

**MINUTES OF THE TRUSTEES MEETING
OF THE KEARNS IMPROVEMENT DISTRICT (KID)
HELD AUGUST 10, 2021 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/CEO
Greg Anderson	Public Works Director/Engineer
Riley Astill	Finance Director/Controller
Mark H. Anderson	Attorney
Jamie Banh	Executive Administrative Assistant

Others Present:

Alex Buxton	Zions Public Finance
Randy Larsen	Gilmore & Bell (electronically)

Call to Order:

Chair Monson called the meeting to order at 5:30 p.m. and welcomed all those present. The invocation was offered by Cheryle Hatch and the pledge of allegiance was led by Greg Christensen.

Public Comments:

There were no public comments.

Approval of Minutes (Regular Meeting, July 13, 2021):

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

That the minutes of the KID Board meeting held on July 13, 2021 be 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, after noting that this would be her last Board meeting as General Manager of the District, stated that she couldn't have had a better career as a 35 year KID employee, and thanked everyone, from her staff to the Trustees, for their support and tireless efforts on behalf of the District. Following her statement, speaking for the Board, Chair Monson thanked Ms. Gill for her selfless efforts in service to the District.

Ms. Gill then reviewed her monthly written report, a copy of which was included in the Board Book, including staff training activities, the opportunity to take advantage of current low interest rates to refund District Bonds, the upcoming Trustee election, and more.

Riley Astill then reviewed his monthly Financial Administration Report, a copy of which was included in the Board Book, including positive year to date, through June, net income of \$568,119, a 5.1% inflationary rate and, in response to a question from Trustee Christensen, an explanation of why customer water usage is up.

Greg Anderson then reviewed his monthly Public Works Report, a copy of which was included in the Board Book, including a discussion of each of the District's ongoing capital projects. He noted that children playing with fireworks started a wildfire near a KID site. KID's work crew used a backhoe to dig a fire break and promptly put the fire out. Mr. Anderson responded to questions from Trustee Christensen and Trustee Hatch and, among other things, discussed the planned developments by Daybreak Community/Ivory Homes and Ken Olsen/Rushton family. Finally, Mr. Anderson reported that James "Woody" Woodruff, an engineer with Horrocks Engineering who has, in the past, served as a City Engineer, has accepted a position with the District as the Public Works Director, to replace Mr. Anderson as he steps into the General Manager role.

Consider Check Register:

A copy of the June, 2021 Check Register, which is a list of all checks issued and direct deposits made during the month, in the total amount of \$2,299,218.87, was included in the Board Book. After Mr. Astill responded to questions from Trustee Hatch and Trustee Christensen respecting specific payments reflected in the Check Register, with additional information provided by Ms. Gill, it was moved by Trustee Christensen and seconded by Trustee Hatch as follows:

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

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

Discuss Financial Report:

The Financial Report, which consists of a series of individual reports, including the Statement of Net Position, the Executive Safety Report, and the Customer Service Report, was included in the Board Book. Mr. Astill reviewed some of the high points from the Report and



responded to questions from all three Trustees, particularly regarding the Statement of Revenues & Expenses, with additional information provided by Ms. Gill.

Consider Training Requests:

Since Trustee Hatch has decided not to attend the WEFTEC Conference, Ms. Gill requested that a KID employee be given an opportunity to fill that spot. It was moved by Trustee Hatch and seconded by Trustee Christensen as follows:

That four KID staff members be authorized to attend the WEFTEC Conference in Chicago, at District expense.

The motion carried with Trustees Monson, Hatch and Christensen each voting “aye”. Chair Monson and Trustee Christensen will also attend, as approved by the Board during a prior Board meeting.

Consider Purchases/Costs Over \$50,000:

Greg Anderson presented an Invoice (Application for Payment No. 5) from Gerber Construction Inc. for work on the Zone D 5 MG (million gallon) Tank that was completed and inspected during the month of July, 2021, in the amount of \$468,585.70, less a 5% retention of \$23,429.28, for a net payment amount of \$445,156.41, and recommended that the payment be approved. It was moved by Trustee Hatch and seconded by Trustee Christensen as follows:

That the Invoice be approved for payment to Gerber Construction for work on the Zone D 5 MG Tank in the net amount of \$445,156.41.

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

Consider Bond Releases/Reductions:

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

Consideration for adoption of a resolution of the Board of Trustees of the Kearns Improvement District, Utah authorizing the issuance and sale of not more than \$13,500,000 aggregate principal amount of Water and Sewer Revenue Refunding Bonds, Series 2021; and Related Matters:

A memorandum from Riley Astill dated July 27, 2021 entitled “Bond Refunding” was included in the Board Book, as was Resolution No. 2021-08-02, which is a “Parameters Resolution” authorizing the issuance and sale of up to \$13,500,000 of Water and Sewer Revenue Refunding Bonds, Series 2021. Ms. Gill explained that Mr. Astill has worked with Alex Buxton, who is with Zions Public Finance, Inc., a wholly owned subsidiary of Zions Bancorporation, Inc., and with Randy Larsen, who is a bond attorney with Gilmore & Bell. Mr. Astill estimated that the District may realize an overall savings of between \$500,000 and more than \$700,000 by refunding



outstanding Bonds. Trustee Christensen noted that there may be an opportunity to cut the effective Bond interest rate in half.

Mr. Astill introduced Alex Buxton to the Trustees and invited him to lead the discussion. Mr. Buxton stated that the refunding Bonds are scheduled to close in late September or early October, but he expects the calendar to likely be pushed out by one week. He confirmed the expectation that the District may be able to save between \$600,000 and \$800,000 and to cut the interest rate in half to something in the 1% percentile. Mr. Buxton explained, on the other hand, that if the Bond market should move in the other direction, the Parameters Resolution will not obligate the District to issue any Bonds.

Randy Larsen then discussed the Refunding Bonds from a legal perspective, stressing that the Parameters Resolution does not bind the District, but does set parameters for a possible future Bond issuance and initiates the notice for a 30 day protest period. Mr. Larsen reviewed the Resolution in detail, during which he responded to a question from Chair Monson regarding the non-binding status of the Parameters Resolution. Alex Buxton added information regarding the effect of a Bond premium (meaning that an investor may pay more than face value of the Bond) on the true interest rate. The maximum length of time that the Bond may be outstanding is fourteen years, but Mr. Buxton stated that a thirteen year term is more likely. Underwriters will bid on the Bonds and the plan is to accept the best bid.

Mr. Larsen and Mr. Buxton responded to questions from all of the Trustees, after which it was moved by Trustee Christensen and seconded by Trustee Hatch as follows:

That Resolution No. 2021-08-02, which authorizes the issuance of refunding bonds, be adopted, including discussed changes.

The motion carried with Trustees Monson, Hatch and Christensen each voting "aye". Before leaving, Mr. Buxton expressed his appreciation to the District's retiring General Manager, Ms. Gill.

Consider Personnel Policies and Procedures:

Proposed new Personnel Policies and Procedures for the District have been reviewed by staff and by the Trustees over the past few months. A copy of the final draft of the Personnel Policies and Procedures was included in the Board Book.

Elect and Appoint KID Officers:

Ms. Gill, in addition to serving as the District's General Manager, has served as the District's Treasurer, the Central Valley Water Reclamation Facility Board (CVWRF) Alternate, and the UASD (Utah Association of Special Districts) Representative. It was recommended that these duties now be assigned to and assumed by the new General Manager, Greg Anderson. It was moved by Trustee Hatch and seconded by Trustee Christensen as follows:

That Greg Anderson be appointed, in place of Pamela Gill, to serve as the District's Treasurer, CVWRF Board Alternate and UASD Representative.

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

Consider Resolution 2021-08-01, Resolution of Appreciation – Pamela Gill, General Manager/CEO:

After Chair Monson introduced the agenda item and Trustee Hatch read Resolution 2021-08-01, a Resolution of Appreciation for the District's retiring General Manager, Pamela Gill, in its entirety, it was moved by Trustee Christensen and seconded by Trustee Hatch as follows:

That Resolution 2021-08-01 be adopted.

The motion carried with Trustees Monson, Hatch and Christensen each voting "aye". Ms. Gill expressed her surprise at the Resolution, which was hidden from her and included in an amended agenda that was posted as required by law but was not seen by Ms. Gill.

Central Valley Water Reclamation Facility:

A copy of the July 28, 2021 Central Valley Water Reclamation Facility Board meeting agenda was included in the Board Book. Trustee Hatch, who is KID's representative on the Central Valley Board, reviewed a number of agenda items and current Central Valley activities, including a blower building contract dispute and an invitation to everyone to participate in a tour of Central Valley's facilities on August 25th, immediately after the Central Valley Board meeting.

Jordan Valley Water Conservancy District:

A copy of the August 11, 2021 Jordan Valley Water Conservancy District Board meeting agenda was included in the Board Book. Trustee Christensen, who also serves on the Jordan Valley Board, noted that a property tax increase public hearing will be part of the meeting, commencing at 6:00 p.m., and he reviewed other Jordan Valley activities.

Utah Association of Special Districts:

Ms. Gill stated that the August 5, 2021 meeting of the Utah Association of Special Districts Board of Trustees, a copy of the agenda for which was included in the Board Book, was cancelled.

Kearns Metro Township Council:

A copy of the August 9, 2021 Kearns Metro Township Council meeting agenda was included in the Board Book. Trustee Hatch went into detail discussing a number of the agenda items, including a speed limit change that will increase consistency, a public hearing to deal with proposed zoning changes, the approval of a FEMA Flood Plain Plan, a reduction in vandalism within the Metro Township, a report that a number of Unified Fire Department firefighters have been deployed to help put down wildfires in other states, the Community Food Pantry, and other



Metro Township activities and issues. Trustee Hatch noted that she introduced Greg Anderson to the Kearns Metro Township Council as the new KID General Manager. Ms. Gill, Greg Anderson and Riley Astill provided additional information concerning such things as a program to help qualifying persons with water and sewer service bills and a Wasatch Front Waste and Recycling District leaf bag drop off change.

Kearns Community Council:

A copy of the August 3, 2021, Kearns Community Council meeting agenda was included in the Board Book. Chair Monson was out of town and was not able to attend the Community Council meeting.

Trustee Per Diem Report:

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

Chair Monson declared a ten minute break at 7:05 p.m. Chair Monson called the meeting back into order at 7:16 p.m.

Discuss the Character and Professional Competence of an Individual(s) – possible closed meeting:

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

That the Board go into a closed meeting to discuss the character and professional competence of one or more individuals.

The motion carried with Trustees Monson, Hatch and Christensen each voting “aye”. Chair Monson declared the meeting to be closed at 7:17 p.m. Ms. Gill left the Board Room during the closed session.

Chair Monson declared the meeting to again be open at 7: 45 p.m. No action was taken during the closed portion of the meeting other than the approval of a motion to end the closed session and return to the open meeting that was made by Trustee Christensen and seconded by Trustee Hatch. Chair Monson thanked Ms. Gill for her years of service to the District, telling her that she “will be missed”. Trustee Hatch expressed her appreciation for Ms. Gill’s efforts, noting that she built an excellent staff.

After the Trustees expressed their appreciation to Ms. Gill, it was moved by Trustee Christensen and seconded by Trustee Hatch as follows:

That Ms. Gill be awarded a sick leave payout, according to KID Policy, equal to 30% of 1,500 hours, which is standard, and that she also be awarded a performance and longevity bonus of \$300 per year of service to the District, totaling \$10,500.

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



Adjourn:

There being no further business to come before the Board, Chair Monson declared the meeting to be adjourned at 7:50 p.m.

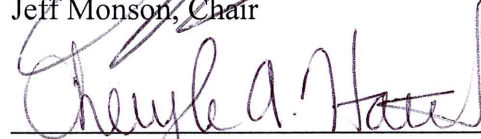
Approved by the Board of Trustees of the Kearns Improvement District on the 14th day of September, 2021.

Date: 14 September 2021




Jeff Monson, Chair

Date: 14 Sept. 2021



Cheryle A. Hatch, Vice Chair

Date: 14 SEPT 2021



Gregory R. Christensen, Board Clerk

