

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

(Approved April 9, 2025)

Held March 10, 2025

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 10, 2025, at 3:20 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  
Karen D. Lang  
Andy Pierucci (electronic)  
Barbara L. Townsend  
John Richardson

Trustee Not Present

Dawn R. Ramsey  
Mick M. Sudbury  
Zach Jacob

Staff Present:

Alan Packard, General Manager  
Jacob Young, Deputy 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, Chief Engineer  
Travis Christensen, Engineering Group Leader  
David Martin, CFO/Treasurer  
Brian McCleary, Controller  
Kurt Ashworth, Human Resources Manager  
Kelly Good, Community Engagement Department Manager  
Mindy Keeling, Executive Assistant  
Lisa Wright, Administrative Assistant III  
Martin Feil, Database Administrator (electronic)  
Ben Perdue, Right-of-Way & Property Manager  
Margaret Dea, Senior Accountant (electronic)  
Jeanette Perry, Customer Services Supervisor (electronic)  
Cheyenne Davis, Customer Services Representative

Others Present

Greg Christensen, Trustee, Kearns Improvement District

**Welcome**

Mr. John Taylor, Finance Committee Chair, called the meeting to order at 3:20 p.m. and recognized Trustees in attendance.

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**Review  
proposed  
budget  
overview**

Mr. Taylor turned the time over to Mr. David Martin, Chief Financial Officer. Mr. Martin reviewed the budget preparation process, budget strategy and guidance, and parameters for the proposed FY 2025/2026 budget preparation. He noted the significant work done by all departments in its preparation over the past couple of months. He explained that the proposed FY 2025/2026 budget is based on 106,500 acre-feet of water deliveries, a proposed water rate adjustment that will be calculated by the water rate consultant, property tax revenues of \$33.9 million with a proposed property tax rate increase, use of the Short-Term Operating Reserve Fund and the Revenue Stabilization Fund, Capital Project expenditures of approximately \$83 million (net), Operations and Maintenance budget based on level of service, a personnel adjustment of a 5.0% merit increase or step-increase, and three new full-time personnel positions. He also shared information on the projected sources and uses of funds. Mr. Martin then gave a brief overview of the operating, capital projects, and reserve funds. He reviewed fees for JVVCD services and said there are no changes being proposed.

**Review  
proposed  
operation and  
maintenance  
expenditures  
budget**

Mr. Martin gave an overview of the proposed operation and maintenance expenditures budget highlighting an overall increase of \$4.7 million, or 7.9%, due to ongoing inflationary impacts and the increased budgeted water deliveries. Mr. Martin then reviewed each department's operation and maintenance budget and provided explanations for budget items that reach the threshold of increases over \$1,000 and three percent. He noted the budgeted amount for water purchases would typically show a large increase from the previous budget year, but the CUP turnback agreements, scheduled for approval at the March 12, 2025, regular Board meeting, would provide savings of \$420,000.

Mr. Pierucci asked whether the budget for chemicals purchases reflects recent legislation to eliminate the addition of fluoride to drinking water. Mr. Martin said the proposed chemicals budget does include fluoride. Mr. Packard explained that if Governor Cox signs the bill to eliminate the addition of fluoride to drinking water, the chemicals budget item will be adjusted resulting in savings.

Mr. Richardson inquired about the large increase in the cost of electrical power. Mr. Martin said the increase is due to rate increases by Rocky Mountain Power and increase volume of water production.

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 \$6 million and recommended continuing to increase the amount to \$8 million, and to evaluate annually. The proposed budget includes \$200,000 to further fund the self-insurance fund.

**Review  
proposed  
general  
equipment  
expenditures  
budget**

Mr. Martin stated that the General Equipment expenditures budget includes items that cost over \$10,000, have a useful life greater than one year, are recorded as an asset when purchased, and are depreciated over their useful life. Specific items budgeted for general equipment were listed. He stated the General Equipment Fund is funded through transfers of money from Revenue

Funds, and the total proposed General Equipment budget is \$1,316,678 for FY 2025/2026.

Mr. Rushton arrived at 3:51 p.m.

**Review debt  
service  
schedule and  
10-year  
Financial Plan**

Mr. Martin discussed the FY 2025/2026 debt service schedule and long-term debt summary regarding all JVVCD outstanding bonds. The FY 2025/2026 debt service budget is \$31 million. Mr. Martin shared the Debt Summary which showed the currently outstanding bonds and debt service payments.

Mr. Martin reviewed the FY 2025/2026 10-year Financial Plan. He said the proposed FY 2025/2026 budget is based on 106,500 acre-feet of water deliveries, an estimated 4.9% water rate adjustment, property tax, and using approximately \$5.6 million combined from the Short-Term Operating Reserve Fund and the Revenue Stabilization Fund to balance the FY 2025/2026 budget. He said the Debt Service Coverage Ratio exceeds what is required by bond covenants and is a key factor for maintaining JVVCD's AA+ bond rating, projecting to remain above 1.50 over the next ten years. Mr. Martin reviewed the estimated PayGo transfers from operations and identified the funding from the Revenue Stabilization Fund and Short-Term Operating Reserve Fund.

Discussion ensued regarding the balance between water rate increases and property tax increases, with consideration of the public good aspect of water service.

A question was raised by Mr. Richardson about JVVCD's coverage in the event of a disaster like the recent Los Angeles wildfires. Mr. Martin responded that an earthquake is the natural disaster that JVVCD plans for, and that JVVCD has robust insurance coverage and proactively manages risks, including infrastructure maintenance and redundancy. Mr. Richardson noted that designing a system to withstand total destruction from an event like a massive wildfire would not be practicably possible.

**Upcoming  
meetings**

Mr. Taylor reviewed the upcoming meetings including the Finance Committee meeting, Monday, March 24 at 3:00 p.m.; 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 FY 2025/2026 budget, Wednesday, August 13, at 6:00 p.m. (if needed).

**Adjourn**

Mr. Taylor called for a motion to adjourn. Ms. Barbara Townsend moved to adjourn. The meeting adjourned at 4:31 p.m.

  
John H. Taylor, Finance Committee Chair

  
Alan E. Packard, Clerk