

**MINUTES OF THE TRUSTEES MEETING
OF THE KEARNS IMPROVEMENT DISTRICT (KID)
HELD JUNE 9, 2020 AT THE DISTRICT OFFICE
LOCATED AT 5350 WEST 5400 SOUTH, KEARNS, UTAH**

Trustees Present:

Jeff Monson
Cheryle A. Hatch
Gregory R. Christensen

Staff Present:

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

Others Present:

Robert Wood	Auditor with HBME, LLC
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Call to Order:

Chair Monson welcomed all those in attendance and called the meeting to order at 5:30 p.m. The invocation was offered by Greg Anderson and the pledge of allegiance was led by Pamela Gill.

Public Comments:

There were no public comments.

Approval of Minutes (Regular Meeting, May 12, 2020):

None of the Trustees having any 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 May 12, 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 reviewed her written monthly report. Among other matters, she reported on the success of delinquency notices in bringing in customer payments without disconnecting water

service. Ms. Gill has volunteered to serve on the Utah League of Cities and Towns Water Conservation Working Group.

Riley Astill briefly reviewed the written Financial Administration Report that was prepared for the June 2020 Board meeting. He explained that, primarily due to brisk water sales, the District is approximately \$650,000 ahead of 2020 Budget projections. He also discussed how District employees are trained as they assume new responsibilities; the District's Water Conservation Grant proposal to the Jordan Valley Water Conservancy District; and a URS (Utah Retirement Systems) compliance audit.

Greg Anderson reviewed the written Public Works Report that was prepared for the June 2020 Board meeting. In particular, Mr. Anderson reviewed the status of each of 12 construction projects; discussed the progress of the District's crew in abandoning manholes in the backyard sewer line replacement area; and responded to questions from all three Trustees.

Consider Check Register:

Mr. Astill responded to questions from Trustee Hatch concerning specific checks listed in the April, 2020 Check Register, which is a list of checks and direct deposits issued during the month, after which it was moved by Trustee Hatch and seconded by Trustee Christensen as follows:

That the April, 2020 Check Register be ratified and approved as presented.

The motion carried with Trustees Monson, Hatch and Christensen each voting "aye". A copy of the Check Register was included in the Board Book.

Consider Financial Report:

The monthly Financial Report, which consists of a series of reports including the Statement of Net Position, the Statement of Revenues & Expenses, the Investment/Reserves Report, and the Connection & Population Report, was included in the Board Book. The Trustees had no comments or questions.

Consider Training Requests:

The WEFTEC (Water Environment Federation Technical Exhibition & Conference) 2020 Coronavirus Update and a signup sheet for the 2020 WEFTEC water quality event were included in the Board Book. Ms. Gill explained that the Conference is scheduled to be held in New Orleans next October. However, whether the Conference will be an in person event or an electronic event has yet to be determined. Ms. Gill explained that the early bird registration period ends on July 24th. Due to uncertainty respecting how the event will be held (in person or electronically), she recommended that those who expect to attend the Conference should register, but not make travel arrangements. Trustee Hatch indicated that she will not be available to attend and Trustees Monson and Christensen indicated that they might attend WEFTEC this year.

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

That two Board members and three staff members be authorized to attend the WEFTEC 2020 Conference at District expense.

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

Ms. Gill distributed to the Trustees a handout that explained that the upcoming Intermountain Section of the American Water Works Association (“AWWA”) Fall Conference will be transformed into the 2020 H2O Virtual Conference. Ms. Gill explained that the handout was purely for informational purposes. Decisions concerning participating in the AWWA Virtual Conference may be made later.

Consider Purchases/Costs over \$50,000:

Greg Anderson reviewed Whitaker Construction Co., Inc’s invoice for work on the 5400 South Sewer Main Extension that was completed and inspected during the month of May 2020 in the total amount of \$379,571.51, less a 5% retention (\$18,978.58), for a net payment of \$360,592.93. Mr. Anderson stated that Whitaker Construction is doing a great job for the District. It was moved by Trustee Hatch and seconded by Trustee Christensen as follows:

That a payment to Whitaker Construction for work on the 5400 South Sewer Main Extension project be approved in the amount of \$360,592.93.

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

Greg Anderson then reviewed Gerber Construction Inc’s invoice for work on the Zone E 1.5 Million Gallon Tank that was completed and inspected during the month of May, 2020 in the total amount of \$575,150.00, less a 5% retention (\$28,757.50), for a net payment amount of \$546,392.50. After Mr. Anderson responded to a question from Trustee Christensen, it was moved by Trustee Christensen and seconded by Trustee Hatch as follows:

That the invoice submitted by Gerber Construction for work on the Zone E 1.5 Million Gallon Tank be approved for payment in the net amount of \$546,392.50.

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

Greg Anderson reviewed an invoice from Noland and Son Construction Co., Inc. for work on the Zone D U-111 Water Main Extension that was completed and inspected during the month of May, 2020 in the amount of \$515,838.00, less a 5% retention (\$25,791.90), for a net payment amount of \$490,046.10. The Trustees having no questions for Mr. Anderson, it was moved by Trustee Hatch and seconded by Chair Monson as follows:

That the invoice from Noland and Son Construction Co., Inc. in the net amount of \$490,046.10 for work on the Zone D U-111 Water Main Extension be approved for payment.

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

Mr. Anderson then reviewed an invoice from FX Construction for work on the Zone A 2 Million Gallon Tank that was completed and inspected during the month of May, 2020 in the

amount of \$117,945.00, less a 5% retention (\$5,897.25), for a net payment amount of \$112,047.75. Mr. Anderson explained that FX Construction is almost done with this project and responded to questions from Trustee Christensen respecting the work. It was then moved by Trustee Hatch and seconded by Trustee Christensen as follows:

That the invoice submitted by FX Construction for work on the Zone A 2 Million Gallon Tank be approved for payment in the net amount of \$112,047.75.

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

Finally, Greg Anderson reviewed an invoice from FX Construction for work on the Zone E Booster Pump Station that was completed and inspected during the month of May, 2020 in the amount of \$117,355.00, less a 5% retention (\$5,867.75), leaving a net payment balance of \$111,487.25. It was moved by Trustee Christensen and seconded by Trustee Hatch as follows:

That a payment be approved to FX Construction for work on the Zone E Booster Pump Station in the net amount of \$111,487.25

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

Consider Bond Releases/Reductions:

Ms. Gill stated that there were no bond releases or reductions to be considered by the Board.

Present and Consider 2019 Draft Audit:

Ms. Gill discussed some of the complications that the coronavirus pandemic created for the District’s annual audit before turning time over to Riley Astill to describe the audit effort. Rob Wood then reviewed the 2019 Independent Auditor’s Report prepared by HBME, LLC (the “Audit Report”), declaring it to be an unmodified, clean opinion with no material misstatements, which is the best possible outcome. He explained that pages 3 through 9 of the Audit Report were prepared by Riley Astill. He then reviewed the Audit Report and responded to questions from the Trustees. Trustee Christensen, speaking for the Board, thanked Mr. Wood for his efforts. Mr. Wood noted that a few minor, non-substantive changes will be made in the Audit Report. It was then moved by Trustee Hatch and seconded by Trustee Christensen as follows:

That the Kearns Improvement District Financial Statements and Independent Auditor’s Report dated December 31, 2019 and 2018 prepared by HBME, LLC be approved, including minor non-substantive corrections made by the auditors.

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

Consider Resolution 20-6-1 Setting Certified Property Tax Rate:

Ms. Gill introduced Resolution 20-6-1, which determines and fixes the District’s 2020 property tax rate. In response to a question from Trustee Hatch, Riley Astill explained that a certified tax rate may increase or decrease each year depending upon the assessed value of taxable property within the District. As property values increase, the tax rate decreases to generate the same amount of funding for the District. Last year’s certified tax rate was .000544, but it will

likely be lower this year. After a brief discussion and further explanation, it was moved by Trustee Christensen and seconded by Trustee Hatch as follows:

That Resolution 20-6-1 determining and fixing the Kearns Improvement District's Property Tax Rate for 2020 be adopted, thereby approving the certified tax rate that will be delivered to the District by Salt Lake County.

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

Consider Compensation Structure:

A Salary Survey 2020 Memorandum from Riley Astill was included in the Board Book. The Memorandum provided background information for the salary survey that was conducted by the Employers Council. Mr. Astill responded to questions from all three Trustees and explained in detail the Kearns Improvement District Compensation Structure, a copy of which was included in the Board Book. At the end of the discussion, it was moved by Trustee Christensen and seconded by Trustee Hatch as follows:

That the new Compensation Structure for District employees be accepted as presented.

The motion carried with Trustees Monson, Hatch and Christensen each voting "aye". Chair Monson then thanked Mr. Astill for his efforts.

Consider Cougar Lane By-Pass Line/Lift Station Installation Contract:

Greg Anderson reviewed a Memorandum, which was included in the Board Book, that explained how bids were obtained for the project and stated the dollar amount of each bid. The low bid of \$2,078,110.00 was submitted by Whitaker Construction. Mr. Anderson explained that funding for the project will come from the District's Bank of Utah 2019 B Bond, and recommended that the Board authorize the General Manager to sign the contract documents and that a Notice to Proceed be issued.

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

That the bid presented by Whitaker Construction for the Cougar Lane Sewer By-pass and Lift Station installation be approved and accepted in the amount of \$2,078,110.00, that the General Manager be authorized to sign the contract documents, and that a Notice to Proceed be issued.

The motion carried with Trustees Monson, Hatch and Christensen each voting "aye". In response to a question from Trustee Christensen, Greg Anderson explained that the Lift Station will be buried.

Consider Closed Meeting – Discussion of the Character, Professional Competence, or Physical or Mental Health of an Individual:

It was moved by Trustee Christensen 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”, and the meeting was declared to be closed at 7:20 p.m.

Chair Monson declared the meeting to be open at 7:34 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 close the closed portion of the meeting and return to open session.

Consider Personnel Matters:

Ms. Gill stated that there was nothing to discuss under this agenda item.

Central Valley Water Reclamation Facility:

Trustee Hatch, who represents KID on the Central Valley Board, stated that she attended the May 27, 2020 Central Valley Board meeting electronically. A copy of the agenda for that meeting was included in the Board Book. She noted that Central Valley has a number of ongoing capital projects and may, even with COVID-19, hold a small ground breaking ceremony. In response to a question from Trustee Christensen, there was a brief discussion of earthquake damage at the Central Valley Sewage Treatment Plant.

Jordan Valley Water Conservancy District:

The June 10, 2020 Jordan Valley Board meeting agenda was included in the Board Book. Trustee Christensen, who also serves on the Jordan Valley Board, briefly reviewed a number of issues. Among other things, he noted that the Jordan Valley Board will approve water rates and Jordan Valley’s 2020 – 2021 fiscal year budget tomorrow night and will also approve Jordan Valley’s certified property tax rate. He also discussed adjustments that are being made to Jordan Valley’s water efficiency standards. At present, all Jordan Valley Board meetings are held electronically.

Utah Association of Special Districts:

The agenda for the June 4, 2020 UASD Board meeting was included in the Board Book. Ms. Gill, who serves on the UASD Board, explained that Executive Director LeGrand Bitter is busy supporting a federal Bill that will include special districts in federal funding under the Cares Act. On June 25th, Heather Anderson will make a presentation to the Intermountain Section of the American Water Works Association. The Land Use Task Force will be asked to consider a Bill that will protect retail water and sewer service providers when a subdivision plat is amended or a street is vacated.

Kearns Metro Township Council:

There was no June Township Council meeting on which to report.

Kearns Community Council:

The June Community Council meeting was canceled.

Trustee Per Diem Report:

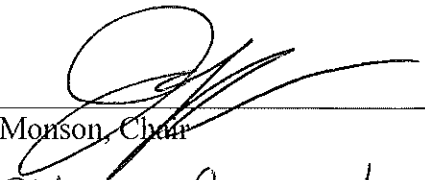
No changes were reflected in the May 2020 Trustee Per Diem Report that was included in the Board Book.

Adjourn:

There being no further business to come before the Trustees, Chair Monson declared the meeting to be adjourned at 7:48 p.m.

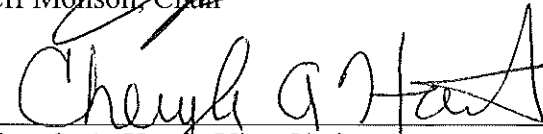
Approved by the Board of Trustees on the 14th day of July, 2020.

Date: 14 July 2020



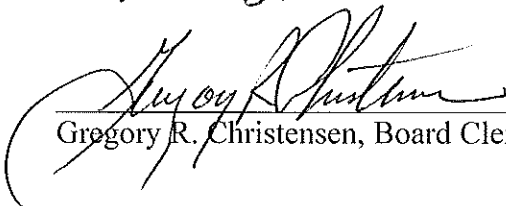
Jeff Monson, Chair

Date: 14 July 2020



Cheryl A. Hatch, Vice Chair

Date: 11 Aug 2020



Gregory R. Christensen, Board Clerk