID's water due to a recent change in the law. He explained that the naturally occurring fluoride isn't problematic. In response to a question from Trustee Monson, Mr. Woodruff stated that the District conducts tests for lead and copper and that the levels look good. Additional testing would be required if the lead and copper levels ever were an issue. He noted that prior to and into the 1980s lead solder was used in waterlines, but the use of lead solder has been banned since 1984.

Discuss the Operations & Maintenance Report:

Mr. Lutz reviewed his monthly written Report, a copy of which was included in the Board Book. He noted that 146 miles of sewer pipe has been cleaned so far in 2025, and that work is about done for the year. In response to a question from Trustee Hatch, Mr. Lutz explained that cul-de-sacs are given a high priority for waterline flushing and fire hydrant maintenance. In addition to other activities of his Department, Mr. Lutz stated that the replacement of commercial water meters, yoke valves and setters is on track and noted that one saddle leak and one mainline break were addressed in August. A significant break occurred in the CenturyLink fire suppression waterline in the CenturyLink parking lot. KID staff quickly installed a 4-inch gate valve to isolate the fire suppression line so it could be repaired by CenturyLink's contractor without adversely impacting other water users.

Discuss the Administrative Report:

Ms. Lutz reviewed her monthly written Administrative Report, a copy of which was included in the Board Book. During her Report, she reviewed customer service activities, customer feedback, water conservation efforts and other current Department activities. In particular, she reviewed efforts to update billing statements and reduce postage expense and follow up with a customer whose monthly water bill has increased dramatically since the installation of a new meter. It has been determined that the old water meter was significantly under reading water deliveries to the customer's home, which is common as water meters age. Greg Anderson and Mr. Lutz provided additional information, particularly regarding water pressure reductions and how a cellular tie-in can avoid the necessity of constructing an additional tower to read water meters. As she reviewed the Executive Safety Report, Ms. Lutz highlighted that 14 of 27 KID employees achieved our goal of an 85% higher driving score.

Discuss the Financial Report:

Mr. Astill reviewed highlights from his monthly written Report, a copy of which was included in the Board Book. Mr. Astill noted positive net income variances for July and for year to date through July. He explained that, through July, net operating income was a positive \$3,421,034 compared to a projected deficit of \$928,124, but tempered expectations by noting that timing is partially responsible for the positive numbers. Total water use by KID customers through July of 2025 was approximately 1.5 billion gallons compared to approximately 1.35 billion gallons at the same time last year, which is an approximately 3 percent increase. Some of the increase may be attributed to growth. Mr. Astill responded to a question from Trustee Monson regarding the Statement of Net Position, noting that one of the District's bonds will be paid off in 2027.

Consider the Check Register:

A copy of the July 2025 Check Register, which is a list of all payments made by KID during the month, was included in the Board Book. Mr. Astill responded to questions from

all three Trustees regarding particular payments, with Mr. Lutz, Mr. Woodruff, and Ms. Lutz providing additional input, including an explanation of continuing “auto-pay” overpayments. Ms. Lutz noted that two customer auto-pays have been blocked to prevent continuing large monthly service over-payments. At the end of the discussion, it was moved by Trustee Monson and seconded by Trustee Hatch as follows:

That the July 2025 Check Register be ratified and approved as presented.

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

Consider Training Requests:

There were no new training requests.

Consider Purchases/Costs Over \$50,000:

There were no purchases costing more than \$50,000 to be considered by the Trustees.

Consider Bond Releases/Reductions:

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

Present & Discuss the 2026 Preliminary Budget, Rates, and Fees:

Greg Anderson reviewed highlights from his 2026 KID Budget Memorandum, a copy of which was included in the Board Book, including compliance with H.B. 274, which requires water providers to adjust their tiered rate structures for landscape water use to encourage conservation; a 7.6% wholesale water rate increase imposed by the Jordan Valley Water Conservancy District that will increase KID’s annual payments to Jordan Valley by approximately \$350,000; mandated Central Valley Water Reclamation Facility Sewage Treatment Plant renovation costs of \$525,000,000, of which KID will be responsible for approximately 11%; the new Utah Division of Drinking Water fee; the effect of tariffs on water and sewer pipe price increases; the elimination of anticipated federal and state grant funding; inflation; modest anticipated insurance premium increases; KID’s eligibility for water conservation grants from the Jordan Valley Water Conservancy District; upcoming capital facility projects; and a proposed 2% increase in single family residential water use rates and a 6% increase in sewer rates.

Riley Astill then reviewed the 2026 Preliminary Budget, including an overview of the budgeting process; a summary of the Budget (revenue, expenses, etc.); and the Capital Budget. A copy of Mr. Astill’s presentation materials was included in the Board Book. Mr. Astill’s review included the proposed 2026 rate and fee structure. During his presentation, Mr. Astill responded to questions from all three Trustees, with Mr. Woodruff and Mr. Lutz providing additional information. After being recognized by the Chair, Royce Gibson commented on a recent conference dealing with the Great Salt Lake.

Consider the Update of Title 2 – Chapter 4 Administrative Policies and Procedures Drug-Free Workplace:

A redlined copy, to highlight suggested edits, of the District’s Drug-Free Workplace Policies and Procedures was included in the Board Book. Chair Christensen raised questions and made suggestions regarding the wording of the Policy, after which it was moved by Trustee Hatch and seconded by Trustee Monson as follows:

That Updated Title 2 – Chapter 4 of the District’s Administrative Policies and Procedures entitled “Drug-Free Workplace” be approved as discussed, subject to a review by KID’s General Manager and attorney and the inclusion of their edits.

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

Consider the Update of Title 1 – Chapter 1 Administrative Policies and Procedures Organization and Management:

A redlined copy (to highlight suggested deletions and insertions) of KID’s Organization and Management Policy was included in the Board Book. In addition to the highlighted edits, it was agreed that specified language would be deleted from Subsection 1.1.3B on page 2 and that staff would work on Section 1.1.6, CONTROLLER, and Section 1.1.12, RETIREMENT BENEFITS, particularly regarding Tier 2 benefits, and that this agenda item would be tabled for further consideration during a subsequent Board meeting.

Central Valley Water Reclamation Facility:

Trustee Hatch, who is KID’s representative on the Central Valley Water Reclamation Facility Board, reported on highlights from the August 27, 2025 Central Valley Board meeting agenda, a copy of which was included in the Board Book. Among other things, she noted a feature story in a national magazine and an investigative day trip to San Diego to observe capital improvement projects.

Jordan Valley Water Conservancy District:

A copy of the agenda for the September 10, 2025 Jordan Valley Board of Trustees meeting was included in the Board Book. There was no discussion.

Utah Association of Special Districts:

A copy of the September 4, 2025 UASD Board of Trustees meeting agenda was included in the Board Book.

Kearns City Council:

Trustee Hatch reported concerning a recent Kearns City Council meeting that included emergency planning, including the adoption of a multi-jurisdiction hazard plan; a PTA President’s report; a code enforcement concern presented by an elderly couple; an announcement of the retirement of Pam Roberts as General Manager of the Wasatch Front Waste & Recycling District and the appointment of a new General Manager; community activities; and the Police Chief’s recognition of Mayor Kelly Bush.

Kearns Community Council:

A copy of the agenda of the September 2, 2025 Kearns Community Council meeting was included in the Board Book. Trustee Monson reported highlights from that meeting, including a report that the Unified Police Department has signed a five year extended lease, and some of the leased space may become a City office; an update on an Olympic “Listening Tour” involving the world-class speedskating oval in Kearns; economic development; and traffic and parking matters. During the discussion, Greg Anderson stated that Congressman Owens’ office could help with the Hometown Heros for 2025 community involvement. Chair Christensen noted that the Community Council has no funding and no real power.

Chamber West – Board of Directors, Board of Governors & Legislative Affairs:

A copy of the Chamber West Legislative Affairs Committee agenda for September 4, 2025 was included in the Board Book.

Trustee Per Diem Report:

A copy of the Trustee Per Diem Report, through August of 2025, was included in the Board Book.

Adjourn:

There being no further business to come before the Board, Chair Christensen declared the meeting to be adjourned at 8:50 p.m.

Approved by the Board of Trustees of the Kearns Improvement District on the 21st day of October, 2025.

Dated: November 18, 2025 by /s/ Gregory R. Christensen, Chair

Dated: November 18, 2025 by /s/ Jeff Monson, Vice-Chair

Dated: November 18, 2025 by /s/ Cheryle A. Hatch, Board Clerk