

MINUTES OF A REGULAR CITY COUNCIL MEETING HELD JANUARY 15, 2009 AT THE CIVIC CENTER, 83 WEST MAIN, HYRUM, UTAH.

CONVENED: 6:30 p.m.

CONDUCTING: Mayor W. Dean Howard

ROLL CALL: Councilmembers Paul C. James, Thomas C. LaBau, Stephanie Miller, and Craig Rasmussen present.

EXCUSED: Councilmember Martin L. Felix

CALL TO ORDER: There being four members present and four members representing a quorum, Mayor Howard called the meeting to order.

OTHERS PRESENT: City Administrator D. Brent Jensen, Zoning Administrator Ron Salvesen, City Engineer Craig Neeley and six citizens. City Recorder Stephanie Fricke recorded the minutes.

WELCOME: Mayor Howard welcomed everyone in attendance.

PLEDGE OF ALLEGIANCE: City Administrator D. Brent Jensen led the governing body and the citizens in the Pledge of Allegiance.

INVOCATION: Mayor Howard

APPROVAL OF MINUTES:

The minutes of December 4, 2008 were approved as written.

ACTION Councilmember James made a motion to approve the minutes of December 4, 2008 as written. Councilmember LaBau seconded the motion and all four councilmembers present voted aye.

AGENDA ADOPTION: A copy of the notice and agenda for this meeting was faxed to The Herald Journal, mailed to each member of the governing body, and posted at the Civic Center more than forty-eight hours before meeting time.

ACTION Councilmember Rasmussen made a motion to approve the agenda as written. Councilmember James seconded the motion and all four councilmembers present voted aye.

AGENDA

- 8. PUBLIC HEARING:
 - A. To receive public comment regarding Hyrum City's Capital Facilities Plan and Impact Fee Analysis upon which impact fees may be based for the City's culinary water system and to consider increasing the culinary

water impact fee pursuant to the provisions of the Utah Impact Fees Act.

9. SCHEDULED DELEGATIONS:
 - A. Jill Parker, Bear River Health Department - To present the Bear River Health Department Annual Report.
 - B. Todd Pignatero, Hidden Valley Planned Unit Development - To request a one year extension for the recording of the final plat for Hidden Valley Planned Unit Development.
10. INTRODUCTION AND ADOPTION OF RESOLUTIONS AND AN ORDINANCE:
 - A. Resolution 09-01 - A resolution authorizing a Council Member to automatically succeed to the position of Mayor Pro Tempore.
 - B. Resolution 09-02 - A resolution approving an investment management policy for Hyrum City.
 - C. Ordinance 09-01 - An ordinance revising and adopting a policy for impact fees for culinary water service in Hyrum City; establishing and adopting Capital Facilities Plan, or other reasonable plans, and the associated impact fee analysis for this service; establishing service areas for equitable distribution of impact fees; adopting an impact fee for the provision of said service; repealing conflicting sections of Chapter 3.24 of the Hyrum City Municipal Code; and other related matters.
11. OTHER BUSINESS:
 - A. Budget report.
 - B. Mayor and City Council reports.
12. ADJOURNMENT

PUBLIC HEARING:

TO RECEIVE PUBLIC COMMENT REGARDING HYRUM CITY'S CAPITAL FACILITIES PLAN AND IMPACT FEE ANALYSIS UPON WHICH IMPACT FEES MAY BE BASED FOR THE CITY'S CULINARY WATER SYSTEM AND TO CONSIDER INCREASING THE CULINARY WATER IMPACT FEE PURSUANT TO THE PROVISIONS OF THE UTAH IMPACT FEES ACT.

ACTION

Councilmember Miller made a motion at 6:37 p.m. to open the public hearing to discuss Hyrum City's Capital Facilities Plan and Impact Fee Analysis upon which impact fees may be based for the City's culinary water system and to consider increasing the culinary water impact fee pursuant to the provisions of the Utah Impact Fees Act. Councilmember James seconded the motion and all four councilmembers present voted aye.

City Engineer Craig Neeley said Hyrum City is currently facing the need to update its culinary water impact fees to ensure that a reasonable level of service can be provided to future residents. The impact fees were calculated in accordance with

the culinary water capital facility improvements contained in the Thirty-Year Master Water Plan and the Culinary Water Impact fee and the Potable and Secondary Water Projections. The recommended impact fee structures presented in this analysis have been prepared to satisfy Utah State Code Section 11, Chapter 36 and represent the maximum impact fees the City may assess.

In the year 2008 the populations was estimated to be 7,635 with a projected population of 16,310 in the 2040. Equivalent residential connections (ERC) were calculated by dividing the population by 3.5 persons per household and then multiplying by 1.1 to account for the non-residential connections such as churches, schools, and shops.

The current potable water source capacity is 9,153 gpm. The current total indoor demand is 3,925 gpm which results in a surplus of 5,228 gpm. In the year 2040, the total indoor demand is estimated to be 6,348 gpm resulting in a future source surplus of 2,805 gpm. Hyrum City currently has three potable water storage tanks totaling 3,265,000 gallons. The current potable water storage requirement is 3,004,800 which is a surplus of 260,200 gallons. This surplus will serve an additional 651 ERC which should occur in the year 2014. In the year 2040, the storage requirement will be approximately 4,746,800 resulting in a storage deficit of 1,481,800 gallons.

Between 2008 and 2040, the city anticipates eighteen water system improvement projects, which include a two-million gallon storage tank and other distribution system upgrades to accommodate the proposed growth. The costs associated with eight of these projects are apportioned for new growth due to their benefit to both current and future ERC. The remaining projects were determined to be completely attributable to new growth. Total project costs are estimated to be \$12,412,057. The cost of the two-million gallon storage tank required a proportionate share analysis using the ratio of the projected storage deficit divided by the volume of the new tank which is approximately 87%. Likewise, some of the distribution system improvement project costs also required a proportionate share analysis because their benefit would extend to existing customers. The proportionate share was determined by dividing the current ERC by projected ERC, which is approximately 62%.

The impact fee per new ERC was calculated for total construction costs and future professional expenses. The resulting culinary water impact fee per ERC is \$2,859. The impact fee for each multifamily dwelling will be \$2,144.25 on the basis that each multifamily dwelling is equivalent to .75 ERC. For commercial connections, the impact fee is based on the service meter size as follows: 1) 3/4" meter is \$2,859.00; 2) 1" meter is \$4,574.40; 3) 1 1/2" meter is \$5,718.00; 4) 2" meter is \$11,436; 5) 3" meter is \$17,154; 6) 4" meter is \$22,872; and 7) 6" meter is \$57,180.

Leon Savage asked if the City followed the process outlined in State Law for setting impact fees and if so when did the Citizen Committee meet as required. He has heard there is a new law mandating new houses have a sprinkler system installed which will require the water meter to be increased from a 3/4" to 1 1/4" meter.

City Engineer Craig Neeley said Hyrum City was already in the process of updating its impact fees before the new State Law was passed.

Todd Pignatero said he is concerned about the new law that could be put into effect requiring all new construction to have a sprinkler system installed. This would almost double the water impact fee for a house that would only need a 3/4" meter unless there was a fire.

Justin Cooper, President of the Cache Valley Home Builders Association, said if the State requires all new houses to have a sprinkler system it will financially hurt lower income families wanting to build their first home. The cost of a sprinkler system will be over \$6,000 and then the additional impact fee for a 1 1/4" meter will increase the cost of house by \$8,000.

Zoning Administrator Ron Salvesen said if the State requires all new houses to have a sprinkler system installed then the water impact fee should be determined by the size of the house you are building.

After no further public comment, Mayor Howard called for a motion to close the public hearing.

ACTION

Councilmember James made a motion at 7:10 p.m. to close the public hearing on Hyrum City's Capital Facilities Plan and Impact Fee Analysis upon which impact fees may be based for the City's culinary water system and to consider increasing the culinary water impact fee pursuant to the provisions of the Utah Impact Fees Act. Councilmember LaBau seconded the motion and all four councilmembers present voted aye.

Mayor Howard said an impact fee should be reflective of the City's past, present and future cost, under specific circumstances, to provide that service. The City has to recoup the costs created by growth and impact fees are a fair and accurate way to do that.

SCHEDULED DELEGATIONS:

JILL PARKER, BEAR RIVER HEALTH DEPARTMENT - TO PRESENT THE BEAR

RIVER HEALTH DEPARTMENT ANNUAL REPORT.

Jesse Adams with the Bear River Health Department said Jill Parker was unable to attend tonight's meeting and asked her to present the Bear River Health Department's annual report. The Bear River Health Department serves Rich, Cache and Box Elder Counties. In April 2009, the Health Department opened a new satellite office in Rich County. A one-year lease agreement was signed for a 250 square foot office located in Suite 2 of the Recreation Realty building at 96 West Logan Road in Garden City. This office enables the department to provide expanded services to Rich County and establishes a presence in the Garden City area. The Bear River Health Department provides numerous programs ranging from Emergency Services to Substance Abuse. As of August 4, 2008 the Bear River Health Department went to a four day work week expanding their office hours on those days from 7:00 a.m. to 6:00 p.m. They have received many positive comments from the public that couldn't make it into their offices between 8:00 a.m. and 5:00 p.m. This past year the Bear River Health Department conducted two Shoulder Taps. The Shoulder Tap program targets adults who purchase alcohol for minors. Under age "decoys" approach adults outside stores and request that the adults purchase alcohol for them. The Cache County Sheriff's Office assisted the Health Department and only two individuals out of 19 made purchases for the minors in the south end of the County. Retailers, employees and citizens helped prevent the sale of alcohol to minors as well as taking upon themselves the responsibility to report "suspicious" behavior to law enforcement.

Mayor Howard thanked Jesse for updating the City Council on the accomplishments the Bear River Health Department made in 2008.

TODD PIGNATERO, HIDDEN VALLEY PLANNED UNIT DEVELOPMENT - TO REQUEST A ONE YEAR EXTENSION FOR THE RECORDING OF THE FINAL PLAT FOR HIDDEN VALLEY PLANNED UNIT DEVELOPMENT.

Todd Pignatero said due to current economic conditions it is unfeasible for him to start construction on Hidden Valley Planned Unit Development. He asked the City Council to give him a one year extension on the final plat approval for Hidden Valley.

Councilmember LaBau said it may appear that he has a conflict of interest because he rents a building to Todd Pignatero, but he does not perceive it to be one.

ACTION Councilmember James made a motion to approve a one year extension for the recording of the final plat for Hidden Valley Planned Unit Development. Councilmember LaBau seconded the motion.

AMENDED

02-05-09

Councilmember Rasmussen recommended amending

Councilmember James' motion to include that the extension was approved because there has not been any other significant development in that area nor substantive changes that would impact the previous approval. Councilmember James and LaBau accepted Councilmember Rasmussen's amendment to the motion and all four councilmembers present voted aye.

INTRODUCTION AND ADOPTION OF RESOLUTIONS AND AN ORDINANCE:

RESOLUTION 09-01 - A RESOLUTION AUTHORIZING A COUNCIL MEMBER TO AUTOMATICALLY SUCCEED TO THE POSITION OF MAYOR PRO TEMPORE.

ACTION Councilmember LaBau made a motion to approve Resolution 09-01 authorizing Councilmember Rasmussen to automatically succeed to the position of Mayor Pro Tempore. Councilmember James seconded the motion and all four councilmembers present voted aye.

RESOLUTION 09-02 - A RESOLUTION APPROVING AN INVESTMENT MANAGEMENT POLICY FOR HYRUM CITY.

Mayor Howard said Hyrum City's auditor Wiggins and Company recommended the City develop, review and adopt policies to evaluate and minimize risk associated with investment choices.

ACTION Councilmember James made a motion to adopt Resolution 09-02 approving an investment management policy for Hyrum City. Councilmember LaBau seconded the motion and all four councilmembers present voted aye.

ORDINANCE 09-01 - AN ORDINANCE REVISING AND ADOPTING A POLICY FOR IMPACT FEES FOR CULINARY WATER SERVICE IN HYRUM CITY; ESTABLISHING AND ADOPTING CAPITAL FACILITIES PLAN, OR OTHER REASONABLE PLANS, AND THE ASSOCIATED IMPACT FEE ANALYSIS FOR THIS SERVICE; ESTABLISHING SERVICE AREAS FOR EQUITABLE DISTRIBUTION OF IMPACT FEES; ADOPTING AN IMPACT FEE FOR THE PROVISION OF SAID SERVICE; REPEALING CONFLICTING SECTIONS OF CHAPTER 3.24 OF THE HYRUM CITY MUNICIPAL CODE; AND OTHER RELATED MATTERS.

Councilmember LaBau said an "ERC" should be identified on page 8 as Equivalent Residential Connection.

ACTION Councilmember LaBau made a motion to adopt Ordinance 09-01 revising and adopting a policy for impact fees for culinary water service in Hyrum City; Establishing and Adopting Capital Facilities Plan, or other reasonable plans, and the associated impact fee analysis for this service; establishing service areas for equitable distribution of impact fees; adopting an

impact fee for the provision of said service; repealing conflicting sections of Chapter 3.24 of the Hyrum City Municipal Code; and other related matters with the above amendment to page 8 identifying and "ERC" as an Equivalent Residential Connection. The motion failed due to a lack of a second.

ACTION

Councilmember Rasmussen made a motion to table Ordinance 09-01 revising and adopting a policy for impact fees for culinary water service in Hyrum City; Establishing and Adopting Capital Facilities Plan, or other reasonable plans, and the associated impact fee analysis for this service; establishing service areas for equitable distribution of impact fees; adopting an impact fee for the provision of said service; repealing conflicting sections of Chapter 3.24 of the Hyrum City Municipal Code; and other related matters until the City Council can hold a workshop to consider some of the items discussed in the public hearing. Councilmember Miller seconded the motion.

Councilmember James suggested amending Councilmember Rasmussen's motion to include that the City needs to research State Law to ensure that it didn't have to comply with the requirements of the new impact fee law because the City had already conducted its studies. Councilmember Rasmussen and Miller accepted Councilmember James' amendment and all four councilmembers voted aye.

OTHER BUSINESS:**BUDGET REPORT.**

Mayor Howard said he sent a letter to the City Council regarding Hyrum City's financial status. The City's reserves are dwindling and utility rates are going to have to be increased.

MAYOR AND CITY COUNCIL REPORTS.

Councilmember James said he received a phone call from Curtis Dent who is leasing the property that the Cache Valley Ranch Water was taken off of. He wants to know if the City would consider leasing him the water. He has asked to be on the next City Council agenda.

Councilmember Miller said she is taking the Youth Council to the Utah League of Cities and Towns Day at the Legislature at the end of the month.

ADJOURNMENT:

ACTION **There being no further business before the Council, the Council Meeting adjourned at 7:55 p.m.**

W. Dean Howard
Mayor

ATTEST:

Stephanie Fricke
City Recorder

Approved: February 5, 2009
 As Amended