



153 North 100 East
Lehi, UT 84043
(801) 768-7100

Minutes of the **Regular Session** of the **City Council** held Tuesday, **November 17, 2015**, at 7:00 p.m. at the Lehi City Administration Building, 153 North 100 East, Lehi, Utah.

Members Present: Bert Wilson, Mayor
Chris Condie, Council Member
Mark Johnson, Council Member
Mike Southwick, Council Member
Johnny Revill, Council Member

Excused: Paul Hancock, Council Member

Others Present: Jason Walker, City Administrator; Robert Ranc, Assistant City Administrator; Kim Struthers, Planning Director; Lorin Powell, City Engineer; Dave Sanderson, Finance Director; Carolyn Hoffman, Treasurer; Beau Thomas, Management Analyst; Marilyn Banasky, City Recorder and approximately 8 citizens.

1. Welcome, Roll Call, Pledge of Allegiance

Mayor Wilson welcomed everyone and noted that all Council members were present except Councilor Hancock.

Mayor Wilson stated that he had a citizen request to address the Council tonight.

Gary Lewis stated that he came to make the Mayor and Council aware of a problem on 300 North at the High School. There is a temporary parking lot that is a mud bath and his road has turned into a dirt road because of it. He explained that when it dries out, it is a dust bowl and it gets into their homes. His neighbor's wife has severe cancer and is on oxygen and that dust is not helping her. He understands that it is not the City's problem and that the School District has created it. He has talked to them and they haven't told him when it will be resolved. He is wondering if there are City codes or regulations to force them to do something to that parking lot. He would like some kind of help. Mayor Wilson stated that they will look into this. Councilor Johnson validated Mr. Lewis' comments and stated there is no road base or gravel on the temporary parking lot.

2. Consideration of Resolution #2015-83 certifying the official canvassers' report of the November 3, 2015 General Municipal Election for Lehi City, Utah.

The results from the November 3, 2015, General Municipal Election are as follows:
Paige Albrecht, Mike Southwick, and Johnny Revill received the highest number of votes and are hereby declared duly elected for the office of City Council, for a term of four years. Proposition #3 (RAP Tax) failed to pass.

Motion: Councilor Condie moved to approve Resolution #2015-83 certifying the official canvassers' report of the November 3, 2015 General Municipal Election for Lehi City, Utah. Councilor Southwick seconded the motion.

Roll Call Vote: Councilor Revill, Yes; Councilor Southwick, Yes; Councilor Johnson, Yes; and Councilor Condie, Yes. The motion passed unanimously.

3. Consideration of Ordinance #55-2015 approving the Holbrook Farms Area Plan, approximately 686 acres of property located at 2100 North 3600 West in a proposed Planned Community Zone.

Brad Mackey from Ivory Homes was present. Councilor Condie inquired about the request for one guest parking space for every four dwelling units and wondered where the rest of the parking will take place. Mr. Mackey replied that each one bedroom unit has a one car garage and each two bedroom unit will have 1 ½ stalls. The ratio for guest parking is one space for every four units. Kim Struthers reported that Lehi's standard is one guest space for every three units and that Ivory Homes is asking for a reduction in the overall parking requirement. Councilor Condie inquired if the City is getting anything in return for the exception. Mr. Mackey replied that the City is getting 10% more open space. Councilor Condie inquired why modular homes are permitted in the flex zone. Mr. Mackey replied that technically, modular homes are permitted in every zone for residential and the flex zone could be residential or commercial. Kim Struthers explained that they can't discriminate on the type of housing and that this mirrors Lehi's code. Councilor Condie discussed liquefaction in the geotec report. Mr. Mackey stated that the area is so large that when they get closer to the Jordan River it can change. He explained that they did borings down to 30 feet deep and determined that liquefaction is not a potential problem. Councilor Condie inquired as to where the water resources are coming from for pressurized irrigation and culinary water. Lorin Powell reported that there are three zones there. The bottom zone is below Redwood Road and the canal is where the zone line is which already has a water tank. He stated that above that are two more zones with one tank above to serve the lower two zones. He explained that adjacent to the tanks will be a reservoir to serve the pressurized irrigation system.

Councilor Southwick wondered if the text should be changed to say subsurface drains are required instead of recommended. Mr. Mackey replied that each plat is the best way to control where to place the drains as the geotec report is clear on what soil type is in each area. He stated that the subsurface drains will only be in the areas that have the soil materials that will require that, or where they were hoping not to build the drainage system for the homes as the storm drain will be deep enough to carry the water instead of putting in foundation drains.

Councilor Revill stated that there are three parcels of property in the development that are not a part of it. He wondered if that is because they didn't want to be a part of it. Mr. Mackey replied that those three areas are owned by other parties. Councilor Revill discussed fences for the development. Mr. Mackey stated that the map needs to be updated. Councilor Revill inquired if the three parcels that aren't part of the development will be fenced around. Mr. Mackey stated they will be for now unless they get letters from the adjacent property owners stating they don't want the fences due to their potential development.

Councilor Johnson discussed the exclusion of vinyl and wondered if Ivory Homes wanted to include it as trim. Mr. Mackey stated that they want to allow vinyl as a trim option. He stated that the Planning Commission was concerned that the homes would be mostly vinyl

siding and he wasn't thinking that vinyl trim is what they were talking about. It was discussed that there were two definitions regarding the vinyl in L00 and L12. Mr. Mackey stated that he would like the definition in L00.

Councilor Condie inquired if Ivory Homes installs landscaping when they build a home. Mr. Mackay replied that it depends on how they put together the sales package. He explained that they could install all the landscaping, some, or none. They provide 2,000 square feet of sod and the landscaping is required to be finished within nine months of closing as per the C & R's.

Motion: Councilor Johnson moved to approve Ordinance #55-2015 approving the Holbrook Farms Area Plan, approximately 686 acres of property located at 2100 North 3600 West in a proposed Planned Community Zone; and that they received the letter summarizing the Planning Commission discussion items 1-10 created from discussion on 11-4-2015. He wants to make changes to Items 3 and 8 in that letter. Item #3 will be amended to have a traffic analysis on a case by case basis as determined by the City Planning staff and Engineering Departments. Item #8 will be amended to allow vinyl to be used as accent materials and can be used at the discretion of the builder for accent materials.

Councilor Condie inquired if they needed to amend #6 to state that the upfront utility costs could be either be through impact fee certificates or other named methods in the fiscal analysis.

Amended Motion: Councilor Johnson amended his motion to amend Item #6 that upfront utility costs are not limited to just impact fee certificates but to also allow reimbursements as allowed by the Planning and Engineering staff. Councilor Condie seconded the motion.

Roll Call Vote: Councilor Southwick, Yes; Councilor Johnson, Yes; Councilor Condie, Yes; and Councilor Revill, Yes. The motion passed unanimously.

Steve Holbrook thanked the Mayor, City Council, and staff on behalf of the Holbrook family for their time and consideration on this item.

Mayor Wilson stated that there were some Administrative items to be discussed.

TSSD Discussion

Dave Sanderson stated that he has been working on a project for 1 1/2 years regarding the TSSD \$3.00 fee increase. He stated that this Thursday night TSSD will have a public hearing on their budget and he will be there and hand out a financial analysis that he completed. Last March the City received a letter increasing TSSD fees by \$3 per month. At that time TSSD had \$54 million of unrestricted cash and he wondered why they needed an increase in rates. He got a hold of the user rate study and discovered a 30% flaw in the study as the budgeted expenses are 30% of actual expenses. He doesn't believe the fee increase needs to happen. He was told by TSSD that the debt ratio was the problem, but he found that wasn't true. He met with TSSD staff and suggested recommendations to them, of which they implemented two of the five. One recommendation they took was to decrease the bonds and the other recommendation was to

develop a cash reserve policy. The cash reserve policy is to allow no more than \$38 million in unrestricted reserves. He met with TSSD and told them what he had found out and was told that they would do something in the next year's budget, but they wanted to resolve some outstanding litigation.

Mr. Sanderson reported that he has listened to every TSSD Board meeting and submitted GRAMA requests. He stated that the GRAMA process with TSSD has been excruciating as it is difficult to get any information from them. He explained that he gets the information on the 10th day, as allowed by law, and that he has to drive to TSSD to pick it up as well as pay the fees. He attended their budget workshop meeting in order to get the information he needed and has prepared a report recommending that rates be reduced 25 to 40%. He stated that Lehi paid \$5.5 million in user fees and he feels he has a fiduciary responsibility to Lehi City. Mr. Sanderson distributed a copy of the report to the Mayor and Council. Mayor Wilson inquired why it is so hard to get the information. Mr. Sanderson replied that he has talked to the Utah County Commissioner about it, but nothing has changed. He stated that TSSD is also charging Lehi City \$4 million for depreciation. He stated that TSSD finished 2014 with \$48 million of unrestricted funds which is \$10 million over their policy.

Councilor Johnson suggested that Mr. Sanderson give a copy of the report to the TSSD Board Members ahead of time. Mr. Sanderson stated that he will send it to Jon Adams for distribution to the board. Councilor Johnson stated that it would be a good idea for anyone interested to show up at the TSSD public hearing on Thursday as he believes there is another side of this issue. He stated that TSSD doesn't want to offend anyone in the district, whether large or small.

Councilor Johnson stated that TSSD rates went up due to costs going up on facilities they were going to build and Impact Fees also went up. He stated that the final bill was \$25 million less than anticipated and they immediately ordered another study and reduced impact fees and began discussing reducing user rates. He explained that it was difficult to reduce rates when they have two lawsuits that may impact rates. He stated that he wants to look at the data and ensure that they all work together. Mr. Sanderson stated that a fair reduction would be between 25-40%.

A discussion was held regarding the TSSD Board's philosophy on unrestricted cash and whether to keep the rates the same or reduce them. Councilor Condie stated that he wants to look at this, but when this was discussed in a Closed Executive Session, the City Council was in favor of keeping the rates the same. He stated that the discussion was if TSSD reduces rates now and then they have to build another plant in 10-15 years, would keeping rates the same or reducing them cause the least amount of impact of residents. Mayor Wilson feels that people understand rates can fluctuate. Councilor Johnson stated that the concern is that TSSD overcharged by 25-40%. He suggested that before they all latch onto that number, let's make sure they have all the data from both sides. Mr. Sanderson suggested that TSSD hire an independent third party to look at this as he doesn't think TSSD has the financial resources to analyze this. Councilor Johnson stated that they have done that before.

Fox Hollow Golf Course

Councilor Revill stated that next year Lehi takes over the chair at the Fox Hollow Golf Course. He inquired who the current board members are. Dave Sanderson replied that they are Paul Smith, who has moved, Max Powell, and himself. He stated that Ryan Wood will take over as

legal counsel and Teisha Wilson will take the minutes. Councilor Revill stated that he has a recommendation for a new board member.

Sewer Hook-up

Councilor Condie reported that he has been working with residents who bought property off of Pioneer Crossing that is in Utah County. He stated that they want to hook up to Lehi’s sewer system as it runs in front of their properties without being annexed into Lehi. The property owners have tried to get the property owners to agree to annex into Lehi, but there are two who don’t want to. The property owner wants to build a home but has to put in a septic tank which will cost between \$30,000 to \$40,000. He wondered if they were connected to Lehi’s sewer system how that is different if they are annexed or not. Lorin Powell replied that it is a policy that was made probably 50 years ago that a dwelling must be in Lehi City in order to connect to Lehi City’s utilities. He stated that the City could connect them, but then they are serving a residence without receiving any tax base and that takes away any incentive to annex into the City. He thinks that is a real problem to change the policy and allow it. Councilor Revill feels that it would set a precedent if they were allowed to hook into the sewer and not be in the City.

4. Adjournment

With no further business to come before the City Council at this time, Councilor Revill moved to adjourn the meeting. Councilor Johnson seconded the motion. The motion passed unanimously. The meeting adjourned at approximately 8:38 p.m.

Approved: December 8, 2015

Attest:

Bert Wilson, Mayor

Marilyn Banasky, City Recorder