

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

(Approved July 8, 2020)

Held June 8, 2020

The Executive Committee meeting of the Board of Trustees of the Jordan Valley Water Conservancy District was held Monday, June 8, 2020, at 4:00 p.m. at the District Administration Office 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 (electronically):

Corey L. Rushton, Chair  
Gregory R. Christensen  
A. Reed Gibby  
Karen D. Lang  
Sherrie L. Ohrn  
Dawn R. Ramsey  
Lyle C. Summers  
John H. Taylor  
Barbara L. Townsend

Staff Present (electronically):

Bart Forsyth, General Manager/CEO  
Matt Olsen, Assistant General Manager  
Alan Packard, Assistant General Manager  
Shazelle Terry, Assistant General Manager  
Gordon Batt, Operations Department Manager  
Jason Brown, Information Systems Department Manager  
Brian Callister, Maintenance Department Manager  
Shane Swensen, Engineering Department Manager  
David Martin, CFO/Treasurer  
Reid Lewis, General Counsel  
Brian McCleary, Controller  
Kurt Ashworth, Human Resources Manager  
Linda Townes, Public Information Manager  
Beverly Parry, Executive Assistant  
Jess Morgan, Administrative Assistant  
Martin Feil, Database Administrator

**Welcome**

Mr. Corey Rushton, Chair, called the meeting to order at 4:00 p.m. All trustees were present.

**Review agenda  
for June 10,  
2020, Board  
meeting**

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Mr. Rushton asked Mr. Bart Forsyth, General Manager, to proceed with the review of the proposed agenda. Mr. Forsyth reviewed the proposed agenda for the June 10, 2020, regular Board of Trustees meeting. Some of the topics for discussion and consideration included: a presentation by Jake Young, Salt Lake County Planning Program Manager; adoption of Resolution No. 20-15, "Amending JVVCD's Policy Manual (Personnel Rules and Regulations Manual);" adoption of Resolution No. 20-16, "Amending JVVCD's Policy Manual (Administrative Policy and Procedures Manual);" adoption of Resolution No. 20-17, "Amending

JVWCD's Water Efficiency Standards and Policy Manual (Rules and Regulations for Wholesale Water Service);" adoption of Resolution No. 20-18, "Adopting JVWCD's Retail Water Rates and Wholesale Water Rates for FY 2020-2021;" adoption of Resolution No. 20-19, "Adopting JVWCD's Budget and financial Plan for FY 2020-2021;" adoption of Resolution No. 20-20, "Determining and Fixing JVWCD's Tax Rate for FY 2020-2021;" approval of a Water Conservation Funding Agreement with South Jordan City; award of construction contract to install a liner in the 9800 South 2300 East Well; award of contract and approval of expenditure for janitorial services; report on water audit results; authorizing the General Manager to execute a Real Estate Purchase Contract to sell District property at 10940 South 2700 West; core mission reports; standing committee reports; and various routine reporting items. A closed session was also proposed to discuss potential litigation and the sale or purchase of real property and/or water rights or water shares.

**Review  
completed  
Fraud Risk  
Assessment**

Mr. Forsyth said the State Auditor has developed a Fraud Risk Assessment to help local governments and their boards understand best practices with respect to fraud detection and prevention. He said the State Auditor has developed a Fraud Risk Assessment questionnaire to identify the best practices. Mr. Forsyth said the District is already implementing the majority of the best practices listed on the questionnaire and is planning to begin implementation of those not currently in place. The State Auditor has given a deadline for completion of the questionnaire and reviewing the questionnaire with the Board by the end of the 2020 fiscal year. He said the completed questionnaire must then be submitted to the State Auditor within six months of the end of the fiscal year on December 31, 2020.

Mr. Dave Martin, Chief Financial Officer, reviewed the Fraud Risk Assessment questionnaire and indicated the items that the District is currently practicing and the items the District will begin implementing after proposed policy changes are approved by the Board at the June Board meeting. He said that after the District implements these policy changes, it will have a score of "very low" risk of fraud.

**Discuss self-  
insurance  
expenditures**

Mr. Forsyth provided a report on two unusual insurance-related occurrences that staff is proposing be covered under the District's self-insurance fund. The first one involves the misapplication of a strong herbicide, Krovar, by a District employee which has killed trees on several neighboring properties in South Jordan City. He reviewed the location of the property where the incident occurred, and the damage done to 37 mature trees on adjoining properties. Mr. Forsyth said District employees who apply strong herbicides will now be required to be certified. Mr. Rushton expressed concern regarding District liability for the damage done to the trees.

The second occurrence involves a situation that occurred in the District's transmission system in late April 2020, which resulted in unusually low pressures near a Kearns Improvement District (KID) pumping station at 5200 West 6200 South. This caused damage to a pump within that pumping station. He explained that the District's reservoir at this site was out of service for maintenance and repair work for most of the month of April. At the same time, the District was making record water deliveries.

Operations staff did not make the appropriate adjustments to accommodate the high demands; and as a result, the pressures in the water transmission system at this location dropped enough to essentially 'starve' the KID pumping station. This caused one of the KID pumps to fail. This was an unusual situation, and staff did not take the appropriate steps to remedy the situation in a timely manner. Mr. Gibby suggested the District not pay for the total replacement cost because of the age of the pump. Mr. Forsyth said, as it cannot be determined what the pumps lifetime would have been, he recommended the District should pay the full cost to replace the pump.

In both cases, staff recommends the District pay for the damages that have occurred using the self-insurance fund. He said staff is looking into changing Standard Operating Procedures so that similar incidences do not occur in the future.

**Review debt financing methods of capital projects and the roles of the financial consultants**

Mr. Martin said debt financing of capital projects is an important topic because the District would not have been able to build its current infrastructure without debt financing, and the cost of water would be much higher. He reviewed the District's approach to capital financing and said the majority of the District's capital projects are funded with revenue bonds. He explained how bonds are bought and sold, and how the District's credit rating influences its ability to raise funds and determines the interest rate the District pays. Mr. Martin reviewed the District's debt history, its estimated future debt outlook, and the roles of the financing team in the bond issuance process. Mr. Martin explained the difference between the Competitive Bid Method and Negotiated Sale Method of bond issuance. He reviewed the District's bond issue strategy and said that the District has used the Negotiated Sale Method to issue its bonds and has lowered its debt service payments with each refunding. Mr. Martin outlined the timeline for the District's next bond issuance, including the need to perform several request for proposals to select members of the financing team.

**Adjourn**

Mr. Rushton called for a motion to adjourn. Mr. Lyle Summers moved to adjourn. Following a second by Mr. Sherrie Ohrn, the meeting adjourned at 5:18 p.m.

  
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 Corey L. Rushton, Chair of the Board of Trustees

  
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 Barton A. Forsyth, District Clerk