

**MINUTES OF THE MEETING OF THE
KEARNS IMPROVEMENT DISTRICT (KID) BOARD OF TRUSTEES
HELD NOVEMBER 12, 2024 AT THE DISTRICT OFFICE
LOCATED AT 5350 WEST 5400 SOUTH, KEARNS, UTAH**

Trustees Present:

Gregory R. Christensen
Jeff Monson
Cheryle A. Hatch

Staff Present:

Greg Anderson, General Manager/CEO
Riley Astill, Finance Director/Controller
Kara Lutz, Director of Administrative Services
Mark H. Anderson, Attorney
Jamie Banh, Manager of Communications, Marketing, & Executive Assistance
Craig Fjelstrom, Assistant Controller
Mark Kelly, Meter System Specialist

Staff Excused:

James “Woody” Woodruff, Public Works Director/Engineer

Others Present:

Bryon Elwell, Elwell Consulting Group (via ZOOM)

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 Riley Astill and the pledge of allegiance was led by Greg Anderson.

Public Comments:

There were no public comments.

Approval of Minutes (October 8, 2024):

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

That the October 8, 2024 Board meeting minutes be approved as presented.

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

Board Training - “Update – New Meter Installation & Advanced Metering Infrastructure (AMI) Billing”:

The “snippet” Board training was provided by Mark Kelly and Craig Fjelstrom. Mr. Kelly discussed the installation of new water meters throughout the District’s service area and Mr. Fjelstrom reviewed the reports that can be generated as a result of the advanced metering infrastructure, including monthly, daily and hourly water usage reports for individual water meters that can be accessed through the customer portal on the District’s website. Mr. Kelly and Mr. Fjelstrom responded to questions from the Trustees, as did Kara Lutz. Greg Anderson reviewed a letter of commendation addressed to Mr. Fjelstrom and Mr. Kelly, both of whom went above and beyond their duties to complete and coordinate the KID meter replacement project. As a result, 14,380 water meters are now being read and reported by the new automatic read infrastructure towers. The total cost to purchase and install the meters, using KID’s work crew, was \$4,778,078, compared to an outside contractor bid of \$5,805,098, resulting in total savings to the District of over \$1,000,000. Bracken Hansen, Gloria Rios, Robert Maxwell, Jordan Dall, and Linson Terrell were also singled out for their consistent participation in the project. The letter of commendation concluded: “It is with deep gratitude that we recognize these men and women of KID that accomplished this monumental task, mostly after hours, efficiently, economically, all the while exhibiting and demonstrating a caring attitude to our customers.”

Discuss the General Manager’s Report:

Greg Anderson reviewed his written monthly Report, a copy of which was included in the Board Book. Among other things, he provided information about the potential reorganization of the Jordan Valley Water Conservancy District Board of Trustees, with input from KID management; a response to KID’s impact fee demand letter from Hexcel Corporation; the presentation of “KID’s Story” at the Utah Water Law Conference in Salt Lake City; General Manager interviews with KID’s staff and management teams; and Lead and Copper Rule finalization documentation, with no lead or copper having been detected in KID’s system, including showing a short video produced by Le Debut that will notify KID’s customers of the positive findings. Mr. Anderson also reviewed ongoing efforts, with the support of Congressman Owens and Kearns’ Mayor Bush, to obtain a \$200,000 FEMA (Federal Emergency Management Agency) BRIC (Building Resilient Infrastructure and Communities) Grant to study power generation alternatives to reduce water system risks associated with natural disasters; and efforts, along with the City of Kearns, to use a \$70,000 grant to upgrade a portion of the Office Pump Station Emergency Generator System. Mr. Anderson’s written report included a letter addressed to the General Manager of the Jordan Valley Water Conservancy District regarding water conservation undertaken by KID, which resulted in the lowest per capita water use in the entire Jordan Valley service area.

Public Hearing – 2025 Budget:

Following a short break, Chair Christensen declared the 2025 Budget Public Hearing to be open at 6:00 p.m. A copy of the proposed 2025 Budget, together with back up documentation and information, was included in the Board Book and figured prominently in the public hearing. Mr. Astill reviewed the documentation and responded to questions from the Trustees. In particular, Mr. Astill pointed out that it will be necessary to take \$5,956,112 from reserves to balance the 2025 Budget, as planned; and noted that the District is now fully staffed. Capital reserve funds will be used to cover KID's share of the Central Valley Water Reclamation Facility Wastewater Treatment Plant capital charges. Mr. Astill also reviewed the proposed rates and fees that were included in the 2025 Tentative Budget.

When the Chair requested public comments, Bryon Elwell asked about bonds being issued by Central Valley to cover the cost of capital infrastructure projects. In response, it was noted that KID is using its cash reserves to avoid having to participate in Central Valley's bonds, which will result in very substantial interest cost savings for KID and KID's customers over the life of the Central Valley bonds.

There being no more public comments, Chair Christensen declared the public hearing to be closed at 6:13 p.m.

Discuss the General Manager's Report:

The public hearing having concluded, the discussion returned to the General Manager's Report, with Jamie Banh reviewing her Communications/Public Outreach Report. She noted that the Utah Division of Purchasing is moving away from SciQuest to a new program called Bonfire, where Ms. Banh places bid notices for KID's construction projects. She also mentioned the mandate from the Department of Justice for online records to be ADA compliant as of July of 2024. Ms. Banh had already spent more than 50 hours modifying PDF documents on KID's website to bring them into compliance, with additional work yet to be completed.

Greg Anderson then reviewed his October 21, 2024 letter addressed to the Jordan Valley Water Conservancy District (JVWCD) management team regarding JVWCD Conservation Plan Review/Public Input. Among other things, the letter suggested a tiered wholesale water rate to reward Jordan Valley's wholesale customers that have lower per capita water usage; recommended against spending upwards of a million dollars per year to maintain Jordan Valley's water conservation garden, the benefit of which appears to be marginal; recommended best management practices and programs, such as bilingual water conservation education, more effective educational exhibits, more effective use of plumber vouchers, recognition of water conservation efforts, focusing on outdoor water use at institutional properties; and stressed enhancing the education of legislators. Mr. Anderson stated that Jordan Valley's management team is listening, but they are resistant in some areas.

Discuss the Public Works Report:

A copy of James Woodruff’s monthly Public Works Report was included in the Board Book. Mr. Woodruff being excused from the meeting, Greg Anderson responded to questions from the Trustees, with Ms. Lutz providing additional information.

Discuss the Administrative Report:

A copy of Ms. Lutz’s Administrative Report was included in the Board Book. Among other subjects, Ms. Lutz announced that Elizabeth Martinez is the new Customer Service Supervisor and Brenda Alonso has advanced to the Customer Service II position; and she responded to questions from all three Trustees.

Discuss the Financial Report:

Riley Astill’s monthly Financial Report was included in the Board Book. He described September as another “good month” with positive net income of \$879,330, and noted that year to date net income, through the end of September, compared very favorably with the District’s Budget. KID’s water conservation efforts and accomplishments were the high point of Mr. Astill’s report.

Consider the Check Register:

Riley Astill responded to a series of questions from Trustee Monson regarding specific expenditures, and Greg Anderson provided additional information, with Trustee Hatch and Chair Christensen also participating in the discussion. Two “fictitious checks” were identified and deleted from the Check Register, which resulted in a reduction in the Check Register total.

At the end of the discussion, it was moved by Trustee Hatch and seconded by Trustee Monson as follows:

That the September 2024 Check Register, which is a list of all expenditures made during the month, be approved as corrected and amended.

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

Consider Training Requests:

Information regarding the AWWA/WEF (American Water Works Association/Water Environment Federation) Utility Management Conference 2025 that will be held in Dallas, Texas from February 11 to February 14, was included in the Board Book. Greg Anderson recommended the approval of three staff members and three Trustees to attend the Conference.

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

That three staff members and three Board members be approved to attend the AWWA/WEF Utility Management Conference from February 11 through February 14, 2025 at District expense.

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

Consider Purchases/Costs Over \$50,000:

There were no purchases to be considered by the Board.

Consider Bond Releases/Reductions:

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

Consider Setting Public Hearing for 2025 Water and Sewer Rates and Fees:

Greg Anderson explained that, due to an anomaly in the law (seven days versus thirty days required public notice), it was deemed to be prudent to hold the fee increases/new fees public hearing during the December Board meeting. A notice of the public hearing to be held on December 10, 2024 commencing at 6:00 p.m., signed and issued by Riley Astill as KID's Clerk, was included in the Board Book. After the explanation, it was moved by Trustee Monson and seconded by Trustee Hatch as follows:

That a public hearing to consider the District's 2025 water and sewer fee increases and new fees be held on December 10, 2024 commencing at 6:00 p.m. in the Board room at the District office located at 5350 West 5400 South, Kearns, Utah.

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

Discuss & Consider 2025 Board of Trustees Meeting Schedule:

A 2025 Kearns Improvement District calendar, showing holidays, training conferences, and Board meetings, was included in the Board Book. After reviewing and discussing the calendar, it was moved by Trustee Monson and seconded by Trustee Hatch as follows:

That the 2025 meeting schedule of the Kearns Improvement District Board of Trustees be approved as presented, with all meetings to be held at the District administrative office, 5350 West 5400 South, Kearns, Utah, commencing at 5:30 p.m.

The motion carried with Trustees Christensen, Monson and Hatch each voting in the affirmative. Regular 2025 Board meetings will be held on the following dates: January 14, February 18, March 18, April 15, May 13, June 17, July 8, August 12, September 9, October 14 (Tentative Budget), November 18 (Budget & Fee Increase Hearing), and December 9.

Discuss & Consider 2025 Training Snippet Topics for Board of Trustees Meetings:

The Trustees and staff reviewed suggested topics for the 2025 snippet trainings, a copy of which was included in the Board Book. The Trustees agreed that the “2025 Conservation Update” should be presented in February, rather than October, with other training subjects to be shifted down by one month. It was then moved by Trustee Hatch and seconded by Trustee Monson as follows:

That the 2025 snippet training topics be approved as presented, with one adjustment as noted.

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

Discuss JVWCD Trustee Boundary Realignment & Assignment Adjustment:

Greg Anderson presented a PowerPoint presentation dealing with the subject, after which he reviewed a letter dated November 13, 2024 addressed to the Jordan Valley Water Conservancy District Board of Trustees expressing KID’s support for proposed Division 9, which includes land within the Granger Hunter Improvement District, the Taylorsville-Bennion Improvement District, the Magna Water District, and the Kearns Improvement District, with Corey Rushton, the current Chair of the Jordan Valley Water Conservancy District Board of Trustees, to represent proposed Division 9, which collectively will be the “largest purchaser of contracted water from JVWCD”. The letter also recommends that the municipal nominating entities give deference to candidates recommended by the named improvement districts (which may require a statutory change).

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

That the Board of Trustees of the Kearns Improvement District fully supports Greg Anderson’s November 13, 2024 letter regarding the realignment and reassignment of Jordan Valley Water Conservancy District Trustees.

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

Discuss Final SB34 Water Infrastructure Funding Study:

Greg Anderson presented a discussion of the final SB34 Water Infrastructure Funding Study during the final session of the recently completed Utah Association of Special Districts Convention, which was attended by all three KID Trustees. Consequently, this agenda item was not needed.

Consider Award of 5400 South Water Line Replacement Construction Contract:

A memorandum from James Woodruff, dealing with bids for the 5400 South Water Line Replacement Project, was included in the Board Book. As stated in the memorandum, “it has been determined that Spade Excavating was the low bidder on the project and is approved by the EPA to construct this project”. Bids were also submitted by Lyndon Jones Construction, Noland & Son Construction, VanCon Construction, and Whittaker Construction. After a brief discussion, it was moved by Trustee Hatch and seconded by Trustee Monson as follows:

That a contract for the 5400 South Water Line Replacement Project be awarded to Spade Excavating in the amount of \$3,171,505, that the General Manager be authorized to sign the contract documents, and that a notice to proceed be issued.

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

Central Valley Water Reclamation Facility:

Due to the lateness of the hour, Chair Christensen requested that only important information be provided regarding outside agencies.

Trustee Hatch noted that the Central Valley Challenge Team placed 7th out of 20 participants in their division, and individual team members also received awards at Nationals. Greg Anderson added that, after several years of trying, the developers of the Central Valley Golf Course have “pulled out” of the undertaking.

Jordan Valley Water Conservancy District:

The Jordan Valley Water Conservancy District was discussed earlier during the Board meeting.

Utah Association of Special Districts:

A copy of the October 25, 2024 UASD Board meeting agenda was included in the Board Book. The UASD Convention was discussed earlier during the Board meeting.

Kearns City Council:

Trustee Hatch briefly reviewed highlights from the October 15, 2024 City Council meeting agenda, a copy of which was included in the Board Book, noting that ordinances and agreements were approved, Greg Anderson provided an update regarding KID, grants have been received for after school programs, the Unified Fire Authority has a new ladder truck, and “Christmas on 54th” was being planned.

Kearns Community Council:

There was no report.

ChamberWest – Board of Directors, Board of Governors & Legislative Affairs:

A copy of the November 7, 2024 Legislative Affairs Committee agenda was included in the Board Book.

Trustee Per Diem Report:

A copy of the October 2024 Trustee Per Diem Report 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 7:59 p.m.

Approved by the Board of Trustees of the Kearns Improvement District on the 10th day of December, 2024.

Dated: December 11, 2024 by /s/ Gregory R. Christensen, Chair
Dated: December 11, 2024 by /s/ Jeff Monson, Vice-Chair
Dated: December 11, 2024 by /s/ Cheryle A. Hatch, Board Clerk