

MINUTES OF A JOINT SPECIAL CITY COUNCIL MEETING WITH NIBLEY AND PROVIDENCE CITY COUNCIL HELD JANUARY 20, 2015 AT NIBLEY CITY HALL, 455 WEST 3200 SOUTH, NIBLEY, UTAH.

CONVENED: 6:36 p.m.

CONDUCTING: Hyrum Mayor Stephanie Miller, Nibley Mayor Shaun Dustin, and Providence Mayor Don Calderwood.

HYRUM ROLL CALL: Councilmembers Scot M. Allgood, Jared L. Clawson, and Martin Felix present.

EXCUSED: Councilmembers Paul C. James and Aaron Woolstenhulme.

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

OTHERS PRESENT: City Administrator Ron Salvesen and City Recorder Stephanie Fricke recorded the minutes.

MILLVILLE ROLL CALL: Mayor Mike Johnson, Councilmember Duffin, and Public Works Director Gary Larsen.

NIBLEY ROLL CALL: Mayor Shaun Dustin, Councilmembers Bryan Hansen, Larry Jacobsen, and Councilmember Amber Whitaker participated via telephone, City Administrator David Zook, and Deputy Recorder Cheryl Bodily.

PROVIDENCE ROLL CALL: Mayor Don Calderwood, Councilmembers Bill Bagley, Jeff Baldwin, and John Drew, Public Works Director Randy Eck, and City Recorder Scarlett Bankhead.

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 Felix made a motion to approve the agenda as written. Councilmember Clawson seconded the motion and all three Councilmembers present voted aye.

AGENDA

3. ELECTION OF CHAIRMAN
4. WORKSHOP:
 - A. To discuss options for a joint use and/or ownership of Hyrum City's wastewater facilities with Nibley and

Providence.

5. ADJOURNMENT

ELECTION OF CHAIRMAN:

This being a joint meeting of three Cities a Chairman was appointed.

ACTION

Hyrum Councilmember Jared Clawson made a motion for Nibley Mayor Shaun Dustin to serve as Chairman over this meeting. . Nibley Councilmember Larry Jacobsen seconded the motion and all nine Councilmembers present voted aye.

WORKSHOP:

TO DISCUSS OPTIONS FOR A JOINT USE AND/OR OWNERSHIP OF HYRUM CITY'S WASTEWATER FACILITIES WITH NIBLEY AND PROVIDENCE.

Brad Rasmussen of Aqua Engineering said Aqua Engineering was hired by Nibley and Providence to conduct a study "South Cache Valley Regionalization Study" on the feasibility of Nibley and Providence joining and purchasing equal shares of Hyrum City's wastewater treatment facility. He reviewed the study in detail covering demographics, equivalent residential, commercial, industrial, and manufacturing wastewater connections, purchase price, discharge requirements, facility and collection upgrades and costs, reclaimed water for irrigation, operations, and maintenance costs, and total projected costs and an estimated monthly rate per residential connection.

Suzie Becker with Zions Bank said interest rates and length of loan will either increase or decrease the cost of the facility and monthly expenditures. The "South Cache Valley Regionalization Study" had projected growth over the course of the loan. If growth increases earlier than projected monthly rates could be decreased, however, if the cities don't meet projected growth there will be a greater cost that probably will result in rate increases.

Providence Councilmember Bagley asked if the projected rates were based upon financing at 100% of cost.

Brad Rasmussen with Aqua Engineering said the projected rates are based upon the full cost of purchasing and expansion of the plant coming from some type of loan.

Providence Mayor Calderwood asked about the amount of debt owed by each City in wastewater infrastructure and if the South Cache Valley Regionalization Study included money to be placed into the reserves in determining its rate schedule. The rates Logan City is proposing are less than Hyrum City's which from his viewpoint would make it very difficult to sell joining Hyrum City's wastewater treatment plant.

Nibley Councilmember Jacobsen asked if Logan had to comply with the same standards Hyrum City's wastewater treatment plant does.

Brad Rasmussen with Aqua Engineering said there are new standards being required and Logan would most likely have to adhere to the same standards as the Hyrum plant. The proposed upgrades to Logan's facilities are similar to the upgrades he has included in the study.

Nibley Mayor Dustin asked if the South Cache Valley Regionalization Study rate estimate was based on conservative numbers or an aggressive estimate.

Brad Rasmussen with Aqua Engineering said his study is on the conservative side.

A short discussion ensued regarding having Aqua Engineering prepare a comparative rate table with Hyrum and Logan estimated costs and rates that include the data Providence Mayor Calderwood has.

Providence Councilmember Baldwin expressed his concern about not being proactive and thinking about what is best for the City long term. Logan's rates may be lower now but at some point Logan will raise rates and once again Providence will not have any control over it. If Providence buys into Hyrum's plant the rates may be higher at first but Providence has more control.

Providence Councilmember Bagley asked if the monthly rates would be reduced if Millville joined Hyrum's plant.

Brad Rasmussen with Aqua Engineering said the study includes a portion of Millville that will connect to the system. Rates may come down very slightly if the entire Millville City connected but that would probably not be feasible for Millville City.

Providence Councilmember Bagley asked if Hyrum would be willing to negotiate down to \$8 million on the buy-out costs of its plant.

Hyrum Mayor Miller said Hyrum City still has debt on the plant. Hyrum City has invested a lot of money throughout the years to purchase land, equipment, and facilities for its wastewater treatment plant and the residents of Hyrum deserve a fair buy-out price. Hyrum is offering a fair buy-in price and there is very little room to negotiate.

Providence Councilmember Drew said he reviewed Providence's Mayor Calderwood's rate report between Logan and Hyrum and from a rate perspective he doesn't see a financial benefit to join Hyrum and for their residents to pay a higher sewer rate.

Mayor Calderwood said he doesn't not know how they could justify to their citizens joining Hyrum at the difference in rates even if Logan did increase its rates in five or ten year.

Hyrum Councilmember Felix said educating citizens is critical to get your citizens support. Hyrum's residents understand state mandates and the value of having its own wastewater treatment facility and when rates had to be increased they understood.

Nibley Resident Scott Larsen asked if the water could be reclaimed by Nibley also and then have Nibley City put in a pressurized irrigation system. Having additional water for lawns would be advantageous for Nibley City.

Nibley Engineer Ross Wilson said Nibley City doesn't have a infrastructure for a pressurized irrigation system. To install pipes throughout Nibley for the pressurized irrigation system would cost an estimated additional \$18 to \$25 million. At this time it is not feasible for Nibley City to install a system that allows its citizens to water with secondary water.

A short discussion ensued as to whether Logan and Nibley wanted to continue looking into buying into Hyrum's wastewater treatment plant. It was determined to have Aqua Engineering review Logan's estimate and the estimated cost to buy into Hyrum. Each City should discuss and consider the benefits and risks of joining Logan and buying into Hyrum at its own public meeting.

ADJOURNMENT:

ACTION

There being no further business before the City Council, the Council Meeting adjourned at 8:07 p.m.

Stephanie Miller
Mayor

ATTEST:

Stephanie Fricke
City Recorder

Approved: _____
As written

APPROVED