

**MINUTES OF THE MEETING OF THE
KEARNS IMPROVEMENT DISTRICT (KID) BOARD OF TRUSTEES
HELD DECEMBER 10, 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
James “Woody” Woodruff, Public Works Director/Engineer
Kara Lutz, Director of Administrative Services
Mark H. Anderson, Attorney
Jamie Banh, Manager of Communications, Marketing, & Executive Assistance
Wahid Sujudi, Engineering Specialist/Inspector
Frank deJong, Assistant Operations Manager

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 James Woodruff.

Public Comments:

There were no public comments.

Approval of Minutes (November 12, 2024):

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

That the November 12, 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 Private Development in the District”:

Using a Power Point presentation, Wahid Sujudi provided an update on new and ongoing private development within the District. He discussed each new subdivision,

reviewed other development activities, and responded to questions from all three Trustees. In response to a question, he explained that he checks on the progress of each development every day or two. At the end of his presentation, the Trustees expressed their appreciation, both for his presentation and for Mr. Sujudi's service to the District and its customers.

Discuss the General Manager's Report:

Greg Anderson reviewed his written monthly Report, a copy of which was included in the Board Book. Mr. Anderson referred to a letter that was approved by the KID Trustees last month, expressing KID's support for and concerns about the reorganization of the Jordan Valley Water Conservancy District Board of Trustees. Mr. Anderson read the letter to the Jordan Valley Trustees during their Board meeting. Mr. Anderson also discussed the upcoming 2025 Water Conservation Art Contest. He then asked Jamie Banh to present her Communications/Public Outreach Report, a copy of which was included in the Board Book.

Ms. Banh mentioned her coordination with Kara Lutz regarding a spreadsheet of public communication materials, including door hangers, emails and brochures that have been produced for KID; reported that the District's surplus 2009 GMC mini dump truck has been sold for \$21,000; reviewed ongoing efforts to ensure that the District's website is ADA compliant, including cleaning up KID's prior Board meeting minutes and a system that will apply to posting future Board meeting agendas; highlighted promotional posters that are doing a "great job" in getting the word out; mentioned the distribution of a notice to the Trustees, local legislative representatives, and neighboring districts regarding KID's Lead and Copper Rule announcement, and congratulations received from the Division of Drinking Water (KID is a "poster child" regarding Lead and Copper Rule compliance, as far as the Division is concerned).

Discuss the Public Works Report:

Mr. Woodruff reviewed his written November 2024 Public Works Report, a copy of which was included in the Board Book, and responded to questions from Trustees Christensen and Monson.

Public Hearing – 2025 Water and Sewer Rates and Fees:

It being 6:00 p.m., the time advertised for the public hearing, agenda item IV was taken out of order, and Chair Christensen declared the public hearing to be open. Riley Astill reviewed and discussed the proposed rates and fees, noting that Mark Anderson suggested clarifications, which have been added to the schedule. Mark Anderson commented on the clarifications, and Mr. Astill discussed the District's need for the proposed service fee increases and new fees.

Chair Christensen then requested public comments. Mr. deJong asked a question regarding service shutoffs, which prompted a back-and-forth conversation between the Trustees and staff.

There being no further public comments, Chair Christensen declared the public hearing to be closed.

Discuss the Administrative Report:

Kara Lutz reviewed her written Administrative Report, a copy of which was included in the Board Book. Of note, she recognized Mark Kelly for passing his Operator IV Water Distribution test, and reviewed the workload of her Customer Service staff of six, who handle more than 1,000 telephone calls each month. Among other things, she also reviewed the Investment/Reserves Report and the Executive Safety Report, and responded to questions from the Trustees.

Discuss the Financial Report:

Mr. Astill reviewed his written Administrative/ Financial Report, a copy of which was included in the Board Book, noting a positive October net income variance (actual versus budgeted) of \$86,833. He credited positive year to date net income of \$1,369,026, in part, to delays in Central Valley Water Reclamation Facility capital projects for which KID will be required to pay its proportionate share. He also discussed the water usage summary for billing cycles 1, 2, 3, and 4; KID's wholesale water purchases from the Jordan Valley Water Conservancy District; and the reasons why sewer rates are increasing faster than state-wide inflation. He noted that the Wasatch Front Water Quality Council has updated its survey in response to sewer rate volatility. The updated survey reflects current conditions including: 1. increasingly more stringent regulatory requirements; 2. increased capacity required to serve population growth; 3. inflation -- specifically increased costs for chemicals and supplies, including energy; and 4. an increased need to replace aging infrastructure. Mr. Astill responded to a number of questions from Trustee Hatch regarding the Statement of Revenues & Expenses. During that discussion, Mr. Woodruff reported that a lightning strike that hit the ground damaged KID equipment, but all of KID's crew members were okay.

Consider the Check Register:

The October, 2024 Check Register, which is a list of all expenditures made during the month, was included in the Board Book. After Mr. Astill responded to questions from Trustees Christensen and Hatch, it was moved by Trustee Monson and seconded by Trustee Hatch as follows:

That the October 2024 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 training requests.

Consider Purchases/Costs Over \$50,000:

There were no large purchases to be approved by the Board.

Consider Bond Releases/Reductions:

Mr. Woodruff reviewed his memorandum recommending the release of the remaining 10% bond for Sky Ranch Single Townhomes Phase 1, a copy of which was included in the Board Book. He reported that all punch list items have been corrected and all required inspections were completed by November 10, 2024. The one-year warranty period having been completed satisfactorily, Mr. Woodruff recommended the release of the remaining bond amount (\$50,691.10).

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

That the release of the remaining Sky Ranch Single Townhomes Phase 1 water and sewer bonds, in the amount of \$50,691.10, be and is approved.

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

Consider Resolution 2024-12-01 Resolution Approving 2025 Budget and Fee Increases:

Greg Anderson recommended the approval of the rates and fees schedule clarifications that were discussed during the public hearing portion of the Board meeting; namely eliminating the late payment collection – per incident fee; increasing the late payment percentage charge that is applicable to unpaid monthly service fees from 5% to 8% (which will result in a lower charge to most delinquent customers than would be the case if the percentage remained at 5% and the late payment collection fee remained in place); clarifying that the extraterritorial water and sewer service fees are in addition to applicable standard fees; and adding a notation to explain that impact fees won't be increased as a result of the adoption of Resolution 2024-12-01.

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

That Resolution 2024-12-01 be adopted, thereby approving the 2025 Budget and the 2025 Fee Schedule with adjustments as discussed, such as increasing the late payment charge to 8% and eliminating the per incident late payment collection charge, a clarification regarding the extraterritorial water sewer service fees, and an explanation that the impact fee adjustment reflected in the schedule was approved by the Board through the adoption of a prior, separate and distinct, Resolution.

The motion carried with Trustees Christensen, Monson and Hatch each voting in the affirmative. A copy of the final 2025 Budget, along with back-up documentation, was included in the Board Book.

Consider Board of Trustees' Meeting Minutes Electronic Signatures:

Ms. Banh reviewed the proposed new Board meeting minutes format (a minutes sample that was prepared using the new format was included in the Board Book). Among other things, Ms. Banh explained that she has been working with Dawne Adamson, Mark Anderson's Assistant, to work out the bugs. The first change is in the "Staff Present" and "Others Present" lists that appear on the first page. Previously, the individual names and their job titles or other identifying information were separated by a gap. With the gap, when the PDF minutes were posted to the website, "Staff Present" and "Others Present" were each converted into a table. Going forward, the titles and other identifying information will appear immediately after the names. The other change is in the signature blocks. Henceforth, a sample of the format in the PDF minutes is: "Dated: November 19, 2024 by /s/ Gregory R. Christensen, Chair" with a separate line for each of the other Trustees using the same format. However, for the official Minutes Book, manual signatures will continue to be used.

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

That the recommended adjustments, for the minutes to be ADA compliant when they are posted to the website, are approved, and that Board meeting minutes posted on the website, going back to November of 2021, be adjusted as necessary to make them ADA compliant.

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

Central Valley Water Reclamation Facility:

A copy of the agenda for the November 21, 2024 Central Valley Board meeting was included in the Board Book. Trustee Hatch, who is KID's representative on the Central Valley Board, provided an update on current Central Valley activities, including a change to the Dakota Pacific Golf Course Lease Agreement (the developer is out, but would like to leave the door open for future discussions, which can only happen if Central Valley hasn't made other arrangements); a discussion of the septage hauler rate (on average, the rate is covering Central Valley's costs, so there won't be a hauler fee increase); and Central Valley's quarterly Financial Report.

Jordan Valley Water Conservancy District:

A copy of the agenda for the November 13, 2024 Jordan Valley Board meeting was included in the Board book. There will be no Jordan Valley Board meeting in December.

Utah Association of Special Districts:

The agenda for the December 5, 2024 UASD Board of Trustees meeting was included in the Board Book. The meeting was held at KID’s office. Greg Anderson briefly reviewed the Trustee Compensation Bill that will be considered by the Legislature, and Mark Anderson provided additional information.

Kearns City Council:

A copy of the agenda for the November 12, 2024 Kearns City Council meeting was included in Board Book. The meeting conflicted with KID’s November Board meeting. Trustee Hatch briefly reviewed a few things that impact Kearns, including Unified Police Department activities.

Kearns Community Council:

The Kearns Community Council did not meet.

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

Copies of the November 21, 2024 Board of Governors meeting agenda, the December 5, 2024 Legislative Affairs Committee agenda, and the Legislative Affairs Committee 2025 meeting schedule were included in the Board Book. Greg Anderson reported that ChamberWest’s positions on upcoming legislation have been finalized, and Senator Wayne Harper is going after the Kearns Oquirrh Park Fitness Center respecting satellite annexations.

Trustee Per Diem Report:

A copy of the November 2024 year to date 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 7:09 p.m.

Approved by the Board of Trustees of the Kearns Improvement District on the 14th day of January, 2025.

Dated: January 21, 2025 by /s/ Gregory R. Christensen, Chair
Dated: January 14, 2025 by /s/ Jeff Monson, Vice-Chair
Dated: January 14, 2025 by /s/ Cheryle A. Hatch, Board Clerk