

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

(Approved June 5, 2024)

May 8, 2024

A regular Board meeting of the Board of Trustees of the Jordan Valley Water Conservancy District was held both in person and electronically on Wednesday, May 8, 2024, at 3:01 p.m. at JWCD'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
Zach Jacob
John H. Taylor
Andy Pierucci (electronic)
John Richardson
Barbara L. Townsend
Mick M. Sudbury

Trustees Not Present:

Dawn R. Ramsey

Staff Present:

Alan Packard, General Manager
Jacob Young, Deputy General Manager
Shazelle Terry, Assistant General Manager
Jason Brown, Information Systems Department Manager (electronic)
Gordon Batt, Operations Department Manager
Brian Callister, Maintenance Department Manager
Shane Swensen, Chief Engineer
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
Travis Christensen, Engineering Group Leader
Cheyenne Davis, Customer Services Representative
Jeanette Perry, Customer Service Supervisor (electronic)

Also Present:

Ana Paz Associate Engineer, South Jordan City (electronic)
Wayne Winsor, Assistant General Manager, Metropolitan Water District of Salt Lake & Sandy
Austin Ballard, CFO/Controller, Granger-Hunter Improvement District (electronic)
Mark Chalk, General Manager, Taylorsville-Bennion Improvement District (electronic)
Cam Walker, HDR Engineering
Marie Owens, Client Manager AE2S

Raymond Garrison, Public Works Director, City of South Jordan
 Brien Maxfield, Senior Engineer, Draper City
 Greg Davenport, Utility Director, City of West Jordan
 Stacie Olson, Assistant Public Works Director, Riverton City
 Jason Luettinger, Bowen, Collins & Associates
 Robert Moore, General Counsel, Central Utah Water Conservancy District
 Jason Helm, General Manager, Granger-Hunter Improvement District (electronic)

Call to order and introduction of visitors

Mr. Corey Rushton, Chair, convened the Board meeting of the Jordan Valley Water Conservancy District Board of Trustees at 3:01 p.m. on Wednesday, May 8, 2024. Mr. Rushton introduced the members of the Board and the public who joined the meeting both in person and electronically. Ms. Dawn Ramsey was excused from the meeting.

Approval of common consent items

Mr. Rushton presented the minutes of the Finance Committee meeting held March 25, 2024; the Executive Committee meeting held April 8, 2024; and the regular Board meeting held April 10, 2024; He also presented the April 2024 Trustees' Expenses Report. Mr. Rushton called for a motion. Mr. Mick Sudbury moved to approve the minutes of the March 25, April 8, and April 10 meetings and the April 2024 Trustees' Expenses Report. Following a second by Mr. John Richardson, the motion was unanimously approved by those present as follows:

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

Public comments

There were no public comments.

Core Mission Reports

Water supply update

Mr. Packard reviewed the Municipal and Industrial (M&I) Water Deliveries report through April 2024 and noted that demands are higher than in April 2023. He said JVVCD has developed messaging that is intended to maintain efficient water use habits by the public. Mr. Packard also reviewed the Wholesale Contract Progress report for each Member Agency, the Provo River Reservoirs Update, and the Wholesale and Retail Actual and Projected Deliveries report.

Mr. Andy Pierucci joined electronically at 3:09 p.m.

Water quality update

Ms. Shazelle Terry, Assistant General Manager, presented information on waterborne diseases. She said a waterborne disease is any disease caused by a pathogen that is spread through water and causes disease. She mentioned several common waterborne diseases in the United States and highlighted the number of outbreaks in 2021 and percentage linked to recreational water exposure, drinking water exposure, and other water exposures. Ms. Terry then reported on the top causes of reported outbreaks with Legionella being the most common type and creating the most cases of severe disease. She said Legionnaire's Disease is a type of pneumonia caused by bacteria called Legionella and causes flu-like symptoms that typically last two to ten days. Human exposure usually happens in building water systems such as: shower heads, sink faucets, cooling towers, hot

tubs, decorative fountains and water features, hot water heaters, and large complex plumbing systems. She said those at greatest risk can be people over forty years of age, current and former smokers, people with chronic lung disease, and those with underlying illnesses and weakened immune systems. Ms. Terry then described best practices for controlling Legionella which include proper treatment of surface water, controlling the temperature of water, sizing pipes and tanks properly, and conducting regular water sampling and using filters, among others.

Standing Committee Reports

Finance update

Mr. David Martin, Chief Financial Officer, presented information on JWWCD's debt financing strategy. He provided history on strategies used to fund capital projects. Mr. Martin explained that internal funding comes from rates, while external funding comes from impact fees, capital contributions, government loans and grants, and revenue bonds. He said JWWCD has issued bonds since 1953 and has \$354 million of revenue bonds currently outstanding. JWWCD's strategy is to sell its bonds using the Negotiated Sale Method for a premium, with the expectation of refunding those bonds in the future for additional savings. Mr. Martin then shared how the 2014A bonds are being monitored for refunding. He said the original issue amount was approximately \$44 million and approximately \$24 million is available to be refunded. Of the \$44 million, there were both five-year and ten-year call dates, with the five-year call dates already being refunded. He provided an analysis by LRB Public Finance Advisors that estimated savings based on the date of closing. He said LRB Public Finance Advisors recommended that bond documents be prepared to react quickly to favorable conditions.

Mr. Rushton asked Mr. Martin to explain how bond refunding aligns with JWWCD's ten-year financial plan. Mr. Martin said when JWWCD issues bonds it expects to refund those bonds for savings after the call dates, thus providing overall lower cost of borrowing and lower expected water rate increases. Another method used to sell bonds is the Competitive Method. He said that type of bond is not as easily remarketed for savings.

Mr. Pierucci asked about timing of refunds and whether there is a threshold that makes the effort more worthwhile based on savings. Mr. Martin said the threshold in this case is about six percent.

Conservation update

Mr. Jacob Young, Deputy General Manager, provided an update on per capita water usage monitoring. He said that after a drought cycle, some rebound in water usage rates is expected and that the goal is to minimize that rebound to as little as possible. He explained that there are now systems in place to inform staff in real-time what system demands are, allowing for more proactive responses. Mr. Young pointed out a recent increase in demand that prompted a quick response by the Community Engagement Department who launched a social media campaign focused on Wait to Water, accelerated radio advertisements, and extended Slow The Flow billboards. He said as a result of the campaigns, and coupled with some recent storms, there has been a great response in reduced usage from water users.

Mr. Rushton complimented staff on their quick response to the usage data. Mr. Young acknowledged the efforts of Kelly Good, Community Engagement Department manager, Kyle Alcott, Marketing Specialist, and Brianne Dela Cruz for accelerating the messaging campaigns.

Review annexation agreement for the Olympia Hills Development

Mr. John Taylor arrived in person at 3:36 p.m.

Mr. Mark Stratford, General Counsel, presented principles for a proposed annexation agreement. He explained that newly annexed lands into the JVVCD will be charged Block 2 water rates, and that an annexation agreement will be required. Mr. Stratford presented a draft annexation agreement and highlighted areas of interest. These areas included Conditions Precedent, meaning the agreement is a condition of the annexation. Annexed Property Water Allocation (APWA), meaning the total amount of drinking water to be used in the annexed area and is a number unique to each annexed property that JVVCD commits to. Base Water Budget is identified as 1.35 acre-feet of water for each Developable Acre within the proposed annexed land. Projected Demand is the annexed Property Water Allocation plus the outdoor irrigation demand from non-potable water sources. He detailed methods of addressing Excess Demand which include augmentation through landscaping limits in development (outdoor water use not to exceed 40% of Projected Demand), providing water resources (water rights or shares), pay per acre-foot in lieu of water development charge, and an alternative benefit to JVVCD. He went on to describe reporting and periodic evaluation of actual use which includes a compliance plan if actual use exceeds or is projected to exceed APWA, and notice of change to development plans. Mr. Stratford explained applicant obligations to JVVCD including installation of meters, and water efficiency standards (installation of front yard landscaping). He said when Multiple Landowners and successor in interest are involved, either each landowner may enter into its own separate sub-agreement, or all landowners shall designate a single individual to act on their behalf. Applicant obligations to Member Agency are to comply with Member Agency infrastructure requirements.

Mr. Richardson said regarding the compliance plan, if peak demands are being met in excess of projected demands, then substantial costs could possibly be incurred by JVVCD, and that metering should be a requirement. Mr. Stratford said that metering will take place by the Member Agency collecting data from each individual retail meter in the development, and will in turn report annually to JVVCD. Mr. Packard said water being delivered to newly annexed lands will be monitored through the same wholesale meter of the Member Agency and will measure peak day characteristics.

Mr. Rushton reminded staff that land-use authorities can be separate from water-use authority and that an additional signatory may be necessary on the agreement. Mr. Stratford said when a land-use authority is involved that is different from the retail water provider, that will be considered. Mr. Packard said that JVVCD has met with Member Agencies that could be affected by the proposed annexation agreement and has explained all implications of the agreement.

Mr. Stratford then presented information for a proposed Block 2 Water Purchase Agreement. He said the Agreement is intended to be used in conjunction with the proposed Annexation Agreement but could be adopted at a later date after the annexation. He explained that the Block 2 Water Purchase Agreement will use consistent terms as the Annexation Agreement and will outline specifically the number of acres of land, buildout

demands, and the maximum delivery amount. The agreement will also detail the purchase amount of water actually delivered to the lands, the Block 2 Limit of acre-feet per year, billing expectations which includes a calculation of nonrevenue water, and reporting requirements. Mr. Stratford said that Member Agencies currently pay a meter base charge for their wholesale meters and there would not be an additional charge for the Block 2 Water Purchase Agreement since Block 2 water uses the same meter.

Ms. Karen Lang arrived in person at 3:41 p.m.

Review draft Resolution, "Approving Annexation of Lands into the Jordan Valley Water Conservancy District" (Olympia Hills Development)

Mr. Stratford said when land is annexed into JWVCD, the Board is asked to adopt a Resolution approving the annexation. He said the proposed Resolution for the Olympia Hills Development has a clause added stating that the new development requires the use of a water budget and that an annexation agreement is required as a condition of annexing the lands. Following compliance with the requirement to sign the annexation agreement, the Board shall file notice of the annexation with the Lieutenant Governor of the State of Utah within thirty (30) days after adoption of the Resolution.

Mr. Pierucci asked whether there had been discussion with Member Agencies and what their thoughts are. Mr. Stratford said the Block 2 Water Purchase Agreement has been sent to Herriman City and the City of South Jordan for their review and are awaiting their feedback.

Engineering Activities

Consider approval of construction change order for Steel Reservoirs Paint and Repairs Project

Mr. Shane Swensen, Chief Engineer, said the Steel Reservoirs Paint and Repairs Project was awarded to Viking Industrial Painting, LLC, by the Board in July 2023. He said the contract included repairs in a limited area to the reservoir at 9400 South 2800 East. As work began on the repairs it was discovered that the repairable area was much larger than originally anticipated. Mr. Swensen explained that the proposed change order will include the cost of the additional repairs.

Mr. Swensen recommended approving a construction change order for Steel Reservoirs Paint and Repairs Project to Viking Industrial Painting, LLC, in the amount of \$108,200.

Mr. Rushton called for a motion on the recommendation. Mr. John Taylor moved to approve a construction change order for Steel Reservoirs Paint and Repairs Project to Viking Industrial Painting, LLC, in the amount of \$108,200. Following a second by Mr. Mick Sudbury, the motion was unanimously approved by those present as follows:

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

Reporting Items

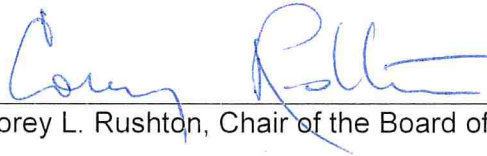
Mr. Packard reviewed the routine reporting items which included: Central Utah Project/CUWCD activities report, performance indicators for March 2024, and media coverage. Mr. Swensen reported on the 1590 East Well Development, the SERWTP Boilers and Controls Upgrades, and JWVTP Boilers Replacement Project.

Upcoming meetings

Mr. Rushton reviewed upcoming meetings 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. Mr. Mick Sudbury moved to adjourn. Following a second by Ms. Barbara Townsend, the meeting adjourned at 4:29 p.m.



Corey L. Rushton, Chair of the Board of Trustees



Alan E. Packard, District Clerk