

SPRING CITY WORK MEETING MINUTES

Tuesday, July 30, 2024, 6:30 p.m.

The meeting was held in the Council room at Spring City Hall, 45 South 100 East, Spring City, Utah.

In Person Attendance: Mike Black, Cory Madsen, Jesse Ralphs, Devon Fowles, Jack Boyd, Gary Parnell, Joe Bennion, Ruth Ann McCain; Recorder

Zoom Attendance:

Roll Call: Nancy Allred, Paul Penrod, Craig Paulsen, Marty McCain, Courtney Syme, Chris Anderson, Randy Strate came in

Expression of Choice: Marty McCain

Impact Fees

Mayor Chris Anderson asked Jesse Ralphs to talk about the impact fees. Jesse Ralphs stated that the Impact Fee Act has been influenced by the development community. There needs to be a basis for what you do so you don't get a lawsuit. With the eligible components and the user fee credit we are trying to make sure that there is a basis for everything. Looking at alternatives to increase the net impact fee, some methodologies are different but they all bring us to the same place so there is a reluctance to try and push the numbers. Mr. Ralphs explained that if you finance improvements and then turn around and pay the loan with user fees those individuals who pay the impact fee are paying upfront and then are paying through their user fees too. The Impact Fee Act requires you to acknowledge that and somehow account for that. The methodology used has established the planning period of 20 years. Taking the growth rate and the number of new connections coming in each year and kind of gone in reversed to take an average of how many years they are paying those rates and came up with the credit amount. What affects it the most is that there is a large loan and a small user base to spread it across this pushes the credit up. Some projects that have been talked about that would influence the impact fee if the city were prepared to take that direction are purchasing a half CFS of water right from the Irrigation Company and the spring/source development project. The limiting factor the city has right now is its source capacity. Mr. Ralphs stated that because of this they have done a feasibility analysis on developing or redeveloping some springs adjacent to the current system. This one project would have a significant impact on the impact fee eligibility. If these two projects are put on the capital projects plan and the City decides to start them within six years they can be added to the impact fee analysis. There was some discussion about buying the half share of water right from the Irrigation Company and the best way to accomplish it. Council Member Strate asked how many water connections we could put in with our current source capacity. Mr. Ralphs stated that according to the state numbers there is a deficit of 30 ERCs. A system specific sizing study can be submitted to the state. That would show that our system is

using less than the state averages and they will lower that number. The only problem is that three years of numbers are needed to do the study. Mr. Strate stated that if we go off the assumption that we are tapped out then every new connection going forward, whether in the city limits or out of the limits would need to turn in share so the City can start building up a pool to source. Mr. Ralphs stated that water exaction is an option. If a well is drilled there will be some surplus water right but if a spring is developed, you have only a little bit of excess water right. Council Member Strate asked if the spring they are looking at is close to one that is already developed. Mr. Ralphs stated that they took a survey of the institutional knowledge here with more input from Courtney and Mike as to where the current springs are and where there are additional springs are that have not been developed. This assumes that they can develop those springs and connect them to an existing line. Council Member Marty McCain asked how much it would cost to drill a well. Mr. Ralphs stated that it would be about a million and a half dollars. Drilling a well was initially in the project but was changed out for the new tank. A possible approach is to not put these items in the impact fee until there is certainty of doing them. The impact fee can be amended later. There was some discussion on the sewer impact fee and about water shares being turned into the city if required, how many shares there are in the Irrigation Company and of those how many are not allocated. Council Member Strate stated that 80% of the water project is for growth so why should we give a large amount of credit back to the new growth. Mr. Ralphs stated that when the project was started growth was considered but taking care of capacity issues is what pushed the project forward. The law specifically states that you cannot charge a new connection more than their proportional cost to the capacity that they are going to consume. In principle the burden is being borne by the existing community but that is how the law is written. Council Member Syme stated that from his perspective as a resident of Spring City he has an obligation to future residents and generations that will occupy this town to make the sacrifice. There was more discussion on the impact fee, the credit, growth, and how the credit basis is calculated. Mayor Anderson stated that he would like to have the public hearing for the impact fees in September but keep the discussion going on increasing water rights and source capacity. There was more discussion on source capacity and what the next steps are needed as well as the challenges being faced. Council Member Strate challenged the numbers that are being used. Mr. Ralphs stated that the numbers came from information Jim Bennett gave and because they are springs it is an estimated variable. Council Member Strate stated that when the numbers are nailed down, we may be getting more water from the springs than we think. Mr. Ralphs stated that when all the metering is in place then the system specific sizing can be done. Sunrise will have the draft report to look at within a month. The City can decide if we want to advertise and shoot for a September public hearing. The wastewater project status update is that everything has been turned into Rural Development for review. They flagged the fact that when the project was initially scoped there were several alignments on the Northeast side running North and South and then down a new trunk line. When the survey was done to find out where the cleanouts were and what would work best some alignments were shifted to different roads that were not covered in the initial environmental and so Rural Development is requiring an extra environmental report to

prove it. A pause will be needed to do that update and a cultural survey may be needed. This should be completed in about six weeks, but a budget amendment will be needed to cover time and material, but they will try and be quick. This will need to be done before the project can go to bid. Council Member Strate asked why the user fee credit for the sewer impact fee was so high. Mr. Ralphs stated that the same methodology used for water was used for the sewer. It comes back to the ERCs served.

Third Pond at the Lagoons

Jesse Ralphs stated that Mike and Cory have been looking at exploratory findings to see if there is an infiltration in the system. The timeline in remediating the third pond would be to look at funding. Rural Development is funding the current project, and the expectation would be a 70/30 loan/grant split. Their process is streamlined. The alternatives are CIB or the Division of Water Quality. The Division of Water Quality does not have any grant money right now and with CIB you would have to be on their priority list. If the City wants to move forward with an application for Rural Development, it could potentially be funded by the first of next year. There was some discussion on how soon we would need to move forward with this project. Mr. Ralphs stated that they can have a road map for moving forward with the source plan and the third pond by our September Council meeting.

Subdivision Ordinance

Mayor Chris Anderson stated that this is a state statute that needs to be implemented before the end of the year. Deven Fowles stated that he wanted to explain the code because there is a lot to it. The first thing looked at was if there was a population requirement for needing this ordinance and found that every community must have these subdivision code requirements updated by December 31, 2024. In the 2024 legislative session more changes were made that include the actual subdivision improvement plans, the days to complete a review for the Planning Commission, and the appeal of the Land Use Authority went from 20 days to now 40 days. Those changes have been made and sent to the City. Mayor Chris Anderson stated that it is his understanding that someone needs to be designated as the Administrator Land Use Authority. This person cannot be an elected official nor a member of Planning and Zoning. Mr. Fowles stated that there are two different review processes. Most communities have their Planning Commission be their Administrative Land Use Authority for the preliminary and a staff member. or designated employee, be the final Administrative Land Use Authority. Mr. Fowles went through the way to handle the subdivision process. Look at the draft subdivision code to understand the process. The State bills used to update this is SB 174 adopted in 2022 and HB 476 adopted in 2024. Mr. Fowles stated that to save time in the meeting he will research to see if this ordinance requires a plat map for subdivisions and let us know. Mayor Anderson asked everyone to review the code and make any comments they have. Stating that we will try to have a work meeting in August or September and then get this posted and ready for a public hearing by the end of September or early October. Mr. Fowles stated that the funding from DWS is only

for the project connected with SB 174 and HB 476 so if comments or questions not related to these will be billed to the City.

Bids for City Hall Fascia and Eaves

Council Member Marty McCain stated that a couple of months ago the Council approved \$10,000 for this project. Four bids have been received and Tim Clark's is cheapest by \$2,000. His bid was \$4,825. The materials are being bought through Paulsen Construction and when we receive the invoice they will be paid. With Craig Paulsen's sharpened pencil, the project total should be \$6,500. Heat tape will also need to be installed. It is priced at \$4,400, which was not priced in the eaves and fascia bid.

Adjournment: 8:14

APPROVED

