



AMERICAN FORK CITY COUNCIL
DECEMBER 2, 2025
WORK SESSION MINUTES

Members Present:

Bradley J. Frost	Mayor
Ryan Hunter	Council Member
Ernie John	Council Member
Clark Taylor	Council Member
Tim Holley	Council Member
Staci Carroll	Council Member

Staff Present:

David Bunker	City Administrator
Camden Bird	Assist. City Administrator
Christina Tuiaki	Executive Assistant
Anna Montoya	Finance Director
Stephanie Finau	Deputy Recorder
Sam Kelly	PW Director
Al Scott	Assistant PW Director
Derek Rykert	Community Service Director
Mark Coddington	Cemetery Director

Also present: John Woffinden (Cemetery Committee), Kevin Barnes (Cemetery Committee), Jocelyn Shelley, Reid Shelley, Kimberlie Poulson,

Notice is hereby given that the American Fork City Council held a work session on Tuesday, December 2, 2025, in the City Administration Conference Room, located at 51 East Main Street, commencing at 4:00 p.m.

WORK SESSION

The purpose of the City Work Sessions is to prepare the City Council for upcoming agenda items on future City Council Meetings. The Work Session is not an action item meeting. No one attending the meeting should rely on any discussion or any perceived consensus as action or authorization. These come only from the City Council Meeting.

1. A follow up discussion on pressurized irrigation and culinary water rates.

Mr. Larsen noted that the Council's last work session on culinary and secondary water rates occurred in August. At that time, a full presentation was provided with several recommendations. The Council had asked for additional analysis of specific modifications, which he was now prepared to report on.

Mr. Larsen reminded the Council of the original design concept for the proposed rate structure, which was based on creating bins of lot sizes, each assigning specific water-use volumes for the different rate tiers. This structure applied specifically to secondary water

use. He reiterated what had been previously identified that the tier structure was arranged so that the average water user would be able to meet their needs within Tier 1 and Tier 2. The solid black line represented current usage trends. After metering and price adjustments, customers were expected to move toward the dashed line. Tiers 3 and 4, which carry higher rates, were intended for customers whose usage exceeds average consumption.

Council Member John asked whether the chart being referenced represented statewide data or was specific to American Fork. Mr. Larsen clarified that the chart was specific to American Fork.

Mr. Larsen noted that American Fork's water use is generally consistent with statewide water use. He noted that there is still room for improvement—both locally and statewide. He reminded the Council that the proposed rate structure includes both base rates and tiered volume rates, and that a phased-in approach had been recommended. Under that proposal, 2026 volume rates would be set intentionally below cost-of-service to give residents time to adjust their usage as they begin receiving metered bills. Over time, the volume rates would gradually increase until reaching full cost-of-service levels by 2030.

One concern raised previously by the Council was the presence of significant cost jumps between certain lot sizes (e.g., 15,999 sq. ft. vs. 16,001 sq. ft.). The suggestion was to explore a return to a more linear structure instead of the “step” increases.

In response, Mr. Larsen explained that two adjustments were analyzed:

1. Smoothing the existing bin structure. The number of lot-size categories increased from 7 to 9, which reduces abrupt transitions and produces a more gradual stepped pattern.
 - Creating an alternative linear base rate calculation. They also modeled a fully linear approach, as requested. Under this method, customers would pay a flat \$3.50 base charge for billing and administrative costs, they would then pay \$0.17 per square foot of lot size, and volume (tier) rates would remain unchanged from the original proposal.

This alternative removes the visible “stair-step” jumps and instead produces a straight red line when graphed. Lots under 9,000 square feet would continue to have a constant base rate due to the fixed minimum costs of service.

Mr. Larsen noted that smoothing the base rates alone does not tell the full story; volume rates must also be layered on to understand the actual monthly impact. After modeling both components together, the results showed:

- **Alternative 1** (smoothed bins) still produces some stair-steps once volume is added, though they are smaller due to improved transitions.
- **Alternative 2** (linear base rate) produces a slight “lightning-bolt” pattern, caused by the shift from smaller to larger water-allocation blocks, even though the base rate itself is fully linear.

Mr. Larsen emphasized that the differences shown in the chart represent the average user; the exact impact would vary somewhat depending on individual water use. He explained that while the linear alternative removes the stair-step pattern from the base rate alone, the full picture changes once volume charges are added. He noted that the team evaluated how both alternatives behave when base rates and volume rates are combined.

Under **Alternative 1**, some stair-steps remain, though they are smaller due to the improved transitions between lot-size categories. Under **Alternative 2**, the linear base-rate approach, a slight “lightning-bolt” drop appears at certain points. This occurs when a customer transitions from one allocation block of water to a larger block, creating minor irregularities even with a smooth line.

Mr. Larsen summarized that the overall rate levels are essentially the same between the two alternatives. The primary difference is how costs are distributed across lot sizes, with each approach creating a slightly different pattern but the same approximate average cost.

Council Member Holley asked whether both alternatives generate approximately the same amount of revenue. Mr. Larsen replied that the rates were intentionally structured so that both alternatives generate the same total revenue.

Mr. Larsen noted that there were the specific items the Council had asked him to review and then summarized the pros and cons of each option:

- **Alternative 1 (refined stepped bins):**
 - Pros: Larger base rates are directly tied to larger water allotments, making the relationship between *water use* and *water cost* easier to explain.
 - Cons: Creates noticeable jumps in billing at the transition points between lot-size categories.
- **Alternative 2 (linear base rate):**
 - Pros: Provides a smoother, more gradual transition in costs across lot sizes.
 - Cons: Small irregularities remain because the volume-tier transitions still create slight “lightning-bolt” effects. These are minor but not ideal.

Council Member John provided an example to clarify how the transitions occur. Using his own lot size—20,980 square feet—he noted that he sits near a boundary between categories. If his lot were slightly larger, he would pay a higher base rate, but he would also receive a larger Tier 1 water allotment. He referred to the chart showing Tier 1 allocations ranging from 24,000 gallons to 37,000 gallons per month within the same category. He explained that if a resident’s use extends into Tier 2, for example, reaching 50,000 gallons per month—the proportion of water charged at Tier 2 increases dramatically compared to Tier 1. This is what produces the small “lightning-bolt” irregularities: lot-size transitions affect both base rates and the size of each tier block.

Council Member Hunter noted that his concern relates to the large jump in Tier 1 allotments in the existing structure. He recalled from earlier discussions that moving from 24,000 gallons to 73,000 gallons per month within the same tier represented a nearly threefold increase in allotment. He stated that such a significant difference makes it challenging to promote water conservation, because a resident near the lower end of the

range may view the higher allotment as an incentive to continue higher usage so long as it remains within the same tier. He emphasized that this was one of the issues he had hoped would be addressed in the revised structure.

Council Members Carroll, John, and Hunter engaged in a discussion regarding how water usage is charged across tiers and whether the current Tier 1 allotment structure effectively promotes water conservation.

Council Members Carroll and John reiterated that customers pay for all water used, including Tier 1, though the rate per gallon is lower.

Council Member Hunter questioned whether the wide range of Tier 1 allotments—ranging from approximately 24,000 to 73,000 gallons—provides sufficient incentive for users to conserve water. He suggested that a more detailed breakdown may help clarify the impact. He commented that if most users fall within Tier 1 or Tier 2, the system may not effectively encourage reduced consumption.

Council Member Carroll cautioned that making tier ranges too narrow could result in frequent changes to customers' tier placement, potentially leading to frustration if bills increase unexpectedly.

Mr. Larsen acknowledged the concerns, noting that while all water is billed, the lower per-gallon charge in Tier 1 may create perceptions that conflict with conservation goals.

Council Member Hunter expressed that larger lots should logically have higher base allotments and that customers who use more water should pay more. He emphasized that residents with smaller lots and lower usage should not feel they are being charged similarly to high-use customers. He noted that while there must be some baseline cost for system delivery, the structure should still reflect proportional usage.

Mr. Larsen agreed with the points raised by council members. He stated that over time, the city may want to narrow or "tighten" the tier ranges to improve messaging and strengthen conservation incentives. However, he recommended easing such changes because the initial transition is the most difficult for customers. Many may experience significant increases in their bills if they have been using more water than appropriate, and a gradual approach helps mitigate that impact.

Mr. Larsen stated that he does not have a strong preference between the two proposed alternatives for calculating base allotments. One method is slightly more common and marginally easier for billing software, but both are fully supported and the choice should be based on policy preference, not technical constraints.

Council Member Holley noted that while he prefers the smoother, continuous calculation model, he questioned how many residents would realistically be affected by small threshold differences in the stepped alternative. He suggested that only a limited number of properties are likely to fall just above a cutoff where it would materially change their bill.

Council Member Hunter raised a related concern about how irrigated areas are currently mapped. He noted that the City has historically conducted mapping for properties, especially commercial and a small number of residential—with large lot sizes but non-landscaped areas (such as asphalt). He asked whether these mapped adjustments would continue under the proposed alternatives. He also emphasized that eliminating mapping could distort incentives; if an area isn't irrigated but is still counted as irrigable square footage, some users might switch to culinary water because it becomes artificially cheaper, which undermines conservation goals.

Mr. Bunker confirmed that under Alternative 2, the calculation would simply use total lot square footage multiplied by the established formula (0.0017), without adjusting for actual irrigated area.

Mr. Larsen clarified that under the proposal, irrigated area mapping would continue only for non-single-family residential properties. For single-family residential, staff concerns about workload and practical feasibility led to recommending discontinuation of individual mapping, except for the limited cases already completed.

Council Member Hunter argued that the City already conducts limited irrigated-area mapping and should continue it for the small number of affected properties, noting it would not create a significant workload. Mr. Bunker cautioned that some existing maps are inaccurate and that expanding mapping could disrupt the assumptions behind the rate model. Council Member Holley noted that some large lots have very little irrigable area, raising equity concerns. Council Member Hunter suggested residents could pay a fee for mapping if needed. Council Members Carroll and John emphasized that customers ultimately pay only for the water they use, with Tier 1 charges applying to actual usage. Council Member Hunter reiterated that only about 200 properties are involved, making the issue manageable.

Ms. Montoya noted that if the City reintroduces irrigated-area mapping for single-family homes, the number of properties requiring mapping would grow significantly beyond the current small subset. Council Member Hunter questioned why this would differ from the mapping already being done. Ms. Montoya explained the added workload involves GIS analysis, staff time, and ongoing monitoring.

Mayor Frost expressed support for the proposed rate model, emphasizing the value of predictability for both budgeting and operations. He noted that properties with non-irrigated surfaces, such as asphalt, naturally avoid additional water charges because they simply won't use irrigation water.

Council Member Hunter countered that the benefit for such properties is not a "savings" but rather a smaller increase, since most bills are expected to rise overall. He questioned whether the city should be messaging that bills could decrease when that rarely is the case. Mr. Larsen confirmed that while some bills may go down, the average increase is projected to be 9–12% through 2030.

Ms. Montoya added that if the city were to offer mapping broadly, it would likely require an annual mapping fee because landscaping can change year by year. She and Mr.

Bunker emphasized the scale difference: mapping 200 properties is manageable, but mapping 10,000 accounts would be a substantially larger burden.

Council Member Hunter argued that it is unrealistic to assume all 10,000 residents would request irrigated-area mapping, noting this suggestion was exaggerated. Mr. Bunker responded that once the option exists, residents may encourage each other to pursue mapping, potentially increasing demand.

Council Member Holley noted that mapping only becomes worthwhile when a property's irrigable area is substantially smaller than its lot size. If mapping costs several hundred dollars but only reduces the irrigated area by a few square feet, residents will not find it worthwhile financially. Council Member Hunter agreed, adding that paying \$200 to save roughly \$60 per year would not motivate most households. He further clarified that mapping matters most unusually large lots with very little landscaped area, for example, a 50,000-square-foot parcel that is mostly zero-scaped but still charged a high base rate under the standard formula. He emphasized that such cases are limited in number and involve residents who are already conserving water.

Mayor Frost maintained that these properties *do* benefit, because using less water reduces charges in the volumetric portion of the bill. He framed this as the practical "savings" available under the new structure.

Mr. Larsen added that mapping would not significantly affect overall system revenue because the rate calculations assume typical irrigation behavior based on total lot size. He estimated that 95% of residents would see no bill change with mapping.

Council Member Hunter concluded that this small percentage supports his point: few people would seek mapping, meaning the administrative burden would remain low. Mr. Bunker reiterated that if mapping were allowed, an annual fee would be necessary because landscaping areas change. Council Member Hunter noted that this is not how the city currently handles mapping and questioned why the practice was omitted from the proposed options, given that it is an existing service. Mr. Bunker noted that mapping had been discussed previously and that the earlier direction was to treat all properties uniformly by using total lot square footage, regardless of sheds, structures, or landscaping variations. Council Member Hunter recalled the prior discussion differently.

Mayor Frost raised a practical question: how should lots of extensive zero-scape or minimal irrigated areas be handled? For example, a property with mostly rocks or widely spaced shrubs may use very little water even though the land is technically pervious.

Mr. Larsen recommended limiting mapping exclusions strictly to clear hardscape (e.g., asphalt, concrete) or unusual cases such as large undeveloped hillside parcels or oversized parking lots. He advised against attempting to evaluate nuanced landscaping types, as it becomes subjective.

Council Member Taylor asked how the city defines the criteria for who qualifies for mapping. Mr. Larsen suggested the City establish written standards specifying what can be excluded (primarily hardscape) and require applicants to pay the mapping fee. Council

Member John added that historically, when mapping was performed, only hardscape and structures were excluded from irrigated-area calculations.

Council Member Taylor cautioned that if the city opens the door to detailed mapping, it must be prepared for many case-by-case disputes. He questioned who would ultimately decide what qualifies as irrigated or non-irrigated, warning that the process could become subjective.

Council Member John noted that even with zero-scape, a property may still have a few drip-irrigated plants. He asked whether such minimal irrigation would still count as “irrigated” for mapping purposes.

Council Member Hunter clarified that the core issue is simply whether an area is being irrigated or not. He stressed that the City should avoid creating incentives for property owners to remove remaining open space, potentially pushing them toward more development—simply to reduce their base irrigation charges. Using a specific example, he noted that under the proposed rate structure, the difference between being mapped or not could amount to roughly \$750 per year for certain lots, underscoring the financial significance of the definition.

Mr. Bird suggested separating the two major decisions: Adopting the overall water-rate model presented by Mr. Larsen *OR* deciding later whether to include irrigated area mapping. He noted that moving forward with the core model now would allow the city to begin public communication sooner, while the Council continues refining criteria for mapping and hardscape definitions.

Council Member Hunter suggested reframing the issue by recognizing that mapping is already allowed and asking whether the Council wishes to remove it rather than add it later. Council Member Taylor asked whether fees would apply if mapping continued. Council Member Hunter confirmed that a fee exists, and Ms. Montoya clarified that it is currently a one-time fee but would become an annual fee under the proposed structure.

Mayor Frost raised concerns about revenue predictability, noting that changes in mapped lot square footage could affect overall system revenue and potentially require future base-rate adjustments. Council Members Carroll and Holley believed few properties would qualify for mapping and that participation would be limited. Council Member Hunter added that Mr. Larsen had previously indicated the overall revenue impact would likely be minimal due to the small number of eligible properties.

Council Member Carroll asked why water utilities use both base rates and volume-based charges rather than charging solely by usage. Mr. Larsen explained that base rates recover fixed system costs, such as infrastructure and maintenance, while volume rates address variable consumption. He also noted that larger lots justify higher base rates because they impose greater capacity demands, a rationale Council Member Carroll agreed supports graduated, lot-based base rates.

Mr. Larsen explained that larger lots require the City to size infrastructure—storage, pipelines, and pump stations—to meet potential demand, regardless of how much water the property ultimately uses.

Council Member John recalled that the city historically provided a 1-inch service line to standard lots, with 2-inch services for lots around an acre or larger. The assumption was that large properties would eventually be irrigated, requiring larger pipes and infrastructure. He referenced past issues along 1400 North near Highland, where residents sought annexation with large lots, but the existing water line could not support irrigation for 3-acre properties because the system had not been sized for that level of demand.

Council Member Hunter asked whether system upsizing for those properties was considered an improvement the property owners should pay for. Council Member John clarified that those particular residents chose not to pursue the larger service once they understood the limitations. Council Member Carrol said the explanation was helpful and would assist in communicating these concepts to residents.

Mr. Larsen asked whether the Council preferred **Alternative 1 (refined)** or **Alternative 2** for allocating water volume. He clarified that Alternative 1 uses stepped increases tied to specific lot-size brackets, while Alternative 2 follows a more gradual, continuous increase.

Council Member Hunter reiterated his preference for a simple, lot-size-based approach with a clear minimum threshold applied consistently to all properties. Council Member John noted that this mirrors the City's current method, which uses a 9,000 sq. ft. baseline and a per-square-foot multiplier above that. He also reviewed the base-rate change—from 0.00271 to 0.0017—which lowers the base rate. Council Member Hunter asked whether the \$3.50 base fee is included, and Mr. Larsen confirmed it is. Mr. Larsen further explained that customer charges reflect fixed costs, capacity-related costs, and usage-based costs. Council Member John added that fixed costs include monthly meter reading regardless of consumption.

Mayor Frost Expressed a preference for **Alternative 2**, noting it avoids major jumps between lot sizes and follows a simpler, more gradual progression consistent with the graph previously shown. The Council was in agreement with the mayor on **Alternative 2**.

Mr. Larsen confirmed that the same rate approach for residential properties—base rate plus per-unit usage—would apply to commercial properties, based on their actual irrigated acreage. Commercial sites would continue to be mapped to reflect actual irrigation.

Council Member John noted that most commercial properties have significant hardscape (parking, structures) and therefore less irrigated area. Mr. Bunker explained that commercial site plans are only updated when the property owner submits changes to the City, ensuring mapping accuracy without additional staff effort.

Council Member Hunter clarified he is not suggesting the City hire additional staff; property owners can request mapping if desired. He also noted that mapping could affect tier placement and base rates depending on actual irrigation, potentially increasing costs for those using more water in smaller mapped areas.

Council Member Hunter supported Mr. Bird's suggestion to move forward with the new rate model promptly, with the option to adjust mapping rules later as needed.

Mr. Bird explained that the limited number of mapped properties (around 200) over the years is largely due to the City not actively promoting the option. He noted that while there may not be a rush initially, property owners could still request mapping. If the Council approves, staff can inform residents that the city intends to implement the process once final details are confirmed.

Council Member Hunter expressed skepticism that many residents would request lot mapping, estimating fewer than ten would do so. Mr. Bird responded that most residents are likely unaware the option exists. Mr. Larsen stated that his next step would be to incorporate Council feedback into a brief summary memo outlining final recommendations, which could then be used to draft an ordinance for Council adoption.

Council Member Carroll asked whether the rate formula is affected by how irrigation shares with American Fork are handled. Mr. Bird sought clarification on whether irrigation shares fall within Mr. Larsen's scope.

Mr. Larsen explained that the presented numbers already include the previously discussed credit for irrigation shares. He noted that changing or eliminating that credit could affect the figures, but it represents a relatively small portion of the City's overall revenue. He cautioned that because the proposed rate structure represents a major change, revenue projections will include some uncertainty. He recommended adopting the rates, allowing them to operate for a year or two, and then revisiting them once actual water-use patterns are known.

Council Member Carroll agreed that irrigation share issues warrant further discussion, noting ongoing public concern, but indicated the issue may be separate from the immediate rate decision. Council Member Hunter emphasized the importance of irrigation shareholders, stating that secondary irrigation in American Fork would not exist without their contributions.

Mr. Bunker highlighted the distinction between early shareholders who helped establish the system (notably around 2008) and newer participants, noting that the proposal preserves existing shareholder agreements. Council Member John stated that staff has been working to find a balanced approach that honors shareholder commitments while ensuring the city can recover its costs. He concluded by thanking Mr. Larsen for his engagement and assistance in helping the Council move toward a workable path forward.

Council Member John explained that he, Mr. Bunker, and Mayor Frost have been working through irrigation share issues with the Irrigation Board. A proposal was recently presented to the Board using a hypothetical residential lot as an example. Under the proposal, a typical lot requires 1.5 irrigation shares, valued at 2 acre-feet per share (3 acre-feet total). As has historically been done, half of that water allocation goes to the city to support system operations, while the shareholder retains the other half.

Previously, actual usage could not be monitored, but with metering now in place, the proposal formalizes this split by making the shareholder's half of the water allocation

their Tier 1 allotment. Any use beyond that amount would be billed at Tier 2 rates. This Tier 1 allocation is roughly 1.5 times the Tier 1 allowance of a non-shareholder. The shareholder's Tier 1 volume is calculated by dividing their allocated water evenly across the six-month irrigation season. The allocation is not tapered by month to avoid peak-demand strain on the system and to encourage conservation throughout the season. In addition to volume charges, shareholders would pay half of the standard base rate, resulting in an estimated annual cost of about \$150 to the city—reflecting system costs without charging a full base rate. Overall, the approach aims to recognize shareholder contributions, ensure conservation, protect system capacity, and fairly recover City costs.

Council Member John explained that metering now allows the city to accurately enforce irrigation share allocations. Once a shareholder exceeds their allocated Tier 1 volume, usage immediately moves into Tier 2 pricing. The Tier 1 amount reflects the shareholder's allocated water, with half credited to the city, something that was not previously enforceable without meters. He noted that rising system costs since 2019 justify shareholders paying half of the base rate, even though this would not have been necessary under earlier, lower inflation conditions. Despite this change, shareholders still receive significant benefits, including an estimated 80% or greater cost reduction compared to non-shareholders, and retain the water as a transferable asset.

Council Member John emphasized that the proposal is fair to both shareholders and the city. Shareholders gain consistent monthly access to their allocated water across the full six-month irrigation season, unlike historical flood irrigation patterns where water availability varied significantly by season. This provides reliability and efficiency that did not exist before. He credited extensive collaboration with Mr. Bunker, Mr. Larsen, the Irrigation Board, and the irrigation company, noting that all parties support the proposal and plan to present it to shareholders at the January annual meeting.

Council Member John also stated that the long-standing practice of allowing purchased water shares to be brought onto properties without remaining tied to the land should end as of December 31. Going forward, water shares would need to stay with the property to continue participation in the program. He noted that historically, only a small percentage of shares have remained with properties upon sale, meaning the program would naturally taper over time as properties change ownership.

Mr. Bunker acknowledged the complexity of the issue, and Council Member John reiterated that the final proposal reflects extensive negotiation and careful balancing of interests.

Council Member John emphasized the complexity of the irrigation-share issue and credited Mr. Larsen for working collaboratively through multiple iterations to reach a proposal supported by the Irrigation Board, irrigation company, shareholders, and board members. He stated the proposal is viewed as fair and is planned for presentation to shareholders at the January annual meeting. He explained that the City should end the long-standing practice—used for approximately 18 years—of allowing water shares to be purchased separately and brought onto properties without remaining tied to the land. Effective December 31, water shares would need to stay with the property to continue participating in the program, though transfers within a family or to a new buyer would be allowed if the water remains attached to the parcel.

Council Member John noted that historically only about 5% of water shares have stayed with properties when homes are sold, largely because buyers cannot easily finance the separate cost of water shares. As a result, most shares are sold to brokers and ultimately to developers, meaning the program would naturally phase down over time. He clarified that existing properties with water shares—such as those owned by Council Member Hunter’s family—would be allowed to continue as long as the water remains tied to the property, even if ownership changes.

In response to Mayor Frost, Council Member John explained that while share certificates would change hands, the City would maintain records through contracts and copies of certificates, ensuring the City knows where the water is being used. He emphasized that participation is permanent once a property enrolls; owners cannot later withdraw from the agreement.

Council Member Hunter said his understanding of the irrigation-share issue has continued to grow and that he generally supports the proposal. He emphasized that the policy should not be intended to benefit development, but rather to address property owners who are actively irrigating land under long-standing agreements. He noted that irrigation practices vary and that assumptions about uniform water use can be misleading. The issue affects a relatively small group of shareholders, and those agreements should continue to be honored. He further stated that even if the original agreements later proved disadvantageous to the city, they remain obligations the city must respect, as the shareholders provided meaningful value to the city at the time the agreements were made.

Council Member John responded that he does not believe the original agreement was poor; rather, it was beneficial and necessary for the city to secure the water needed to build the system.

Mayor Frost acknowledged the validity of those points but noted that conditions have changed over time, including significant City investments (such as metering), regulatory mandates, and evolving system costs. He stated that while the original agreement made sense when adopted, the irrigation company’s current proposal represents a fair compromise that reflects today’s realities while still respecting shareholders’ interests.

Council Member Hunter clarified that the concern centers on the portion of the base rate that was originally promised to be offset or waived in lieu of charging shareholders a full base rate. Council Member John acknowledged that the original agreements did not anticipate universal metering, noting that metering technology was not reliable at the time. He characterized the current proposal—charging shareholders half the base rate while maintaining their allocated Tier 1 water—as a reasonable compromise given how circumstances have changed.

Mayor Frost asked what action or direction was needed from the Council, recognizing that Council Member John is balancing both City and irrigation-board roles.

Council Member Taylor questioned whether shareholder expectations would require a formal vote at a shareholder meeting. Council Member John clarified that under the irrigation company bylaws, the decision is made by the board rather than by a

shareholder vote. However, he stated his intent to present the proposal at the annual meeting the following month and suggested holding an open house so both shareholders and the broader community can review the proposal and understand the associated costs.

Mr. Bunker emphasized the importance of public outreach before implementing new base and usage rates. He recommended holding a community open house—potentially in January or February—where residents could ask questions, review how the new rates would apply to their specific lot sizes and better understand expected water usage and billing impacts.

Mayor Frost asked how a sunset provision would apply to individuals who did not participate when the program began, and whether there should be a cutoff date for new participation. Council Member John proposed ending the ability to newly opt into the program as of December 31, 2025, stating that this timeline would be fair to existing shareholders.

Mayor Frost asked whether implementing that cutoff would require Council action. Council Member John explained that because the agreement involves the city and shareholders, the change would require action by the City Council, likely through an ordinance.

Mr. Bunker clarified that the change could be implemented by Council resolution and suggested it could be brought forward at an upcoming Council meeting with an effective date of December 31. Council Member John added that he is currently working with a small number of remaining participants to complete their paperwork and reiterated that water shares would continue to be honored as long as they remain tied to the property, with the primary change affecting only new participation moving forward.

Council Member Hunter noted that the change would primarily affect the base rate and that families who participated could speak about their experiences. Council Member Taylor emphasized that the value of water shares as an asset effectively decreases for new participants after the cutoff, as they would no longer have the same ability to sell to developers.

Mr. Bunker questioned why the value would decrease. Council Member Hunter clarified that if someone purchases and transfers a share before the December 31 cutoff, the assets retain higher value, whereas acquiring it after the cutoff would provide less benefit and lower perceived value.

Council Member John expressed uncertainty that water shares would necessarily be worth more prior to the proposed changes. Council Member Hunter stated that the shares would clearly lose some value because shareholders would now pay approximately \$150 annually instead of nothing, making the shares mathematically less valuable, even if the reduction is acceptable.

Council Member Hunter noted that the current value of owning water is tied to avoiding a monthly base rate, and the proposal would increase that cost. Council Member John explained an additional option discussed previously: shareholders with excess water could rent unused portions back to the city, increasing their Tier 1 allotment and

preserving value for those users. He argued this would still provide meaningful value to shareholders, even if it did not significantly affect open-market prices, particularly for developers. Council Member Hunter acknowledged that point but clarified his concern was not focused on developers.

Mr. Bunker emphasized that the value of water shares is driven by market demand, which historically has come primarily from developers rather than individual lot owners, making reduced transferability likely to impact overall value. Council Member John countered that historical price trends show water shares returning to roughly the same value as in 2008 after the market crash, suggesting the asset's value may not significantly change under the proposal.

Council Member Holley clarified that he did not believe the value of water shares would revert to prior lows. He compared the situation to owning shares in a business, noting that when operating costs increase and returns decrease, the value of a share is reduced. He emphasized that, mathematically, if shareholders are required to pay for water they previously received at no cost, the share necessarily loses value. While water scarcity may continue to give the asset long-term importance, the introduction of additional costs means the share is inherently worth less than before.

Council Member Hunter stated that shareholders who were originally grandfathered into a zero-base rate, in exchange for contributing irrigation water, should continue to receive that benefit as originally agreed. He emphasized that this arrangement was foundational to the creation of the system and represented a significant commitment by those participants.

Mr. Bunker questioned whether such an arrangement should continue in perpetuity, noting that system operating and maintenance costs increase over time and that the city would otherwise be required to absorb those rising costs indefinitely. He added that had the city not implemented the pressurized irrigation system, shareholders would have remained on open ditches, where operational and maintenance costs would also have continued to rise. Council Member Hunter responded that increasing costs may have been precisely why shareholders supported transitioning to the city system in the first place.

Mr. Bunker concluded by noting that changes made by the irrigation boards such as adjustments to irrigation assessments—demonstrate that costs and financial structures have evolved over time, reinforcing the need to account for ongoing system expenses.

Council Member Hunter drew a distinction between irrigation company assessments and the city's charges to shareholders, stating that only the latter is under discussion. Mr. Bunker countered that overall costs are rising for both city residents and shareholders—and questioned whether shareholders' city-related costs should remain fixed in perpetuity while all other residents experience escalating rates.

Mayor Frost concluded that the issue would come before the council formally, stating that sufficient information has been presented and that a resolution would be considered. Mr. Bunker added that the upcoming action is not solely about cost increases, but also about ending the acceptance of new participants into the shareholder program.

Mr. Kelly stated that upon reviewing the original agreement, the parties explicitly acknowledged that a separate user rate for the delivery of water to shareholders was “appropriate and reasonable.” He noted that the language reflects an understanding, even at the time the agreement was signed, that delivery costs would increase over time and that some form of user rate would eventually be necessary.

Council Member Holley indicated that this information was new to him and stated that it meaningfully affected his understanding of the issue. Council Member Hunter responded that, while he had not previously heard this interpretation, he believed it could apply to charges imposed by the irrigation company rather than charges imposed directly by the city, emphasizing that those are two distinct cost structures. He suggested that an argument could be made for the city charging the irrigation company more, rather than directly increasing charges to shareholders.

Mayor Frost observed that increasing charges to the irrigation company would ultimately result in higher assessments passed on to shareholders. He stated that he was not advocating for that approach but acknowledged that this was the first time he had heard the agreement framed in that way. He reiterated that the group affected is relatively small and emphasized that these individuals placed their assets at risk to make the system possible in the first place.

Council Member John emphasized that allowing the existing agreement to continue in perpetuity is a significant issue, particularly when combined with the allowance for additional water shares to be added to a property. He provided an example of a shareholder who had been leasing a water share to the city and now wished to reclaim that share for use on their own property, thereby shifting responsibility for the assessment back to themselves and increasing their allotted water use.

Council Member Hunter questioned whether shareholders were already paying assessments on those shares. Council Member John clarified that when a share is leased to the city, the city pays the assessment under the existing agreement. Council Member John further clarified that under the negotiated structure, shareholders pay the asset cost for their own water and receive 50% of that water for their use, while the remaining 50% is allocated to the city as a carrier fee in lieu of a monetary base rate. This arrangement was designed so that shareholders did not pay a base rate at the time the agreement was established. He distinguished this from situations involving additional water shares leased to the city, noting that in those cases, the city assumes the assessment responsibility for the leased shares.

Council Member John explained that when a shareholder brings previously leased water back onto their property, their Tier 1 allocation increases, raising the usage threshold before higher-tier charges apply. In that case, the shareholder pays the full irrigation assessment, while continuing to allocate 50% of the water to the city as carrier water, consistent with longstanding practice.

Council Member Hunter questioned what would happen if the irrigation company chose not to continue the 50% carrier allocation. Council Member John clarified that the carrier arrangement is governed by individual contracts between each shareholder and the City, not by the irrigation company as a whole.

Mr. Bunker added that shareholders retain ownership of their water and should be able to reclaim water previously leased to the city if they choose.

Mayor Frost noted that the discussion was becoming argumentative but emphasized that the parties were close to consensus. He appreciated the introduction of specific agreement language, acknowledged that the City and irrigation shareholders have historically treated each other fairly, and reiterated that the shareholders were essential to establishing the system.

Council Member Hunter asked Council Member John and his dual role as a member of the Council and irrigation company affiliate position to be included in shareholder discussions before being asked to vote on related Council actions. He stated that he wanted them to hear directly from shareholders in order to represent their interests and be fully informed.

Mr. Bunker asked whether shareholder meetings were properly noticed. Council Member John clarified that formal notice is sent to all shareholders for the annual meeting, which is scheduled for January and typically draws large attendance, while monthly board meetings are held regularly but shareholders are not individually notified. He informed Council Member Hunter that a board meeting was scheduled for that evening and that meetings generally occur on the first Tuesday of the month.

2. Discussion with the Cemetery Committee regarding the Veterans Memorial.

Mayor Frost outlined the issue under discussion was that the existing veterans' wall requires that a veteran be buried in the City cemetery to have their name engraved. The Council had asked the committee to explore the possibility of an additional monument or wall to honor city residents who served in the military but are buried elsewhere. The mayor confirmed community interest in such a memorial and sought confirmation that his description accurately reflected the committee's task.

Council Member John asked whether the city is aware of any residents who are buried at Arlington National Cemetery. Mr. Bunker responded that there are likely some. Kevin Barnes noted that, in at least one past instance, a family declined burial at Arlington, preferring a burial closer to home. Mayor Frost referenced Captain Chipman, explaining that although he had the option to be buried at Arlington, he is buried in the city cemetery, and his name appears on the local monument. Mr. Bunker added that Captain Chipman's name is also on a memorial in Washington, D.C., because he was missing in action. Council Member Holley commented that he was unsure whether there is a specific national memorial for veterans of Operation Iraqi Freedom or Operation Enduring Freedom in the Washington, D.C. area.

Kevin Barnes and John Woffinden introduced themselves as members of the Cemetery Committee and explained that, due to time constraints, they would provide a condensed presentation. Mr. Barnes emphasized that the issue is complex and that the committee's perspective is shaped by strong military ties.

Mr. Woffinden outlined his long-standing connection to Pleasant Grove and American Fork, his 23 years of service in the U.S. Air Force, and his personal ties to the city

cemetery. Mr. Barnes further described the six-member Cemetery Committee, noting that multiple members are military veterans or have close connections to military service, including long-serving and highly respected veterans and community volunteers. He concluded by emphasizing that, while not a formal military committee, the Cemetery Committee has significant collective military experience and a strong sensitivity to veterans' issues.

Council Member Holley recognized the Cemetery Committee's responsibility for organizing the City's Veterans Day and Memorial Day programs, which Mr. Barnes confirmed as a core committee duty carried out with strong military understanding and commitment.

Mr. Barnes explained that the issue arose from a letter earlier in the year and was formally discussed by the committee beginning in May, with ongoing meetings and informal discussions. The committee examined whether the veterans' wall should include only those buried in the city cemetery or also residents buried elsewhere and sought input from community members. He reported that approximately 85–90% of those consulted supported limiting inclusion to individuals buried in the city cemetery.

The committee reviewed practices at other cemeteries, finding that Pleasant Grove was the only one to list all veterans regardless of burial location, while others listed only those buried on site. Mr. Barnes and Mr. Woffinden emphasized that the committee relied on a City Council resolution adopted in April 1999, which specifies that names listed must be of individuals buried in the cemetery. They stated that the committee consistently followed this resolution and noted that any change to that direction would be at the City Council's discretion.

Mr. Barnes stated that the committee followed City Council direction and identified three options:

1. Make no changes and continue following the existing resolution and historical practice.
2. Add separate monuments for non-buried individuals, clearly distinguished from existing monuments, though the committee expressed concern that setting eligibility criteria such as residency length would create a slippery slope.
3. Broadly allow military veterans who lived in American Fork to be included, which raised concerns about verification, staff burden, and costs, with the expectation that families would provide documentation and cover engraving expenses.

Mr. Barnes emphasized that the committee supports honoring veterans but sees significant logistical challenges with expanding the program, and he concluded by opening the discussion for questions.

Council Member Carroll asked whether the cemetery proactively asks families if the deceased is a veteran and wishes to be included on the veterans' wall, or if inclusion occurs only when families request it. Mark Coddington explained that families typically volunteer that information themselves and are often proud of the veteran's service. He stated that staff maintains a list of names and add them as space allows, and that

verification requires submission of a DD-214 form. He noted the process is relatively simple and that there is no shortage of veterans being identified.

Council Member Taylor asked how many individuals not buried in American Fork had requested inclusion on the wall. Mr. Coddington responded that there have been a handful of such requests over the years. He stated that staff have consistently relied on the existing ordinance when responding to those requests, a practice dating back to earlier cemetery leadership and the original establishment of the veterans' wall. He emphasized that staff would support whatever direction the City Council provides, but that they have followed the ordinance to ensure consistency. He added that the cemetery regularly buries veterans who were residents of the city at the time of death.

Council Member Holley asked how Pleasant Grove verifies residency for names placed on its veterans' wall. Mr. Woffinden responded that Pleasant Grove does not verify residency and relies solely on self-reported information. Mr. Coddington added that American Fork reviewed practices at other cemeteries and found that all except Pleasant Grove follow similar eligibility criteria, largely due to cost and space limitations.

Mr. Coddington explained that etching names on the wall cost approximately \$55 per name, which is not charged to families and is provided as part of the service to veterans. He noted that the original wall cost approximately \$8,000 to construct.

Mr. Woffinden stated that after months of discussion, the Cemetery Committee unanimously voted to keep the current policy unchanged, requiring that individuals be buried in the cemetery for their names to be included on the wall, consistent with the ordinance adopted in 1999.

Mayor Frost asked whether the Cemetery Committee's unanimous vote to adhere to the ordinance applied specifically to the existing veterans' wall or to any veterans' wall. Mr. Woffinden clarified that the vote applied to the current veterans' monument, which was created by individuals directly involved in its original development. Council Members Holley confirmed that the committee voted to keep the existing resolution unchanged and invited Council Member Clark to share additional context.

Council Member Taylor explained that the issue originated after learning that a longtime American Fork resident and veteran, Kevin Birmingham, who wished to be included on the veterans' wall, was buried in Eagle Mountain and therefore ineligible under the ordinance. After discussing the matter with the mayor and researching the ordinance—of which he had previously been unaware, he brought the issue to the Cemetery Committee. He shared that the committee discussed possible criteria for inclusion and acknowledged concerns about setting thresholds, such as residency length, which could lead to borderline cases and ongoing requests. He emphasized that the intent was not to broadly compile names, but to explore whether limited, criteria-based exceptions might be appropriate.

Council Member Carroll noted the distinction between proactively compiling a comprehensive list of veterans, as Pleasant Grove does, versus responding to individual requests to be included on the wall.

Council Member Taylor expressed that having a loved one honored on a military wall is a significant honor and should not be seen as a burden. He explained that the committee developed specific criteria for inclusion but emphasized that if the city enforces the rule requiring burial in the cemetery, it could similarly enforce other reasonable criteria, such as residency or local school attendance. He stressed that the policy does not involve automatically adding everyone; only those who meet the criteria and request inclusion would be added. He also noted that the cost for engraving a name would be borne by the family (\$150 per name), meaning the city would incur no additional ongoing expense aside from the potential \$8,000 for additional monuments. He concluded that this approach is both fair and worthwhile.

Council Member Hunter asked whether a separate panel or section could be created for other American Fork residents who served in the military, noting that some names, like his grandfather's, might not currently be visible on the wall.

Mr. Barnes responded that, by definition, a cemetery lists those buried there, and the current wall follows that principle. He suggested an alternative: creating a veterans' park or dedicating a section of an existing park in American Fork, such as Robinson Park, to list all residents who have served in the military. This approach would allow recognition without altering the cemetery's existing monuments. Council Member Holley supported this idea, noting its accessibility and visibility in a central location like near the library.

Discussion ensued amongst the Council regarding park options that would be great for a veteran's monument. Council Member Hunter expressed support for recognizing veterans who have passed, regardless of whether the memorial is in the cemetery, and offered to assist with fundraising if needed.

Mayor Frost asked for ideas to reach a solution.

Council Member Carroll favored placing a separate memorial within the cemetery, noting that while an offsite location is nice, it would not have the same visibility or impact. She emphasized that the wall honors deceased veterans, not living members, which aligns with the cemetery's purpose.

The Council discussed options for adding names to the veterans' wall given limited space.

Council Member Taylor suggested a separate section or panel to honor those who served but are not buried in the cemetery, keeping it contiguous with the existing wall. Mr. Coddington noted that there is room for only two to three additional names on the current wall, and adding more in the future would be challenging. Mr. Barnes cautioned that opening the wall to more families would likely increase requests over time. It was emphasized that the current list focuses on those buried in the cemetery, not others.

Concerns were raised about the cemetery nearing capacity, limiting space for future burials and wall additions. Council members agreed that a new wall or monument in the same general area, with clear distinction, would be an appropriate solution. Funding for the proposed \$8,000 wall could come from city resources or donations, with families potentially contributing for engraving.

Mayor Frost asked Council Member Taylor to take the lead on moving the project forward, and all expressed support for the concept.

3. Adjourn.

The meeting adjourned at 6:05 p.m.



Stephanie Finau
Deputy Recorder