

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

(Approved June 5, 2024)

Held May 8, 2024

A Public Hearing meeting of the Board of Trustees of the Jordan Valley Water Conservancy District was held in person and electronically on Wednesday, May 8, 2024, at 6:00 p.m. at JWVCD'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  
Karen D. Lang  
Andy Pierucci (Electronic)  
Barbara L. Townsend  
John H. Taylor

Trustees Not Present:

Dawn R. Ramsey  
John Richardson  
Zach Jacob  
Mick M. Sudbury

Staff Present:

Alan Packard, General Manager  
Jacob Young, Deputy General Manager  
Shazelle Terry, Assistant General Manager  
Gordon Batt, Operations Department Manager  
Jason Brown, Information Systems Department Manager (electronic)  
Brian Callister, Maintenance Department Manager  
Shane Swensen, Engineering Department Manager  
Mark Stratford, General Counsel  
David Martin, Chief Financial Officer/Treasurer  
Brian McCleary, Controller  
Kurt Ashworth, Human Resources Manager  
Mindy Keeling, Executive Assistant  
Lisa Wright, Administrative Assistant III  
Martin Feil, Database Administrator (electronic)  
Kelly Good, Communications Division Manager  
Jeanette Perry, Customer Services Supervisor  
Travis Christensen, Engineering Group Leader

Also Present:

Greg Anderson, General Manager, Kearns Improvement District  
Shawn Koorn, Associate Vice President, HDR Engineering  
Cam Walker, HDR Engineering  
Kevin Lorentzen, HDR Engineering  
Ann M. Morrison, 6204 South Vintry Lane, Salt Lake City  
Ana Paz, Associate Engineer, South Jordan City (electronic)

Bradley Collings (electronic)  
Bruce Hicken, Director of Finance and Information, Taylorsville-Bennion Improvement District  
(electronic)

**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 6:02 p.m. on Wednesday, May 8, 2024, 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 joined the meeting in person and electronically. Mr. Rushton stated this public hearing was being held to receive public comments regarding the fiscal year (FY) 2024/2025 tentative financial plan and budget, and the tentative wholesale and retail water rates.

**Public Hearing on the tentative financial plan and budget for fiscal period July 1, 2024, to June 30, 2025, and the tentative wholesale and retail water rates for fiscal period July 1, 2024, to June 30, 2025**

**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 presented the notification certificates showing how notice was provided for this public hearing for the proposed retail and wholesale water rates, In lieu of fee, and the tentative FY 2024/2025 budget and financial plan. An affidavit was provided by staff indicating mailed notice of the public hearing was sent to all JWCD retail customers. He stated that all requirements were met for legal notification as required by the Utah Code.

**Motion to open public hearing**

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

- |                              |                         |
|------------------------------|-------------------------|
| Mr. Richardson – not present | Mr. Jacob – not present |
| Ms. Lang – aye               | Mr. Pierucci – 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, expressed appreciation to staff for the effort that has gone into preparing the proposed budget and water rates.

**Staff Presentation**

Mr. David Martin, Chief Financial Officer/Treasurer, was asked to review the schedule of Board actions and give an overview of the tentative financial plan and budget for FY 2024/2025 and proposed changes in fees.

**Review schedule of Board actions**

Mr. Martin said staff began preparation of the budget in January 2024. He reviewed the schedule of Board actions which included two Finance Committee meetings; the water rate analysis and calculation by JWCD's consultant; the April 10, 2024, Board meeting where the Board tentatively

approved the tentative FY 2024/2025 budget and water rates; today's public hearing; and the June 5, 2024, Board meeting where the tentative budget, the proposed tax rate, and the final water rates will be adopted to be effective July 1, 2024.

**Overview of tentative financial plan and budget**

Mr. Martin reviewed the sources and uses of funds totaling \$182,658,892. He stated the increase in the budgeted water sales revenue is based on a proposed 6.0% water rate adjustment and an increase in budgeted water deliveries from 102,000 acre-feet (AF) to 104,000 AF. The property tax revenue increase is attributed to taxes from new growth. The remaining sources of funds include interest income, impact fees, other miscellaneous revenue, bond proceeds and other funding for capital projects, and a combined \$5.2 million transfer from the Short-term Operating Reserve and Revenue Stabilization Fund.

Regarding the uses of funds, the largest portion of the budget is the operations and maintenance budget at \$60.3 million, an increase of 1.1% over last year. A large decrease in the Community Engagement Department budget, at approximately \$2.5 million for conservation programs, is a result of funding for grass removal being moved to the capital projects budget. Personnel expenses include three new positions and a 5.0% pay increase.

Mr. Martin reviewed the general equipment budget, which totals \$981,000 and is made up of items costing \$10,000 or more, have a useful life of more than one year, and which are recorded as assets and depreciated. He reviewed the capital projects budget, which totals approximately \$67.2 million and is divided into five categories. Mr. Martin identified some of the largest projects in the different categories.

Mr. Martin said there is no tax rate increase included in the FY 2024/2025 tentative budget, and that JVVCD will adopt the Certified Tax Rate estimated to be 0.000334, which would generate approximately \$29.5 million in revenue. He reviewed a summary of fees and said there are no proposed changes to existing fees. Mr. Martin stated that a Water Rate Study was performed by HDR Engineering. The annual Member Agency meeting was held on April 16, 2024, at which staff reviewed with JVVCD's Member Agencies the tentative water rates. After the April Board meeting, a letter was mailed to retail customers that included the tentative retail water rates, and public hearing information.

**Tentative retail and wholesale water rates presentation**

Mr. Martin introduced Shawn Koorn, Associate Vice President of HDR. Mr. Koorn reviewed the methodology used to determine JVVCD's water rates. The process includes three steps: determining the revenue requirement, performing a cost of service analysis, and rate design. Mr. Koorn said that the Board directed HDR to develop the water rate analysis with a 6.0% overall system rate adjustment for FY 2024/2025, develop a cost of service analysis, and develop proposed rates based on cost of service results.

Mr. Koorn said JVVCD updates its water rates on an annual basis to ensure the rates reflect each agency's use of JVVCD's system and cost of service. He explained how each Member Agency's cost of service varies according to its peak day and peak hour demands. He then reviewed in detail how the revenue requirement, cost of service analysis, and rate design were used to determine FY 2024/2025 tentative water rates. He summarized by saying there is an overall revenue adjustment increase of 6.0% in FY 2024/2025,

cost of service results show minor differences in water rate adjustments among Member Agencies overall, proposed rates reflect overall revenue needs and cost of service results for retail and individual wholesale member agencies, and rates will be implemented July 1, 2024, if approved by the Board.

**In lieu of fee**

Mr. Packard said a discussion took place at the Executive Committee meeting on May 6, 2024, about the proposed In Lieu of Fee associated with the Water Budget Availability policy for newly annexing lands into JWWCD. He said if the lands require more water than what is expressed in the base budget, then policy requires the newly annexing lands to convey replacement water to JWWCD for anything in excess of the budget that will be used. Another option would be to pay cash in lieu of conveying water rights or shares. He then detailed information on how the In Lieu of Fee would be calculated by totaling expenditures for purchasing water and expenditures for landscape incentives, tracking the amount of saved water and coming up with a weighted average. He said the calculated fee amount will change based on the amount of purchased water and landscape incentives. Mr. Packard stated that procedures for the In Lieu of Fee calculation will be set in policy.

**Questions from Trustees**

There were no questions from Trustees.

**Invitation for public comments**

Mr. Martin summarized a comment received from a retail customer as follows:

- Anonymous (retail customer), lives in the Upper Willow Creek area, called and commented that they have lived in their home for 30 plus years. The mountains are in their backyard, and asked about the surcharge on their bill and why the water needs to be pumped from Deer Creek and not from the mountains behind them.

**Acknowledgement of public comments received**

Mr. Packard summarized a comment received by Trustees as follows:

- Bill Strong (retail customer), lives in Murray City, called and left a message expressing concern over another rate increase. He believes it is the fourth year in a row that there has been a rate increase, is getting tired of increases and does not understand why JWWCD keeps raising rates. He wonders if the increase is to support infrastructure projects, if those projects are needed and does not think rate increases are communicated effectively. Asked JWWCD to "tighten their belt".

**Comments from visitors**

Mr. Greg Anderson, General Manager, Kearns Improvement District (KID), expressed concern for the customers KID serves and the decision by the JWWCD Board to impose a 6% rate increase versus a 5.2% rate increase, and the decision to not fully use the Rate Stabilization Fund that was established for this purpose. He stated that KID service area has been designated by the Federal Government as a disadvantaged community due to the below average income level. He explained that KID has no secondary water for irrigation purposes and that KID purchases 94% of their water from JWWCD with the remainder from low producing wells. He then shared concerns of KID retail customers who expressed dissatisfaction with the proposed rate increase. Mr. Anderson summarized by saying proposed increases are unsustainable and encouraged reconsideration of the 6% rate increase, and to use the remainder of the rate stabilization fund for its designated purpose.

Ms. Ann M. Morrison, lives in Salt Lake City, commented on the presentation by Shawn Koorn and asked what effect drought has on the four year average, and how conservation affects the water rate analysis.

**Close public comment session**

Mr. Rushton called for a motion to close the public comment session. Ms. Karen Lang moved to close the public hearing. Following a second by Ms. Barbara Townsend, the motion was unanimously approved as follows:

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|------------------------------|--------------------------|
| Mr. Richardson – not present | Mr. Jacob – not present  |
| Ms. Lang – aye               | Mr. Pierucci – aye       |
| Ms. Ramsey – not present     | Mr. Rushton – aye        |
| Mr. Sudbury – not present    | Mr. Taylor – not present |
| Ms. Townsend - aye           |                          |

**Staff response and summary**

Mr. Alan Packard, General Manager, responded to the voicemail left by Bill Strong, explaining that when JVVCD develops a budget it is prepared to provide a level of service for both retail and wholesale customers. He said there are several costs that have increased with inflation such as treatment chemicals, electricity, and personnel costs. Mr. Packard explained that requested costs are always screened and control over spending is exercised.

Mr. Packard then responded to the comment by Ann Morrison and said that drought has reduced overall system demands and JVVCD is hoping for a sustained reduction in demand regardless of water supply conditions. He said JVVCD has adjusted its estimated consumption rates in its ten year plan to reflect a more realistic water demand forecast, and cost savings in new infrastructure will be realized if the public will sustain efficient water use.

Mr. Packard remarked on the comment by Mr. Greg Anderson and said there was a discussion with the Board regarding the Revenue Stabilization Fund. Without leaving funds for next year, all contingencies would be exhausted. He said proposing a 6% rate for FY 2024/2025 and leaving funds in the Revenue Stabilization Fund, would allow for more manageable rate increases in the future.

Ms. Lang explained that increased rates versus increased property tax means the end user can compensate for increased rates by practicing conservation, where that cannot be done with property tax.

Mr. Pierucci echoed the sentiments expressed by Ms. Lang and added that increased rates can be more equitable with more individual accountability by the end user.

Mr. Packard stated that the proposed increase in retail water rates would affect Tier 3 and Tier 4 users of the water rate structure the most, and that users have a great deal of control whether they reach Tier 3 and Tier 4.

**Motion to close public hearing**

Mr. Rushton called for a motion to close the public hearing. Ms. Barbara Townsend moved to close the public hearing. Following a second by Ms. Karen Lang, the motion was unanimously approved as follows:

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|------------------------------|-------------------------|
| Mr. Richardson – not present | Mr. Jacob – not present |
| Ms. Lang – aye               | Mr. Pierucci – aye      |
| Ms. Ramsey – not present     | Mr. Rushton – aye       |

Mr. Sudbury – not present  
Ms. Townsend - aye

Mr. Taylor – aye

**Consider scheduling approval at the June 5, 2024, Board meeting, to be held at 8215 South 1300 West in West Jordan, Utah, of the following items for fiscal year July 1, 2024, to June 30, 2025: adoption of the tentative financial plan and budget; determining and fixing a proposed tax rate; and final adoption of wholesale and retail water rates**

Mr. Rushton called for a motion to consider scheduling approval at the June 5, 2024, Board meeting of the adoption of the FY 2024/2025 tentative financial plan and budget; determining and fixing a proposed tax rate; and final adoption of wholesale and retail water rates. Ms. Karen Lang moved to schedule approval of these items at the June 5, 2023, Board meeting. Following a second by Ms. Barbara Townsend, the motion was unanimously approved as follows:

Mr. Richardson – not present  
Ms. Lang – aye  
Ms. Ramsey – not present  
Mr. Sudbury – not present  
Ms. Townsend - aye

Mr. Jacob – not present  
Mr. Pierucci – aye  
Mr. Rushton – aye  
Mr. Taylor – aye

**Upcoming meetings**

Mr. Rushton reviewed the upcoming meetings for June including the Conservation Committee meeting, Monday, June 3 at 3:00 p.m.; Executive Committee meeting, Monday, June 3 at 3:30 p.m.; and regular Board meeting, Wednesday, June 5 at 3:00 p.m.

**Adjourn**

Mr. Rushton called for a motion to adjourn. Ms. Karen Lang moved to adjourn. Following a second by Ms. Barbara Townsend, the meeting adjourned at 7:23 p.m.



Corey L. Rushton, Chair of the Board of Trustees



Alan E. Packard, Clerk