

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

(Approved July 9, 2025)

June 4, 2025

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, June 4, 2025, at 3:02 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 (electronic)
Karen D. Lang, Vice Chair
Zach Jacob
Andy Pierucci
John Richardson
John H. Taylor (electronic)
Barbara L. Townsend (electronic)

Trustees Not Present:

Dawn R. Ramsey
Mick M. Sudbury

Staff Present:

Alan Packard, General Manager
Jacob Young, Deputy General Manager
Shazelle Terry, Assistant General Manager
Ben Stanley, General Counsel
Shane Swensen, Chief Engineer
David Martin, Chief Financial Officer/Treasurer
Brian McCleary, Controller
Kurt Ashworth, Human Resources Manager
Brian Callister, Maintenance Department Manager
Gordon Batt, Operations Department Manager
Jason Brown, Information System Department Manager
Mindy Keeling, Executive Assistant
Lisa Wright, Administrative Assistant III
Martin Feil, Database Administrator (electronic)
Lisa Kasteler, Administrative Assistant II
Kelly Good, Community Engagement Department Manager
Travis Christensen, Engineering Group Leader
Kevin Rubow, Capital Planning & Project Management Leader
Mike Brinton, Asset Management Program Administrator (electronic)

Also Present:

Jason Helm, General Manager, Granger-Hunter Improvement District (electronic)
Mark Chalk, General Manager, Taylorsville-Bennion Improvement District (electronic)
Greg Anderson, General Manager, Kearns Improvement District
Dustin Lewis, City Manager, City of South Jordan (electronic)

Ammon Allen, Engineering Manager, Metropolitan Water District of Salt Lake & Sandy (electronic)

Greg Davenport, Utility Director, City of West Jordan (electronic)

Raymond Garrison, Director of Public Works, City of South Jordan

Jason Luettinger, Principal, Bowen Collins & Associates (electronic)

Robert Moore, General Counsel, Central Utah Water Conservancy District

Ryan Willeitner, Engineer, Jacobs Engineering (electronic)

Shawn Robinson, Director of Operations, Taylorsville-Bennion Improvement District

Stacie Olsen, Assistant Public Works Director, Riverton City

Brett Behling, Government Relations, WSP

Brittany Sorenson, Office Manager, Brown & Caldwell

**Call to order and
introduction of
visitors**

Ms. Karen Lang, Vice Chair, convened the Board meeting of the Jordan Valley Water Conservancy District Board of Trustees at 3:02 p.m. on Wednesday, June 4, 2025. Ms. Lang introduced the members of the Board and the public who attended the meeting both in person and electronically.

**Approval of common
consent items**

Ms. Lang presented the minutes of the Executive Committee meeting held May 12, 2025, and the Public Hearing/Board meeting held May 14, 2025. She also presented the May 2025 Trustees' Expenses Report. Ms. Lang called for a motion. Mr. John Richardson moved to approve the minutes of the May 12 and 14 meetings and the Trustees' Expenses Report for May 2025. Following a second by Mr. Andy Pierucci, the motion was unanimously approved by those present as follows:

Mr. Rushton – aye

Mr. Richardson – aye

Ms. Lang – aye

Mr. Sudbury – not present

Mr. Jacob – aye

Mr. Taylor – aye

Mr. Pierucci – aye

Ms. Townsend – aye

Ms. Ramsey – not present

Public Comments

There were no public comments.

Core Mission Reports

Water supply update

Mr. Alan Packard, General Manager, reviewed the Municipal and Industrial (M&I) Water Deliveries report through April 2025, noting a continued trend of higher deliveries year to date. Combined wholesale and retail deliveries are 13% higher than the previous year. He mentioned there are "Slow The Flow" media advertisements in effect that are intended to help promote water conservation. He reviewed the Wholesale Contract Progress report for each Member Agency commenting that Draper City and Riverton City are projected to reach 120% or more over their water purchase contract. There have been discussions with both Draper City and Riverton City about increasing water purchase contract amounts which will be brought before the Board at a later date. Mr. Packard then reviewed the Wholesale and Retail Actual and Projected Deliveries report, and the Provo River Reservoirs Update, reporting that Jordanelle is at max storage along with both Deer Creek and Utah Lake at or close to max storage.

Mr. John Taylor asked whether Great Salt Lake elevation information capacities can be included in the monthly water supply report. Mr. Packard stated that staff will explore ways to share the data with Trustees.

Water quality update

Ms. Shazelle Terry, Assistant General Manager, provided an update on the 2024 United States Environmental Protection Agency (EPA) final ruling for per- and polyfluoroalkyl substances (PFAS) which included a maximum contaminant level (MCL) for two components and a hazard index for several others. Shortly after the ruling, the American Water Works Association and the Association of Metropolitan Water Agencies sued EPA over the process used to create the rule. She said the lawsuit has been moving through the court system, with several requests for deadline extensions. Ms. Terry stated that recent press releases indicate EPA intends to keep the current MCL's for perfluorooctanoic acid (PFOA) and perfluorooctane sulfonate (PFOS) at four parts per trillion but rescind the MCL's for other components and the Hazard Index, which has been a major issue for water agencies. The current compliance deadline was extended from 2029 to 2031. She explained that EPA is also working on an exemption framework and enhanced outreach for water systems, particularly small groundwater systems that may struggle with treatment costs. Ms. Terry stated that in April 2025, EPA announced efforts to create effluent limitation guidelines for PFAS manufacturers and a liability framework to protect water districts and hold polluters accountable. EPA is also looking at a PFAS testing strategy under the Toxic Substance Control Act and improving testing methods.

Mr. John Richardson asked how PFAS impact JVVCD and if there are water sources that have detectable PFAS. Ms. Terry stated that JVVCD has been testing for quite some time and has had no detection for PFAS in any of its sources. She noted that some places in Utah have wells requiring treatment. PFAS tends to be more of an issue with groundwater than surface water, and while some areas in Utah have detections, Utah is not the most impacted state compared to others, particularly in the Eastern United States.

Standing Committee Reports**Finance update**

Mr. Brian McCleary, Controller, reviewed the Financial Report for March and April 2025. Focusing on April, he showed that revenues were slightly above the budgeted or forecasted line, which is attributed to higher water deliveries than anticipated. Year-to-date revenues through April were \$16.9 million compared to the budgeted \$14.8 million. He said based on preliminary figures for May and anticipated revenues for June, JVVCD is projecting to exceed its budgeted revenue amount by the end of the fiscal year. He shared water sales charts which showed that the current year's deliveries and sales have exceeded both the prior year and the five-year average for each month. Mr. McCleary also noted an increase in P-card transactions year over year, indicating more employees are using them, which improves efficiency. JVVCD is also seeing more payments moving towards EFT or ACH transactions rather than paper checks, which is appreciated as it has been an effort in prior years to convert vendors.

Conservation update

Mr. Jacob Young, Deputy General Manager, provided an update on the Spring Garden Fair event held on May 17, 2025. He said the event was an enhancement of previous open houses at the Conservation Garden Park (Garden), with objectives to introduce a broader audience to the garden as a resource and to help homeowners with landscape projects. Activities included "Ask an Expert" booths focusing on plants, irrigation, and

Localscapes, along with garden tours, cut flower demonstration classes, and various kid crafts. JVVCD's presence was highlighted, including a water taste test booth comparing different water sources. A watershed water quality booth was also featured. Mr. Young explained that a key strategy for expanding reach this year has been partnerships with other entities, and several partners had booths at the event, facilitating cross-pollination of audiences. A soft launch of the Garden's 25th anniversary was also done, with a more focused event planned for the fall. He said the goal of increasing the audience was successful, with attendance rising 50% from 400 people last year to 600 this year. Mr. Young thanked staff from across departments for their efforts in making the event happen.

Mr. Andy Pierucci asked about the communications and marketing efforts that contributed to the attendance increase. Mr. Young mentioned advertising at partner locations and libraries within JVVCD's service area, as well as social media outreach.

**Conservation,
Communications, and
Information Systems
activities**

**Consider approval of
a Water Conservation
Funding Agreement
with Granger-Hunter
Improvement District**

Mr. Young presented information on a Water Conservation Funding Agreement with the Granger-Hunter Improvement District (GHID). He said GHID's application is for \$84,000 for five different projects or programs that qualify for Tier one to Tier three funding. These projects include leak detection, pinpointing and repair, a customer water usage portal, a continuous flow program, conservation calendar information packets, and promotional conservation materials. These projects were reviewed in detail at the June 2, 2025, Conservation Committee meeting. Mr. Young stated that staff recommended awarding \$84,000 to GHID for water conservation funding.

Ms. Lang called for a motion on the recommendation. Mr. John Richardson moved to approve a Water Conservation Funding Agreement with Granger-Hunter Improvement District in the amount of \$84,000. Following a second by Mr. Andy Pierucci, the motion was unanimously approved by those present as follows:

Mr. Rushton – aye

Ms. Lang – aye

Mr. Jacob – aye

Mr. Pierucci – aye

Ms. Ramsey – not present

Mr. Richardson – aye

Mr. Sudbury – not present

Mr. Taylor – aye

Ms. Townsend – aye

Financial Matters

**Consider adoption of
Resolution No. 25-04,
“Adopting JVVCD’s
Retail Water Rates
and Wholesale Water
Rates for Fiscal Year
2025-2026, and
Amending Penalties
and Fees for
Services”**

Mr. David Martin, Chief Financial Officer, reviewed the proposed water rates for fiscal year 2025-2026, which included an average rate adjustment of 4.9%. He said the proposed rates were tentatively approved at the April Board meeting and also discussed with JVVCD's Member Agencies at the Annual Member Agency meeting in April, and at a public hearing on May 14, 2025, where comments were received. JVVCD's retail customers and others were sent notice of the public hearing, where comments were made and noted. No further comments have been received since the public hearing. Mr. Martin then reviewed the proposed wholesale rates for FY 2025-2026, including pumping surcharges and meter base charges, which do not have an increase. The proposed retail rates were also reviewed, showing the non-pump water rate, pump zone surcharges, fire line

charges, meter charge, and the four-tier structure thresholds. He presented a chart illustrating the monthly bill total based on consumption across the four tiers and how it varies by month to address a question from the public hearing about which customers pay the tier four rates. Mr. Martin provided information regarding a potential revenue decrease if high water users change habits by showing that the budget does include revenues from tier four use, and that annual adjustments help manage this impact. He stated that there are no changes proposed for the miscellaneous fees and impact fees. Mr. Martin recommended adoption of Resolution No. 25-04, "Adopting JVVCD's Retail Water Rates and Wholesale Water Rates for Fiscal Year 2025-2026, and Amending Penalties and Fees for Services."

Ms. Lang called for a motion on the recommendation. Mr. John Richardson moved to approve Resolution No. 25-04. Following a second by Mr. John Taylor, the motion was approved as follows:

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

Consider adoption of Resolution No. 25-05, "Adopting JVVCD's Tentative Budget and Financial Plan for Fiscal Year 2025-2026"

Mr. Martin said the fiscal year 2025-2026 tentative budget and financial plan have been discussed and reviewed at Finance Committee meetings and JVVCD's May public hearing. The budget is based on 106,500 acre-feet of water deliveries, an average water rate increase of 4.9%, a property tax increase of approximately 11%, using \$5.6 million from the Revenue Stabilization Fund, and projected capital projects funding. The proposed budget will fund items including the Operations and Maintenance budget, which includes a 7% increase over the previous fiscal year budget, bond principal and interest, with an 8.9% increase, and a 6.7% increase in transfers and reserves funding. The total budget, sources and uses, is \$207.6 million. He then reviewed the budgeted sources and uses of funds, operation and maintenance budget, general equipment budget, and capital projects budget. Mr. Martin recommended adoption of Resolution No. 25-05, "Adopting JVVCD's Tentative Budget and Financial Plan for Fiscal Year 2025-2026."

Mr. John Taylor asked whether CP3 projects represent increased capacity or replacing capacity with new infrastructure. Mr. Martin clarified that CP3 is for new, increased capacity for new growth projects, while replacing capacity would be a CP1 project.

Mr. Andy Pierucci inquired about where excess projected revenues from higher water deliveries in the current fiscal year would be accounted for in the 2025-2026 budget. Mr. Martin explained that the current fiscal year is projected to deliver more water than budgeted, and excess revenues from higher sales would typically be transferred to the Revenue Stabilization Fund after the audit is completed, and could be used in the future to help stabilize water rate increases.

Ms. Lang called for a motion on the recommendation. Mr. John Taylor moved to approve Resolution No. 25-05. Following a second by Mr. Zach Jacob, the motion was approved as follows:

Consider adoption of Resolution No. 25-06, "Determining and Fixing JVVCD's Proposed Tax Rate for Fiscal Year 2025-2026"

Mr. Rushton – aye
 Ms. Lang – aye
 Mr. Jacob – aye
 Mr. Pierucci – nay
 Ms. Ramsey – not present

Mr. Richardson – aye
 Mr. Sudbury – not present
 Mr. Taylor – aye
 Ms. Townsend – aye

Mr. Martin stated that the State Tax Commission has not released the certified tax rate at this time. The tentative budget that was just approved includes approximately \$3.1 million in revenues, which is from a proposed 11% tax rate increase, estimated based on an assumed certified rate. He said the language of the resolution sets a tax rate that will generate the budgeted revenue. Mr. Martin recommended adoption of Resolution No. 25-06, "Determining and Fixing JVVCD's Proposed Tax Rate for Fiscal Year 2025-2026."

Mr. Pierucci expressed discomfort with asking residents for more property taxes when JVVCD has a large stabilization fund and projected increases to it, suggesting that water rates could be relied upon instead. He expressed appreciation for efforts to bring down costs in the budget.

Mr. Zach Jacobs offered his perspective that excess revenue is a one-time surplus that cannot offset ongoing needs, whereas property taxes are an ongoing revenue source needed to fund ongoing expenses.

Mr. Corey Rushton highlighted the need for ongoing revenue to support upcoming projects and bond issuances to maintain a solid credit rating. He noted that while he represents areas that are mostly built out and would be fine curtailing new capacity projects (CP3), others may need that growth capacity. He said discussions could continue on financing strategies at a later date.

Ms. Lang called for a motion on the recommendation. Mr. John Taylor moved to adopt Resolution No. 25-06. Following a second by Mr. Zach Jacob, the motion was approved as follows:

Mr. Rushton – aye
 Ms. Lang – aye
 Mr. Jacob – aye
 Mr. Pierucci – nay
 Ms. Ramsey – not present

Mr. Richardson – aye
 Mr. Sudbury – not present
 Mr. Taylor – aye
 Ms. Townsend – aye

Consider scheduling final approval at the August 11, 2025, public hearing, at 6:00 p.m., to be held in person and electronically at 8215 South 1300 West in West Jordan, Utah, of the following items for fiscal year July 1, 2025, to June 30,

Ms. Lang called for a motion to schedule final approval at the August 11, 2025, public hearing, at 6:00 p.m., to be held in person and electronically at 8215 South 1300 West in West Jordan, Utah, of the following items for fiscal year July 1, 2025, to June 30, 2026: determining, fixing, and adoption of a tax rate; and final adoption of the financial plan and budget.

Mr. John Richardson moved to set a public hearing for August 11, 2025, at 6:00 p.m. Following a second by Ms. Barbara Townsend, the motion was approved as follows:

Mr. Rushton – aye
 Ms. Lang – aye
 Mr. Jacob – aye

Mr. Richardson – aye
 Mr. Sudbury – not present
 Mr. Taylor – aye

2026: determining, fixing, and adoption of a tax rate; and final adoption of the financial plan and budget

Mr. Pierucci – aye
Ms. Ramsey – not present

Ms. Townsend – aye

Review completed Fraud Risk Assessment for fiscal year ending June 30, 2025

Mr. Martin reviewed the Fraud Risk Assessment completed for fiscal year ending June 30, 2025. He said the Fraud Risk Assessment is required to be presented to the Board before the end of the fiscal year and submitted to the State Auditor within 180 days of the end of the fiscal year. He said JVVCD has adopted all the policies and achieved all the recommended measures to achieve the highest score possible, which puts JVVCD at a very low risk of fraud.

Engineering Activities

Consider authorization to award a Material Testing Contract for the Southwest Aqueduct Reach 2

Mr. Shane Swensen, Chief Engineer, said the Southwest Aqueduct Reach 2 project involves constructing a 66-inch welded steel pipeline between 13400 South and 11800 South. A materials testing firm is necessary to ensure the contractor meets specifications by testing materials like concrete, rebar, and asphalt compaction. He explained that the Board previously authorized this award to UES Professional Services in March 2025, but UES later notified JVVCD they were suspending services in Utah. JVVCD contacted the second low bidder, Earth Tech Engineering, to provide the services. He said references for Earth Tech Engineering were contacted and reported they have performed adequately on similar projects; they are a local firm with 35 years in Utah and have confirmed they have the capacity and willingness to provide the services. Mr. Swensen recommended authorization to award a Material Testing Contract for the Southwest Aqueduct Reach 2 to Earth Tech Engineering, in the amount of \$97,640.

Mr. Rushton asked about the rationale for going with the second bidder rather than rebidding the project. Mr. Swensen explained that rebidding would cause further delays and based on the engineer's estimate and the closeness of the other bids, they didn't anticipate lower prices. He said going to the second bidder was considered the more prudent path.

Ms. Lang called for a motion on the recommendation. Mr. John Richardson moved to authorize the award of a Material Testing Contract for the southwest Aqueduct Reach 2 to Earth Tech Engineering, in the amount of \$97,640. Following a second by Mr. Andy Pierucci, the motion was approved by those present as follows:

Mr. Rushton – aye
Ms. Lang – aye
Mr. Jacob – aye
Mr. Pierucci – aye
Ms. Ramsey – not present

Mr. Richardson – aye
Mr. Sudbury – not present
Mr. Taylor – aye
Ms. Townsend – aye

Consider approval of Construction and Reimbursement

Mr. Swensen said JVVCD is constructing two 5 million gallon reservoirs on its property at 7271 West 11800 South in South Jordan. As part of developing the site, South Jordan City requires an impact fee for future

**Agreement with
South Jordan City for
the 11800 South
Reservoir Project**

roadway improvements on the currently unimproved frontage, which would include sidewalk, park strip, curb and gutter, and one lane of asphalt roadway. The proposed Construction and Reimbursement Agreement provides for JVVCD to pay the City \$135,108 for these future improvements. Mr. Swensen recommended approval of a Construction and Reimbursement Agreement with South Jordan City for the 11800 South Reservoir Project and authorize the General Manager and General Counsel to make necessary revisions and execute the agreement.

Ms. Lang called for a motion on the recommendation. Mr. Zach Jacob moved to approve the Construction and Reimbursement Agreement with South Jordan City for the 11800 South Reservoir Project for \$135,108 and authorize the General Manager and General Counsel to make necessary revisions and execute the agreement. Following a second by Mr. Andy Pierucci, the motion was approved by those present as follows:

Mr. Rushton – aye

Ms. Lang – aye

Mr. Jacob – aye

Mr. Pierucci – aye

Ms. Ramsey – not present

Mr. Richardson – aye

Mr. Sudbury – not present

Mr. Taylor – aye

Ms. Townsend – aye

**Consider approval of
a Water Lease
Agreement for
release of water to
Great Salt Lake**

Mr. Packard informed of an opportunity to work with the Great Salt Lake Watershed Enhancement Trust (Trust) on a lease that will produce revenue for JVVCD. He said where previous leases with the Trust were year-to-year decisions and essentially donations, the Trust is now interested in a more firm, multi-year commitment and diversifying their water sources. Mr. Packard explained that the proposed agreement is patterned after JVVCD's work with Central Utah Project on turned back water credits. The Trust will lease about 2,250 acre-feet of Utah Lake Rights from JVVCD and in the same agreement, JVVCD commits 1,000 acre-feet of its CUP supply to be released down the Provo River into Utah Lake during times of environmental benefit. He said compensation for the Utah Lake releases corresponds with the CUP turned back water compensation, potentially totaling approximately \$1.2 million over the proposed five-year lease. Other beneficiaries included in the agreement and change application are the Utah Division of Wildlife Resources and the Utah Division of Forestry and State Lands, who are beneficial users of water released for the benefit of Great Salt Lake and nearby wetlands. Mr. Packard recommended approval of the Water Lease Agreement and authorize the General Manager and General Counsel to make minor revisions and execute the agreement.

Mr. Rushton asked if this agreement posed a risk of conflict with power generation release requirements or fish habitat needs. Mr. Packard responded that the CUP turned back water already supports the endangered June Sucker and does not expect interference with power generation on the Provo River.

Mr. Richardson asked who decides what constitutes environmental benefit. Mr. Packard explained that JVVCD retains flexibility on the timing of releases from stored water but will consult others for advice on maximizing

environmental utility. The agreement states JVVCD retains final decision-making authority regarding those responses.

Mr. Pierucci expressed appreciation for the JVVCD's efforts as an important and responsible step, demonstrating leadership in conservation. He then inquired about the perspective of the Utah & Salt Lake Canal Company (U&SLCC) regarding the use of their shares. Mr. Packard stated that the JVVCD shares used for the 2,250 acre feet were acquired years ago for future diversions. The change application is co-signed by U&SLCC, indicating their consent.

Ms. Lang called for a motion on the recommendation. Mr. John Richardson moved to approve a Water Lease Agreement for release of water to Great Salt Lake and authorize the General Manager and General Counsel to make necessary revisions and execute the agreement. Following a second by Mr. Andy Pierucci, the motion was approved by those present as follows:

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

Ms. Lang stepped out of the meeting and asked Mr. Rushton to conduct briefly in her absence.

**Consider approval of
Water District Water
Development Council
Reimbursement
Agreement**

Mr. Alan Packard said the Water District Water Development Council was established by a 2024 legislative bill (SB211) and consists of the general managers of the four largest water conservancy districts (P60 districts) and the director of the Utah Division of Water Resources. The council is tasked with assisting the State in identifying opportunities for developing new water sources and has hired a technical director and an engineering firm to conduct feasibility work. Mr. Packard stated that JVVCD, as the designated managing district for the council, has been bearing the expense for the engineering firm to get the work started. Per SB211, the State is to reimburse the expenses of the engineering firm. He said the proposed reimbursement agreement allows JVVCD to bill the State for reimbursement in the current fiscal year. Mr. Packard recommended approval of the Reimbursement Agreement and to authorize the General Manager and General Counsel to make minor revisions and the General Manager to execute it.

Mr. Rushton called for a motion on the recommendation. Mr. Andy Pierucci moved to approve a Reimbursement Agreement for the Water District Water Development Council and authorize the General Manager and General Counsel to make necessary revisions and execute the agreement. Following a second by Mr. Zach Jacob, the motion was approved by those present as follows:

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

Ms. Ramsey – not present

**Consider approval of
Shared Office
Expense Agreement
for Water District
Water Development
Council**

Mr. Alan Packard stated that as the designated managing district for the Water District Water Development Council (Council), JWWCD handles procurement for the council. State law expects the Council to secure office and meeting space. The proposed agreement is between the Water District Water Development Council, Utah Water Ways, and the State of Utah, represented by the Utah Water Agent who will facilitate reimbursement of certain expenses. Mr. Packard recommended approval of the Shared Office Expense Agreement and to authorize the General Manager and General Counsel to make minor revisions and execute the agreement.

Ms. Lang re-joined the meeting.

Ms. Lang called for a motion on the recommendation. Mr. John Richardson moved to approve a Shared Office Expense Agreement for the Water District Water Development Council and authorize the General Manager and General Counsel to make necessary revisions and execute the agreement. Following a second by Ms. Barbara Townsend, the motion was approved by those present as follows:

Mr. Rushton – aye

Mr. Richardson – aye

Ms. Lang – aye

Mr. Sudbury – not present

Mr. Jacob – aye

Mr. Taylor – aye

Mr. Pierucci – aye

Ms. Townsend – aye

Ms. Ramsey – not present

**Consider approval of
construction change
order for the 11800
South Zone C
Reservoirs**

Mr. Shane Swensen said this project which involves two 5 million gallon reservoirs, was awarded in July 2024 and includes approximately 1,000 feet of steel piping being fabricated in Mexico. He said fabrication has taken almost a year, and the pipe is now ready to ship. In March 2025, a 25% tariff was imposed on steel imports, which has been subject to volatile legal challenges and recently increased to 50%. The final tariff amount will not be known until the pipe reaches the border. Mr. Swensen explained that switching to a US manufacturer is not feasible due to the significant delay it would cause and would result in claims from the contractor. The supplier in Mexico was chosen based on a free trade agreement in place at the time of bidding, and such tariffs were not expected. He said for this project, the supplier is forwarding the tariff charges to the contractor, who expects to be reimbursed. The current contract states the contractor pays government fees and taxes applicable at the time of bid opening, which suggests they may have a claim for increases after the bid opening. Mr. Swensen recommended approval of a change order for the currently quoted 25% tariff amount of \$165,488 and authorizing the general manager to approve any additional amounts above his \$75,000 limit when the actual tariff is known at the border, with such actions to be ratified by the Board later.

Mr. Richardson asked if other projects would be impacted by similar tariff issues. Mr. Swensen indicated they are not anticipating other significant impacts as contractors are adjusting, and newer projects are sourcing materials domestically.

Discussion ensued regarding contract language and shifting the risk of fluctuating material costs and unexpected tariffs to contractors. Mr. Pierucci sought clarification on contractual obligations regarding fees existing at the time of bid versus unexpected changes. Mr. Ben Stanley, General Counsel, confirmed the contractor is bound to fees existing at bid time under general terms, and unexpected government fees can be negotiated.

Ms. Lang called for a motion on the recommendation. Mr. John Richardson moved to approve the construction change order for the 11800 South Zone C Reservoirs for \$165,488 and authorize the General Manager to negotiate and if needed approve additional funding associated with steel tariffs. Following a second by Ms. Barbara Townsend, the motion was approved by those present as follows:

Mr. Rushton – aye

Mr. Richardson – aye

Ms. Lang – aye

Mr. Sudbury – not present

Mr. Jacob – aye

Mr. Taylor – aye

Mr. Pierucci – aye

Ms. Townsend – aye

Ms. Ramsey – not present

Reporting Items

Mr. Travis Christensen, Engineering Group Leader, reported on the final completion of the Administration Building Roof Replacement, and the 1362 East 6400 South Well Rehabilitation projects.

Mr. Packard reviewed the routine reporting items which included: the Central Utah Project/CUWCD activities report, easement encroachment agreements, and facilities rental agreements signed by the General Manager, the monthly performance scorecard for April 2025, and media coverage.

Upcoming Meetings

Ms. Lang reviewed the upcoming meetings including the Conservation Committee meeting, Monday, July 7 at 3:00 p.m.; Executive Committee meeting, Monday, July 7 at 3:30 p.m.; and the regular Board meeting, Wednesday, July 9 at 3:00 p.m.

Adjourn

Ms. Lang called for a motion to adjourn. Mr. Zach Jacob moved to adjourn. Following a second by Mr. John Richardson, the meeting adjourned at 4:50 p.m.



Corey L. Rushton, Chair of the Board of Trustees



Alan E. Packard, District Clerk