

**MINUTES OF THE TRUSTEES MEETING
OF THE KEARNS IMPROVEMENT DISTRICT (KID)
HELD JULY 14, 2020 AT THE DISTRICT OFFICE
LOCATED AT 5350 WEST 5400 SOUTH, KEARNS, UTAH**

Trustees Present:

Jeff Monson
Cheryle A. Hatch
Gregory R. Christensen, (Via GoToMeeting)

Staff Present:

Pamela Gill	General Manager
Greg Anderson	Public Works Director/Engineer
Riley Astill	Finance Director
Mark H. Anderson	Attorney (Via GoToMeeting)
Jamie Banh	Executive Administrative Assistant

Call to Order:

Chair Monson declared the meeting to be open at 5:30 p.m., at which time he welcomed all those present, in person and electronically. The invocation was offered by Greg Christensen and the pledge of allegiance was led by Riley Astill.

Public Comments:

There were no public comments.

Approval of Minutes (Regular Meeting, June 9, 2020):

None of the Trustees having any additions or corrections for the minutes, it was moved by Trustee Christensen and seconded by Trustee Hatch as follows:

That the minutes of the KID Board meeting held June 9, 2020 be adopted and approved as presented.

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

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

Ms. Gill thanked everyone who toured the new tank site immediately prior to the Board meeting. She then reviewed coronavirus precautions that are being implemented by KID staff members and responded to comments and questions from the Trustees. Among other matters, Ms. Gill noted that the Utah Valley Convention Center has agreed to allow the Utah Association of Special Districts to move its Convention commitment to next year. If the Marriot Hotel will do

the same, there may not be an in person Convention this year, but Ms. Gill expects the Association to conduct Board training electronically if the Convention is cancelled.

Riley Astill reviewed his Administrative/Financial Report, reporting that the District is \$1,100,000 ahead of Budget; that Craig Fjelstrom has fully assumed his new accounting duties; that the District's annual audit has been filed with the State Auditor; that the District's Annual Impact Fees Report has been filed with the State; and that KID's 2020 Certified Tax Rate is .000514; among other matters.

Greg Anderson reviewed the Public Works Report, including filling the Trustees in on the status of each capital facilities project, and responded to questions from the Trustees. Of particular interest was the fact that eight contractors have expressed an interest in bidding on a construction project, which is a significantly higher number of bidders than has been seen by the District in quite some time. Mr. Anderson stated that the District passed, "with flying colors", a recent examination by the Division of Drinking Water, which is providing funding for some of the District's capital projects.

Consider Check Register:

After each Trustee acknowledged having reviewed the check register for the month of May, 2020, it was moved by Trustee Hatch and seconded by Trustee Christensen as follows:

That the May, 2020 Check Register (which is a list of all checks and direct deposits issued during the month) be ratified and approved as presented.

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

Consider Financial Report:

Riley Astill responded to questions from the Trustees concerning the Financial Report, which is a series of reports including the Statement of Net Position, the Connection & Population Report, the Administrative Service Report, the Customer Service Report and the Executive Safety Report, all of which were included in the Board Book. The Reports were generally discussed by the Trustees and staff.

Consider Training Requests:

There were no training requests to be considered for approval. Trustee Christensen inquired concerning whether WEFTEC training will be "virtual". Ms. Gill agreed to look into and provide information on upcoming virtual training opportunities.

Consider Purchases/Costs over \$50,000:

Greg Anderson explained that Whitaker Construction has completed its work on the 5400 South Sewer Main Extension Project and has requested the release of the full \$88,929.04 retention amount. After confirming that the work deficiency punch list items have been completed and the required lien release and the final paperwork have been received by KID, Mr. Anderson recommended approval of the retention release request. Mr. Anderson explained that, due to

Whitaker Construction being able to work around a fiber optic line and reduce the size of the trench, the District realized a \$196,337.33 cost saving on the Project.

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

That the retention amount held by the District (\$88,929.04) on the 5400 South Sewer Main Extension Project be released to Whitaker Construction.

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

Greg Anderson reviewed an invoice submitted by Gerber Construction for work on the 1.5 Million Gallon Tank in the amount of \$215,593.00, less a 5% retention of \$10,779.65, leaving a net payment amount of \$204,813.35. There being no questions from the Trustees, it was moved by Trustee Christensen and seconded by Trustee Hatch as follows:

That the invoice from Gerber Construction for work on the Zone E 1.5 Million Gallon Tank, in the net amount of \$204,813.35, be approved for payment.

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

Greg Anderson reviewed an invoice from Noland & Son Construction for work on the Zone D U111 Water Main Extension Project in the total amount of \$208,822.00, less a 5% retention of \$10,441.10, for a net payment of \$198,380.90, which Mr. Anderson recommended be paid. None of the Trustees having any questions concerning the invoice, it was moved by Trustee Hatch and seconded by Trustee Christensen as follows:

That a payment to Noland & Son Construction in the net amount of \$198,380.90 for work on the Zone D U111 Water Main Extension Project be approved.

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

Greg Anderson reviewed an invoice from FX Construction for work on the Zone A 2 Million Gallon Tank in the amount of \$25,265.00, less a 5% retention of \$1,263.25, for a net payment amount of \$24,001.75. Mr. Anderson explained that FX Construction has now completed work on the Project, and has also satisfactorily completed the punch list items, provided an operations and maintenance manual for the Project, and provided the required lien release and final paperwork, which entitles FX Construction to a release of retention amounts totaling \$143,477.25. The total payment request, including the final payment due under the contract and the release of all retention funds, was \$167,479.00. None of the Trustees having any questions, it was moved by Trustee Hatch and seconded by Trustee Christensen as follows:

That the final payment request and retention release for FX Construction on the Zone A 2 Million Gallon Tank be approved in the total amount of \$167,479.00.

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

Greg Anderson explained that FX Construction also submitted an invoice for work on the Zone E Booster Pump Station in the amount of \$288,602.00, less a 5% retention of \$14,430.10,

for a net payment of \$274,171.90, which Mr. Anderson recommended be paid. None of the Trustees having any questions, it was moved by Trustee Christensen and seconded by Trustee Hatch as follows:

That a payment to FX Construction for work on the Zone E Booster Pump Station be approved in the net amount of \$274,171.90.

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

Consider Bond Releases/Reductions:

Greg Anderson reviewed a partial bond reduction request for the Olympic Park Subdivision sewer and water main line installations. He noted that this is the first partial bond reduction for this Subdivision. With a 50% reduction, the remaining bond amount will be \$133,029.50. Greg Anderson and Chair Monson responded to a question from Trustee Christensen concerning the location of the Olympic Park Subdivision, after which it was moved by Trustee Christensen and seconded by Trustee Hatch as follows:

That a 50% bond reduction, in the amount of \$133,029.50, be approved for the Olympic Park Subdivision.

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

Quarterly Blue Stakes Report:

The latest Blue Stakes Report was included in the Board Book. None of the Trustees had any questions concerning the Report.

Consider Jordan Valley Water Conservancy District Conservation Grant Proposal:

Riley Astill reviewed the proposed Jordan Valley Water Conservancy District \$52,200.00 conservation grant application, which will partially defray the cost of water-wise landscaping at the District's new Zone E 1.5 Million Gallon Tank. The landscaping plan follows the latest initiatives established by Jordan Valley respecting localscape landscaping techniques, and incorporates rock mulch and upland grasses that are native to the area. No irrigation will be required. Chair Monson expressed appreciation to Mr. Astill for preparing and presenting the grant application. It was moved by Trustee Christensen and seconded by Trustee Hatch as follows:

That the conservation grant application be approved for submittal to the Jordan Valley Water Conservancy District.

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

Consider Jordan Valley Water Conservancy District Lease Agreement:

Ms. Gill explained that the new Site Lease with the Jordan Valley Water Conservancy District includes space for a new pump station that will be installed by KID. She briefly described the back and forth negotiations between KID and Jordan Valley. Mark Anderson added that the

highlighted changes in the Site Lease that was included in the Board Book only identify the last round of language changes requested by KID, all of which were acceptable to Jordan Valley. The negotiated changes to the original Lease prepared by Jordan Valley are much more extensive than the changes highlighted in the final draft.

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

That the Site Lease Agreement with the Jordan Valley Water Conservancy District be approved as presented and that the KID General Manager be given all rights and authority necessary to execute the Site Lease Agreement and any other paperwork needed for the pump project.

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

Consider Zone E 1.5 MG Tank Change Order:

Greg Anderson explained that a 160 foot extension of an 18 inch water line, including valving and pipe stubs, is required to allow developers within the Zone E pressure zone to connect to the new water system. This extension was overlooked in the original contract documents. He explained that the proposed Change Order with Gerber Construction has been negotiated with and agreed upon by Gerber Construction, and recommended that it be approved by the KID Board in order to correct an original design deficiency. It was moved by Trustee Hatch and seconded by Trustee Christensen as follows:

That the proposed Zone E 1.5 MG tank Change Order covering a 160 foot extension of an 18 inch water line, including valving and pipe stubs, be approved and be issued to Gerber Construction in the amount of \$44,700.00

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

Consider Zone D Pump Station Modifications:

Greg Anderson explained that the Zone D Booster Pump Station modification project is part of the District’s approved and budgeted 2020 capital improvement projects. He described the process involved in negotiating with the contractor’s subcontractors and suppliers to obtain input concerning alternatives that would meet KID’s needs while reducing the overall cost of the project. Due to that effort, the District saved more than \$100,000.00, compared to the original price quoted by the contractor, FX Construction. Mr. Anderson recommended approval of a \$558,403.19 change order. It was moved by Trustee Christensen and seconded by Trustee Hatch as follows:

That Change Order No. 2 with FX Construction, Inc. for the addition of two new pumps, including piping and associated electrical, SCADA, and security cameras, and a new generator, for KID’s existing Zone D Booster Pump Station located at 5800 South Highway U111, be approved in the amount of \$558,403.19.

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

Consider Impact Fee Resolution 20-7-1:

Ms. Gill reviewed Resolution 20-7-1, noting that changing the effective date to September 1, 2020 was intended to accommodate Zone E Developers who may wish to sign a Development Agreement before that date. With the adoption of the Resolution, any developer or landowner in Zone E that has not entered into a Development Agreement before the end of August, 2020 will be required to pay the full impact fee as a pre-condition to the District issuing a will serve letter or providing any plat approval. Developers and landowners that sign a Development Agreement before the deadline will be obligated to immediately pay one half of the impact fees attributable to the development, but the other one half will be deferred. Greg Anderson and Mark Anderson explained the rationale behind Resolution 20-7-1. The Resolution is intended to provide funds that will assist the District in paying for the installation of system improvements that are necessary to serve Zone E much earlier than was anticipated in the District's Master Plan and to help insure that all Zone E property owners and developers are treated fairly.

After staff had responded to the Trustees' questions, it was moved by Trustee Christensen and seconded by Trustee Hatch as follows:

That Resolution 20-7-1, Establishing Zone E Impact Fee Payment Schedule, be adopted and approved as presented.

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

Consider State of Utah Auditor Risk Analysis:

Ms. Gill explained that the Utah State Auditor is now requiring governmental agencies to prepare a Fraud Risk Assessment that is to be presented to the governing bodies of the agencies. Due to the sensitive nature of the information in the completed Assessment, the Assessment, along with a Memorandum prepared by Riley Astill, was provided to the Trustees separately from the Board Book. Mr. Astill explained that a similar Assessment will be prepared each year.

Discuss Audit Conclusion Letter:

Mr. Astill reviewed the Auditor's Letter to Management prepared by KID's auditors, HBME, as a required part of the District's 2019 independent audit. The Auditor's Letter was included in the Board Book. Mr. Astill briefly reviewed the Letter, noting that all of the items identified by the auditor have been corrected.

Consider Closed Meeting – Discussion of the character, professional competence, or physical or mental health of an individual:

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

That the meeting be closed to discuss the character, professional competence, or physical or mental health of an individual.

The motion carried with Trustees Monson, Hatch and Christensen each voting “aye”. Chair Monson declared the meeting to be closed at 6:57 p.m. All three Trustees, along with Pamela Gill, Greg Anderson and Mark Anderson, remained in the meeting during the closed session.

Chair Monson declared the meeting to again be open at 7:27 p.m. No action was taken during the closed portion of the meeting other than the approval of a motion made by Chair Monson and seconded by Trustee Hatch to adjourn the closed meeting and return to open session.

Consider Closed Meeting – Discussion regarding deployment of security personnel, devices, or systems:

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

That the meeting be closed for a discussion regarding the deployment of security personnel, devices or systems.

The motion carried with Trustees Monson, Hatch and Christensen each voting “aye”. Chair Monson declared the meeting to be closed at 7:28 p.m. All three Trustees, along with Pamela Gill, Greg Anderson, Mark Anderson and Jamie Bahn, remained in the closed portion of the meeting.

Chair Monson declared the meeting to again be open at 8:01 p.m. No action was taken during the closed portion of the meeting, other than approval of a motion made by Chair Monson and seconded by Trustee Hatch to end the closed session and return to open session.

Central Valley Water Reclamation Facility:

Trustee Hatch, who is KID’s representative on the Central Valley Board, reviewed highlights from the June 24, 2020 Central Valley Board meeting agenda, a copy of which was included in the Board Book. In particular, she reported on a groundbreaking and reviewed other Central Valley activities.

Jordan Valley Water Conservancy District:

Trustee Christensen was not able to attend the July 8, 2020 Jordan Valley Board meeting and, consequently, did not have a report. A copy of the agenda for that meeting was included in the Board Book.

Utah Association of Special Districts:

A copy of the agenda of the July 9, 2020 Utah Association of Special Districts Board of Trustees meeting was included in the Board Book. Ms. Gill, who serves on the Association Board, stated that she will advise the Trustees when she knows more details concerning the 2020 UASD Convention, and briefly reported on current Association activities.

Kearns Metro Township Council:

A copy of the June 25, 2020 Kearns Metro Township Council meeting agenda was included in the Board Book. Trustee Hatch stated that members of the Metro Township Planning

Commission have been busy completing training. Among other planning and development matters, the Planning Commission is considering a conditional use permit for a used car lot and repair shop. Trustee Hatch also reported that Levi Hughes is the new "Police Chief", within the Unified Police Department, for the Kearns Metro Township.

Kearns Community Council:

The Kearns Community Council meeting was canceled. Consequently, Chair Monson had nothing to report.

Trustee Per Diem Report:

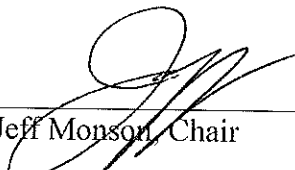
The Trustee Per Diem Report was included in the Board Book.

Adjourn:

There being no further business to come before the Trustees, Chair Monson declared the meeting to be adjourned at 8:12 p.m.

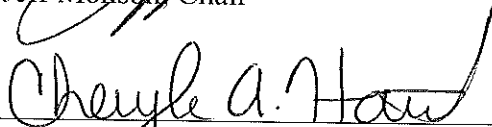
Approved by the Board of Trustees on the 11th day of August, 2020.

Date: 11 August 2020



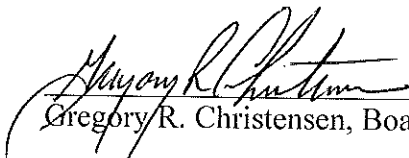
Jeff Monson, Chair

Date: 11 August 2020



Cheryle A. Hatch, Vice Chair

Date: 11 August 2020



Gregory R. Christensen, Board Clerk