

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

(Approved April 10, 2024)

Held March 11, 2024

A Finance Committee meeting of the Board of Trustees of the Jordan Valley Water Conservancy District was held in person and electronically on Monday, March 11, 2024, at 4:10 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  
John Richardson  
Karen D. Lang (electronic)  
Andy Pierucci  
Mick M. Sudbury  
John H. Taylor, Finance Committee Chair  
Barbara L. Townsend  
Zach Jacob (electronic)

Trustee Not Present

Dawn R. Ramsey

Staff Present:

Alan Packard, General Manager  
Jacob Young, Deputy General Manager  
Shazelle Terry, Assistant General Manager  
Mark Stratford, General Counsel  
Gordon Batt, Operations Department Manager  
Jason Brown, Information Systems Department Manager  
Brian Callister, Maintenance Department Manager  
Shane Swensen, Chief Engineer  
Travis Christensen, Senior Engineer - Property  
David Martin, CFO/Treasurer  
Brian McCleary, Controller  
Kurt Ashworth, Human Resources Manager  
Kelly Good, Communications Division Manager  
Mindy Keeling, Executive Assistant  
Lisa Wright, Administrative Assistant III  
Martin Feil, Database Administrator (electronic)

Others Present

Greg Christensen, Kearns Improvement District

**Welcome**

Mr. John Taylor, Finance Committee Chair, opened the meeting at 4:10 p.m. All trustees were present except Ms. Dawn Ramsey.

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**Review  
proposed  
budget  
overview**

Mr. Taylor turned the time over to Mr. Dave Martin, Chief Financial Officer. Mr. Martin reviewed the budget preparation process, the budget strategy and guidance, and the parameters for the proposed FY 2024/2025 budget preparation. He explained that the proposed FY 2024/2025 budget is based on 104,000 acre-feet of water deliveries, a proposed water rate adjustment that will be calculated by the water rate consultant, property tax revenues of \$29.5 million without a property tax increase, use of the Revenue Stabilization Fund, Capital Project expenditures of \$67.2 million (net), Operations and Maintenance budget based on level of service, a personnel adjustment of a 5.0% merit increase or step-increase, three new full-time personnel positions, and PayGo Capital funding of \$20.0 million. He also shared information on the projected sources and uses of funds.

Mr. Pierucci asked whether the proposed budget accounts for projections from the new water budget policy that has been proposed for newly annexed lands. Mr. Packard said that the amount of impact if any, from the new policy for the fiscal year 2024/2025 budget is uncertain.

Mr. Martin gave a brief overview of the operating, capital projects, and reserve funds.

**Review  
proposed  
operation and  
maintenance  
expenditures  
budget**

Mr. Martin gave an overview of the proposed operation and maintenance expenditures budget and stated that inflation in 2023 has still affected the proposed budget in multiple areas. He highlighted a large drop for Conservation Programs that shifted from Operations funding to Capital Projects funding, and stated that without the shift the overall operation and maintenance budget increase would be 5.4%. He then reviewed the short-term reserve fund and revenue stabilization fund noting that these funds help balance the budget.

Mr. Martin reviewed fees for JVVCD services and said there are no changes being proposed and that fees are reviewed every three years. Mr. Taylor asked what portion of revenue is received in fees. Mr. Martin estimated that amount to be approximately \$25,000, not including impact fees.

Mr. Martin then reviewed each department's operation and maintenance budget and provided explanations for budget items that increased over \$1,000 and three percent, noting that chemical costs and water purchases are still being significantly affected by inflation.

Mr. Rushton asked how the Conservation Programs budget is funded. Mr. Martin said the programs have been previously budgeted in the Operation and Maintenance budget with outside funding being recorded as miscellaneous revenue. For the proposed fiscal year 2024/2025 budget, Conservation programs related to landscape conversion and turf removal are proposed to be budgeted in the Capital Projects budget, net of anticipated outside funding. Annual PayGo Capital and transfers will fund the District's net portion of those conservation programs.

Mr. Martin explained that the Maintenance Department's budget includes an increased inventory of critical repair parts, and a shift of replacement and renewal projects such as vault repairs, from Capital Projects to Maintenance.

Mr. Rushton suggested that the Board should consider limiting the funds transferred from the Revenue Stabilization Fund to the fiscal year 2024/2025 proposed budget to no more than half the current fund balance, leaving a higher reserve balance at the end of the year.

Mr. Pierucci asked if the Board might consider examining the idea of implementing a higher water rate increase in favor of a property tax decrease and how that action would affect revenue. Following discussion among members of the Board, Mr. Packard said staff will prepare information showing a property tax decrease to be presented at the March 25, 2024, Finance Committee Meeting. He also mentioned that a study of property tax rates is currently ongoing by the Division of Water Resources that will be completed later this year, and it can help provide important insight going forward.

Mr. Martin referred to the ten-year financial plan to explain how the proposed budget is determined using the level of service document provided previously, the funding of operations and inflation with rates, and that it is a balancing act to determine the revenues from water rates, property taxes, and use of the Revenue Stabilization Fund.

Mr. Martin gave an overview of the Self-Insurance Fund analysis. He said the Self-Insurance Fund is to help mitigate the risk of exposure to insurance deductibles and other immediate expenses and meet JVVCD's needs in case of a natural disaster or other emergency affecting JVVCD's operations. Mr. Martin explained that the current amount in the Self-Insurance Fund is approximately \$5 million and encouraged increasing the amount to \$8 million, building it up over five years. Various options were discussed on how to budget in the future for the reserve level of the Self-Insurance Fund.

**Upcoming meetings**

Mr. Taylor reviewed the upcoming meetings including the Finance Committee meeting, Monday, March 25 at 3:00 p.m.; regular Board meeting, Wednesday, April 10, at 3:00 p.m.; Annual Member Agency meeting, Tuesday, April 16, at 10:00 a.m.; Public Hearing, Wednesday, May 8, at 6:00 p.m.; regular Board meeting, Wednesday, June 5, at 3:00 p.m.; and property tax hearing/adoption of FY 2024/2025 budget, Wednesday, August 14, at 6:00 p.m. (if needed).

**Adjourn**

Mr. Taylor called for a motion to adjourn. Ms. Barbara Townsend moved to adjourn. Following a second by Mr. Mick Sudbury, the meeting adjourned at 5:29 p.m.

  
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John H. Taylor, Finance Committee Chair

  
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Alan E. Packard, Clerk