

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

(Approved April 13, 2022)

Held March 7, 2022

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 7, 2022, at 4:48 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
A. Reed Gibby
Karen D. Lang
Sherrie L. Ohrn
Dawn R. Ramsey
Mick M. Sudbury
Lyle C. Summers
John H. Taylor
Barbara L. Townsend

Staff Present:

Bart Forsyth, General Manager/CEO
Matt Olsen, Assistant General Manager
Alan Packard, Assistant General Manager
Shazelle Terry, Assistant General Manager
Gordon Batt, Operations Department Manager
Jason Brown, Information Systems Department Manager
Brian Callister, Maintenance Department Manager
Shane Swensen, Engineering Department Manager
David Martin, CFO/Treasurer
Reid Lewis, General Counsel
Mark Stratford, General Counsel
Brian McCleary, Controller
Kurt Ashworth, Human Resources Manager
Linda Townes Cook, Public Information Manager
Beverly Parry, Executive Assistant
Alicia Sekiller, Administrative Assistant
Martin Feil, Database Administrator (electronic)

Welcome

Mr. John Taylor, Finance Committee Chair, opened the meeting at 4:48 p.m. All Trustees were present.

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 2022/2023 budget

preparation. He explained that the proposed FY 2022/2023 budget is based on 102,000 acre-feet of water deliveries, a proposed water rate adjustment of 3.5%, property tax rate increase from an estimated Certified Tax Rate of 0.00034 to 0.000375, \$25.6 million property tax revenues, use of the Revenue Stabilization Fund, Capital Project expenditures of \$51.5 million (net), Operations and Maintenance budget based on level of service, a personnel adjustment of a 7% merit increase or step-increase, three new personnel positions, and PayGo Capital funding of \$18.5 million. Mr. Martin explained the water deliveries forecast of 102,000 acre-feet is below the trend line because of the ongoing drought. He shared information on the projected sources and uses of funds.

Ms. Ohrn asked how much of a water rate increase would be required if the property tax rate was not adjusted. Mr. Martin said water rates would need to increase by an additional 6.5% or that more funds would need to be used from the Revenue Stabilization Fund. Mr. Forsyth said JVVCD's strategy has been to try not to have a double digit increase in the tax rate. He expressed concern with using too much of the Revenue Stabilization Fund to alleviate the need for water rate or property tax increases as the continuing drought and lower water deliveries could affect JVVCD's revenues. He also explained that having the stable revenue from property tax pays JVVCD's debt service and helps save money when bonding. Mr. Rushton expressed appreciation that JVVCD tries to spread costs across generations equitably. Mr. Taylor stated property tax is a stable revenue which is important to have during this time of drought and lower water deliveries. Ms. Ohrn expressed concern for the inflationary situation the end consumers are experiencing right now and feels JVVCD needs to be as prudent as possible when considering water rate and property tax increases. Ms. Ramsey agreed with Ms. Ohrn's concerns.

**Review
personnel
expenditures
budget**

Mr. Kurt Ashworth, Human Resources Manager, presented the proposed personnel budget for FY 2022/2023. He explained that a diverse range of skills and abilities are required of the 152 JVVCD employees. In order to project the personnel costs for the FY 2022/2023 budget, data has been collected from various sources including 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 stated there is an overall 7.2% increase, or \$1,296,672, in the proposed FY 2022/2023 personnel budget as a result of inflation, an increase in stand-by pay, higher health insurance costs, salary increases, and three proposed new positions which support JVVCD's attempt to stay competitive as an employer. The total proposed FY 2022/2023 personnel budget is \$19,191,089. Staff is proposing either a 7.0% merit pay increase or one step increase for employees. He presented information from a salary adjustment survey of other local districts and Member Agency cities and stated that JVVCD falls close to the median in the comparisons. Also included in the budget are recruitment and retention incentives, and maintenance and operations advancement programs. He said that in 2021, JVVCD had 19 employee terminations, five of which were retirements. Mr. Taylor said he is concerned about retention of skilled employees and encouraged staff to do what is

necessary to retain staff. A discussion took place on hiring and retention of skilled employees.

**Upcoming
meetings**

Mr. Taylor reviewed the upcoming meetings including the Finance Committee meeting, Monday, March 28 at 3:00 p.m.; regular Board meeting, Wednesday, April 13, at 3:00 p.m.; Annual Member Agency meeting, Wednesday, April 27, at 10:00 a.m.; regular Board meeting/Public Hearing, Wednesday, May 11, at 6:00 p.m.; regular Board meeting, Wednesday, June 8, at 3:00 p.m.; and property tax hearing/adoption of FY 2022/2023 budget, Wednesday, August 10, at 6:00 p.m. (if needed).

Adjourn

Mr. Taylor called for a motion to adjourn. Ms. Karen Lang moved to adjourn. Following a second by Ms. Barbara Townsend, the motion was unanimously approved as follows:

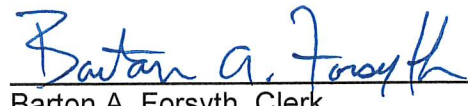
Mr. Gibby – aye
Ms. Ohrn – aye
Mr. Rushton – aye
Mr. Summers – aye
Ms. Townsend - aye

Ms. Lang – aye
Ms. Ramsey – aye
Mr. Sudbury – aye
Mr. Taylor – aye

The meeting adjourned at 5:57 p.m.



John H. Taylor, Finance Committee Chair



Barton A. Forsyth, Clerk