



PROVO MUNICIPAL COUNCIL

Work Meeting

9:00 AM, Tuesday, October 31, 2017

Room 310, City Conference Room

351 West Center Street, Provo, UT 84601

Agenda ([0:00:00](#))

Roll Call

The following elected officials were present:

Council Chair David Sewell, conducting
Council Vice-Chair David Knecht
Council member Kim Santiago
Council member David Harding

Council member Gary Winterton
Council member Kay Van Buren, excused 10:15 AM
Council member George Stewart
Mayor John Curtis, excused 11:00 AM

Prayer

The prayer was given by Dixon Holmes, Economic Development Director.

Approval of Minutes

July 18, 2017 Work Meeting

October 3, 2017 Work Meeting

Approved by unanimous consent.

Ray Beckham, who was instrumental in building the Rec Center, Provo Foundation, and many contributions to the City, recently passed away. The Council's thoughts and prayers are with his wife Janette and family.

Closed Meeting

1. The Municipal Council or the Governing Board of the Redevelopment Agency will consider a motion to close the meeting for the purposes of holding a strategy session to discuss pending or reasonably imminent litigation, and/or to discuss the purchase, sale, exchange, or lease of real property, and/or the character, professional competence, or physical or mental health of an individual in conformance with § 52-4-204 and 52-4-205 et. seq., Utah Code.

Motion: David Harding moved to close the meeting. Seconded by Kim Santiago.

Roll call vote: Approved 7:0.

Business

2. A discussion on the process for appointing an interim mayor (17-132) ([0:00:04](#))

Brian Jones, Council Attorney, presented. State statute specifies what to do if a midterm vacancy occurs with a mayor, however, there is no statutory process in place at this time for what occurs if an election has already taken place. Utah Code 20A-1-510 states that any time there is a midterm vacancy, the Council has the opportunity to fill that vacancy, with 14 days public notice. Mr. Jones clarified that the intent of this discussion was not to begin the process, as the election has not occurred yet, but rather to outline the

statutory process so that the Council would be aware of the procedure in advance of any need to utilize this process. The State election Board of Canvassers meets on November 27, 2017 to certify the results of the election. Mayor John Curtis indicated that should this type of transition be necessary, he would hope it would proceed in a manner that residents would expect for the nature of the office of mayor.

Cliff Strachan, Council Executive Director, shared a suggested timeline. Should Mayor John Curtis resign on or before November 21, 2017 [given the authorization to move forward with a public notice either at that point or when it becomes clear that a resignation to become imminent], staff could notice a meeting of December 5, 2017, and request that any applicants interested in filling the mayoral vacancy make a submission to the City Recorder by 5 PM on Monday, December 4, 2017. The proposed intent statement uses language such as “it is anticipated,” with the understanding that much of the course of action is dependent on forthcoming circumstances.

Motion: George Stewart moved to adopt the timeline proposed by Mr. Strachan as the Council’s intent, with the Council Chair as the Acting Mayor until a new mayor is appointed. Seconded by David Harding.

Council members and staff discussed the content of the intent statement and how it characterizes the Council’s intended course of action with respect to the State and City laws. Council member Kim Santiago had concerns with the statement as written and made suggestions to what to change. Mr. Strachan and Mr. Jones explained that the Council does not want an appointment to be challenged for having circumvented the State’s process through a procedural deficiency, and he mentioned criteria outlined by statute. Mayor Curtis expressed his support and gratitude for how the Council was managing the uncertainties of this situation

Substitute motion: David Harding made a substitute motion to change the intent statement from “will give fair consideration to all” to “will follow state and city law.” Mr. Harding rescinded the substitute motion.

Amended motion: George Stewart amended his original motion and moved to change the intent statement from “will give fair consideration to all” to “will follow state and city law.” Seconded by David Harding.

Mr. Jones reiterated that this intent statement was not binding, but simply expressed to the public how the Council foresees the process. Wayne Parker, CAO, shared some concerns and Mr. Jones noted that many of those considerations are addressed by state statute or could be managed through this intended process.

Roll call vote: Approved 6:0, with Council member Kay Van Buren excused.

3. A presentation on Wastewater planning (17-131) ([0:35:06](#))

Dave Decker, Public Works Director, presented. Mr. Decker outlined several wastewater concerns regarding changes to nutrient treatment requirements. Public Works has a short timeline in which they can submit a variance request by the end of the year, but it would require the Council to act on November 14, 2017; because a sound understanding of the resolution is essential before November 14, Mr. Decker planned to address the financial implications of the possible directions of nutrient treatment solutions.

Mr. Decker outlined the timeline of nutrient treatment requirements, specifically regulations regarding phosphorous. The variance would allow the City to move the compliance date from 2020 to 2025, though if a variance were granted, the State would require a more advanced process for treatment/more than a chemical treatment. Mr. Decker answered questions from Council members:

- On average, the treatment plant treats 14-15 million gallons daily. Of that, likely only 5% or less is used for irrigation at the golf course.
- It is expected that the State will make additional changes for 2030 requirements, but this is an unknown variable—there has been no clear or official indication from the State.

Mr. Decker outlined on a map some of the current infrastructure and related issues. There are significant infiltration and inflow (I&I) issues—the pipe system takes on water through leakage and otherwise, which decreases its ability to effectively treat wastewater and remove nutrients. Tracking down I&I is a complex and difficult process; age of pipes is a key factor, but high ground water and weather conditions increase the complexity for identifying these issues in the collection systems. Mr. Decker shared a slide with the five-year CIP (capital improvement projects) schedule, but noted it would be more pertinent to the later discussion.

Mr. Decker outlined other wastewater considerations for the west side of Provo. In order to facilitate future development in the area, bottlenecks and capacity needs of the existing system must be addressed. The planned 36” parallel line will bring the west side to the 4 unit per acre capacity, but it is critical to have a plan moving forward so that policy and development can be crafted and promoted accordingly. The intent is to move to a master lift station and to eliminate many of the smaller lift stations, which are highly inefficient. Mr. Decker outlined the proposed plan and the benefits of a gravity system running all the way to Utah Lake State Park. Mr. Decker outlined financial details for a new master lift station, plus the northwest area lift station near the new Provo High School. Mr. Decker also noted that the recently constructed water tanks were part of the water system master plan to address storage needs and fire flow.

Mr. Decker noted some of the concerns and related issues:

- Potential financial overburden of rater payers
- Provo Bay may see higher regulations from the State than Utah Lake in the future. Provo and partner organizations have initiated studies on Utah Lake, but data will not be available for several years.
- California, Arizona, and the Midwest have experienced aggressive change to water regulations; Mr. Decker believed these regulations will come to Utah and it was simply a matter of time.
- The Timpanogos Special Improvement District has taken steps to address the first set of regulations by modifying their existing treatment plant (which is a much newer facility than Provo).

Regarding the Provo wastewater treatment plant, Mr. Decker shared several options and financial considerations. Three options were developed with the master plan consultants, while the fourth was developed by staff, due to concerns about the age of and costs to maintain the existing facility:

1. Upgrade current/existing treatment plant and to meet 2020 requirements or 2025 variance
2. Phased approach to keep facility through 2030, possibly build small west side treatment plant
 - a. Three varied \$ bonds take off in different years to: build new facility; keep old facility running; expansion on west side. Maximum bond payment would be \$6.5 million/year.
3. Construction of a new full capacity facility by 2025
 - a. Assumptions: bond payment is about \$11 million annually for 30 years. Right now, revenue for wastewater is about \$11 million. Over 30 years, the City would pay \$110 million in interest [based on financial & interest rate assumptions] on a \$220 million bond.
4. Phased construction of new facility while putting existing facility on life support, so to speak, to meet phosphorous requirements by 2025.
 - a. This option was developed by staff with the hope to find a solution that would give the City a pay-as-you-go alternative to bonding. This approach would still require steep rate increases and will decrease fund balance, but would avoid steep interest payments. After completion, there is a sharp increase in the fund balance, because once operational, the City has the ability to generate revenues without having to pay back interest.

- b. This is prepared assuming a state-of-the-art facility [a membrane bio-reactor plant] which could handle pharmaceuticals as well as any kinds of nutrient regulations, as well as drinking water reuse. The State looks at total effluent between the two treatment plants and the City can meet the regulations by averaging the effluent from the two plants.

These options carry the following financial assumptions:

- Forecasted through Fiscal Year 2049
- All options assume \$200,000 annual operating cost increase
- Assumed \$3 million per year in collection system for related CIP projects (for new pipes and rehabilitation I&I of current pipes) and it is a cap on new and rehab pipes.
- Rate increases consistent with the five-year plan; all four options consider a rate increase.
- All options that include bonding assume a 30-year bond with 2.8% interest rate.
 - John Borget, Administrative Services Director, answered a question from Council member George Stewart, noting that there are issuance costs associated with any bond and that the shortest term of a bond would generally be about 10 years. One possibility is to do one bond early on and perhaps combine a couple of the outlined options/approaches.
- Comparisons calculated with current dollars; there will likely be additional future impacts from cost of construction increases and inflation.
- Rate increase projections [comparison of the average resident's monthly bill in each scenario] factored in project costs, interest costs, and have been calculated to keep the fund balance above zero.

Council members asked questions about the options and rate increase projections. Wayne Parker, CAO, noted other options staff have explored as part of the discussion about development capacity on the west side, including an engineered wetland which Mr. Decker explained could alleviate concerns should the State follow industry standards in Europe or other locations, where there are stormwater nutrient regulations. The proposals do not include an option to keep the old treatment plant operational in perpetuity. Mr. Decker mentioned another option, to implement a chemical treatment at the existing plant, but he noted the estimated overhead capital costs for \$20-30 million for chemicals. This is the capital expense for the chemicals alone, and does not factor in operational costs/budget [as a new treatment procedure would require changes to the current operations], and it would also not position the Public Works department to meet additional changes to nutrient regulations in 2030. Mr. Decker acknowledged the constraints on the existing system and the modifications which would be needed to move forward. He wanted to make sure the Council understands the various paths forward if the resolution is passed on November 14. While there are still unanswered questions with building a new treatment plant on the west side, staff have generally favored the options that include a component of looking to the future and what requirements the City may need to comply with at a later date.

Mr. Parker noted that the value of reusable water in 25 years will be dramatically different than it is as the present; this market factor is something they are keeping in consideration while approaching a solution. Mr. Decker reiterated that all of the proposed options would require the variance letter. Gary Calder, Water Division Director, said most treatment plants in the Wasatch front are in the midst of similar discussions; Salt Lake City is bonding for \$300 million to meet the State's requirements. Council members suggested sharing information with the public via Open city Hall, and a possible review by the Budget Committee.

4. A discussion on adopting the Provo Parking Strategic Management Plan as a guide for decision making and policy formation (17-126) *Continued to the November 14, 2017 Work Meeting.*

Adjournment

Adjourned by unanimous consent.