MINUTES OF THE MEETING OF THE
KEARNS IMPROVEMENT DISTRICT (KID) BOARD OF TRUSTEES
HELD JUNE 9, 2026 AT THE DISTRICT OFFICE
LOCATED AT 5350 WEST 5400 SOUTH, KEARNS, UTAH

Trustees Present:

Cheryle A. Hatch
Gregory R. Christensen
Miranda Giles

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
Robert Lutz, Director of Operations
Mark H. Anderson, Attorney
Jamie Banh, Manager of Communications, Marketing, & Executive Assistance
Elizabeth Martinez, Customer Service Supervisor

Call to Order:

Chair Hatch called the meeting to order at 4:30 p.m. and welcomed all those present. The invocation was offered Riley Astill and the pledge of allegiance was lead by James "Woody" Woodruff.

Public Comments:

There were no public comments.

Approval of Minutes – May12, 2026:

None of the Trustees having any questions, it was moved by Trustee Christensen and seconded by Trustee Giles as follows:

That the May 12, 2026 Board meeting minutes be approved as presented.

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

Board Snippet Training - "Current Development Update":

Using photographs to illustrate his points, Mr. Woodruff presented an overview of significant development activities in the District and the status of KID's infrastructure projects. He stated that Cody Ekker Construction has been a great contractor on the 5400 South Waterline Project. Mr. Woodruff and Mr. Lutz discussed and explained Blue Stakes responses and the Sam's Boulevard Water Supply Repair & Resiliency Project, where old water lines are to be abandoned, including pipe under the Kearns Junior High School. Greg Anderson provided information regarding asbestos cement pipe that is being replaced. There was also a discussion of work to upsize and replace a water line near the Speed Skating Oval. Ryan Terry, a KID employee, recently completed a Masters Degree. His Masters Thesis may assist KID in obtaining a grant. There was a lengthy back and forth discussion between the Trustees and management, particularly regarding the density and the speed of completion of residential developments and of the Temple site. It was noted that John Lawson, a long-time KID employee, is retiring.

Discuss the General Manager's Report:

Greg Anderson's written monthly Report, including a three point highlights page, was included in the Board Book. He read aloud a letter from Monica Hoyt regarding the AWWA (American Water Works Association) award that was awarded to KID. The letter was very positive about KID's culture and efforts to serve the public. In response to a question from Trustee Christensen, Mr. Anderson explained that the award is a national recognition for water suppliers with between 10,000 and 25,000 customer connections, and KID was selected out of hundreds of submissions. Trustee Giles commented on Draper City's recent water rate increase and declared that she is proud to be associated with KID. Chair Hatch added that the AWWA award was well deserved.

Discuss the Communications and Marketing Report:

Ms. Banh's monthly Report was included in the Board Book. Among other things, Ms. Banh discussed KID's upcoming employee summer party at Lagoon; KID's website, which she checks daily; the upcoming Running Toilet 5K & Leak Detective Kids Run; and KID's Facebook page traffic.

Discuss the Public Works Report:

A copy of Mr. Woodruff's written monthly Report was included in the Board Book. Mr. Woodruff stated that he had nothing to add to the lengthy discussion during the Board Snippet Training agenda item, but invited questions from the Trustees. There were no questions.

Discuss the Operations & Maintenance Report:

A copy of Mr. Lutz's Operations and Maintenance Report, including a one-page four item summary, was included the Board Book. Mr. Lutz reported on the 4865 South Waterline (all pressure tests and BAC-T tests have passed, 11 service lines have been connected by staff, and quotes are being obtained from asphalt contractors to restore impacted roadways before the July 1 deadline); that sewer cleaning operations are ahead of schedule with 63% of the District's sewer lines having been cleaned so far this year; and that the chlorination system has been installed at the Zone E Pump Station. Mr. Lutz explained that KID staff will use sodium hypochlorite generated at the West Ridge Pump Station to produce chlorine to be used at the Zone E Pump Station, which will save money by eliminating the need to purchase chlorine. Greg Anderson added details regarding the process to produce chlorine.

Discuss the Administrative Report:

Kara Lutz reviewed highlights from her written Administrative/Customer Service Report, a copy of which was included in the Board Book. Among other things, she reported that, as of the end of May, 1,504 KID customers were enrolled in the MY360 Advanced Metering Infrastructure (AMI) platform. She also discussed water conservation activities and a "big effort" to promote the upcoming Running Toilet 5K and Leak Detective Kids Fun Run prior to the Kearns Hometown Parade on August 8. Ms. Lutz discussed sponsorship levels and prizes for the event. Mr. Lutz stated that, coincidentally, he received a text message from Mountainland Supply during the discussion pledging to be a $1,000 sponsor. The "Kids of Camelot" activity on June 16th was also discussed.

<u>Discuss the Financial Report:</u>

A copy of Mr. Astill's written monthly Financial Report, including a six point highlights page, was included in the Board Book. Mr. Astill reviewed highlights from his Report. In response to a question from Chair Hatch, Mr. Astill explained that SCADA servers need to be upgraded approximately every five years, noting that an upgrade is necessary because the current SCADA servers are obsolete. Greg Anderson noted a 2% increase in May water usage, compared to one year ago, but explained that more than 200 service connections have been added to the system over the past year, which is an approximately 2% increase, so water usage is "holding firm". Mr. Astill also responded to a question regarding the annual Impact Fee Report. A copy of KID's signed annual Financial Certification was included in the Board Book. Chair Hatch expressed appreciation for the addition of a "% Used" column in the Statement of Revenues & Expenses. Mr. Astill also responded to a question from Trustee Christensen regarding insurance expense changes.

<u>Consider the Check Register:</u>

A copy of the April 2026 Check Register, which is a list of all expenditures made during the month, was included in the Board Book. Mr. Astill, Ms. Lutz, Mr. Lutz and Greg Anderson responded to questions from the Trustees respecting individual expenditures, after which it was moved by Trustee Giles and seconded by Trustee Christensen as follows:

That the April 2026 Check Register be ratified and approved as presented.

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

<u>Consider Training Requests:</u>

Information regarding the upcoming (in September) Conference of the Intermountain Section of the American Water Works Association (AWWA) was included in the Board Book. The Conference will be held at the Riverwoods Conference Center in Logan, Utah. Greg Anderson recommended that three Trustees and five staff members be authorized to attend the Conference. In response to a question from Chair Hatch regarding the relative importance of the Intermountain Section Conference compared to the annual Utah Association of Special Districts Convention, Greg Anderson stated that the UASD Convention may provide more "bang for the buck" but the AWWA Conference can be helpful in better understanding the water industry.

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

That three Trustees and five staff members be authorized to attend the AWWA Intermountain Section 2026 Annual Conference at District expense.

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

Consider Purchases/Costs over $50,000:

A Memorandum from Mr. Woodruff recommending the approval Progress Payment #2 to Cody Ekker Construction for work on the 5400 South Phase 2 Water Line Replacement Project, together with backup documentation from the contractor, was included in the Board Book. The value of work completed and inspected for the month of May was $672,562.89, less a 5% retention of $33,628.14, leaving a net amount due of $638,934.75. In response to a comment from Trustee Christensen, Mr. Woodruff and Greg Anderson praised all of the projects undertaken by Cody Ekker Construction for KID. In response to a question from Trustee Christensen, Mr. Woodruff stated that the contractor finished the pavement work earlier in the day.

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

> **That Progress Payment #2 for the 5400 South Phase 2 Water Replacement Project be approved for payment to Cody Ekker Construction in the amount of $638,934.75.**

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

Consider Bond Releases/Reductions:

A Memorandum from Mr. Woodruff, stating that the Terraine Phase 3 utility installation punch list items were completed on May 19, 2026 and, the one-year warranty period having expired, recommending that the final 10% warranty bond be released in the amount of $94,847, was included in the Board Book. None of the Trustees having any questions, it was moved by Trustee Christensen and seconded by Trustee Giles as follows:

> **That the final 10% warranty bond for Terraine Phase 3 be released in the amount of $94,847.**

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

Consider the Finalized 2025 Kearns Improvement District Audit Report:

Riley Astill and the lead auditor reviewed the draft 2025 Independent Auditor’s Report with the Trustees during the May Board meeting. After a few minor tweaks, the final Report, which was included in the Board Book, was ready for approval.

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

> **That the 2025 Independent Auditor’s Report prepared by HBME be accepted.**

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

Discuss and Consider the Contract and Cost Proposal for KID Computer Server Equipment Upgrade:

A Memorandum from Riley Astill reviewing three competitive bids to upgrade the District's computer server equipment and operating system components was included in the Board Book. Bids ranged from a low of $81,647.80, submitted by Executech, to a high of $255,135.44, submitted by Dell. The third bid, submitted by Lenovo, was $120,466.02. Mr. Astill explained that the SCADA servers are running software that is no longer supported or no longer receives security updates because the license has expired. He noted that the cost of renewing and maintaining the current license is prohibitive and not cost effective. The hardware will also be upgraded to be compatible with the latest Microsoft server software. Once the upgrade is completed, the hardware and software can be used until 2035. In addition to the hardware and software, it will cost $25,800 for labor to install and configure the servers to work with KID's SCADA system. Mr. Astill described the Executech hardware and software as being "better all around" and the least expensive option, at a total cost of $107,447.80, including labor. It was moved by Trustee Giles and seconded by Trustee Christensen as follows:

> **That KID use Executech to upgrade its SCADA servers at a total cost of $107,447.80 for hardware, software and labor, and that an initial down payment of $81,647.80 be paid to Executech as invoiced.**

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

<u>Consider Resolution 2026-06-01 Adopting the Kearns Improvement District's 2026 Amended Budget:</u>

Riley Astill and Greg Anderson explained the need for Resolution 2026-06-01, the adoption of which would approve an amendment to the District's 2026 Budget. A copy of Resolution 2026-06-01 was included in the Board Book. The Budget amendment was necessary to reflect a "paper" expense associated with KID's share of the depreciation of water treatment facilities that were placed into service last year by the Central Valley Water Reclamation Facility (Central Valley). KID holds an approximately 11% ownership interest in Central Valley, and approximately 11% of Central Valley's facilities depreciation must be included in KID's Budget as a "paper" entry. KID management was not notified by Central Valley when the new assets were placed into service, which resulted in KID's 2026 Budget understating its Central Valley depreciation expense. It was stressed that it was only a book adjustment and it won't affect KID's operations, cash reserves or debt service ratio. As provided in Utah Code § 17B-1-630, an enterprise fund budget, such as KID's, may be amended by a Resolution adopted by the Board of Trustees as an agenda item without the necessity of holding a public hearing. In response to a question from Trustee Christensen, Riley Astill, Greg Anderson and Chair Hatch explained that the notification failure was a matter of timing, noting that Central Valley placing new capital facilities into service is infrequent.

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

> **That Resolution 2026-06-01 be adopted to approve the recommended 2026 Budget Amendment.**

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

<u>Discuss and Consider the Wood Ranch (Terraine) Development Agreement Amendment:</u>

Greg Anderson reminded the Trustees that KID and the City of West Jordan recently entered into an Interlocal Agreement pursuant to which KID may provide water service to approximately 200 lots in the Terraine Development lying outside KID's service boundary because the City is not able to provide water service to the area. For KID to serve that area, it will be necessary to update and amend the existing Wood Ranch (Terraine) Development Agreement to include the additional land. Significant changes have taken place since the Development Agreement was approved by the KID Board of Trustees in 2020. The Board was being asked to consent to an Assignment and Assumption Agreement of the Wood Ranch Development Agreement between Ivory Land Corporation as the assignor and Wood Ranch Development, LLC as the assignee. The Board was also asked to approve the First Amendment to the Development Agreement for the Wood Ranch Development to bring the Development Agreement into harmony with new circumstances and the desires of the Parties. The Parties to the First Amendment are the District, Wood Ranch Development, LLC, and G&N Wood Properties, L.L.C. Mark Anderson worked diligently on the wording of both the Assignment and Assumption Agreement and the First Amendment to the Development Agreement. Greg Anderson explained the need for KID to consent to the Assignment and Assumption Agreement and to approve the First Amendment before July 1, 2026, to eliminate questions regarding the Jordan Valley Water Conservancy District.

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

> **That the First Amendment to the Development Agreement for the Wood Ranch Development, now known as "Terraine", be approved, including edits and refinements negotiated by the District's General Manager and attorney, and that F. Greg Anderson, General Manager, be authorized to execute and deliver the final First Amendment on behalf of the District.**

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

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

> **That F. Greg Anderson, General Manager, be authorized to execute and deliver the Consent to the Assignment and Assumption Agreement between Ivory Land Corporation as assignor and Wood Ranch Development, LLC as assignee, once the form and substance of the Assignment and Assumption Agreement are satisfactory to KID's General Manager.**

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

<u>Consider Declaration of Vehicle Surplus:</u>

Robert Lutz reviewed his Memorandum, a copy of which was included in the Board Book, requesting that the Trustees declare the District's 2014 Ford F150 four-wheel drive truck, with an estimated value of $16,000 to $18,000, to be surplus so staff can dispose of the vehicle through State Surplus Property or another means.

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

That the District's 2014 Ford F150 four-wheel drive truck be declared to be surplus and be disposed of through State Service Surplus Property or another appropriate means.

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

Consider the 2026 Kearns Hometown Day Celebration Parade Entry Form:

A Kearns Hometown Day Celebration 2026 Parade Entry Form, a Parade Liability Waiver Form and Parade Guidelines were included in the Board Book. Following a brief discussion, it was moved by Trustee Giles and seconded by Trustee Christensen as follows:

That the Kearns Hometown Day Celebration 2026 Parade Entry Form and the Parade Liability Waiver Form be approved and ratified and that F. Greg Anderson, General Manager, be authorized to submit the signed Parade Liability Waiver Form.

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

Central Valley Water Reclamation Facility:

A copy the agenda for the May 27, 2026 Central Valley Board meeting was included in the Board Book. Chair Hatch, who is KID's representative on the Central Valley Board, briefly reviewed highlights, including a discussion of the capital assets that are being completed and will soon be placed into service and efforts to enhance Central Valley's relationship with the Utah Division of Water Quality. She also mentioned the approval of a five-year extension of the Wasatch Front Water Quality Council Agreement and a proposed septage hauler fee rate increase that was the subject of a public hearing.

Jordan Valley Water Conservancy District:

A copy of the June 10, 2026 Jordan Valley Board meeting agenda was included in the Board Book.

Utah Association of Special Districts:

A copy of the agenda for the June 4, 2026 UASD Board of Trustees meeting was included in the Board Book. Greg Anderson, who serves on the UASD Board, stated that preparations are being made for an all electronic UASD Convention in November. He also discussed his engagement with legislation, primarily dealing with water issues, and praised Heather Anderson for her "great job" representing special districts at the legislature.

Kearns City Council:

A copy of the June 2, 2026 Kearns Community Committee meeting agenda was included in the Board Book. Trustee Giles mentioned a $5,000 healthy community grant, and the addition of a traffic officer with a car, at a cost of approximately $200,000 per year, to patrol Kearns; and she stated that Greg Anderson provided an "exceptional" update regarding KID's capital facilities projects.

Chamber West – Board of Directors, Board of Governors & Legislative Affairs:

A copy of the agenda for the May 21, 2026 Board of Governors meeting was included in the Board Book. Greg Anderson was not able to attend the Board of Governors meeting, but he did participate in a Legislative Affairs meeting that included a discussion of water issues. He stated that his viewpoint was well received. Mr. Anderson noted that there will be a meeting with Representative MacPherson to discuss special districts, and pledged to keep the Trustees informed.

Trustee Per Diem Report:

A copy of the May 2026 Trustee Per Diem Report was included in the Board Book.

Adjourn:

There being no further business to come before the Board, Chair Hatch declared the meeting to be adjourned at 6:40 p.m.

Approved by the Board of Trustees of the Kearns Improvement District on the 14th day of July, 2026.

Dated: July 14, 2026 by /s/ Cheryle A. Hatch, Chair
Dated: July 14, 2026 by /s/ Gregory R. Christensen, Vice Chair
Dated: July 14, 2026 by /s/ Miranda Giles, Board Clerk

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