

**MINUTES OF THE MEETING OF THE
KEARNS IMPROVEMENT DISTRICT (KID) BOARD OF TRUSTEES
HELD FEBRUARY 8, 2022 AT THE DISTRICT OFFICE
LOCATED AT 5350 WEST 5400 SOUTH, KEARNS, UTAH**

Trustees Present:

Cheryle A. Hatch
Gregory R. Christensen
Jeff Monson

Staff Present:

| | |
|--------------------------|------------------------------------|
| Greg Anderson (via ZOOM) | General Manager/CEO |
| Riley Astill | Finance Director/Controller |
| James “Woody” Woodruff | Public Works Director/Engineer |
| Mark H. Anderson | Attorney |
| Jamie Banh | Executive Administrative Assistant |
| Frank deJong | Assistant Operations Manager |
| Eric Reid | System Operator III |

Others Present:

| | |
|---------------------------------|-----------------------|
| Alex Buxton (via ZOOM) | Zions Public Finance |
| Randy Larsen (via ZOOM) | Gilmore & Bell |
| Chrystal Butterfield (Via ZOOM) | Kearns Metro Township |

Call to Order:

Chair Hatch 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 Jeff Monson.

Oath of Office:

Riley Astill, District Clerk, administered the oath of office to the newly re-elected Trustees, Cheryle Hatch and Jeff Monson.

Public Comments:

There were no public comments.

Approval of Minutes (Regular Meeting, January 11, 2022):

Mark Anderson pointed out two minor corrections to the minutes, after which is moved by Trustee Monson and seconded by Trustee Christensen as follows:

That the minutes of the January 11, 2022 Board meeting be approved, with two minor corrections as noted.

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

Board Training – What is “On Call”?:

Frank deJong briefly reviewed his professional background before going into details concerning “on call” services provided by District employees. Among other things, he reviewed the KID facilities that are monitored by on call personnel and went into detail explaining the applicable protocol. Trustee Monson expressed the Board’s appreciation for Mr. deJong and the other operations and maintenance employees.

Consider General Manager’s Report (including the Administrative/Financial Report and the Public Works Report):

Greg Anderson reviewed his written report, a copy of which was included in the Board Book. Among other things, he mentioned four damage claims that occurred when a sewer manhole cover shifted due to inclement weather and snow removal, and a traffic accident that resulted in damage to the District’s office pumphouse perimeter fence. Mr. Anderson also provided an update concerning the creation of a video describing where KID water comes from and how it is delivered to customers and discussed Jordan Valley Water Conservancy District grants. He announced that two Central Utah Water Conservancy District Assistant General Managers, Rich Tullis and Christine Finlinson, have retired and K.C. Shaw and Gerard Yates have been promoted to be Deputy General Managers.

Public Hearing to receive input from the public with respect to (a) the issuance of the Series 2022 Water and Sewer Revenue Bonds and (b) any potential economic impact that the projects to be financed with the proceeds may have on the private sector:

It being 6:00 p.m., the advertised time for the public hearing to start, Chair Hatch interrupted the General Manager Report and declared the public hearing to be open. Riley Astill reviewed high points respecting the Series 2022 Water and Sewer Revenue Bonds, which are being sold to the Bank of Utah, including an extraordinary call feature that was negotiated with the Bank. Alex Buxton provided additional information, including explaining that, using the “strip option” that is part of the Bond, the District could repay part of the Bond proceeds to the Bank of Utah if the cost of the planned construction comes in at less than \$20,000,000, provided that the repayment occurs within 12 months after the Bonds are issued, or the District could use any remaining funds on additional culinary water and/or sanitary sewer system installations. The District could repay up to \$1,500,000, which would reduce KID’s payment obligation.

Alex Buxton explained that, at the request of Riley Astill, he ran a market interest rate analysis earlier in the day, at which time bond market interest rates stood at 2.19%, versus 2.03% on KID's direct placement Bonds. Mr. Buxton expects market interest rates to continue to increase.

The bottom line is that the Trustees made a wise decision when they elected to freeze the Bond interest rate using the direct placement approach.

Randy Larson provided additional information, and responded to a question from Mark Anderson concerning the Bond Purchase Agreement and the District's ability to utilize all of the net Bond proceeds to construct water and sewer infrastructure.

Chair Hatch declared the floor to be open for citizen input and comments, and for questions from the public. Seeing there were none, she declared the public hearing to be closed. The Bond closing is scheduled to take place on February 17, 2022.

Documentation relative to the issuance of the Series 2022 Bonds and the purchase of the Bonds by the Bank of Utah was included in the Board Book, and was discussed during the public hearing. The documents included a "minutes excerpt", which excerpt is incorporated by reference as part of these minutes.

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

Riley Astill reviewed his Financial Report, a copy of which was included in the Board Book. He declared that the 2021 financial numbers were very close to the Budget, which should be good for the District's independent audit. Mr. Astill responded to questions from the Trustees, including questions about the District's cyber security measures. Trustee Christensen stated that he did not particularly like the new graphs that are included in the Financial Summary.

James Woodruff then reviewed his monthly Public Works Report, a copy of which was included in the Board Book, including a review of critical infrastructure construction projects, and responded to questions from the Trustees.

Consider Check Register:

A copy of the December, 2021 Check Register, which is a list of all checks issued and ACH withdrawal payments made during the month, was included in the Board Book. There was a back and forth discussion between Mr. Astill and the Trustees respecting specific expenditures, during which Greg Anderson provided additional information. At the end of the discussion, it was moved by Trustee Christensen and seconded by Trustee Monson as follows:

That the December 2021 Check Register be ratified and approved as presented.

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

Consider Financial Report:

The Monthly Financial Report, which consists of a series of individual reports, including the Statement of Net Position, the Statement of Revenues & Expenses, the Administrative

Service Report, and the Executive Safety Report, was included in the Board Book. Mr. Astill stated that there was nothing unusual in the Reports and invited questions from the Trustees.

Consider Training Requests:

There were no training requests to be considered by the Board.

Consider Purchases/Costs Over \$50,000:

Mr. Woodruff reviewed Gerber Construction, Inc's Application for Payment No. 11 for work on the Zone D 5MG (million gallon) tank in the amount of \$369,740, less a 5% retention of \$18,487, leaving a net amount due of \$351,253. Mr. Woodruff recommended that the requested payment be approved. It was then moved by Trustee Monson and seconded by Trustee Christensen as follows:

That the payment request from Gerber Construction, Inc. for work on the Zone D 5MG Tank be approved in the net amount of \$351,253.

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

Consider Bond Releases/Reductions:

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

Consider the Issuance of the not to exceed \$20,000,000 Water Sewer Revenue Bonds, Series 2022 (the "Series 2022 Bonds") anticipated to be purchased by Bank of Utah:

The issuance of the Bonds having previously been approved by the Board, no further action was required.

Consider Zions Public Finance, Inc. Contract for Municipal Advisory Services for a period of Five (5) Years:

A copy of the Agreement for Municipal Advisory Services dated January 10, 2022 between KID and Zions Public Finance, Inc. was included in the Board Book. Greg Anderson explained that the prior Municipal Advisory Services Contract expired on January 10, 2022, in the middle of the District's effort to issue its Series 2022 Bonds. After the explanation, it was moved by Trustee Christensen and seconded by Trustee Monson as follows:

That the General Manager be authorized to extend the Agreement for Municipal Advisory Services with Zions Public Finance, Inc. by entering into the new Agreement, and authorized the General Manager to make such changes as he deems appropriate and to sign the Agreement on behalf of the District.

The motion carried with Trustees Hatch, Christensen and Monson each voting "aye". Alex Buxton expressed his appreciation to the Board, after which he left the Board room.

Consider the Award of the Zone E Sewer Main Extension Project:

A Memorandum from James Woodruff dealing with the Zone E Main Sewer Extension Project was included in the Board Book. Mr. Woodruff explained that six prequalified contractors submitted bids for the work, with bids ranging from \$1,321,016 to \$2,842,831. The low bid was submitted by Noland & Son Construction. In response to a question from Trustee Monson, Mr. Woodruff stated that the District has worked with Noland & Son Construction in the past, and the company has performed very well. Mr. Woodruff added that the District purchased the pipe for this project some time ago, before prices increased, which was fortunate because, with the supply chain issues that are being experienced, the pipe might not be available now and would undoubtedly cost more. Greg Anderson provided additional information concerning the Project, after which it was moved by Trustee Monson and seconded by Trustee Christensen as follows:

That KID enter into a contract with Noland & Son Construction for the construction of the Zone E Main Sewer Extension Project at a cost of \$1,321,016, that the General Manager be authorized to sign the contract documents, and that a Notice to Proceed be issued.

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

Consider the Award of the Zone D Loop Pipeline Project:

A Memorandum from James Woodruff respecting the Zone D Loop Pipeline Project was included in the Board Book. Six prequalified contractors submitted bids ranging from \$1,219,880 to \$1,716,774. The low bid was again submitted by Noland & Son Construction. Mr. Woodruff explained that having the same contractor on both projects may be beneficial to the District, noting the quantity of piping jack and bores beneath SR U111 to be constructed by the boring subcontractor. He recommended that the contract be awarded to the lowest cost bidder. It was moved by Trustee Monson and seconded by Trustee Christensen as follows:

That the District enter into a contract with Noland & Son Construction for construction of the Zone D Loop Pipeline Project in the amount of \$1,219,880, that the General Manager be authorized to sign the contract documents, and that a Notice to Proceed be issued.

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

Consider the Hansen Allen & Luce, Inc. Engineer Services Contract Addendum for Task Order 138.22.200 (KID #9) for the 4700 South Sewer Outfall Project:

In a Memorandum that was included in the Board Book, Mr. Woodruff explained that additional design work is necessary for a Jordan Valley Water Conservancy District waterline betterment and additional engineering services relating to the 4700 South Sewer Outfall

Replacement Project are required. On October 12, 2021, the KID Board approved a cost sharing contract for Jordan Valley to participate in these costs. Mr. Woodruff recommended that the new Task Order be approved. Greg Anderson stated that he and Mr. Woodruff vigorously made Hansen Allen & Luce justify the additional work required and the associated cost. They determined the Task Order to be warranted. Trustee Monson expressed appreciation for the explanation.

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

That Hansen Allen & Luce Task Order 138.22.200 (KID #9) be approved in the maximum amount of \$98,677.

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

Consider the Bowen Collins & Associates/ APCO Engineering Services Agreement for the next phase of the KID SCADA System modification and upgrade:

A Memorandum prepared by Mr. Woodruff dealing with the SCADA Master Plan Project, along with a copy of Attachment A, the Scope of Services, was included in the Board Book. Greg Anderson explained that Bowen Collins & Associates (“B&C”) and APCO have completed the first contracted task regarding the radio survey of KID sites, and have presented their findings and recommendations. After considering the recommendations, staff directed B&C/APCO to prepare a proposal for the next phase of the SCADA system upgrade. Staff reviewed and negotiated the proposal and recommended that it be approved in the total contract amount of \$880,397. Greg Anderson reviewed the proposal in detail, noting that it will rely on first responder cellular service. At the end of the discussion, it was moved by Trustee Monson and seconded by Trustee Christensen as follows:

That KID be authorized to enter into a contract with Bowen Collins & Associates, with APCO as a subconsultant, for the installation of the SCADA Upgrades Project, in the amount of \$880,397, that the General Manager be authorized to sign the contract documents, and that a Notice to Proceed be issued.

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

Central Valley Water Reclamation Facility:

A copy of the agenda for the January 26, 2022 Central Valley Water Reclamation Facility Board meeting was included in the Board Book. Trustee Monson, who represents KID on the Central Valley Board, stated that Central Valley is very busy, with construction moving forward on a number of projects. He discussed effluent testing procedures, some of which include the use of flathead minnows, and plans to test wastewater for the COVID virus, the presence of drugs, etc. He also discussed Central Valley’s natural gas metering station and decisions to be made respecting the Central Valley Golf Course.

Jordan Valley Water Conservancy District:

A copy of the agenda for the February 9, 2022 Jordan Valley Water Conservancy District Board meeting was included in the Board Book. Trustee Christensen, who has served on the Jordan Valley Board for many years, declared that this would be his last report. Governor Cox has appointed Nick Sudbury to represent the Kearns and Magna areas on the Jordan Valley Board of Trustees. Trustee Christensen reported that West Valley City has agreed to adopt water efficiency standards, which should remove a roadblock to KID's effort to contract for additional water to be purchased from Jordan Valley. He noted that the Kearns Metro Township has already presented its water efficiency standards documentation to Jordan Valley. Finally, Trustee Christensen explained that Jordan Valley has set limitations on the amount of water that can be taken by its wholesale customers in the event of a prolonged drought.

Utah Association of Special Districts:

A copy of the agenda for the January 13, 2022 UASD Board of Trustees meeting was included in the Board Book. Greg Anderson, who serves on the UASD Board, declared this to be a very busy time of year for the Association, with the Legislature in session. He noted that the Association is already following what appears to be an unprecedented number of Bills and declared that LeGrand Bitter and Heather Anderson are working hard, particularly to amend legislation to better serve the needs of local and special service districts and the citizens they serve.

Kearns Metro Township Council:

A Kearns Metro Township Council meeting agenda was not available. Chair Hatch stated that the Metro Township Council will meet next Monday, noting that Kelly Bush has been voted in again to serve as Mayor. During the discussion of a proposed street vacation, Chrystal Butterfield provided clarifying information.

Kearns Community Council:

Greg Anderson mentioned an official invitation for the March 8th tour of KID's Cougar Lift Station. Trustee Monson stated that the most recent Kearns Community Council meeting was quite short. The Unified Police Department is stressing speed enforcement and focusing on abandoned cars. Four officers are rotating at the Kearns High School, where vandalism and other challenges are being addressed. Trustee Monson briefly discussed the good works of The Point Church, including providing Thanksgiving meals and Sub-for-Santa for many families.

ChamberWest Legislative Affairs Committee:

A copy of the agenda for the ChamberWest Legislative Affairs Committee meeting held on February 3, 2022 was included in the Board Book. Greg Anderson, who serves on the Committee, stated that the Committee is meeting two times each week during the Legislative Session to monitor and track Bills of importance to the area.

Trustee Per Diem Report:

A copy of the January 2022 Trustee Per Diem Report was included in the Board Book. There was a brief discussion of the upcoming Rural Water Association of Utah Conference in St. George and of the upcoming Utility Management Conference in Florida.

Adjourn:

There being no additional business to come before the Board, Chair Hatch declared the meeting to be adjourned at 7:59 p.m.

Approved by the Board of Trustees of the Kearns Improvement District on the 15th day of March, 2022.

Date: 15 march 2022

Cheryle A. Hatch
Cheryle A. Hatch, Chair

Date: 15 MARCH 2022

Gregory R. Christensen
Gregory R. Christensen, Vice Chair

Date: 15 march 2022

Jeff Monson
Jeff Monson, Board Clerk