

**PAROWAN CITY COUNCIL MEETING**  
**February 12, 2015**  
**Library Lounge, 16 South Main, 6:00 P.M.**

**MEMBERS PRESENT:** Mayor Donald G. Landes, Councilmen Alan Adams, Troy Houston, Ben Johnson, Steve Thayer, Steve Weston, City Attorney Justin Wayment, City Manager Shayne Scott, City Recorder Callie Bassett

**MEMBERS ABSENT:** None.

**PUBLIC PRESENT:** Chuck and Dottie Stade, Everett Everett, June Mesnik, JD Frisby, Kaylie Orton, Randy Jenson, Judy Schiers, Alex Sorhondo, Janie Rae Carlson, Keeli Shannon, Jim Shurtleff, Sharon Downey, Helena Mortenson, Bob Whitelaw, Mike Strong, Paul K. Smith, Larry Pendleton, Nick Bentley, Tanner Robinson, Jesse Higbee, Don Lowder, David Harmon

**CALL TO ORDER:** Mayor Landes called the meeting to order at 6:00 p.m.

**OPENING CEREMONIES/THOUGHT/PRAYER – COUNCILMAN BEN JOHNSON:** Councilman Johnson offered the invocation. He then led the Council and the public in the Pledge of Allegiance.

**DOES ANYBODY HAVE ANY CONFLICTS OR PERSONAL INTEREST IN ANY MATTER ON THE AGENDA WHICH NEEDS TO BE DECLARED?**  
Councilman Adams declared a conflict of interest as he is a reservoir company owner and the Council will be discussing reservoir company business when they discuss Center Creek. Councilman Johnson Ben declared a conflict. He has water shares with the reservoir company.

Mr. Trevor Walker from Parowan High School and a group of his choir students came in and sang a Valentine Birthday Song for Councilman Troy Houston. Happy Birthday Councilman Houston!

**CONSENT MEETING**

**APPROVAL OF MINTUES (JANUARY 22, 2015 CITY COUNCIL MEETING)  
PURCHASE ORDERS/ WARRANT REGISTER  
AIRPORT LEASE THROUGH 2021, ROBERT PARKER  
SHADE TREE COMMITTEE APPOINTMENT – NANCY DALTON (Alternate)**  
Mr. Scott pointed out that there is a PO for various Shade Tree purchases for the year. Usually we put who the vendor is and what the amount is they are spending. There are going to be several nurseries involved over the next couple of weeks, and so the Shade Tree committee is asking for a little bit of a blanket approval to go ahead and purchase items. Mr. Scott said many of these things would be under \$1200 and wouldn't need Council approval, but in the interest of time and getting the right trees, they are presenting this blanket PO. This is all within budget.

Councilman Weston moved to approve the consent agenda. Councilman Thayer seconded the motion. Hearing no further discussion, all Council members voted in favor of the motion. The motion carried.

PO #859	Pat Benndal	\$4,500.00
PO #892	Wheeler Machinery	\$1,296.00
PO #893	Biasi Automotive	\$1,461.53
PO #894	Scholzen	\$1,659.06
PO #895	DO Concrete	\$1,942.80
PO #896	Wheeler	\$8,500.00
PO #897	Codale	\$1,301.56
PO #898	Arborist/Various Nurseries	\$9,000.00

### **ACTION MEETING**

**CENTER CREEK CHANGE ORDER – SUNRISE ENGINEERING:** Mr. JD Frisby addressed the Council. In the design and bidding phase, they got nervous as they were coming down 300 South because of all of the utilities in that stretch. As they were talking to contractors and in ease of constructability they came to the conclusion that it would be easier to put in a price during the bid phase to get a competitive price to remove and alter an existing utility verses changing the alignment with the ductile iron. This was added into the bid as an add alternate, hoping to never have to use it.

Just this last week, they ran into an existing utility by the irrigation box on 300 South and 100 West. The reservoir company has a culvert coming out of there that feeds down behind the power house. It is a 60 inch culvert that they were unaware of how shallow it was. It is only 8 inches to a foot deep. It spans the whole road and there is no way of getting around it. Sunrise Engineering met with the reservoir company and discussed the options. They also spoke with Mr. Scott and decided that this would be the place to use this add alternate line item. This line item is only used to clear the path for the City.

The reservoir company decided, while they were in there working on the pipe, to participate in fixing the situation. It has been a problem for them for years. They went ahead and contacted the contractor and got a price to replace the whole thing, not just the City's section. They agreed on a price to replace the pipe and paid for the materials as well.

The \$2,800 on the change order is a price that was already in the bid sitting there as an add alternate, not as part of the base bid and not part of the budget. They are change ordering it into the budget.

Councilman Houston asked when Sunrise was doing their preliminary work to determine where the existing utilities were if this culvert was included in that. Mr. Frisby said the utilities were determined by the GIS that they had. This has been fairly accurate. When they ran into this pipe, no one had any idea what they were going through.

Councilman Johnson moved to approve the change order for \$2,800 for the add alternate. Councilman Thayer seconded the motion. Hearing no further discussion, all Council members voted in favor of the motion. The motion carried.

**TRAILS MASTER PLAN RFQ – TARP COMMITTEE RECOMMENDATION:**

Mr. Scott said the trails committee is back together. The individual committee members scored the RFQs for the trails master plan. Mr. Scott said the scores came out very close. There is only a one point difference between the top firm and the second place firm on the list. Mr. Scott said he and Councilman Houston were talking before the meeting and there are a lot of aspects that they liked about some of the other firms. Mr. Scott said the TARP committee followed the procedure and asked a lot of good questions in regards to the firms involved.

Councilman Houston asked Mr. Frisby which project Sunrise did in Panguitch. Mr. Frisby said they were just awarded that project. He said Panquitch wants a lot of GIS mapping done as well as cost estimates for their trail heads.

Councilman Houston also asked, for his own clarification, when this is awarded is it for one trail or a whole master plan and however many trails we have. Mr. Scott said the idea of what we want to do is to sit down with whichever firm is selected along with the TARP committee and start with the design charrette that was put together a couple of years ago and go from there. They want to also find appropriate places where trails might live, evaluating rights of way and exploring funding options. Mr. Scott said when this is done, he wants to be able to take this plan to some sort of funding agency and say this is what we want to do, help us get there.

Mr. Scott said that a couple of the criteria in judging these firms were how well the firm knows Parowan and what their proximity is to Parowan. He said the best firm may be in California, but they don't know Parowan and they don't know the area.

Councilman Houston feels if these trails are done right they could bring a lot of good things to Parowan. Mr. Scott asked if the master plan can include biking, hiking and walking trails. Mr. Frisby said that the master plan can be catered to whatever the City wants. He also said that the BLM trails master plan has a preliminary plan for trails in the Parowan area, which would be nice to tie in.

Councilman Houston asked what Sunrise's success rate is for finding funding for trails. Mr. Frisby said that trails are a different ballgame and you have to be really creative with the funding agency. He said he hasn't had a lot of experience with that, although Sunrise Engineering has. He said as far as grant money goes you're not going to find a 100% grant, but we might find some 50-50% splits.

Councilman Johnson moved to accept the TARP committee's recommendation to award the contract for the trails master plan to Sunrise Engineering. Councilman Adams seconded the motion. The Mayor called for further discussion. Councilman Weston pointed out that we are awarding Sunrise because they received the most points in the

scoring. Councilman Thayer asked Councilman Houston what company it was he mentioned earlier that had some experience with these trail plans. He asked if it was Sunrise or Jones and DeMille. Councilman Houston said it was another company who works closely with the BLM and the IMBA group in designing trails. Hearing no further discussion, all Council members voted in favor of the motion. The motion carried.

## WORK MEETING

**IRON COUNTY REST HOME PRESENTATION – JOHN BROWN:** Mayor Landes explained that we have a situation where we are trying to keep the Iron County rest home open and continue to employ the 42 people who work there. There are some programs available that would enable the City to assist them in doing this. It would require a little seed money from the City up front, which would be immediately refunded. The Mayor said it is basically a win-win situation.

Mayor Landes said he and Mr. Scott, along with Councilman Johnson and Councilman Weston, met with the principals from the rest home this afternoon. Councilman Weston said it's not just the idea of saving jobs, but also the concept of the velocity of money. They will be spending money and putting \$1.5 million a year into the rest home and the community. He said that our facility is mostly used by locals who want to stay close to family. He added that this would be a wash for the City and might possibly bring in a little revenue.

Mayor Landes assured the public that nothing has been permanently considered. They have asked the principals to put together a contract for Attorney Wayment to review before we do anything. Councilman Johnson added that one of the points on the contract is that the care at the facility is exceptional, but the facility itself is terrible. So as part of this agreement, the City would like to see that they invest the money back into the facility. He said the City would actually hold the rights to a care facility in Parowan, and will lease it back to the owner of the rest home to cover our seed money cost. This is fairly low risk for the City, and is an annually renewable contract.

Attorney Wayment said he has done some research on this and from the best he can tell this is legal on a state level. It is significantly more difficult on a federal level. His biggest concern is that there has to be an "out" to get out of the contract. He said government agencies can get involved with private industry as long as they are not in competition with local businesses.

Councilman Johnson said they are supposed to bring an agreement that we can look at, something similar to what they have done in Millard County. Councilman Weston said the options aren't good for the rest home if we don't look strongly at this option. The owner has been paying money out of his own pocket to keep the rest home afloat for several years. If he can't get some kind of help, he could just walk away. Attorney Wayment said that there are a lot of chinks in the medical world with Obamacare. It's starting to expand out and it's starting to hurt. Councilman Johnson said he thinks there

should be a caveat in the agreement that if the funding dries up from the federal side of things that we are planting the seed money into, that the contract comes to an end immediately at that point.

Councilman Weston reminded the Council that there is a time frame for this. They would like to see this agreed upon by March 1<sup>st</sup>. This item will be moved to the next action meeting. Attorney Wayment said it can always be tabled if necessary.

### **CENTER CREEK BYPASS CHANGE ORDER DISCUSSION – SUNRISE**

**ENGINEERING:** Mr. Scott said the bypass is a pipe that comes into the power plant that can be shut off before it enters the power plant. The water then bypasses around the plant and dumps into the same diversion where the farmers get their water. This is a very common thing to do in hydro plants. Mr. Scott said that the diversion structure itself would be a good thing and the City would like to see that if work needs to be done on the hydro plant.

The problem is the cost of doing this is a very huge number – approximately \$175,000.00. This was part of the design package that was bid out. However, Mr. Frisby said that when they started hearing some of the pricing on these valves (they are very technical clay valves and cost around \$60,000 -\$70,000 alone), they put the bypass in as an add alternate until they could see what the budget is on the project. Now that the power house has been bid out, they have a good feel for what the contingency is. Mr. Scott said they feel like we can afford this now.

Mr. Von Mellor, Parowan Power Superintendent, has raised concerns that when you put water in the other pipe, it will lower the pressure and hurt the power generation numbers. The pipe for the hydro plant is designed to hold 11 CFS. Anything over 11 CFS, the bypass valve would open up and allow the water to flow into the pipe instead of backing up and going down the creek. This is a good thing to do, but again, when you open up the pipe, it takes away the pressure, and that hurts the power generation. There is a letter in the council packets from Mr. Jesse Ralphs of Sunrise Engineering that is his best effort to try to quantify how much pressure the City might loose if this pipe is opened up.

Councilman Houston asked how this was done with the old hydro generator. He asked if there was a bypass setup before. Mr. Scott said no, there was not. Councilman Houston pointed out that they did without a bypass system for 60 or 70 years, and now they want a bypass. Mr. Scott said back then, the bypass was essentially the creek. If the plant had to be shut down, they shut it down from the top and all of the water went into the creek. Councilman Houston said the farmers still got their water, but Mr. Scott said he thinks they would argue that they got less water.

Councilman Houston concluded then that this bypass is to benefit the farmers and not necessarily the citizens. He asked if this was a fair statement. Mr. Scott said he doesn't think it is completely fair because it does benefit the City, only not as much. Mr. Scott said if it was free, it would be a no brainer. Because it is very expensive, it is something we need to discuss and be careful about. He said it does benefit the City in that most pipe

projects have some kind of a bypass where you can keep that water. He said you can make the argument that turning the water into the creek doesn't affect the City, and that's probably a fair argument. Are there advantages to keeping that water right there at the power plant from the City's perspective?

Councilman Weston asked when this bypass would be used and who would make that determination. Mr. Frisby said that anything over the 11 CFS would automatically go into the bypass line. 90% of the time it is under that mark. So anytime there is high water that valve would open up to allow the extra water to be utilized by the reservoir company and still run the hydro plant. The bypass is for overflow and any time there would be work done on the plant.

Councilman Adams pointed out that if the plant had to shut down because of electrical issues, it could be down three months or more waiting for parts. If there isn't that bypass pipe, that water will go down the creek and that is a lot of wasted water. This is one of the reasons the farmers are nervous about it. This shouldn't be a problem with this brand new system for quite a while, but it could be in the future. He asked will it benefit the City as much as the farmers. He said probably not.

Councilman Houston asked if we are fixing a 1% problem or a 99% problem. If it is a problem that is consistently happening, then he thinks the City should do it. But if it is something that is a 1% problem, is it worth that dollar amount. He also asked who is going to pay for that. Mr. Scott said that is what they are here to decide - is it part of the project or not. If it's not, do the farmers want to do it on their own?

Mr. Scott asked Mr. Frisby if it is usual for hydro plants to feed irrigation water, and are there other plants that do this. Mr. Frisby said yes, that usually the water is being used - nobody lets water go to waste. He said as he has researched this, you won't find a power house that doesn't have a bypass line.

Councilman Adams asked if these clay valves are operated manually. Mr. Frisby said no they are automated valves, hence the price. They open automatically and allow the high flows to go through so you can utilize all of the water. Councilman Johnson pointed out that 90% of the time, we won't be utilizing this. He asked if there is some sort of manual system that could be used at high water times. Councilman Johnson declared a conflict of interest at this time because he has water shares associated with the farmers. He wondered if there is a manual system that could be opened at high water times to let the water run into a bypass pipe.

Mr. Frisby said the problem with that is that we also need to dissipate this water if you ever went directly into the bypass line. This valve does that as well. That is the key component to this valve. The other problem is that the high water fluctuates so much. It will peak at one point of the day in June and then dies down three hours later. Councilman Johnson said in those instances if you are pushing a little down the stream for that little bit of high water, he said even for a couple of hours, he can see someone opening that up. He also asked what the cost difference is. Is it a \$10,000 valve verses a

\$60,000 valve? Mr. Frisby didn't have any idea. Councilman Adams asked if a manual valve could even withstand that kind of pressure. He said they have talked about this before and those manual valves wouldn't be able to sustain those kinds of pressure and stay together.

Attorney Wayment asked if we don't have this bypass and there is too much water coming down the pipe, does that have the potential to hurt the plant. Mr. Scott said no, it will take what water it can, and will push the rest into the creek.

Councilman Houston asked about the cost of maintenance on this valve if it's not used very much. He also said that a manual valve would be extremely difficult to open and close because of the pressure. Mr. Frisby agreed and said that is why you would never put a gate valve in this situation. There is still the dissipation problem as well.

Councilman Johnson asked if this becomes a scenario where the City and the Reservoir Company would each bear their share of the burden. The City does get a little bit of benefit associated with this valve, so we could take on 20% of the cost and the farmers could take on 80% of the cost if they choose to have the valve put in. He sees the valve as a benefit to be able to shut down the water in case of repairs to the plant. All of the other aspects are benefits to the farmers.

Jeff Wood, president of the Parowan Reservoir Company, explained to Councilman Houston that the reason they have to use those clay valves is because a regular manual valve won't handle the water pressure. It would just blow it out. There are two of them in line in succession of one another so they dissipate the pressure gradually and they don't blow out. That's why they are so expensive.

Attorney Wayment asked how much it would cost to put the bypass in after the project is done. Mr. Frisby said the price will go up. We already have the contractor on site, and we will get more bang for the buck. Mr. Wayment said the reason he asks is because we can find out how often the plant breaks down in the next year or two and we would have a better idea the bypass is needed. Mr. Scott said that is a very valid point, however even when we use it, are we using it for the City and will the City benefit from its use.

Councilman Adams asked if there is no bypass valve would they just let the water go through the turbine to drain. Mr. Frisby said it would just drain through the power house as long as they aren't doing work on the wheel. Councilman Johnson asked if they are doing work on the wheel, then would they have the full length of the pipe to drain out. Mr. Frisby said there will be a needle valve inside the house that can be shut all the way down and still keep the water in the pipe.

Councilman Johnson said that if the power plant goes down, then the impact would be on the farmers and not on the City. He thinks it would be great to put the bypass valve in, but at the farmers' expense. Even if the City shares a portion of that burden, he said he thinks the majority of this should be at the farmers' expense.

Councilman Thayer asked if the farmers have any kind of proposal right now as to how much they would be willing to go. He suggested that we at least put in a Y, and be prepared to put the system in later if we need to. Councilman Adams asked if they are going to do that anyways if they decide not to do the bypass. Mr. Frisby said they pulled everything out of the bid that was bypass and put it in as an add alternate.

Mr. Wood said that one of their biggest fears as a reservoir company is not necessarily when the plant is down, but when the high flow is more than 11 CFS and the overflow trickles down the creek, they may never see that water because it won't be a big enough stream to wet the ditch down. It will just be wasted.

Councilman Johnson asked to be reminded if the reservoir company is paying a portion of this project. Councilman Adams said they are paying for half of it. He added that this project wouldn't have been possible if they hadn't. Councilman Johnson said if we increase this project by \$175,000, then the reservoir company is also paying half of that. Mr. Scott said it would all go to the loan and they are paying half of the loan.

Mr. Frisby said that as of right now there is just over \$320,000 in the project contingency fund. Mr. Scott said the reason this is coming to the Council now is because they were waiting for the numbers to come in to see if we could even afford it. Mayor Landes asked if we have a time problem. Mr. Frisby said that we do. It goes back to the contractor being on site and taking advantage of his prices while he is here. There is also a lead time on ordering the valve.

Councilman Weston asked if there is more study that needs to go into this before a decision is made. Mr. Scott said he can't really think of anything other than asking Mr. Mellor what he would anticipate when there are down times. He should be asked if it is a common thing, will they be down for 3-5 months, and what would make that happen.

Councilman Houston asked who will be responsible for and pay for the maintenance on those valves. Mr. Scott said he thinks it would be the City. He thinks it would be required as part of the FERC license.

Councilman Johnson said that as the Council discusses this, they really need to keep in mind that the Reservoir Company is paying 50% of the project. Whether or not it benefits the City, this needs to be part of the conversation. Councilman Weston said he feels coming up with the correct percentage is the issue. Who is going to do that? He asked if this is something we can put to action for next time if we have the numbers put to it.

Attorney Wayment said from a legal stand point the Council needs to acknowledge that they have to define, at least in good faith, what the benefit is to the City. He said you cannot take public funds and use them for a private entity. That would be a wrong expenditure of funds. So legally, the Council needs to define what the value is that the City is going to have to some degree, because if you can't define it, and just say that it is for the City, you could get sued and that would be inappropriate. You have to make sure

you spend your public funds for the public and not for private things. As the Council works through this, there has got to be data to back up their decision, or someone could challenge it.

Mr. Scott asked the Council what we can bring to them to help them make this decision. Councilman Houston would like to know how many times it has been bypassed. He said he would also like to know what percentage the problem is and whether the dollar amount to do the bypass is worth that percentage. Councilman Johnson asked that we identify the benefits for the City versus the benefits for the Reservoir Company. The Mayor reiterated what Mr. Wayment said – that there absolutely has to be a benefit to the City if we are going to use public funds.

Councilman Adams asked if he is to understand that if the Council moves forward with this that they want the Reservoir Company to pay the lion's share of the bill. If so, he feels this should be part of the discussion. He said the City Council and the Reservoir Company need to meet together and come up with a number that they can both live with. Councilman Weston said we need to designate who needs to meet together from both sides and then move it to action for next time. Attorney Wayment said he doesn't think you can come to a number until you come to a justification. Councilman Weston reminded the Council that they need to remember that the farmers are citizens as well.

Mayor Landes asked that this item be moved to the next action meeting.

**NEW CITY OFFICE DESIGN BUILD TEAM SELECTION DISCUSSION:** Mayor Landes said that they chose to enlist five members of the community to act as a recommendation committee for the selection of the design of the New City Hall. The committee was made up of Steve Hansen (Planning and Zoning Chair), Jim Robinson (former Mayor of Parowan City), Amber Burton (representing the younger citizens of Parowan), Jim Shurtleff (Historical Preservation Chair), and Councilman Ben Johnson.

Our engineering firm designed the criteria that had to be met and followed, and the committee evaluated all of the proposals based upon a variety of things. The first thing was that it had to be symbolic of the City of Parowan, and that's what they got. They evaluated them individually and the scoring can be seen on the screen. If anyone wants to know anything further, they can check with the Mayor or with Mr. Scott.

The committee was unanimous in recommending Larry Pendleton Building. The Mayor said he is pleased to see this recommendation come to the Council. This will be moved to the next action meeting to make it official. In the interim, the Mayor said they will work on getting a contract together.

**MEMBER REPORTS:**

Councilman Houston reported that today is his 51<sup>st</sup> birthday.

Councilman Adams said everything he needed to discuss has already been talked about.

Councilman Johnson reported that the Power Board met and discussed the options of looking at some local resource investments. He said Mr. Mellor has some really good ideas as far as looking at how to get that infrastructure in place for that.

Councilman Weston reported that everything is going well with the Shade Tree Committee, the Theater Board, and PAAL. Mayor Landes added that the Theater Board is presenting the play "1776". Mr. Jim Shurtleff is going to steal the show.

Councilman Thayer reported the Water Board met last night and is trying to decide what to do with the size of the pump, and whether they want to pump into the irrigation system with it as well as the culinary system. Mr. Kurt Vest asked why the City supplements the irrigation system with culinary water. His feeling is that if a resident wants to supplement their irrigation system, they should use their own culinary water to do it instead of the City pumping into that system.

**PUBLIC COMMENT & DISCUSSION – TWO MINUTE LIMIT EACH:**

Mr. Dave Harmon asked why are we are putting money back into the rest home and are we talking about a remodel or new construction. He also asked what is going on with the Iron County Ambulance service. Mayor Landes explained that all of the Iron County mayors are opposed to the County's position of liquidating assets and selling to Gold Cross. They have expressed this numerous times. They would like to see the Sheriff's department continue to run this. The County has asked if you don't like it, are you willing to pay for it. The mayors said no. Mayor Landes said his position has always been that the County is more concerned with dollar amount than health and safety of the residents. However, we are not in a position to dictate to the Commission. It is up to them. Mr. Harmon said the County is basically saying like it or lump it. The Mayor said they are supposed to make a decision on Monday, February 23<sup>rd</sup>.

Councilman Johnson addressed Mr. Harmon's rest home question. He said the City would not be investing money into the rest home as a City. He said there are monies available to non-state government entities in order to bridge the gap for the required health care and the amount that is coming in. We would take on the ability to have a care center as a City and we would lease the license back to the current operators of the rest home. We would get our full investment back. By doing this, the City would have some leverage in asking the operators to take better care of that facility.

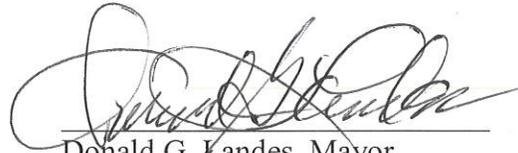
Mr. Jim Shurtleff thanked the City Council for allowing the kids from the High School to come and attend the Council meeting. Everyone he talked to was very supportive and he appreciates that.

Mr. Mike Strong asked if the bypass wasn't included in the original plan because they weren't sure there would be money for it. Mr. Scott said that was correct, it was included in bid as an alternate. Mr. Strong asked how much Sunrise makes on this change order. Mr. Frisby said Sunrise doesn't benefit from this at all. It was designed in the original design. Mr. Strong then asked if Beaver owns their medical facilities. Mr. Wayment said that they do. Mr. Strong asked if he heard Councilman Johnson say that we would make

money, but we wouldn't put money back in to the rest home. Councilman Johnson explained that we would initially invest seed money, and we would charge them the amount of the seed money to lease the license and recuperate the seed money. So it becomes a wash. Mr. Strong stated that we could make money, but we won't lose money. Councilman Johnson stated that this was correct. Attorney Wayment added that there are provisions to protect the City. The most the City would lose is its seed money.

Mr. Randy Jensen said he thinks the reservoir company should pay the \$2800.00 on the Center Creek Change Order. He said it is the reservoir company's problem. Councilman Johnson said all the City is paying for is the \$2800 from where we are running through that. Mr. Frisby said it is cheaper for the City to help move that old pipe out of the way than to realign the new pipe. It would cost more to go around.

**ADJOURN:** Councilman Houston moved to adjourn the meeting. Councilman Steve Thayer seconded the motion, with all Council members voting in favor of the motion. The meeting was adjourned at 7:25 p.m.



Donald G. Landes, Mayor



Callie Bassett, City Recorder