

Richmond City Council Meeting Minutes, November 18, 2025

RICHMOND CITY COUNCIL

NOVEMBER 18, 2025

The regular meeting of the Richmond City Council was held at the Park Community Center located at 90 South 100 West, Richmond, Utah on Tuesday, November 18, 2025. The meeting began at 6:30 P.M.; Mayor Paul J. Erickson was in the chair. The opening remarks were made by Joel Draxler.

The following Council Members were in attendance: Lyle Bair, Amber Ervin, Joel Draxler, Bryce Wood and Daryl Black.

City Administrator HollyJo Karren, City Engineer Weston Bellon, Karyn Tejan, Melissa Titensor, John Harris and City Recorder Justin Lewis were also in attendance.

VISITORS: Fran Schumann, Addisen Young, Jeff Young, Cindy Smith, Dave Cavanaugh

APPROVAL OF THE CITY COUNCIL MEETING MINUTES FROM OCTOBER 16, 2025

A motion to approve the October 16, 2025, city council meeting minutes was made by Bryce, seconded by Joel and the vote was unanimous.

Yes Vote: Bair, Ervin, Draxler, Wood, Black

No Vote: None

UPDATE ON THE UTAH DIVISION OF WATER QUALITY GRANT APPLICATION.

WESTON: We previously submitted a grant application for some improvements to the MBR plant. The funding was awarded.

MAYOR: Does it have an expiration date of when the funding must be used by?

WESTON: Not that I am aware of.

MAYOR: Could we also apply for USDA (United States Department of Agriculture) or other types of funding as well?

WESTON: Yes, we can pursue additional funding as well. It is a lengthy process to try and obtain USDA funding.

MAYOR: It is not costly to apply. I will be offering some additional comments on this topic during the mayor's report.

DISCUSSION AND POSSIBLE APPROVAL OF THE WATER CONSERVATION PLAN.

WESTON: In order for us to apply for state funding for water or sewer projects we have to have a water conservation plan in place. It sets goals and provides guidance for the next five years. We would follow the state goal of wanting to reduce water consumption by 18% over five years. Table 7.1 starting on Page 10 lists the following New Best Management Practices (BMPs) and they are as follows:

- Develop or utilize existing messaging from Slow The Flow, Water Resources, CWEL and WaterSense.
- Display educational materials & resources on agency website(s), social media and bills.
- Recommend a waterwise demonstration garden.
- Adopt an ordinance requiring water-efficient landscaping in all new commercial development.
- Utah SB28 requires water rates to rise for higher tiers of consumption.
- High water use notification.

WESTON: We already have the higher water tiers for consumption in place.

MAYOR: Does the state have any guidance or requirements in this regard?

WESTON: No, we just show your tiered rate schedule where the more you use the more you pay. Higher consumption users would need to be notified of their high use.

MAYOR: Are you aware of any cities that have a maximum gallon's allowance per month?

WESTON: Not that I am aware of as that would be hard to do.

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AMBER: I know a senior uses around 2,000 to 3,000 gallons per month. A couple uses around 8,000 to 10,000 gallons per month. Those who use a lot of water per month need to be evaluated.

LYLE: We would not want to lower the base rate as that would require us to gamble on actual usage to pay our bills.

MAYOR: An abatement program could be considered if needed.

AMBER: I would say mainly for seniors and veterans.

MAYOR: Holly, do you have any concerns with this plan?

HOLLY: I have worked with Weston on some of it. I feel good about what is being presented.

MAYOR: Mainly, we use surface water to irrigate with. It comes down the ditch and we use it.

AMBER: Outside of Cache Valley there is a use it or lose it mentality. They want a green lawn, so they use it. What is the right thing to do? I think educating is very important. I had a client who had someone review what he was doing in his yard, and he found out he was overwatering by 380%. I think education will help.

MAYOR: We have had some good rain recently, but we could have a dry winter and need to be prepared.

DARYL: We have heard for years we need to slow the flow. Then someone like IFA (Intermountain Farmers) has a five-step process to keep your yard green and it requires more water.

MAYOR: Leslie planted quite a bit of our yard in fescue. It is similar to grass and requires about 25% of the amount of water as normal grass.

BRYCE: USU (Utah State University) is doing some studies on this. We could use the information they gather to help educate the residents on options like this.

MAYOR: We handed out some waterwise supplies to the residents a few years ago. It did not cost a lot of money, and it was worthwhile.

A motion to adopt the Richmond Water Conservation Plan (October 2025) was made by Daryl, seconded by Amber and the vote was unanimous.

Yes Vote: Bair, Ervin, Draxler, Wood, Black

No Vote: None

CANVASS THE ELECTION RESULTS OF THE NOVEMBER 4, 2025, GENERAL ELECTION.

JUSTIN: The General Election was held on Tuesday, November 4, 2025. Jeff Young was elected as mayor. Lyle R. Bair and Daryl Black were elected to serve four-year city council terms. Fran Schumann was elected to serve a two-year city council term.

Mayor – 4 Year Term

Amber Ervin	367
Jeff Young***	476

Total Votes Cast: 843

City Council – 4 Year Term (2 Elected)

Lyle R Bair***	574
Daryl Black***	563
Sharik L. Peck II	213
Craig Harris	228

Total Votes Cast: 1,578

City Council – 2 Year Term

Kayleen Bell	318
Fran Schumann***	519

Total Votes Cast: 837

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***Elected

Total Registered Voters: 1,696
Total Ballots Cast: 849
Voting Percentage: 50.06%

JUSTIN: I would like to thank Bryson Behm and the Cache County Election Office team for their help throughout this process. They are great to work with. I was happy to see the voting percentage exceed 50%. It is very high for a municipal election. The vast majority of the ballots came in the last few days. The voting percentage across Cache Valley varied. It seemed the smaller the city the higher the voting percentage. If I recall correctly, Clarkston had the highest turnout and Logan City the lowest turnout. The delay in announcing the first set of results on election night was due to the high number of write-in candidates in other cities. The results for Cache Valley were posted at the same time. They were not posted city by city and several cities had write-in candidates which needed to be verified and included.

A motion to certify the November 4, 2025, General Election results was made by Lyle, seconded by Bryce and the vote was unanimous.

Yes Vote: Bair, Ervin, Draxler, Wood, Black

No Vote: None

PUBLIC HEARING FOR THE PURPOSE OF DISCUSSING ORDINANCE 2025-14, AN ORDINANCE AMENDING THE RICHMOND CITY MANUAL OF DESIGN & CONSTRUCTION STANDARDS, CHAPTER 5.0 "CULINARY WATER SYSTEM DESIGN", CHAPTER 5.01 "GENERAL".

JUSTIN: The proposed housekeeping Ordinance would add the following sentence in our construction and design standards: "All water service connections for residential and commercial use shall have an individual water meter per unit." This is proposed based on some situations we have made aware of in other cities and we want to avoid them here. Right now, for example, if a 4-plex was built today there is nothing in our code that states the building has to have four individual water meters. The contractor could install one water meter to feed the four units. Here are some of the issues we are aware of. On the consumer side, if there is one water meter and meter reading per month there is not a way to separate which unit used how much water. You could have a single person in one unit, a large family in another unit, etc. and there is no way to determine how much each unit used. Individual meters would make it so that each unit pays for the amount of water they actually use. On the city side, if one or more of the units does not pay their city bill the only way to force their hand is to turn off the water service. It is not fair to turn off the service to those who are paying so we then have to involve legal counsel, and it gets very expensive in a hurry. An individual meter for each unit resolves these issues. I have visited with Weston and Holly and they both support this request. There are around a half dozen accounts in the city where there is an individual meter servicing more than one unit. This Ordinance would not impact them; they would not be required to add additional meters if this ordinance is adopted. This is only for new construction moving forward. It is being proposed now while there are not any requests in this regard.

MAYOR: So those already on one water meter only are grandfathered in?

JUSTIN: Correct.

BRYCE: What about an internal accessory dwelling unit?

JUSTIN: Only one meter is needed as that is still considered a single-family residence. A second meter would not be required in that case moving forward either.

A motion to close the regular council meeting and open the public hearing was made by Bryce, seconded by Joel and the vote was unanimous.

Yes Vote: Bair, Ervin, Draxler, Wood, Black

No Vote: None

The public hearing opened at 6:54 P.M.

There were not any comments or questions.

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A motion to close the public hearing and reopen the regular council meeting was made by Lyle, seconded by Bryce and the vote was unanimous.

Yes Vote: Bair, Ervin, Draxler, Wood, Black
No Vote: None

The public hearing closed at 6:55 P.M.

DISCUSSION AND POSSIBLE VOTE ON ORDINANCE 2025-14.

A motion to adopt Ordinance 2025-14, an Ordinance amending the Richmond City Manual of Design & Construction Standards, Chapter 5.0 "Culinary Water System Design", Section 5.01 "General" was made by Lyle, seconded by Amber and the vote was unanimous.

Yes Vote: Bair, Ervin, Draxler, Wood, Black
No Vote: None

STAFF REPORTS AND MONTHLY FINANCIAL REVIEW.

HOLLY: The library is going to receive a \$10,000 gift/donation from the Carnegie Corporation. The payment should arrive in January 2026. All Carnegie libraries are receiving this donation. I attended a recent library board meeting and thanked the board and staff for their service. They are very independent and do their own thing. They only ask for assistance when needed. The Holiday Festival will be on Friday, December 5th. I talked to Jon Schumann. The Black & White Days Cattle Committee might need to utilize the pavilion for a function in July 2026. They are unsure at this point if it is needed but they will let us know.

MAYOR: We will support them if the building is needed.

HOLLY: We are a backup location if the original location doesn't work out. It is a three-day event. In the last month there has been one new zoning clearance issued in City Creek, Johnson View and The Knolls. In the past few months, we have discussed the safety issues at the crosswalk at 100 North State Street. There are around 16 children that utilize that crosswalk. The deputy has recommended we add signage or a crossing guard in that area. We could promote a substitute to that position if it is something you are interested in doing.

MAYOR: What are they paid per hour?

HOLLY: They are paid approximately \$12.00 per hour and are needed around 90 minutes per school day.

BRYCE: That crosswalk is part of the safe routes to school route.

HOLLY: We have discussed this issue for about two years. The issue is the safety of the children crossing the road. The crosswalk has become a lot busier in the last couple of years as the city has grown.

DARYL: Let's address it if needed.

MAYOR: We need a crossing guard at each location about nine months per year.

LYLE: There are around 180 school days per year which equates to about \$3,400 per year per person. Why not install pedestrian crossing signs?

HOLLY: We looked into those, but they cost thousands of dollars.

LYLE: At a cost of \$3,400 per year it won't take long to pay for some signs.

HOLLY: The deputy said we could install signs but not many people observe them. In the short term we need to fill the request with a physical body.

JUSTIN: We have not budgeted for this item so it will need to be in our budget adjustments in December if you choose to move forward with it.

The consensus of the City Council was to fund a new permanent crossing guard at 100 North State Street.

MAYOR: I was asked by Cache County Executive George Daines on how our city library is funded. I informed him it is funded out of our General Fund. He wanted to know my views on the county funding the library in Providence. I informed him around 90% of our patrons are residents of the city. The Providence library is funded with approximately \$250,000 from the county budget. I was asked if I supported being double taxed because I am being taxed to fund the Richmond library as well as the county library in Providence. I spoke as the Richmond City Mayor and did not include the city council in my response or as representing them. I don't support double taxation. I quoted

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Lora Smith, our library director, in some of my comments. I have no vendetta against Providence, River Heights or Millville but I think they should pay for a library if they want it for their communities.

JUSTIN: I was asked if our monthly sewer utility fee would decrease now the bonds for the MBR Plant have been paid off. I am not sure where this person heard this information, but it is incorrect. We still owe \$776,000 on those bonds. We have four annual payments left with \$188,000 being due in May 2026, \$193,000 due in May 2027, \$196,000 due in May 2028 and the final payment of \$199,000 due in May 2029. We plan to adjust the budget in December as part of our midyear budget adjustments where we are now almost midway through the budget year. October was a good sales tax month with \$67,284 received. The library received a Technology Grant in the amount of \$5,000. The audit was paid for last month.

MAYOR: What was the cost?

JUSTIN: It was \$22,000. We paid Cache County for the chip seal and fog seal the completed a couple of months ago. In Class "C" Road Funds we spent \$115,350 last month. We made our annual payment of \$25,000 to the Cub River Sports Complex Special Revenue Fund. The community building roof project was paid for in the amount of \$70,000. So far, this fiscal year we have collected \$68,028 in water impact fee revenue and \$45,030 in sewer impact fee revenue.

MAYOR: What is our current interest rate on our interest-bearing accounts with the state?

JUSTIN: For October it was 4.27%. The December council meeting will be held on Thursday, December 18th.

COUNCIL MEMBER AND MAYOR REPORTS

DARYL: We are looking at several different projects. John Harris has been working out at the Cub River Sports Complex and informed me that the tower is going to need a new roof soon.

MAYOR: Have we received a bid yet?

HOLLY: No.

MAYOR: The cost will be paid 50/50 by the two cities.

DARYL: Joel has the numbers we are going to discuss in regard to a recreation facility for the city. We have public support and input for this project. We need to do something. There are a couple of different options. We have a bid to redo the existing tennis courts and make them into some nice pickleball courts. We think converting the Black & White Days building into a recreational facility would be better. The nice thing about the tennis courts project is that it is a one-time cost project. We know the cost, we do the project and it is done. The Black & White Days building project would cost more but could be utilized year-round and has more potential. It is a more useable venue. The outside overhang could be used for basketball and pickleball in the summer months as well as there would be a roof, and it would not be as hot. There are a lot of good possibilities up there.

BRYCE: The youth council helped with the Veteran's Day dinner as did the Richmond Lion's Club. The annual reward trip for all of the youth council's hard work throughout the year was last Saturday. They attended Dreamwalk Park which is interactive and virtual reality. There are some clues and problem solving as well. We took them to lunch afterwards to a really nice place. We appreciate everyone involved in making the program a success.

JOEL: We toured the Black & White Days building and got some measurements. There are a lot of advantages to using that building. It can be used year-round and for additional uses. We could have moveable basketball standards and pickleball courts. We could have several courts in use at the same time. There could be batting cages for softball and baseball in the winter months. Some netting could be installed. The thought was to start the project on the inside of the building. To install a concrete floor is not cheap; it would be about \$88,000. I met with Fran and Jon Schumann and Craig Harris as they represent the Black & White Days cattle committee. They support the building being utilized year-round. Right now, it is just a big storage area outside of Black & White Days week. For the month of May, the facility would be off limits to anyone but them. We would have to bring in some sawdust and cover the floor for May of each year. For the rest of the year the building could be utilized by the community. We got some bids to heat the building as currently the inside pavilion is not heated. The building is not insulated. If the building was insulated the cost to install two unit heaters would be about \$16,000. The building needs to be warm but not super warm. We need to keep it around 55-60 degrees in the winter months. The bid to install five tube heaters where the building is not insulated would be about \$39,000 to \$40,000. More heaters are needed where it is not insulated. The tube heaters are each over 70 feet long. There are some existing large fans in the building to help move the air. Our thought was to get the floor installed this winter so we start to see some progress with the intent it would be a long-term project we continue to work on.

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MAYOR: Doing the floor now makes good sense. Would this be a 2026 RAPZ Tax application?

DARYL: We would like to utilize funds from the Capital Projects Fund to pay for the floor now. We would apply in 2026 for RAPZ Tax funding. We want to maximize every dollar we can.

MAYOR: The county has been very generous to the city with RAPZ Tax funding the last several years. We could include this adjustment in our December budget adjustments.

AMBER: Is a concrete floor okay for pickleball?

DARYL: We would epoxy and paint the top of the cement. It is nice there are already existing bleachers in the building. We could have four pickleball courts and put the batting cage in the north end of the building. The batting cage would be portable so it could be moved out of the way. The floor would be poured with a one percent slope so it could be easily cleaned. We could have the fire engine go in and wash it out after Black & White Days each year. The cost of sawdust each year would be around \$1,500. It would be nice to make it a multi-use facility. The cement under the overhang is not great. We could install some cement pads out there as well for basketball and pickleball use.

AMBER: How would you monitor access?

DARYL: With security cameras and a key fob system.

MAYOR: There are portable grid systems for pickleball floors. They offer a softer surface. They are much like a puzzle to install. Do you want to allocate funds for this project in December?

DARYL: The nice thing is the city staff can remove the existing sawdust and install two inches of rock, so we only have to hire out the concrete work.

MAYOR: Do we need more than one bid?

JUSTIN: Yes, where this is such a costly project.

LYLE: Are there utility lines under the sawdust we need to deal with?

JOEL: There is potential for things like that which we are unaware of.

MAYOR: Let's allocate \$90,000 in December to get the project started. RAPZ Tax funding has been used for many city projects in the past. Our current project approval is approximately \$135,000. Is the heating and air conditioning replacement project done in the community building?

HOLLY: It is almost complete.

MAYOR: How is the kitchen remodel progressing?

JOEL: We met in the last couple of weeks. We have a good vision of what is wanted and needed. One bid has been received, and it is just under \$80,000. We have bids for almost everything for the project. We talked about removing the east wall in the kitchen. It would cost \$15,000 to remove the wall. The area is in need of more space. We want to make the kitchen as big and useful as possible.

HOLLY: We will need council approval to proceed.

LYLE: Where are the tables and chairs going to be stored long term?

HOLLY: We would leave them out at all times. The building won't be rented after this project is completed.

LYLE: Why won't there be any rentals?

JOEL: This will be a dedicated senior center, and it won't be rented out. The food pantry will be located in the old city council room and locked off when needed. The kitchen area will be lockable as well. The theatre will be able to be rented as we will be able to lock off the rest of the building. The Black & White Days building and Park Community Center can be rented if someone wants to rent an area.

MAYOR: Is the cost under \$80,000?

JOEL: It is approximately \$74,000.

MAYOR: Does that include the appliances?

JOEL: No, we are purchasing the appliances separately.

HOLLY: The kitchen floor will be epoxied as well.

BRYCE: I am a little confused about the funding. Are you asking to fund the tennis court project as well?

DARYL: No, we just got a bid, but nothing has been approved by the council for that area.

MAYOR: The current RAPZ Tax project is a grant of about \$135,000 and \$15,000 from the city. Let's accept the bid on the kitchen remodel and get started.

AMBER: The third anniversary of The Park Bench was held with a luncheon and concert.

MAYOR: How many attended?

AMBER: Around 58. There were 183 lunches provided last month. There were 1,300 items distributed from the food pantry. There were 175 visitors to the food pantry. The program would not be possible without donations and volunteers. The LDS missionaries volunteer their time as well each month. I am going to provide my written thoughts about the last six months since the election sign up period and I want to read the following statement: "As I

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pondered what I would say tonight my mind raced to what I have learned in the past four years. I have learned that my village is small but mighty. I have learned we lived in a great place with amazing members of the community in all ages. I have been impressed by the youth of our city and hope the program gains strength for them and I have learned our older community has a lot of trust. I have learned nothing happens overnight and sometimes feelings get hurt when you are doing the right thing for the majority. I came to know our city staff. They are remarkable! They are devoted and work so hard on all of our behalf. We have had a great working relationship. Earlier in the year as I started reviewing the upcoming budget, I asked about some of the line items. One of which was the IT because we were having difficulties with performance. I shared options to seek out bids to see if we were getting what we needed as a city. Realizing we have a financial responsibility to be fiscally responsible. As a council moving forward I would suggest they look at those expenditures closely. I have had many in the community reach out with support for the last six months. I have had the thought that if the only reason I ran for mayor was to see how much support I have, then I am truly a blessed individual. My circle did get smaller but stronger. In the experience I have had the last six months I can honestly say that I was able to wake up November 5th with my integrity intact. What came after has been a string of unfortunate events. My hope with mentioning this is that individuals read and reflect on what has happened so that in two or four years we do not have a repeat. Two days after Election Day I had more than a dozen members of the community approach me with a sincere apology for losing the election. Mainly because they had been told there was only one name on the ballot and not a need to vote. I had others say they had been offered assistance with casting and dropping of their ballots. As all candidates sign the fair campaign practice disclosure, I would have hoped it would have had a higher respect. As I reflect on the after, I hope all those in this room are listening. I ran because I believe that when choices are given that is what helps the system work; however, when divisiveness and manipulation come into play then we see what politics has become and it is beyond unfortunate. The inability to respond to anonymous questions, false accusations and information about staff brought many things to light in my opinion. One of which few can be trusted and opinions have little value unless you are willing to ask and seek out the facts. I have witnessed those who are unwilling to stand for that which is true and right and do all they can to belittle and demean another for their own gain. I can look back over the last four years with pride. In the first two years we worked together as a council, mayor and staff and having new council members the last two years brought forth new opportunities. We saw our staff become power houses and accomplish more than we thought was possible. Our city looks better than it ever has. We have grown in opportunities to gather with The Park Bench, Halloween Carnival and Holiday Festival. When we gather as a community, we know that makes a difference. We completed two major road projects in addition to growing our assets and savings. That is what happens when we work together. I know I personally contributed many hours along with my council stipend to help make those things happen. My name is not displayed anywhere, that is not why I have done what I have for the last four years. I gave back to the community that raised me. I hope that the next four years are as epic as the last four years and I hope that is the case and that all those involved can just focus."

LYLE: The water and sewer plans were presented to the council at previous council meetings. There are some big expensive projects coming up and we are going to have to review them carefully.

MAYOR: I want to discuss three projects as my time as mayor is coming to a close. These are just my thoughts and perspective. The culinary water study talks about supply and sources. Weston did a study on our water rights and supply. By 2030, if we haven't developed a new supply of water we will not have enough for the city. We are not out of water, but we won't have enough developed water to supply the city.

WESTON: At our last council meeting, a new well was discussed. We have water rights. Developed water supply and water rights are very different.

LYLE: In simple terms how is the formula calculated?

WESTON: In general, we take historic growth numbers from the county and city. The last couple of years are not a good comparison where the Richmond Village and Knolls Subdivision were added. If we were to see that type of growth every year, we would be very deficient soon. We looked at growth in the 2.2-2.8% range. We look at per capita usage. We look at where capacity and growth cross consumption on the charts.

LYLE: The state uses per property or per hookup in their calculations?

WESTON: The calculation is 100 gallons per person per day. We want to project our own usage not what the state projects.

MAYOR: My recommendation is based on the fact we have approximately \$1,600,000 in funds available which consists of about \$1,200,000 in impact fees on-hand and \$400,000 in water dedication payments on-hand. My recommendations are as follows:

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1. Locate and purchase a site for an additional water tank in the City Creek area east of the city.
2. Review the recent hydrological study and determine the two best sites for a test well.
3. Explore the former location of the North Cache well as a primary target once the hydrologist has reviewed its available data and location.
4. Drill a test well. If the well provides ample supply, complete the project and connect it to the culinary water system.
5. After the well has been established, move forward with the construction of a new water tank in the next three to five years.

MAYOR: I would like to see the site for the new water tank purchased before the end of the year. We have talked with a landowner who has property by our transmission line and existing spring in the City Creek area. I would recommend we build a one-million-gallon tank in this area. I would like to bring a contract before the city council in December for consideration. We will need to talk to Rocky Mountain Power about the possibility of getting power to the location. We need to look at locations for a test well. There are four key spots to consider. Daryl had a great idea. The city owns the North Cache well on 600 South at about 300 West. The casing collapsed many decades ago. The well was abandoned at that time. I talked to former Mayor Kip Panter, and it happened before his time in office. It has not been used for decades. We know that there is water in that area. We don't know the quality of the water or the depth of the well. If the well is usable, we could drill a new well and attach it to the city system. Smithfield recently bid out a new 3-million-gallon tank, and the cost came in lower than anticipated. There are economies of scale, and a 1-million-gallon tank will cost more than a 3-million-gallon tank but their costs were positive. I think we need to purchase the land and then look at the options for the new tank. Item 2, I would like to discuss is the COG (Cache County Council of Governments) grant application. Richmond and the smaller communities are able to apply for the 13% amount that is available for smaller communities. Trenton was a big winner this year. They had their project engineered and ready to build. Weston completed the 30% engineering requirement for our project and got it submitted. We were approved for \$157,000 in engineering and land acquisition on 300 North. We need to keep the momentum going so we can apply for the actual roadway next year which would be State Street to 200 West. I hope you can get the land acquisition done before May 2026 for the next application period. By approving the engineering and land acquisition project the COG is expecting the city to come back and apply for the road project in a future year.

AMBER: If this project is going to be completed then from State Street to 300 East on 300 North needs to be addressed as well. It is a narrow road with washed out sides. There will be a big impact on the area if that road is installed. The existing road is a mess. Two full-size trucks cannot pass each other on that road. This is a bigger project than expected. Those residing in the Richmond Village use 300 North and State Street to exit the city. There is more to be done than just the new road from State Street to 200 West.

MAYOR: Lewiston was able to obtain about \$800,000 to widen a road. That project was not expected to be funded but it was. I am urging you to keep applying for funding. A community is going to get this money for projects. Maybe Phase 2 of our project could be to improve that area. Implementing a transportation impact fee can be considered as well. If the city installs a new road and then the area is developed within "X" amount of time afterward then the developer would have to pay a portion of the cost. All new infrastructure in new developments in the city has 100% been paid for by the developer. I am going to ask Justin to look and see what and how other cities are handling a street/road impact fee. I have asked Weston to share some information on the sewer grant we applied for.

WESTON: We applied to the state for a sewer facility project upgrade. We included all of our projects at the MBR Plant at a cost of about \$9,700,000. This included the headworks project and other major improvement projects. The lagoon improvement project amount of approximately \$1,100,000 can be removed due to the recent improvements to Lagoon 1 this year. We were awarded a \$1,700,000 grant. This does not have to be paid back. It is actually called a principal forgiveness loan. We were also granted a \$6,526,000 loan at a 1.2% interest rate for 20 years. This project would require about \$1,500,000 from the city for the project. The project would take four to five years to complete. Step 1 would be to complete the engineering. Then after that a contract is procured and the project proceeds. It would be 2029 before the project is completed. We are over capacity on some of the components right now. Replacement of the Kubota system could be delayed some as we are not at capacity by 2029. It is better to do the project all at once as it will be cheaper than bringing in many different contractors over several years.

MAYOR: I asked Justin to contact Zions Public Finance about what the current rate is for new bonds. We would be considering a 20-year payback. The new improvements should last for 20 years. Right now, our current bonds are at zero percent interest. The 1.2% interest rate is very low.

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JUSTIN: I was asked to run some calculations based on different interest rates. Our next bond payment is \$188,000 and due in May 2026. There are approximately 1,047 sewer accounts right now so that equates to the debt service being approximately \$14.96 per account per month. A new bond in the amount of \$6,526,000 at a 1.2% interest rate would mean a monthly debt service of approximately \$29.42 or a difference of \$14.46 per month higher than the current debt service. At an interest rate of 3.25% it would equate to \$35.87 per month or \$20.43 more per month than the current debt service. At an interest rate of 5.00% it would equate to \$41.93 per month or \$26.97 more than the current debt service per month.

MAYOR: The timing for this project is perfect. We have funding for the project. At the meeting where we applied, Salem City applied for tens of millions of dollars. They didn't get any type of project approved because they were in a position to fund the project already. Lewiston City was awarded some funding. They don't have a mechanical plant to deal with. We were not expecting a \$1,700,000 grant and a \$6,526,000 loan at 1.2% interest. It is a gift. We need a sewer plant. We can make it a few more years like it is. Every year it will cost us around \$300,000 in inflationary costs. May 2029 is when the last bond payment will be made on the current bonds in the amount of \$199,000. This will require a monthly utility rate increase of approximately \$15.00 as stated. I would make the increase slowly. I would suggest \$4.00 per year, then \$5.00 per year and then \$6.00 per year long term. If you do it now and do it right, you won't have to deal with this again for another 20 years. Daryl has some valid concerns. We don't know the actual project cost. We are going off of estimates. We could come in under bid. We are working with some smart people on these estimates. We now have two Level III operators. The funding requires the project to be completed. I am recommending to the council to proceed with the project. Long term our future is based on culinary water and sewer service. Our current financial resources are the best we have ever had, which is a credit to the current and previous city councils and mayors. We need to go from planning to doing. I trust you to make the right decision. I encourage you not to delay any longer than needed. All of the membranes have been replaced. Preston, Idaho is going to be over \$125 per month for their sewer utility bill I was told. You won't know the actual project cost until it goes out to bid.

LYLE: Is growth factored into your estimates?

MAYOR: I said to factor in zero growth in those financial calculations, but we know growth is and will happen. Every new home is more funding for the city to pay for the system. Thank you for listening to my requests and concerns.

A motion to adjourn was made by Bryce, seconded by Joel, and the vote was unanimous.

Yes Vote: Bair, Ervin, Draxler, Wood, Black
No Vote: None

Adjournment at 8:10 P.M.

RICHMOND CITY CORPORATION

Paul J. Erickson, Mayor

ATTEST:

Justin B. Lewis, City Recorder