

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

(Unapproved and Subject to Change)

Held February 13, 2019

A Board meeting of the Board of Trustees of the Jordan Valley Water Conservancy District was held Wednesday, February 13, 2019, at 3:00 p.m. at the District office at 8215 South 1300 West, West Jordan, Utah.

Trustees Present:

Corey L. Rushton, Chair
Greg R. Christensen
Wm. Brent Johnson
Karen D. Lang
Scott L. Osborne
Ronald E. Sperry
Lyle C. Summers
John H. Taylor

Not Present:

Stephen W. Owens

Staff Present:

Richard Bay, General Manager/CEO
Bart Forsyth, Assistant General Manager
Alan Packard, Assistant General Manager
Jason Brown, Information Systems Department Manager
Brian Callister, Maintenance Department Manager
Matt Olsen, Communications Department Manager
Shane Swensen, Engineering Department Manager
Shazelle Terry, Operations Department Manager
Reid Lewis, General Counsel
David Martin, Chief Financial Officer/Treasurer
Brian McCleary, Controller
Kurt Ashworth, Human Resources Manager
Linda Townes, Public Information Manager
Beverly Parry, Executive Assistant
Jessica Richards, Administrative Assistant
Jessica Morgan, Administrative Assistant
Kevin Rubow, Staff Engineer
JT Cracroft, Right-of-Way & Property Manager

Also Present:

Paul Blanchard, AE2S Engineering
Darrell Casteel, AE2S Engineering
Joseph Casus, Rockies Area Lead, Brown & Caldwell
Chris Finlinson, Assistant General Manager, Central Utah Water Conservancy District
Craig Frisbee, Utilities Manager, City of West Jordan
Louie Fuell, Assistant General Manager, Granger-Hunter Improvement District
Steve Handley, Diversified Insurance
Bruce Hicken, Finance Director, Kearns Improvement District
Eric Hoopes, Sales Manager, Intuitech, Inc.
Korban Lee, Assistant City Manager, City of West Jordan

Keith Lord, General Manager, Taylorsville-Bennion Improvement District
Brien Maxfield, Senior Engineer, Draper City
Annalee Munsey, Metropolitan Water District of Salt Lake & Sandy
Cary Necaise, Water Manager, City of South Jordan
David Robertson, Vice President, Lewis Young Robertson & Burningham
Scott Robertson, Principal, Lewis Young Robertson & Burningham
Ryan Willeitner, Engineer, Jacobs Engineering
Jacob Young, Utah Operations Leader, Brown and Caldwell

Call to order and introduction of visitors

Mr. Corey L. Rushton, Chair, convened the Board meeting of the Jordan Valley Water Conservancy District Board of Trustees at 3:00 p.m. on Wednesday, February 13, 2019, in the Administration Building at 8215 South 1300 West in West Jordan, Utah. Mr. Rushton introduced the members of the Board and visitors. Mr. Stephen Owens was excused from the meeting.

Approval of common consent items

Mr. Rushton presented minutes of the Executive Committee meeting held January 7, 2019; the Board meeting held January 9, 2019; and the Trustees Expenses Report for January 2019. Mr. Rushton called for a motion. Mr. Osborne moved to approve the minutes of the meetings held January 7, 2019 and January 9, 2019, and the Trustees Expenses Reports for January 2019. Following a second by Mr. Summers, the motion was unanimously approved by those present as follows:

Mr. Christensen – aye	Mr. Johnson – not present
Ms. Lang – not present	Mr. Osborne – aye
Mr. Owens – not present	Mr. Rushton – aye
Mr. Sperry – aye	Mr. Summers – aye
Mr. Taylor – aye	

Public comments

There were no public comments.

Consider adoption of Resolution No. 19-03, “Approving the Creation of an Audit Committee”

Mr. Dave Martin, Chief Financial Officer/Treasurer, said that at the January Board meeting there was discussion among the Board members regarding the need to form an Audit Committee. He said Resolution No. 19-03 would approve formation of the committee and lists the members of the Audit Committee as the District’s Board Chair, Finance Committee Chair, up to two additional trustees, the District’s Chief Financial Officer, and up to two employees of Member Agencies. Mr. Martin said Mr. Sunil Naidu, City of South Jordan Chief Financial Officer, has agreed to be on the committee. Mr. Martin recommended adoption of Resolution No. 19-03, “Approving the Creation of an Audit Committee.”

Mr. Rushton asked for a motion on the recommendation. Mr. Sperry moved to adopt Resolution No. 19-03. Following a second by Ms. Lang, the motion was unanimously approved by those present as follows:

Mr. Christensen – aye	Mr. Johnson – aye
Ms. Lang – aye	Mr. Osborne – aye
Mr. Owens – not present	Mr. Rushton – aye
Mr. Sperry – aye	Mr. Summers – aye
Mr. Taylor – aye	

Consider award of contract for insurance broker services

Mr. Brian McCleary, Controller, reviewed the procurement process undertaken to receive proposals for insurance broker services. Based on the results of the procurement process, Mr. McCleary recommended award of contract for insurance broker services to Olympus Insurance for the period of up to five years in the amount of \$19,500 per year.

Mr. Rushton asked for a motion on the recommendation. Mr. Osborne moved to approve award of contract for insurance broker services. Following a second by Mr. Sperry, the motion was unanimously approved by those present as follows:

Mr. Christensen – aye	Mr. Johnson – aye
Ms. Lang – aye	Mr. Osborne – aye
Mr. Owens – not present	Mr. Rushton – aye
Mr. Sperry – aye	Mr. Summers – aye
Mr. Taylor – aye	

Engineering, Maintenance, and Information Systems activities

Consider award of construction contract for 3200 West 6200 South Vault Upgrades

Mr. Alan Packard, Assistant General Manager, stated this valve vault was constructed in 1961 and has not had any serious rehabilitation effort on it since that time other than normal maintenance. He said a 30-inch valve now leaks and adjacent piping is in advanced corrosive condition. This project will include replacement of corroded piping and valves, installation of an air relief valve, installation of a vault access ladder, and application of paint coatings. Mr. Packard recommended award of construction contract for 3200 West 6200 South Vault Upgrades to Noland & Son Construction in the amount of \$83,770.

Mr. Rushton asked for a motion on the recommendation. Mr. Johnson moved to approve award of construction contract for 3200 West 6200 South Vault Upgrades. Following a second by Mr. Taylor, the motion was unanimously approved by those present as follows:

Mr. Christensen – aye	Mr. Johnson – aye
Ms. Lang – aye	Mr. Osborne – aye
Mr. Owens – not present	Mr. Rushton – aye
Mr. Sperry – aye	Mr. Summers – aye
Mr. Taylor – aye	

Consider award of contract for Jordan Aqueduct Reach 4 Sleeve Valves Repair

Mr. Packard said three sleeve valves manufactured by Bailey Valve Inc. were installed in the Jordan Aqueduct Reach 4 (JA-4) flow control structure in 1981 as part of the original JA-4 construction project. In 2012, sleeve valve #1 (SV-1) was binding during operation due to extensive wear which prevented the valve from opening and closing properly. He said SV-1 was subsequently rebuilt and staff now recommends proactively rebuilding SV-2 and SV-3 before they experience compromised operation. Mr. Packard said problems with the operation of SV-2 and SV-3 would interrupt the full capacity available to the Jordan Valley Water Treatment Plant.

Mr. Packard stated that Bailey Valve Inc. is the original equipment manufacturer and is the only source of proper replacement parts. He said this repair contract recommendation complies with the sole source procurement procedures defined in the District's procurement policy, and

MWDSLS will share in 2/7's of the cost. Mr. Packard recommended award of contract for Jordan Aqueduct Reach 4 Sleeve Valves Repair to Bailey Valve Inc. in the amount of \$69,240.

Mr. Osborne suggested staff consider capturing the energy generated at the JA-4 flow control structure in an hydroelectric process. Mr. Packard said staff has analyzed the possibility of using the energy generated at the JA-4 flow control structure in the past and will continue to consider it in the future if it becomes economically feasible.

Mr. Rushton asked for a motion on the recommendation. Ms. Lang moved to approve award of contract for Jordan Aqueduct Reach 4 Sleeve Valves Repair. Following a second by Mr. Summers, the motion was unanimously approved by those present as follows:

Mr. Christensen – aye	Mr. Johnson – aye
Ms. Lang – aye	Mr. Osborne – aye
Mr. Owens – not present	Mr. Rushton – aye
Mr. Sperry – aye	Mr. Summers – aye
Mr. Taylor – aye	

Operations, Public Outreach, and Conservation activities

Consider adoption of Resolution No. 19-04, “Approving the Restated and Amended Interlocal Cooperation Agreement Establishing the Provo River Watershed Council

Mr. Bart Forsyth, Assistant General Manager, said in 2017, the Board adopted a resolution approving an Interlocal Agreement establishing the Provo River Watershed Council (Council). He said since that time the MWDSLS has rejoined the Council. This Agreement formalizes JVWCD’s partnership in the Council, adds MWDSLS as a funding member, and establishes funding amounts for an annual work plan for water quality monitoring and management of the Provo River Watershed. Mr. Forsyth recommended adoption of Resolution No. 19-04, “Approving the Restated and Amended Interlocal Cooperation Agreement Establishing the Provo River Watershed Council.”

Mr. Osborne asked if the Council has a five-year work plan. Ms. Shazelle Terry, Operations Department Manager, stated there is not a formal five-year plan, but the Council is working towards completing a long list of projects which are prioritized each year in the annual work plan. Mr. Osborne stated he would like to see a more structured five-year work plan. He encouraged the Council to look for partners to participate in projects that are included in the work plan.

Mr. Rushton expressed concern regarding the contract language in the Agreement. Mr. Forsyth said there are many agencies involved in the Council which have their own conditions and concerns included in the Agreement. He said participating in this Council saves the District money by combining resources with other agencies to accomplish various projects, testing, and monitoring of the Provo River Watershed.

Mr. Rushton asked for a motion on the recommendation. Mr. Johnson moved to adopt Resolution No. 19-04. Following a second by Ms. Lang, the motion was unanimously approved by those present as follows:

Mr. Christensen – aye
Ms. Lang – aye
Mr. Owens – not present
Mr. Sperry – aye
Mr. Taylor – aye

Mr. Johnson – aye
Mr. Osborne – aye
Mr. Rushton – aye
Mr. Summers – aye

Consider approval of expenditure and award of purchase contract for pilot plant equipment for the Jordan Valley Water Treatment Plant

Mr. Forsyth said this equipment will be purchased to replace an existing pilot plant at JWVTP which is outdated and obsolete. The new pilot plant will be built as a miniature version of the JWVTP and will replicate water treatment processes. He stated the data received from the studies completed with this pilot plant will help staff to optimize treatment processes, including the addition of water treatment chemicals to produce the highest quality water possible at the lowest cost and re-rating the existing filters for a higher filtration rate, which will save the District money in the future.

Mr. Forsyth reviewed the bidding process and said only one bid was received as work of this nature is very specialized with few companies able to build the pilot plant. Mr. Forsyth recommended approval of expenditure and award of purchase contract for pilot plant equipment to Intuitech in the amount of \$332,399.

Mr. Rushton asked for a motion on the recommendation. Mr. Summers moved for approval of expenditure and award of purchase contract for pilot plant equipment for the Jordan Valley Water Treatment Plant. Following a second by Mr. Taylor, the motion was unanimously approved by those present as follows:

Mr. Christensen – aye
Ms. Lang – aye
Mr. Owens – not present
Mr. Sperry – aye
Mr. Taylor – aye

Mr. Johnson – aye
Mr. Osborne – aye
Mr. Rushton – aye
Mr. Summers – aye

Consider approval of a contract with the Utah Division of Water Resources to provide funds for the Locascapes® Exhibit in the Conservation Garden Park

Mr. Forsyth said this contract with the Utah Division of Water Resources will provide a \$100,000 contribution to help fund a Locascapes® Exhibit that will demonstrate an example of water efficient landscaping which follows Locascapes® concepts. Mr. Forsyth thanked the staff and management at the Utah Division of Water Resources for the generous grant. Mr. Forsyth recommended approval of a contract with the Utah Division of Water Resources to provide funds for the Locascapes® Exhibit in the Conservation Garden Park.

Mr. Rushton asked for a motion on the recommendation. Mr. Christensen moved to approve a contract with the Utah Division of Water Resources to provide funds for the Locascapes® Exhibit in the Conservation Garden Park. Following a second by Mr. Sperry, the motion was unanimously approved by those present as follows:

Mr. Christensen – aye	Mr. Johnson – aye
Ms. Lang – aye	Mr. Osborne – aye
Mr. Owens – not present	Mr. Rushton – aye
Mr. Sperry – aye	Mr. Summers – aye
Mr. Taylor – aye	

Reporting items

Legislative update report

Mr. Bay, General Manager/CEO, reviewed several legislative bills which may affect the District and one of three Prepare60 member districts. The bills include HB 12 – Instream Flow Water Right Amendments; HB 31 – Water Supply & Surplus Water Amendments; HJR 1 – Proposal to Amend Utah Constitution-Municipal Water Resources; HB 64 – Lobbyist Expenditures Amendments; HB 74 – Open Meeting Amendments; HB 143 – Water Conservation Plan Amendments; SB 52 – Secondary Water Metering Requirements; and SJR 1 – Joint Resolution Supporting the Study of Water Banking in Utah.

Mr. Johnson asked if there will be any assistance from the federal government to help subsidize secondary water metering requirements. Mr. Bay said entities that operate secondary water systems can individually pursue federal funding. Mr. Johnson asked if a WaterSMART grant qualifies as part of an entity’s participation in the state mandate. Mr. Forsyth said he thought it would qualify and said staff can look into this and report back to the Board. Mr. Summers said the Utah Division of Water Resources provides loans that count towards local entity’s cost share.

Report on marketing of 2019A water revenue bonds

Mr. David Martin, Chief Financial Officer/Treasurer, recognized Mr. David Robertson and Mr. Scott Robertson in the audience. He gave credit to the District’s finance team, Lewis Young Robertson & Burningham, financial advisor; George K. Baum, underwriter; and Chapman & Cutler, bond counsel, for a successful marketing and selling of District bonds. Mr. Martin turned the time over to Mr. David Robertson who summarized the financing and pricing of the sale of Series 2019A bonds on January 16, 2019.

Mr. Bay briefly reviewed the routine reporting items which included Central Utah Project/CUWCD activities report, conservation activities report, lease agreements, facilities rental agreements, District performance indicators for December 2018, capital projects report for January 2019, financial report for December 2018, water supply report for December 2018, and media coverage.

Upcoming meetings

Consider approval to cancel the Conservation Committee meeting scheduled for March 11, at 3:00 p.m.

Mr. Rushton reviewed the upcoming meetings for March including the Conservation Committee meeting, Monday, March 11, at 3:00 p.m. (tentative); the Executive Committee meeting, Monday, March 11, at 3:00 p.m.; the Finance Committee meeting, Monday, March 11, at 3:30 p.m.; and the annual Board meeting, Wednesday, March 13, at 3:00 p.m.

Mr. Rushton asked for a motion to cancel the Conservation Committee meeting scheduled for March 11, at 3:00 p.m. Mr. Christensen moved to cancel the March Conservation Committee meeting. Following a second by Mr. Sperry, the motion was unanimously approved by those present as follows:

Mr. Christensen – aye	Mr. Johnson – aye
Ms. Lang – aye	Mr. Osborne – aye
Mr. Owens – not present	Mr. Rushton – aye
Mr. Sperry – aye	Mr. Summers – aye
Mr. Taylor – aye	

Closed Session

Mr. Rushton proposed to convene a closed meeting at 4:52 p.m. in the Board room of the District’s Administration Building at 8215 South 1300 West, West Jordan, Utah, to discuss information provided during procurement process and sale or purchase of real property and/or water rights or water shares.

Ms. Lang moved to go into closed session for the discussions. Following a second by Mr. Summers, the motion was unanimously approved by those present as follows:

Mr. Christensen – aye	Mr. Johnson – aye
Ms. Lang – aye	Mr. Osborne – aye
Mr. Owens – not present	Mr. Rushton – aye
Mr. Sperry – aye	Mr. Summers – aye
Mr. Taylor – aye	

The closed meeting convened at 5:02 p.m. with all Trustees present, except Mr. Stephen Owens. Also present were: Richard Bay, General Manager; Bart Forsyth, Assistant General Manager; Alan Packard, Assistant General Manager; Reid Lewis, General Counsel; David Martin, Chief Financial Officer/Treasurer; Shane Swensen, Engineering Department Manager; Beverly Parry, Executive Assistant; Jessica Richards, Administrative Assistant; and JT Cracroft, Right-of-Way & Property Manager.

No votes or actions were taken during the closed meeting.

Open meeting reconvened

The open meeting was reconvened at 6:00 p.m.

Consider approval to sell property at 15030 South 3200 West to Bluffdale City

Mr. Packard recommended approval to sell property at 15030 South 3200 West, with a reserved easement, to Bluffdale City for \$475,700, with a stipulation that waterwise landscaping be installed, and authorize the General Manager to execute the conveyance documents.

Mr. Rushton asked for a motion on the recommendation. Mr. Osborne moved to approve the sale of property at 15030 South 3200 West to Bluffdale City, with the reserved easement and waterwise landscaping stipulations, and authorize the General Manager to execute the conveyance documents. Following a second by Mr. Christensen, the motion was unanimously approved by those present as follows:

Mr. Christensen – aye	Mr. Johnson – aye
Ms. Lang – aye	Mr. Osborne – aye
Mr. Owens – not present	Mr. Rushton – aye
Mr. Sperry – aye	Mr. Summers – aye
Mr. Taylor – aye	

Consider approval to purchase property at 10200 South 8000 West for reservoir facility

Mr. Packard recommended approval to purchase property at 10200 South 8000 West from the Vicky R. Jones Survivor's Trust for a reservoir facility for \$330,000.

Mr. Rushton asked for a motion on the recommendation. Ms. Lang moved to approve the purchase of property at 10200 South 8000 West for a reservoir facility. Mr. Taylor seconded the motion. Ms. Lang spoke in favor of the motion. Mr. Rushton said he needed more time to be supportive of the motion so that more options can be considered. Following a roll call, the motion was approved as follows:

Mr. Christensen – aye	Mr. Johnson – aye
Ms. Lang – aye	Mr. Osborne – nay
Mr. Owens – not present	Mr. Rushton – nay
Mr. Sperry – nay	Mr. Summers – aye
Mr. Taylor – aye	

Adjourn

Mr. Rushton called for a motion to adjourn. Mr. Summers moved to adjourn. The motion was unanimously approved by those present as follows:

Mr. Christensen – aye	Mr. Johnson – aye
Ms. Lang – aye	Mr. Osborne – aye
Mr. Owens – not present	Mr. Rushton – aye
Mr. Sperry – aye	Mr. Summers – aye
Mr. Taylor – aye	

The meeting was adjourned at 6:06 p.m.

Corey L. Rushton, Chair of the Board of Trustees

Richard P. Bay, Clerk