

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

(Unapproved and subject to change)

Held August 11, 2021

A public hearing of the Board of Trustees of the Jordan Valley Water Conservancy District was held in person and electronically on Wednesday, August 11, 2021, at 6:00 p.m. at JVVCD'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
Karen D. Lang (electronically)
Sherrie L. Ohrn
Lyle C. Summers
John H. Taylor

Trustee Not Present:

Greg R. Christensen
Dawn R. Ramsey
Barbara L. Townsend

Staff Present:

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
Brian Callister, Maintenance Department Manager
Shane Swensen, Engineering Department Manager
Reid Lewis, General Counsel
David Martin, Chief Financial Officer/Treasurer
Brian McCleary, Controller
Kurt Ashworth, Human Resources Manager
Linda Townes Cook, Public Information Manager
Beverly Parry, Executive Assistant
Mindy Keeling, Administrative Assistant
Martin Feil, Database Administrator (electronically)

Also Present:

Kelly Carter, 9508 S. Heather Dale Circle, West Jordan, UT
Carl English, 7386 S. Union Park, Midvale, UT
Marc Halliday, 1949 W. Springfield Dr., South Jordan, UT 84095
Kimberly Jemisen, 2438 W. Country Bend Dr., South Jordan, UT
Claire Jenkins, 8372 S. Allen St., Midvale, UT 84047
Kay Jenkins, 8372 S. Allen St., Midvale, UT 84047
Kaylyn Kinder, 8283 S. Main St., Midvale, UT 84047
Mariana Macias (electronically)
Todd Marti, Assistant General Manager, Granger-Hunter Improvement District (electronically)
Mark Nelson, 11971 S. Reeves Lane, Riverton (electronically)

Call to order and introduction of visitors

Mr. Corey L. Rushton, Chair, convened the public hearing of the Jordan Valley Water Conservancy District Board of Trustees at 6:00 p.m. on Wednesday, August 11, 2021, in the District administration building located at 8215 South 1300 West, West Jordan, Utah. Mr. Rushton introduced the members of the Board and visitors attending in person and electronically. Mr. Greg Christensen, Ms. Dawn Ramsey, and Ms. Barbara Townsend were excused. Ms. Karen Lang joined the meeting electronically.

Public Hearing for a proposed tax rate increase and for the budget and financial plan for fiscal year 2021-2022

Mr. Rushton called to order the public hearing to consider a proposed property tax rate increase and the budget and financial plan for fiscal year 2021-2022.

Verification of legal notification requirements

Mr. Rushton asked Mr. Reid Lewis, General Counsel, to report on verification of legal notification requirements for the public hearing. Mr. Lewis verified that the District had given legally sufficient public notice of the public hearing in compliance with the requirements of Utah law and the District's procedures. Notice was posted in the foyer of the JWCD's principal office; on the JWCD's website; on the Utah Public Notice website; and it was published one time in the Salt Lake Tribune and three times in the Deseret News.

Motion to open public hearing

Mr. Rushton called for a motion to open the public hearing. Ms. Sherrie Ohrn moved to open the public hearing. Following a second by Mr. Lyle Summers, the motion was unanimously approved by those present as follows:

Mr. Christensen – not present	Mr. Gibby – aye
Ms. Lang – aye	Ms. Ohrn – aye
Ms. Ramsey – not present	Mr. Rushton – aye
Mr. Summers – aye	Mr. Taylor – aye
Ms. Townsend – not present	

Comments from the Finance Committee Chair

Mr. John Taylor, Finance Committee Chair, said the business of supplying water is an interesting business in that on one hand JWCD builds the infrastructure to supply the needed water and on the other hand we ask people to conserve and reduce the use of the product we provide. He said the ability to supply water is getting more expensive and difficult, and the necessity of balancing water sales and property tax as sources of revenue is a difficult task. The infrastructure needed to supply water remains the same despite climate variability, conservation measures, and increased water demands. Costs to maintain and build the needed infrastructure is increasing as JWCD keeps pace with the population growth occurring in the Salt Lake Valley. He expressed appreciation to staff for the work which has gone into the proposed budget and financial plan.

Staff presentation

Mr. David Martin, Chief Financial Officer, reviewed the current boundaries of the District's service area and the purposes of water conservancy districts.

He said part of the challenges JWCD has in supplying water is population increases and changes in climate. Mr. Martin stated the District also has a capital funding plan that is updated and prioritized annually. Capital project needs drive the 10-year capital projects plan and includes millions of dollars in capital costs over the next 10 years. In addition to supplying water, JWCD has promoted water conservation by developing Water Efficiency Standards, which have been adopted by many cities, and water conservation programs to assist the public with conserving water. He explained that property tax is one of three major funding sources for the District, the other two being water rates and capital funding through borrowing or issuance of bonds. He explained how these three funding sources work together to provide the revenue needed for JWCD to develop and supply the water for its service area.

Mr. Martin explained the purpose of the proposed property tax increase is to maintain the existing balanced plan; supports the 2021/2022 budget in generating PayGo Capital to fund replacement projects, and supports bonding/borrowing to fund new infrastructure and facilities.

In summary, Mr. Martin said the certified tax rate from Salt Lake County is 0.000337, and the proposed property tax rate is 0.000369. The tax rate increase would increase the District's revenues by \$1,874,910. The average homeowner would be impacted \$8.18 per year (for a \$465,900 value residence) and the average business would be impacted \$14.88 per year (for a \$465,900 value business). The average home value was provided by the County Assessor's office and is the average value in the District's service area. Mr. Martin reviewed how the certified tax rate is calculated.

Mr. Martin stated the total annual cost of water service for an average household valued at \$465,000 with the proposed tax increase, is \$94 in property taxes and \$504 in water charges based on the District's retail water rates, for a total of \$598 per year. This would be an increase of \$16 or 2.8% over last year.

Questions from Trustees

At Ms. Ohrn's request, Mr. Martin explained that JWCD's proposed property tax rate increase is based on the assessed value of the homeowner's property. A customer's actual amount of property tax increase could be more or less than the projected \$8, depending on the amount their property value increased or decreased over the past year. Mr. Martin said there is a process a property owner can go through if they feel their property was assessed incorrectly.

Invitation for public comments

Mr. Martin reported that no comments were received from the public prior to the public hearing. A summary of the property tax presentations made at City/County Council meetings was provided in the Board packet, including any public comments made at these meetings. Mr. Rushton invited comments from the public.

-Acknowledgement of public comments received

Ms. Clair Jenkins questioned why her property taxes increased by 15% and stated that they live on a limited income and cannot sustain this increase.

-Comments from visitors

Mr. Carl English said he does not have an issue with JWCD's proposed property tax increase. He said he has a 300% increase on his property

taxes on commercial property he owns. His taxes rose from \$2,800 to \$8,221 in one year. He said he cannot pass this on to the tenant of this property or he will lose his tenant and have a vacant commercial property. He noted that a large increase in property taxes was for Canyons School District. He feels that the school district is not using public funds responsibly.

Ms. Kimberly Jemisen said she does not have a problem with the JWCD property tax increase, but she feels that senior citizens are being priced out of their homes by the increased property tax as a result of increased assessments on their property value. She said she feels the burden of taxes is placed on seniors, and developers should be responsible for paying for the infrastructure needed for the population growth.

Mr. Marc Halliday expressed his opinion that nonprofits should be taxed to help pay for needed community infrastructure. He asked about federal funding that is being made available for infrastructure projects.

Mr. Kelly Carter asked if the Board felt that climate change, decreased snowpack, and an increased growing season is a result of the drought or if the Board feels it is more than just a temporary situation. He asked what is the source of the increased cost in supplying water; is it based on population growth or on a per capita or per property basis. He asked if increased property values is an objective of JWCD. He said property values increase as people from out of state move into the Salt Lake Valley. Property values increase but personal incomes do not increase proportionately.

Mr. Mark Nelson asked if the property tax increase takes into account the "windfall" due to the significant increase in house appraisals this year and asked for clarification on how the actual need for the percent of property tax increase was calculated.

Motion to close public comment session

Mr. Rushton called for a motion to close the public comment session. Mr. Lyle Summers moved to close the public comment session. Following a second by Mr. John Taylor, the motion was unanimously approved by those present as follows:

Mr. Christensen – not present	Mr. Gibby – aye
Ms. Lang – aye	Ms. Ohrn – aye
Ms. Ramsey – not present	Mr. Rushton – aye
Mr. Summers – aye	Mr. Taylor – aye
Ms. Townsend – not present	

Staff response and summary

Mr. Rushton responded to Mr. English's comments and suggested he meet with an evaluator to review the assessment of his property. Mr. Taylor suggested members of the public attend the public hearings listed on their property tax assessment which deal with the various property tax entities. He also thanked the public for the respect shown at the public hearing.

Mr. Rushton responded to Mr. Halliday and said that taxing nonprofits is a matter to be taken up at a different public meeting. He also said the water and funding of water will be a topic at the next legislative session. Federal funding of infrastructure may also be discussed at the next legislative

session.

In response to Mr. Carter's comments, Mr. Rushton said that members of the Board have varying opinions regarding climate change and how it influences JWWCD's operations. He said JWWCD has plans in place on how to deal with climate variability and have had experts from all over the state brief the Board on the disruptions and challenges that climate variability may have on water supply.

Mr. Taylor said JWWCD looks at how much water it has delivered and how much capacity it has to deliver and store, and what projected deliveries are in the future. It relies heavily on historic data to track water delivery history and projects for needed water supplies in the future.

Mr. Rushton responded to Mr. Carter's comments regarding the cost to deliver water and said climate variability, population growth, and the drought all influence the cost of supplying water. Ms. Ohrn said Member Agencies provide JWWCD with plans for expansion, and new developments will be paying a higher price for water in order to help pay for the infrastructure needed for population growth.

Mr. Taylor explained that the amount of property tax collected by JWWCD remains the same unless it goes through the Truth in Taxation process to increase property taxes to pay for increased costs of supplying water. Ms. Ohrn pointed out that JWWCD did not raise the property tax rate to 0.0004 because the Board felt this would be too large of an increase in one year. The Board chose instead to raise water rates and property tax a small amount in order to meet projected costs for the coming fiscal year and not over burden the public. Mr. Rushton said it is not the goal of the Board to raise property values, but it happens naturally when water becomes available to an undeveloped property.

Mr. Bart Forsyth, General Manager, said that if any of the public's questions are not answered at this hearing, feel free to call him. He said JWWCD was careful not to propose a large increase in property tax in a given year. He said population growth and a housing shortage are resulting in increased property values which result in increased property taxes. He said JWWCD has conservation programs that could help the public save water which might make up the difference in the increased property tax. He said the funding model JWWCD has put together provides the lowest overall cost of water to its customers. Mr. Forsyth said JWWCD is closely watching federal funding available for infrastructure projects, and if funding becomes available to JWWCD, the savings would be passed on to its customers.

Mr. Martin responded to Mr. Nelson's comment and referred him to the JWWCD budget which can be found online. He reviewed the overview and detailed summary sheet from the proposed budget and financial plan.

Ms. Ohrn encouraged the public to attend board and city meetings and get to know city, county, and state leaders. Mr. Gibby also encouraged the public to get more involved with school boards.

**Motion to close
public hearing**

Mr. Rushton called for a motion to close the public hearing. Mr. Reed Gibby moved to close the public hearing. Following a second by Mr. John Taylor,

the motion was unanimously approved by those present as follows:

Mr. Christensen – not present	Mr. Gibby – aye
Ms. Lang – aye	Ms. Ohrn – aye
Ms. Ramsey – not present	Mr. Rushton – aye
Mr. Summers – aye	Mr. Taylor – aye
Ms. Townsend – not present	

Financial Matters

Consider adoption of Resolution No. 21-13, “Determining and Fixing Jordan Valley Water Conservancy District’s Tax Rate for Fiscal Year 2021-2022”

Mr. Martin briefly reviewed the resolution which would determine and fix the District’s tax rate to 0.000369. He recommended approval of Resolution No. 21-13.

Mr. Rushton called for a motion on the recommendation. Mr. John Taylor moved to approve Resolution No. 21-13, “Determining and Fixing Jordan Valley Water Conservancy District’s Tax Rate for Fiscal Year 2021-2022.” Following a second by Mr. Lyle Summers, the motion was unanimously approved by those present as follows:

Mr. Christensen – not present	Mr. Gibby – aye
Ms. Lang – aye	Ms. Ohrn – aye
Ms. Ramsey – not present	Mr. Rushton – aye
Mr. Summers – aye	Mr. Taylor – aye
Ms. Townsend – not present	

Consider adoption of Resolution No. 21-14, “Adopting Jordan Valley Water Conservancy District’s Budget and Financial Plan for Fiscal Year 2021-2022”

Mr. Martin reviewed two changes that have been made to the proposed final budget since the tentative budget was adopted by the Board in June 2021. He stated that an increase of \$120,851 in property tax revenue is a result of new growth and the certified rate coming in slightly different than estimated. The other change came about as a result of the refunding of bonds which will save JWVCD \$1.3 million from debt service. The \$1,423,143 will be retained in the Revenue Stabilization Fund. Mr. Martin recommended approval of Resolution No. 21-14, “Adopting Jordan Valley Water Conservancy District’s Budget and Financial Plan for Fiscal Year 2021-2022.”

Mr. Rushton called for a motion on the recommendation. Ms. Sherrie Ohrn moved to approve Resolution No. 21-14. Following a second by Mr. Reed Gibby, the motion was unanimously approved by those present as follows:

Mr. Christensen – not present	Mr. Gibby – aye
Ms. Lang – aye	Ms. Ohrn – aye
Ms. Ramsey – not present	Mr. Rushton – aye
Mr. Summers – aye	Mr. Taylor – aye
Ms. Townsend – not present	

Adjourn

Mr. Rushton called for a motion to adjourn. Mr. Lyle Summers moved to adjourn. Following a second by Mr. Reed Gibby, the meeting adjourned at 7:38 p.m.

Corey L. Rushton, Chair of the Board of Trustees

Barton A. Forsyth, Clerk