MINUTES OF THE MEETING OF THE KEARNS IMPROVEMENT DISTRICT (KID) BOARD OF TRUSTEES HELD SEPTEMBER 8, 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
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
Craig Fjelstrom, Assistant Controller

Others in Attendance:

Michael Miller (Via Zoom)
Charles Henderson, Kearns City Administrator

Call to Order:

Chair Hatch called the meeting to order at 4:30 p.m. and welcomed all those present. The invocation was offered by Greg Christensen and the pledge of allegiance was led by Miranda Giles.

Public Comments:

There were no public comments.

Approval of Minutes – August 11, 2026:

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

That the August 11, 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 - "Budget, Rates, and Fees":

Using a PowerPoint presentation, Craig Fjelstrom updated the Trustees regarding the process to approve KID's annual Budget and approve new or increased service rates and fees. He reviewed water fees and sewer fees separately, discussing each rate and category, including extraterritorial service fees, penalties, interest and late charges. He used a sample residential bill to illustrate the discussion and referenced extensive information to be found on the District's website. At the end of his presentation, Mr. Fjelstrom was thanked for the training and for his service to the District and its customers.

Discuss the General Manager's Report:

Greg Anderson reviewed highlights from his monthly written Report, a copy of which was included in the Board Book. He stated that KID was honored to be recognized as one of three finalists for ChamberWest's "Best Place to Work" award. Although KID did not receive the award, Mr. Anderson expressed his appreciation to KID's employees for nominating the District. He also discussed a Jordan Valley Water Conservancy District (JVWCD) member agency (wholesale customer) meeting during which JVWCD laid out its new water budget policy for future developments. As of July 1st, JVWCD member agencies, including KID, shouldn't enter into new growth development agreements without first receiving input from JVWCD. Under JVWCD's new policy, areas that are not within JVWCD's current boundary will be assessed at a higher "Tier II rate" and developers may be required to provide water shares, water rights or money as a prerequisite to receiving JVWCD water. In response to a question from Trustee Christensen, Greg Anderson confirmed that there are no areas within KID that are not also within JVWCD's current service area.

Discuss The Communications And Marketing Report:

Jamie Banh reviewed her Communications/Public Outreach Highlight Report, a copy of which was included in the Board Book. Her Report outlined communications and marketing activities, noted that KID's website continues to score 100% for site accessibility, and summarized Facebook/website postings. Greg Anderson declared that the website uptake numbers were "great".

Discuss the Public Works Report:

Mr. Woodruff discussed highlights from his monthly written Report, a copy of which was included in the Board Book. In particular, he reported on the completion of the main waterline installation for the Kearns Junior High/Sams Boulevard Project and the status of other construction and development projects within the District. His Report included a striking series of photographs of a lightning strike that was captured between the Hercules Tank Site and Gibbons Tank cameras. The lightning strike coincided with a tank level gauge failure.

Discuss the Operations & Maintenance Report:

Robert Lutz reviewed highlights from his monthly written Report, a copy of which was included in the Board Book. Last month was very busy for his Department. Mr. Lutz provided details regarding a Copper City Drive 12 inch diameter waterline break that occurred on Sunday, August 16. The waterline break was caused by poor bedding and installation when the waterline was installed in the 1980s. Approximately 323 telephone calls regarding the break overwhelmed the District's telephone system. It took more than an hour from the time the first call came in to when the water was shut off, with an estimated loss of 550,000 gallons of water. The crews excavated the area quickly, made the repair, and restored water service to 37 affected homes by 9:00 p.m. Cleanup efforts resumed on Monday and, before the end of the week, the area was fully restored with a new sidewalk, topsoil and sod, and gravel in the park strip. Greg Anderson noted that the break occurred at the low end of the pressure zone, where there was a lot of water pressure. Mr. Lutz also reported that personnel from Potable Divers inspected and cleaned the inside of three water tanks located at the KID office and the "Herc" Tank Site. All three water tanks were found to be in good shape with many years of service ahead of them. Mr. Lutz informed the Trustees that a directional drilling company hit a waterline at 5188 West Hoopes Street. The drilling company didn't "pothole" to locate KID's utilities before drilling. The drill struck the side of a cement water line, which caused the roadway and gutter to lift and buckle. Approximately 65,000 gallons of water was lost as a consequence. The drilling contractor will be responsible for all repairs and has been billed. In response to questions from Trustee Giles, Kara Lutz and Robert Lutz stated that no Hoopes street basements were flooded and the impacted yards have been cleaned up. Mr. Lutz explained that six bolts rusted out on a six inch fire hydrant gate valve located on Mount Whitney Lane, causing the valve to blow off. KID staff quickly isolated the section of the water main and repaired the valve. No KID customers were affected by the shutdown. Operations staff also reported that two one-inch diameter service lines were hit by directional drillers on 4015 West and 5400 South. Both service lines had been "blue staked".

Discuss the Administrative Report:

Kara Lutz reviewed highlights from her written Report, a copy of which was included in the Board Book. Among other things, she noted that Michelle Baker has retired after 27 years of service. Her vacant position will not be filled at this time, with the duties being taken over by other employees. Ms. Lutz also discussed the telephone call volume that was experienced on August 16th and explained the telephone call routing process that proved to be inadequate. The routing process has been updated, which will enable a greater call volume to be handled successfully. All three Trustees actively participated in the discussion. Trustee Christensen noted that there will be no more toilet rebates after November 1st. Ms. Lutz referenced a recent meeting with Moreton Asset Management and responded to a question from Trustee Christensen regarding anticipated interest rate increases on the District's investment/ reserves accounts.

Discuss the Financial Report:

Riley Astill reviewed highlights from his written Report, a copy of which was included in the Board Book. He noted that year-to-date net income is continuing to perform better than the Budget. He explained that a preliminary 2027 Budget has been prepared, and reported that second quarter transparency financial data has been filed with the State Auditor and KID's second quarter payroll

tax returns have been filed. He stated that an RFQ (Request For Qualifications) has been issued to solicit proposals for managed IT and Cybersecurity services, explaining that KID has been with its current provider for more than five years. Mr. Astill responded to questions from all three Trustees, with Greg Anderson providing additional information. In particular, there was a robust discussion of the JVWCD Water Summary (July 2026 water usage was 9%, or approximately 37 million gallons, less than July of 2025 water usage and year-to-date water usage, as of July, was 7% below 2025 levels). The GPCPD (Gallons Per Capita Per Day) Summary reflected that KID's year-to-date numbers for all connections, at 128 GPCPD, compare very favorably to the 2030 regional goal of 187 GPCPD.

Consider the Check Register:

A copy of the July 2026 Check Register, which is a list of all expenditures made during the month, was included in the Board Book. Mr. Astill, Mr. Lutz, Greg Anderson and Mr. Woodruff responded to a series of questions from Chair Hatch and to a question from Trustee Christensen regarding specific expenditures, after which it was moved by Trustee Christensen and seconded by Trustee Giles as follows:

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

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

Consider Training Requests:

There were no training requests.

Consider Purchases/Costs over $50,000:

Invoice # 49067, which is Progress Payment Request # 2, submitted by Spade Excavating Inc. for the Sams Boulevard Project, was included in the Board Book. Mr. Woodruff recommended the approval of a payment of $426,917.56 for work completed and inspected during August, less a 5% retention amount of $21,345.88, yielding a net payment due of $405,571.68.

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

That Progress Payment Request #2, Invoice # 49067, be approved for payment to Spade Excavating Inc in the net amount of $405,571.68.

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

Consider Bond Releases/Reductions:

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

Present & Discuss the 2027 Preliminary Budget, Rates, and Fees:

The Board Book included a Memorandum from Greg Anderson that provided details regarding: a recommended rate equalization adjustment for landscape water use by commercial, institutional and industrial customers that is being implemented in two phases, concluding with the 2027 Budget; a relatively modest 3.2% wholesale water rate increase imposed on KID by the Jordan Valley Water Conservancy District (KID's wholesale water rate is one of the two highest rates assessed by Jordan Valley); the Central Valley Water Reclamation Facility sewage treatment plant renovation that has an estimated cost of $525 million, of which approximately 11% will be KID's responsibility (the new wastewater treatment process will remove more solids, which will require additional trucking costs that will be passed on to commercial and industrial facilities that are responsible for the wastewater strength); water and sewer piping material price escalations; the effect of the elimination of anticipated federal and state grant funds on KID's Budget; inflation (the West Region Consumer Price Index (CPI)) is 3%); a recommended 3% cost of living adjustment (COLA) and a potential 2% merit increase for KID staff (which Trustee Christensen feels is too low); insurance premium increases; the availability of two Jordan Valley Water Conservancy District water conservation grants of $65,000 each; projected 2027 capital expenses (no major water or sewer line improvement projects are budgeted but vehicles and equipment that are more than 10 years old and reaching the end of their useful lives are budgeted for replacement); the retirement in 2026 of two long-term KID employees, who will not be replaced to help limit labor cost increases; and a recommended 6% water rate increase and a recommended 7% sewer rate increase to balance the Budget.

After Greg Anderson reviewed his Memorandum with the Trustees, Riley Astill reviewed the 2027 Preliminary Budget, a copy of which was included in the Board Book. In particular, Mr. Astill reviewed a timetable for the budgeting process; a Revenue and Expense Budget Summary; the proposed Capital Budget and Operating Budget; and the proposed rates and fees that have been incorporated into the Budget. He also reviewed projections of cash on hand, debt service amounts, the debt service coverage ratio, and water conservation. During the discussion, Mr. Astill, Mr. Lutz, Mr. Woodruff, and Greg Anderson responded to questions from the Trustees, particularly Trustee Christensen. Greg Anderson noted that the KID Board has not raised the property tax rate in 15 years, unlike many other taxing entities. It was noted that, by building up cash reserves, KID will be able to save bond issuance and interest costs that would be incurred with greater borrowing levels. Greg Anderson praised Mr. Lutz and his crew for a "great job" maintaining the District's infrastructure in a fiscally responsible manner. Mr. Astill noted that the Central Valley Water Reclamation Facility Budget is not yet available. Consequently, some Central Valley related expense items might change in KID's final Budget.

Consider and Discuss Title 2 Chapter 2 Administrative Policies and Procedures – Vehicles:

A redline draft of the District's Vehicles Policy was included in the Board Book. Greg Anderson reviewed his proposed edits and noted a number of additional edits recommended by Mark Anderson, primarily in response to changes in the Utah Code since the Vehicles Policy was last

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

> **That the proposed amendments to Title 2, Chapter 2 of the District's Administrative Policies and Procedures, Vehicles, be approved, including the edits recommended by legal counsel.**

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

Central Valley Water Reclamation Facility:

A copy of the August 26, 2026 Central Valley Board meeting agenda was included in the Board Book. Chair Hatch, who represents KID on the Central Valley Board, provided a brief update regarding Central Valley, including a WEFTEC (Water Environment Federation Technical Exhibition and Conference) walkthrough, a tour of Central Valley's new facilities for Board members and managers on September 23 after the Central Valley Board meeting (an open house will be held next spring); and work on next year's Central Valley Budget, which is expected to include contingency funding for fuel cost increases and unexpected expenses.

Jordan Valley Water Conservancy District:

A copy of the agenda for the upcoming September 9, 2026 Jordan Valley Board meeting was included in the Board Book. Greg Anderson will attend that meeting. Mr. Woodruff attended the last Jordan Valley discussion of Water Conservation Grants.

Utah Association of Special Districts:

Copies of the agendas for the August 13 and September 3 UASD Board meetings were included in the Board Book. Greg Anderson, who serves on the UASD Board, stated that, with the retirement of Executive Director LeGrand Bitter at the end of September, Heather Anderson will become the Executive Director of the Association. UASD will, in turn, contract with an individual to take over most of Ms. Anderson's current responsibilities for the Association.

Kearns City Council:

A copy of the August 10, 2026 Kearns City Council meeting agenda was included in the Board Book.

ChamberWest – Board of Directors, Board of Governors & Legislative Affairs:

The ChamberWest Chamber of Commerce Board of Directors and Board of Governors 2026 Meeting Schedule was included in the Board Book, as were the agendas for the August 20, 2026 Board of Directors meeting and the September 3, 2026 Legislative Affairs Committee meeting. A list of Legislative Affairs Committee Subcommittees was also included in the Board Book.

Trustee Per Diem Report:

The August 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 6.37 p.m.

Approved by the Board of Trustees of the Kearns Improvement District on the 13th day of October, 2026.

Date: October 13, 2026

Cheryle A. Hatch, Chair

Date: 13 Oct 2026

Gregory R. Christensen, Vice Chair

Date: 13 Oct 2026

Miranda Giles, Board Clerk

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