

MINUTES OF THE HURRICANE CITY COUNCIL MEETING HELD ON AUGUST 6,
2015 AT 5 P.M. IN THE COUNCIL CHAMBERS AT 147 N. 870 WEST,
HURRICANE, UTAH

Members present: Mayor John Bramall, Council member and Mayor Pro-tempore (pro-tem) Pam Humphries, Council members Kevin Tervort, Ethelyn Humphries, and Darin Thomas.

Members excused: Council member Darin Larson. Mayor Bramall was excused at 5:40 p.m.

Staff members present: Power Superintendent Dave Imlay, GIS Specialist Joe Rhodes, City Attorney Fay Reber, Assistant City Manager Kaden DeMille, City Manager Clark Fawcett, City Engineer Arthur LeBaron, Planning Director Toni Foran, Fire Chief Tom Kuhlmann.

Mayor Bramall called the meeting to order at 5:07 p.m.

5:00 p.m. Pre-meeting–

Presentation of Downtown Plan proposal and discussion on levels of support – Bob Nicolson – Mr. Nicholson will be present at the next meeting.

Discussion of Agenda Items, Department Reports

Chief Excell reported the officer involved in a recent high speed chase is doing okay even though he was hit while the suspect was going over 70 mph. Due to deployment of the airbags neither the driver nor the officer had to be transported to the hospital. He reported officers will help with the County Fair and the Springdale Music Festival. The chief reported work is continuing on the soft interview room.

Kaden DeMille reported primary elections will be next Tuesday and asked that people be encouraged to get out and vote. He said Greg Woodall has asked to be placed on the next agenda to discuss a possible archeological park.

Dave Imlay clarified the property purchase to be discussed is the property behind Fox Hollow. The Power Department made an offer for a 30' easement but a counter offer was made to have the City purchase the entire piece. The agents representing the seller will be at the meeting tonight.

Mike Vercimak said the parking lot next to the Community Center is ready for pavement and should be done within the next 10 days. Dixie Springs Park is almost complete, other than the landscaping which will be completed in the fall when temperatures are cooler.

Arthur LeBaron explained the road abandonment on the agenda for the portion of Sand Hollow Road that is no longer used since completion of the Southern Parkway. He explained the planned 12.7 miles of chip seal project from SR-9 to 700 West just north of the animal shelter. He read the bid tabulation and recommended the bid be awarded to the low bidder, Western Rock. He said the City would like to replace some of the old pavement on 300 East and the end of 600 North that was not fixed as part of the 600 North project.

Arthur stated the City has been working on a water line project aligned along 1500 South and will be meeting with Ron Lemmon to get a remaining piece of property for a tank location.

Council candidate Kevin Thomas asked about the erosion control on north Main Street just north of the 600 North project.

Mayor, Council and Staff reports

Darin Thomas said Richard Black is going to have to resign from the Beautification Committee.

Kevin Tervort mentioned the property across from 300 East that is left from the 600 North project. He suggested the City use the fence being removed at the Animal Shelter to fence off the remainder parcel so it is not used as storage by area residents.

John Bramall said he has had a lot of meetings regarding the Hurricane Regional Sports Park. The County has \$11,000,000 they have to use for tourism and Mayor Bramall has met with Zach Renstrom to ask them to consider using \$2,000,000 of that money to support the Sports Park. Mayor Bramall said the first two or three phases will be on property already owned by the City or the School District. Pam reminded the Council of the concerns raised by the residents of Sand Hollow Resort. Funding the feasibility will be discussed at another meeting.

Mayor Bramall recommended John Slack replace Boyd Bradshaw on the Water Board.

Darin Thomas reported nothing is planned until August for Beautification.

Mayor Bramall was excused at 5:40 p.m.

Kevin Tervort reported the Fire District will be absorbing the Leeds Fire District. They are operating under an interlocal agreement until the District is re-aligned. The Council discussed the tax implications.

Ethelyn Humphries recommended the council look at Blucan.com, the new website regarding curbside recycling that will go live tonight. She stated she believes mandatory is better for the County and easier on utility staff but they do expect calls.

Ethelyn asked about the open and public meeting annual training.

Mayor pro-tempore Pam Humphries called for a break at 5:50 p.m.

She called the meeting **back to order** at 6 p.m. Joe Rhodes led the Pledge of Allegiance and Lynn Excell offered a prayer.

Presentation of Employee of the Month Award- Dave Imlay presented the June employee of the month to **Scott Hughes**. He and co-worker Don Behunin convinced Dave to allow them to complete the SCADA system for the Power Department. They tore out all wires and have provided an excellent SCADA system with customized screens and the ability for Scott to run the system and troubleshoot it. Scott is now a Journeyman Lineman, Journeyman substation tech, and “journeyman SCADA tech”, even though there is not technically a Journeyman SCADA Tech.

Mike Vercimak read the nomination for **Mason Snow** for employee of the month for July. Mason lives in Pine Valley and could not make the meeting tonight. The nomination

explained Mason has just completed a tough project, 600 North. As the project inspector, Mason was very instrumental in making it a successful project. He was responsible for Public works and Federal aid project documentation and demonstrated a wonderful ability to foresee problems and coordinate crews. Arthur LeBaron commented Mason showed the “wisdom of Solomon and patience of Job on this job.

Consideration and possible approval of awarding a contract for the Hurricane City Chip Seal Project 2015-Arthur LeBaron explained the project which follows Sand Hollow Road, 3000 South, and 1100 West from SR-9 to 700 West. The apparent low bidder was Western Rock at \$394,935. A staff team has reviewed the bids and recommends Western Rock.

Darin Thomas asked what assurance the Council can have this chip seal job will not end up like the disaster on 600 North. Arthur responded the project won't be done in October, it requires the contractor to test the aggregate before it goes down, test the oil, and use a certain number of rollers. The contractors will start work over the next couple of weeks if the weather will stay warm. Arthur proposed using a smaller chip that is a lot more rideable for bicycles and said he will negotiate with the contractor.

Ethelyn Humphries asked if the City holds anything in reserve on these projects, since it took quite a while to see the problem on 600 North. Arthur said the project will have a one year warranty period, stating usually the biggest problem on chip seal is bleeding through which requires the contractor to come back with some sand.

Clark Fawcett said he has seen a lot of good chip seal roads and it did take a little time to understand the 600 North project was not a good job.

Mike Vercimak said the oil to be used on this project will be different from that used on the 600 North project.

Lucy Ormond commented the smaller rock is preferred by every cyclist who rides that road. UDOT has adopted a smaller aggregate for new roads to help cyclists. Arthur agreed it is nicer for the motoring public as well as cyclists and said he would push for the smaller aggregate with the contractor.

Kevin Tervort commented he is surprised at the bid which is more than \$100,000 below the engineer's estimate. Arthur said this is a reliable contractor and expressed faith in the contractor's bid. He stated the engineer's estimate was higher than all the bids.

Darin Thomas motioned to approve awarding the bid to Western Rock for a total price of \$394,935 for the 12.9 mile stretch as outlined, seconded by Ethelyn Humphries. Motion unanimously approved with Ethelyn Humphries, Darin Thomas, and Kevin Tervort all voting aye.

Presentation and update from Dixie Regional Medical Center-Terri Kane, CEO of Dixie Regional Medical Center, thanked the Council for the opportunity to meet with them and thank them for their support. She provided the Council with a summary sheet of statistics and accomplishments which is included in the record of this meeting. She said they to help people as much as they can as a non-profit. There is a major project going on right now in the expansion of the River Road Campus which is bringing clinical services from the 700 East Campus. They will add beds to the hospital and will be moving women

and children's care to a new building on the campus. They are just finishing the design and plan to begin construction summer of next year and completion summer of 2017.

Darin Thomas asked about the Life Flight helicopter. Terri Kane said the average usage is twice a day. The flight crew has its own quarters on the hospital campus. EMT's understand when the helicopter should be used and when they should transport.

Ms. Kane said they plan to expand their employee daycare program at the 700 East campus. They aren't sure what else they will do there but are adding 25-30 new physicians each year so they may use more space in both places. They may move the finance office and provide expanded senior services.

Pam Humphries asked about plans to expand services on the IHC Hurricane property. Terri said they have added some new providers. Ethelyn Humphries asked about extending hours for the Hurricane Instacare to include Sundays. Terri said the hours will be changing in September. Ms. Kane explained with growth at 4% a year the population needs to support local physicians so the physicians to serve in the Instacare won't be coming from St. George.

Darin Thomas said he recently had an MRI and decided not to use IHC facilities because of the higher cost at the IHC facility. Terri Kane said the costs of tests need to be standardized. She explained overhead costs for the facility has a bearing on the cost. She said the goal is to get a good quality service and pay a reasonable price and that people should take control of their own health care.

Public Hearing in consideration of a proposal to vacate a portion of Sand Hollow Road

Ethelyn Humphries motioned to open the public hearing at 6:30 p.m., seconded by Kevin Tervort. Motion passed unanimously. Arthur LeBaron explained the Southern Parkway construction turned a curve into a T-intersection so the proposal is to abandon the property in the curve back to the Washington County Water Conservancy. The law requires a noticed public hearing, the property owners had to be notified, and property had to be abandoned back to the adjoining property owners. The Water Conservancy District has requested it be abandoned.

Kevin Tervort motioned to close the public hearing at 6:32 p.m., seconded by Darin Thomas. Motion unanimously approved.

Consideration and possible approval of an ordinance vacating a portion of Sand Hollow Road-Darin Thomas motioned to approve the ordinance vacating a portion of Sand Hollow Road, seconded by Kevin Tervort. Motion unanimously approved with Darin Thomas, Kevin Tervort, and Ethelyn Humphries all voting aye.

Discussion and possible approval of the UFS Rate Design Study and resolution adopting the recommended power rate changes and related matters. Dave Imlay presented the study. Pam Humphries the Power Board has been working on this for several months. Approval to start the study was granted in January of 2014. Mr. Imlay presented graphs showing the increase in wholesale power costs in 2004. He stated getting power was difficult and new contracts for power were much more expensive. In

2007 a 12% rate increase was imposed to cover the costs but for the three years following there was still a net decrease in income. The Power Department quit putting money into the system improvements like moving lines underground, tightened their belts, and minimized projects, borrowing from the depreciation fund. Higher department income because of growth and moderation in natural gas prices now is helping pay back the depreciation that was used during these deficit years. He explained the substantial amount of money in the Department's reserves is mostly tied to depreciation and bond payments. They are essentially going in a negative direction in net income and the graph shows they are not getting the revenues needed to maintain the system.

Utility Financial Solutions (UFS) offered to do the rate design study for a great price through UAMPS if several UAMPS cities signed up at the same time. They unbundled the rates to be sure each rate class is paying its share. They also look at a reserve fund minimum and recommend a policy to establish a point at which an automatic rate increase is needed to maintain that reserve fund. The Power Board chose to look just at the rate design at this time.

The summary sheet of the rate design was provided. The study shows Hurricane Power is in great shape and needs to increase power rates 1% per year for 5 years. Instead of a 1% increase every year for five years, Power Board recommended a 2.25% increase now and look at it in two years. All rate classes will need to pay their fair share of the system costs. Each rate class changed differently to reflect their fair share of cost so not all rates will increase 2.25%. Smallest increase percentage was in the 3-phase power rate.

Dave explained each rate class and each type of customer will have a different rate change. Residential users who use the least power will pay more and those who use more will see a decrease. Everyone will see an increase to the base rate. The study recommends staying with the three tier pricing for residential. Mr. Imlay said this puts fairness in the rate structure though it does not get the Power Department all the way to the recommendation from UFS. They recommend rates be reviewed regularly so they can be adjusted to maintain a revenue neutral plan.

Darin Thomas asked about the total revenue increase. Dave Imlay said it will be about \$205,000. Without the increase, this year if the Power Department had purchased the truck as planned, it would not be putting any money into reserves and money would only go into depreciation.

Mr. Imlay said American Public Power has suggested revenue stabilization so people can take advantage of cheaper power but the Board opted for rate stabilization rather than revenue stabilization. If the lower power costs result in higher income the rates will stay the same to keep the reserves adequate for times when income drops.

He explained he is asking for approval of the resolution to adopt the rates as recommended by the Power Board to go on the November 1st power bill.

Dave showed the effect of the proposed changes on single phase small commercial customers. He said the small user will get about a \$2 a month increase. He showed how users that use the most power have been subsidizing the users with the least power used and this rate schedule brings it back into fairness. Small commercial has been a subsidized rate in the system.

Ethelyn Humphries asked how charging the person who is trying to conserve more than the person who is using all the power they want is not subsidizing the system. Dave

Imlay explained most of the increased cost in in the base rate, which should be equal for everyone so it represents the cost to connect to the system. Ethelyn said she understands the concept of the base rate being used to support the system but does not see how the higher users should not pay more. Darin Thomas equated the base rate to a sewer rate that is the same regardless of how many people live in a house.

Dave explained those who add solar or conserve are actually shifting the cost of the system itself to other users. Supporting the system should be covered in the base rate rather than in the cost of the kilowatt hours. With this kind of structure people can do what they want on the customer side of the meter to conserve, whether it is solar or other energy efficiencies and it won't shift the burden to other customers.

Darin Thomas asked what effect the recent regulations for coal power plants might have on the costs to the city's power system and asked Dave about the portfolio for power supply. He explained the average load is 19 megawatts. Two megawatts from coal plants is required and a lot of the power from the power pool from wind, solar, coal, and natural gas. He said the power system is heavily dependent on natural gas and that is where there is the most vulnerability. The City does schedule power out of the Nebo natural gas plant regularly and it runs 24/7 during hot summer months.

Kevin Tervort motioned to approve the **UFS Rate Design Study and resolution adopting the recommended power rate changes and related matters** and a resolution adopting the recommended power rate changes to go on the November bill. Motion seconded by Darin Thomas. Motion unanimously approved with Darin Thomas, Kevin Tervort, and Ethelyn Humphries all voting aye.

Darin Thomas motioned to move the closed meeting after the approval of the poll workers, seconded by Ethelyn Humphries. Motion unanimously approved with Darin Thomas, Kevin Tervort, and Ethelyn Humphries all voting aye.

Consideration and approval of 2015 Election Poll Workers-Kaden DeMille explained he is required to have the poll workers approved by the Council. He provided them with the list of workers for the primary election. Another list will be provided before the November election. Ginger Hall was asked if Brenda Hall is related to her. Ginger explained Brenda is the wife of her first cousin. Kaden confirmed being a cousin of a candidate does not eliminate a poll worker.

Ethelyn Humphries motioned to approve the poll workers presented, seconded by Kevin Tervort. Motion unanimously approved with Darin Thomas, Kevin Tervort, and Ethelyn Humphries all voting aye.

Possible closed meeting to discuss approval of a property purchase-Kevin Tervort motioned to close the meeting to discuss purchase of property where the public discussion of the price might affect the public good, seconded by Ethelyn Humphries. Motion unanimously approved with Darin Thomas, Kevin Tervort, and Ethelyn Humphries all voting aye.

Meeting was closed at 7:10 p.m.

At 8:05 p.m. the meeting was reopened. Darin Thomas motioned to accept the offered price for the property purchase, seconded by Kevin Tervort. Motion unanimously approved with Darin Thomas, Kevin Tervort, and Ethelyn Humphries all voting aye. Meeting adjourned at 8:10 p.m.