

**MINUTES OF THE MEETING OF THE
KEARNS IMPROVEMENT DISTRICT (KID) BOARD OF TRUSTEES
HELD NOVEMBER 9, 2021, AT THE DISTRICT OFFICE
LOCATED AT 5350 WEST 5400 SOUTH, KEARNS, UTAH**

Trustees Present:

Jeff Monson
Cheryle A. Hatch
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
Frank deJong, Assistant Operations Manager
Mark Larson, System Operator IV
Bracken Hanson, System Operator IV
Eric Reid, Operator III

Others Present:

AWWA – IMS¹ Leadership Forum Participants (via ZOOM)

Call to Order:

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

Public Comments:

There were no public comments.

Approval of Minutes (Regular Meeting, October 12, 2021):

Trustee Christensen pointed out a correction on page 5 of the minutes relating to the proposed service fee increases. It was then moved by Trustee Christensen and seconded by Trustee Hatch as follows:

That the October 12, 2021, Board meeting minutes be approved as corrected.

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

¹ American Waterworks Association – Intermountain Section

Board Training – Fire Hydrant Maintenance:

Mark Larson provided an excellent overview respecting the District’s fire hydrants, including fire hydrant repair, maintenance, and placement. At the end of his presentation, Greg Anderson praised Mr. Larson as a valuable District employee and Chair Monson expressed the Board’s appreciation.

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. Among other things, he reported on two District employees who contracted COVID-19, one of whom is very ill; reviewed plans for the employee holiday party; reported on the sale of salvaged equipment, including a concrete pumper; reported on WEFTEC, which was attended by Public Works management and Chair Monson; and reported on the recent Utah Association of Special Districts (“UASD”) Convention at which Trustee Christensen received the 2021 Distinguished Board Member Award and KID’s retired General Manager, Pamela Gill, received the Vernon B. Carr Lifetime Service Award (which is the highest honor bestowed by UASD) and thanked Jamie Banh for her work as Chair of the UASD Convention Committee and Riley Astill for his service as UASD Treasurer. During his presentation, Mr. Anderson responded to questions from Chair Monson regarding the number of KID employees who remain unvaccinated and employee vacancies that need to be filled. In response to a question from Trustee Christensen, Greg Anderson discussed excessive cracking in the floor of the Zone D Water Tank. Two concrete cores were tested to determine why the cracking occurred, revealing that the concrete heated up too quickly (the concrete pour took place during the hottest part of the Summer). The contractor, Gerber Construction, is working with Hansen Allen & Luce, the District’s engineering consultants, to identify and implement a solution. A concrete water tank that was poured the same week in West Jordan City experienced the same issue.

Riley Astill reviewed his monthly Financial Administration Report, a copy of which was included in the Board Book, noting that the District is doing very well financially compared to the 2021 Budget.

It being almost time for the District’s 2022 Tentative Budget and fee increase public hearings to commence, Chair Monson interrupted Mr. Astill’s presentation. The public hearings, which were combined as allowed by law, were advertised to start at 6:00 p.m.

Budget Hearing and Fee Increase Hearing:

At 6:00 p.m., Chair Monson declared the public hearings to be open. Greg Anderson explained that the Board was not expected to approve the 2022 Budget, or the fee increases that are included in the Budget until the December Board meeting. That will give the Trustees time to digest the Budget and fee increase information and consider any public comments that might be received during the public hearings. He noted that 4% water service and 7.86% sewer service fee increases are included in the 2022 Budget. The combined increases are expected to cost a typical

residential customer an additional \$4.59 per month. Mr. Anderson reviewed the factors behind the proposed rate increases, including a 3.7% wholesale water rate increase imposed by the Jordan Valley Water Conservancy District that is expected to cost the District an additional \$170,250 next year; a 219% increase in treatment and bond expenses required for the Central Valley Water Reclamation Facility, which will cost KID approximately \$3,277,657 more in 2022 than in 2021; a 6.5% increase in KID salaries, benefits and employment taxes that will total approximately \$220,490; and increased costs of services and materials that must be purchased by the District. The increased costs will be offset a bit by cash flow savings of \$101,127.05 per year for the next 13 years resulting from the 2021 refinancing of KID bonds. Greg Anderson also reviewed employee health insurance coverage options, recommending that the Board approve the PEHP COVID vaccination plan that will result in a premium rate increase of only 3.4%, but unvaccinated employees will be responsible to pay an additional monthly out of pocket premium that results from their unvaccinated status. Mr. Anderson then turned time over to Riley Astill to review the 2022 Tentative Budget, the Rate Study and proposed water and the sewer rate increases.

Mr. Astill reviewed the proposed fee increases first and then discussed the 2022 Tentative Budget. Since the Trustees had already seen and reviewed the Tentative Budget, Mr. Astill concentrated on changes made since the last review. During the discussion, Chair Monson stressed cost savings totaling more than 2.6 million dollars. Greg Anderson declared that he is “thrilled” with the effort of the District’s work crew in finding and correcting water leaks, resulting in KID operating one of the two lowest water loss systems in the state (Orem City being the other system). In particular, Mr. Anderson praised Bracken Hanson for being a key employee insofar as the integrity of the District’s water system is concerned. In response to a question from Trustee Hatch, Greg Anderson explained that four employees on the District’s health insurance plan have not been vaccinated against COVID. Trustee Hatch stated that she is not an advocate for the proposed PEHP plan because she is pro personal choice. Greg Anderson noted that hepatitis vaccinations are required as a safe workplace mandate, and that PEHP reported that 5% of its claim’s costs are directly related to COVID. Chair Monson added that choices have consequences.

At the end of the discussion, Chair Monson opened the floor to public comments and questions. There being no questions or comments from members of the public, Chair Monson declared the public hearings to be closed at 6:41 p.m. Trustee Christensen expressed appreciation for the work and effort that went into preparing the 2022 Budget.

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

Riley Astill continued his monthly Administrative/Financial Report, calling attention to the significant decline in per customer water use compared to 2020. Trustee Christensen noted that, even with recent precipitation, Utah is still in a drought.

James Woodruff reviewed his monthly Public Works Report, a copy of which was included in the Board Book. As he reviewed the ongoing 2021 capital improvement projects, he noted that the roof of the Zone D-5 MG Tank will be poured early in December and touched on high points concerning other capital improvement projects.

Consider Check Register:

A copy of the September 2021 Check Register, which is a list of all checks issued and direct deposits made during the month, was included in the Board Book. After Mr. Astill responded to questions from each of the Trustees respecting particular expenditures, it was moved by Trustee Hatch and seconded by Trustee Christensen as follows:

That the September 2021 Check Register be ratified and approved as presented.

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

Consider Financial Report:

The Financial Report, which consists of a series of reports, including the Statement of Net Position, the Statement of Revenues & Expenses, the Customer Service Report, and the Executive Safety Report, was included in the Board Book. Mr. Astill hit on high points in several of the reports, one of which was that no customer complaints were received during the month.

Consider Training Requests:

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

Consider Purchases/Costs Over \$50,000:

James Woodruff presented Contractor’s Application for Payment No. 8 from Gerber Construction, Inc. for work on the Zone D 5MG (million gallon) Tank completed and inspected during the month of October 2021 in the total amount of \$332,566.50, less a 5% retention of \$16,628.33, leaving a net payment due of \$315,938.18. In response to a question from Mark Anderson, Greg Anderson confirmed that the cumulative 5% retention amounts will be sufficient to cover punch list items, including correcting the cracking in the floor of the Tank. It was then moved by Trustee Hatch and seconded by Trustee Christensen as follows:

That Application for Payment No. 8 presented by Gerber Construction, Inc. for work on the Zone D 5 MG Tank be approved for payment in the amount of \$315,938.18.

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

Mr. Woodruff then presented a payment request and invoice from Whitaker Construction Co., Inc. for work on the 6200 South Booster Pump Station completed and inspected during the month of October 2021 in the total amount of \$201,236.10, less 5% retention amount of \$10,061.80, leaving a net amount due of \$191,174.30. Mr. Woodruff recommended that the invoice be approved for payment. It was moved by Trustee Christensen and seconded by Trustee Hatch as follows:

That the invoice (Application for Payment No. 3) from Whitaker Construction Co., Inc. for work completed and inspected during the month of October 2021 be approved for payment in the net amount of \$191,174.30.

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

On February 9, 2021, the Board approved the purchase of a valve exerciser truck consisting of three main components: a valve exerciser kit, a truck, and a flatbed (in addition to the installation of a lightbar and radio) for a total cost of \$123,298.04. Riley Astill explained that the valve exerciser kit and the flatbed have been delivered but, due to supply-chain shortages, the Dodge truck (costing \$45,208) has not been built, nor can a delivery date be promised. The dealership offered the District another vehicle, a Ford F-550 truck that was on the lot and available for immediate purchase under a State Contract, but at a cost of \$4,889 more than the Dodge truck. The Ford truck comes with a safety package that includes anti-collision, auto braking and lane departure safety features. The safety package accounts for part of the cost increase, with the balance of the increase being due to supply-chain shortages. After consulting informally with the Trustees, management purchased the F-550. The flatbed and the valve exerciser kit have been installed and the truck is now operational.

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

That the purchase of the Ford F-550 truck, and the resulting cost increase for the valve exerciser truck package, be ratified and approved.

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

Consider Bond Releases/Reductions:

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

Discuss/Consider 2022 Board of Trustees Meeting Calendar:

A copy of the Public Notice for the 2022 KID Board meeting schedule was included in the Board Book, with all meetings to be held in the Board room at the District office commencing at 5:30 p.m. on the following dates: January 11, February 8, March 15, April 12, May 10, June 7, July 12, August 9, September 13, October 18 (Tentative Budget), November 15 (Budget hearing) and December 13. After a brief discussion, it was moved by Trustee Hatch and seconded by Trustee Christensen as follows:

That the 2022 meeting schedule be approved as presented.

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

Discuss/Consider Increase in Water Purchase Contract with JVWCD:

A memorandum from Greg Anderson outlining a proposal for KID to increase its wholesale take or pay water purchase contract with the Jordan Valley Water Conservancy District (JVWCD) from 7,000-acre feet with an overage allowance of an additional 25% to either 7,500- or 7,750-acre feet per year with an overage allowance of an additional 20%. The Board previously discussed this proposal and took it under advisement for later consideration. Trustee Christensen noted that KID has had the lowest per capita per day water usage of any Jordan Valley wholesale water customer during each of the past ten years. Following a back-and-forth discussion among the Trustees and staff, it was moved by Trustee Christensen and seconded by Trustee Hatch as follows:

That KID management be authorized to negotiate an increase in KID’s take or pay water purchase contract with the Jordan Valley Water Conservancy District to increase KID’s commitment to 7,750-acre feet per year as discussed.

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

Consider Addendum to Consultant Task Order No. 8 with Bowen, Collins & Associates:

A Memorandum from James Woodruff respecting Bowen, Collins & Associates Task Order 8-01 for a KID SCADA Network Study - Amendment 1. Bowen, Collins & Associates provided a scope of services for the SCADA Radio Site Survey, which will include purchasing two radios and completing a radio network review of approximately 30 sites to identify the best solution for each radio pathway. The engineers will measure the signal strength between each remote site and the proposed access points and will confirm the type of units that can communicate best with the proposed radios. The consultant will complete the work within three months. Mr. Woodruff explained that Bowen, Collins & Associates prepared the original study, and the Board essentially is being asked to approve an amendment to that contract. After Greg Anderson responded to a question from Trustee Christensen, it was moved by Trustee Christensen and seconded by Trustee Hatch as follows:

That Amendment Number 1 to Task Order 8 under the Bowen, Collins & Associates Engineering Services Contract with the District be approved in the not to exceed amount of \$27,791, resulting in a revised contract maximum not to exceed limit of \$82,447.

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

Consider Providing Sewer Service to 4700 South/4000 West Property Located within the GHID Service Boundaries:

A memorandum from Greg Anderson respecting a request that KID serve property located at the corner of 4700 South and 4000 West, which is in the Granger Hunter Improvement District (GHID) adjacent to KID’s boundary. The property owner is expected to build an El Pollo Loco Restaurant. Because GHID’s sewer lines do not extend to 4700 South on 4000 West, the property owner and GHID have asked KID to provide sewer service under an existing Interlocal

Cooperation Agreement between KID and GHID. The Trustees requested information concerning how other businesses in the area are currently receiving sanitary sewer service. Mark Anderson recommended that the General Manager be authorized to find out details concerning why this request is being made and be authorized to approve the service request if he determines that a time delay would be detrimental. Following further discussion, it was moved by Trustee Hatch and seconded by Chair Monson as follows:

As long as it would not place an undue burden on the Kearns Improvement District, that the General Manager be authorized to obtain additional information and to finalize and approve the request to provide sewer service to the property at the corner of 4700 South and 4000 West conditioned upon the General Manager determining that the approval is time critical.

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

Discuss and Consider Imminently Threatened Litigation – possible closed meeting:

There was no need for the meeting to be closed.

Central Valley Water Reclamation Facility:

The October 27, 2021, Central Valley Board meeting agenda was included in the Board Book. Trustee Hatch, who is KID’s representative on the Central Valley Board, reported concerning current Central Valley activities, including capital improvement projects that have resulted in a marked reduction in solids that have to be transported to the landfill (down from two to three dumpster loads per week to one dumpster load per one- and one-half weeks). Greg Anderson praised Trustee Hatch for her questions and thoughtfulness as a Central Valley Board member.

Jordan Valley Water Conservancy District:

A copy of the November 10, 2021, Jordan Valley Board meeting agenda was distributed to the Trustees and staff. Trustee Christensen also serves on the Jordan Valley Board. He explained that some wholesale customer agencies are short under their take or pay contracts (having taken less water than their contractual take or pay contract commitments). Wholesale customers are allowed a 5% carry forward when they take less water than their take or pay contracts require. However, that may be problematic during a drought. Trustee Christensen reported that Ivory Homes has bought in to Jordan Valley’s landscaping standards rebate program.

Utah Association of Special Districts:

The agenda of the October 29, 2021, Utah Association of Special Districts Board of Trustees meeting was included in the Board Book. Greg Anderson, who serves on the UASD Board of Trustees, reported concerning the recent very successful UASD Convention. He noted that, due to retirement, Tage Flint’s General Manager position at the Weber Basin Water

Conservancy District is being advertised and Mr. Flint will no longer qualify to serve on the UASD Board. Chair Monson again expressed his appreciation to Jamie Banh, UASD Convention Committee Chair, for a very successful Convention.

Kearns Metro Township Council:

Trustee Hatch briefly reviewed the November 8, 2021, Kearns Metro Township Council agenda, a copy of which was distributed to the Trustees and staff, hitting high points related to current Metro Township Council activities.

Kearns Community Council:

Chair Monson reported concerning a recent, sparsely attended, Community Council meeting. Highlights included discussing a one-year birthday party for the Kearns Library; a report that the KID's Café is now serving 70 to 90 meals per day; the announcement of an award from the Utah Parks and Recreation Association; and a discussion of the effort by police officers to be more visible in Kearns neighborhoods.

Trustee Per Diem Report:

A copy of the October 2021 Trustee Per Diem Report was included in the Board Book.

Adjourn:

There being no further business to come before the Board, after expressing the Board's appreciation to KID's staff, Chair Monson declared the meeting to be adjourned at 8:05 p.m.

Approved by the Board of Trustees of the Kearns Improvement District on the 14th day of December 2021.

Dated: December 14, 2021 by /s/ Jeff Monson, Chair

Dated: December 14, 2021 by /s/ Cheryle A. Hatch, Vice-Chair

Dated: December 14, 2021 by /s/ Gregory R. Christensen, Board Clerk