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

(Approved May 14, 2025)

Held March 24, 2025

A Finance Committee meeting of the Board of Trustees of the Jordan Valley Water Conservancy District was held in person and electronically on Wednesday, March 24, 2025, at 3:03 p.m. at JVWCD'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:
- John H. Taylor, Finance Committee Chair
- Corey L. Rushton, Board Chair
- Zach Jacob
- Andy Pierucci (electronic)
- Dawn R. Ramsey (electronic)
- Barbara L. Townsend (electronic)

Trustees Not Present:
- Karen D. Lang
- John Richardson
- Mick M. Sudbury

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
- 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)
- Travis Christensen, Engineering Group Leader

Others Present:
- Shawn Koorn, HDR Engineering
- Cam Walker, HDR Engineering
- Greg Christensen, Trustee, Kearns Improvement District

Introductory comments by Finance Committee Chair

Mr. Corey Rushton, Board Chair, opened the meeting at 3:03 p.m. Ms. Karen Lang, Mr. Mick Sudbury, and Mr. John Richardson were excused from the meeting.

Mr. Alan Packard, General Manager, announced his upcoming retirement from JVWCD in January 2026, and said Mr. Jacob Young, Deputy General Manager, has been selected by the Board to assume the General Manager position at that time.

Review proposed capital projects expenditures budget

Mr. Shane Swensen, Chief Engineer, reviewed the proposed FY 2025/2026 Capital Projects budget and the 10-year Capital Projects Plan. He shared assumptions used to develop water demand for the updated Capital Projects Plan, which includes population projections, conservation effort success, and climate variability impacts. He reviewed the annual demand projections and peak day demand projections which show the water supplies and facilities that are currently available to JVWCD and water supplies and facilities that are planned to come online in the future. Mr. Swensen showed that the total Capital Projects Plan over the 10-year period is approximately $592.4 million. He reviewed proposed capital projects for fiscal year 2025/2026 and stated the total net FY 2025/2026 proposed Capital Projects budget is $82,996,270.

Mr. Pierucci asked whether any projects can be delayed without impacting operations and water delivery. Mr. Swensen said some of the repair and replacement projects could potentially be delayed, but those delays would increase the risk of system failures.

Mr. Rushton asked for explanation on building a system for peak day capacity and whether an alternative could be analyzed. Mr. Swensen said the State requires that water systems build out to meet peak day demands. Mr. Packard explained that JVWCD's rate methodology has a built-in incentive for Member Agencies to reduce their peak day demands.

Mr. John Taylor arrived in person at 3:09 p.m.

Review personnel expenditures budget

Mr. Kurt Ashworth, Human Resources Manager, presented the proposed personnel budget for FY 2025/2026. Mr. Ashworth reported that JVWCD currently has 163 positions and to project personnel costs for the FY 2025/2026 budget, data has been collected from various sources including salary surveys, health insurance, the Consumer Price Index and Employment Cost Index. He described the expenditures that are included in the personnel budget including salary, health insurance, state retirement contributions, Medicare, substitute Social Security Plan contributions, life insurance, long-term disability insurance, and sick leave conversion. Mr. Ashworth presented information from a salary adjustment survey of other local districts and Member Agency cities and stated that JVWCD falls close to median in comparisons.

Mr. Ashworth stated there is an overall 9.3% increase in the proposed FY 2025/2026 personnel budget due to salary and benefit increases, and the addition of three new positions. He explained that a compensation consultant performed a compensation analysis resulting in recommendations for pay grade changes. The consultant also found that

JVWCD offers a robust benefits package. Staff are proposing a 5.0% merit pay increase for employees above midpoint of their salary range, and a one-step increase for employees below midpoint of their salary range. The 2025/2026 budget includes proposed salary grade changes for positions consistent with the recommendation of the compensation consultant. Also included in the budget are recruitment, retention, and equity incentives.

Review public benefit of water from non-water delivery services

Mr. Martin stated that the public benefit of water from non-water delivery services was an informative topic indirectly related to the budget. The non-water delivery services are identified as items that cannot be measured by a meter, and JVWCD decided to quantify the items as public benefit. He said an analysis calculated that approximately $20 million of JVWCD's budget supports public benefit. Categories of public benefit include conservation, fluoride, Great Salt Lake, water quality protection, fire protection, flood control, recreation, groundwater management, endangered species, environmental enhancements, and increased property values. Some of the purposes of a water conservation district include increasing property values and promoting the greater prosperity and general welfare of the population. This quantification helps provide context for JVWCD's stage in its lifecycle, moving from inception relying almost exclusively on property tax revenue, to build-out with a larger portion of revenues from water sales. Mr. Martin stated that approximately 30% of JVWCD revenue currently comes from taxes. The goal is to recognize what can be measured by a meter versus non-metered public benefits. Mr. Packard said the population served by JVWCD is approaching 800,000, with a future build out population projected higher at 1.2 million, so JVWCD is far from build out. Mr. Martin said a consistent approach to rate adjustments is preferred over fluctuating rates.

Review fiscal year 2025/2026 water rate study

Discussion of fiscal year 2025/2026 budget review and proposed water rate adjustment and tax rate increase

Mr. Shawn Koorn, HDR Engineering, presented an overview of the water rate study process, which follows generally accepted methodologies. He said rate setting is a three-step process which includes: comparing the revenues of JVWCD to its expenses to evaluate the level of overall rates; proportionally distributing the revenue requirement between the various customer classes of service; and designing cost-based rates for each class of service to meet JVWCD's revenue needs, along with any other rate design goals and objectives adopted by the Board. Mr. Koorn reviewed each of these steps in the process. He summarized the draft revenue requirements for FY 2025/2026, given the assumptions by JVWCD staff estimating 106,500 acre-feet of water deliveries and a 4.9% average water rate adjustment. He next reviewed the preliminary results from the cost of service analysis, and said that water rates can now be updated using the current rate design structure.

Ms. Dawn Ramsey left the meeting at 4:48 p.m.

Upcoming meetings

Mr. Taylor reviewed the upcoming meetings including the regular Board meeting, Wednesday, April 9, at 3:00 p.m.; Annual Member Agency meeting, Tuesday, April 15, at 10:00 a.m.; Public Hearing, Wednesday, May 14, at 6:00 p.m.; regular Board meeting, Wednesday, June 4 at 3:00 p.m.; and property tax hearing/adoption of 2025/2026 budget, Wednesday,

Adjourn

August 13, at 6:00 p.m. (if needed).

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

John H. Taylor

John H. Taylor, Finance Committee Chair

Alan Packard

Alan E. Packard, Clerk