

**MINUTES OF THE REGULAR BOARD MEETING OF THE
BOARD OF TRUSTEES OF JORDAN VALLEY WATER CONSERVANCY DISTRICT**

(Unapproved and subject to change)

November 8, 2023

A regular Public Hearing/Board meeting of the Board of Trustees of the Jordan Valley Water Conservancy District was held both in person and electronically on Wednesday, November 8, 2023, at 3:00 p.m. at JVWCD's administration building located at 8215 South 1300 West, West Jordan, Utah.

This meeting was conducted electronically in accordance with the Utah Open and Public Meetings Act (Utah Code Ann. (1953) §§ 52-4-1 et seq.) and Chapter 7.12 of the Administrative Policy and Procedures Manual ("Electronic Meetings").

Trustees Present:

Corey L. Rushton, Chair
A. Reed Gibby
Zach Jacob
Karen D. Lang
Sherrie L. Ohrn
John H. Taylor
Barbara L. Townsend

Trustees Not Present:

Dawn R. Ramsey
Mick M. Sudbury

Staff Present:

Alan Packard, General Manager
Jacob Young, Deputy General Manager
Matt Olsen, Assistant General Manager
Shazelle Terry, Assistant General Manager
Jason Brown, Information Systems Department Manager
Brian Callister, Maintenance Department Manager
Shane Swensen, Engineering Department Manager and Chief Engineer
Mark Stratford, General Counsel
David Martin, Chief Financial Officer/Treasurer
Brian McCleary, Controller
Kurt Ashworth, Human Resources Manager
Beverly Parry, Executive Assistant
Mindy Keeling, Administrative Assistant
Cynthia Bee, Public Information Officer
Martin Feil, Database Administrator (electronic)
Kelly Good, Communications Division Manager
Ben Perdue, Property and Right-of-Way Manager (electronic)
Wade Tuft, Water Supply Manager
Kevin Rubow, Senior Engineer – Water Rights

Also Present:

Brandon Crookston, Water Manager, South Jordan City
Greg Davenport, Utility Director, West Jordan City
Alan Domonoske, Vice President, Carollo Engineers
Justun Edwards, Public Works Director, Herriman City (electronic)
Gary Henrie, Engineer, Bureau of Reclamation

Eric Hunter, Chapman and Cutler
Brien Maxfield, Senior Engineer, Draper City
Rob Moore, General Counsel, CUWCD
Nathan Olmedo, Documenter, Salt Lake Tribune
Ana Paz, Associate Engineer, South Jordan City (electronic)
David Robertson, Principal/Owner, LRB
Shawn Robinson, Director of Operations and Maintenance, Taylorsville-Bennion Improvement District (electronic)
Ron Stewart, Gilbert & Stewart
Dan Tracer, Assistant City Engineer, Bluffdale City (electronic)
Laura Vernon, Utah DNR, Division of Water Resources
Bret Wilson, Engineer, Northrup Grumman

Call to order and introduction of visitors

Mr. Corey Rushton, Chair, convened the public hearing of the Jordan Valley Water Conservancy District Board of Trustees at 3:00 p.m. on Wednesday, November 8, 2023, in the JWCD administration building located at 8215 South 1300 West in West Jordan, Utah. Mr. Rushton introduced the members of the Board and visitors who attended the meeting in person and electronically. Mr. Mick Sudbury and Ms. Dawn Ramsey were excused from the meeting. Mr. Rushton stated this public hearing was being held to receive public comments relating to the issuance of up to \$135 million of water revenue bonds; and related matters.

Public hearing relating to the issuance of up to \$135 million of water revenue bonds; and related matters

Verification of legal notification requirements

Mr. Rushton asked Mr. Mark Stratford, General Counsel, to report on verification of legal notification requirements for the public hearing. Mr. Stratford stated that notice was posted at the JWCD Administration and Education buildings, on the Utah Public Notice website, and the JWCD website. He stated that all requirements were met for legal notification as required by the Utah Code.

Motion to open public hearing and receive public comments

Mr. Rushton called for a motion to open the public hearing and receive public comments. Mr. John Taylor moved to open the public hearing and receive public comments. Following a second by Ms. Barbara Townsend, the motion was unanimously approved by those present as follows:

Mr. Gibby – aye	Mr. Jacob – aye
Ms. Lang – aye	Ms. Ohrn – aye
Ms. Ramsey – not present	Mr. Rushton – aye
Mr. Sudbury – not present	Mr. Taylor – aye
Ms. Townsend - aye	

Comments from the Finance Committee Chair

Mr. John Taylor, Finance Committee Chair, said the issuance of bonds is critical for the continued operations of JWCD, and he expressed appreciation to staff and consultants for their work on this process.

Staff presentation on issuance of the bonds

Mr. David Martin, Chief Financial Officer, reviewed JWCD's financing strategy which includes water rates, impact fees, property taxes, and borrowing for capital projects as major sources of funding. He said JWCD's long term financing strategy has been to issue new money bonds every 2-3 years to finance projected capital projects. He shared information on JWCD's growth that has taken place which includes an increase in water deliveries from 85,000 acre-feet in 2000 to 101,000 acre-feet in 2023,

an average annual water rate increase of 3.6% from 2000 to 2023, and a rapid increase in fixed assets over those same years. Mr. Martin reviewed the capital funding plan which includes replacement projects funded through rates, capital needs for a growing service area, a projected \$467 million in capital costs needed over the next 10 years, and new bonds issued every 2-3 years.

Mr. Martin said the funds from the proposed issuance of bonds will be used to partially fund the JWTP expansion and seismic improvements, two new storage reservoirs, new wells and groundwater development, extension of a section of the Southwest Aqueduct, and other projects. He summarized the structure of the Series 2024A revenue bonds, which will be tax exempt, a fixed interest rate, a 30-year term, and a negotiated sale method will be used.

Mr. David Robertson, LRB Public Finance Advisors, gave a market update and presented information on the proposed bond issuance. He also gave information on Series 2014 bond refunding options, which he said would most likely provide the most savings if the refunding waited until next summer.

Questions from Trustees

There were no questions from Trustees.

Motion to open public comment session on issuance of the bonds

Mr. Rushton called for a motion to open the public comment session on issuance of the bonds. Ms. Barbara Townsend moved to open the public comment session. Following a second by Ms. Karen Lang, the motion was approved by those present as follows:

Mr. Gibby – aye	Mr. Jacob – aye
Ms. Lang – aye	Ms. Ohrn – aye
Ms. Ramsey – not present	Mr. Rushton – aye
Mr. Sudbury – not present	Mr. Taylor – aye
Ms. Townsend – aye	

There were no public comments.

Motion to close public comments session

Mr. Rushton called for a motion to close the public comment session. Mr. Reed Gibby moved to close the public comment session. Following a second by Ms. Sherrie Ohrn, the motion was approved by those present as follows:

Mr. Gibby – aye	Mr. Jacob – aye
Ms. Lang – aye	Ms. Ohrn – aye
Ms. Ramsey – not present	Mr. Rushton – aye
Mr. Sudbury – not present	Mr. Taylor – aye
Ms. Townsend - aye	

Staff response and summary

Mr. Alan Packard, General Manager, said that every two to three years JWCD issues new money bonds to support its capital funding plan which supports the growing needs of its Member Agencies. He expressed appreciation to the JWCD's consulting team for their work getting this bond issuance prepared.

Motion to close public hearing

Mr. Rushton called for a motion to close the public hearing. Mr. John Taylor moved to close the public hearing. Following a second by Ms. Karen Lang, the motion was approved by those present as follows:

Mr. Gibby – aye	Mr. Jacob – aye
Ms. Lang – aye	Ms. Ohrn – aye
Ms. Ramsey – not present	Mr. Rushton – aye
Mr. Sudbury – not present	Mr. Taylor – aye
Ms. Townsend - aye	

Presentation by Laura Vernon, Great Salt Lake Basin Planner with the Division of Water Resources, about “Great Salt Lake Basin Integrated Plan”

Ms. Laura Vernon, Great Salt Lake Basin Planner with the Division of Water Resources, presented information regarding the Great Salt Lake Basin Integrated Plan. She reviewed the need for a plan; the integrated, collaborative approach being undertaken to develop a workplan; and the timeline for the workplan rollout.

Approval of common consent items

Mr. Rushton presented the minutes of the Executive Committee meeting held October 8, 2023, and the regular Board meeting held October 11, 2023. He also presented the October 2023 Trustees’ Expenses Report. Mr. Rushton called for a motion. Ms. Sherrie Ohrn moved to approve the minutes of the October 9th and October 11th meetings and the Trustees’ Expenses Report for October 2023. Following a second by Ms. Barbara Townsend, the motion was approved by those present as follows:

Mr. Gibby – aye	Mr. Jacob – aye
Ms. Lang – aye	Ms. Ohrn – aye
Ms. Ramsey – not present	Mr. Rushton – aye
Mr. Sudbury – not present	Mr. Taylor – aye
Ms. Townsend - aye	

Public comments

There were no public comments.

Presentation on the audit report by Gilbert & Stewart for fiscal year ending June 30, 2023

With no objection from the Board, the agenda was amended and Agenda Item No. 9.b. was brought forward on the agenda.

Mr. Ron Stewart, Gilbert & Stewart, reviewed what was included in the audit process and stated that there are three objectives pertaining to the audit: 1) to determine if the numbers reported on the financial statements are accurate and materially correct, 2) to determine if internal controls are in place and working properly, and 3) to determine if JVVCD is compliant with state rules and regulations. He stated that the unmodified opinion expressed by Gilbert & Stewart in the firm’s audit report is that the financial statements present fairly, in all material respects, the financial position of the business type activities of JVVCD as of June 30, 2023. He reviewed some of the various documents and procedures that are reviewed or tested during the audit. Mr. Stewart said that in the evaluation of JVVCD’s internal controls, Gilbert & Stewart did not find any significant deficiencies or material weaknesses, and JVVCD met all compliance requirements in Utah law. There were no issues or findings.

Core Mission Reports	Mr. Alan Packard, General Manager, reviewed the Municipal and Industrial (M&I) Water Deliveries report through October 2023, and the Wholesale Contract Progress report for each Member Agency.
Water supply update	Mr. Wade Tuft, Water Supply Manager, gave the 2023 Water Year Report which included Provo River Reservoirs Update and M&I Water Sources used during the water year. He provided 5-year history for Utah Lake, Deer Creek Reservoir, Jordanelle Reservoir water levels. Mr. Tuft also reviewed the water supply sources from the water year November 1, 2022, through October 31, 2023.
Water quality update	Ms. Shazelle Terry, Assistant General Manager, highlighted water quality information which was included in the recently completed Summary of Operations for fiscal year 2023. She provided information on wholesale water deliveries, the amount of groundwater used, and treatment facilities volumes. Ms. Terry provided water quality information including turbidity, chlorine disinfection, disinfection by-products, microbiological and chlorine residual compliance, and fluoride. She also provided information on the total number of samples collected and analyzed by the Jordan Valley Lab. Ms. Terry expressed appreciation for maintenance staff and the work they perform and said operations and water quality staff cannot do their jobs without well maintained equipment and facilities.
Standing Committee Reports	Mr. Brian McCleary, Controller, reviewed the Financial Report for September 2023. He pointed out the Fiscal Year-To-Date Revenues and Fiscal Year-To-Date Expenses and Net Revenues are right in line with what was budgeted. He explained that the Net Revenues after Debt Service is negative due to a Bond Debt Service payment of \$17.5 million which occurred in September.
Finance update	
Conservation update	Mr. Matt Olsen, Assistant General Manager, reported on work that Maintenance and Conservation staff have been collaborating on at a JWCD facility located at 2300 East and 9800 South in Sandy. This site has over nine acres of landscaping, with most of it consisting of grass. The goal of this project has been to reduce water use at the site through a series of irrigation and landscaping improvements. As a result of these efforts, the annual water use has consistently been reduced each year, with last year showing a reduction of approximately three million gallons annually which is 70% less than when the effort began. This project shows the importance of focusing on JWCD facilities that need landscaping updates and retrofits and the importance of implementing solutions such as smart irrigation controllers, irrigation repairs, and water audits. He expressed appreciation to staff who worked to coordinate this project and said he hopes it can be a model for other sites in the future.
Consider approval of Board and Committee meetings' schedule for 2024	Ms. Beverly Parry, Executive Assistant, reviewed the proposed 2024 meeting schedule. She recommended approval of the Board and Committee meetings' schedule for 2024.

Mr. Rushton called for a motion on the recommendation. Mr. John Taylor moved to approve the Board and Committee meetings' schedule for 2024. Following a second by Ms. Barbara Townsend, the motion was approved by those present as follows:

Mr. Gibby – aye	Mr. Jacob – aye
Ms. Lang – aye	Ms. Ohrn – aye
Ms. Ramsey – not present	Mr. Rushton – aye
Mr. Sudbury – not present	Mr. Taylor – aye
Ms. Townsend - aye	

Financial Matters

Consider adoption of Resolution No. 23-20, "Authorizing the issuance of up to \$135 Million of Water Revenue Bonds; and Related Matters"

Mr. Martin invited Mr. Eric Hunter, Chapman and Cutler, to give a summary of Resolution No. 23-20 regarding the issuance of water revenue bonds. Mr. Hunter explained that the resolution supplements the master resolution that was adopted in 1987 which authorizes the issuance of bonds, defines the terms of provisions, outlines redemptions, pledges revenues, establishes covenants, etc. This master bond resolution has been amended over the years as needed; and for each new bond issuance, a delegating resolution needs to be adopted. He reviewed what Resolution No. 23-20 authorizes as a delegating resolution for the proposed bond issuance. Mr. Martin recommended adoption of Resolution No. 23-20, "Authorizing the Issuance and Sale of up to \$135 Million of Water Revenue Bonds; and Related Matters."

Mr. Rushton called for a motion on the recommendation. Ms. Sherrie Ohrn moved to adopt Resolution No. 23-20, "Authorizing the Issuance and Sale of up to \$135 Million of Water Revenue Bonds; and Related Matters." Following a second by Ms. Karen Lang, the motion was approved by those present as follows:

Mr. Gibby – aye	Mr. Jacob – aye
Ms. Lang – aye	Ms. Ohrn – aye
Ms. Ramsey – not present	Mr. Rushton – aye
Mr. Sudbury – not present	Mr. Taylor – aye
Ms. Townsend - aye	

Consider adoption of Resolution No. 23-21, "Authorizing a Transfer of Funds from the Revenue Fund to the Capital Projects Fund and Other Designated Reserve Funds"

Mr. Martin stated that after the audit report is completed, an annual transfer is proposed from the Revenue Fund to other funds, such as the Capital Projects and other reserve funds. He reviewed the timeline of the budget and year-end transfer, the budget strategy and use of reserve funds, and the proposed transfer amounts. This year will include a transfer to the Short-Term Operating Reserve Fund, which will be a new fund and sub-account of the Revenue Stabilization Fund and includes PayGo Capital generated from fiscal year 2023 O&M expenditures and Debt Service payments being less than budgeted. Mr. Martin said that after the proposed transfer, the combined balance of the Revenue Stabilization Fund and Short-Term Operating Reserve Fund would be \$6.3 million.

Mr. Martin recommended transferring funds from the Revenue Fund to the following funds: \$1,554,301 to the Capital Projects Fund, \$14,155,949 to the Replacement Reserve Fund, \$205,960 to the Development Fee Fund, \$900,000 to the General Equipment Fund, \$100,000 to the Emergency Reserve/Self-Insurance Fund, \$200,000 to the Operation and Maintenance Fund, and \$3,386,936 to the Short-Term Operating Reserve Fund. There

is no proposed transfer to the Revenue Stabilization Fund due to net operating revenues being less than budgeted.

Mr. Martin recommended adoption of Resolution No. 23-21, "Authorizing a Transfer of Funds from the Revenue Fund to the Capital Projects Fund and Other Designated Reserve Funds."

Mr. Rushton called for a motion on the recommendation. Ms. Barbara Townsend moved to adopt Resolution No. 23-21, "Authorizing a Transfer of Funds from the Revenue Fund to the Capital Projects Fund and Other Designated Reserve Funds." Following a second by Mr. Reed Gibby, the motion was approved by those present as follows:

Mr. Gibby – aye	Mr. Jacob – aye
Ms. Lang – aye	Ms. Ohrn – aye
Ms. Ramsey – not present	Mr. Rushton – aye
Mr. Sudbury – not present	Mr. Taylor – aye
Ms. Townsend - aye	

Engineering activities

Consider authorization to award a construction contract for 1362 East 6400 South Well Rehabilitation

Mr. Jacob Young, Deputy General Manager, said the pumping equipment at the well located at 1362 East 6400 South experienced mechanical failure in January 2023 and is currently in need of replacement. The project work will include removal of the motor and pump, inspection of the motor, well video survey, redevelopment using mechanical and chemical development, furnish and installation of new pumping equipment, well disinfection, testing, and restoration of the site and facility to its preconstruction condition. Mr. Young recommended authorization to award a construction contract for 1362 East 6400 South Well Rehabilitation to Widdison Well Services in the amount of \$544,966.

Mr. Rushton called for a motion on the recommendation. Ms. Sherrie Ohrn moved to authorize award of a construction contract to Widdison Well Services in the amount of \$544,966 for 1362 East 6400 South Well Rehabilitation. Following a second by Ms. Barbara Townsend, the motion was approved by those present as follows:

Mr. Gibby – aye	Mr. Jacob – aye
Ms. Lang – aye	Ms. Ohrn – aye
Ms. Ramsey – not present	Mr. Rushton – aye
Mr. Sudbury – not present	Mr. Taylor – aye
Ms. Townsend - aye	

Consider approval of engineering contract amendment for 3300 South Pipeline Project

Mr. Young said the second phase of the 3300 South Pipeline Replacement project was originally put out for bid in the Winter of 2022, and no bids were received. Consequently, staff reconfigured the project into three schedules and put it out for bid once again. Bids were received and contractors were selected to meet the three schedules. Staff realized this would require additional funding for construction management services due to the complexities of working with three separate contractors, constraints required by UDOT, and work by a contractor that will extend into Spring. Mr. Young recommended approval of an engineering contract amendment for the 3300 South Pipeline Project in the amount of \$271,869 in additional funding.

Mr. Rushton called for a motion on the recommendation. Mr. Reed Gibby moved to approve an engineering contract amendment for 3300 South Pipeline Project in the amount of \$271,869 in additional funding. Following a second by Ms. Karen Lang, the motion was approved by those present as follows:

Mr. Gibby – aye	Mr. Jacob – aye
Ms. Lang – aye	Ms. Ohrn – aye
Ms. Ramsey – not present	Mr. Rushton – aye
Mr. Sudbury – not present	Mr. Taylor – aye
Ms. Townsend - aye	

**Consider approval of
Third Joint
Agreement with
Hexcel Corporation
and Kearns
Improvement District**

Mr. Packard said that JVVCD’s existing water purchase agreement with Hexcel Corporation (Hexcel), also known as “Second Joint Agreement,” expires December 31, 2023. He said this agreement is unusual in that it is fixed term, and it is a joint agreement in which Kearns Improvement District (KID) is part of the agreement. He explained that when the original agreement was drafted, it was with the expectation that JVVCD would not be a permanent water supplier to Hexcel. The agreement includes provisions for when Hexcel takes more than 120% above the minimum purchase amount, that KID will provide the additional needed water supply. Earlier this year, JVVCD explored the option of allowing KID to become the sole provider of water to Hexcel, but KID and Hexcel need more time to develop terms of service that are acceptable to both parties. This Third Joint Agreement will have a five year term and includes the same minimum purchase amount (720 acre-feet) as the existing agreement.

Mr. Packard recommended approval of the Third Joint Agreement with Hexcel Corporation and Kearns Improvement District subject to non-substantial revision approved by the General Counsel and General Manager.

Mr. Rushton called for a motion on the recommendation. Ms. Sherrie Ohrn moved to approve of the Third Joint Agreement with Hexcel Corporation and Kearns Improvement District subject to non-substantial revision approved by General Counsel and General Manager. Following a second by Mr. Reed Gibby, the motion was approved by those present as follows:

Mr. Gibby – aye	Mr. Jacob – aye
Ms. Lang – aye	Ms. Ohrn – aye
Ms. Ramsey – not present	Mr. Rushton – aye
Mr. Sudbury – not present	Mr. Taylor – aye
Ms. Townsend - aye	

**Consider approval of
amendment to water
purchase agreement
with Granger-Hunter
Improvement District**

Mr. Packard said that in accordance with JVVCD’s new policy changes that were adopted in October that allows more opportunities for Member Agencies to reduce their minimum purchase volume, Granger-Hunter Improvement District (GHID) submitted a request to reduce their minimum purchase amount by 1,500 acre-feet. The minimum purchase volume would be reduced from 18,500 to 17,000 acre-feet, and the amendment would make that change effective in 2023. Mr. Packard said those policy changes were made to assure that the contracted minimum purchase volumes are not a barrier to achieving long-term water conservation. It also enables Member Agencies to make short-term changes in response to drought

where JVVCD might have a restricted water supply and need to reduce deliveries to Member Agencies. Mr. Packard recommended approval of an amendment to a water purchase agreement with Granger-Hunter Improvement District and authorize the General Manager and General Counsel to make minor revisions.

Mr. Rushton called for a motion on the recommendation. Mr. John Taylor moved to approve an amendment to a water purchase agreement with Granger-Hunter Improvement District and authorize the General Manager and General Counsel to make minor revisions. Following a second by Ms. Barbara Townsend, the motion was approved by those present as follows:

Mr. Gibby – aye	Mr. Jacob – aye
Ms. Lang – aye	Ms. Ohrn – aye
Ms. Ramsey – not present	Mr. Rushton – aye
Mr. Sudbury – not present	Mr. Taylor – aye
Ms. Townsend - aye	

Reporting Items

Mr. Packard reviewed the routine reporting items which included: Central Utah Project/CUWCD activities report, facilities rental agreements signed by the General Manager, performance indicators for September 2023, and media coverage. Mr. Shane Swensen, Engineering Department Manager and Chief Engineer, reported on a final project completion report for the JVVTP Blower Room Acoustical Improvements.

Upcoming meetings

Mr. Rushton reviewed the upcoming meetings including the Conservation Committee meeting, Monday, December 4 at 3:00 p.m.; Executive Committee meeting, Monday, December 4 at 3:30 p.m.; and regular Board meeting, Wednesday, December 6 at 3:00 p.m.

Consider approval to cancel the Conservation Committee meeting and the Executive Committee meeting scheduled on December 4, 2023, and the Board of Trustees meeting scheduled for December 6, 2023

Mr. Rushton recommended cancelling the Conservation and Executive Committee meetings scheduled for Monday, December 4 and the regular Board meeting scheduled for Wednesday, December 6. Ms. Barbara Townsend moved to cancel the meetings scheduled for December 4th and 6th. Following a second by Mr. John Taylor, the motion was approved by those present as follows:

Mr. Gibby – aye	Mr. Jacob – aye
Ms. Lang – aye	Ms. Ohrn – aye
Ms. Ramsey – not present	Mr. Rushton – aye
Mr. Sudbury – not present	Mr. Taylor – aye
Ms. Townsend - aye	

Closed meeting

Mr. Rushton proposed to convene a closed meeting at 5:26 p.m. to discuss character and professional competency of an individual. Mr. John Taylor moved to go into closed session for the discussion. Following a second by Ms. Karen Lang, the motion was approved by those present as follows:

Mr. Gibby – aye	Mr. Jacob – aye
Ms. Lang – aye	Ms. Ohrn – aye
Ms. Ramsey – not present	Mr. Rushton – aye
Mr. Sudbury – not present	Mr. Taylor – aye
Ms. Townsend - aye	

The closed meeting convened at 5:32 p.m. with the following Trustees present: Mr. Reed Gibby, Mr. Zach Jacob, Ms. Karen Lang, Ms. Sherrie Ohrn, Mr. Corey Rushton, Mr. John Taylor, and Ms. Barbara Townsend. Also present were: Alan Packard, General Manager; Jacob Young, Deputy General Manager; Matt Olsen, Assistant General Manager; Shazelle Terry, Assistant General Manager; Dave Martin, Chief Financial Officer; Mark Stratford, General Counsel; and Beverly Parry, Executive Assistant.

Matt Olsen, Shazelle Terry, Dave Martin, and Beverly Parry were excused from the meeting at 5:53 for the discussion of character and professional competency of an individual. Mr. Zach Jacob left the meeting at 5:53 p.m.

No votes or actions were taken during the closed meeting.

Open meeting

The open meeting reconvened at 6:26 p.m.

Adjourn

Mr. Rushton called for a motion to adjourn. Ms. Barbara Townsend moved to adjourn. Following a second by Mr. Reed Gibby, the meeting adjourned at 6:27 p.m.

Corey L. Rushton, Chair of the Board of Trustees

Alan E. Packard, District Clerk