

**MINUTES OF THE EXECUTIVE COMMITTEE MEETING OF THE
BOARD OF TRUSTEES OF JORDAN VALLEY WATER CONSERVANCY DISTRICT**
(Unapproved and Subject to Change)

Held October 1, 2018

The Executive Committee meeting of the Board of Trustees of the Jordan Valley Water Conservancy District was held Monday, October 1, 2018, at 4:21 p.m. at the District office at 8215 South 1300 West, West Jordan, Utah.

Trustees Present:

Corey L. Rushton, Chair
Wm. Brent Johnson
Scott L. Osborne
Stephen W. Owens
Lyle C. Summers
John H. Taylor

Trustee Absent:

Greg R. Christensen
Karen D. Lang
Ronald E. Sperry

Staff Present:

Richard Bay, General Manager/CEO
Alan Packard, Assistant General Manager
Bart Forsyth, Assistant General Manager
Brian Callister, Maintenance Department Manager
Jason Brown, Information Systems Department Manager
Matt Olsen, Communications Department Manager
Shane Swensen, Engineering Department Manager
Shazelle Terry, Operations Department Manager
David Martin, CFO/Treasurer
Reid Lewis, General Counsel
Brian McCleary, Controller
Linda Townes, Public Information Manager
Todd Schultz, Senior Business Data Analyst
Beverly Parry, Executive Assistant
Jessica Morgan, Administrative Assistant

Others Present:

Chris Blackwood, Managing Director, PFM Asset Management LLC
David Robertson, Vice President, Lewis Young Robertson & Burningham
Marc McClure, PFM Asset Management LLC

Welcome

Mr. Corey L. Rushton, Chair, called the meeting to order at 4:21 p.m. Mr. Rushton asked Mr. Richard Bay, General Manager, to proceed with the agenda.

**Review agenda
for October 3,
2018, Board
meeting**

Mr. Bay reviewed the proposed agenda for the October 3, 2018, Board of Trustees regular meeting. Some of the topics for discussion and consideration included: adoption of Resolution No. 18-22, "Amending JWCD's Policy Manual"; three financial matters items; adoption of Resolution No. 18-23, "Approving an Interlocal Agreement Between the Redevelopment Agency of Draper City and the JWCD"; approval of funding for CenturyLink to relocate a fiber optic communications line to accommodate construction of the Southwest

Aqueduct Reach One project; approval of an amendment to the Landscape Leadership Funding Grant Agreement with Jordan School District; report on JWTP 12-MG reservoir open house on October 16th; report on water audit performed during June-July 2018 by the Utah Division of Drinking Water; verification of compliance with selected legal requirements and internal practices; report on East Willow Creek annexation to Sandy City; report on activities by legislative committees regarding constitutional prohibitions against cities selling water outside their boundaries; and various routine reporting items.

**Discuss
Investment
Performance
Report**

Mr. David Martin, Chief Financial Officer, recognized David Robertson, Vice President, Lewis Young Robertson & Burningham, and Chris Blackwood and Marc McClure, PFM Asset Management, in the audience. He stated that PFM Asset Management is currently advising the District on its bond debt service reserve funds investments of approximately \$14,500,000, and he turned the time over to Chris Blackwood to review District investments and the overall market.

Mr. Blackwood presented background information on PFM Asset Management. He then summarized the District's bond assets portfolio, presented a comparison of operating and reserve funds, reviewed permitted Utah deposits and investments, and provided information on the District's security purchase history and maturity schedule.

**Continue
discussion of
annexation of
lands into the
District**

Mr. Bay summarized the discussion about the Olympia Hills development that took place at the September Executive Committee meeting. He then provided a status report on the development stating the developer requested to petition for annexation into the District several months ago, and staff prepared a map of the proposed lands to be developed and submitted it to the United States Bureau of Reclamation (the Bureau) for approval to change the District's boundaries. Mr. Bay said it is still being reviewed by the Bureau, and when permission by the Bureau is received, the District will report to the Board. The Board can then assist staff in creating appropriate conditions to be included in the annexation petition. He reported that staff has prepared a draft petition which includes waterwise landscaping requirements. Mr. Bay said discussions have been held with Herriman City, and it is his understanding that the lands will most likely be annexed into Herriman City with a change in the density level.

Mr. Bay summarized the District's relationship with Copperton and Copperton Improvement District (CID), which includes a stand-by water purchase agreement with a five-year term that is renewable for a second term. CID built a small booster pump station and pipeline at the District's westernmost reservoir, making the surplus water delivery possible. He stated that over the last several years Copperton has received between one and five acre-feet of water annually from the District; and in 2016, they asked for, and the Board approved, a ten-year extension of the agreement. Mr. Bay reported that he spoke with Scott Harrington, CID's General Manager, inquiring if Copperton had any interest in annexing into the District. Mr. Harrington indicated that he would discuss annexation with the CID Board. Mr. Bay said Mr. Reid Lewis, General Counsel, has evaluated the methodology that would have to be used to annex Copperton into the District, and he found that it would be difficult because every parcel landowner would need to individually petition for annexation.

Mr. Bay said Board members had previously asked about the District's existing boundaries, the amount of vacant land within the boundaries, and what the estimated water demand would be for full build-out as compared to the District's water supply currently online. Mr. Bay said Mr. Alan Packard, Assistant General Manager, conducted a study to answer these questions and found that density of land development is a major factor in projecting water demands.

Mr. Packard complimented Mr. Todd Schultz, Senior Data Analyst, and Ms. Lorrie Cowles, GIS Administrator, for their work in researching and analyzing the data that has gone into this land density and water supply study. He stated that staff reviewed the District's entire service area and found a total of 213 square miles within its boundaries, and 77% of that square mileage is developed. Mr. Packard said that in 2017, approximately 161,000 acre-feet of water was supplied to the developed land within the District boundaries, which computes to 982 acre-feet per square mile or 500,000 gallons per acre, per year. Mr. Packard shared data on the trend of water consumption as land density increases per acre and contrasted this with gallons per capita per day water usage. For this study, he said staff assumed that the 31,000 acres of currently undeveloped land in the District boundaries will be developed at 50-100% more dense than existing developments, 10% of existing developed land will redevelop at twice the current density, and current conservation goals are achieved. No climate change affects were used for this analysis. Mr. Packard said by using these assumptions, staff estimated that 79,000-101,000 acre-feet of water supply will be needed to serve the currently undeveloped 31,000 acres of land. Staff assumed that member agencies will self-supply 30,000 acre-feet (combined potable and secondary) so 49,000-71,000 acre-feet will need to be supplied by the District. Mr. Packard reviewed the District's water supplies available for future demands, which total 94,380 acre-feet. He stated that if the Bear River Development Project is removed from these projected supplies, the District could have a significant shortfall in its future water supply.

Mr. Summers asked how the results of the analysis would change if the assumptions were decreased or increased by five percent. He suggested showing some various alternative assumptions in the study. Mr. Packard said staff could broaden the range of assumptions in their analysis.

Mr. Osborne suggested staff interject best case scenarios into the analysis, such as mandating localscapes, which would impact the results.

Mr. Bay stated staff will report back to the Board as soon as a response is received from the United States Bureau of Reclamation regarding Olympia Hills.

Mr. Brent Johnson left the meeting.

**Report on
action of the
Waste
Management
and Radiation
Control Board**

Mr. Bay reported the District has reached agreement with the Director of the Division of Waste Management and Radiation Control and agreed to a Stipulation and Consent Order which includes two penalty charges in the amount of \$41,000 and \$23,700. Mr. Bay said Mr. Lewis, Mr. Packard, and he attended a recent Board meeting of the State Waste Management and Radiation Control Board where the Board approved the Stipulation and Consent Order, and it is now ready for the Board Chair's signature.

Mr. Bay recommended Mr. Rushton sign the Stipulation and Consent Order and staff will bring it back to the Board at the next Board meeting on October 3, 2018 for ratification.

It was decided that a closed meeting would not be necessary.

Closed Meeting

**Review policy
for District
Websites and
Social Media**

Mr. Bart Forsyth, Assistant General Manager, reviewed a proposed new policy that provides guidelines for online posting, use, and content for the District's websites and social media sites. He stated that the trustees have received a copy of the suggested changes and it will be brought before the Board for consideration of approval at the November 14, 2018, Board meeting.

Adjourn

Mr. Rushton called for a motion to adjourn. Mr. Owens moved to adjourn the meeting. The meeting was adjourned at 5:36 p.m.

Corey L. Rushton, Chair of the Board of Trustees

Richard P. Bay, Clerk