



CITY COUNCIL AGENDA

Wednesday, May 08, 2019

NOTICE IS HEREBY GIVEN that the Herriman City Council shall assemble for a meeting in the City Council Chambers, located at
5355 WEST HERRIMAN MAIN STREET, HERRIMAN, UTAH

5:00 PM - WORK MEETING: (Fort Herriman Conference Room)

1. City Council Social

The City Council will meet for informal discussion and dinner. No action will be taken on any items.

2. Council Business – 5:15 PM

- 2.1 Review of this Evening's Agenda
- 2.2 Future Agenda Items

3. Administrative Reports

- 3.1. Discussion pertaining to the Herriman City 2019-2020 Fiscal Year Budget - Alan Rae, Finance Director
- 3.2. Discussion pertaining to the General Plan Update - Michael Maloy, City Planner
[SR_General Plan Status Update.pdf](#)
- 3.3. Herriman Crossroads Development Agreement Update - Michael Maloy, City Planner
[SR_Herriman Crossroads.pdf](#)
- 3.4. Discussion of a proposed rezone of 7.5 acres located at or near 5200 West Herriman Blvd from A-1 (Agricultural to C-2 (Commercial) (File No. Z2019-018) - Michael Maloy, City Planner
[SR_Rezone_5200 West Herriman Blvd.pdf](#)

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- 3.5. Discussion of a text change to definition of Retail Tobacco Specialty Business to include Electronic Cigarettes and e-cigarettes (File No. Z2019-025) - Michael Maloy, City Planner
[SR_RetailTobaccoSpecialtyBusinessDefinition.pdf](#)
- 3.6. Trails Update - Wendy Thomas, Director of Parks, Recreation and Events
[SR_TrailUpdate.pdf](#)
- 3.7. Review of the Draft Park Ordinance - Wendy Thomas, Director of Parks, Recreation and Events
[SR_ParkOrdinanceUpdate.pdf](#)
- 3.8. City Manager Updates - Brett Wood, City Manager

4. Adjournment

7:00 PM - GENERAL MEETING:

5. Call to Order

- 5.1 Invocation/Thought/Reading and Pledge of Allegiance
- 5.2 City Council Comments and Recognitions

6. Public Comment

Audience members may bring any item to the City Council's attention. Comments will be limited to two minutes. State Law prohibits the Council from acting on items that do not appear on the agenda.

7. City Council Board and Committee Reports

8. Reports, Presentations and Appointments

- 8.1. Presentation of 2019 Outstanding Facility Award - Utah Recreation and Parks Association (URPA) - LeeAnn Powell, URPA Executive Director
[SR_Outstanding Facility Award.pdf](#)
- 8.2. Approval of a Resolution appointing members to the Planning Commission - Michael Maloy, City Planner
[SR_PlanningCommissionAppointments.pdf](#)
- 8.3. Unified Fire Authority Quarterly Report - Riley Pilgrim, UFA Chief
[SR_UFA QuarterlyReport.pdf](#)
- 8.4. Herriman Police Department Quarterly Report and Victims Advocate Services Review - Troy Carr, Police Chief
[SR_HPD Quarterly Report.pdf](#)

9. Public Hearing

- 9.1. Public Hearing on a proposal to vacate a portion of right-of-way on Main Street located at or near 4900 West 12600 South - Blake Thomas, City

Engineer

[SR_Right-of-WayVacation.pdf](#)

- 9.2. (Continued from April 10, 2019 City Council Meeting) Public Hearing relating to the Proposed Storm Water Utility Fee - Blake Thomas, City Engineer**

[SR_StormWater.pdf](#)

- 9.3. Public Hearing and Discussion of an ordinance amending and restating the Water Fee and Rate Structure - Justun Edwards, Public Works Director**

[SR_WaterRatePresentation.pdf](#)

10. Consent Agenda

- 10.1. Approval of the April 10, 2019 City Council Meeting Minutes**

[2019_04_10 RCCM Minutes.pdf](#)

- 10.2. Approval of the Monthly Financial Summary**

[SR_MonthlyFinancialSummary.pdf](#)

11. Discussion and Action Items

- 11.1. Discussion and Consideration of a Resolution to approve the Tentative Fiscal Year 2019-2020 Herriman City Budget and the amended Fiscal Year 2018-2019 Herriman City Budget, and request to schedule a Public Hearing on May 22, 2019 for formal adoption on June 12, 2019 - Alan Rae, Finance Director**

[SR_Tentative Budget.pdf](#)

- 11.2. Discussion and consideration of an ordinance regulating, preventing, and banning the discharge of fireworks within certain areas of the City - Riley Pilgrim, Fire Chief**

[SR_Fireworks.pdf](#)

12. Future Meetings

- 12.1. May 16 - Planning Commission Meeting 7:00 p.m.**

- 12.2. May 22 - City Council Work Meeting 5:00 p.m.; City Council Meeting 7:00 p.m.**

13. Events

- 13.1. May 11 - Pedal Palooza; Butterfield Park 9:00 a.m.**

- 13.2. May 13 - Community Fishing Classes; The Cove 6:00 p.m.**

14. Closed Session

The Herriman City Council may temporarily recess the City Council meeting to convene in a closed session to discuss pending or reasonable imminent litigation, and the purchase, exchange, or lease of real property, as provided by Utah Code Annotated §52-4-205

15. Adjournment

16. Recommence to Work Meeting (If Needed)

In accordance with the Americans with Disabilities Act, Herriman City will make reasonable accommodation for participation in the meeting. Request assistance by contacting Herriman City at (801) 446-5323 and provide at least 48 hours advance notice of the meeting.

ELECTRONIC PARTICIPATION: Members of the City Council may participate electronically via telephone, Skype, or other electronic means during this meeting.

PUBLIC COMMENT POLICY AND PROCEDURE: The purpose of public comment is to allow citizens to address items on the agenda. Citizens requesting to address the Council will be asked to complete a written comment form and present it to Jackie Nostrom, City Recorder. In general, the chair will allow an individual two minutes to address the Council. A spokesperson, recognized as representing a group in attendance, may be allowed up to five minutes. At the conclusion of the citizen comment time, the chair may direct staff to assist the citizen on the issue presented; direct the citizen to the proper administrative department(s); or take no action. This policy also applies to all public hearings. Citizens may also submit written requests (outlining their issue) for an item to be considered at a future council meeting. The chair may place the item on the agenda under citizen comments; direct staff to assist the citizen; direct the citizen to the proper administrative departments; or take no action.

I, Jackie Nostrom, certify the foregoing agenda was emailed to at least one newspaper of general circulation within the geographic jurisdiction of the public body, at the principal office of the public body, on the Utah State Public Notice website www.utah.gov/pmn/index.html and on Herriman City's website at www.herriman.org. Posted and dated this 2nd day of May, 2019. /s/ Jackie Nostrom, City Recorder

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Herriman City



Staff Memo

DATE: May 1, 2019

TO: Mayor Watts and City Council

FROM: Michael Maloy, AICP, Planning Director

MEETING: City Council Work Meeting May 8, 2019

REQUEST: General Plan Update Report

Summary:

City staff has invited members of our General Plan consulting team to present a project update to the City Council on the development of a new general plan for the City.

Discussion:

The City's consultant has been engaged in studying existing conditions within the City as well as precedent planning and development documents. The consultant has also met with City staff to discuss public outreach strategies and identify which community events would be appropriate venues for gathering public participation and comment. The consultant will update the City Council on the status of this project during the May 8, 2019, work meeting.

Recommendation:

No formal action by the City Council is required at this time, however the Council may provide additional direction to the project consultant on the development of a new Herriman City General Plan.



Staff Report

DATE: May 1, 2019

TO: Mayor Watts and City Council

FROM: Michael Maloy, AICP, Planning Director

MEETING: City Council Work Meeting May 8, 2019

REQUEST: Discussion of Draft Herriman Cross Roads Development Agreement

Applicants: Ken Olson and Gary McDougal (property owners)
Address: 16750 S Camp Williams Road (approximate)
Acres: 125 (approximate)
Zone: C-2 Commercial, R-M Multi-Family Residential, & MU-2 Mixed Use

Summary:

The applicants, Ken Olson and Gary McDougal, have drafted a development agreement with the City for approximately 125 acres of property located at or near 16750 S Camp Williams Road (Redwood Road). Although the applicants previously submitted a land use application for 266 units of apartments and townhomes for a portion of this property, the attached development agreement proposes an alternate plan that would outline the type of dwellings to be constructed and a timeline for each phase of the development.

Zoning:

The site currently has three different zoning districts. There are approximately 17 acres zoned C-2 Commercial, 36 acres zoned R-M Multi-Family Residential, and 60 acres are MU-2 Mixed Use.

General Plan:

The current General Plan designates the property as Commercial and Industrial.

Discussion:

Staff will discuss the status of the attached draft development agreement, which has not been reviewed by the City Attorney yet, with the City Council during a work meeting on May 8, 2019.

Recommendation:

The City Council is not required to take formal action at this time. However, the Council may direct staff to research and prepare further amendments to the draft development agreement, which will be considered in a future public meeting (date to be determined).

Attachment:

- A. Draft Master Development Agreement

Attachment A
Draft Development Agreement

**MASTER DEVELOPMENT AGREEMENT
FOR
HERRIMAN CROSSROADS PROJECT**

February ____ 2019

WHEN RECORDED, RETURN TO:

**MASTER DEVELOPMENT AGREEMENT
FOR
HERRIMAN CROSSROADS PROJECT**

THIS MASTER DEVELOPMENT AGREEMENT (MDA) is made and entered into as of the _____ day of _____ 2019, by and between Herriman City, a Utah municipality and the undersigned persons/entities, which are collectively referred to herein as “Master Developer.”

RECITALS

A. The capitalized terms used in this MDA and in these Recitals are defined in Section 1.2, below.

B. Master Developer owns the Property.

C. Master Developer and the City desire that the Property is developed in a unified and consistent fashion in accordance with the provisions of this MDA.

D. The parties acknowledge that development of the Property pursuant to this MDA will result in significant planning and economic benefits to the City and its residents by, among other things, requiring orderly development of the Property as a master planned community and increasing property tax and other revenues to the City based on improvements to be constructed on the Property.

E. The parties desire to enter into this MDA to specify the rights and responsibilities of the Master Developer to develop the Property as expressed in this MDA and the rights and

responsibilities of the City to allow and regulate such development pursuant to the requirements of this MDA.

F. The parties understand and intend that this MDA is a “development agreement” within the meaning of, and entered into pursuant to the terms of Utah Code Ann. §10-9a-101 et seq.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City and Master Developer hereby agree to the following:

TERMS

1. Incorporation of Recitals and Exhibits/ Definitions.

1.1. **Incorporation.** The foregoing Recitals and Exhibits “A” through “G” are hereby incorporated into this MDA.

1.2. **Definitions.** As used in this MDA, the words and phrases specified below shall have the following meanings:

1.2.1. **Act** means the Land Use, Development, and Management Act, Utah Code Ann. § 10-9a-101, et seq.

1.2.2. **Administrator** means the person designated by the City as the Administrator of this MDA.

1.2.3. **Applicant** means a person or entity submitting a Development Application.

1.2.4. **Buildout** means completion of all development within the entire Project in accordance with the approved plans.

1.2.5. **City** means Herriman City, a Utah municipality.

1.2.6. **City Consultants** means those outside consultants employed by the City in various specialized disciplines, such as traffic, hydrology or drainage for reviewing certain aspects of the development of the Project.

1.2.7. **City's Future Laws** means the ordinances, policies, standards, and procedures which may be in effect as of a particular time in the future when a Development Application is submitted for a part of the Project and which may or may not be applicable to the Development Application depending upon the provisions of this MDA.

1.2.8. **City's Vested Laws** means the ordinances, policies, standards, and procedures of the City in effect as of the date of this MDA, a digital copy of which is attached as Exhibit "C."

1.2.9. **Council** means the elected City Council of the City.

1.2.10. **Default** means a material breach of this MDA as specified herein.

1.2.11. **Denied** means a formal denial issued by the final decision-making body of the City for a particular type of Development Application but does not include review comments or "redlines" by City staff.

1.2.12. **Development** means the development of a portion of the Property pursuant to an approved Development Application.

1.2.13. **Development Application** means an application to the City for development of a portion of the Project including a Subdivision or any other permit, certificate or other authorization from the City required for a development within the Project.

1.2.14. **Development Report** means a report containing the information specified in Sections 3.5 or 3.6 submitted to the City by Master Developer for a Development by

Master Developer or for the sale of any Parcel to a Subdeveloper or the submittal of a Development Application by a Subdeveloper pursuant to an assignment from Master Developer.

1.2.15. **Final Plat** means the recordable map or other graphical representation of land prepared in accordance with Utah Code Ann. § 10-9a-603, or any successor provision, and approved by the City, effectuating a Subdivision of any portion of the Project.

1.2.16. **Master Developer** means Gary McDougal and Ken Olson as Owners/Managers of S. A. McDougal LLC, Mac8 LLC, Fly Fam, LLC and KSO Trust, and their respective assignees or transferees as permitted by this MDA.

1.2.17. **Maximum Residential Units** means the development on the Property of the number of Residential Dwelling Units, as set forth in the Exhibits hereto.

1.2.18. **MDA** means this Master Development Agreement including all of its Exhibits.

1.2.19. **Notice** means any notice to or from any party to this MDA that is either required or permitted to be given to another party.

1.2.20. **Open Space** shall have the meaning specified in Section 10-20-9 of the City's Vested Laws and as specified in this MDA.

1.2.21. **Outsourc[e][ing]** means the process of the City contracting with City Consultants or paying overtime to City employees to provide technical support in the review and approval of the various aspects of a Development Application, as is more fully set out in this MDA.

1.2.22. **Parcel** means a portion of the Property that is created by the Master Developer to be sold to a Subdeveloper as a division of land that is not an individually developable lot.

1.2.23. **Planning Commission** means the City's Planning Commission.

1.2.24. **Pod** means an area of the Project as generally illustrated on the Preliminary Development Plan intended for a certain number of Residential Dwelling Units.

1.2.25. **Preliminary Development Plan** means that plan for the development of the Project attached as Exhibit "B".

1.2.26. **Project** means the total development to be constructed on the Property pursuant to this MDA with the associated public and private facilities, and all of the other aspects approved as part of this MDA.

1.2.27. **Property** means the real property owned by Master Developer and to be developed by Master Developer more fully described in Exhibit "A."

1.2.28. **Public Infrastructure** means those elements of infrastructure that are planned to be dedicated to the City as a condition of the approval of a Development Application.

1.2.29. **Residential Dwelling Unit** means a structure or portion thereof designed and intended for use as a single-family residence.

1.2.30. **Subdeveloper** means a person or an entity not "related" (as defined by Section 165 of the Internal Revenue Code) to Master Developer which purchases a Parcel for development.

1.2.31. **Subdivision** means the division of any portion of the Project into developable lots pursuant to State Law and the Herriman Land Development Code.

1.2.32. **Subdivision Application** means the application to create a Subdivision.

1.2.33. **Zoning Ordinance** means the City's Land Use and Development Ordinance adopted pursuant to the Act that was in effect as of the date of this MDA as a part of the City's Vested Laws.

2. Development of the Project.

2.1. Compliance with the Preliminary Development Plan and this MDA.

Development of the Project shall be in accordance with the City's Vested Laws, the City's Future Laws (to the extent that these are applicable as otherwise specified in this MDA), the Preliminary Development Plan and this MDA.

2.2. Maximum Residential Units. At Buildout of the Project, Master Developer shall be entitled to have developed the Maximum Residential Units as specified in and pursuant to this MDA, subject to compliance with all applicable ordinances, laws, and requirements.

2.3. Limits on Transfer of Residential Dwelling Units between Pods. The Parties acknowledge that the exact configuration of the final layout of the Project may vary from that shown in the Preliminary Development Plan due to final road locations, market forces and other factors that are unforeseeable. Master Developer may transfer the location of Residential Dwelling Units between and among Pods so long as no Pod exceeds the Maximum Residential Dwelling Units for that Pod as specified in the Preliminary Development Plan. No transfer shall allow the Project to exceed the Maximum Residential Dwelling Units.

2.4. Accounting for Residential Units for Parcels Sold to Subdevelopers. Any Parcel sold by Master Developer to a Subdeveloper shall include the transfer of a specified portion of the Maximum Residential Units sold with the Parcel. At the recordation of a

Final Plat or other document of conveyance for any Parcel sold to a Subdeveloper, Master Developer shall provide the City a Sub-Development Report showing the ownership of the Parcel(s) sold, the portion of the Maximum Residential Units and/or other type of use transferred with the Parcel(s), the amount of the Maximum Residential Units remaining with Master Developer and any material effects of the sale on the Preliminary Development Plan.

3. **Zoning and Vested Rights.**

3.1. **Zoning.** The City has zoned the Property as C-2, MU-2, and R-M.

3.2. **Vested Rights Granted by Approval of this MDA.** To the maximum extent permissible under the laws of Utah and the United States and at equity, the City and Master Developer intend that this MDA grants Master Developer all rights to develop the Project in fulfillment of this MDA, the City's Vested Laws and the Preliminary D except as specifically provided herein. The parties specifically intend that this MDA grant to Master Developer "vested rights" as that term is construed in Utah's common law and pursuant to Utah Code Ann. §10-9a-509.

3.3. **Exceptions.** The restrictions on the applicability of the City's Future Laws to the Project as specified in Section 3.2 are subject to only the following exceptions:

3.3.1. Master Developer Agreement. City's Future Laws that Master Developer agrees in writing to the application thereof to the Project; and as set forth below in this section:

3.3.2. State and Federal Compliance. City's Future Laws which are generally applicable to all properties in the City and which are required to comply with State and Federal laws and regulations affecting the Project;

3.3.3. Codes. City's Future Laws that are updates or amendments to existing building, plumbing, mechanical, electrical, dangerous buildings, drainage, or similar construction or safety-related codes, such as the International Building Code, the APWA Specifications, AAHSTO Standards, the Manual of Uniform Traffic Control Devices or similar standards that are generated by a nationally or statewide recognized construction/safety organization, or by the State or Federal governments and are required to meet legitimate concerns related to public health, safety or welfare;

3.3.4. Taxes. Taxes, or modifications thereto, so long as such taxes are lawfully imposed and charged uniformly by the City to all properties, applications, persons and entities similarly situated; or,

3.3.5. Fees. Changes to the amounts of fees for the processing of Development Applications that are generally applicable to all development within the City (or a portion of the City as specified in the lawfully adopted fee schedule) and which are adopted pursuant to State law.

3.3.6. Impact Fees. Impact Fees or modifications thereto which are lawfully adopted, and imposed by the City. Master Developer and Subdeveloper agree that the impact fees imposed on the Master Developer by the City meet all requirements of the U. S. Constitution, Utah Constitution, law and applicable statutes, including but not limited to Utah Code Ann. Section 11-36a-101 et seq.

3.3.7. Compelling, Countervailing Interest. Laws, rules or regulations that the City's land use authority finds, on the record, are necessary to avoid jeopardizing a compelling, countervailing public interest pursuant to Utah Code Ann. §10-9a-

509(1)(a)(i) (2016).

4. **Term of Agreement.** The term of this MDA shall be until 2039. If Master Developer has not been given Notice that it is in breach of this MDA on Jan 1, 2040, and if any such Default is not being cured, then this MDA shall automatically be extended to Jan 1, 2050. This MDA shall also terminate automatically at full Buildout.

5. **Processing of Development Applications.**

5.1. **Outsourcing of Processing of Development Applications.** Within fifteen (15) business days after receipt of a complete Development Application and upon the request of Master Developer, the City and Master Developer will confer to determine whether the City desires to Outsource the review of any aspect of the Development Application to ensure that it is processed on a timely basis. If the City determines that outsourcing is appropriate, then the City shall promptly estimate the reasonably anticipated differential cost of outsourcing in the manner selected by the Master Developer or Subdeveloper in good faith consultation with the Master Developer or Subdeveloper (either overtime to City employees or the hiring of a City Consultant). If the Master Developer or a Subdeveloper notifies the City that it desires to proceed with the Outsourcing based on the City's estimate of costs, then the Master Developer or Subdeveloper shall deposit in advance with the City the estimated differential cost and the City shall then promptly proceed with having the work Outsourced. Upon completion of the Outsourcing services and the provision by the City of an invoice (with such reasonable supporting documentation as may be requested by Master Developer or Subdeveloper) for the actual differential cost (whether by way of paying a City Consultant or paying overtime to City employees) of Outsourcing, Master Developer or the Subdeveloper shall, within ten (10)

business days pay or receive credit (as the case may be) for any difference between the estimated differential cost deposited for the Outsourcing and the actual cost differential.

5.2. Acceptance of Certifications Required for Development Applications. Any Development Application requiring the signature, endorsement, or certification and/or stamping by a person holding a license or professional certification required by the State of Utah in a particular discipline shall be so signed, endorsed, certified or stamped signifying that the contents of the Development Application comply with the applicable regulatory standards of the City. The City should endeavor to make all of its redlines, comments or suggestions at the time of the first review of the Development Application unless any changes to the Development Application raise new issues that need to be addressed.

5.3. Independent Technical Analyses for Development Applications. If the City needs technical expertise beyond the City's internal resources to determine impacts of a Development Application such as for structures, bridges, water tanks, and other similar matters which are not required by the City's Vested Laws to be certified by such experts as part of a Development Application, the City may engage such experts (as City Consultants) as Citydeems reasonably necessary, with the actual and reasonable costs being the responsibility of Applicant. If the City needs any other technical expertise other than as specified above, under extraordinary circumstances specified in writing by the City, the City may engage such experts (as City Consultants), with the actual and reasonable costs being the responsibility of Applicant.

5.4. CityDenial of a Development Application. If the City denies a Development Application, the City shall provide a written determination advising the Applicant of the

reasons for denial including specifying the reasons the City believes that the Development Application is not consistent with this MDA, and/or the City's Vested Laws (or, if applicable, the City's Future Laws).

5.5. Meet and Confer regarding Development Application Denials. The City and Applicant shall meet within fifteen (15) business days of any Denial to resolve the issues specified in the Denial of a Development Application.

5.6. City Denials of Development Applications Based on Denials from Non-City Agencies. If the City's denial of a Development Application is based on the denial of the Development Application by a Non-City Agency, Master Developer shall appeal any such denial through the appropriate procedures for such a decision and not through the processes specified below.

5.7. Mediation of Development Application Denials.

5.7.1. Issues Subject to Mediation. Issues resulting from the City's Denial of a Development Application that are not subject to arbitration provided in Section 5.8 below shall be mediated and include the following:

- (i) the location of on-site infrastructure, including utility lines and stub outs to adjacent developments,
- (ii) right-of-way modifications that do not involve the altering or vacating of a previously dedicated public right-of-way,
- (iii) interpretations, minor technical edits or inconsistencies necessary to clarify or modify documents consistent with their intended purpose of the Development Standards, and
- (iv) the issuance of building permits.

5.7.2. Mediation Process. If the City and Applicant are unable to resolve a disagreement subject to mediation, the parties shall attempt within ten (10) business days to appoint a mutually acceptable mediator with knowledge of the legal issue in dispute. If the parties are unable to agree on a single acceptable mediator, they shall each, within ten (10) business days, appoint their own representative. These two representatives shall, between them, choose the single mediator. The applicant shall pay the fees of the chosen mediator. The chosen mediator shall within fifteen (15) business days, review the positions of the parties regarding the mediation issue and promptly attempt to mediate the issue between the parties. If the parties are unable to reach an agreement, the mediator shall notify the parties in writing of the resolution that the mediator deems appropriate. The mediator's opinion shall not be binding on the parties.

5.8. Arbitration of Development Application Objections.

5.8.1. Issues Subject to Arbitration. Issues regarding the City's Denial of a Development Application that are subject to resolution by scientific or technical experts such as traffic impacts, water quality impacts, pollution impacts, etc. are subject to arbitration.

5.8.2. Mediation Required Before Arbitration. Prior to any arbitration, the parties shall first attempt mediation as specified in Section 5.7.

5.8.3. Arbitration Process. If the City and Applicant are unable to resolve an issue through mediation, the parties shall attempt within ten (10) business days to appoint a mutually acceptable expert in the professional discipline(s) of the issue in question. If the parties are unable to agree on a single acceptable arbitrator, they shall each, within

ten (10) business days, appoint their own individual appropriate expert. These two experts shall, between them, choose the single arbitrator. Applicant shall pay the fees of the chosen arbitrator. The chosen arbitrator shall within fifteen (15) business days, review the positions of the parties regarding the arbitration issue and render a decision. The arbitrator shall ask the prevailing party to draft a proposed order for consideration and objection by the other side. Upon adoption by the arbitrator, and consideration of such objections, the arbitrator's decision shall be final and binding upon both parties. If the arbitrator determines as a part of the decision that the City's or Applicant's position was not only incorrect but was also maintained unreasonably and not in good faith, then the arbitrator may order the City or Applicant to pay the arbitrator's fees.

5.9. Parcel Sales. The City acknowledges that the precise location and details of the public improvements, lot layout and design and any other similar item regarding the development of a particular Parcel may not be known at the time of the creation of or sale of a Parcel. Master Developer may obtain approval of a Subdivision as is provided in Utah Code Ann., Section 10-9a-103(57)(c)(v) (2017) that does not create any individually developable lots in the Parcel without being subject to any requirement in the City's Vested Laws to complete or provide security for any Public Infrastructure at the time of such subdivision. The responsibility for completing and providing security for the completion of any Public Infrastructure in the Parcel shall be that of the Master Developer or a Subdeveloper upon a subsequent re-Subdivision of the Parcel that creates individually developable lots. However, construction of improvements shall not be

allowed until the Master Developer, or Subdeveloper complies with the City's Vested Laws.

6. **Application under City's Future Laws.** Without waiving any rights granted by this MDA, Master Developer may at any time, choose to submit a Development Application for all of the Project under the City's Future Laws in effect at the time of the Development Application so long as Master Developer and any Subdeveloper is not in current breach of this Agreement.

7. **Public Infrastructure.**

7.1. **Construction by Master Developer.** Master Developer shall have the right and the obligation to construct or cause to be constructed and installed all public infrastructure reasonably and lawfully required as a condition of approval of the Development Application.

7.2. **Bonding.** If and to the extent required by the City's Vested Laws, unless otherwise provided by Chapter 10-9a of the Utah Code as amended, security for any Public or private Infrastructure is required by the City, it shall be provided in a form acceptable to the City as specified in the City's Vested Laws. Partial releases of any such required security shall be made as work progresses based on the City's Vested Laws.

8. **Upsizing/Reimbursements to Master Developer.**

8.1. **Upsizing.** Except as may be required by other reviewing agencies, the City shall not require Master Developer to "upsized" any future Public Infrastructure (i.e., to construct the infrastructure to a size larger than required to service the Project) unless financial arrangements reasonably acceptable to Master Developer are made to compensate Master Developer for the incremental or additive costs of such upsizing. For example, if an upsizing to a water pipe size increases costs by 10% but adds 50% more capacity, the

City shall only be responsible for compensating the Master Developer for the 10% cost increase. An acceptable financial arrangement for upsizing of improvements means reimbursement agreements, payback agreements, and impact fee credits and reimbursements.

9. Default.

9.1. **Notice.** If Master Developer, a Subdeveloper, or the City fails to perform their respective obligations hereunder or to comply with the terms hereof, the party believing that a Default has occurred shall provide Notice to the other party. If the City believes that the Default has been committed by a Subdeveloper, then the City shall also provide a courtesy copy of the Notice to Master Developer. The Master Developer will take necessary measures to ensure that contracts with sub-developers specify the requirements of this MDA and that potential sub-developers understand said requirements. The Master Developer will take an active role, along with the City, to ensure that all parties complete their contractual obligations.

9.2. **Contents of the Notice of Default.** The Notice of Default shall:

9.2.1. Specific Claim. Specify the claimed event of Default;

9.2.2. Applicable Provisions. Identify with particularity the provisions of any applicable law, rule, regulation or provision of this MDA that is claimed to be in Default;

9.2.3. Materiality. Identify why the Default is claimed to be material; and

9.2.4. Optional Cure. If the City chooses, in its discretion, it may propose a method and time for curing the Default which shall be of no less than thirty (30) days duration.

9.3. Meet and Confer, Mediation, Arbitration. Upon the issuance of a Notice of Default the parties shall engage in the “Meet and Confer” and “Mediation” processes specified in Sections 5.5 and 5.7. If the claimed Default is subject to Arbitration as provided in Section 5.8 then the parties shall follow such processes.

9.4. Remedies. If the parties are not able to resolve the Default by “Meet and Confer” or by Mediation, and if the Default is not subject to Arbitration then the parties may have the following remedies:

9.4.1. Law and Equity. All rights and remedies available at law and in equity, including, but not limited to, injunctive relief and/or specific performance.

9.4.2. Security. The right to draw on any security posted or provided in connection with the Project and relating to remedying of the particular Default.

9.4.3. Future Approvals. The right to withhold all further reviews, approvals, licenses, building permits and/or other permits for development of the Project in the case of a default by Master Developer, or in the case of a default by a Subdeveloper, development of those Parcels owned by the Subdeveloper until the Default has been cured.

9.5. Public Meeting. Before any remedy under this Agreement may be imposed by the City, the party allegedly in Default shall be afforded the right to attend a public meeting before the City Council and address the City Council regarding the claimed Default.

9.6. Emergency Defaults. Anything in this MDA notwithstanding, if the City Council finds on the record that a default materially impairs a compelling, countervailing interest of the City and that any delays in imposing such a default would also impair a compelling, countervailing interest of the City then the City may impose the remedies of

Section 10.4 without first meeting the requirements of Sections 5.7. The City shall give Notice to Master Developer and/or any applicable Subdeveloper of any public meeting at which an emergency default is to be considered, and the Developer and/or any applicable Subdeveloper shall be allowed to address the City Council at that meeting regarding the claimed emergency Default.

9.7. Extended Cure Period. If any Default cannot be reasonably cured within thirty (30) days, then such cure period shall be extended so long as the defaulting party is pursuing a cure with reasonable diligence.

9.8. Default of Assignee. A default of any obligations assumed by an assignee shall not be deemed a default of Master Developer, except as noted in Section 10.1.

9.9. Limitation on Recovery for Default – No Damages. Anything in this MDA notwithstanding, no party shall be entitled to any claim for any monetary damages as a result of any breach of this MDA and each Party waives any claims thereto. The sole remedy available to Master Developer or any Subdeveloper shall be that of specific performance.

10. Notices. All notices required or permitted under this Master Development Agreement shall, in addition to any other means of transmission, be given in writing by certified mail and regular mail to the following address:

To the Master Developer:

Gary McDougal
11576 S State #102b
Draper, Utah 84020

Ken S. Olson
10299 S Springcrest Lane

With copies to the City:

Herriman City
Attn: City Manager
5355 W Herriman Main Street
Herriman, Utah 84096

Herriman City
Attn: City Attorney

10.1. **Effectiveness of Notice.** Except as otherwise provided in this MDA, each Notice shall be effective and shall be deemed delivered on the earlier of:

10.1.1. Hand Delivery. Its actual receipt, if delivered personally, by courier service, or by facsimile provided that a copy of the facsimile Notice is mailed or personally delivered as set forth herein on the same day and the sending party has confirmation of transmission receipt of the Notice. If the copy is not sent on the same day, then notice shall be deemed effective the date that the mailing or personal delivery occurs.

10.1.2. Electronic Delivery. Its actual receipt if delivered electronically by email provided that a copy of the email is printed out in physical form and mailed or personally delivered as set forth herein on the same day and the sending party has an electronic receipt of the delivery of the Notice. If the copy is not sent on the same day, then notice shall be deemed effective the date that the mailing or personal delivery occurs.

10.1.3. Mailing. On the day the Notice is postmarked for mailing, postage prepaid, by First Class or Certified United States Mail and actually deposited in or delivered to the United States Mail. Any party may change its address for Notice under this MDA by giving written Notice to the other party in accordance with the provisions of this Section.

11. **Headings.** The captions used in this MDA are for convenience only and not intended to be substantive provisions or evidence of intent.

12. **No Third Party Rights/No Joint Venture.** This MDA does not create a joint venture

relationship, partnership or agency relationship between the City and Master Developer. Further, the parties do not intend this MDA to create any third-party beneficiary rights. The parties acknowledge that this MDA refers to a private development and that the City has no interest in, responsibility for, or duty to any third parties concerning any improvements to the Property unless the City has accepted the dedication of such improvements at which time all rights and responsibilities—except for warranty bond requirements under City’s Vested Laws and as allowed by state law—for the dedicated public improvement shall be the City's.

13. **Assignability.** The rights and responsibilities of Master Developer under this MDA may be assigned in whole or in part by Master Developer with the consent of the City as provided herein.

13.1. **Sale of Lots.** Master Developer’s selling or conveying lots in any approved Subdivision or Parcels to builders, users, or Subdevelopers, shall not be deemed to be an “assignment” subject to the above-referenced approval by the City unless specifically designated as such an assignment by the Master Developer.

13.2. **Related Entity.** Master Developer’s transfer of all or any part of the Property to any entity “related” to Master Developer (as defined by regulations of the Internal Revenue Service in Section 165), or Master Developer’s entry into a joint venture for the development of the Project, or Master Developer’s pledging of part or all of the Project as security for financing, shall also not be deemed to be an “assignment” subject to the above-referenced approval by the City unless specifically designated as such an assignment by the Master Developer. Master Developer shall give the City Notice of any event specified in this subsection within ten (10) days after the event has occurred. Such Notice shall include providing the City with all necessary contact information for the newly responsible party.

13.3. **Notice.** Master Developer shall give Notice to the City of any proposed assignment and provide such information regarding the proposed assignee that the City may reasonably request in making the evaluation permitted under this Section. Such Notice shall include providing the City with all necessary contact information for the proposed assignee.

13.4. **Time for Objection.** Unless the City objects in writing within twenty (20) business days of notice, the City shall be deemed to have approved of and consented to the assignment.

13.5. **Partial Assignment.** If any proposed assignment is for less than all of Master Developer's rights and responsibilities, then the assignee shall be responsible for the performance of each of the obligations contained in this MDA to which the assignee succeeds. Upon any such approved partial assignment, Master Developer shall not be released from any future obligations as to those obligations which are assigned but shall remain responsible for the performance of any obligations herein.

13.6. **Denial.** The City may only withhold its consent if the City is not reasonably satisfied with the assignee's financial ability to perform the obligations of Master Developer proposed to be assigned or there is an existing breach of a development obligation owed to the City by the assignee or related entity that has not either been cured or in the process of being cured in a manner acceptable to the City. Any refusal of the City to accept an assignment shall be subject to the "Meet and Confer" and "Mediation" processes specified in Sections 5.6 and 5.7. If the refusal is subject to Arbitration as provided in Section 5.8, then the parties shall follow such processes.

13.7. **Assignees Bound by MDA.** Any assignee shall consent in writing to be bound by

the assigned terms and conditions of this MDA as a condition precedent to the effectiveness of the assignment.

14. **Binding Effect.** If Master Developer sells or conveys Parcels of lands to Subdevelopers or related parties, the lands so sold and conveyed shall bear the same rights, privileges, configurations, and number of Residential Dwelling Units as applicable to such Parcel and be subject to the same limitations and rights of the City when owned by Master Developer and as set forth in this MDA without any required approval, review, or consent by the City except as otherwise provided herein.

15. **No Waiver.** Failure of any party hereto to exercise any right hereunder shall not be deemed a waiver of any such right and shall not affect the right of such party to exercise at some future date any such right or any other right it may have.

16. **Severability.** If any provision of this MDA is held by a court of competent jurisdiction to be invalid for any reason, the parties consider and intend that this MDA shall be deemed amended to the extent necessary to make it consistent with such decision and the balance of this MDA shall remain in full force and effect.

17. **Force Majeure.** Any prevention, delay or stoppage of the performance of any obligation under this Agreement which is due to strikes, labor disputes, inability to obtain labor, materials, equipment or reasonable substitutes therefor; acts of nature, governmental restrictions, regulations or controls, judicial orders, enemy or hostile government actions, wars, civil commotions, fires or other casualties or other causes beyond the reasonable control of the party obligated to perform hereunder shall excuse performance of the obligation by that party for a period equal to the duration of that prevention, delay or stoppage.

18. **Time is of the Essence.** Time is of the essence to this MDA and every right or

19. **Appointment of Representatives.** To further the commitment of the parties to cooperate in the implementation of this MDA, the City and Master Developer each shall designate and appoint a representative to act as a liaison between the City and its various departments and the Master Developer. The initial representative for the City shall be the Planning Director or designee and the initial representative for Master Developer shall be . The parties may change their designated representatives by Notice. The representatives shall be available at all reasonable times to discuss and review the performance of the parties to this MDA and the development of the Project.

20. **Applicable Law.** This MDA is entered into in Salt Lake County in the State of Utah and shall be construed in accordance with the laws of the State of Utah irrespective of Utah's choice of law rules.

21. **Venue.** Any action to enforce this MDA shall be brought only in the Third District Court for the State of Utah, Salt Lake City Division.

22. **Entire Agreement.** This MDA, and all Exhibits thereto, is the entire agreement between the Parties and may not be amended or modified except either as provided herein or by a subsequent written amendment signed by all parties.

23. **Mutual Drafting.** Each party has participated in negotiating and drafting this MDA, and therefore no provision of this MDA shall be construed for or against either party based on which party drafted any particular portion of this MDA.

24. **Recordation and Running with the Land.** This MDA shall be recorded in the chain of title for the Project. This MDA shall be deemed to run with the land. The data disk of the City's Vested Laws, Exhibit "C", shall not be recorded in the chain of title. A secure copy of Exhibit

“C” shall be filed with the City Recorder and each party shall also have an identical copy.

25. **Authority.** The parties to this MDA each warrant that they have all of the necessary authority to execute this MDA. Specifically, on behalf of the City, the signature of the City Manager of the City is affixed to this MDA lawfully binding the City pursuant to Resolution No. _____ adopted by the City on the _____ day of _____, 2019.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by and through their respective, duly authorized representatives as of the day and year first herein above written.

MASTER DEVELOPER

by: _____

Its: _____

CITY

Herriman City

by: _____

Its: City Manager

Approved as to form and legality:

Attest:

City Attorney

City Recorder

CITY ACKNOWLEDGMENT

STATE OF UTAH)

:ss.

COUNTY OF UTAH)

On the _____ day of _____, personally appeared before me _____ who being by me duly sworn, did say that he is the City Manager of Herriman City, a political subdivision of the State of Utah, and that said instrument was signed in behalf of the City by authority of its City Council and said City Manager acknowledged to me that the City executed the same.

NOTARY PUBLIC

My Commission Expires: _____

Residing at:_____

MASTER DEVELOPER ACKNOWLEDGMENT

STATE OF UTAH)

ss

COUNTY OF UTAH)

On the ____ day of _____, 2019, personally appeared before me _____, who being by me duly sworn, did say that he is the Manager of _____, a Utah limited liability company and that the foregoing instrument was duly authorized by the company at a lawful meeting held by authority of its operating agreement and signed in behalf of said company.

NOTARY PUBLIC

My Commission Expires:_____

Residing at:_____

TABLE OF EXHIBITS

Exhibit "A"	Legal Description of Property
Exhibit "B"	Preliminary Development Plan
Exhibit "C"	City's Vested Laws
Exhibit "D"	Design Guidelines& Requirements
Exhibit "E"	Architectural Design Characteristics & Samples
Exhibit "F"	Trail System Map
Exhibit "G"	Community Amenities& Samples

Exhibit “A”

Legal Description of Property

PARCEL 1 DEED DESCRIPTION:

THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 4 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN.

PARCEL 1 AS-SURVEYED DESCRIPTION:

SITUATED IN THE COUNTY OF SALT LAKE, STATE OF UTAH AND IS DESCRIBED AS FOLLOWS: THAT PORTION OF THE SOUTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 4 SOUTH, RANGE 1 WEST, SALT LAKE BASE & MERIDIAN, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT A GLO BRASS CAP ALSO BEING THE SOUTH 1/4 CORNER OF SAID SECTION 22, AND RUNNING THENCE SOUTH 89°55'45" WEST 1,322.86 FEET ALONG THE SOUTHERLY LINE OF SAID SECTION 22; THENCE NORTH 00°34'41" WEST 1,305.61 FEET; THENCE NORTH 89°38'20" EAST 1303.94 FEET TO A POINT ON THE WESTERLY RIGHT OF WAY LINE OF REDWOOD ROAD; THENCE SOUTH 19°53'27" EAST 74.59 FEET ALONG SAID RIGHT OF WAY LINE; THENCE SOUTH 00°18'25" EAST 1,242.20 FEET TO THE POINT OF BEGINNING. CONTAINING 39.827 ACRES, MORE OR LESS, (AS DESCRIBED).

PARCEL 2 DEED DESCRIPTION:

THE NORTHERLY 990 FEET OF THE EAST ONE-HALF OF THE NORTHWEST QUARTER OF SECTION 27, TOWNSHIP 4 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, LESS AND EXCEPTING: BEGINNING 1,650 FEET NORTH AND 660 FEET EAST OF THE SOUTHWEST CORNER OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 27, TOWNSHIP 4 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, AND RUNNING THENCE EAST 660 FEET; THENCE NORTH 22 FEET; THENCE WEST 660 FEET; THENCE SOUTH 22 FEET TO BEGINNING. ALSO LESS AND EXCEPTING THEREFROM THAT PORTION CONVEYED TO THE STATE ROAD COMMISSION.

PARCEL 2 AS-SURVEYED DESCRIPTION:

SITUATED IN THE COUNTY OF SALT LAKE, STATE OF UTAH AND IS DESCRIBED AS FOLLOWS: THAT PORTION OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 27, TOWNSHIP 4 SOUTH, RANGE 1 WEST, SALT LAKE BASE & MERIDIAN, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT A GLO BRASS CAP ALSO BEING THE NORTH 1/4 CORNER OF SAID SECTION 27, AND RUNNING THENCE SOUTH 00°12'07" WEST 990.00 FEET; THENCE SOUTH 89°55'44" WEST 1,321.22 FEET; THENCE NORTH 00°06'43" EAST 990.00 FEET TO THE NORTH LINE OF SAID SECTION 27; THENCE SOUTH 89°55'45" EAST 1,322.77 FEET ALONG SAID NORTH LINE TO THE POINT OF BEGINNING. CONTAINING 30.045 ACRES, MORE OR LESS, (AS DESCRIBED).

PARCEL 3 DEED DESCRIPTION:

BEGINNING AT THE SOUTHWEST CORNER OF THE DONALD ROZEMA PROPERTY; SAID CORNER BEING NORTH 975.00 FEET, MORE OR LESS, FROM THE SOUTH QUARTER CORNER OF SECTION 22, TOWNSHIP 4 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, AND RUNNING THENCE NORTH 254 FEET, MORE OR LESS, TO THE WESTERLY RIGHT OF WAY LINE OF THE CAMP WILLIAM HIGHWAY; THENCE SOUTH 19°36'00" EAST ALONG SAID RIGHT OF WAY LINE 269.62 FEET, MORE OR LESS, TO THE SOUTH BOUNDARY LINE OF THE DONALD ROSEMA PROPERTY; THENCE WEST ALONG SAID BOUNDARY 90.43 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

PARCEL 3 AS-SURVEYED DESCRIPTION:

SITUATED IN THE COUNTY OF SALT LAKE, STATE OF UTAH AND IS DESCRIBED AS FOLLOWS: THAT PORTION OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 22, TOWNSHIP 4 SOUTH, RANGE 1 WEST, SALT LAKE BASE & MERIDIAN, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT A POINT NORTH 00°18'25" WEST 975.00 FEET FROM A GLO BRASS CAP BEING THE SOUTH 1/4 CORNER OF SAID SECTION 22, AND RUNNING THENCE NORTH 00°18'25" WEST 267.20 FEET TO A POINT ON THE WESTERLY RIGHT OF WAY LINE OF REDWOOD ROAD; THENCE SOUTH 19°34'09" EAST 283.04 FEET ALONG SAID RIGHT OF WAY LINE; THENCE SOUTH 89°41'18" WEST 93.37 FEET TO THE POINT OF BEGINNING. CONTAINING 0.286 ACRES, MORE OR LESS, (AS DESCRIBED).

PARCEL 4:

A PARCEL OF LAND LOCATED IN THE EAST HALF OF THE NORTHWEST QUARTER, AND THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 4 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, SALT LAKE COUNTY, UTAH, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT A POINT AT THE INTERSECTION OF THE WESTERLY RIGHT-OF-WAY LINE OF REDWOOD ROAD AND THE WEST 1/16TH LINE OF SAID SECTION 22, SAID POINT BEING NORTH 89°59'08 " EAST 1,264.93 FEET ALONG THE NORTH SECTION LINE TO SAID WESTERLY RIGHT-OF-WAY LINE AND SOUTH 19°42'40" EAST 174.15 FEET ALONG SAID WESTERLY RIGHT-OF-WAY LINE FROM THE NORTHWEST SECTION CORNER MONUMENT OF SAID SECTION 22, AND RUNNING THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE OF REDWOOD ROAD THE NEXT THREE COURSES AND DISTANCES: SOUTH 19°42'40" EAST 589.26 FEET; THENCE SOUTH 14°00'02" EAST 301.5 FEET; THENCE SOUTH 19°42'40" EAST 3108.47 FEET; THENCE LEAVING SAID WESTERLY RIGHT-OF-WAY LINE SOUTH 89°58'S3" WEST 1,304.37 FEET TO SAID WEST 1/16TH LINE; THENCE NORTH 00°34'36" WEST 1,311.35 FEET TO THE EAST/WEST CENTER OF SECTION LINE; THENCE NORTH 00°00'23" WEST 2,462.31 FEET, MORE OR LESS, ALONG SAID WEST 1/16TH LINE TO THE POINT OF BEGINNING.

PARCEL 5:

THE EAST HALF OF THE NORTHWEST QUARTER AND THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 4 SOUTH, RANGE 1 WEST, SALT LAKE MERIDIAN, IN SALT LAKE COUNTY, UTAH; ALSO BEGINNING EAST 1297.5 FEET FROM THE NORTHWEST CORNER OF GOVERNMENT LOT 2, SAID SECTION 22: AND RUNNING THENCE EAST TO THE JORDAN RIVER; THENCE SOUTHERLY ALONG SAID RIVER TO THE SOUTH LINE OF SAID LOT 2; THENCE WEST TO THE SOUTHWEST CORNER OF SAID LOT 2; THENCE NORTH 1320 FEET TO THE NORTH LINE OF SAID LOT 2; THENCE EAST 815 FEET; THENCE SOUTH 17°30' WEST 545 FEET; THENCE SOUTH 72°30' EAST 155 FEET TO A POINT ON A CANAL; NORTHEASTERLY ALONG SAID CANAL 860 FEET MORE OR LESS TO BEGINNING.

EXCEPTING THEREFROM THAT PORTION OF THE SUBJECT PROPERTY WHICH LIES WITHIN THE LEGAL BOUNDS OF CAMP WILLIAMS ROAD;

EXCEPTING THEREFROM THAT PORTION OF THE SUBJECT PROPERTY WHICH LIES WITHIN THE UTAH LAKE IRRIGATION COMPANY CANAL RIGHT OF WAY, WHICH PROPERTY IS MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE CENTERLINE OF THE CANAL, WHICH POINT IS 379.1 FEET EAST OF THE SOUTHWEST CORNER OF THE NORTH HALF OF THE NORTHEAST QUARTER OF SECTION 22, TOWNSHIP 4 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, THENCE A STRIP OF LAND 2 RODS TO THE RIGHT AND 1-1/2 RODS TO THE LEFT OF THE CENTERLINE OF THE CANAL NORTH 49°13'00" WEST 572.7 FEET; THENCE ON A 29°06' CURVE TO THE RIGHT 93.1 FEET; THENCE A STRIP OF LAND 3 RODS TO THE RIGHT AND 3 RODS TO THE LEFT OF THE CENTERLINE OF THE CANAL ON A 29°06' CURVE TO THE RIGHT 93.1 FEET; THENCE NORTH 05°02'00" EAST 40.00 FEET; THENCE A STRIP OF LAND 2 RODS TO THE RIGHT AND 1-1/2 RODS TO THE LEFT OF THE CENTERLINE OF CANAL, NORTH 12°10'00" EAST 304.0 FEET; THENCE ON AN 08°21' CURVE TO THE LEFT, 198.3 FEET; THENCE NORTH 04°26'00" WEST 204.7 FEET; THENCE NORTH 05°02'00" EAST 425 FEET TO A POINT 51.1 FEET WEST OF THE NORTH QUARTER CORNER OF SAID SECTION 22.

LESS AND EXCEPTING THAT PORTION OF THE SUBJECT PROPERTY WHICH LIES WITHIN THE RAILROAD RIGHT-OF-WAY SCALED FROM THE DENVER & RIO GRANDE RAILROAD RIGHT OF WAY & TRACK MAP STATION 2009+44.4 TO 2220+44.5 DATED JUNE 30, 1919

EXCEPTING FROM THE ABOVE-DESCRIBED PARCELS THE TRACT SOLD TO UTAH AND SALT LAKE CANAL COMPANY WHICH IS MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT A POINT WHICH IS 835 FEET EAST AND 680 FEET SOUTH FROM THE NORTH QUARTER CORNER OF SECTION 22, TOWNSHIP 4 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, AND RUNNING THENCE EAST 119 FEET; THENCE SOUTH 300 FEET; THENCE NORTH 68°00'00" WEST 80 FEET; THENCE NORTH 65°30'00" WEST 150 FEET; THENCE NORTH 20°00'00" WEST 85 FEET; THENCE NORTH 40 FEET, MORE OR LESS, TO THE POINT OF BEGINNING.

ALSO EXCEPTING THE FOLLOWING DESCRIBED TRACT: BEGINNING NORTH ALONG THE SECTION LINE 45 FEET FROM THE CENTER OF SAID SECTION 22; AND RUNNING THENCE SOUTH 70°24' WEST 315 FEET MORE OR LESS TO THE EAST RIGHT OF WAY LINE OF REDWOOD ROAD; THENCE NORTH 19°36' WEST ALONG SAID EAST RIGHT OF WAY LINE 60 FEET; THENCE NORTH 70°24' EAST 336.67 FEET TO THE CENTER SECTION LINE; THENCE SOUTH 63.69 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THE FOLLOWING DESCRIBED TRACT: A PARCEL OF LAND LOCATED PRIMARILY IN THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 4 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, SALT LAKE COUNTY, UTAH, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT THE CENTER OF SAID SECTION 22, SAID POINT BEING SOUTH 89°57'52" EAST 2670.22 FEET FROM THE WEST QUARTER CORNER MONUMENT AND SOUTH 00°18'34" EAST FROM THE NORTH QUARTER CORNER MONUMENT (BASIS OF BEARING IS NORTH 89°59'08" EAST 2647.02' FEET FROM THE NORTHWEST SECTION CORNER MONUMENT TO THE NORTH QUARTER CORNER MONUMENT), AND RUNNING THENCE SOUTH 00°18'34" EAST 777.88 FEET ALONG THE CENTER OF SECTION LINE TO THE EASTERLY RIGHT-OF-WAY LINE OF REDWOOD ROAD; THENCE ALONG SAID EASTERLY RIGHT-OF-WAY LINE THE NEXT THREE COURSES AND DISTANCES: NORTH 19°42'40" WEST 6.69 FEET, MORE OR LESS, TO A FOUND UDOT RIGHT-OF-WAY MONUMENT; THENCE NORTH 22°32'43" WEST 505.60 FEET; THENCE NORTH 19°42'40" WEST 263.45 FEET; THENCE LEAVING REDWOOD ROAD, NORTH 70°05'26" EAST 298.35 FEET TO SAID CENTER OF SECTION LINE; THENCE SOUTH 00°18'34" EAST 45.00 FEET TO THE POINT OF BEGINNING.

ALSO EXCEPTING THE FOLLOWING DESCRIBED TRACT: A PARCEL OF LAND IN THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 22, TOWNSHIP 4 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, SALT LAKE COUNTY, UTAH, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT A POINT SOUTH 00°18'34" EAST 2304.18 FEET ALONG THE CENTER OF SECTION LINE FROM THE NORTH QUARTER CORNER MONUMENT OF SAID SECTION 22, (BASIS OF BEARING IS NORTH 89°59'08" EAST 2647.02' FEET FROM THE NORTHWEST SECTION CORNER MONUMENT TO THE NORTH QUARTER CORNER MONUMENT), AND RUNNING THENCE SOUTH 00°18'34" EAST 214.63 FEET; THENCE SOUTH 70°05'26" WEST 319.51 FEET, MORE OR LESS, TO THE EASTERLY RIGHT-OF-WAY LINE OF REDWOOD ROAD; THENCE ALONG SAID EASTERLY RIGHT-OF-WAY LINE NORTH 19°42'40" WEST 341.19 FEET; THENCE LEAVING REDWOOD ROAD NORTH 89°41'26" EAST 414.34 FEET TO THE POINT OF BEGINNING

ALSO EXCEPTING THE FOLLOWING DESCRIBED TRACT: A PARCEL OF LAND LOCATED IN THE EAST HALF OF THE NORTHWEST QUARTER, AND THE NORTHEAST QUARTER OF THE SOUTHWEST QUARTER, OF SECTION 22, TOWNSHIP 4 SOUTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, SALT LAKE COUNTY, UTAH, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT A POINT AT THE INTERSECTION OF THE WESTERLY RIGHT-OF-WAY LINE OF REDWOOD ROAD AND THE WEST 1/16TH LINE OF SAID SECTION 22, SAID POINT BEING NORTH 89°59'08" EAST 1264.93 FEET ALONG THE NORTH SECTION LINE TO SAID WESTERLY RIGHT-OF-WAY LINE AND SOUTH 19°42'40" EAST 174.15 FEET ALONG SAID WESTERLY RIGHT-OF-WAY LINE FROM THE NORTHWEST SECTION CORNER MONUMENT OF SAID SECTION 22, AND RUNNING THENCE ALONG SAID WESTERLY RIGHT-OF-WAY LINE OF REDWOOD ROAD THE NEXT THREE COURSES AND DISTANCES: SOUTH 19°42'40" EAST 589.26 FEET; THENCE SOUTH 14°00'02" EAST 301.5 FEET; THENCE SOUTH 19°42'40" EAST 3108.47 FEET; THENCE LEAVING SAID WESTERLY RIGHT-OF-WAY LINE SOUTH 89°58'53" WEST 1304.37 FEET TO SAID WEST 1/16TH LINE; THENCE NORTH 00°34'36" WEST 1311.35 FEET TO THE EAST/WEST CENTER OF SECTION LINE; THENCE NORTH 00°03'23" WEST 2462.31 FEET, MORE OR LESS, ALONG SAID WEST 1/16TH LINE TO THE POINT OF BEGINNING.

SALT LAKE COUNTY TAX PARCEL NUMBERS: 33-22-100-030, 33-22-400-018, 33-22-300-006, 33-27-100-018

Exhibit “B”

Preliminary Development Plan

1. Developer Dedication. The Developer shall, by Special Warranty Deed, convey to the City the real property required by the City to fulfill its obligations regarding improvements and roadways as hereinafter set forth; provided, however, that Developer shall be entitled to fair reimbursement or compensation (through impact fee credits or otherwise) for conveyances or dedications relating to “system improvements” as opposed to “project improvements” as such terms are defined under state law.
2. Phased Development. The Property will be developed in a logical sequence as determined by the Developer except as noted below in paragraph 6 and within the Design Guidelines. Each portion of the Development (referred to as a numbered “Phase”) has distinct requirements and restrictions with regard to density, infrastructure, and uses.
3. Maximum Density and Requirements. As depicted in the chart below, the Property shall be developed in accordance with the following provisions, with the understanding that density units may not be transferred from one phase to the other (i.e., the number of units listed is the maximum number of units allowed in each phase):
 - a. Phase 1. Phase 1 will be comprised of 156 dwelling units, with a mix of townhomes and stacked units (a portion of which are highly encouraged to be condominiums), located on approximately 13 acres within the Property. Density maximum is 12 units per acre.
 - b. Phase 2. Phase 2 will occupy 20 acres within the Property and will consist solely of commercial development, including restaurants and retail uses.
 - c. Phase 3. Phase 3 will be comprised of 396 dwelling units, with a mix of townhomes and stacked units (a portion of which are highly encouraged to be condominiums), located on approximately 22 acres within the Property. Density maximum is 18 units per acre.
 - d. Phase 4. Phase 4 will occupy 21 acres within the Property and will consist of commercial development, and vertical mixed-use development with residential uses over commercial uses, including retail sales and services.

- e. Phase 5-A and 5-B. For purposes of density allocations under this Agreement, Phases 5-A and 5-B will be treated as one (1) phase. Phase 5-A will be comprised of 120 dwelling units, with a mix of townhomes and stacked units (a portion of which is highly encouraged to be condominiums), located on approximately 12 acres within the Property. Density maximum is 10 units per acre. Phase 5-B will be comprised of 330 dwelling units, with a mix of townhomes and stacked units (a portion of which is highly encouraged to be condominiums), located on approximately 33 acres within the Property. Density maximum is 10 units per acre. Together, treating them as one phase, Phases 5-A and 5-B will have a maximum of 490 dwelling units on 49 acres.

Herriman Crossroads Phase Density Chart				
	Type	Acres	Maximum Density	Maximum Units
Phase 1	Mix of townhomes and stacked units R-M underlying zone	13	12	156
Phase 2	Commercial, including restaurants and retail C-2 underlying zone	20	0	0
Phase 3	Mix of townhomes and stacked units R-M underlying zone	22	18	396
Phase 4	Commercial and vertical mixed use MU-2 underlying zone	21	15	315
Phase 5A & 5B	Mix of townhomes and stacked units MU-2 underlying zone	49	10	490
TOTAL		125	N/A	1,357 ¹

¹Irrespective of the residential dwelling types listed above, the Master Developer may consider small lot single-family development as a part of the required residential dwelling mix.

4. Development Sequence.

- a. Following development of Phase 1, the Phase 2 commercial development shall be constructed (meaning horizontal improvements have been substantially completed) prior to development of Phase 5A and 5B.
- b. Phase 5A and 5B shall not be developed until the Mountain View Corridor (MVC) is commenced to allow for buffering between the Property and MVC, or after a period of five (5) years from the date of this Agreement, whichever is shorter.

5. Amenities Overview. The amenity package developed for each residential phase is designed to create a lifestyle for the community of resort style living. The project will include active and passive activities including recreation, exercise, integrated trails for community connectivity, open space areas, etc. The buildings, amenities, design, recreation opportunities, and open space will all be designed to create an active community that compliments the topography and distinctive natural features in the area. The amenities listed below for each phase of the development is predicated on the total number of planned units actually being built as set forth in paragraph 5 above. If the total number of units is reduced the total amenity package for that phase shall be proportionally reduced.

6. Residential Amenities by Phase. Each residential phase shall be developed with the amenities specified for each phase, as set forth in Exhibit “D” hereto.

7. Trail System Overview.

- a. Unless otherwise noted, the Master Developer, or his designated assignee, shall be responsible for installing all trail improvements.
- b. Trail widths and configurations shall be determined during the review and approval of the adjacent project phase.
- c. All communities (Phases) shall have access to the integrated trail system that will run throughout the Property as depicted on Exhibit “E”.

- d. Hard trails/sidewalks will be incorporated into roadway areas based on the overall final design.
- e. The trail system will have elements of a natural trail for hiking, walking and bike access to the Jordan River Trail and the Mountain View Corridor Trail.
- f. The trail system will include two exercise stations to be built and located within Phase 3 and Phase 5. The final location of the exercise stations will be determined by Developer as each phase is completed.
- g. The trail system will have integrated view areas/sitting areas with benches.
- h. Jacob Welby Nature Trail will be integrated into the trail system.
- i. The trail will run along the existing Jacob Welby Canal Road to points north including tying into the Beef Hollow Trail that will give access to the Jordan River Trail.
- j. The trail will generally follow and be located on the Jacob Welby Canal Road. If road access is unsuitable, a four-foot-wide nature trail will be constructed off the edge of the Jacob Welby Canal Road.
- k. The trail will have two passive sitting areas with benches located based on views and proper spacing as determined by the Developer.
- l. All trails will tie together at logistical points for connectivity. All communities, including commercial phases, will include sidewalk or hard surface trail access to trail systems as well as adjacent to roadways so that all communities will have hard surface access to the Jordan River Trail without the need to cross Camp Williams Road. The trail system will give access through the underpass for inter-connectivity between all of the communities.

8. Mountain View Corridor Nature Trail.

- a. The trail will generally follow the Mountain View Corridor between the Mountain View Corridor and the Development in the open space area. This will be in addition to the hard surface Mountain View Corridor trail that is anticipated to be installed with the Mountain View Corridor by UDOT.

- b. The nature trail will have two passive sitting areas with benches located based on views and proper spacing to be determined by Developer.
 - c. The trail will connect to east/west trails, the community trails, and the future UDOT Mountain View Corridor trail.
- 9. Beef Hollow - Deer Underpass Trail:
 - a. This trail will connect all trails to the Jordan River trail.
 - b. At the deer underpass, the trail will consist of a nature trail and a hard surface to allow passage under Camp Williams Road. The trail may be combined thru the underpass.
 - c. The trail will consist of a nature trail generally following the gully with a minimum of 6 feet in width.
 - d. The east/west trail will incorporate a hard surface trail in addition to the nature trail where needed to give access from the communities to the Jordan River Trail.
- 10. Interior Community Trails:
 - a. The trail system will be integrated and tie together to the interior trail or walkway/sidewalks within the phases.
 - b. Two exercise stations will be integrated into the trails in to be completed with Phase 3 and Phase 5 as outlined above.
- 11. Phase 5 Trails/Transfer of Ownership. If Herriman City purchases Phase 5, the trails that are contemplated for Phase 5 may need to be adjusted. All trails on the Phase 5 property will be approved based on the new ownership by Herriman City. The owner of the property that develops at that time will be responsible for the installation of Phase 5 trails.
- 12. Improvements within Plats & Phases.
 - a. At the time of plat recordation for each phase the Developer and/or Owner of the subject phase shall be responsible for the installation and dedication to the

City of all onsite and offsite sewer, storm drainage, and road improvements sufficient for the development of the portion of the property depicted on the plat in accordance with the City regulations.

- b. All roadways within the Property shall be public roadways, which shall be constructed in accordance with the applicable City ordinances and regulations, and the approved construction drawings.
- c. The City shall provide all public services to the Property (including, without limitation, water service, storm drain, road maintenance, snow removal, etc.) and maintain the related improvements, including roads, that are specifically intended to be public upon dedication to the City and acceptance in writing by the City at the end of the warranty period, so long as the improvements meet the standards set forth in the City's municipal code for public improvements. The City shall provide all such municipal services to the Property at the same levels of service, and on the same terms and rates, as provided to other residents and properties in the City.

Amenities to be Provided

- 1. Each individual residential phase shall be developed with the amenities specified for each phase, as set forth below:
 - a. Phase 1 Residential Amenities.
 - i. Entry monument including signage, monument design, and landscape designed to show that you have arrived at the Herriman Crossroads community. (See Design Characteristics Sample Entrance Monument with integrated landscaping Phase 1 Redwood Rd. entrance.
 - ii. Fencing on the property line along the Camp Williams right-of-way will be installed and will be either a solid five (5) foot masonry fencing or three-rail masonry fencing. If the fencing is solid it will be designed to be staggered at strategic locations with landscaping to prevent having a straight line along the roadway.

- iii. The hill area from the top of property line down to the asphalt along the Camp Williams right-of-way will be designed to have native grasses along with trees and shrubs spaced according to the final landscape plan.
 - iv. A playground will be built with a tot-lot for toddler age children and playground equipment suitable for pre-teens. Playground to be a minimum of 900 sq. ft. area, meet ASTM design/safety standards. If demographic of phase is designed for adult or young professionals negating the need for the playground with the approval of Planning Commission the playground can be eliminated or substituted by another amenity.
 - v. A nature trail will be improved and opened along the Jacob Welby Canal as it passes through the existing deer underpass and nature trail will connect to the Jordan River Trail.
 - vi. Phase 1 residents will have access to all recreation opportunities provided in Phase 3.
- b. Phase 3 Multi-Family Clubhouse and Amenities. Significant Phase 3 amenities shall be constructed concurrently with the development of Phase 1 or completed within one (1) year of the final occupancy of Phase 1, as determined by the City.
- i. Clubhouse.
 - 1. A clubhouse will be built with a minimum of 4,000 sq. feet with convenient pedestrian access from other appropriate project phases.
 - 2. Community offices will be maintained in the clubhouse.
 - 3. Gathering area with an oversized flat screen TV (65inch minimum, kitchen, seating, etc. will be provided in the clubhouse.

4. A state-of-the-art fitness center containing a minimum of 1,800squarefeetwill be located within the main clubhouse. Fitness center to include top of the line equipment including but not limited to treadmills, spin cycles, universal weights, free weights, etc. The fitness area will have a large open fitness center with large windows suitable for exercise classes (see exhibit G sample equipment).
5. The clubhouse will house media rooms with computers, office opportunities, including a gaming room with multiple gaming stations and a business center (see sample exhibit G Media Room)
6. Parcel lockers will be available in the clubhouse (Luxor or other system as appropriate).

ii. Swimming pool.

1. Swimming pool with a minimum size of 2,500 square feet. Will be provided.
2. Deck area around the pool will be built and integrated into the clubhouse (See sample pool exhibit G)
3. Lounge chairs, chairs, chaise couches, and an outdoor TV will be provided in the deck area (See sample exhibit G)

iii. Hot tub.

1. Hot tub with a minimum of 150 square feet will be provided.
2. Two large built-in barbeque grills will be installed and integrated into the area around clubhouse and pool.
3. Pit or fireplace (gas) will be provided and integrated into the area around deck and pool (See sample pool & deck exhibit G).

- iv. Exercise station.
 - 1. Section of trail in Phase 3 will have one integrated exercise station (see Trail Station Exhibit G 400 Sq. ft. minimum with 4 pieces minimum).
- v. Dog park – pet area.
 - 1. A dog park-pet area will be constructed on the west border of Phase 3 and will be shared with Phase 5 Minimum area of 1,400 sq. feet).
- vi. Pickleball & basketball combined court (standard pickleball court size 65 feet X 35 feet).
- vii. Large playground area (1,400 sq. feet minimum, 40% of area covered with ASTM safety standard designed playground equipment ages 5 – 12).
- viii. Tot-lot playground area (400 sq. feet minimum with ASTM safety standard designed playground equipment ages 5 and under).
- ix. Upper level outdoor patio (1,000 sq. ft minimum) will be provided for views, reading, yoga, gathering etc. A large screen flat TV (minimum 60 Inch) will also be provided on the outdoor patio and equipped with chairs, yoga gear, railings etc (See sample Exhibit G Outdoor upper deck).
- x. Trail system that is integrated into the overall area and community. The trail to the west of Phase 2 and the trail on Phase 1 to be completed with the development of Phase 1.
- xi. Bike storage in facility minimum 400 sq. ft. (See sample Exhibit G Bike Repair and Storage).

- xii. Signage and entry monument, minimum requirements based on City and industry standards for the final size of phase).

c. Phase 5 Residential Multi-Family Amenities and Recreation Center.

- i. Clubhouse with a minimum of 3,000 sq. feet with convenient pedestrian access from other appropriate project phases.
- ii. Community offices in clubhouse.
- iii. Gathering area, with oversized flat screen TVs (65 inch minimum), kitchen etc.
- iv. State-of-the-art fitness center having a minimum of 1,500 square feet. Fitness center to be equipped with top of the line equipment including but not limited to treadmills, spin cycles, universal weights, free weights, yoga, an open fitness center suitable for exercise classes, etc. (See sample equipment/layout in Exhibit G of fitness equipment).
- v. Two media rooms including computers, office opportunities, and community theater area (See sample Exhibit G Media Room).
- vi. Swimming Pool with a minimum size of 1,500 square feet.
- vii. Deck area around pool integrated into clubhouse (See sample in Exhibit G of pool and deck area).
- viii. Lounge chairs, chairs, chaise couches, and outdoor TV (60 inch) to be provided around deck area (See sample in Exhibit G of pool and deck area).
- ix. Hot tub having a minimum of 150 square feet.
- x. Two large built-in barbecue grills integrated into deck area around clubhouse.
- xi. Fire pit or fireplace (gas).
- xii. Parcel locker system in clubhouse (Luxor or other system based on final design and need).

- xiii. Demonstration kitchen in clubhouse (See samples of Design Exhibit G).
 - xiv. Theatre room or sports bar in clubhouse (See samples media room etc. Exhibit G)
 - xv. Section of trail in Phase 3 to have one integrated exercise station. (Size equipment etc. outlined in Phase 3 Guidelines).
 - xvi. Dog park – pet area to be combined with Phase 3 (minimum size outlined in phase 3).
 - xvii. Pickleball and basketball combined court (Standard Size 65 X 35).
 - xviii. Large playground area. (1,400 sq. feet minimum, 40% of area covered with ASTM safety standard designed playground equipment ages 5 – 12).
 - xix.
 - xx. Benches, sitting areas and an additional barbecue grill area with two grill stations to be included.
 - xxi. Upper level outdoor patio (1,000 sq. ft minimum) will be provided for views, reading, yoga, gathering etc. A large screen flat TV (minimum 60 Inch) will also be provided on the outdoor patio and equipped with chairs, yoga gear, railings etc. (See sample Exhibit G Outdoor upper deck).
 - xxii.
 - xxiii. Signage & entry monument
- d. Phase 5 Amenities.
- i. Completion of integrated trail system.
 - ii. Sitting areas with benches etc. (minimum of 2)
 - iii. Remaining open space areas.

Exhibit “C”

City’s Vested Laws

Exhibit “D”

Design Guidelines & Requirements

Introduction

The Herriman Crossroads Community “Design Guidelines & Requirements” (aka Design Guideline or Design Guidelines) details the objectives of all construction within the Herriman Crossroads Community. Design Guideline compliance shall be reviewed by City staff and the Planning Commission during site plan approval process.

Nothing in these Design Guidelines shall override Herriman City Code and adopted policies or standards. The owner is responsible for understanding and meeting all applicable codes, policies, and standards of all governmental entities having jurisdiction over the project.

Overview

Herriman Crossroads was conceived and carefully planned as a mixed-use commercial-residential community in a natural “foothills setting.” The specific goals of this development are to:

- Maintain the natural beauty of the setting,
- Establish and maintain a safe, pleasant and desirable environment,
- Establish and preserve a harmonious design for the community, and
- Promote and preserve active, walkable resort-style living.

Therefore, all architectural designs, buildings, landscaping, and improvements shall be planned to be harmonious, including connectivity, blending into the environment, and amenities to create an active lifestyle with a variety of activities.

The design guidelines and conditions outlined in the architectural standards shall define the minimum requirements necessary for the development.

SITE PLANNING & DESIGN

Fences and Site Walls

To maintain the visual quality of an open and natural landscape, above-grade fences within the Herriman Crossroads Community shall be permitted in designated locations and with approved materials, with the overall intent of providing, as far as possible, an open feel throughout the project.

- Fences shall be made of stone, cement, metal, or wrought iron.
- The Design Guidelines anticipate that the only fencing for Phase 1 will be along the east property line along the Redwood Road right of way, which property line being for the most part at the top of the large slope fifty (50) feet down to the road. The fence at the east property line will tie into an entry monument and signage area at the main intersection access to the overall development from Redwood Road.
- The fence will be five (5) feet high and made of materials specified in the Design

Guidelines.

- The fence will consist of solid areas based on the final location of buildings, the fence that is not directly behind buildings will be set off the property line a minimum of five (5) feet and be open fencing. No long continuous fencing will be allowed along the property line.
- The fence will be integrated into a landscape plan with trees on the east side of the offset open fencing areas, integrated to tie into the entry monument and landscape design.
-
- Fencing along the Jacob Welby Canal will be six (6) foot in height with mostly open fencing (rated non-climbable) especially where the fencing is adjacent to Landscaping.
- Other fencing will be located where residential is adjacent to the Welby Jacob Canal, as approved with final site plan.
- It is anticipated that the commercial development will not have any fencing unless required by City Code or as a condition of City approval.

Grading and Existing Vegetation

Developments within the project shall follow existing topography as close as possible, minimizing the need for extensive grading, excessive cuts and fills, and removal of existing vegetation.

Landscaping

- Project landscaping shall include trees and ground covers, which a goal of a 50/50 mix of deciduous and evergreen trees. Project landscaping shall include trees and ground covers, which a goal of a 50/50 mix of deciduous and evergreen trees with a variety of tree species.
- Project landscaping shall include parkstrips with street trees and parking lot landscaping to break up large areas of paved surfaces.
- Xeriscaping is encouraged, as well as other water conservation techniques, i.e., drought-resistant plants and restricting the use of sod to active use areas.
- The 50-foot slope area along Redwood Road from the fence to the existing pavement will be planted with a variety of large shade trees that will be 20 feet off the pavement on 30-foot centers; the upper row will be up the hill an additional 15 feet with trees staggered planted at 30 foot on centers. The trees will be a minimum of 1.5-inch caliper watered with a drip system. The natural grass/sagebrush between the trees on the slope will remain, subject to a final City approved landscape plan. The right of way on the southeast entrance will be landscaped from the sidewalk for a minimum of fifty feet to the south. The landscaping is subject to UDOT approval. Ground vegetation will be enhanced with perennial grasses, plants, etc, in the areas as needed.

Open Space

- Significant open space shall be provided, depending upon the size, scale, nature, and slope of each development.

- Approved open space may include, but is not limited to: commons, pocket parks, plazas, outdoor dining, courtyards, natural or manmade landscape features, greenbelts, trails, playgrounds, and pavilions.
- Unless otherwise approved by the City, all open space areas shall be maintained by property owners or property associations.

Parking

- Where possible, parking lots shall be broken up through the use of buildings, landscaping, and walkways.
- Unless otherwise approved by the Planning Commission, parking lots shall not be placed between buildings and streets.
- Underground parking, deck or terrace parking, and parking garages are encouraged and may be required in conjunction with proposed structures that are four (4) or more stories.
- Developments are not allowed to be ‘over-parked’ without justification. Developments may be approved with less than the required parking if it can be shown that land uses and walkable design, as proposed, will not generate the number of parking stalls recommended in the City’s parking standards.

Entry Monuments and Signage

- The corner of Redwood Road and Porter Rockwell Boulevard shall have a ‘Welcome to Herriman City’ gateway monument.
- The main entrance into the project (located between Phase 1 and 2) from Redwood Road, will have two entry monument signs; one on the south side of the entry for the residential development, and one on the north side of the intersection for the commercial center along Redwood Road. The final design, as approved by Herriman City, may have one larger entry monument (in place of the two) if approved by the City. The entry monuments, landscaping, and signage, will be inviting, aesthetically pleasing and informational.
- All other phases of development will include smaller monuments and signage at their entrance areas.

Lighting

Any lighting mounted on a building, on the ground, in trees, or on-site walls for general, area, or security illumination shall be subject to the following guidelines:

- Building mounted lighting must be directed downward away from adjacent lots, streets.
- All exterior lighting must provide shielding of light sources. Bare bulbs or lamps are not permitted.
- All exterior light sources including LED, Incandescent or other lamps shall have a maximum of 75 watts or unless express approval is received from the City.
- Lighting design to match the theme of Mountain Resort.
- Parking lots, sidewalks, walkways, and trails shall have bollard-style or other appropriate

safety lighting.

Refuse Containers

Details for location of refuse concealed containers will be designated by the Owner in the submitted drawings and site plan. Containers shall be appropriately concealed by a screen wall that is architecturally compatible with adjacent buildings.

Noise

Due to noise and proximity to the foothills, fireworks are strictly prohibited within the project.

ARCHITECTURAL GUIDELINES

Design diversity within the limits of the Design Guidelines is anticipated and desired. Key architectural concerns including massing, building height, color, and materials selection should be carefully considered in the design process. The architectural standards and design restrictions are intended to preserve, protect, promote and enhance the unique qualities of the community at Herriman Crossroads.

The architectural design palette will have similar refined rustic, muted finish elements as approved in the final architectural design. The various blend of designs considered will be:

- Mountain Modern Prairie
- Mountain Resort Theme & Colors

Modern, bright colors, will not be allowed and do not blend with the natural setting. White soffit and fascia, railings or fencing is not allowed.

Colors and Finishes

Muted natural tones should be used for all exterior elements, especially in the predominant color palette of the building structure. Colors with a Light Reflectance Value (LRV) of at least sixty five percent (65%) are required.

Exterior Walls

All exteriors shall comprise at least three (3) different elements of design materials: stone, brick, cultured stone, cement board, stucco, and glass:

- Stone, brick, or cultured stone shall comprise at least a minimum of 35% of each wall.
- Cement board (or equivalent) shall comprise a minimum of 25% of the exterior walls up to a 65% maximum.
- Stucco is to be used as an accent material, (i.e., gables),
- Metal siding may be used in the design as an accent not to exceed 15%.
- Rock cages/baskets, rusted metal/metal beams, timber beams, composite wood, etc., can

be used, on a limited basis, as accents.

- All sides of buildings shall receive equal design consideration, particularly where exposed to pedestrian or vehicular traffic and adjacent properties.

Residential Building Type and Massing

- An appropriate mix of dwelling types, building styles, sizes, heights, footprints, orientations, and architectural features shall be employed within each residential phase to help create a random 'village' look vs. barrack style housing.
- All dwelling structures shall front, or have at least one elevation that directly fronts a public or private street, green space, or other residential structure. Like dwelling unit structures shall front each other where possible.
- All townhome units shall be considered view units and shall include decks or patios with oversize windows.
- All townhome, condominium and single-family dwelling unit garages shall have, at a minimum, a two-car garage. Garages are encouraged to be rear-loaded. If approved as front-loaded, garages shall be located even with or behind the front elevation of the dwelling unit. Stacked dwelling unit development shall have at least one covered parking space per unit.

Porches and Decks

Appropriate porches are required to provide a personal and welcoming invitation to the community, as well as an opportunity for outdoor living space.

Roofs

All residential units shall have pitched roofs with the proper mass, proportion, pitch and placement for the particular style of dwelling design. Roofs are to be constructed of non-reflective materials colored in earth tones that complement the natural environment.

Windows and Glazing

- Windows will be provided to create an opportunity for expression and enhancement to each design.
- Window size, placement, shape and grid configuration should align with the plan design, and where possible take advantage of access to passive solar energy.
- Window recesses shall be sufficient to support façade articulation and provide surface relief, depth, and shadow.
- Twenty percent of the units are required to be built with oversize glass for views.

NOTE: Irrespective of the standards outlined above, superior design solutions may be considered for approval, if it is clearly shown that they will significantly enhance the project and are mutually agreed upon by the City and the Master Developer.

Exhibit “E”

Architectural Design Characteristics & Samples

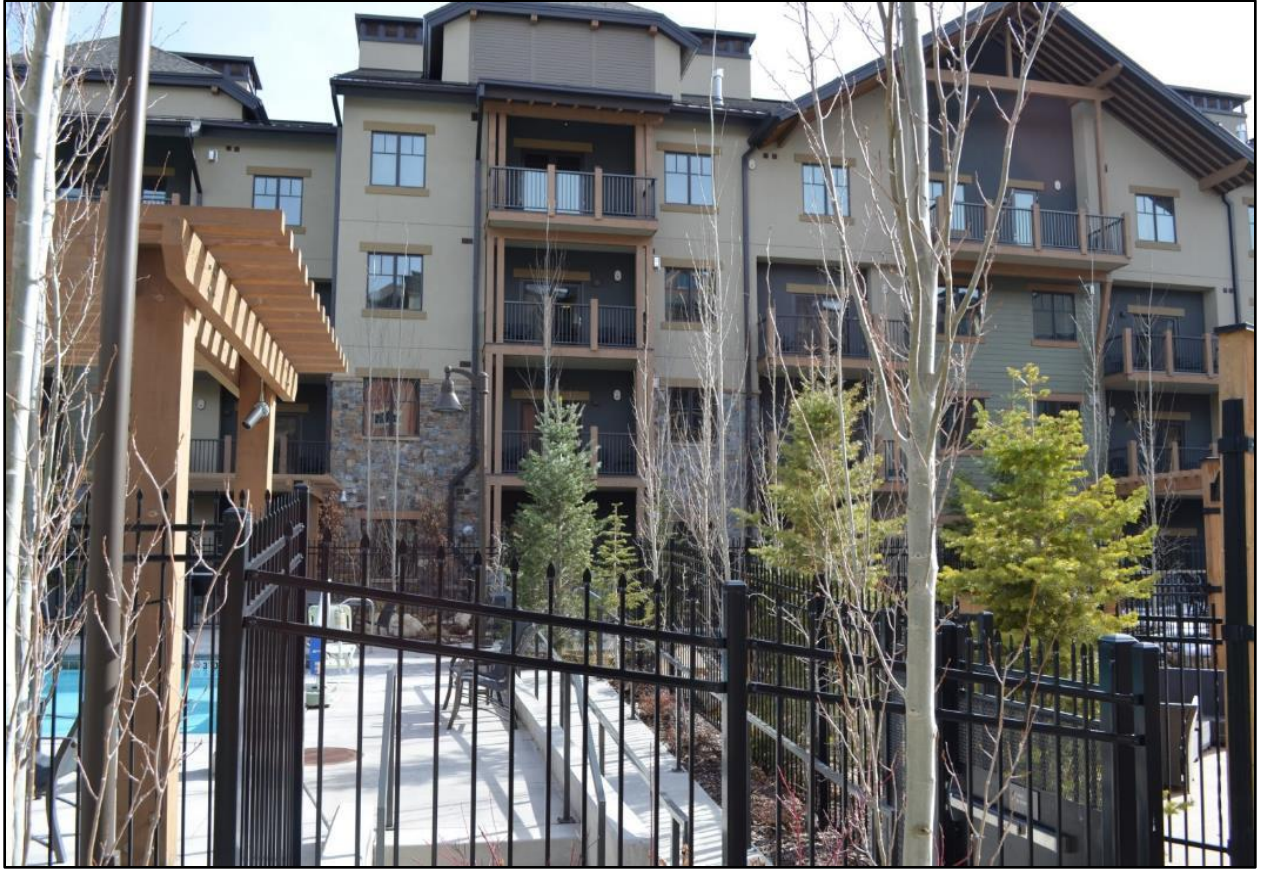
Character & Theming



Kimley»Horn
Expect More. Experience Better.



Design Characteristics: Illustration of appropriate exterior architectural design and materials including; (1) stone or cultured stone, (2) natural or treated wood trim and fascia, (3) natural or treated wood timbers, (4) fiber cement siding, board, and trim, such as James Hardie Board, (5) metal accents and trim, and (6) clear window glazing. Opaque, spandrel or heavily tinted glass shall be prohibited. Minimum standard shall be equal to or better than image.



Design Characteristics: Illustration of appropriate exterior architectural design and materials including; (1) stone or cultured stone, (2) natural or treated wood trim and fascia, (3) natural or treated wood timbers, (4) fiber cement siding, board, and trim, such as James Hardie Board, (5) metal accents and trim, and (6) clear window glazing. Opaque, spandrel or heavily tinted glass shall be prohibited. Minimum standard shall be equal to or better than image.



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Note: Integrated or modified sidewalks shall be prohibited, unless approved by the Planning Commission, City Engineer, and in compliance with all applicable City Code and requirements.



Design Characteristics: Illustration of appropriate exterior architectural design and materials including; (1) stone or cultured stone, (2) natural or treated wood trim and fascia, (3) natural or treated wood timbers, (4) fiber cement siding, board, and trim, such as James Hardie Board, (5) metal accents and trim, and (6) clear window glazing. Opaque, spandrel or heavily tinted glass shall be prohibited. Minimum standard shall be equal to or better than image.



Design Characteristics: Illustration of appropriate exterior architectural design and materials including; (1) stone or cultured stone, (2) natural or treated wood trim and fascia, (3) natural or treated wood timbers, (4) fiber cement siding, board, and trim, such as James Hardie Board, (5) metal accents and trim, and (6) clear window glazing. Opaque, spandrel or heavily tinted glass shall be prohibited. Minimum standard shall be equal to or better than image.



Design Characteristics: Gabion rock cages, with a rusted metal finish, are appropriate for commercial and institutional uses, and may be appropriate for mixed-use developments. Minimum standard shall be equal to or better than image.



Design Characteristics: Gabion rock cages, with a rusted metal finish, are appropriate for commercial uses, community amenities, and may be appropriate for mixed-use developments. Minimum standard shall be equal to or better than image.



Design Characteristics: Metal window canopies. Final design shall be equal to or better than images.



Design Characteristics: Fence design and material sample, subject to compliance with City Code or planned development approval. Minimum standard shall be equal to or better than image.



Design Characteristics: Balcony or porch enclosure design and material sample. Minimum standard shall be equal to or better than image.



Design Characteristics: Entrance monument and gateway entrance sample for Redwood Road and Hill Tree. Minimum standard shall be equal to or better than image.



Design Characteristics: Landscaping sample for Redwood Road. Minimum standard shall be equal to or better than image.





Design Characteristics: Commercial design and material samples. Final design shall be equal to or better than preceding images, and subject to compliance with all applicable regulations.

Exhibit F

Trail System Map

Exhibit G

Community Amenities

Maintain view corridors and natural features.

Typical Wildlife Pass-through



Design Characteristics: Image of outdoor upper floor deck finish, furnishings, trellis, lighting, fire pit, and glass screen samples. Final design shall be equal to or better than preceding image, and subject to compliance with all applicable regulations.



Design Characteristics: Image of outdoor upper-level patio sample. Final design shall be equal to or better than preceding image, and subject to compliance with all applicable regulations.



Design Characteristics: Image of outdoor pool samples. Final design shall be equal to or better than preceding image, and subject to compliance with all applicable regulations.



Design Characteristics: Trail station with exercise equipment sample. Final design shall be equal to or better than image, and subject to compliance with all applicable regulations.



Design Characteristics: Bike repair and storage sample. Final design shall be equal to or better than preceding images, and subject to compliance with all applicable regulations.



Design Characteristics: Clubhouse with café and gathering room sample. Final design shall be equal to or better than preceding images, and subject to compliance with all applicable regulations.



Design Characteristics: Clubhouse media room sample. Final design shall be equal to or better than preceding image, and subject to compliance with all applicable regulations.



Design Characteristics: Game and media room sample. Final design shall be equal to or better than preceding images, and subject to compliance with all applicable regulations.



Design Characteristics: Clubhouse kitchen samples. Final design shall be equal to or better than preceding images, and subject to compliance with all applicable regulations.



Design Characteristics: Images of fitness center sample. Final design shall be equal to or better than preceding images, and subject to compliance with all applicable regulations.



Staff Report

DATE: May 1, 2019

TO: Mayor Watts and City Council

FROM: Michael Maloy, AICP, Planning Director

MEETING: City Council Work Meeting May 8, 2019

REQUEST: Rezone one lot from A-1 (Agricultural) to C-2 (Commercial)

Applicant: Ken Olson

Address: 5200 W Herriman Blvd

Zone: A-1 (Agricultural – 1 acre minimum)

Acres: 7.5

File Number: Z2019-018

Request

The applicant is requesting a rezone from A-1 (Agricultural) to C-2 (Commercial) for the future development of commercial uses along Herriman Blvd. This item is on the work meeting for discussion only. No action is requested at this time.

Notices

Staff mailed notices to all property owners within 300 feet of the subject property. Notices were mailed to 33 property owners and affected entities on March 25, 2019. At this time, staff has received no comments on the request.

Neighborhood Meeting

All rezones require a neighborhood meeting be held prior to scheduling a Planning Commission meeting. A neighborhood meeting for this application was held on March 11, 2019. There were 4 residents in attendance. There was previously a neighborhood meeting on February 25, 2019 about the Auto Mall project which the same 4 residents attended. No new concerns were voiced in the most recent meeting.

Process

A rezone is a legislative action. The Planning Commission holds a public hearing and makes a recommendation to the City Council. The City Council then holds a public meeting to discuss the item and make the final decision. The Planning Commission held a public hearing on April 4, 2019, and recommended approval of the rezone.



Staff Report

General Plan

The General Plan designates this property as Commercial. The proposed rezone to C-2 (Commercial) would comply with the General Plan.

Discussion

The City is in the process of compiling and rezoning property adjacent to Mountain View Corridor for an Auto Mall. The subject property is west of the future Main Street extension and the Auto Mall. This property is shown as commercial on the General Plan and the applicant is rezoning to prepare for future commercial development.

Recommendation

The Planning Commission recommended approval of the rezone from A-1 to C-2 (Commercial). This item is on the work meeting for discussion only. No action is request at this time.

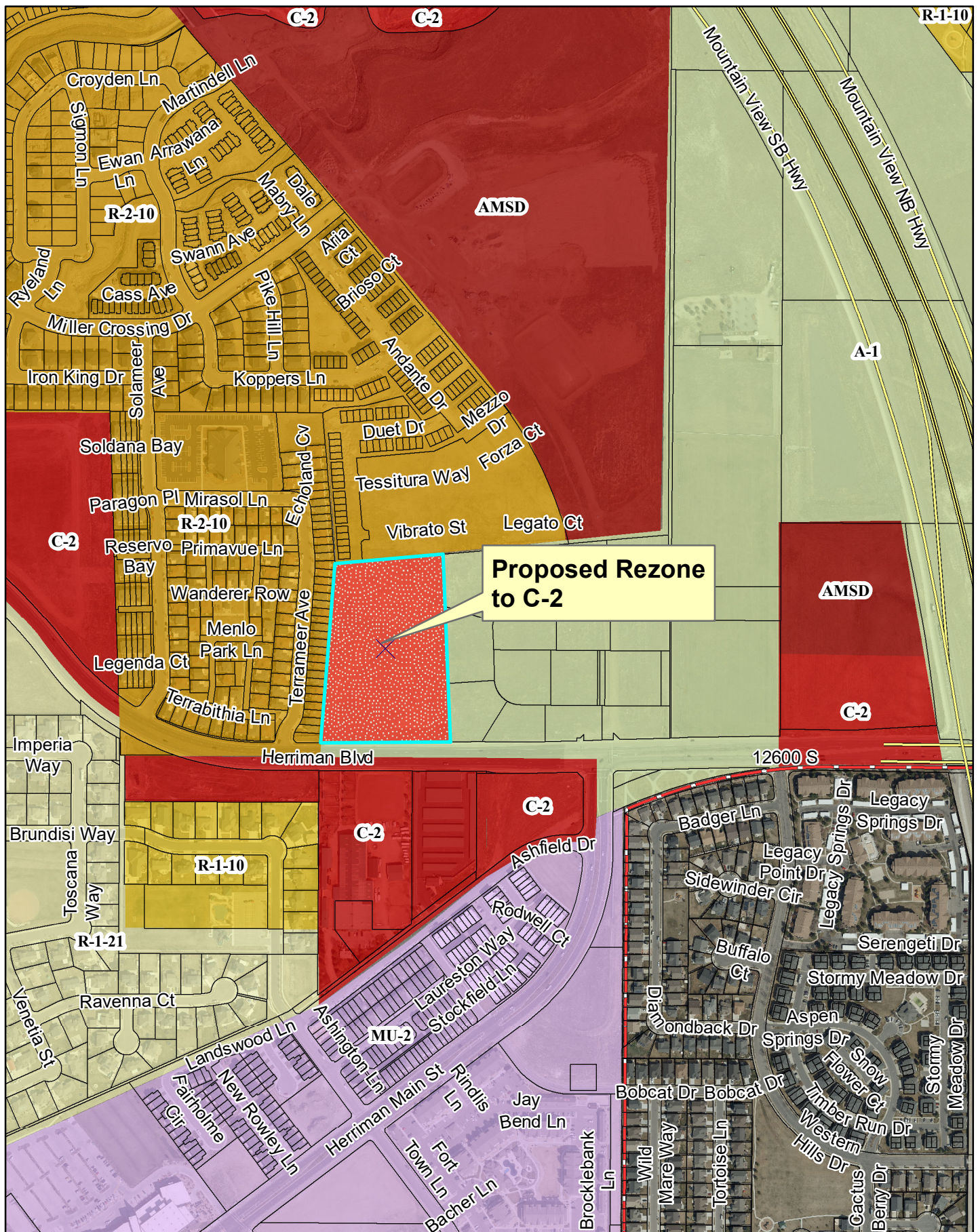
Attachments

- A. Vicinity Map



Staff Report

Attachment A Vicinity Map



Proposed Rezone
File# Z2019-018



Staff Report

DATE: May 1, 2019

TO: Mayor and City Council

FROM: Michael Maloy, AICP, Planning Director

MEETING: City Council Work Meeting, May 8, 2019

REQUEST: Text change to the Land Development Code to Change the Definition of ‘Retail Tobacco Specialty Business’ to Include Electronic Cigarettes and e-Cigarettes
Applicant: Herriman City
File Number: Z2019-025

Request

Herriman City is proposing a text change to the Land Development Code to Chapter 3 – Definitions, to add electronic cigarettes and e-cigarettes as a component of ‘Retail Tobacco Specialty Business’. This item is on the work meeting for discussion only. No action is requested at this time.

Notice

The City posted the public hearing notice in the newspaper on March 24, 2019, and on the Herriman City website on March 22, 2019. As of the date of this report, staff has not received any public comments regarding the proposed text change.

Process

A text change is a legislative action. The Planning Commission holds a public hearing and makes a recommendation to the City Council. The City Council then holds a public meeting to discuss the item and make the final decision.

The Planning Commission held a public hearing on April 4, 2019, and recommended approval of the text change. There were no public comments during the hearing.

Ordinance

The Land Development Code currently defines a “Retail Tobacco Specialty Business” as follows:

RETAIL TOBACCO SPECIALTY BUSINESS: A commercial establishment in which:

- 1. The sale of tobacco products accounts for more than thirty five percent (35%) of the total annual gross receipts for the establishment;*
- 2. Food and beverage products, excluding gasoline sales, is less than forty five percent (45%) of the total annual gross receipts for the establishment; and*



Staff Report

3. *The establishment is not licensed as a pharmacy under Utah State Code title 58, chapter 17b, Pharmacy Practice Act.*

The City ordinance does not define tobacco products, so we must defer to the State Code for further clarification. Utah State Code 10-8-41.6 defines tobacco products as follows:

(g) *"Tobacco product" means:*

- (i) any cigar, cigarette, or electronic cigarette, as those terms are defined in Section [76-10-101](#);*
- (ii) a tobacco product, as that term is defined in Section [59-14-102](#), including:*
 - (A) chewing tobacco; or*
 - (B) any substitute for a tobacco product, including flavoring or additives to tobacco; and*
- (iii) tobacco paraphernalia, as that term is defined in Section [76-10-104.1](#).*

The State Code refers to various other sections of the code for further definitions.

Section 76-10-101

- (1) "Cigar" means a product that contains nicotine, is intended to be burned under ordinary conditions of use, and consists of any roll of tobacco wrapped in leaf tobacco, or in any substance containing tobacco, other than any roll of tobacco that is a cigarette as described in Subsection [\(2\)](#).*
- (2) "Cigarette" means a product that contains nicotine, is intended to be burned under ordinary conditions of use, and consists of:*
 - (a) any roll of tobacco wrapped in paper or in any substance not containing tobacco; or*
 - (b) any roll of tobacco wrapped in any substance containing tobacco which, because of its appearance, the type of tobacco used in the filler, or its packaging and labeling, is likely to be offered to, or purchased by, consumers as a cigarette described in Subsection [\(2\)\(a\)](#).*
- (3) "Electronic cigarette" means an electronic cigarette product, as defined in Section [59-14-802](#).*

Section 59-14-802

- (2) (a) "Electronic cigarette" means:*
 - (i) an electronic device used to deliver or capable of delivering vapor containing nicotine to an individual's respiratory system;*
 - (ii) a component of the device described in Subsection [\(2\)\(a\)\(i\)](#); or*
 - (iii) an accessory sold in the same package as the device described in Subsection [\(2\)\(a\)\(i\)](#).*
- (b) "Electronic cigarette" includes an e-cigarette as defined in Section [26-38-2](#).*



Staff Report

Section 26-38-2

(1) "E-cigarette":

(a) means any electronic oral device:

- (i) that provides an aerosol or a vapor of nicotine or other substance; and
- (ii) which simulates smoking through its use or through inhalation of the device; and

(b) includes an oral device that is:

- (i) composed of a heating element, battery, or electronic circuit; and
- (ii) marketed, manufactured, distributed, or sold as:
 - (A) an e-cigarette;
 - (B) e-cigar;
 - (C) e-pipe; or
 - (D) any other product name or descriptor, if the function of the product meets the definition of Subsection [\(1\)\(a\)](#).

Discussion

Recent inquiries from the public have questioned whether vape shops are covered under Herriman's current definition. While the State Code does define vape and e-cigarettes as being included in tobacco products, making this text change will make it more transparent that these uses are included as a Retail Tobacco Specialty Business. They are therefore subject to Chapter 16 (Table of Uses) under that categorization, and are prohibited.

Recommendation

The Planning Commission recommended approval of the proposed text change to the Land Development Code to update Chapter 3 – Definitions, to change the definition of 'Retail Tobacco Specialty Business' to include electronic cigarettes and e-cigarettes.

Attachments

A. Proposed Text



Staff Report

Attachment A
Proposed Text

RETAIL TOBACCO SPECIALTY BUSINESS:

A. A commercial establishment in which:

1. The sale of tobacco products accounts for more than thirty five percent (35%) of the total annual gross receipts for the establishment;
2. Food and beverage products, excluding gasoline sales, is less than forty five percent (45%) of the total annual gross receipts for the establishment; and
3. The establishment is not licensed as a pharmacy under Utah State Code title 58, chapter 17b, Pharmacy Practice Act.

B. Tobacco products includes electronic cigarettes as defined in Utah Code Ann. §59-14-802 and e-cigarette as defined in Utah Code Ann. §26-28-2.



STAFF REPORT

DATE: April 29, 2019
TO: Herriman City Council
FROM: Wendy Thomas
MEETING: May 8 Work Meeting
SUBJECT: Herriman Park & Trail Updates

BACKGROUND:

Construction update on four trails:

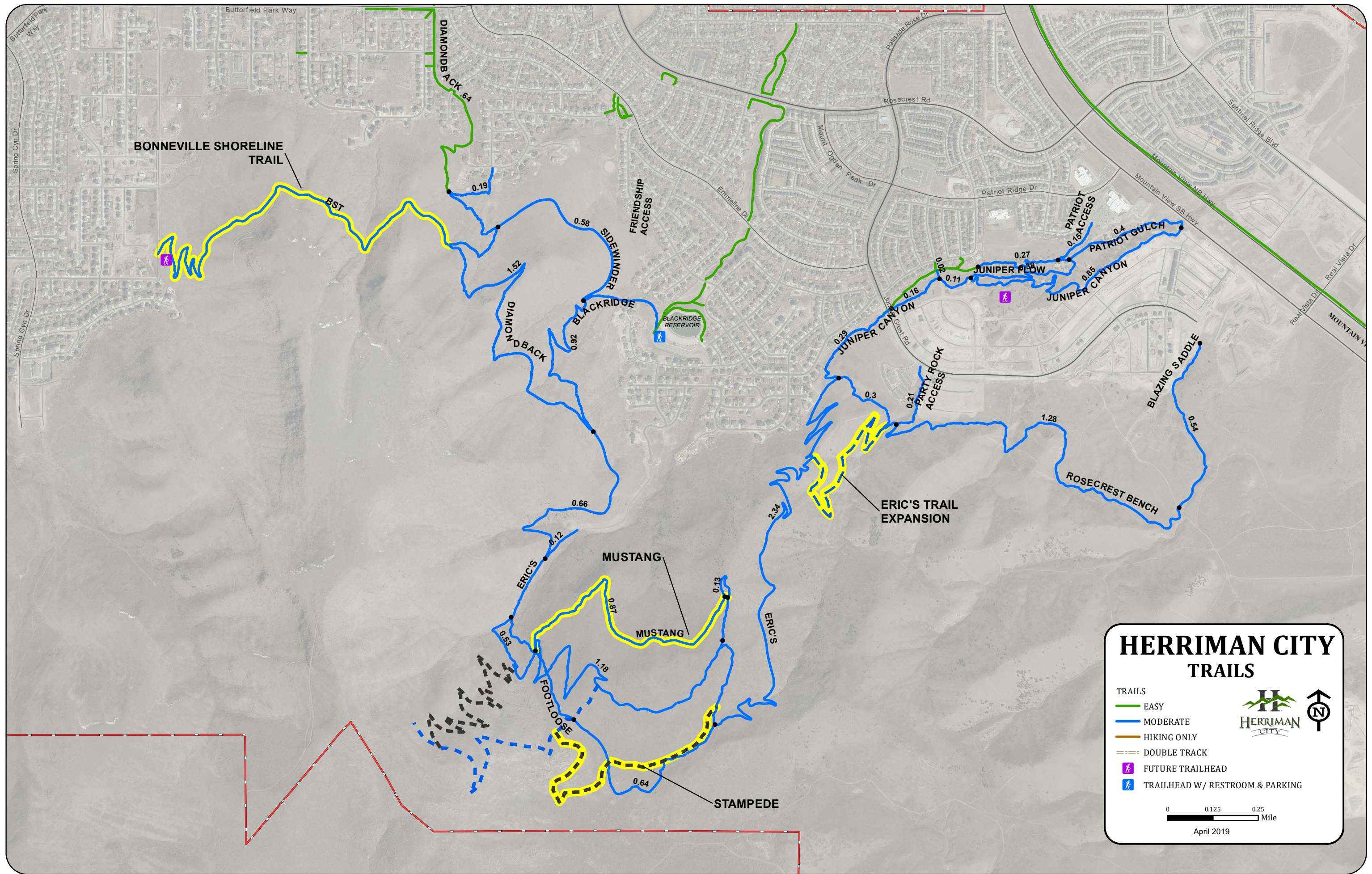
- Bonneville Shoreline Trail - Complete
- Eric's Expansion
- Mustang
- Stampede

DISCUSSION AND RECOMMENDATION:

Staff will be available to answer questions and collect feedback on any projects. No recommendation will be made at this time.

ATTACHMENTS:

N/A



HERRIMAN CITY TRAILS

TRAILS

- EASY
- MODERATE
- HIKING ONLY
- DOUBLE TRACK
- FUTURE TRAILHEAD
- TRAILHEAD W/ RESTROOM & PARKING



0

0.125

0.25

Mile

April 2019



STAFF REPORT

DATE: April 30, 2019
TO: Herriman City Council
FROM: Wendy Thomas
MEETING: May 8, 2019 Work Meeting
SUBJECT: Park Ordinance Updates – Final Draft

BACKGROUND:

The Herriman City Parks Ordinance is in need of updates to clarify rules and regulations, add specific rules and regulations that apply to use on urban and primitive trails and to bring the ordinance in line with other updated ordinances. Primary revisions of the Park Ordinance had been previously presented to Council on December, 12, 2018 and April 10, 2019 during the work sessions.

DISCUSSION AND RECOMMENDATION:

City Staff and the City Attorney have gone through the requested and recommended changes and updates and have compiled them into a revised draft with your suggestions.

The following suggestions were added per Council recommendation in the ADDITIONAL HERRIMAN OPEN SPACE, PRIMITIVE TRAILS AND URBAN TRAIL FACILITY GENERAL RULES & REGULATIONS as well as in GENERAL PARK FACILITY RULES AND REGULATIONS :

- A. “Unauthorized motor vehicles shall not be permitted beyond designated road ways, designated trails and in designated parking areas at a park facility or trail.”

ATTACHMENTS:

Draft Ordinance

Chapter 8

PARKS, PARKFACILITIES, TRAILS AND OPEN SPACE



[7-8-1: RESERVATIONS; REQUEST FORM:](#)

[7-8-2: PRIORITY USAGE:](#)

[7-8-3: SPONSORED FUNCTIONS SPECIFIED:](#)

[7-8-4: FEES AND DEPOSITS:](#)

[7-8-5: RULES AND REGULATIONS:](#)

[7-8-6: HOURS OF USE OF BLACK RIDGE RESERVOIR PARK:](#)

[7-8-7: HOURS OF USE OF THE SKATE PARK:](#)

Add PURPOSE, APPLICATION OF PROVISIONS & DEFINITIONS

DEFINITIONS:

Open space: Open space is any open piece of land that is undeveloped (has no buildings or other build structures) and is accessible to the public. Open space can include: natural areas, wildlife and native plant habitats, wetland or watershed areas, stream corridors, and passive, low impact activities.

Park facilities or facilities: A specific piece of ground, either within the city or that is under the ownership or control of the city that is operated and maintained by the city and set apart for the general public, whether developed or undeveloped, including natural parks and open space, and that may be planted with trees, lawns and other shrubbery. A park may include within its boundary facilities for sport, entertainment, dancing, recreation, swimming, or similar functions.

Trail: A linear corridor of property which is part of the parks, trails and recreation master plan or which connects planned trails and is maintained by the city for the purposes of hiking, walking, jogging, running, equestrian, cycling, or other such use allowed by this chapter.

Smoking: Smoking means the possession of any lighted or heated tobacco product in any form, inhaling, exhaling, burning, or heating a substance containing tobacco or nicotine intended for inhalation through a cigar, cigarette, pipe, hookah or similar device, using an e-cigarette, or using an oral smoking device intended to circumvent the prohibition of smoking in this chapter.

Special event: Any athletic event, entertainment event or political event, whether held for profit, nonprofit or charitable purposes.

Modifications: Modifications means any modification of existing lands, vegetation or structures from its existing condition including any form of digging, landscaping, construction, or placement of structures.

7-8-1: RESERVATIONS; REQUEST FORM:

City staff will administer use and rental of park facilities. Individuals or groups desiring to use the park facilities must complete a reservation online or by contacting the City.

7-8-2: PRIORITY USAGE:

City sponsored and city related functions ("sponsored functions") will have priority over functions that are not city sponsored or city related functions ("nonsponsored functions"). Sponsored functions will not be charged a rental fee and security deposit. Nonsponsored functions will be charged a rental fee and security deposit and will be on a first come first served basis (after satisfying sponsored functions use). The individual (the "responsible person") signing the reservation request form for the proposed user shall be personally responsible for the proper use of the facility in question. (Ord. 10-43, 9-2-2010)

7-8-3: SPONSORED FUNCTIONS SPECIFIED:

Generally, sponsored functions include volunteer groups whose functions and established efforts benefit the community. Sponsored functions include the following:

- A. City council and City events;
- B. Planning and zoning commission;
- C. City committees and boards;
- D. County, State and/or federal sponsored events; and
- E. Others, as approved.

7-8-4: PARK FACILITY RENTAL FEES AND DEPOSITS:

- A. Except as provided below the application fee, rental fee and security deposit for nonsponsored functions is due twenty-four (24) hours before the scheduled event. Please see city master fee schedule for fees and deposit amounts
- B. If the event is a Special Event, thirty (30) days' notice is required.
- C. The application, rental fee and security deposit for the Rosecrest Pavilion Park Facility is due thirty (30) days in advance.
- D. The sublease of Herriman City Parks, Park Facilities, Trails and Open Space is strictly prohibited.
- E. The security deposit will be returned to the group, only if the facility is left clean, orderly, undamaged, and all furnishings are returned to their original arrangement as determined by the city.
- F. A certificate of insurance may be required with the City listed as an additional insured.
- G. Reservations may be transferred or cancellation refunds granted if written notice is given to the city at least twenty four (24) hours prior to the event.
- H. The responsible person must be present at the facility during all reserved activities. Any repair costs resulting from damages to the facilities will be the responsibility of the responsible person.

PARK FACILITY RENTAL RULES:

- A. The facility must be left in a clean and orderly manner. All trash must be placed in the proper receptacles, and tables, etc., returned to substantially the same condition and location in which they were found.
- B. Any special accommodations or seating arrangements are the responsibility of the group renting the park facility.
- C. A permit is required for exclusive use of the rented park facility. The permitted use only applies to the park facility rented and does include the surrounding park space, parking lots or other amenities.

7-8-5: GENERAL PARK FACILITY RULES AND REGULATIONS:

- A. It is unlawful for any persons to be in any park facility when the gate to the park is locked or official signage indicates the park is closed.
- B. Park facility use is prohibited if the park facility has been fenced, locked, and/or temporarily closed to the public.
- C. Hours for park restroom facilities are posted at each facility and vary by park facility and season.
- D. Smoking is not permitted in any park facilities or within 50 feet of a park facility.
- E. The sale, possession or consumption of any alcoholic beverages is prohibited without appropriate permits and licenses from Herriman City and the Utah Department of Alcoholic Beverage Control.
- F. Modifications of the facility are prohibited without the written authorization from City staff.
- G. It is unlawful to adjust or tamper with sprinklers, sprinkling valves, or sprinkling irrigation systems.
- H. All trash must be placed in the proper receptacles, and tables, etc., returned to substantially the same condition and location in which they were found.
- I. Unauthorized motor vehicles shall not be permitted beyond designated road ways, designated trails and in designated parking areas at a park facility or trail.
- J. It is unlawful to be in possession of illegal or unlawful weapons, contraband, illegal drugs, or other illicit items in any park facility.
- K. It is unlawful to gamble, fight, quarrel, or use profane language in any park facilities.
- L. Amplified music or sound is prohibited unless authorized in writing by City staff.
- M. Except for display operators properly licensed as required by Utah law, it is unlawful for any person to display, discharge, ignite, explode, project or otherwise fire or permit the ignition, expulsion projection of any fireworks in any park facility.

- N. Except within 4 feet of an approved fireplace or grill, it is unlawful to allow an open flame within any park facility, trail or open space.
- O. Any dog in a public park, on trails or in open space must be continually kept on a leash, not over eight feet (8') in length except for designated off leash area. City staff may grant exceptions to this subsection for licensed animal exhibitions.
- P. Inflatables, mechanical rides, water slide and any other private attraction are prohibited without a permit.
- Q. Archery, golf and paintball are prohibited without a permit.
- R. The City reserves the right to revoke a reservation or close a park facility in the event of an emergency or matter of public safety.
- S. Camping in a park facility is prohibited without a permit.
- T. The posting or sharing of signs, banners, flyers or other information is prohibited in park facilities.
- U. Exclusive use of a park or park facility is prohibited without a permit.

7-8-6: BLACKRIDGE RESERVOIR PARK FACILITY:

ADDITIONAL BLACKRIDGE RESERVOIR PARK FACILITY GENERAL RULES & REGULATIONS

- A. Dogs are not allowed on the beach or in the water.
- B. Fishing is prohibited.
- C. Hours for park restroom facilities are posted at each facility and vary by park facility and season.
- D. Motorized watercraft is prohibited.

7-8-7: HOURS OF USE OF THE SKATE PARK FACILITY:

- A. Persons are prohibited from being in the Herriman Skate Park from dusk until 7:00 AM, Mountain Standard Time or Mountain Daylight Time as applicable.
- B. Hours for park restroom facilities are posted at each facility and vary by park facility and season.

ADDITIONAL HERRIMAN SKATE PARK FACILITY GENERAL RULES & REGULATIONS:

- A. The Herriman Skate Park is a skate or ride at your own risk, non-supervised, non-motorized facility designed for skateboarding, in-line skating and BMX freestyle biking only. Motorized vehicles, motorized scooters, or other motorized wheeled devices are not permitted.
- B. The Herriman Skate Park may be closed at any time by Herriman City.
- C. Graffiti and vandalism of the Skate Park is prohibited and may lead to closure.
- D. All trash is to be placed in the provided receptacles.
- E. Animals are prohibited from the Herriman Skate Park Facility at all times.
- F. Portable ramps, rails, platforms or any other structures are not to be erected at any time.

HERRIMAN OPEN SPACE, PRIMITIVE TRAILS AND URBAN TRAILS:

ADDITIONAL HERRIMAN OPEN SPACE, PRIMITIVE TRAILS AND URBAN TRAIL FACILITY GENERAL RULES & REGULATIONS:

- A. Open flames are strictly prohibited.
- B. Dogs must be on leash at all times.
- C. Unauthorized motor vehicles shall not be permitted beyond designated road ways, designated trails and in designated parking areas at a park facility or trail.

- D. Littering, including leaving animal waste is prohibited. All garbage and debris must be packed out.
- E. It is unlawful to enter or remain upon a trail trails that is closed.

ADDITIONAL ARCHES PARK GENERAL RULES & REGULATIONS FOR SLACKLINES AND HAMMOCKS:

- A. Overnight use or camping is prohibited.
- B. Slacklines and Hammocks can only be used in designated areas only. Attaching slacklines or hammocks to any trees, buildings, signs or other structures is prohibited.
- C. All slacklines and hammocks may be affixed on a temporary basis and may not be left unattended. All slacklines and hammocks are to be completely removed prior to leaving the facility.
- D. A slackline may not be elevated to a height of more than four feet at the center of the span when the user is on the line and weighting it.
- E. Activities such as stunts or tricks involving flips are not permitted.



STAFF REPORT

DATE: 04/22/2019

TO: Herriman City Council

FROM: Wendy Thomas

MEETING: 05/08/2019

SUBJECT: Presentation of Outstanding Facility Award - URPA

BACKGROUND:

On March 13, 2019, the Utah Recreation and Parks Association (URPA) awarded Herriman City “2019 Outstanding Facility”. LeeAnn Powell, URPA Executive Director will formally present the award to the City.

DISCUSSION AND RECOMMENDATION:

No discussion or recommendation at this time.

ATTACHMENTS:

None



Staff Report

DATE: May 1, 2019

TO: Mayor Watts and City Council

FROM: Michael Maloy, AICP, Planning Director

MEETING: City Council General Meeting May 8, 2019

SUBJECT: Consideration of Recommended Appointments to the Herriman City Planning Commission

SUMMARY:

Acting under the direction of the Herriman City Council, the administration is forwarding to the Council the names of four residents for consideration of appointment to the Herriman City Planning Commission.

DISCUSSION:

City Code 10-4-5, entitled Planning Commission, states the following:

- B. Appointment and Term of Office: The Planning Commission shall consist of seven (7) persons who shall be appointed by the City Council.
1. It is the intent of the City Council that the Planning Commission will represent diverse citizen groups, as well as the broad interests of the City as a whole; that membership should include balanced representation in geographic, professional, neighborhood and community interest; and that a wide range of expertise relating to development of a healthy and well planned community should be sought when appointing commission members. Interests from which expertise might be selected include banking, development, contracting, engineering, geology and seismology, law, ecology, behavioral sciences, historic preservation, architecture, and landscape architecture. It is not, however, intended that Planning Commission members be limited to professionals, but rather, that members represent a cross section of the community.
 2. Planning Commission members shall be bona fide City residents and qualified electors of the City.
 3. Each Planning Commission member shall be appointed for a term of three (3) years which shall begin upon appointment.
 4. Planning Commission members may be reappointed for successive terms.
 5. The City Council may remove any member of the Planning Commission whenever it



Staff Report

appears that such removal would be in the best interests of the City, as determined by the City Council.

6. Any vacancy occurring on the Planning Commission by reason of death, resignation, or removal shall be promptly filled by the City Council, for the unexpired term of such member.
7. Any vacancy occurring on the Planning Commission by reason of expiration of term shall be promptly filled by the City Council.
8. The City Council, may appoint three (3) alternate Planning Commission members who shall serve terms of one year. The reappointment, removal, and vacancy of alternate Planning Commission members shall be the same as for regular Planning Commission members. Alternate members of the Planning Commission may serve on the Planning Commission in the absence of a Planning Commission member.

In compliance with City Code, staff recommends the Council consider the following individuals for appointment to the Herriman City Planning Commission:

- Lorin Palmer as a **regular** Planning Commission member in District 1
- Colby Oliverson as an **alternate** Planning Commission member in District 2
- Heather Garcia as an **alternate** Planning Commission member in District 3
- Joy Kaseke as an **alternate** Planning Commission member in District 4

If approved, the proposed appointments would form a full Planning Commission with three alternate members.

RECOMMENDATION:

Staff recommends the City Council consider the following motion:

I motion to adopt the attached resolution to appoint the following individuals to the Herriman City Planning Commission for terms of service as specified by City Code 10-4-5:

- Lorin Palmer as a **regular** Planning Commission member in District 1
- Colby Oliverson as an **alternate** Planning Commission member in District 2
- Heather Garcia as an **alternate** Planning Commission member in District 3
- Joy Kaseke as an **alternate** Planning Commission member in District 4

ATTACHMENT:

- A. Resolution to Appoint One Planning Commission Member and Three Alternates

HERRIMAN, UTAH
RESOLUTION NO. R

**A RESOLUTION APPOINTING MEMBERS AND ALTERNATE MEMBERS TO THE
PLANNING COMMISSION**

WHEREAS, the Herriman Council (the “*Council*”) met in regular session on May 2, 2019, to consider, among other things, appointing a member and alternate members to the Planning Commission; and

WHEREAS, the Council has amended the ordinance creating the Planning Commission; and

WHEREAS, the revised ordinance creating a Planning Commission provides that members of the Planning Commission shall be appointed by the consent of the City Council; and

WHEREAS, the City Council hereby nominates Lorin Palmer as a member of the Planning Commission and Colby Oliverson, Heather Garcia, and Joy Kaseke as alternate members of the Planning Commission; and

WHEREAS, the City Council has given advice regarding the appointment of such members and hereby consents to such appointment; and

WHEREAS, after careful consideration, the Council has determined that it is in the best interest of the health, safety and welfare of the citizens of Herriman to consent to such appointments.

NOW, THEREFORE, BE IT RESOLVED that the Council consents to the appointment set forth below and the terms set forth opposite his name, and stating the terms of the Planning Commission member:

<u>NAME</u>	<u>TERM</u>	<u>DATE TERM EXPIRES</u>
1. Lorin Palmer	3 Years	July 2022
2. Colby Oliverson	1 Year	July 2020
3. Heather Garcia	1 Year	July 2020
4. Joy Kaseke	1 Year	July 2020

PASSED AND APPROVED this 8th day of May, 2019.

By: _____
Mayor David Watts

ATTEST:

Jackie Nostrom, MMC
City Recorder

Quarterly Run Data

January~February~March
2019



Unified Fire Authority
Herriman

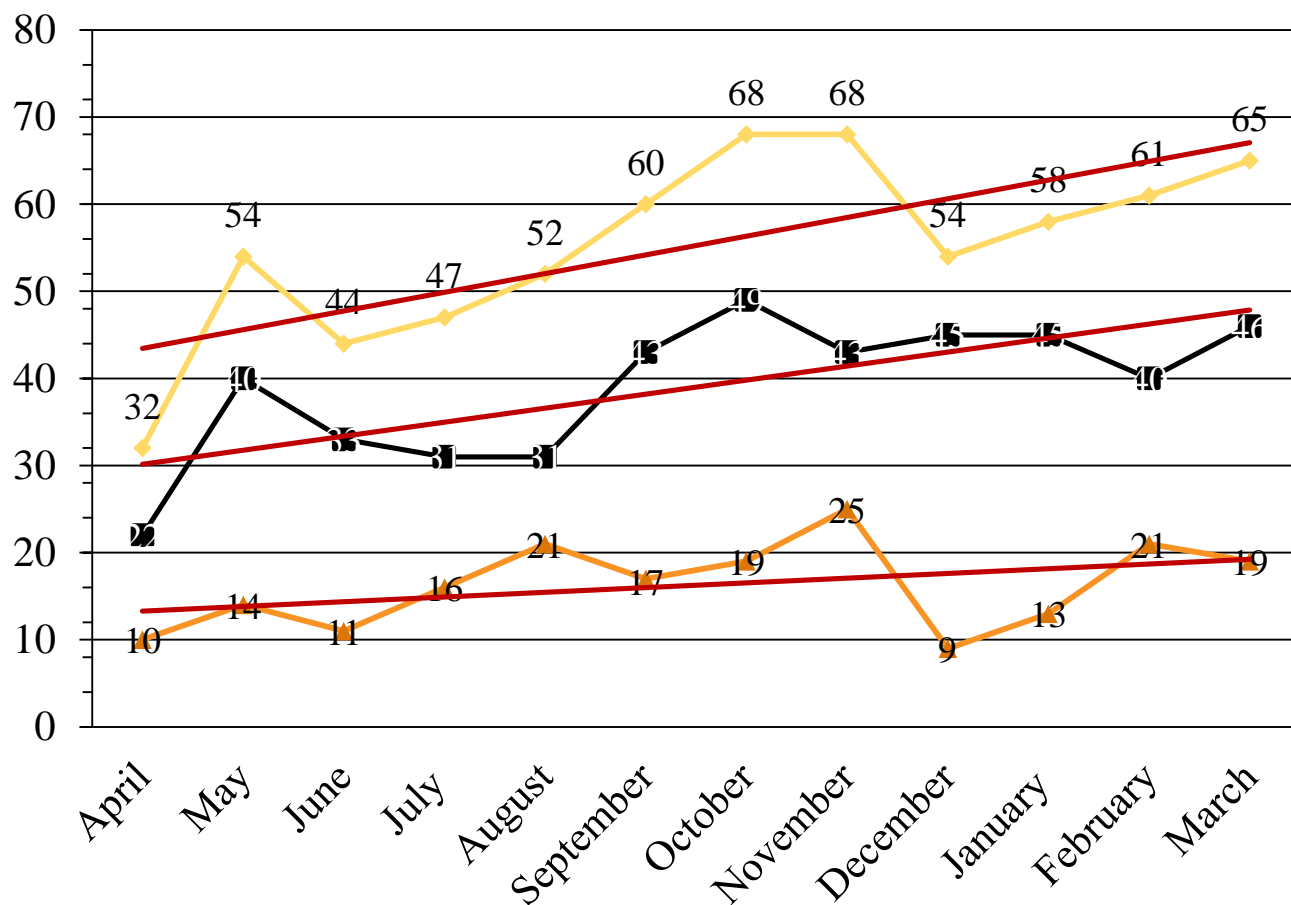


Quarterly Call Volume

	Station	FT Heavy Apparatus	24-Hour Ambulance		Peak Load Ambulance	Fire	Medical	Total
1	Station 101, West Millcreek 790 East 3900 South	5	1 FT	1 PT		115	557	672
2	Station 117, Taylorsville 4545 South Redwood Road	8			2 PT	84	516	600
3	Station 109, Kearns 4444 West 5400 South	4	2 FT			80	479	559
4	Station 125, Midvale 7683 South Holden St.	4				65	410	475
5	Station 104, Holladay 4626 South Holladay Blvd.	4			2 PT	88	362	450
6	Station 118, Taylorsville 5317 South 2700 West	5	1 FT	1 PT		62	349	411
7	Station 110, Cottonwood Heights 1790 South Ft. Union Blvd.	4	1 FT	1 PT		90	264	354
8	Station 126, Midvale 607 East 7200 South	5	1 FT	1 PT	2 PT	46	242	288
9	Station 106, East Millcreek 1911 East 3300 South	4	1 FT	1 PT		44	211	255
10	Station 112, Olympus 3612 East Jupiter Drive	4				64	186	250
11	Station 102, Magna 8609 West 2700 South	4				43	180	223
12	Station 111, Magna 8215 West 3500 South	4	1 FT	1 PT		25	196	221
13	Station 121, Riverton 4146 West 12600 South	4	2 FT	2 PT		31	182	213
14	Station 116, Cottonwood Heights 8303 South Wasatch Blvd.	3			SEASONAL	50	141	191
15	Station 103, Herriman 5916 West 13100 South	4				53	131	184
16	Station 124, East Riverton 12662 S. 1300 W.	5				29	135	164
17	Station 113, Little Cottonwood 9523 East Bypass Road	3				14	138	152
18	Station 123, Herriman 4850 West Mt. Ogden Peak Dr.	4				43	97	140
19	Station 251/252 Eagle Mountain/1680 E Heritage Drive	6				39	96	135
20	Station 108, Big Cottonwood 7688 South State Road 190	3				11	121	132
21	Station 119, Emigration 5025 East State Road 65	3				6	12	18
22	Station 115, Copperton 8495 West State Road 48	3				5	6	11
	Grand Total	93	10	8	6	1,087	5,011	6,098



Station 103



12 Month Average

Total Calls: 55.3

Med Calls: 39.0

Fire Calls: 16.3

◆ Total Calls

■ Medicals

▲ Fires

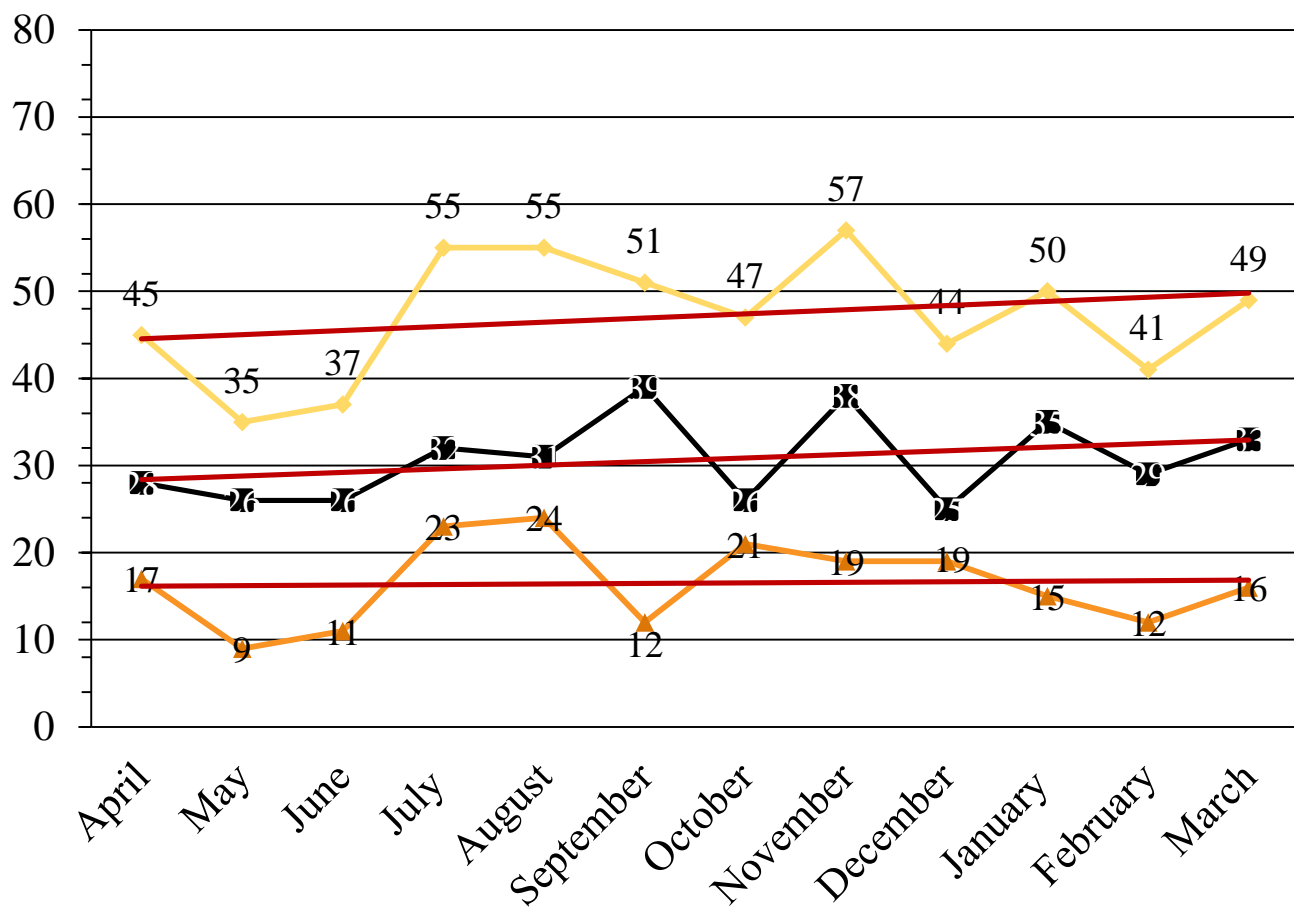
— Linear (Total Calls)

— Linear (Medicals)

— Linear (Fires)



Station 123



12 Month Average

Total Calls: 47.2

Med Calls: 30.7

Fire Calls: 16.5

◆ Total

■ Medicals

▲ Fires

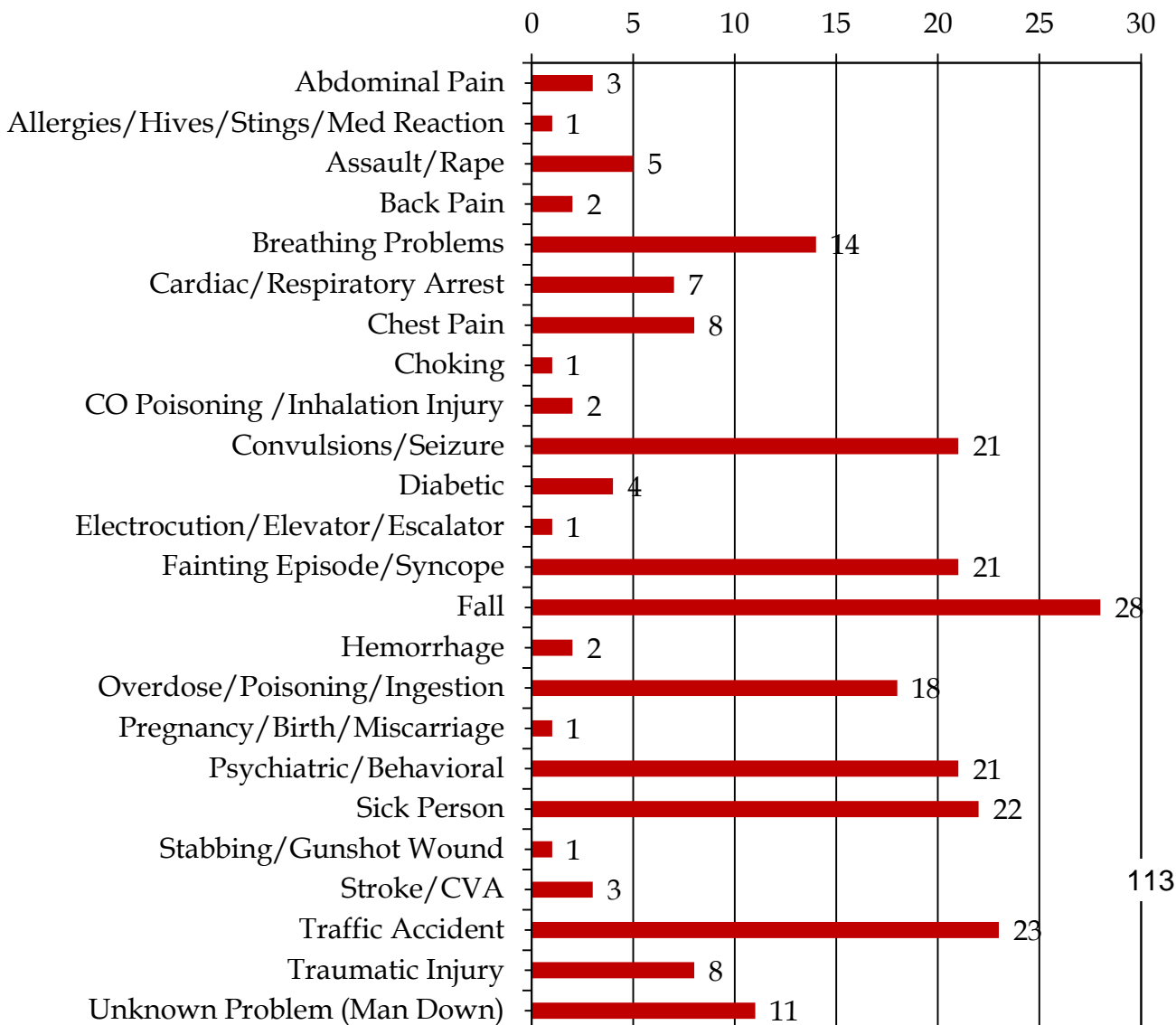
— Linear (Total)

— Linear (Medicals)

— Linear (Fires)

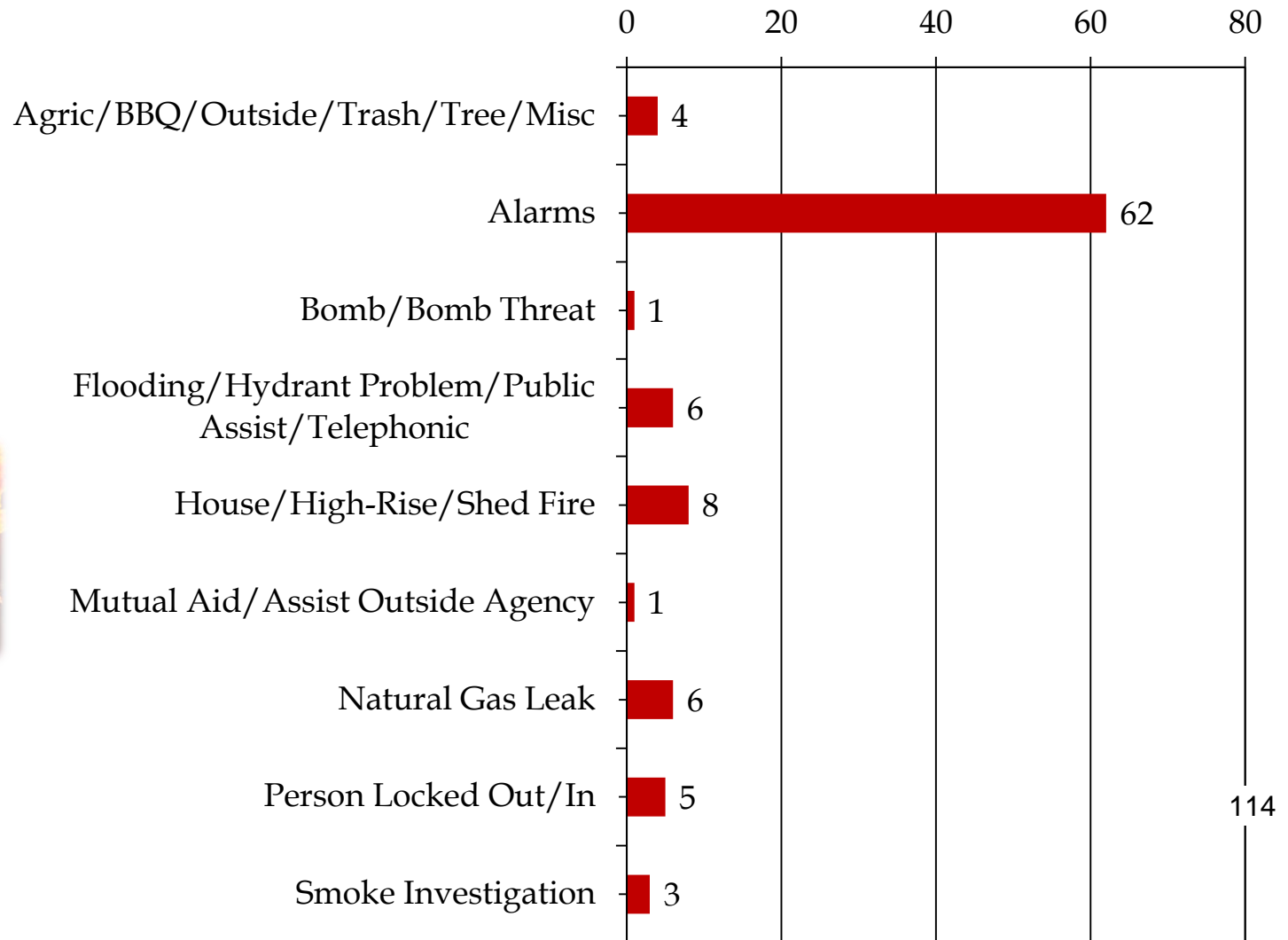


Medical Calls





Fire Calls





Fire Prevention Activities

Total Occupancy Inspections: 116

Assembly Occupancies Inspected: 9

Business Occupancies Inspected: 3

Educational Occupancies Inspected: 2

Hazardous Occupancies Inspected: 9

Mercantile Occupancies Inspected: 1

Residential Occupancies Inspected: 75

Storage Occupancy Inspections: 3

Daycare/Preschool Inspections: 4

Pre-Construction/Site Inspections: 10

Total Inspector Plan Reviews: 75

Commercial Building: 10

Commercial Site Plan: 4

Residential Site Plan: 22

Fire Sprinkler Plan: 7

Fire Alarm Plan: 5

Other/Miscellaneous: 27

Total Protection System Reviews: 15

Commercial Fire Sprinkler System Permit: 3

Commercial Fire Alarm System Permit: 2

Residential Fire Sprinkler System Permit: 4

Residential Fire Alarm System Permit: 4

Other/Miscellaneous: 2

Total Fire Protection System Inspections: 73

Fire Alarm Systems: 16

Fire Sprinkler Systems: 25

Underground Water Mains – Hydrants: 30

Wet Chemical Systems - UL300: 2

Total Administrative: 159

Code Consultation: 118

Complaints Checked: 13

Meetings Attended: 159

Haz-Mat Permits Issued: 9

Business License: 4

Herriman Police Department

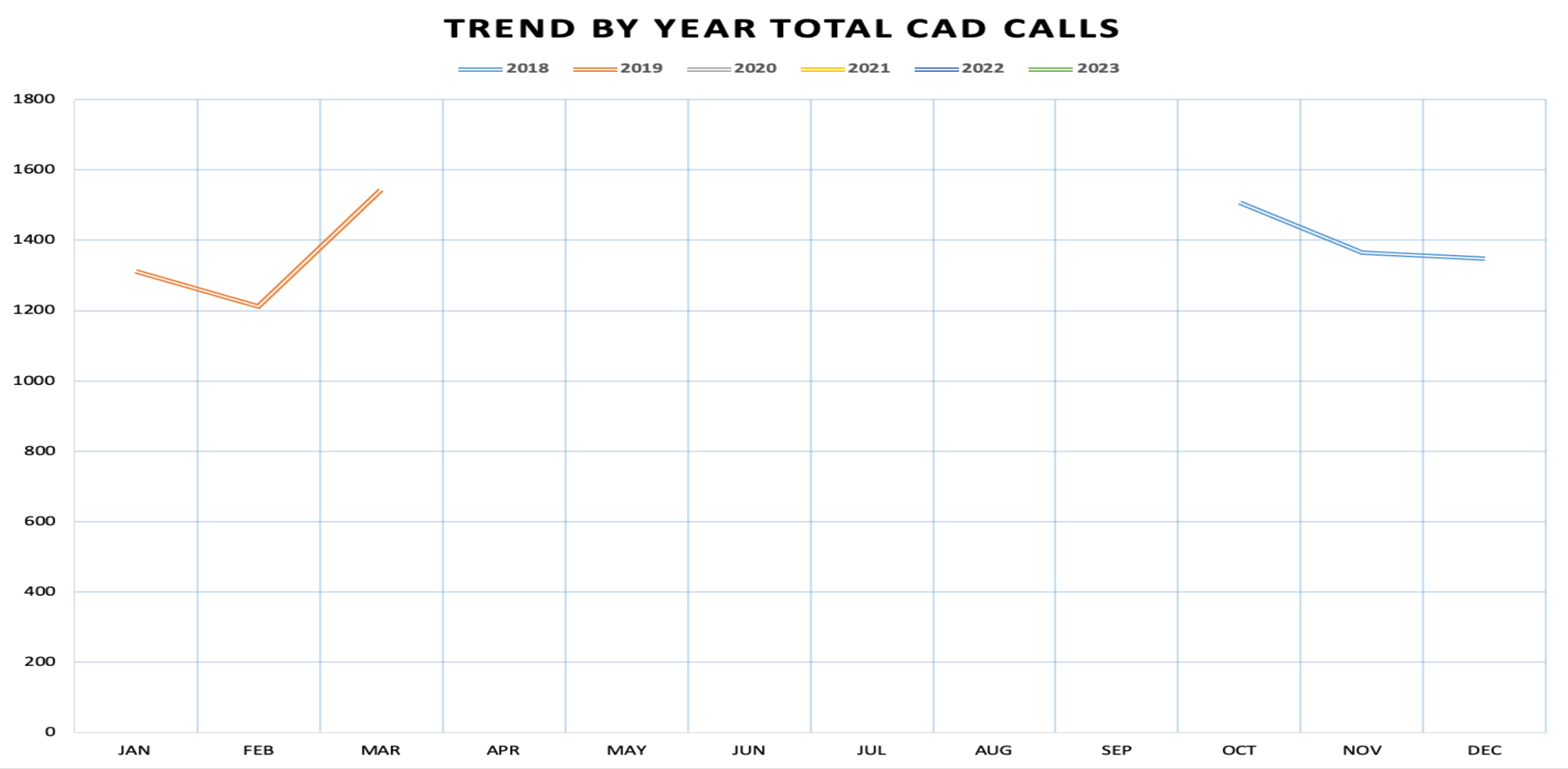


2019 First Quarter Review

STAFFING & CASES

- 6 Months as HPD ending Q1
 - 35 officers in Herriman City
 - Fully staffed with no open allocations
 - To date – no turnover
- Calls For Service Received 2019 Q1
 - 1,312 in January
 - 1,212 in February
 - 1,543 in March
 - 4,067 Total Calls For Service In Q1
 - 16,268 Calls For Service – Year Projection
 - 1,017 Calls Per Patrol Officer (16) – Year Projection
- Police Cases Worked 2019 Q1
 - 306 in January
 - 267 in February
 - 313 in March
 - 886 Police Cases Total Q1
 - 3,544 Cases Worked – Year Projection
 - 709 Cases Per Detective (5) – Year Projection

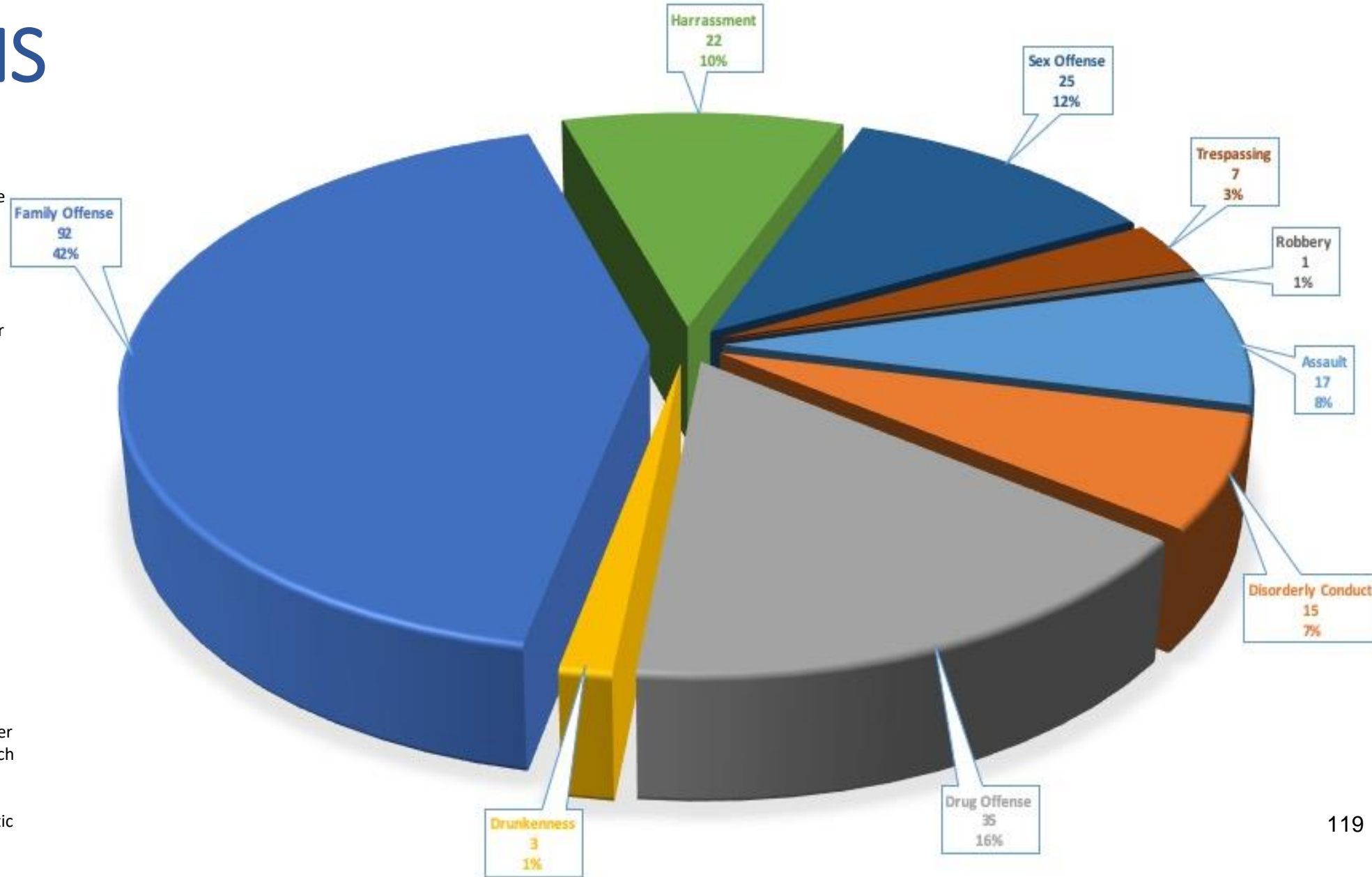
TRENDING



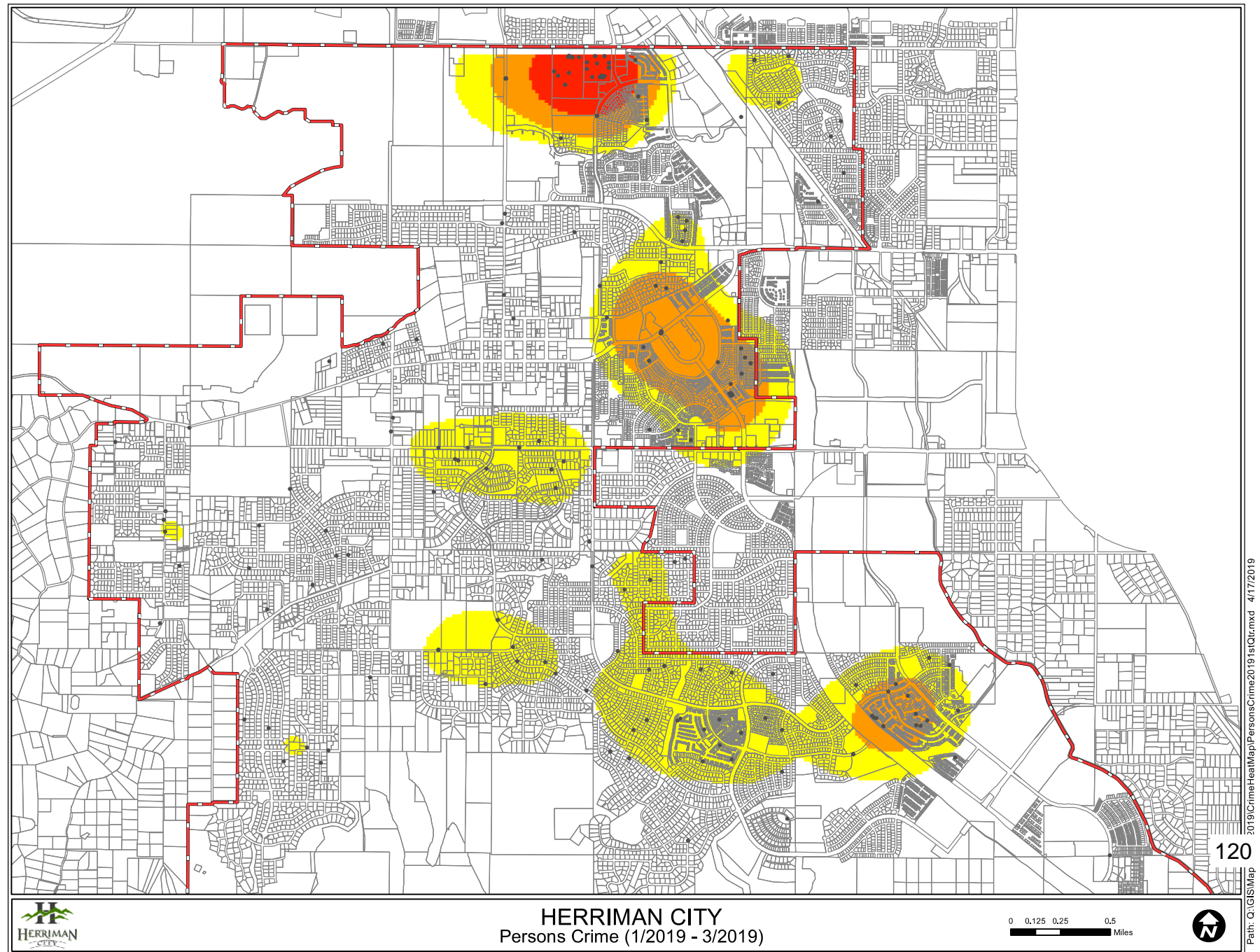
PERSONS CRIMES

- Harassment – Electronic or in-person where the intent is to intimidate, frighten, abuse, threaten, jam or overload. Often seen in domestic/family offenses, business relationships and neighbor problems
- Sex Offense – Offense against children or adults such as rape, forcible sexual abuse or unlawful sexual activity
- Trespassing – unlawfully entering onto or remaining on another's property
- Robbery - Takes from through wrongful appropriation another through force, fear, weapon. A residence is usually burglarized not robbed
- Assault – illegal act of violence or threats/attempts
- Disorderly Conduct – engaging in violent, tumultuous behavior, making noise in a public place or private place that can be heard in a public place, obstruct cars or pedestrians
- Drug Offense – Manufacturing, possessing, distributing narcotics
- Drunkenness – Sometimes known (improperly so) as public intoxication. Under the influence in a public or private place such that they may endanger the person or another
- Family Offense – Typically all things domestic including violence or any other qualifier making an offense domestic. Domestic qualifiers are things such as related by blood, marriage, ever having resided together or having a child in common

PERSON CRIMES FIRST QUARTER 2019

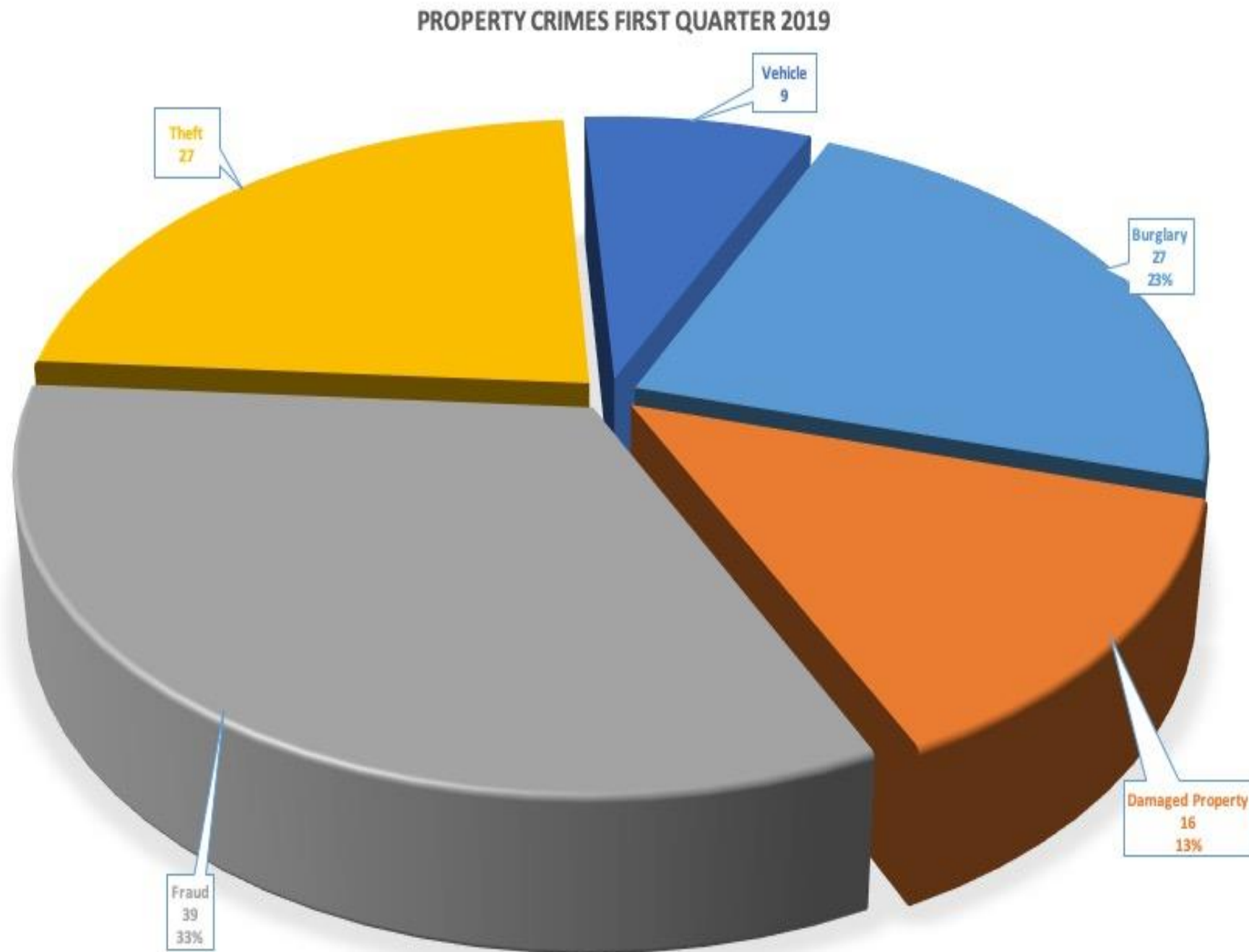


PERSONS CRIMES

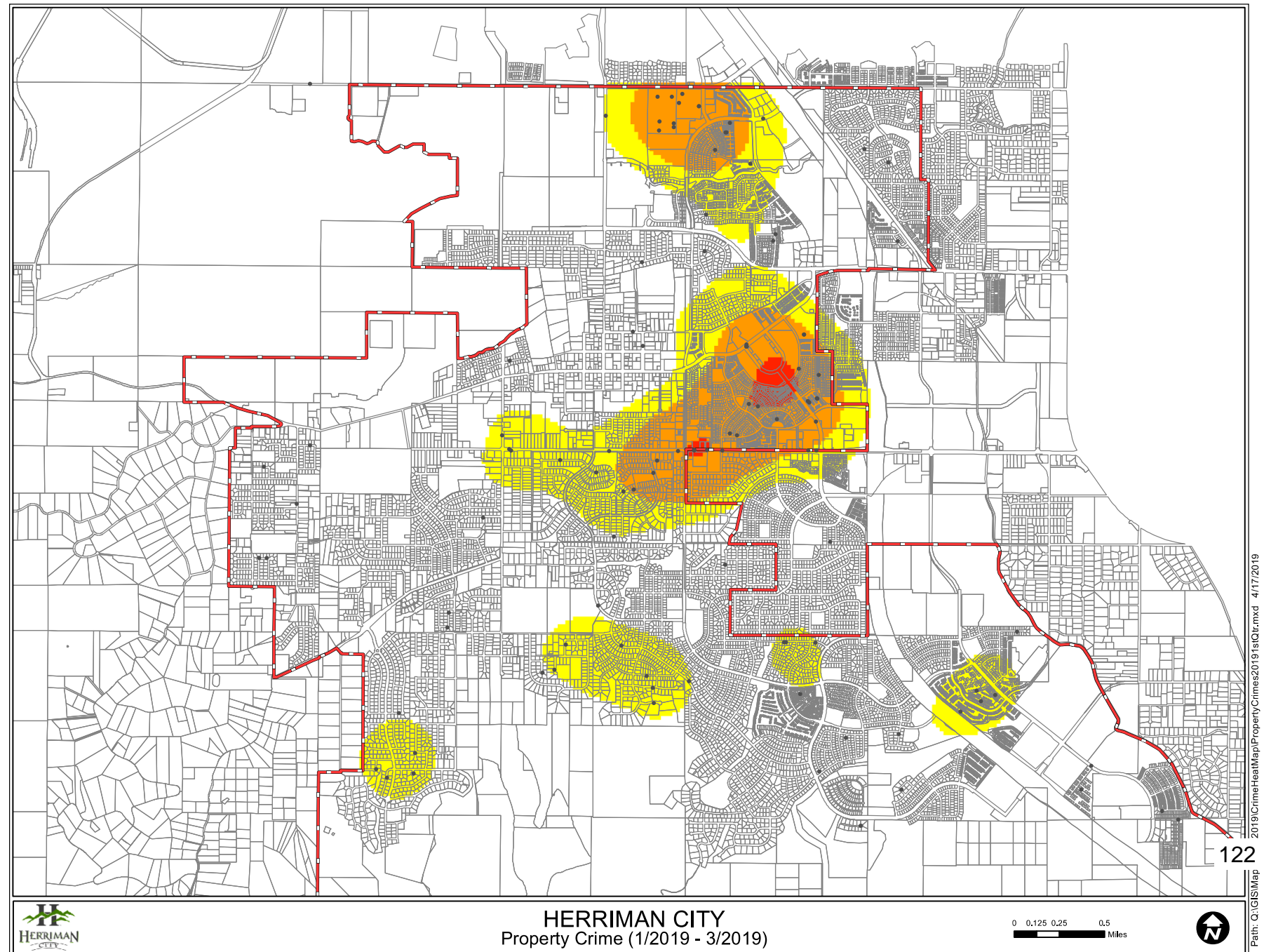


PROPERTY CRIMES

- Theft – Shoplift/retail theft, bike from a front yard or yard decorations
- Vehicle – Stolen vehicle
- Burglary – Business, Residence or vehicle where unlawful entry was made to commit an assault, theft, lewdness, sexual battery, voyeurism or a felony. Different from a robbery
- Damaged property - Fence damaged, park vandalized, car door damaged in a parking lot
- Fraud – Bank fraud, stolen credit card, IRS filings

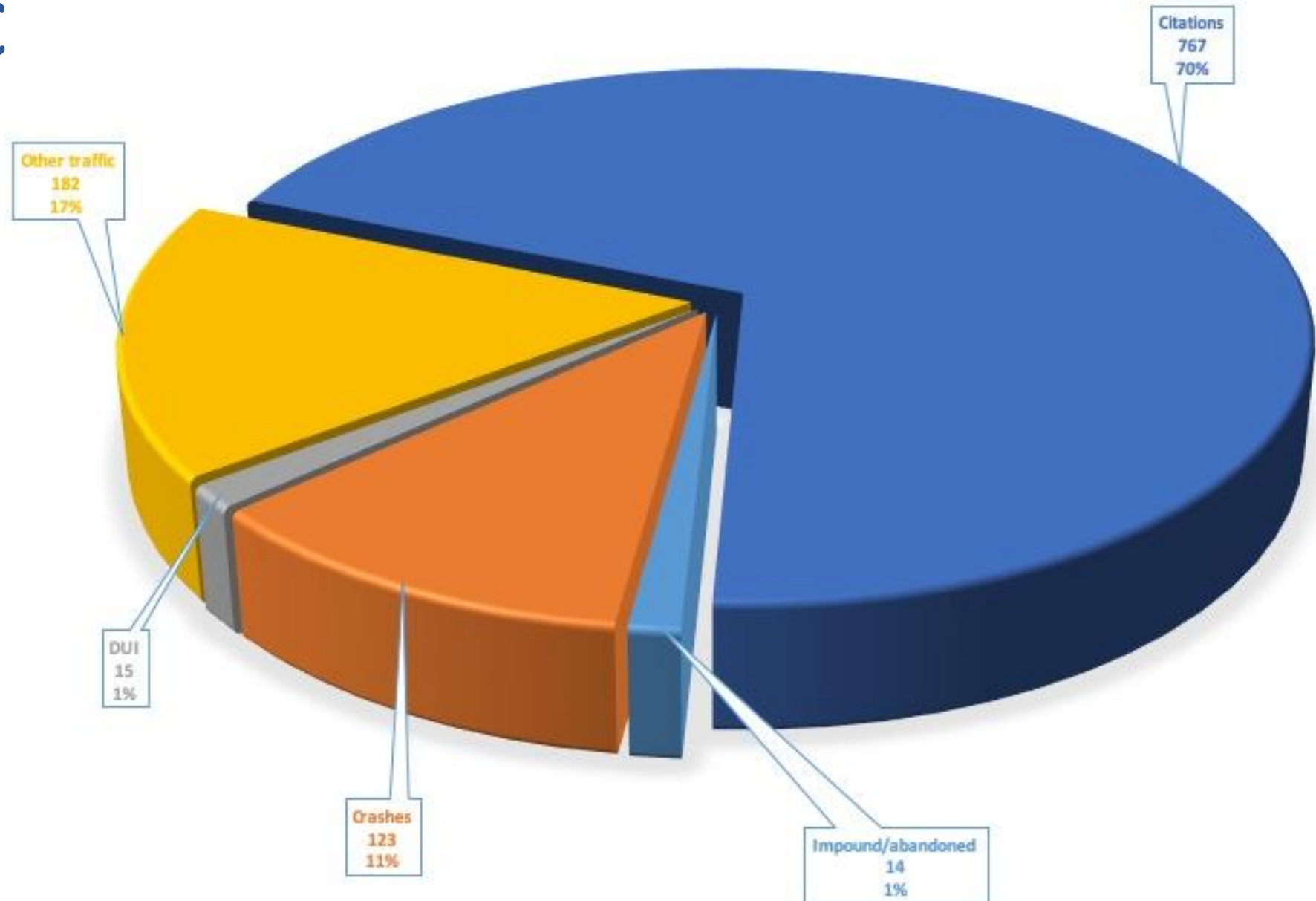


PROPERTY CRIMES

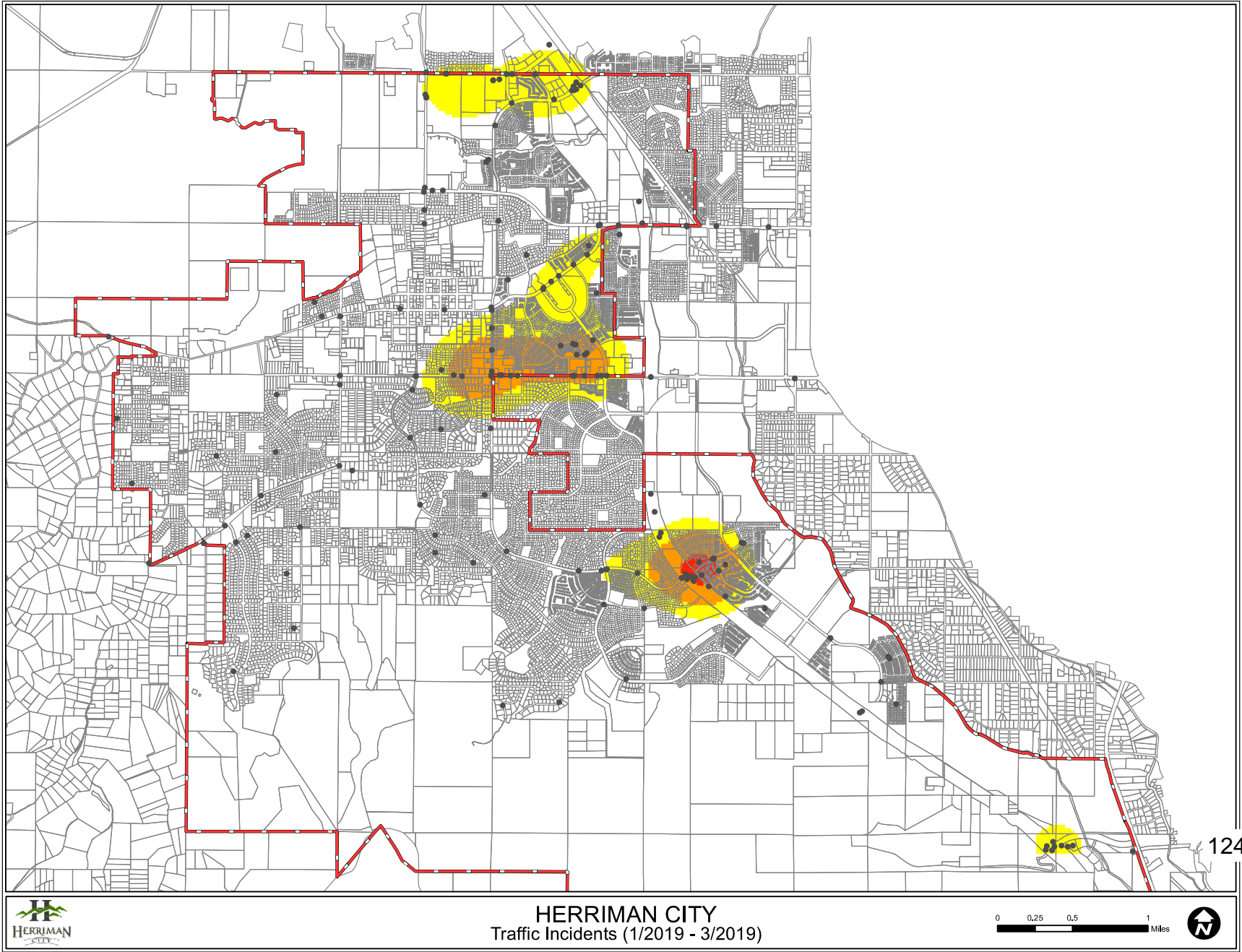


TRAFFIC

- DUI – Driving under the influence of alcohol or drugs
- Crashes – Vehicle traffic accidents, hit and run, vehicle/pedestrian
- Impounded/abandoned – Vehicles impounded for improper parking, elongated parking, crimes where the driver is arrested, expired registration, revoked registration, abandoned vehicles or stolen vehicles
- Citation – Moving and equipment violations
- Other – Motorist assist, special enforcement (crosswalk/directed traffic), parking problems



TRAFFIC



EVENT SPOTLIGHT

EVENT:

- YOUTH ACADEMY

CITY DEPARTMENTS INVOLVED:

- Herriman Police Department & HPD CAC
- Communications / Government Affairs
- Events
- Public Works
- Operations / Facilities
- Administration

Partners:

- Performance Ford
- Providence Hall Charter School
- Big Budah, Robert Kirby

EVENT SPOTLIGHT

Participation:

- 34 Youth Enrolled
- 33 Graduated
- Interest was exceptionally high and unfortunately we had to turn youth away

8 Week Course Included:

- Dispatch Tour
- School Resource Officer / Forensics / Detectives / Victim Advocate
- Firearms Range and Virtra
- Jail Tour
- K9 / SWAT / Motors / Search & Rescue
- Police Scenarios (mentally challenged trespass, ungovernable juvenile and violent felony stop)
- Graduation Ceremony featuring Performance Ford, Big Budah and Robert Kirby

Program Continuity:

- Youth Academy
- Cadets
- CUBS
- Police Academy
- Police Officer

CASE HIGHLIGHT

- Double Stabbing
- February 26, 2019 at 2:50 PM
- Responded to the report of a double stabbing
- Two occupants of the residence were stabbed
- Wounds were critical
- HPD responded and contained the incident providing life saving efforts with UFA
- Secured parking lots to land two medical helicopters
- Secured the crime scene
- Investigated the incident and forensically documented the scene
- Responded to area hospitals
- Provided advocacy
- Managed media requests and released information
- Extended investigative process with interviews, screenings, filings, and hospital releases



CASE HIGHLIGHT

- 5 Officers and 1 Sergeant responded
- 4 Detectives on scene
- 2 Detectives at hospitals
- 1 Forensics Investigator
- 1 Victim Advocate
- 4 Command staff
- Continued to adequately manage all other calls originating in the city
- Occurred the same evening as the Herriman City Employee Awards Event

FEATURED UNIT

Victim Advocate Services



**HERRIMAN CITY
POLICE**

Victim Advocacy Mission

Reduce psychological trauma

Crisis intervention

Criminal justice victim advocacy

Emotional support

Referrals to services
and resources

Safety planning

Crime victim
compensation

Justice system
guidance

Logistical
support

Liaison with
law enforcement

**Serve a variety of crime
victims, including:**

Domestic violence Sexual assault

Child abuse Harassment Stalking



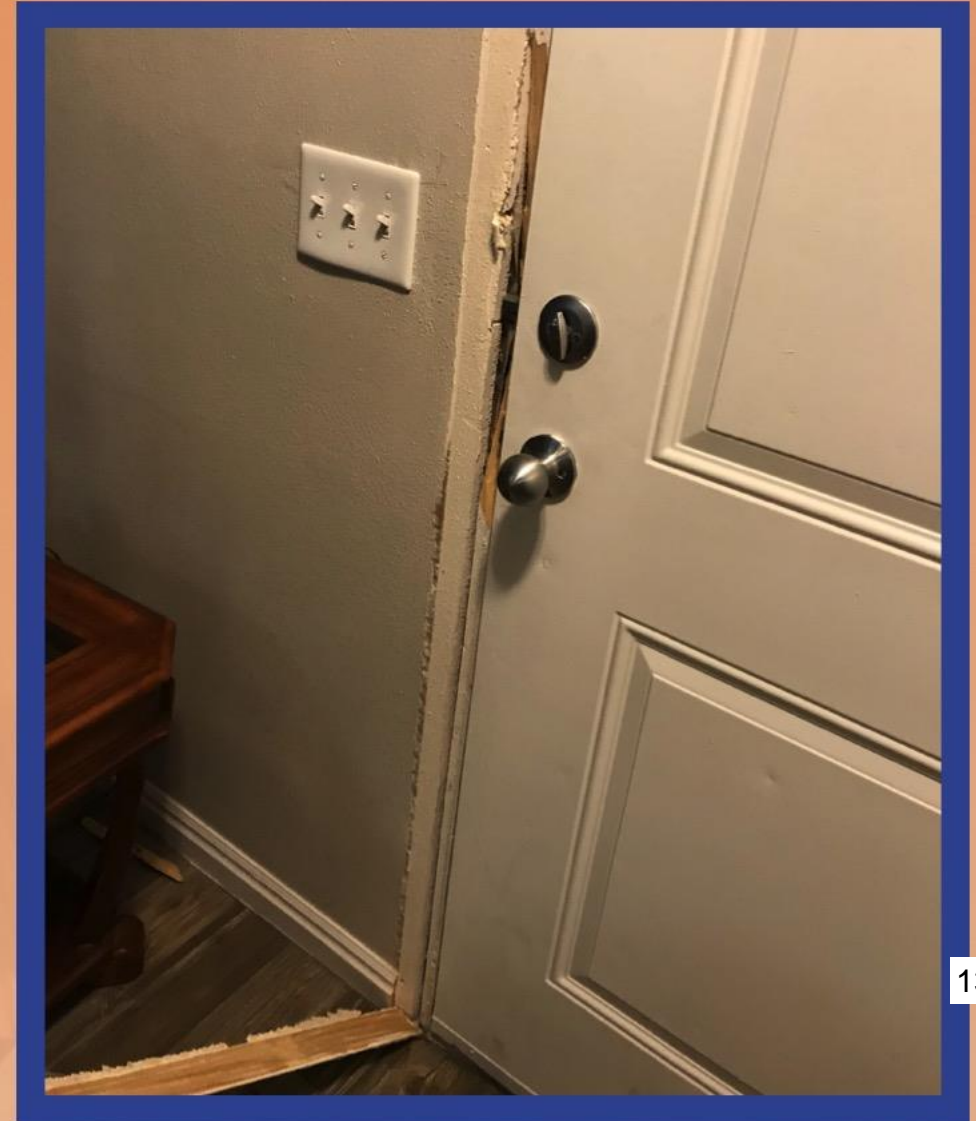
Victim Advocacy Mission

- Serve as more approachable, comfortable advocate for those who may have adverse reactions to police presence
- Help with logistical and emotional needs during and following crisis
- Provide more comfortable space separate from police department to help victims



Example of Recent Incident

- Jane*, recently separated from husband John, became a victim of domestic violence
 - John* cited, returned to Jane's home, threatened suicide, and was transported to hospital
- John returned to the home again, threatened Jane with a knife. Police forcibly removed John, transported to jail
 - John released from jail before a holiday. Court error made protective order invisible to police. Victim Advocate located the order and Jane was additionally protected
- Victim Advocate has provided services to Jane on 18 separate occasions, including:
 - Victim safety plan
 - Referrals to services
 - Attendance of court hearings
 - Helped apply for Crime Victim Reparations
 - Guidance in obtaining civil protective order



Herriman Statistics

Oct 1, 2018 — Apr 22, 2019

Victims served: 144

Race		Age	
White non-Latino/Caucasian	109	0-12	13
Hispanic or Latino	9	13-17	12
Native Hawaiian/other Pacific Islander	5	18-24	17
Asian	2	25-59	93
Black/African American	1	60+	6
Not Reported	18	Not reported	3
Gender		Special Classification	
Female	102	LGBTQ	3
Male	42	Limited English Proficiency	4

Herriman Statistics

Oct 1, 2018 — Apr 22, 2019

Crime Victimizations

Domestic/family violence	77
Identity theft/fraud/financial	26
Stalking/harassment	13
Violation of court protective order	10
Adult sexual assault	6
Child sexual abuse/assault	5
Robbery	4
Adult physical assault	3
Child physical abuse/neglect	3
Child pornography	1
Teen dating victimization	1

Others served

Death notification	1
Victim Compensation application assistance	7



Herriman Statistics

Oct 1, 2018 — Apr 22, 2019

Information & referral

Total victims in category	144
Services provided	500

Personal advocacy/accompaniment

Total victims in category	5
Services provided	10

Emotional support or safety services

Total victims in category	17
Services provided	25

Shelter/housing services

Total victims in category	1
Services provided	1

Criminal/civil justice system assistance

Total victims in category	32
Services provided	102



FEATURED MEMBER

MARCUS BECKSTEAD

- Investigations Division – Lt. Brian Weidmer
 - Community Oriented Policing Unit
 - Community Officer
 - Events Officer
 - Directed Enforcement Unit
 - Narcotics Detective
 - Major / Special Investigations Detective
 - United States Marshal Violent Fugitive Apprehension Strike Team (VFAST)
 - Task Force Officer



FEATURED MEMBER

- Q1 2019 arrest stats for violent fugitives (VFAST)
 - 10 arrests in Herriman City
 - 1 arrest in Salt Lake City (Herriman Fugitive)
 - 11 arrestees accused of 18 crimes
 - Arrestees were female (2) and male (9) ranging from 19 to 60 years of age
 - Arrestees are accused of Rape, Rape of a child, Aggravated Assault (Strangulation), Retaliation against a victim, Aggravated sex abuse of a child, Felony possession of a firearm, Felony Distribution of controlled substance, Sodomy of a child



FEATURED MEMBER

- Three search warrants
- One vehicle tracking warrant
- Residence closed by SLCO Health Department for Methamphetamine contamination
- Multiple evictions from apartments and other rentals
- Several cases currently being investigated



- 20 Narcotics Cases investigated
- Evidence Seized:
 - 21.48 oz. of Marijuana
 - Marijuana seeds for cultivation
 - Lysergic Acid Diethylamide (LSD/"Acid")
 - 38.8 gm of Methamphetamine
 - Marijuana, Methamphetamine, and Heroin paraphernalia
 - Several large hunting knives
 - 5 firearms



STAFF REPORT

DATE: May 2, 2019

TO: The Honorable Mayor and City Council

FROM: Blake Thomas, City Engineer

SUBJECT: Vacation of Approx. 0.485 acres of Real Property located at 4900 W 12600 S

DISCUSSION:

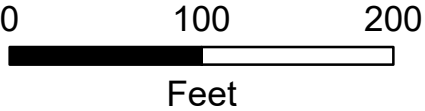
There is a 0.485 acre parcel that was given to Herriman City from UDOT when Mountain View Corridor was constructed for the construction of Herriman Boulevard. Since that time it has been determined that the parcel will not be needed for the future right-of-way improvements to 12600 South/Herriman Boulevard. A portion of this parcel will be required for future park strip and sidewalk improvements. These requirements, as well as any addition right-of-way, will be required to be provided by the developer of the property when the parcel develops. The City has determined that the neighboring property owner is willing to trade approximately 4 acres of real property for the 0.485 acre parcel. In order to complete the transaction, the City must vacate the right-of-way.

Legend

Parcels



EXHIBIT "A"





STAFF REPORT

DATE: April 3, 2019

TO: Mayor and City Council

FROM: Blake Thomas, City Engineer

SUBJECT: Storm Water Rate Fee Study Presentation

DISCUSSION:

The Utah Department of Environmental Quality (UDEQ) conducted an audit of the city's storm water management program in 2017. UDEQ provided the results of the audit to Herriman on March 28th, 2018. An audit response plan was prepared and submitted to UDEQ. One of the deficiencies identified in the audit was the lack of an adopted storm water ordinance that meets the requirements of the UDEQ storm water permit allowing Herriman to manage storm water.

Herriman entered into a contract with a consultant to conduct a study to identify storm water program needs and funding options to operate the program. The consultant worked with city staff and a storm water steering committee made up of city staff and residents to conduct the study and create a comprehensive report of their findings. This agenda item will be for the consultant to present the findings of their report and provide the report's recommendations to the city council.

This item will include a public hearing during the general city council meeting following the presentation by the consultant.

Storm Water Utility Fee Analysis

April 2019

Prepared for:



Prepared by:



STORM WATER UTILITY FEE ANALYSIS

APRIL 2019

PREPARED FOR:



PREPARED BY:



Storm Water Utility Fee Analysis



Prepared for:



Prepared by:



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EXECUTIVE SUMMARY

INTRODUCTION

To explore and support the potential implementation of a Storm Water Utility and associated user fee, Herriman City (the City) has retained Bowen Collins & Associates (BC&A) to conduct and document a storm water fee analysis. A storm water fee (similar to a water fee or sewer fee) is a fee paid by customers to cover the cost of operating, maintaining, and improving a storm water system and running a storm water program. Currently, funding sources for the City's storm water system are limited to general fund revenues. Because of this, the storm water program must compete with other City services for these limited funds. Because storm water program needs often do not seem urgent, it is common that communities underfund their storm water programs. Historically, the storm water program has been underfunded in the City.

Recently, the State Division of Water Quality completed an audit to determine if the City is complying with State and Federal mandates associated with the Clean Water Act and the City's Municipal Separate Storm Sewer System (MS4) Permit requirements. The audit revealed that the City was not meeting many of the MS4 Permit requirements that are intended to help reduce negative impacts on the environment and to reduce the potential for storm water runoff to pollute waters of the state. Regulators issued warnings and City officials made commitments to bring the City's storm water program into compliance with MS4 Permit requirements. Failure to comply would make severe fines likely. This necessitates that the City significantly increase the budget to adequately fund the MS4 Permit requirements associated with the City's storm water program.

The desire to develop a reliable funding mechanism for this essential program is the primary reason the City has decided to consider the implementation of a storm water utility and an associated user fee, which is a very common approach that is used by other cities in Utah to fund their storm water programs. In fact, the only entities in Salt Lake County that currently do not have a storm water user fee are Alta Town, Cottonwood Heights, South Salt Lake, Holladay, and Unincorporated Salt Lake County. However, Holladay and Unincorporated Salt Lake County are both currently in the process of implementing storm water user fees.

Style Note: To enhance the readability of the Executive Summary, referenced figures have been included at the end of the summary instead of within the summary text.

HOW MUCH REVENUE IS REQUIRED FOR THE STORM WATER PROGRAM?

Using historical data, proposed short term budgets, and close coordination with City personnel, BC&A projected the next 10 years of revenue required to sustainably fund the storm water program and determined an average annual revenue need of \$1.60 million (See Table A-1 in Appendix A). This includes all identified storm water system budget categories. Figure ES-1 shows the projected revenue requirement by budget category (solid bars).

If a storm water utility and user fee are established, the chosen approach to targeting revenue collection is setting a level fee that accommodates the revenue need of several years at a time. This arrangement is relatively easy to administer (because the fee does not change), but still is able to meet annual funding needs if the fees are set at the proper levels. Figure ES-1 shows the projected annual revenue based on the recommended fixed fee (dashed line).

HOW DOES A STORM WATER FEE WORK?

Just like any other utility user fee, a storm water user fee is set based on a customer's actual use of the system. In storm water systems, a customer's use consists of the amount of storm water runoff that a customer contributes from his property to the City's storm water system along with his proportional share of the storm water from public areas (such as public roads) that is served by the City's storm water facilities. However, because it is impractical to directly measure the volume or rate of each customer's contribution, storm water fees approximate this by instead measuring the amount of impervious ground cover associated with each customer. Impervious ground cover includes all hard surfaces (like driveways, roofs, and sidewalks) that causes precipitation to be converted to storm water runoff and flow into storm water management facilities instead of infiltrating into the ground.

Using the proxy measurement of impervious ground cover, each customer would be billed a monthly amount that corresponds to his share of the storm water system revenue need based on his use of the system. For the convenience of both the customer and the City, the storm water fee would be billed monthly and would be included as a line item on the existing City water bill.

To facilitate administering the storm water fee, the City's customers have been grouped based on common impervious area characteristics. These "Customer Classes" simplify billing while maintaining the requirement to equitably bill customers based on their relative share of system use. There are four recommended customer classes which are:

- Class 1: Single Family Residential;
- Class 2: Multi-Family Residential 1 (Townhomes, Duplexes);
- Class 3: Multi-Family Residential 2 (Condominiums/Stacked Housing); and
- Class 4: Institutional, Commercial and Apartments.

Class 4 would include apartment complexes, commercial and industrial businesses, churches, government buildings, etc.

Because the first three classes have fairly consistent characteristics of impervious area, customers in each class will be charged a uniform fee respective to their class. However, Institutional / Commercial customers have a wide range of impervious area measurements and so each customer in that class will be charged based on the property's individual impervious area characteristics.

The recommended approach to billing of the storm water fee would be in terms of an Equivalent Residential Unit (ERU), which would be set such that 1 ERU worth of storm water system use is equivalent to the impervious area of the average single family residence (which is 4,000 square feet of impervious area).

WHAT IS THE RECOMMENDED FEE AND HOW WAS IT CALCULATED?

BC&A utilized the City's library of Geographical Information Systems (GIS) data to analyze the City's storm water system customer base. From this analysis, the total number of ERUs in the City was determined.

After making adjustments for customers that might qualify for fee reductions (by privately providing and funding exceptional measures or activities that benefit the storm water system), the total number of equivalent ERUs that will pay the full fee (the "Effective ERUs") was determined and projected into the future. From there, the projected revenue requirements of the first 5 years were divided among these Effective ERUs to establish the recommended fee of \$7.00 per ERU per month.

Table ES-1 shows the recommended rate schedule for the storm water fee and the corresponding projected revenue from the fee in the next 5 years.

Table ES-1
Recommended Storm Water Fee and Projected Revenue

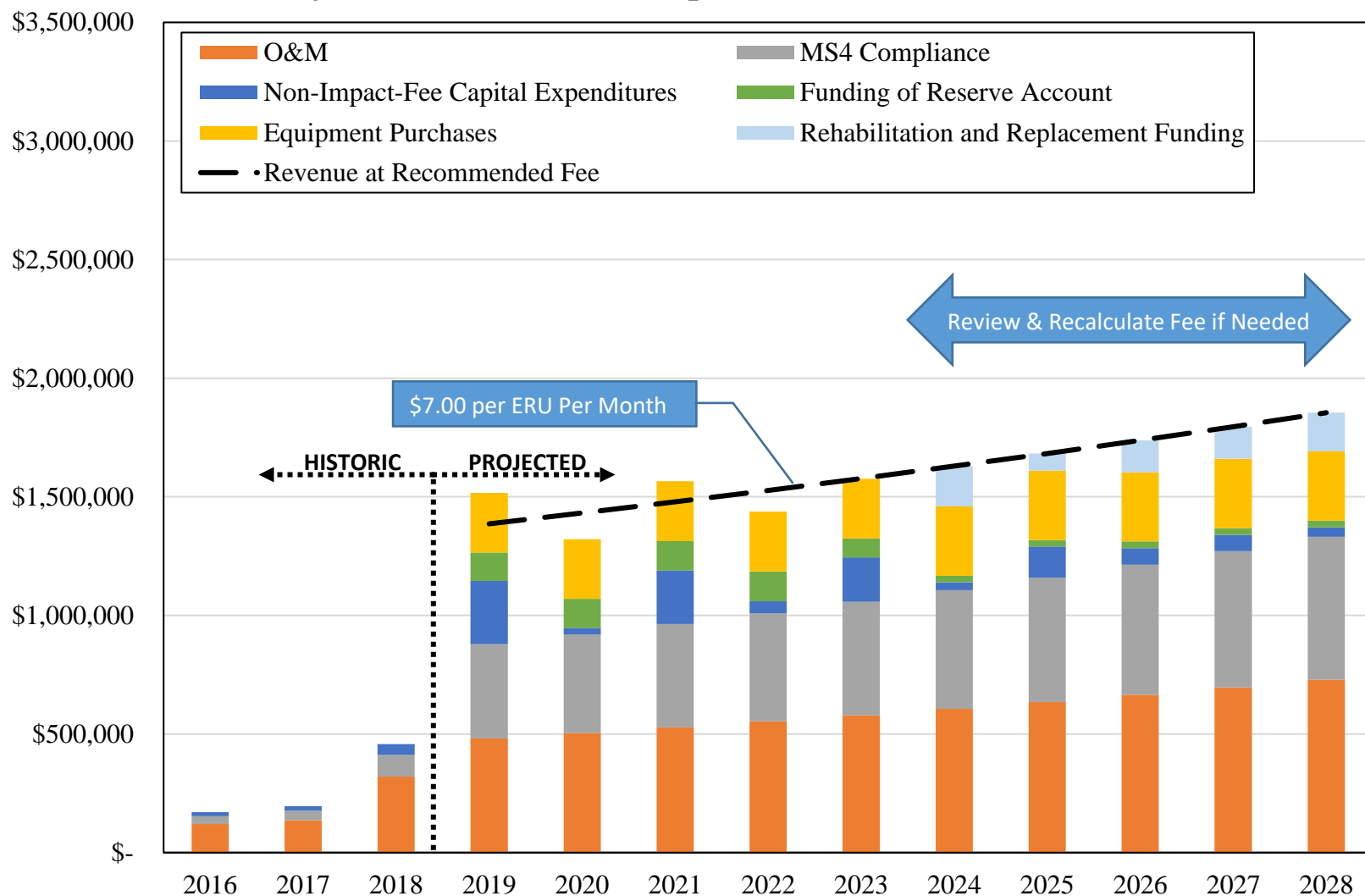
Fiscal Year	Recommended Rate (\$/ERU per month)	Projected Revenue
2019-2020	\$7.00	\$1,386,000
2020-2021	\$7.00	\$1,432,000
2021-2022	\$7.00	\$1,479,000
2022-2023	\$7.00	\$1,527,000
2023-2024	\$7.00	\$1,577,000

WHAT IS REQUIRED TO IMPLEMENT A STORM WATER FEE?

Jurisdiction over the establishment of a storm water utility and the implementation of a user fee lies with the City Council. The City Council would need to adopt the fee in order for the City to implement it.

The projections of this study anticipate that the fee will become effective at the beginning of the 2019-2020 fiscal year. Based on conversations with City personnel, the revenue needs addressed by this fee are needed as soon as possible. Therefore, to meet the needs of the City's storm water program and for the projections shown in this report to be representative, the fee will need to be adopted soon enough that it can be implemented by the onset of the 2019-2020 fiscal year.

Figure ES-1
Projected Revenue and Expenses with Recommended Fee



Note: Years listed are the beginning of the fiscal year (e.g. 2019 is the 2019-2020 fiscal year).

CHAPTER 1 INTRODUCTION AND BACKGROUND

INTRODUCTION

In 2018 Herriman City (the City) commissioned a study that would identify a reliable, equitable, and defensible means to fund the City's storm water program requirements. Historically, all funding for storm water services within the City has come from the general fund (tax revenue).

As the City has grown in recent years, demands on the general fund have grown. The funding requirements that are needed to comply with federal and state mandates in the City's MS4 permit have also grown. Due to competing funding needs and interests in a fast-growing city, funding for the storm water program has been consistently and severely underfunded. This fact was confirmed by a recent audit performed by the State Division of Water Quality. That audit was performed to determine if the City is complying with State and Federal mandates associated with the Clean Water Act and the City's MS4 Permit requirements. The audit revealed that the City was not meeting many of the MS4 Permit requirements which are intended to help reduce negative impacts on the environment and to reduce the potential for storm water runoff to pollute waters of the state. Herriman, now a medium sized city, has been funding its storm water program more like a small town. Regulators issued warnings and City officials made commitments to bring the City's storm water program into compliance with MS4 Permit requirements as well as state and federal mandates. Failure to comply would make severe fines likely in the future. This necessitates that the City significantly increase the expenditures in the storm water budget to adequately fund the MS4 Permit requirements associated with the City's storm water program.

After the audit, the City's engineering department was tasked with evaluating and implementing the measures, procedures, and policies necessary to comply with the MS4 permit going forward. They have indicated that the City needs more resources to be able to comply. For example, they identified specific needs for additional budget, staff, and equipment for street cleaning, maintaining facilities, and inspecting facilities. Additional resources are also needed for storm water program training and management, record keeping, site inspections, and regulatory enforcement. These needs represent a much larger funding requirement for the storm water program than has been provided by the general fund in the past. If the mandated MS4 Permit requirements are not met, the City will face large fines, increased regulatory scrutiny, and diminished storm water system function/condition. Furthermore, most of the MS4 Permit requirements support an improved natural environment within and downstream of the City.

To fund the additional requirements, the City has two principal options:

1. **Taxes.** The City may continue to utilize the general fund, which source funds are taxes. However, the City would need to allocate a much larger, consistent budgetary allowance than it has in the past to adequately fund the storm water program.
2. **Storm Water Utility (and Fee).** The second option for the City is to establish a storm water utility. This utility would create a new enterprise fund that would be funded via a storm water user fee, which is a very common approach among municipalities across the state and country. The storm water utility would include the organizational structure and equipment necessary to manage the City's storm water program. The related user fee would be dedicated to storm water activities and—as long as the user fee is set at the proper level—would guarantee a dedicated storm water funding stream to ensure that the City can fund the needed regulatory requirements (as well as adequately maintain and operate the system). Funding a storm water utility through a storm water fee is generally seen as advantageous

over funding through taxes because a fee more fairly distributes costs among different user groups and promotes adequate funding for storm water services.

To provide technical and procedural assistance in addressing this issue, the City selected Bowen Collins & Associates (BC&A) to support the City team in its analysis and to conduct the related user fee rate study. The primary purpose of this report is to document the rate study and provide recommendations regarding the potential establishment of a Storm Water Utility in the City.

OVERSIGHT AND COORDINATION

As with any public project, especially one that might result in a new user fee to residents, it was important that this study be conducted with a significant amount of coordination and input from the public, policy makers, technical personnel, and administrative staff. Stakeholder outreach was also important to provide oversight to the study to make it responsive to the realities and needs of the City and its residents and property owners.

With respect to oversight and coordination, the City formed the Storm Water Steering Committee (SWSC). The purpose of this committee was to provide critical input and feedback regarding how to fund the mandated MS4 Permit requirements. They also provided input regarding the recommended user fees and policies and procedures that will need to be created as the new utility is established. One of the first actions taken by the SWSC was to support the effort to investigate the establishment of a new storm water utility with an equitable user fee as a potential solution to meeting the storm water program funding needs.

As of the writing of this report, outreach efforts to involve the public and other stakeholders are just beginning. Chapter 5 outlines plans and recommendations for continued outreach and coordination.

STUDY APPROACH

The scope of this study includes answering three principal questions:

- What user fee amounts are appropriate for the City?
- How should the fee be structured to be equitable, defensible, and efficiently administered?
- How can the study results and recommendations be clearly communicated to the public and policy makers?

To adequately address these questions, the study used the following general approach.

1. Identified revenue requirements and developed an overall funding plan by researching historic storm water related expenditures and considering existing and future funding needs.
 - a. This step produced a 10-year revenue requirements projection, which would be recoverable by the recommended fee.
 - b. (Revenue requirements are discussed in detail in Chapter 2.)
2. Evaluated the City's storm water service area to determine the characteristic of the customer base that would be subject to the fee and customized the fee structure to that customer base.
 - a. Because storm water related services are unmetered, a different approach is required to tie system use to the required fee. In the case of storm water services, the impervious land cover area is a widely-used and acceptable proportional representation of storm water system use.

- b. Therefore, this step includes an evaluation of the impervious land cover within the City service boundary and defines customers by impervious land cover characteristics.
 - c. (Impervious land cover is defined, and the related analysis explained, in Chapter 3.)
3. Calculated the recommended fee by distributing the projected revenue requirements over the projected customer base.
 - a. This step accounted for 10 year projections of both customer base and revenue requirements. It also considered the credits that may be offered for exceeding certain storm water program requirements.
 - b. (Rate calculations are discussed in detail in Chapter 4.)
4. Presented study results, including the recommend rates and fee structure, to policy makers and the public for consideration.
 - a. This step included the publication of this report and the making of recommendations for drafting a policy manual, drafting adoption ordinances, and making various additional outreach efforts.
 - b. (Outreach efforts are discussed in Chapter 5. A brief description of the adoption process is contained in Chapter 6.)

It should be noted that this study report is a working document. Recommendations are reliant on identified revenue requirements and on certain assumptions regarding how the Storm Water Fee will be administered. The recommendations are also based on certain growth rate and waiver/credit program participation assumptions. If revenue needs or other underlying assumptions vary significantly from those documented in this report, the recommendations may need to be revised.

CONSULTANT PROJECT STAFF

Craig Bagley, P.E.	Principal in Charge / Project Manager
Justin Dietrich, P.E.	Project Engineer

SPECIAL THANKS

Steering Committee

BC&A would like to thank the following members of the Storm Water Steering Committee for their participation and guidance during the study.

Sherrie Ohrn	City Council	Jonathan Bowers	Assistant City Engineer
Blake Thomas	City Engineer	Abby Edwards	Youth Council
Preston Oberg	Herriman Resident	Jory Howell	Staff Engineer
Kyle Walton	Herriman Resident	Bryn McCarty	Assistant City Planner
Justun Edwards	Public Works Director	Josh Petersen	Staff Engineer
Monte Johnson	Director of Operations	Phillip Peterson	Herriman Resident
Simeon Miller	Code Enforcement Officer	Ed Blackett	Street Department Manager

RELATED PUBLICATIONS

While this report focuses on the study which underlies recommendations related to the user fees, it does not contain all necessary information to dictate how the fees are established and how the storm water program will be operated. A more complete understanding of the Storm Water Utility will be enhanced by developing the following separate documents:

- **Storm Water Utility Policy Manual.** This document is expected to be drafted prior to fee implementation (if adopted) to explain the proposed policies and procedures for the administration of the user fees. It is expected that this manual will be made publicly available on the City's website once finalized.
- **Storm Water Utility Ordinances.** Official legal adoption of the fee will be authorized by the City Council. However, it will also require the development of a new ordinance that will address development requirements, fines for non-compliance, how fees are determined, how credits (if used) will be provided, and define inspection and regulatory procedures for City staff. As of the writing of this report, the City is in the process of creating draft ordinance language. Draft ordinances will be made available via the usual channels and official, adopted ordinances will be added to the City Code.

CHAPTER 2

REVENUE REQUIREMENTS

The revenue needed to fund the City's storm water program is defined by costs needed to meet mandated MS4 Permit requirements and to properly operate and maintain the City's storm water facilities. This chapter defines the storm water program revenue requirements.

STORM WATER PROGRAM COSTS

The revenue needed to fund the City's storm water program requirements consists of the current and medium-term projected costs that will be incurred by the new utility to satisfy the purpose and mandate of the storm water program. These costs (the revenue requirement) define how much revenue must be collected by the user fee (or by other means) in order to adequately fund the program. Some expenses associated with equipment, personnel, maintenance, and capital projects have historically been funded by the general fund in a variety of budget categories. However, many of the required storm water program elements have been unfunded in the past or are newly identified.

To establish the overall revenue requirement, the City Engineering Department proposed a detailed budget based on past storm water program activities and budgets and on the new activities required to bring the City into compliance with its MS4 permit. The SWSC reviewed and provided input for the proposed budget used to establish these projected costs.

For the purposes of this study text, the budget needs were separated into the following five categories.

- Operations (including Billing) and Maintenance
- MS4 Permit Compliance
- Debt Service
- Non-Impact-Fee Capital Expenditures
- Funding of Operating Reserve

Each of these categories and the analysis of costs related to each is described below. A detailed line-item budget to meet storm water program requirements for each category is included in Appendix A.

Operations and Maintenance

Operating and maintenance (O&M) expenses are the annual costs of running the system. They include items such as salaries and benefits for related staff, equipment, and supplies for infrastructure repair, cleaning catch basins, street sweeping, etc.

Projected O&M expenses in this study include two components:

- The first component is baseline Operations and Maintenance (O&M) costs based on historic baseline O&M expenses plus new O&M requirements. Baseline O&M costs are relatively constant from year to year and are expected to follow the rate of inflation and overall system expansion as the number of facilities increases with growth.
- The second component is large equipment purchases. Within the next few years, these include a vactor truck, a street sweeper, and a ½ ton pickup truck.

These components are shown in Figure 2-1 (below) as "O&M" and "Equipment Purchases".

The total projected 2019-2020 fiscal year Operations and Maintenance revenue requirement, including additional equipment purchase needs, is \$730,000.

Billing Costs. It should be noted that should there be a utility and utility fee implemented, this will introduce a new expense, which is the cost to bill the fee to the City's customers. While for some entities, this may be a significant new expense because it requires a third party vendor or the development of a billing department, this is not the case for the City. Because the City already bills for other services, the additional cost to bill the storm water fee would be minimal. This minimal cost has been incorporated into the "O&M" category described above.

MS4 Permit Compliance

MS4 Permit compliance expenses are the annual costs associated with meeting mandated permit requirements. The MS4 Permit defines the activities that the City is required to perform to meet six minimum control measures in an effort to reduce the potential for discharging polluted storm water runoff into a water of the state. Activities required for compliance include code enforcement and inspections, verification of maintenance activities, regular water quality testing, reporting, training, record keeping, and public education. These costs are consistent from year to year and are expected to follow the rate of inflation.

The projected 2019-2020 fiscal year MS4 revenue requirement is \$400,000.

It should also be noted that the EPA has discussed changes to standards and requirements for MS4 systems that have the potential to increase the cost of this type of regulatory compliance. However, these changes, which would represent additional unfunded federal mandates, are not yet in effect and have not been included in MS4 projected revenue needs. When these changes are finalized and implemented, the impact on revenue needs will need to be evaluated and the conclusions of this study updated accordingly.

Debt Service

This is the annual cost of paying on bonds that have funded past capital improvement projects or other storm water related expenditures. Currently, the City has no debt service. Therefore, no debt service costs have been included in the projections of revenue needs.

Non-Impact-Fee Capital Expenditures

These are the costs of constructing storm water management facilities within the City service area that are not the result of, and not funded by, new development through impact fees. This can include the construction of new facilities or the replacement of existing, deteriorating facilities. Capital improvement expenditures are usually the most volatile expense category. And because the other categories have comparatively little room for adjustment, budgets are usually balanced by increasing or decreasing capital improvement expenditures. While this type of fluctuation is typical and acceptable, the overall health of the system is highly dependent upon adequate, consistent funding of this portion of the budget.

The City is in a unique situation with respect to infrastructure needs because of the age of its storm water infrastructure. Most of the City's storm water infrastructure was constructed during the last two decades. Therefore, most of the City's storm drain facilities are fairly new and in good condition. As a result, the revenue needs for Capital Expenditures used in this analysis are minimal. It is expected that in future years, this component of revenue need will grow to a more typical level as infrastructure ages and deficiencies begin to be identified. It is not uncommon for established Cities to have capital improvement expenses up to 40-50% of their overall storm water program budgets. Therefore, in future years (years beyond the first five years in this study), it is expected that any

surplus revenues will be allocated to a rehabilitation and replacement fund to cover rehabilitation and replacement capital expenditure needs that have not yet been identified.

The projected 2019-2020 fiscal year Non-Impact Fee Capital Expenditures revenue requirement is \$260,000 with a 10-year average annual requirement of only \$110,000.

It should be noted that the capital improvement costs are based on a list of identified necessary capital projects that are not eligible to be funded by impact fees. The City has an extensive list of other capital improvement projects which are necessary for continued growth and development. However, after close coordination with the City and the SWSC, no revenue needs (not even as cash flow assistance) for these additional projects have been included in this study. All such projects are intended to be funded entirely by impact fees. If cash flow assistance is needed for additional storm water capital improvement projects, other funding sources may still need to be utilized for that purpose.

Funding of Operating Reserve

To be self-sustaining, all utilities should maintain a reserve fund account to ensure continuation of operations in the case of sudden revenue interruption or emergency capital expenditure. Because the City is a municipality (and general funds can ultimately be petitioned for in an emergency situation), the minimal acceptable industry standard for an operating reserve fund is 180 days of operating expenses (O&M and MS4 Compliance). A four year term to fund the full operating reserve has been used in this study. After the first four years, it is assumed that the city will continue to fund minimal amounts into the operating reserve to account for inflation.

To fund the operating reserve, the City has three basic options.

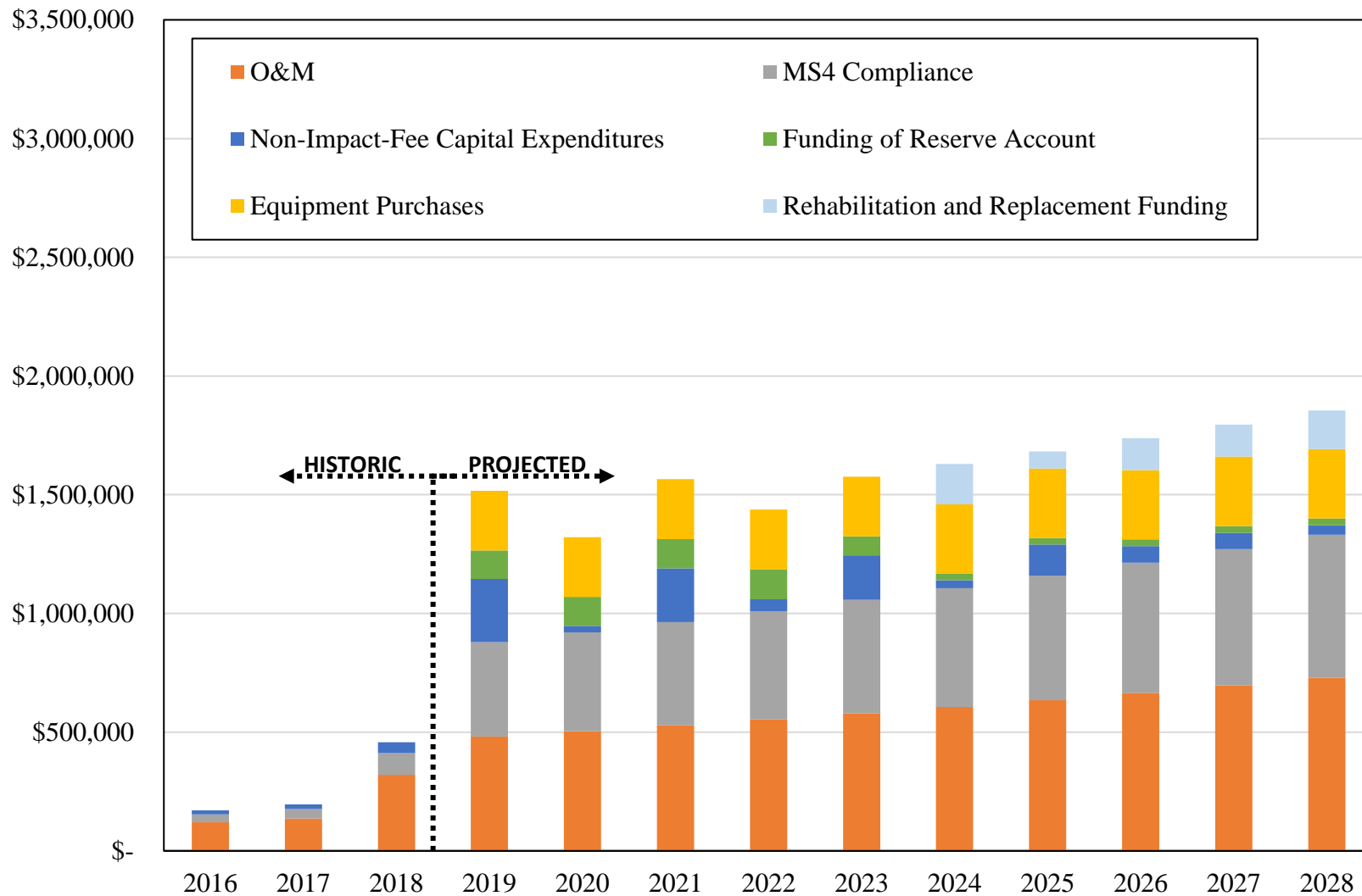
- The first option is to start with nothing in the reserve account and build it up in the early years of the utility. The risk of this approach is that the early years will be unprotected should an emergency arise.
- The second option is to fully fund the reserve with seed money from the general fund upon the creation of the utility. Then, the utility can pay back the general fund over the early years of its existence.
- The third option is to fully fund the reserve with seed money from the general fund, but without a payback requirement.

For the purposes of this study, it has been assumed that one of the first two options will be selected by the City (we anticipate the first option). Both of the first two options create the same revenue requirement. If the third option is selected, the recommendations of this study will need to be adjusted.

Storm Water Program Cost Summary

The revenue requirements described above are the City's total cost of adequately funding its storm water program. Because any implemented storm water fee is intended to meet future as well as current needs, it is important to project these costs into the future. By utilizing input from City staff on the timing of one-time expenses and by accounting for inflation and estimated system growth, the expected budget for each cost category has been projected thru the 2028-2029 fiscal year. These projections are shown by component and year in Figure 2-1.

Figure 2-1
Projected Storm Water System Costs



Note: Years listed are the beginning of the fiscal year (e.g. 2019 is the 2019-2020 fiscal year).

STORM WATER FEE REVENUE

Revenue Needs to be met by User Fees

Before calculating recommended storm water user fees, it is important to compare projected costs to expected non-fee revenues and ultimately decide how much of the program costs are to be recovered by the storm water user fee. In the case of the City, there are virtually no other revenue sources besides taxes from which the storm water system can be funded. Therefore, based on feedback from the SWSC and the City, it was determined that the storm water user fees should be calculated to fully fund the storm water system costs.

Approach to Collecting Needed Revenues

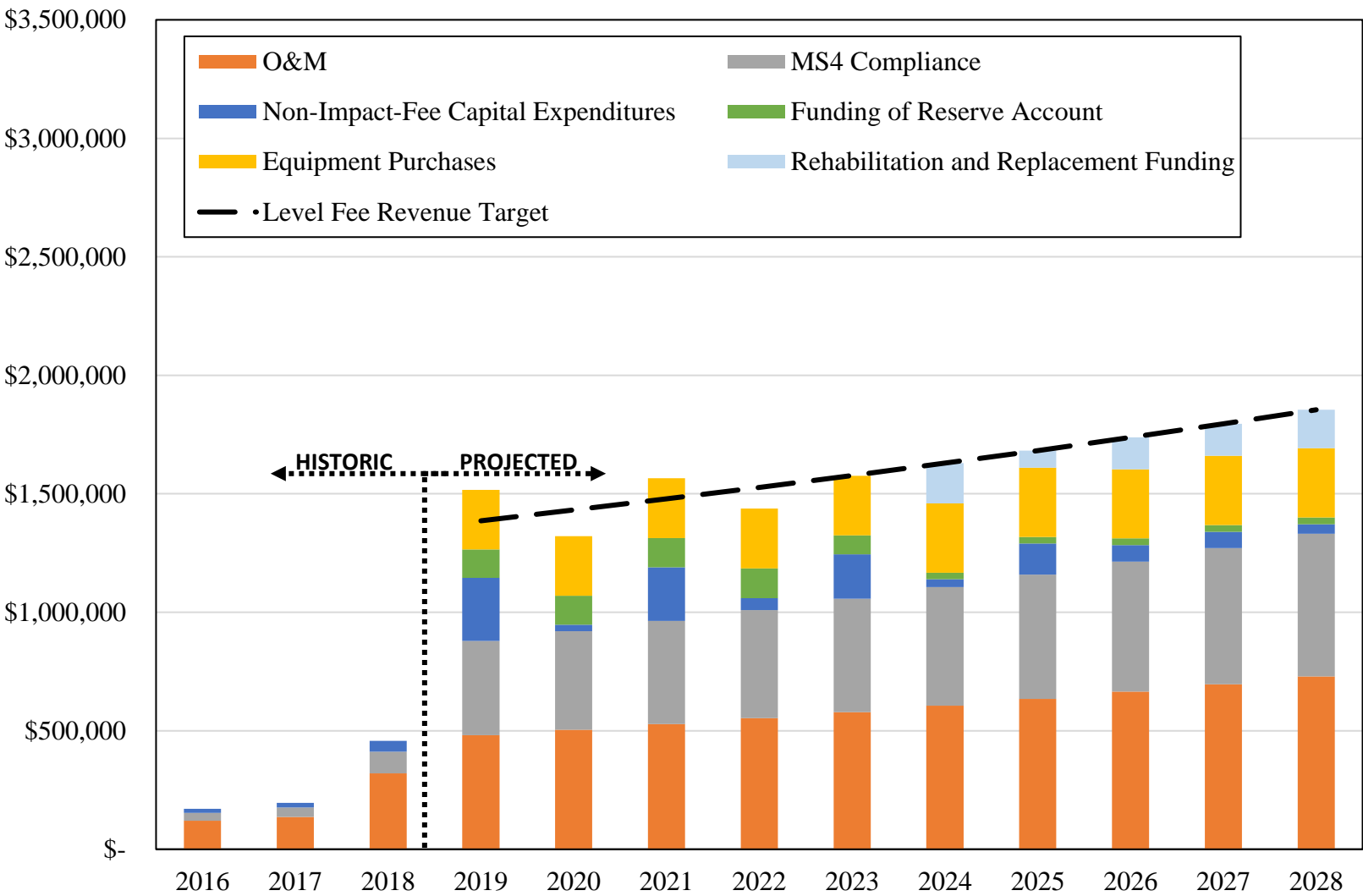
It is important to select a funding approach that will collect the target revenues. Based on the identified revenue requirements, two basic options for revenue collection have been considered:

1. **Establish fees that adjust annually to match revenue requirements.** One approach to setting rates would be to collect annual revenues that exactly meet that year's expenses. However, administering a fee to do this is neither practical nor possible for various reasons. The biggest problem with trying to exactly match annual expenses is it would result in year-to-year fee adjustments. One way to address this is to set fees that adjust either automatically or manually to match the overall trend of projected revenue requirements instead of on a year-to-year need. To administer this type of fee, either new fees would need to be adopted each year, a predefined fee schedule (with annual adjustments) would need to be adopted initially, or the fee would need to be tied to an appropriate price index. The typical advantage of this type of rate implementation option is that it most closely matches the rates charged to the revenue needed in any given year and it ensures that the purchasing power of the fees is not overrun by inflation in future years. The disadvantage of this approach is that it requires annual adjustments that can be undesirable both administratively and politically. Another disadvantage to this type of rate approach for the City is the uncertainty associated with projected system growth because unlike inflation, growth uncertainty cannot be addressed by the use of a price index or pre-adopted rate schedules.
2. **Set level fee to meet revenue needs for several years at a time.** The alternative to annual increases is to set fees at a constant levels so that revenues meet the revenue requirement for a pre-defined number of years (rather than each year individually). This means that some years will collect more revenue than is needed, and some years will run a deficit. The goal of this approach to revenue collection is to balance out the surpluses and the deficits of all years in the block. Level fees can be set for any number of years, but in this study, a block that includes the first five years was analyzed. Doing so allows appropriate fees to be set for the years when uncertainty is the lowest (short term). The effect of uncertainty in system growth is larger for longer-term projections. Under this approach, it will be important that the City monitor revenues and expenses because adjustments to the fee may be needed from time to time, especially prior to the expiration of the first 5 year block. Figure 2-2 shows target revenues using a level user fee as "Level Fee Revenue Target". It should be noted that the increasing revenues shown in the figure are solely the result of projected growth (the addition of new customers paying the fee as development progresses), not changing fees.

After consideration of these alternatives with SWSC, it was recommended that any fee arrangement that requires annual adjustment be avoided for this utility. Therefore, the recommended initial user fee should be a level fee designed to meet the revenue requirement for at least the first 5-years of operation. This option has the administrative and political advantage of less-frequent changes to the fee and of being tied to projections with the least amount of uncertainty.

It is expected that in future years, as growth slows and costs continue to grow (especially capital improvement costs), the use of annual adjustments based on a price index may become more desirable.

Figure 2-2 Projected Required Revenue



Note: Years listed are the beginning of the fiscal year (e.g. 2019 is the 2019-2020 fiscal year).

CHAPTER 3

RECOMMENDED FEE STRUCTURE

Besides generating sufficient revenue to operate the storm water system, the other major goal for the storm water user fee is to be equitable, defensible, and able to be efficiently administered. To meet this goal, the fee structure should equitably distribute program costs among system customers in relative proportion to their level of use. However, proportional use for a storm water system is not as straight forward as it might be for other utilities. Unlike water or electricity systems, flow into storm water systems is not metered and rarely do all customers have a discrete point of connection. Therefore, the industry standard for storm water systems is to consider the amount of impervious area associated with each customer as an estimate of the storm water generated by that customer. Impervious areas are those areas covered with low- or non-porous surfaces, through which precipitation cannot directly and readily infiltrate into the ground.

The reason impervious area is considered a good proxy measurement for the volume and/or rate of storm water runoff that enters and is managed by the storm water system is because the overwhelming majority of runoff (especially from urban areas) runs off of impervious surfaces, whereas a significant amount of precipitation that falls onto pervious surfaces tends to infiltrate into the ground and does not generally place a direct demand on storm water facilities. In other words, developed properties that have large amounts of impervious area are very likely to contribute much more flow, pollution, and debris into the storm water system than similarly sized properties that have a lesser amount of impervious area.

This study included an analysis of the City's GIS data that includes an inventory of impervious surfaces in the City. The results of that analysis helped to categorize the customer base and provide a basis upon which storm water system costs can be equitably distributed among customers. This is known as a volumetric approach to setting user fees because it is based on the relative share of volume contributed to the system by the customer and it approximates the real cost of serving that customer. Using this method as the basis of developing a user fee is equitable and defensible and is the method upon which most storm water user fees are based.

FEE STRUCTURE

In accordance with the industry standard, other storm water fees in effect along the Wasatch Front, and the opinion of the SWSC, it is recommended that the adopted user fee structure:

- Be billed based on an Equivalent Residential Unit (ERU) that is tied to impervious area;
- Have four separate customer classes; and
- Consider including credits to enhance equity in revenue assessment.

Each of these elements of the fee structure are described in this section.

Equivalent Residential Unit (ERU)

The standard billing unit that should be used for assessing the storm water user fees is the Equivalent Residential Unit (ERU). Every ERU will be billed at the same rate. For example, if the user fee were set at \$10 per ERU per month, a customer assessed 1 ERU would pay \$10 per month, a customer assessed 2 ERUs would pay \$20 per month, and so on.

An ERU is intended to be representative of the amount of impact that a typical single family residence has on the City's storm water system and is used as the basis to assign proportional storm water program costs to each customer. For the purposes of this study, an ERU is defined as the average amount of impervious area for a typical single family residence within the City.

BC&A utilized information in the City's GIS database to compute impervious areas associated with approximately 8,000 developed single family residential parcels. This analysis resulted in an average impervious area of 4,033 square feet for a typical single family residential lot. City staff performed a separate analysis by hand-calculating the impervious areas associated with twelve random developed single family lots in the City. The average impervious area computed using this method was 3,910 square feet. These two answers are quite similar. Based on these calculations, for the purposes of this study it is recommended that an ERU be defined as a single family residential lot with 4,000 square feet of impervious area. An ERU definition of this size is similar to those used to develop storm water user fees in neighboring Cities.

Customer Classes

It is impractical to charge every residential customer a custom ERU-based fee based on the actual amount of impervious area on each lot. Doing so would greatly increase the expense and complicate the administration of the storm water program. The use of impervious area as an approximate measure of storm water system impact and use is just that—an approximation. There is no justification to track the small differences in impervious area of every customer. Therefore, this study has analyzed the City's customer base and grouped customers according to impervious area characteristics. Based on this analysis and coordination with the SWSC, it is recommended that the City establish four customer classes if a new storm water user fee is established.

The four recommended customer classes are listed below. Each customer type shares similar characteristics of impervious area and would be billed in a manner consistent with those characteristics.



Class 1 Customer Class Example

Class 1: Single Family Residential. This class of customer has a single residential structure designed for a single family. By definition, all Class 1 customers would be billed a user fee associated with 1 ERU.



Class 2 Customer Class Example

Class 2: Multi-Family Residential (Townhomes and Duplexes). This class of customer is associated with residential dwellings that generally connect to adjoining units but where a single family would occupy an area represented by a 2-dimensional footprint, not stacked on multiple levels. The dwellings are separate pieces of real property. In the City, the main type of dwelling in this class is a townhome, but dwellings like duplexes are also included. The impervious area analyses that were performed indicate that Class 2 customers have 47 percent of the impervious area of the average single family residence. However, charging Class 2 customers 47 percent of an ERU would not account for the fact that while Class 2 customers impact less of the system based on runoff from

their own properties, they still utilize a full share of the storm water regulatory compliance, billing, administration, and use of public areas (street/sidewalks). Using GIS technology and the City's GIS database, it was determined that 40 percent of the total impervious area in the City is comprised of public streets. Therefore 40 percent of the storm water program costs are base costs of which each customer should pay a full share. Based on this understanding, it was estimated that the cost to serve a Class 2 customer is about 70 percent of the cost to serve a Class 1 customer. Thus it is recommended that the user fee for Class 2 customers be 0.7 ERUs per dwelling and per community building (e.g. clubhouse).

In most cases, the owner of each Class 2 dwelling will be billed separately. In a few cases, a management company may be billed for the entire community.



Class 3 Customer Class Example

Class 3: Multi-Family Residential (Stacked Housing / Condominiums). This class of customer is associated with residential dwellings that are contiguous with other dwellings but where single families live on multiple stories or levels. The dwellings are separate pieces of real property. In the City, the main type of dwelling in this class is the condominium. The analysis results show that Class 3 customers have less impervious area than typical Class 1 and Class 2 customers and thus have a smaller impact on the storm water system and program costs. The recommended fee for Class 3 customers was calculated in the same way that the recommended Class 2 fee was determined. In the case of Class 3, the average impervious

area per dwelling was found to be about 34 percent of the impervious area of the average single family residence. With the understanding that Class 3 customers must also pay their full share of base program costs, it was estimated that the cost to serve a Class 3 customer is about 60 percent of the cost to serve a Class 1 customer. Thus it is recommended that the user fee for Class 3 customers be 0.6 ERUs per dwelling and per community building (e.g. clubhouse).

In most cases, the owner of each Class 3 dwelling will be billed separately. In a few cases, a management company will be billed for the entire community.

Class 4: Institutional/Commercial/Apartments/Industrial. This class of customer includes all other types of properties such as commercial and industrial businesses, government buildings, apartment complexes, churches, schools, factories, parks, etc. These properties vary significantly in size and in the amount of associated impervious area. Because of the great variation seen within this customer class, the user fee for each Class 4 customer will be based on an individual analysis of impervious area, from which the number of ERUs to be billed will be determined. The conversion from impervious area to ERUs (along with an example), is as follows.

Class 4 Formula:

$$\frac{\text{Property SF Imp Area}}{4,000 \text{ SF Imp Area per ERU}} = \text{Account ERUs}$$

Class 4 Example Calculation:

$$\frac{103,700 \text{ SF Imp Area}}{4,000 \text{ SF Imp Area per ERU}} = 25.9 \text{ ERUs}$$

Notes

Imp = "Impervious"

Formula results should be rounded to the nearest tenth of an ERU to facilitate consistent administration.



**Class 4 Example
Apartment Complex**



**Class 4 Example
School**



**Class 4 Example
Church**



**Class 4 Example
Strip Mall**

Potential Credit Programs

While use of impervious area, ERUs, and customer classes as described above is sufficient to produce an equitable, defensible, and easily administered fee in the vast majority of cases, there may be reason to include credits in the fee structure for nonresidential customers, those with the most impervious areas. Credits may be considered when nonresidential customers implement storm water Best Management Practices (BMPs) that are above and beyond standards required by the City and its MS4 Permit.

A potential credit program was discussed with the SWSC. The committee members recommended that City Council weigh the benefits and drawbacks of the potential types of credits that can be offered during the fee adoption process. The advantages of credit programs include, but are not limited to: the enlistment of nonresidential customers to help the City meet storm water quality goals; added equity in distributing program costs via the user fee; and reduced impacts to City storm drain

facilities. On the flip side, credits require additional layers of administration to process applications, monitor activities, and bill credits correctly.

After coordinating with the SWSC and city staff, a short list of example potential credits that may be considered is included below. Official determination of credits to be included, along with the size of credit offered and the attached requirements, would be determined by the City Council and defined in a Storm Water Program Policy Manual.

- **Retention Credit.** This credit would be available to Class 4 customers that retain (or detain to extremely small release rates that are less than those required by the City's storm drain master plan) storm water discharges from their own property and are responsible for operation and maintenance of those retention facilities. This type of storm water BMP has the potential to reduce the cost of operating the City system by limiting the size and type of regional facilities required to convey storm water.
- **Water Quality Credit.** This credit would be available to Class 4 customers that construct, operate, and maintain approved storm water quality BMP infrastructure that exceeds City and MS4 Permit requirements. This type of BMP has the potential to improve the water quality of storm water discharged into the City's system and to reduce the cost of operating the City storm water program by offsetting water quality efforts that the City would need to engage in to meet regulatory requirements.
- **Water Resource Education Credit.** This credit would be available to K-12 schools that run and teach an approved water resource curriculum or program. This activity has the potential to reduce the cost of operating the City program by offsetting some of the public outreach requirements of the MS4 Permit.
- **Infiltration/LID.** This credit would be available to Class 4 customers that construct, operate, and maintain approved Low Impact Development (LID) infrastructure on their property that is above and beyond City and MS4 Permit requirements. This type of BMP also has the potential to improve storm water quality and reduce impacts to the City's storm drain system by reducing the quantity of storm water discharged. It should be noted that encouraging development to implement LID practices is already a requirement of the City MS4 Permit.

If the City chooses to include any fee credits as a feature of their storm water program, it is recommended that the following be considered.

1. Credits should be offered only to Class 4 customers. The reason for this is that residential customer fees are low. Handling the credit applications and keeping track of credits that shave off mere cents per month would create an excessive administrative burden.
2. A requirement of every Credit should be the execution of a Long-Term Storm Water Management Agreement between the City and the customer. The reason for this is that it would simplify and formalize maintenance requirements for the customer receiving the credit. The system receives no benefit from infrastructure that is not maintained to function properly.
3. The City should allow customers to apply for multiple credits if they qualify. However, the City should include in its policy a maximum allowable aggregate credit to a customer's storm water fee. There are two reasons for this. The first is that regardless of the impact on the system from any one customer, that customer benefits from the storm water system located in public streets throughout the City, not just the portion of the system downstream from his property. There are base costs that go into maintaining and operating the public system as a whole and administering the storm water program. Every customer is responsible for their

fair share of these base costs. The second reason is that certain credit-eligible activities are not additive with respect to their beneficial impact on the City's storm water program when combined together. For example, implementing multiple LID practices may not improve water quality or reduce runoff any more than a single LID practice so adding credits for more than one LID practice may not make sense. The maximum allowable credit should be based on an analysis of expected reduction in storm water system costs associated with the credit-eligible practices. The maximum allowable credit policy usually takes the form of:

- a. Establishing a maximum allowable aggregate credit so that each customer pays their share of the base costs for administering the storm water program for all public facilities in the City.
 - b. Disallowing accounts to receive credits that would lower the total bill below the amount paid by a typical single family residence.
4. Credits should only be tied to activities that go above and beyond current City and MS4 Permit requirements and must have a meaningful, beneficial impact on the physical system or on the administrative and regulatory components of the program. Credits should not be given to trivial or minor efforts with little to no meaningful impact.

Billing Mechanism

It is expected that the City will utilize the existing personnel that handle the water billing for the billing of a storm water user fee. Because the City already bills for water and bills the parks fee, billing for a storm water fee will be as simple as adding an additional line item to the bill. Care has been taken so that the customer classes identified also fit within the City's existing billing structure.

It is expected that additional details regarding billing policies and procedures will be documented in the forthcoming Storm Water Policy Manual.

CHAPTER 4 RATE CALCULATION

With an understanding of the storm water program's revenue needs (Chapter 2) and the recommended rate structure (Chapter 3), the next step in the rate calculation process is to divide system revenue requirements over the customer base after considering growth and the consequences of potential credits.

CUSTOMER BASE

Because the storm water utility fee billing is based on an ERU, the customer base is the total number of ERUs that pay into the utility.

Existing Customers

Using the City's extensive GIS database, which includes parcels organized by occupancy type and impervious area mapping, it was possible to estimate the total number of ERUs in the City. This was done by consolidating each City parcel into one of the four customer classes described in Chapter 3. For each Class 1, Class 2, and Class 3 dwelling, the appropriate number of ERUs (1.0 ERUs per dwelling, 0.7 ERUs per dwelling, and 0.6 ERUs per dwelling respectively) were assigned and totaled. For all parcels represented by the Class 4 customer class, the aggregate amount of impervious area was estimated and converted to a number of total Class 4 ERUs using the definition of an ERU and the calculation shown above in Chapter 3. The total calculated ERU's by customer class is summarized in Table 4-1.

**Table 4-1
Existing Herriman City Customers**

Customer Class	ERUs	Percent of Total
Class 1: Single Family Residential	9,625	59.9%
Class 2: Multi-Family Residential	3,377	21.0%
Class 3: Multi-Family Residential	363	2.3%
Class 4: Commercial / Institutional	2,710	16.9%
Total	16,075	100%

Growth

Just as it is important to project revenue requirements into the future, a key aspect of calculating a sustainable fee is to project changes in customer base into the future. To do so, the City's official population growth projections were consulted. These projections show a 10-year average annual growth rate of 4.7 percent. To be conservative in growth estimates, to acknowledge the trend toward multi-family residential development over single family residential development along the Wasatch Front, and after consulting the SWSC, an estimated 3.5 percent overall growth in ERUs has been used for the purposes of this study. That rate is still an aggressive growth rate for rate studies of this kind.

The City is one of the top municipalities in the State in terms of growth, with several years of double digit population growth observed within the past decade. If high growth continues, it is possible that increases in revenue requirements (due to inflation and system expansion) might be met solely by growth in customer base without rate increases. However, if growth is somehow suppressed, rate increases in future years may be required.

Growth predictions in the City, because they are expected to be so drastic, represent the most uncertainty in revenue predictions. Because of this, it is recommended that the City monitor the customer base and actual revenue closely, especially for the first few years after implementing a storm water user fee. If actual growth varies significantly from the projections of this study, the conclusions of this study may need to be adjusted. Furthermore, if a large annexation or other event suddenly affects the customer base, the conclusions of this study may need to be adjusted.

Effect of Potential Credits

As described above in Chapter 3, the City has the option to offer credits as part of its storm water fee structure. If offered, these credits would reduce the revenue collected from credited customers below the full per ERU fee that would have otherwise have been collected. For example, if the established fee were \$10 per ERU and a 20 ERU Class 4 customer was awarded a 10% credit, the City would only collect \$180 from the customer instead of \$200 [20 ERUs × \$10 per ERU × (1-10% credit) = \$180].

Thus offering fee credits in effect reduces the number total “Effective ERUs” in the customer base, which is the equivalent number of ERUs from which the City expects to collect the full fee.

Effective ERUs

To estimate the effective ERUs in the system, the following conservative assumptions have been made. These assumptions have been reviewed with City staff to ensure they are reasonable with respect to their knowledge of the existing system and trends within the City.

- Of all potential ERUs that would be approved for credits, the average credit granted will be a 30 percent fee reduction.
- Approximately 15 percent of existing COM/INST ERUs are already, or would choose to become eligible for, and apply for credits.
- Practically all (95 percent) of future COM/INST ERUs would become eligible for, and apply for credits.
- It is assumed that the City will not offer a hardship waiver and therefore, no credits would be available to residential customers.

After applying these assumed participation rates and the corresponding revenue reduction due to potential credits, the number of effective ERUs in the system were calculated. Table 4-2 summarizes the estimated post-credit effective ERUs by customer class.

Table 4-2
Estimated Post-Credit Herriman City Customer Base

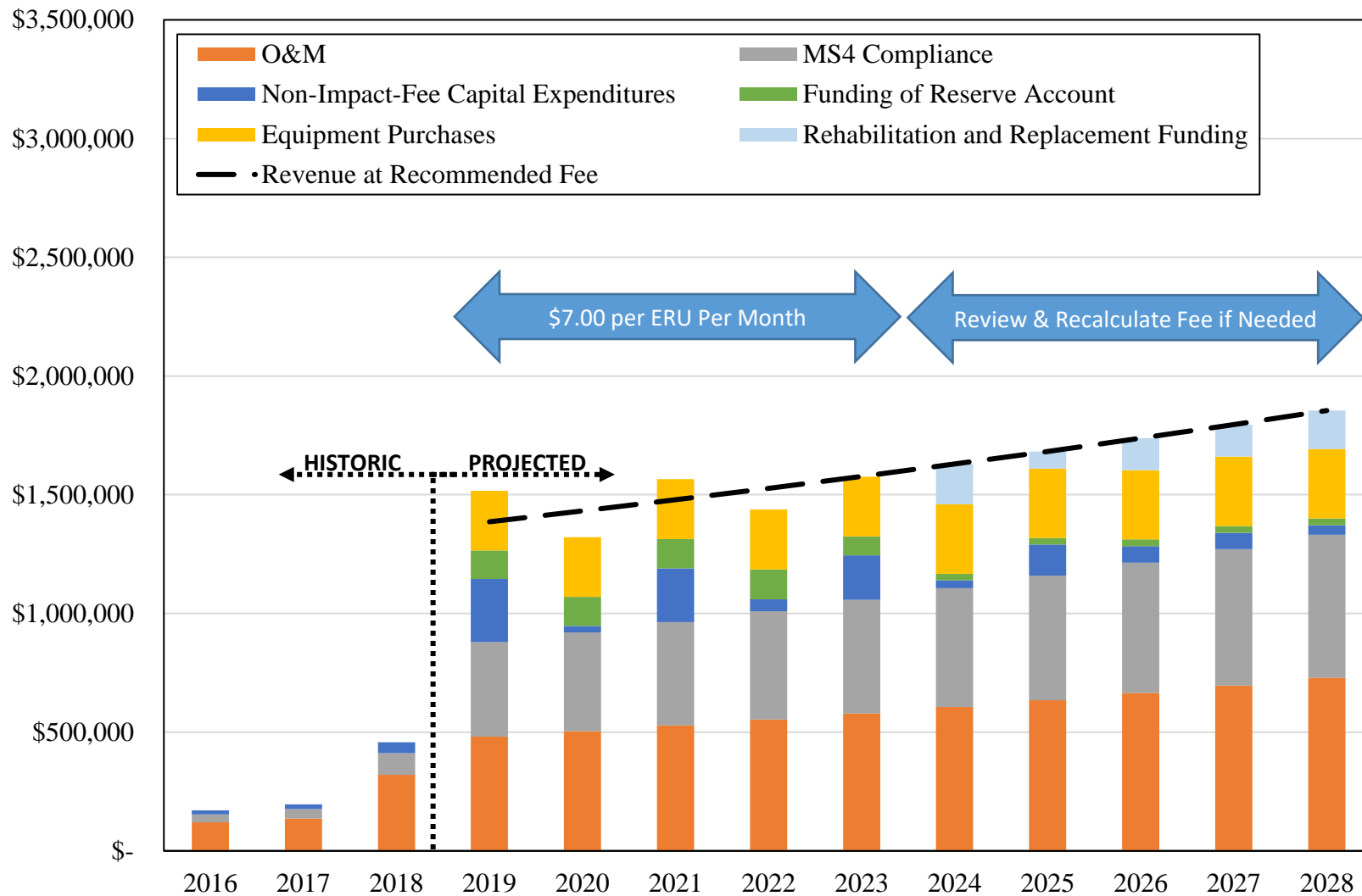
Customer Class	ERUs	Effective ERUs	Percent of Total
Single Family Residential (Class 1)	9,625	9,625	60.3%
Class 1 Multi-Family Residential (Class 2)	3,377	3,377	21.1%
Class 2 Multi-Family Residential (Class 3)	363	363	2.3%
Commercial / Institutional (COM/INST)	2,710	2,604	16.3%
Total	16,075	15,969	100%

As shown in Table 4-2, the overall effect of credits on the customer base (under the assumptions listed above) is small (less than 1 percent). This means that the overall effect of potential credits on the recommended fee is similarly small (although it would have a significant effect on some nonresidential customers). In other words, the decision related to credits will affect the recommended fee per ERU by less than 10¢ per month. That is as long as the decisions regarding credits fall somewhere between offering no credits and offering credits that match roughly to the assumptions listed above. The reason why credits do not have a larger effect for the City is that the overwhelming majority of revenue will come from residential customers, not Class 4 customers.

RECOMMENDED RATE

The calculated fee that will meet the revenue requirements outlined in Chapter 2, adhere to the fee structure outlined in Chapter 3 is \$7.00 per ERU per month based on the customer base (the Effective ERUs) described above in Chapter 4. Figure 4-1 shows the projected revenue from that fee along with the projected storm water system costs.

Figure 4-1
Projected Revenue and Expenses



Note: Years listed are the beginning of the fiscal year (e.g. 2019 is the 2019-2020 fiscal year).

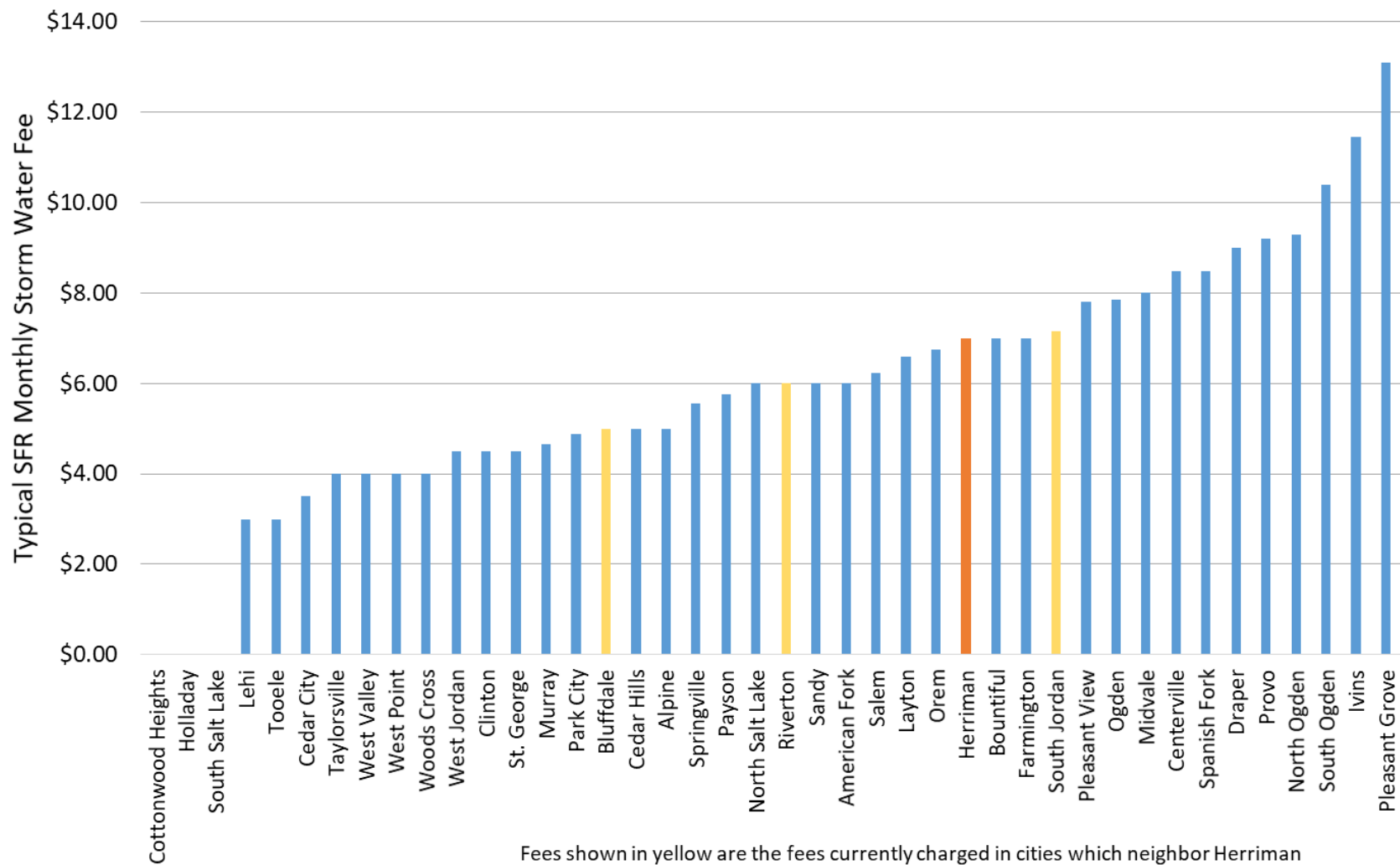
The following conclusions can be made based on the information shown in Figure 4-1.

- Within this planning window, the projections of growth in customer base accommodate projected increases in costs and inflation without the need to raise rates.
- Based on the proposed budget, the first year will be underfunded. To keep cash flow positive, especially if the general fund provides no seed money to the utility, capital expenditure timing may need to be re-arranged.
- If growth in the City continues as projected, the revenue projections in far future years (years 6-10) predict that revenues will be sufficient to begin funding a rehabilitation and replacement fund. It is expected that such a fund will be needed in the future to address system rehabilitation and replacement needs that have not yet been identified. However, revenues and expenses should be reviewed every several years to determine if rate adjustments are needed to keep revenues in line with real revenue needs.

Fee Comparison

To provide context to the recommended fee, BC&A has conducted a survey of other public entities that currently charge storm water user fees. Figure 4-2 shows the current monthly storm water user fees of other communities with the recommended City fee.

Figure 4-2
Utah Survey of Monthly Storm Water Utility Fees



Fees shown in yellow are the fees currently charged in cities which neighbor Herriman

Fees shown in blue are the fees currently charged in cities which do not neighbor Herriman

Data Source: Official website of referenced entity (accessed between April 2018 - December 2018)

As shown in Figure 4-2, current fees throughout the State of Utah vary significantly depending on system needs and how each entity chooses to fund its system. Average costs are around \$6.00/month but can range from \$3.00/month to \$13.00/month. Thus, adopting the recommended fee would put the City near the average level of other cities in the state.

REVENUE PROJECTIONS

To assist the City in understanding the implications of adopting a fee from an accounting, budgeting, and cash flow standpoint, Table 4-3 is included in this report. This table shows the projected revenue associated with the recommended fee.

Table 4-3
Revenue Projections

Fiscal Year	Recommended Rate (\$/ERU per month)	Projected Revenue
2019-2020	\$7.00	\$1,386,000
2020-2021	\$7.00	\$1,432,000
2021-2022	\$7.00	\$1,479,000
2022-2023	\$7.00	\$1,527,000
2023-2024	\$7.00	\$1,577,000

CHAPTER 5

PUBLIC OUTREACH

Because this fee (if adopted) would be new to City residents, it is especially important to explain the fee to the public and address their concerns. To do so, the SWSC has recommended that the City:

- Present an overview of the report findings and the recommended fee to the City Council at a council meeting prior to the one in which the fee will be up for vote;
- Hold a public open house to allow residents to review the content of this report and provide information on the proposed final fee; and
- Holding a public hearing prior to a vote by the Council.

In addition to these efforts, the City may choose to enhance public outreach by implementing one or more of the following options.

- Place information on the City's webpage dedicated to explaining the fee, this study, and the timeline and process by which it might be adopted.
- Include a comment/question box on the public webpage to allow anyone to make comment or ask questions.
- Announce the fee study and advertise the website through via a flyer to existing City residents (to be sent out with the utility bills).

CHAPTER 6 CONCLUSIONS

Based on the analyses completed as part of this study and documented in this report, the City can meet the increased revenue requirement of its storm water program by implementing a storm water fee.

RECOMMENDED FEE

It is recommended that the City establish a storm water utility and implement a storm water fee to fund the required storm water program expenses. The recommended fee is \$7.00 per ERU per month. This recommended fee:

- Meets projected revenue needs;
- Accommodates the SWSC recommendation to minimize the frequency of rate adjustments (none are recommended thru the first 5 years);
- Matches the year-to-year revenue need relatively well; and
- Results in a fee that is similar to other storm water user fees in the state.

ADOPTION/IMPLEMENTATION PROCESS

The recommended process to adopt a storm water fee as calculated in this report is summarized as follows:

1. Hold a public hearing to receive public comment on the proposed fee.
2. Prepare a Storm Water Fee Policy Manual that will govern the administrative policies for the fee which include, but are not limited to:
 - a. Fee Calculations
 - b. Billing
 - c. Customer Class Definitions
 - d. Credits (if any)
 - e. Customer Support.
3. Develop the requisite ordinances that establish the utility and institute the user fee.
4. Develop and adopt new storm water program ordinances.
5. Upon approval of the user fee, the City Engineering Department and Utility Billing Department will need to setup billing systems and procedures in accordance with the ordinances and policy. One especially important part of this is the development of a billing database that the Billing Department will use to generate bills. This billing database will need to include the number of ERUs to be assessed for each customer in the City. For most customers, this will be governed by property type and customer class, but for Class 4 customers, each customer will need to have a custom fee determined.

RECOMMENDED MONITORING AND RATE STUDY UPDATES

After the implementation of the storm water user fees, it is recommended that the City monitor customer responses, actual revenues, and actual system expenses for a period of two years. Following

this initial observation period, the rates should be re-examined to determine whether a rate adjustment is needed. This procedure should be repeated every few years thereafter to ensure revenues are adequate to meet revenue needs.

Also, a comprehensive review of this rate study should be performed regularly to make adjustments for changing circumstances and to include updated data and assumptions about the future. It is recommended that the study be updated at least every 4-7 years unless obvious circumstantial changes require a more frequent update.

APPENDIX A
CITY PROJECTED EXPENSE AND REVENUE TABLES

Table A-1
Herriman City
Historic and Projected Revenue Requirement

	Assumed Annual Rate of Inflation: 3.0%												
	Actual	Actual	Budgeted	Budgeted	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Item	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
<u>Field Inspectors</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$209,000</u>	<u>\$218,875</u>	<u>\$229,217</u>	<u>\$240,048</u>	<u>\$251,390</u>	<u>\$263,268</u>	<u>\$275,707</u>	<u>\$288,735</u>	<u>\$302,377</u>	<u>\$316,665</u>
Inspector 1 (FTE)				\$82,000	\$85,875	\$89,932	\$94,181	\$98,631	\$103,292	\$108,172	\$113,283	\$118,636	\$124,242
Inspector 2 (FTE)				\$82,000	\$85,875	\$89,932	\$94,181	\$98,631	\$103,292	\$108,172	\$113,283	\$118,636	\$124,242
Vehicle 1 (Lease, Maintenance, Fuel, Insurance)				\$17,000	\$17,803	\$18,644	\$19,525	\$20,448	\$21,414	\$22,426	\$23,486	\$24,595	\$25,757
Vehicle 2 (Lease, Maintenance, Fuel, Insurance)				\$17,000	\$17,803	\$18,644	\$19,525	\$20,448	\$21,414	\$22,426	\$23,486	\$24,595	\$25,757
Computers/iPad/Software				\$5,000	\$5,236	\$5,484	\$5,743	\$6,014	\$6,298	\$6,596	\$6,908	\$7,234	\$7,576
Cell Phones				\$3,500	\$3,665	\$3,839	\$4,020	\$4,210	\$4,409	\$4,617	\$4,835	\$5,064	\$5,303
Clothing & Safety Gear				\$1,500	\$1,571	\$1,645	\$1,723	\$1,804	\$1,889	\$1,979	\$2,072	\$2,170	\$2,273
Training/Continuing Education				\$1,000	\$1,047	\$1,097	\$1,149	\$1,203	\$1,260	\$1,319	\$1,382	\$1,447	\$1,515
					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Program Administration</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$27,000</u>	<u>\$28,276</u>	<u>\$29,612</u>	<u>\$31,011</u>	<u>\$32,476</u>	<u>\$34,011</u>	<u>\$35,618</u>	<u>\$37,301</u>	<u>\$39,063</u>	<u>\$40,909</u>
Public Education / Outreach / Mailing				\$15,000	\$15,709	\$16,451	\$17,228	\$18,042	\$18,895	\$19,788	\$20,723	\$21,702	\$22,727
Billing Administrative Costs				\$12,000	\$12,567	\$13,161	\$13,783	\$14,434	\$15,116	\$15,830	\$16,578	\$17,361	\$18,182
					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Historic SD Operations Expenses</u>	<u>\$171,297</u>	<u>\$195,575</u>	<u>\$457,282</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Historic SD Operations	\$171,297	\$195,575	\$457,282	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Plan Review/Program Management/Document Control</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$220,000</u>	<u>\$230,395</u>	<u>\$241,281</u>	<u>\$252,682</u>	<u>\$264,621</u>	<u>\$277,124</u>	<u>\$290,218</u>	<u>\$303,931</u>	<u>\$318,292</u>	<u>\$333,331</u>
Program Lead (FTE)				\$105,000	\$109,961	\$115,157	\$120,598	\$126,296	\$132,264	\$138,513	\$145,058	\$151,912	\$159,090
Manager (PT)				\$50,000	\$52,363	\$54,837	\$57,428	\$60,141	\$62,983	\$65,959	\$69,075	\$72,339	\$75,757
Staff Engineer (PT)				\$40,000	\$41,890	\$43,869	\$45,942	\$48,113	\$50,386	\$52,767	\$55,260	\$57,871	\$60,606
GIS Staff (PT)				\$20,000	\$20,945	\$21,935	\$22,971	\$24,056	\$25,193	\$26,383	\$27,630	\$28,936	\$30,303
Computers & Software				\$5,000	\$5,236	\$5,484	\$5,743	\$6,014	\$6,298	\$6,596	\$6,908	\$7,234	\$7,576
					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Maintenance Crew</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$447,430</u>	<u>\$468,571</u>	<u>\$490,711</u>	<u>\$513,897</u>	<u>\$538,179</u>	<u>\$563,608</u>	<u>\$590,238</u>	<u>\$618,127</u>	<u>\$647,333</u>	<u>\$677,920</u>
Vactor Truck Operator 1 (FTE)				\$80,000	\$83,780	\$87,739	\$91,884	\$96,226	\$100,772	\$105,534	\$110,520	\$115,743	\$121,211
Vactor Truck Operator 2 (FTE)				\$80,000	\$83,780	\$87,739	\$91,884	\$96,226	\$100,772	\$105,534	\$110,520	\$115,743	\$121,211
Street Sweeper Operator 1 (FTE)				\$80,000	\$83,780	\$87,739	\$91,884	\$96,226	\$100,772	\$105,534	\$110,520	\$115,743	\$121,211
Street Sweeper Operator 2 (FTE)				\$80,000	\$83,780	\$87,739	\$91,884	\$96,226	\$100,772	\$105,534	\$110,520	\$115,743	\$121,211
Crew Supervisor (FTE)				\$100,000	\$104,725	\$109,673	\$114,855	\$120,282	\$125,966	\$131,917	\$138,151	\$144,678	\$151,514
Computers/iPad/Software				\$2,500	\$2,618	\$2,742	\$2,871	\$3,007	\$3,149	\$3,298	\$3,454	\$3,617	\$3,788
Cell Phones				\$3,500	\$3,665	\$3,839	\$4,020	\$4,210	\$4,409	\$4,617	\$4,835	\$5,064	\$5,303
Clothing & Safety Gear				\$1,680	\$1,759	\$1,843	\$1,930	\$2,021	\$2,116	\$2,216	\$2,321	\$2,431	\$2,545
Training/Continuing Education				\$2,000	\$2,095	\$2,193	\$2,297	\$2,406	\$2,519	\$2,638	\$2,763	\$2,894	\$3,030
Overtime				\$5,000	\$5,236	\$5,484	\$5,743	\$6,014	\$6,298	\$6,596	\$6,908	\$7,234	\$7,576
Sanitation Fees (Sewer)				\$750	\$785	\$823	\$861	\$902	\$945	\$989	\$1,036	\$1,085	\$1,136
Dumping Fees				\$12,000	\$12,567	\$13,161	\$13,783	\$14,434	\$15,116	\$15,830	\$16,578	\$17,361	\$18,182
					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Debt Service</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
None				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Operating Reserve</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$119,854</u>	<u>\$121,921</u>	<u>\$124,025</u>	<u>\$126,164</u>	<u>\$79,376</u>	<u>\$26,996</u>	<u>\$27,462</u>	<u>\$27,935</u>	<u>\$28,417</u>	<u>\$28,907</u>
Contributions to Operating Reserve				\$119,854	\$121,921	\$124,025	\$126,164	\$79,376	\$26,996	\$27,462	\$27,935	\$28,417	\$28,907
					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Equipment Purchases</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$252,000</u>	<u>\$252,000</u>	<u>\$252,000</u>	<u>\$252,000</u>	<u>\$252,000</u>	<u>\$292,137</u>	<u>\$292,137</u>	<u>\$292,137</u>	<u>\$292,137</u>	<u>\$292,137</u>
Vactor Truck				\$130,000	\$130,000	\$130,000	\$130,000	\$130,000	\$150,706	\$150,706	\$150,706	\$150,706	\$150,706
Street Sweeper				\$105,000	\$105,000	\$105,000	\$105,000	\$105,000	\$121,724	\$121,724	\$121,724	\$121,724	\$121,724
F-150				\$17,000	\$17,000	\$17,000	\$17,000	\$17,000	\$19,708	\$19,708	\$19,708	\$19,708	\$19,708
					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Non-Impact Fee Related Capital Expenditures</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$241,420</u>	<u>\$1,648</u>	<u>\$198,560</u>	<u>\$21,531</u>	<u>\$158,174</u>	<u>\$1,855</u>	<u>\$98,620</u>	<u>\$35,684</u>	<u>\$32,503</u>	<u>\$2,088</u>
Backhoe Lease				\$1,600	\$1,648	\$1,697	\$1,748	\$1,801	\$1,855	\$1,910	\$1,968	\$2,027	\$2,088
Existing Users' Portion of System Level Capital Projects	\$0	\$0	\$0	\$239,820	\$0	\$196,863	\$19,783	\$156,373	\$0	\$96,710	\$33,716	\$30,476	\$0
					\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<u>Impact Fee Related Capital Expenditures from Rates</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Impact Fee Deficit Coverage				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$171,297	\$195,575	\$457,282	\$1,516,704	\$1,321,687	\$1,565,406	\$1,437,333	\$1,576,216	\$1,458,998	\$1,610,001	\$1,603,850	\$1,660,123	\$1,691,957

A-2
Herriman City
Historic and Projected Revenue (excluding new storm water fee)

	Assumed Annual Rate of Inflation:												3.0%
Item	Actual 2016	Actual 2017	Budgeted 2018	Budgeted 2019	Projected 2020	Projected 2021	Projected 2022	Projected 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027	Projected 2028
<u>Storm Drain Fund Revenue</u>	<u>\$171,297</u>	<u>\$195,575</u>	<u>\$457,282</u>	<u>\$479,404</u>	<u>\$502,047</u>	<u>\$525,759</u>	<u>\$550,592</u>	<u>\$576,598</u>	<u>\$603,832</u>	<u>\$632,352</u>	<u>\$662,221</u>	<u>\$693,500</u>	<u>\$726,256</u>
Interest Income	\$0	\$0	\$0	\$515	\$530	\$546	\$563	\$580	\$597	\$615	\$633	\$652	\$672
General Fund	\$171,297	\$195,575	\$457,282	\$478,889	\$501,516	\$525,213	\$550,029	\$576,018	\$603,235	\$631,738	\$661,587	\$692,847	\$725,584
Total	\$171,297	\$195,575	\$457,282	\$479,404	\$502,047	\$525,759	\$550,592	\$576,598	\$603,832	\$632,352	\$662,221	\$693,500	\$726,256

Table A-3
Herriman City
Existing and Projected Customer Base by Customer Class (Effective ERUs)

	Actual	Actual	Budgeted	Budgeted	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Customer Class	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Class 1: Single Family Residential			9,625	9,957	10,301	10,656	11,024	11,404	11,797	12,204	12,625	13,061	13,512
Class 2: Multi-Family Residential			3,377	3,494	3,614	3,739	3,868	4,001	4,139	4,282	4,430	4,583	4,741
Class 3: Multi-Family Residential			363	376	388	402	416	430	445	460	476	493	510
Class 4: Commercial / Institutional			2,604	2,668	2,733	2,799	2,866	2,935	3,006	3,079	3,153	3,229	3,307
Total Effective ERUs			15,969	16,494	17,036	17,595	18,173	18,771	19,388	20,026	20,685	21,366	22,069

Table A-4
Herriman City
Historic and Projected Expenses and Revenues

	Actual	Actual	Budgeted	Budgeted	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected	Projected
Item	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Total Expenses	\$171,297	\$195,575	\$457,282	\$1,516,704	\$1,321,687	\$1,565,406	\$1,437,333	\$1,576,216	\$1,458,998	\$1,610,001	\$1,603,850	\$1,660,123	\$1,691,957
<i>Scenario 1: Do Nothing (Shortfall Would Need to be Covered by General Fund)</i>													
Projected General Fund Revenues	\$171,297	\$195,575	\$457,282	\$478,889	\$501,516	\$525,213	\$550,029	\$576,018	\$603,235	\$631,738	\$661,587	\$692,847	\$725,584
Total Revenues	\$171,297	\$195,575	\$457,282	\$478,889	\$501,516	\$525,213	\$550,029	\$576,018	\$603,235	\$631,738	\$661,587	\$692,847	\$725,584
Revenue Surplus (Shortfall)	\$0	\$0	\$0	-\$1,037,300	-\$819,640	-\$1,039,647	-\$886,741	-\$999,619	-\$855,167	-\$977,648	-\$941,629	-\$966,623	-\$965,701
<i>Scenario 2: Meet Revenue Need with Storm Water Utility and Fee (Future Surpluses to Rehabilitation and Replacement Fund)</i>													
Total Rate Revenues				\$1,385,523	\$1,431,004	\$1,477,998	\$1,526,556	\$1,576,730	\$1,628,575	\$1,682,147	\$1,737,505	\$1,794,707	\$1,853,817
Interest Income				\$515	\$530	\$546	\$563	\$580	\$597	\$615	\$633	\$652	\$672
Total Revenues				\$1,386,038	\$1,431,535	\$1,478,544	\$1,527,119	\$1,577,310	\$1,629,172	\$1,682,762	\$1,738,138	\$1,795,359	\$1,854,489
Revenue Surplus (Shortfall)				-\$130,665	\$109,848	-\$86,861	\$89,786	\$1,094	\$170,174	\$72,762	\$134,288	\$135,236	\$162,532

Table A-5
Herriman City
Rate Parameters for Scenario 2

Parameter	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Rate Change					0%	0%	0%	0%	0%	0%	0%	0%	0%
<i>Rate Table Parameters (monthly)</i>													
Fee per ERU				\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00	\$7.00
<i>Total Rate Revenue</i>													
Class 1 Revenue (\$/yr)				\$836,393	\$865,249	\$895,100	\$925,981	\$957,927	\$990,976	\$1,025,164	\$1,060,533	\$1,097,121	\$1,134,972
Class 2 Revenue (\$/yr)				\$293,455	\$303,579	\$314,052	\$324,887	\$336,096	\$347,691	\$359,686	\$372,095	\$384,933	\$398,213
Class 3 Revenue (\$/yr)				\$31,544	\$32,632	\$33,758	\$34,923	\$36,128	\$37,374	\$38,663	\$39,997	\$41,377	\$42,805
Class 4 Revenue (\$/yr)				\$224,132	\$229,544	\$235,088	\$240,765	\$246,580	\$252,535	\$258,633	\$264,879	\$271,276	\$277,811
Total Rate Revenue				\$1,385,523	\$1,431,004	\$1,477,998	\$1,526,556	\$1,576,730	\$1,628,575	\$1,682,147	\$1,737,505	\$1,794,707	\$1,853,817

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Fax: (801) 495-2225

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Fax: (208) 939-9571

Southern Utah Area Office:

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St. George, Utah 84770
Phone: (435) 656-3299
Fax: (435) 656-2190



STAFF REPORT

DATE: 05/02/2019

TO: The Honorable Mayor and City Council

FROM: Justun Edwards Public Works Director

SUBJECT: Proposed Water Rates Presentation for Public Hearing

BACKGROUND:

Zions Bank performed the Water Rate Study that set our current water rates, which were adopted in 2014. We monitor our revenues and expenses each year to ensure the rates are meeting our operational needs along with meeting our bonding requirements. Up till now, our rates have adequately met these needs, but with inflation and increased demands we have determined it necessary to perform a detailed study.

DISCUSSION:

We have contracted with Zions Bank to perform the Water Rate Study, for both culinary and secondary water rates. The study in general, consists of reviewing historic operational revenues and expenses, along with historic water use data for each water user customer class. Once historic information is gathered, future projections are then established, to determine future revenue requirements.

We have maintained the basic rate structures, with only a few minor adjustments. The current rate structure for most residential users, includes a flat monthly base rate along with a tiered usage rate to promote water conservation. For those customers who have access to secondary water, their base rate is divided into a culinary base rate and a secondary base rate. The overall base rate for these users is slightly higher than those users without secondary, but the secondary water usage rate is less than the culinary usage rate. Resulting in a reduced annual water bill if they use secondary water. Commercial users have a flat monthly base rate based on their respective meter size, with a flat usage rate for both indoor use and outdoor irrigation.

The minor adjustments that were made in this study, were to the base rate for those customers with access to secondary, and the commercial irrigation meters. The base rate for the residential customers with access to secondary was adjusted, so they have the same monthly base fee, as the culinary only residential customers. We introduced a new set of tiered rate tables for commercial irrigation or irrigation only connections to promote conservation and consistency with other rate tables.



In short, the results of the study, indicate that only minor increases are necessary to meet our operational needs and meet our bond obligations. We are proposing a phased implementation of a 2% increase each year over the next four years.

ALTERNATIVES:

Do not implement the proposed rate increase, and maintain the current rates.

FISCAL IMPACT:

Increase Water Enterprise Fund Revenue through Water Rates

User Rate Analyses: Culinary and Secondary Water May 1, 2019



Need for a Rate Analysis Update

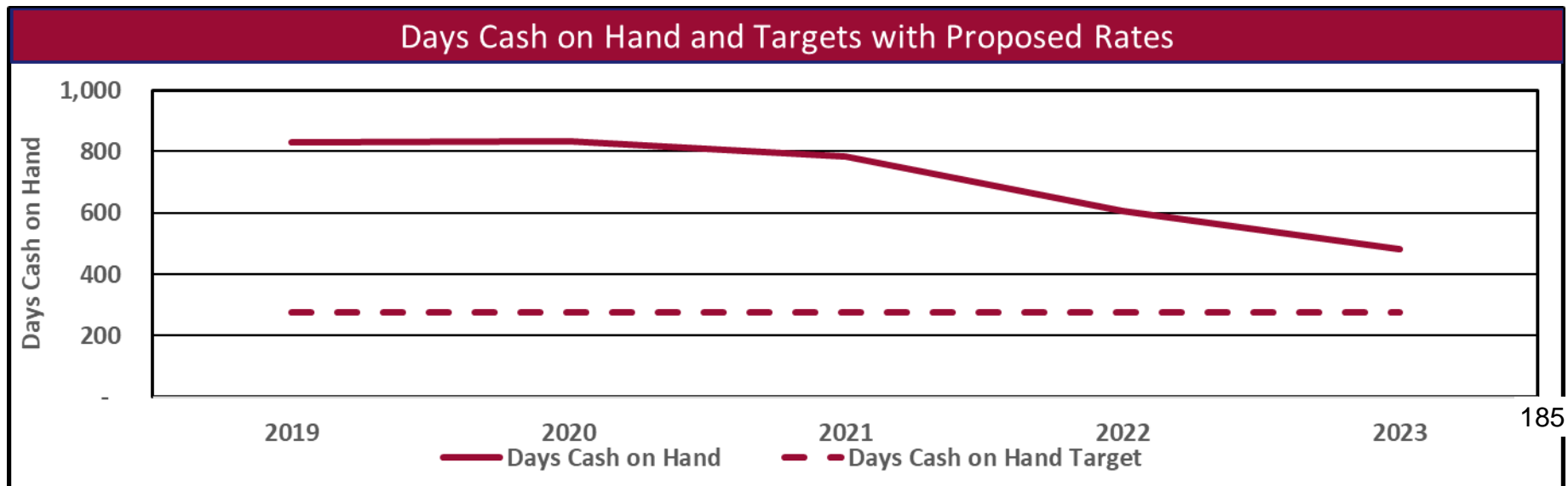
- Herriman's culinary and secondary user rates are being updated
 - Previous study completed in 2014
 - Updating capital project expenses and reimbursement agreements
 - Updating annual water revenue bond debt service
 - Forecasting revenues, operational expenses, and impact fees
 - Adding rate categories for culinary water irrigation connections
 - Equalizing residential base fees for those with and without access to secondary water
 - General water rate structures promoting secondary water use will not change although some minor adjustments may be made

General Financial Status

- The system is very well managed in operations and finances with proactive funding of repair and replacement and programmed capital projects
- Water rates will increase each year to fund capital projects, match O&M cost inflation, and meet bond rating agency requirements
- Rates will be set to ultimately meet a 1.25 minimum debt service coverage ratio and at least 275 days operational expense in cash reserve

Available Cash for Projects

- Proposed rate increases will result in strong cash reserves that will be available to pay for needed projects and avoid debt
- The City has kept current with R&R and other project needs by funding them with cash reserves to the extent possible



Outstanding and Future Bonds

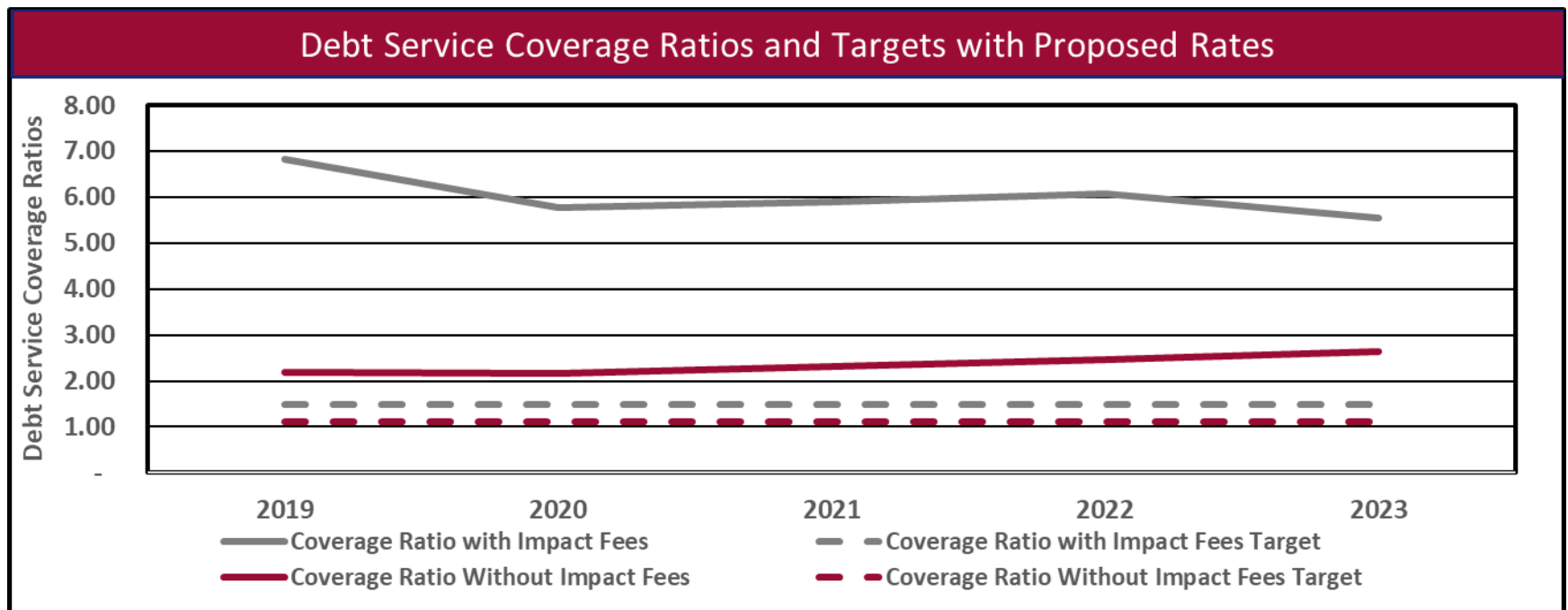
- The City has multiple bond issues outstanding that have helped to fund large capital projects while keeping user rates lower
- Although bonds have been necessary to fund major water projects, the City prefers to not issue future bonds and will ideally fund future projects through rate and impact fee revenues

	2019	2020	2021	2022	2023
Series 2003 Water Revenue Bond	\$ 216,729	\$ 217,121	\$ 217,438	\$ 216,681	\$ 217,868
Series 2011 Water Revenue Bond	312,850	309,000	-	-	-
Series 2015 Water Revenue Bond -	214,853	214,613	214,305	214,930	214,465
Series 2017 Water Revenue					
Refunding Bond	160,108	163,615	472,985	472,483	471,363
Series 2016 Water Revenue					
Refunding Bonds (Series 2007)	556,000	553,050	559,950	556,400	559,800
Totals	\$ 1,460,539	\$ 1,457,398	\$ 1,464,678	\$ 1,460,493	\$ 1,463,495

Coverage Ratios

General Financial Structure

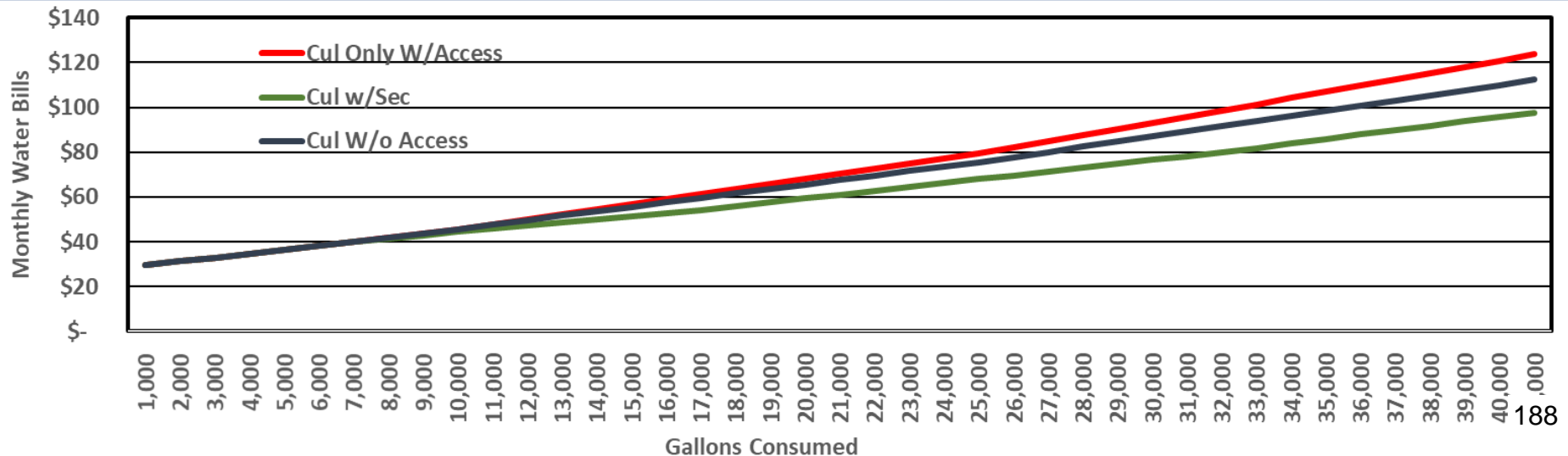
- Proposed rate increases in addition to the current water financial position will result in strong coverage ratios well above a target of 1.25X coverage



Proposed Water Rate Increase

- Rate structures are set to encourage the use of secondary water where available
- A user with access to secondary water (red) but chooses to irrigate with culinary water will pay more per gallon than using secondary water (green).

COMPARISON OF RESIDENTIAL RATES WITH AND WITHOUT SECONDARY ACCESS



Changes to Residential Bills

- The average monthly bills for culinary only users is estimated to increase by \$1.08 following rate adjustments in 2019 and 2020
- A reduction in the secondary base fee of \$2.10 will result in a slightly lower monthly bills of approximately \$1.00 for users with secondary access
- Those with secondary access will continue to pay a base fee of \$9.28 plus a culinary base fee of \$18.55
- Users with and without secondary water will have the same monthly base fee of \$27.83

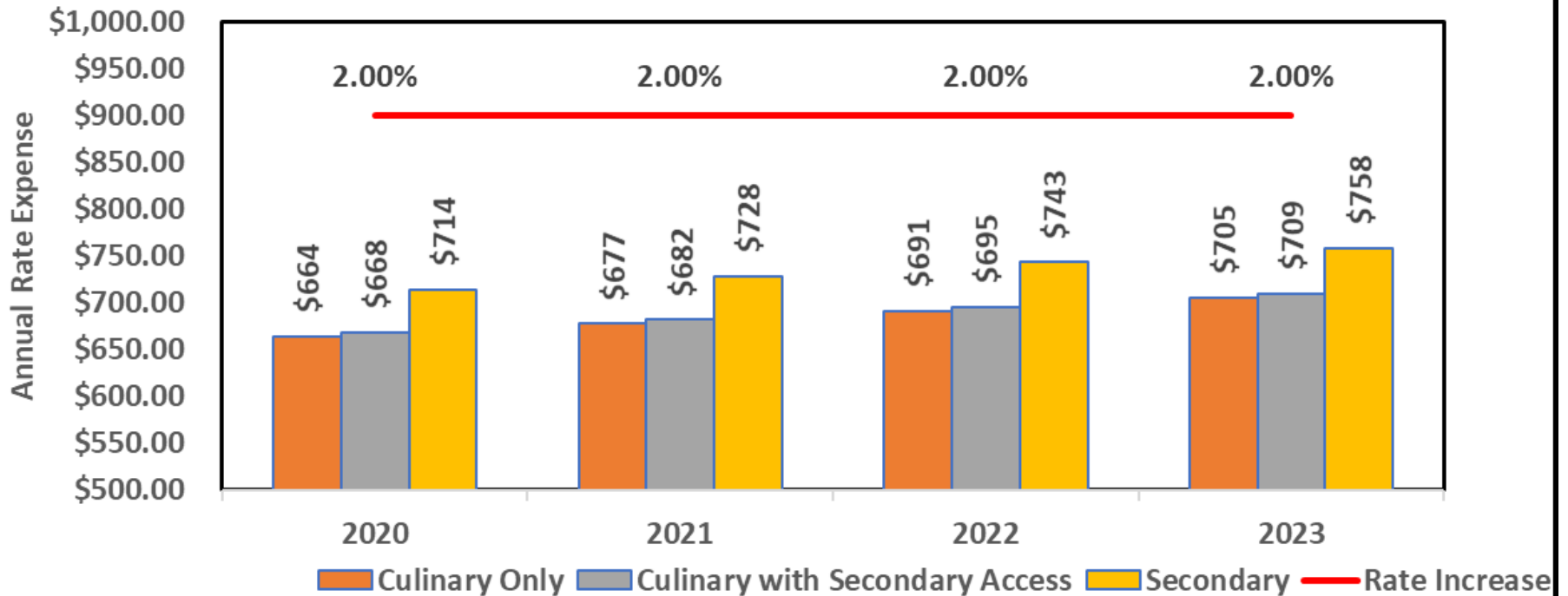
Impact on Average Residential Bill

Proposed Residential Rates	Access not		
	Culinary Only	Connected to Secondary	Secondary Connected
Usage	169,000.00	163,000.00	221,000.00
Annual Bill	\$ 664.09	\$ 668.22	\$ 714.09
Average Price per 1,000 Gal	\$ 3.93	\$ 4.10	\$ 3.23
Price Relative to Culinary Only	0	4%	-18%

Current Residential Rates	Access not		
	Culinary Only	Connected to Secondary	Secondary Connected
Usage	169,000.00	163,000.00	221,000.00
Annual Bill	\$ 651.13	\$ 682.68	\$ 725.35
Average Price per 1,000 Gal	\$ 3.85	\$ 4.19	\$ 3.28
Price Relative to Culinary Only	0	9%	-15%

Culinary Water Rate Proposal

Proposed Revenue Increase and Annual Water Expenses



Commercial Water Rates

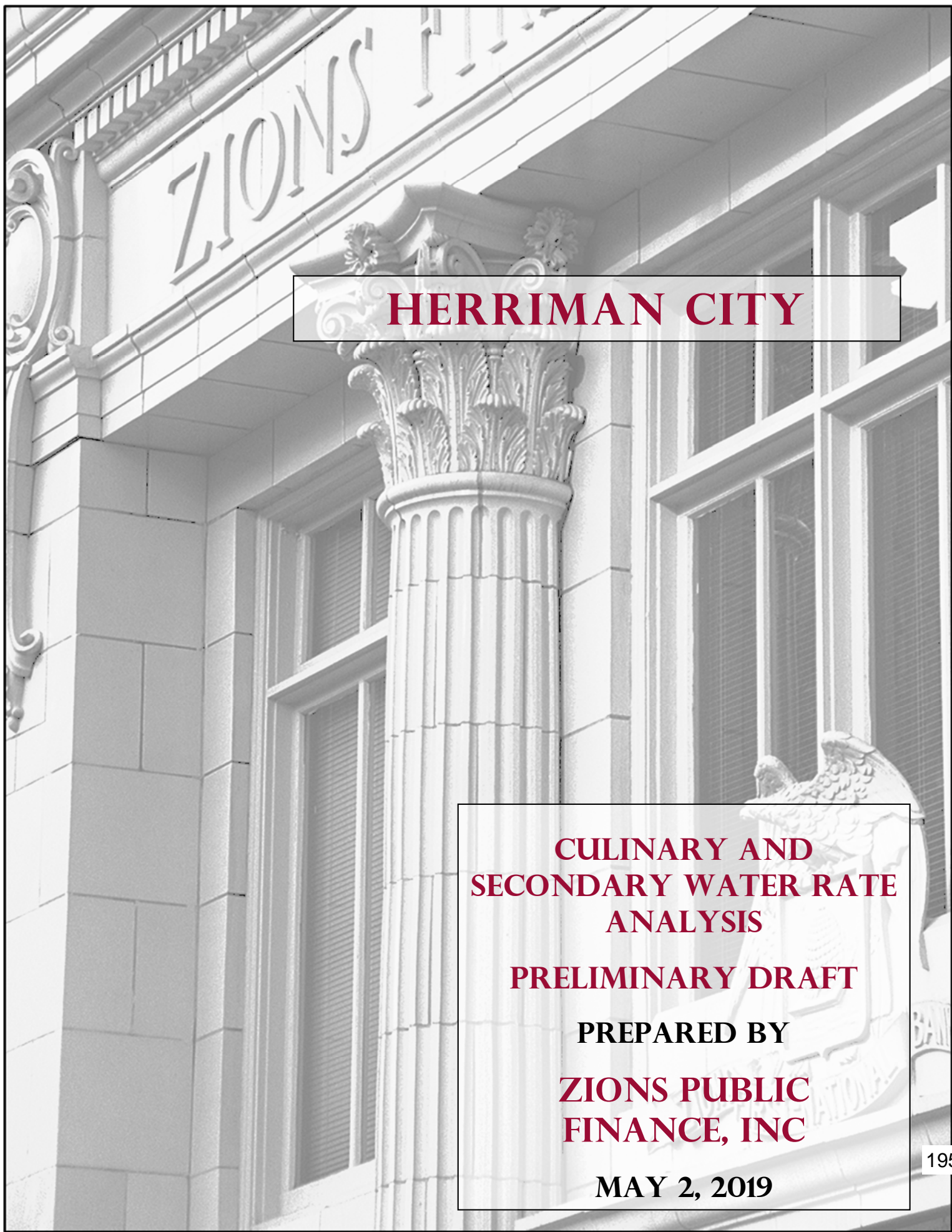
- Current commercial non-irrigation water rate structures are proposed to be kept the same although a 2% increase will be added to the current rates
- Commercial water rates use a graduated base fee that increases with the size of meter while consumption is billed at a flat price per 1,000 gallons without tiers
- Both base fees and consumption fees will increase by 2% so that commercial users with the same amount of water used will expect a 2% increase to the overall water bills
- Commercial irrigation meters will be changed to tiers to promote water conservation

Non-Residential Landscape Meters

- The City is now differentiating between culinary non-irrigation and irrigation commercial connections and adding tiered rate tables for culinary irrigation meters to promote water conservation
- Commercial landscape meters are currently billed at a flat price per 1,000 gallons which does not promote conservation
- The proposed rate schedule changes landscape meters from a flat price per 1,000 gallons to a tiered structure similar to the secondary water irrigation rates

Conclusion

- It is currently proposed that this issue will be brought back to the City Council in the near future for approval and adoption
- Pending approval the rates are anticipated to be implemented on July 1, 2019
- This rate increase is necessary to maintain revenues with cost inflation and capital needs with only modest increases in revenues and no planned additional bonding.



HERRIMAN CITY

**CULINARY AND
SECONDARY WATER RATE
ANALYSIS**

PRELIMINARY DRAFT

PREPARED BY

**ZIONS PUBLIC
FINANCE, INC**

MAY 2, 2019

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RATEPAYERS' OVERVIEW OF THE USER RATE ANALYSIS

Herriman City (the City) hired Zions Public Finance, Inc. (Zions) to conduct a water utility user rate study that includes an evaluation of the current user rate structures, an updated revenue requirement analysis, and updated user rates for the culinary water and secondary water utilities. The last water user rate analysis was prepared in 2014.

NEED FOR A USER RATE ADJUSTMENT

The purpose of this analysis is to provide a fair and equitable culinary and secondary water rate structure that provides for healthy, financially sustainable utilities. The intent of this rate analysis is to update the existing culinary and secondary water rates to ensure that adequate rate revenues will be collected for the operation and expansion of the City's two water systems. Rates must be increased for inflation and scale as well as for necessary capital projects and financing costs to continue providing high-quality and safe water service. The data for this analysis was provided by Herriman City and the study was conducted in cooperation with City staff.

Many changes have occurred in the water utility in the past five years. The City has updated capital project expenses and reimbursement agreements. Annual water revenue bonds have changed along with annual debt service. There are new forecasts in operational expenses, impact fees, and growth projections. The City has also created new rate categories for culinary water irrigation connections to treat irrigation rates more similar to irrigation from secondary water than typical indoor culinary usage. General water rate structures promoting secondary water use will not change although some minor adjustments have been made.

CULINARY AND SECONDARY WATER UTILITIES

The City has constructed a secondary water system in the past several years that will gradually expand throughout the City. It is anticipated that by the time the entire system is in place approximately 85% of households within the City will have access to the secondary water system. The City will continue to fund the secondary system in the existing areas and neighborhoods while the developers that are building in the newly annexed areas will construct secondary water improvements. The City's impact fees have been calculated to include the growth-related costs of the secondary water system improvements that will be constructed by the City.

The secondary water system is similar to the culinary water system except it delivers water intended for outdoor irrigation and not for indoor consumption. The secondary water system includes pipes, pumps, reservoirs, and water supply. The most significant difference between the secondary and culinary water system is the price of the water used in the secondary water system. The JVVCD water used in the culinary water system costs approximately \$658 per acre foot while the cost of the Welby Jacob Canal Company and irrigation well water costs approximately \$123 per Af. This significant price difference makes the construction of the secondary water system feasible in comparison with the purchase of JVVCD culinary water for outdoor irrigation. The secondary system will provide long-term cost savings.

The secondary water system is metered at each connection which is rare for secondary water systems in Utah. Most secondary water systems do not have meters, studies have shown that unlimited secondary water usage leads to overwatering. Because Herriman's secondary system is metered it allows the City to build a somewhat smaller and less expensive system that will still meet the needs of users.

Both the culinary and secondary systems are relatively new and require little repair and replacement capital expense. However, the City is facing a great deal of new growth which requires expansion and capital investment well ahead of growth. Although impact fees will pay for the bulk of both systems' new improvements there still may be timing gaps between the actual construction timing of the project and the receipt of impact fee payments. Generally impact fee revenues do not come to the City fast enough to pay the entire growth-related project costs with cash without the need to bond. Until sufficient impact fees are collected, the utility enterprise fund will cover the costs and then will be repaid as impact fees are collected.

WATER UTILITY USER RATES

The intent of a user rate is to generate only enough revenue to operate the system, build new or replacement capital projects, and maintain fair cash reserves to offset potential risks and unforeseen costs to the system. The intent for these user rates is not to create a profit for the City that can be spent elsewhere, but rather, all funds generated by each system will be spent exclusively on the system for which they are collected.

Herriman City currently collects monthly user rates for culinary water and for the few users with secondary water. Revenues collected are used to pay the following key costs of maintaining good utility service for the City:

- Salaries and wages of City employees that operate and maintain the system;
- Costs of power to pump water out of the ground and treatment costs;
- Costs of keeping the existing infrastructure in good and safe condition;
- Cost of annual debt service payments; and
- Maintenance of enterprise fund cash reserves to protect against emergencies or cost overruns.

There are four primary goals that the City is concerned with when making long-term financial goals. These are **1)** cover the cost of operating the system, **2)** minimize the amount of borrowing needed while still providing exceptional service, **3)** sufficiently paying the costs of bond payments if bonds must be issued, and **4)** maintain approximately 275 days of operating expense in cash reserves to mitigate any financial risks, emergencies, or unanticipated cash overruns. The City is meeting all goals very well.

Rates are determined by first calculating how much money the City must generate each year to adequately meet all financial goals. Second, the usage patterns of customer classes (such as: residential with or without secondary water, commercial, churches, schools, governmental users, etc.) are reviewed to know how much impact or demand each type of user places on the system. Finally, a rate structure that will generate the necessary income is tailored for each user class that charges a fair price for the service provided given average demands.

RECOMMENDED WATER RATES

The complete rate schedule for each utility is found in the attachments of this analysis. Figures ES.1 to ES.3 below show the proposed rates for each utility. Figures ES.4 to ES.7 are graphs that compare the current residential bills with the proposed bill for both of the utilities given different usage patterns. The dashed lines represent the bills under the current water rates. Rates are structured for three classes of culinary water users.

CULINARY WATER WITH SECONDARY ACCESS

Culinary water rates consider if a user is a residential or non-residential user, whether or not the user has access to the secondary water system, and the elevation of the user in relation to the City's culinary water pressure zones. Residential water users will pay for culinary water used according to one of two sets of culinary water rate structures. Residences with access to secondary water will utilize a set of tiers that provides adequate water for indoor usage

but will penalize water demand for outdoor culinary water use. Those with access to secondary water should use secondary water for outdoor irrigation.

CULINARY WATER WITHOUT SECONDARY ACCESS

These two culinary water rate structures are intended to promote conservation by charging more for excessive water usage. A connection without secondary water will naturally use more culinary water for indoor and outdoor usage. A user with only culinary water would be extremely penalized if the user were charged according to a set of rate tiers structured to penalize water demands that exceeded indoor needs. A residence without access to secondary water will utilize a set of tiers structured to allow for culinary water demands sufficient for indoor and outdoor watering.

NON-RESIDENTIAL CULINARY WATER USERS

Residential water usage, for both indoors and out, is relatively uniform and predictable. Non-residential culinary water demands are not as predictable and it would be hard to develop a set of tiers that did not benefit one user while penalizing another. Non-residential users will pay a flat fee per 1Kgal as it is hard to define a set of tiers that is fair to all non-residential users.

PROPOSED CULINARY AND SECONDARY WATER RATES

FIGURE ES.1: PROPOSED RESIDENTIAL CULINARY WATER RATES WITH SECONDARY ACCESS

Culinary		Residential 3/4" & 1" Zone 1-4 W/ Secondary		Proposed	
Minimum	Maximum	Price per 1Kgal	Table No.	Base Fee	
-	5,000	1.73	114	Residential 3/4" & 1" Zone 1-4 W/ Secon	\$ 18.55
5,001	10,000	1.84			
10,001	25,000	2.24			
25,001	40,000	2.75			
40,001	80,000	3.26			
80,001	above	3.98			

FIGURE ES.2: PROPOSED RESIDENTIAL CULINARY ONLY WATER RATES

Culinary		Residential 3/4" & 1" Zone 1-4 W/o Secondary		Proposed	
Minimum	Maximum	Price per 1Kgal	Table No.	Base Fee	
-	5,000	\$ 1.73	111	Residential 3/4" & 1" Zone 1-4 W/o Seco	\$ 27.84
5,001	10,000	1.84			
10,001	25,000	1.99			
25,001	40,000	2.30			
40,001	80,000	2.65			
80,001	above	3.47			

FIGURE ES.3: PROPOSED RESIDENTIAL SECONDARY WATER RATES

200 - Residential 3/4" & 1"					Proposed
Minimum	Maximum	Price per 1Kgal	Table No.		Base Fee
-	10,000	1.41	200	Residential 1"	\$ 9.28
10,001	25,000	1.71			
25,001	40,000	1.98			
40,001	70,000	2.50			
70,001	above	2.92			

IMPACT OF PROPOSED RATE STRUCTURES ON RESIDENTS OF HERRIMAN CITY

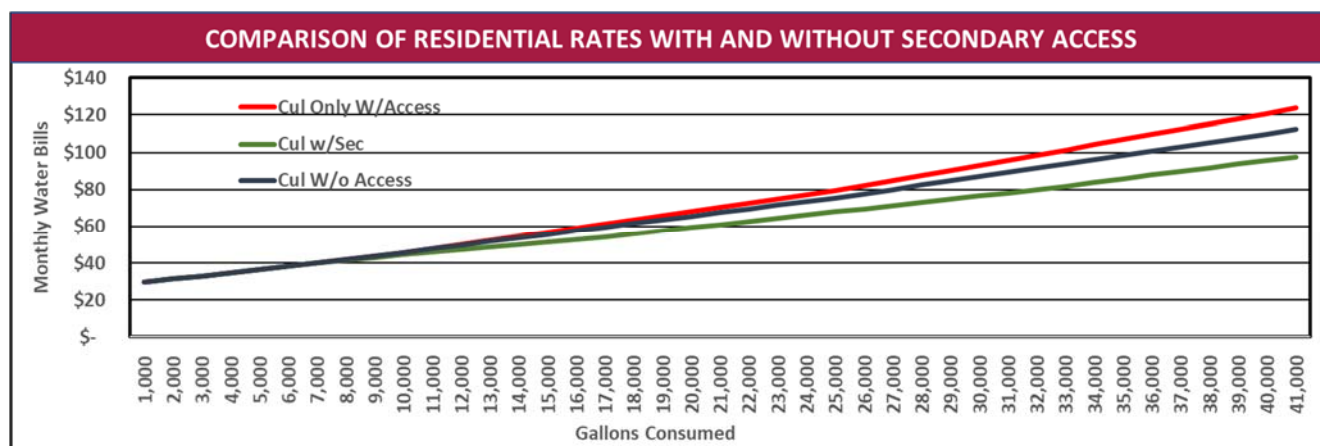
All three proposed culinary and secondary rate structures will increase the bills paid by residents but some more than others. The proposed increase to the annual water bill for a typical residential user without access to secondary is expected to be 2% in 2019. This increase of 2% is equal to the annual increase required for all rate revenues. Users without secondary water access are the benchmark in comparing rate changes as these users can expect rates adjustments equal to the required increase in revenue for the entire water fund.

Those with access to secondary water who choose to connect to the secondary system will be utilizing the Welby Jacob canal and irrigation well water for outdoor irrigation which is a less expensive water source compared with culinary water purchased from JVWCD. The typical bill for a connection using secondary water will pay an increase of 2% in the annual cost of water.

Those culinary users who have access to secondary water but choose not to connect and continue to irrigate with an average amount of use will pay slightly lower annual water bills as the combined culinary/secondary base fee will be reduced in FY 2020. These users are choosing to irrigate with water that is much more expensive than the secondary water available and increasing the overall costs of operating the system.

Figure ES.4 shows the comparison of user bills for different residential user categories. Users who have access to less expensive secondary water and choose to use it for their irrigation needs will have the lowest overall bills. Users who have access to the secondary water system but choose to use more expensive culinary water for their irrigation needs will have the highest bills. Those without access to secondary water will have lower bills than those who have access but do not connect.

FIGURE ES.4: COMPARISON TO UTILITY BILLS FOR RESIDENTIAL CULINARY WATER /SECONDARY WATER



Residential customers with access to culinary-only or culinary/secondary water have varied annual water usages. The Figure ES.5 shows that the average annual usage for a user with only culinary water is about 169,000 gallons per year. A user with access to secondary water but choosing to not connect is less, likely due to higher consumption prices. A user that is irrigating with secondary water is using 221,000 gallons which is 31% more than a user with only culinary water. The annual bill is the highest for those using secondary water because the usage is higher however the price per gallon is the lowest at about 18% less cost than the culinary only user.

FIGURE ES.5: SAMPLE ANNUAL BILLS FOR AVERAGE RESIDENTIAL CULINARY WATER /SECONDARY WATER USAGE

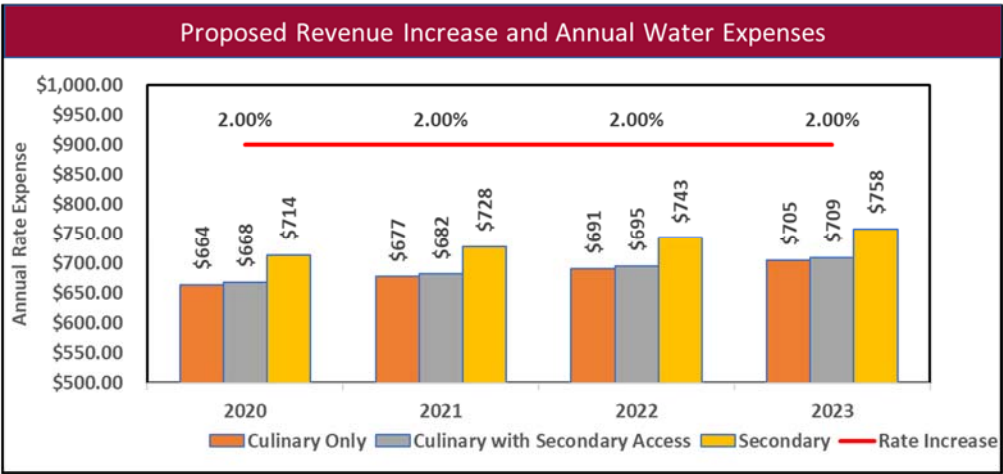
Proposed Residential Rates	Access not		
	Culinary Only	Connected to Secondary	Secondary Connected
Usage	169,000.00	163,000.00	221,000.00
Annual Bill	\$ 664.15	\$ 668.28	\$ 714.15
Average Price per 1,000 Gal	\$ 3.93	\$ 4.10	\$ 3.23
Price Relative to Culinary Only	0	4%	-18%

Current Residential Rates	Access not		
	Culinary Only	Connected to Secondary	Secondary Connected
Usage	169,000.00	163,000.00	221,000.00
Annual Bill	\$ 651.13	\$ 682.68	\$ 725.35
Average Price per 1,000 Gal	\$ 3.85	\$ 4.19	\$ 3.28
Price Relative to Culinary Only	0	9%	-15%

Water rates will gradually change over time to match the City's increased costs and inflation. It is currently anticipated that rates will need to increase by about 2% annually as shown in the red line in Figure ES.6 below. The three grouped columns per year shown the total estimated annual water bills for each of the three types of users. For example, a culinary water user's estimated annual bill on \$664 correlates with the upper table in ES.5. Over time, as the rate increases by 2%, the orange column will gradually increase each year by 2%.



FIGURE ES.6: PROJECTION OF ANNUAL BILLS BY AVERAGE RESIDENTIAL CULINARY WATER /SECONDARY WATER USAGE



CHAPTER 1: SYSTEM OVERVIEW

AND FINANCIAL ANALYSIS

GENERAL USER RATE ANALYSIS OBJECTIVES

An objective of the rate analysis is to determine rates for both of the utilities that provide revenue sufficiency, meet bond debt service requirements, fund capital projects and build reserves.

Each city is unique and each of its utilities has its own characteristics that need to be considered in a rate analysis. Considerable research and analysis must be undertaken to understand and analyze the costs of the City's utilities and demands. The City is working to draw new business in and promote economic development. The rate design process should not hamper these goals, but provide a tool to meet the City's key development objectives. The intent of this analysis is to develop a fair rate structure that will keep the City's utilities financially self-sufficient indefinitely.

BACKGROUND OF CITY WATER SYSTEMS

Herriman City provides culinary and secondary water services within the City boundaries. The City has an estimated 52,000 residents which is equivalent to approximately 13,164 water connections. The City does provide culinary water to some very small areas in unincorporated Salt Lake County. The secondary water system only serves a small portion of the current culinary water connections (approximately 1,300 metered connections) but new lines will be added in the future and users will have the option of connecting to the system.

CULINARY AND SECONDARY WATER SYSTEM

The City's culinary water system serves all developed areas within the city boundaries. The system provides groundwater along with water purchased from JVWCD. As the costs of JVWCD culinary water increases annually, the City would like to reduce their future reliance upon that source through the continued development of less expensive canal and irrigation well water for outdoor irrigation.

The secondary water system will serve the lower four pressure zones as the upper five zones cannot receive secondary water due to reservoir location and elevation. The City will fund construction of the improvements in the existing areas and neighborhoods while the developers that will construct improvements in newly developed areas. The City's impact fees have been set to consider the City-funded and developer funded system improvements.

COST COMPARISON OF THE CITY'S CULINARY AND SECONDARY WATER SOURCES

The City relies upon Jordan Valley Water Conservancy District (JVWCD) for approximately 60% of the culinary water that the City uses. The cost of the JVWCD water is increasing steadily each year as JVWCD must also pay for gradually increasing costs of operation plus large water development projects. Currently JVWCD charges the City an average of approximately \$658 per acre foot for culinary water. At these costs it is not feasible to purchase additional culinary water for outdoor irrigation. The water sources of the secondary water system are the Welby Jacob Canal and irrigation wells which costs approximately \$123 per AF.

RESIDENTIAL SECONDARY WATER CONNECTION AND CONVERSION

The City can construct facilities to convert approximately 250 existing connections within the east and west sides to the secondary system each year and anticipated an additional 425 newly constructed residential units connecting per year. Connections to the culinary water system are projected to increase by approximately 3% per year.

FIGURE 1.1: PROJECTED GROWTH IN CONNECTIONS

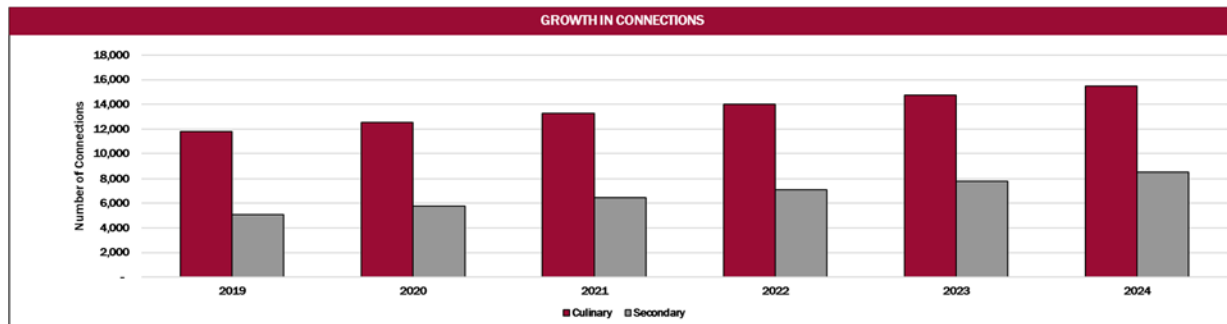
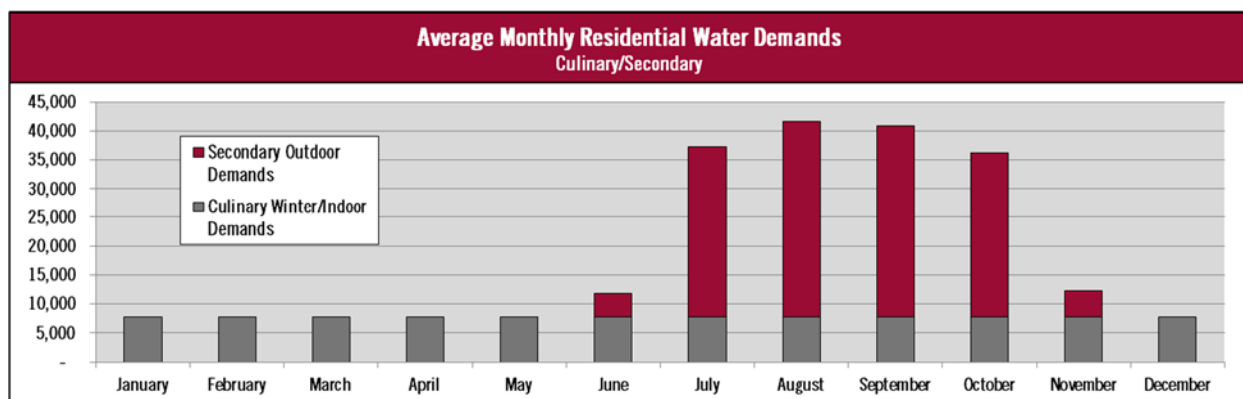


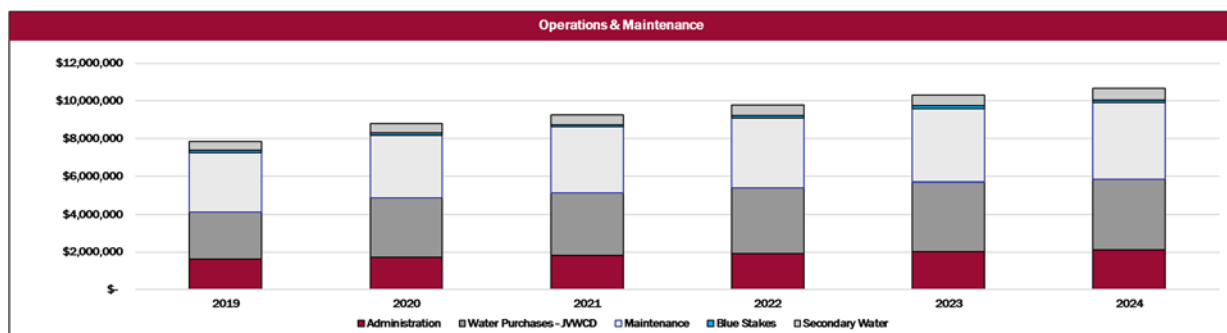
FIGURE 1.2: AVERAGE MONTHLY CULINARY WATER DEMANDS BY CONNECTION



CULINARY AND SECONDARY WATER REVENUE REQUIREMENTS

CULINARY WATER OPERATIONS AND MAINTENANCE EXPENSE

FIGURE 1.3: OPERATIONS AND MAINTENANCE EXPENSE

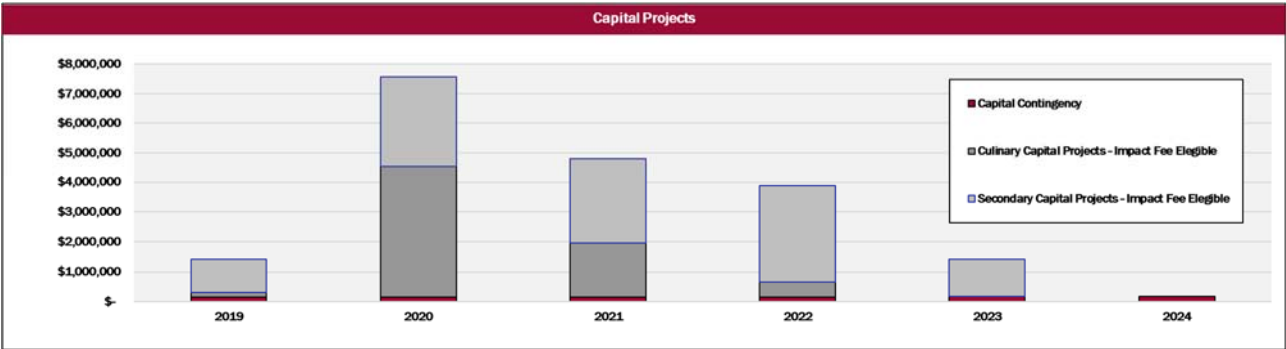


CULINARY WATER CAPITAL PROJECTS

The City is planning to invest a great deal of funding toward capital projects to improve the City's water systems. As Figure 1.4 indicates, the water CIP for the study period fluctuates significantly by year. These projected costs include

a 3.8% annual inflation factor due to anticipated increases in construction costs over time. This inflation rate is a conservative estimate and ensures that the City has adequate resources reserved to complete the necessary projects.

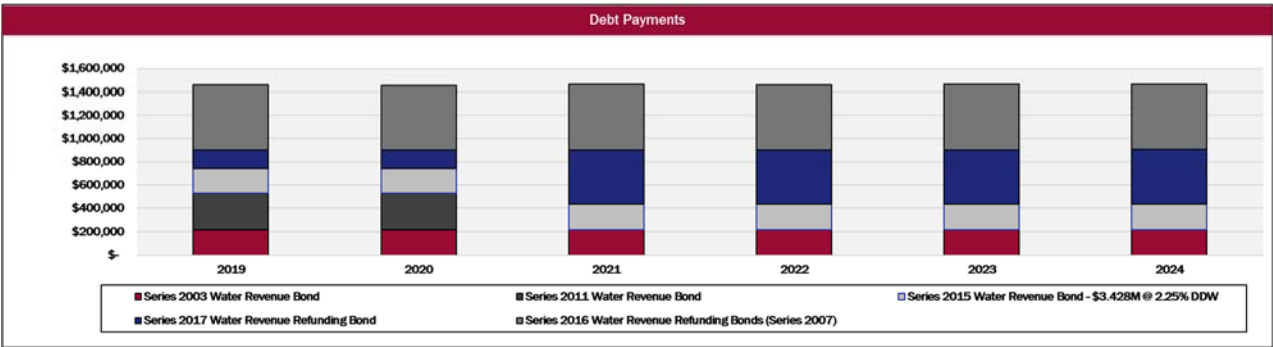
FIGURE 1.4: CULINARY WATER CAPITAL PROJECT EXPENSE



FUTURE DEBT SERVICE PAYMENTS

Debt service includes principal and interest payments on bonds. The City currently has five water bonds outstanding related to the culinary water and secondary water systems. At the time when bonds are issued in the future then the City must make annual debt service payments that include principal and interest payments on bonds. The City's culinary water CIP outlines multiple capital projects that are anticipated to be paid for with bonds at some point in the future. Financing the projects through bonds will help provide uniform expenses from year to year, which allows for more rate stability.

FIGURE 1.5: SCHEDULE OF OUTSTANDING AND FUTURE CULINARY AND SECONDARY WATER DEBT PAYMENTS



FINANCIAL OBJECTIVES FOR THE WATER ENTERPRISE FUND

Zions and Herriman City staff have developed the following financial objectives to be met by this user rate analysis:

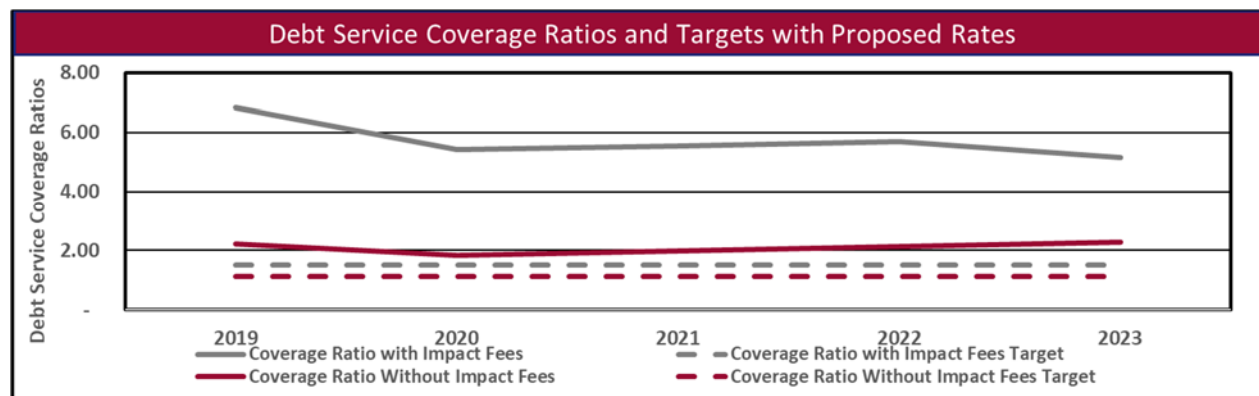
- User rate revenues should cover all operating, financing, and capital costs;
- Meet minimum coverage ratio requirements for all debt to be issued;
- Each utility should establish adequate cash fund balances;
- Cash fund improvements wherever possible to reduce borrowing costs; and
- Consider reasonable future capital projects/replacements.

DEBT SERVICE COVERAGE RATIO

One of the key ratios credit analysts use in assessing the financial strength of a utility system is the Debt Service Coverage Ratio—the ratio of revenues (less O&M excluding depreciation expense) to annual debt service. The minimum coverage ratio is 1.25 times coverage, which means the system generates enough revenue, after O&M expenses excluding depreciation, to pay 125% of the debt service. This coverage calculation must be constantly monitored to ensure full compliance with bond covenants.

As future debt is contemplated in this user rate analysis and outstanding debt exists, a debt service coverage ratio must be met. Debt service requirements consist of principal and interest payments on existing debt. Outstanding and future bonds require at least 1.25 times annual revenue coverage for each dollar of debt.

FIGURE 1.6: DEBT SERVICE COVERAGE RATIO AND TARGETS



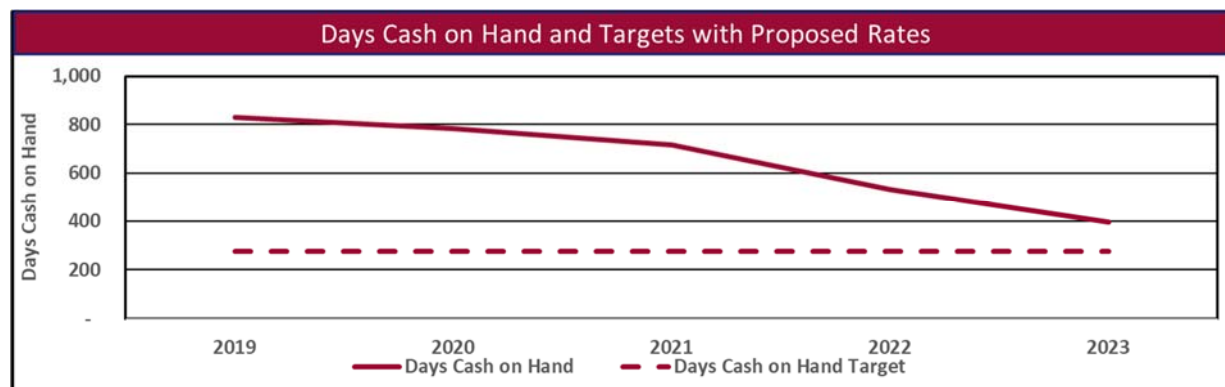
CASH RESERVE LEVELS (DAYS OPERATION & MAINTENANCE IN RESERVE)

Days Operations & Maintenance Reserve (DO&MR) is a key ratio to analyze when calculating user rates. The City's target ratio is 275 days of funds in reserve. The City requires adequate cash reserves to meet operating, capital, and debt service requirements. Debt service reserves provide protection from defaulting on annual debt service payments in times of financial difficulty. One year of debt service payments is required in reserve, so each time the City issues new bonds, additional proceeds are added to the restricted reserve. Operating reserves may be used to meet ongoing cash flow requirements as well as emergency requirements. DO&MR measures the utility's financial flexibility and liquidity and is calculated as follows:

$\text{Cash Balance} / (\text{Annual O\&M Expenses} / 275) = \text{Days Operation \& Maintenance in Reserve}$

Figure 1.7 shows the DO&MR for the combined culinary and secondary water utility fund. Although the City's cash balances are rapidly dropping, they are still above the target line and will not go below it in later years. The cash balances are falling because the City is spending excess reserves on capital projects to avoid debt issuance.

FIGURE 1.7: DAYS OPERATION & MAINTENANCE IN RESERVE PROJECTIONS



CASH FUNDING REPAIR AND GROWTH-RELATED CAPITAL PROJECTS

Cash funding capital projects is ideal because this approach reduces the amount of interest expense that the City's ratepayers must pay in user rates and it suggests a greater degree of self-reliance. However at times it is not practical to cash fund capital projects and debt must be issued. Debt is helpful when the amount of capital projects to fund is so large that setting the user rates to cash-fund the improvements will result in very large rate increases. Sometimes a project must be built much quicker than the ability to accumulate cash. It is important that utilities continually focus on the amount of reinvestment needed each year to keep their assets in service as long as possible. This analysis considers a large amount of capital reinvestment.

REVENUE REQUIREMENT ANALYSIS

The first important step in the rate setting process is to determine a utility's revenue requirement. A revenue requirement is the level of user rate revenues required for a utility to adequately operate and maintain its system, meet its financial obligations, and maintain appropriate reserves. Utility user rates must generate sufficient revenue to cover expenses and maintain the financial integrity of each utility. The revenue requirement analysis includes operating and maintenance (O&M) expenses, capital expenditures, debt service payments, specified reserves, and related bond covenants.

The revenue requirement analysis includes the following five expense categories to create an annual amount that each of the utilities must generate to keep each system financially sound:

1. Rate and Non-Rate Revenue Projections;
2. Operations and Maintenance Expense Forecast;
3. Funding Future Capital Projects;
4. Outstanding and Future Debt Service Payments; and
5. Maintenance of Adequate Cash Balances

FIGURE 1.8: RECOMMENDED WATER ANNUAL REVENUE REQUIREMENT (2019 TO 2024)

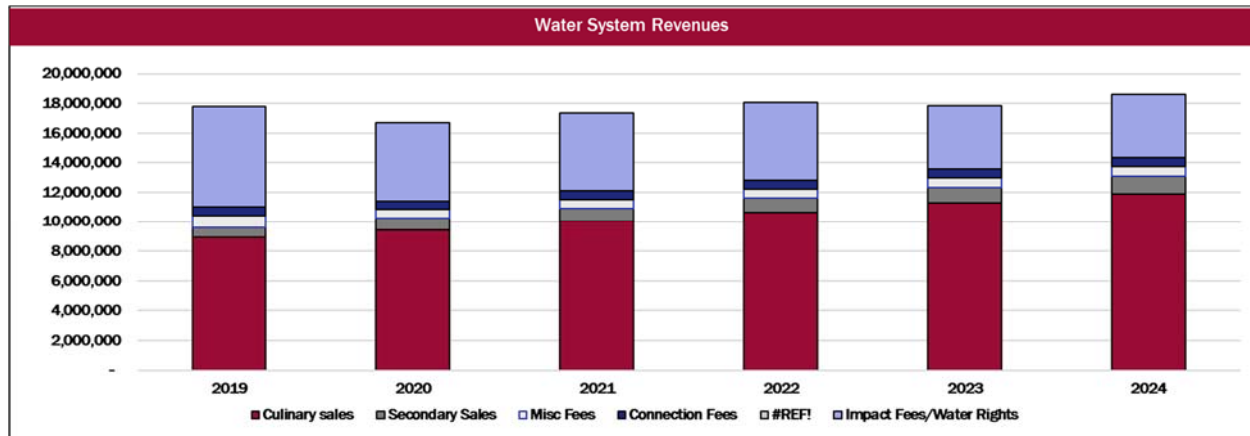


FIGURE 1.9: CULINARY WATER RATE SUMMARY

	2019	2020	2021	2022	2023
Culinary Water Growth Rate	4.00%	4.00%	4.00%	4.00%	4.00%
Secondary Water Growth Rate	12.75%	11.31%	10.00%	9.00%	8.00%
Annual Increase in Culinary Rates	0.00%	2.00%	2.00%	2.00%	2.00%
Annual Increase in Secondary Rates	0.00%	2.00%	2.00%	2.00%	2.00%
Increase to Combined Culinary/Secondary Revenues	12.56%	6.52%	6.46%	6.40%	6.33%
Change to Non-Rate Revenues	1.00%	1.00%	1.00%	1.00%	1.00%
Debt Service Coverage Ratios Without Impact Fees	2.20	1.84	1.97	2.11	2.26
Days Operational Expense Cash on Hand (Target: 275)	829	784	716	532	397

CHAPTER 2: CULINARY AND SECONDARY WATER RATE STRUCTURES

HERRIMAN CITY WATER USERS

CUSTOMER PROFILE

The City has a standard mix of users including single family residential users, multi-family residential, non-residential including commercial, institutional, and City owned connections. Standard culinary single-family users have ¾" meters and non-residential users have larger meters up to 8 inches. Secondary connections are 1" connections. The City is divided into three primary pressure zones in the rates. The lowest pressure zones included zones 1-4 ,the middle zone includes pressure zones 5-6, and the highest zone includes zones 7-9. Pumping costs to higher zones are included in the rates.

USER PROFILE 1: CULINARY ONLY WITHOUT SECONDARY WATER ACCESS

This group includes connections that either do not have secondary water lines available to connect or are at a location higher than the secondary water reservoirs and therefore cannot receive secondary water. These users must use culinary water to water their lawns. Because these connections must use culinary water for outdoor watering the price of water will not penalize them for not choosing secondary water but will continue to be charged their rates according to a tiered price structure as an effort to prevent wasteful outdoor usage.

USER PROFILE 2: CULINARY WITH SECONDARY WATER CONNECTION

Users that have secondary water available and connect will be charged a culinary water user base fee and price per gallon that is structured to promote indoor water conservation and prohibit the use of culinary water for outdoor watering. A secondary water base fee and tiered rate structure with a price per gallon is assessed for outdoor watering.

USER PROFILE 3: CULINARY ONLY WITH SECONDARY WATER ACCESS

Some users will have access to the secondary water but will choose not to connect to the secondary water system. It is the intent of the City to eventually have all users that can connect to the secondary water system do so to help reduce the City's long-term water costs. A user that does not connect will pay the culinary water rates established in Profile 2 that is intended to promote indoor water conservation and discourage outdoor culinary water usage. It will be more cost effective for all users that have access to secondary water to connect and utilize the resource.

CURRENT CULINARY WATER USER RATE STRUCTURE

The City's current culinary water user rates are based upon the type of user, meter size, and pressure zone. The secondary water rates are only charged to the users that have access to secondary water. The full schedule of current user rates is found in the attachments to this report.

CULINARY WATER RATE DESIGN OPTIONS AND RECOMMENDATIONS

Culinary water rates are structured to promote water conservation. Water in Utah is a scarce resource and must be used wisely. The infrastructure needed to convey water is also expensive and high volumes of wasteful water use

requires the City to build higher-capacity and higher cost storage tanks and water lines. Conservation ensures that there is enough water for everyone to use and reduces the costs of building culinary water infrastructure.

Conservation is promoted by water rates through an increasing cost of water as more water is used. The cost increases particularly fast once a user reaches a level of usage that is very high (97th Percentile) in comparison with what other similar users are demanding.

FIGURE 2.1: CULINARY WATER RATE STRUCTURE FOR USERS WITHOUT SECONDARY ACCESS

Culinary		Residential 3/4" & 1" Zone 1-4 W/o Secondary			Proposed	
Minimum	Maximum	Price per 1Kgal	Table No.		Base Fee	
-	5,000	\$ 1.73	111	Residential 3/4" & 1" Zone 1-4 W/o Seco	\$	27.84
5,001	10,000	1.84				
10,001	25,000	1.99				
25,001	40,000	2.30				
40,001	80,000	2.65				
80,001	above	3.47				

FIGURE 2.2: CULINARY WATER RATE STRUCTURE FOR USERS WITH SECONDARY ACCESS

Culinary		Residential 3/4" & 1" Zone 1-4 W/ Secondary			Proposed	
Minimum	Maximum	Price per 1Kgal	Table No.		Base Fee	
-	5,000	1.73	114	Residential 3/4" & 1" Zone 1-4 W/ Secon	\$	18.55
5,001	10,000	1.84				
10,001	25,000	2.24				
25,001	40,000	2.75				
40,001	80,000	3.26				
80,001	above	3.98				

FIGURE 2.3: CULINARY WATER RATE STRUCTURE FOR USERS IN PRESSURE ZONES 5-6

Culinary		Residential 3/4 & 1" Zone 5-6			Proposed	
Minimum	Maximum	Price per 1Kgal	Table No.		Base Fee	
-	5,000	\$ 1.91	112	Residential 3/4 & 1" Zone 5-6	\$	27.84
5,001	10,000	2.02				
10,001	25,000	2.18				
25,001	40,000	2.52				
40,001	80,000	2.91				
80,001	above	3.80				

FIGURE 2.4: CULINARY WATER RATE STRUCTURE FOR USERS IN PRESSURE ZONES 7-9

Culinary Residential Zones 7-9				Proposed	
Minimum	Maximum	Price per 1Kgal	Table No.	Base Fee	
-	5,000	\$ 2.37	113	Residential 3/4 & 1" Zone 7-9	\$ 27.84
5,001	10,000	2.50			
10,001	25,000	2.71			
25,001	40,000	3.13			
40,001	80,000	3.61			
80,001	above	4.72			

FIGURE 2.5: CULINARY WATER RATE STRUCTURE FOR NON-RESIDENTIAL USERS IN PRESSURE ZONES 1-4

Culinary Non-Residential Zones 1-4				Proposed	
Minimum	Maximum	Price per 1Kgal	Table No.	Base Fee	
-	above	\$ 2.02	122	MM-Non Res 3/4" & 1" Zone 1-4	\$ 27.84
			125	MM-Non Res 1 1/2" Zone 1-4	38.27
			130	MM-Non Res 2" Zone 1-4	55.66
			133	MM-Non Res 3" Zone 1-4	186.70
			136	MM-Non Res 4" Zone 1-4	235.40
			139	MM-Non Res 6" Zone 1-4	349.04
			142	MM-Non Res 8" Zone 1-4	478.92
			145	MM-Non Res 10" Zone 1-4	759.55

CURRENT SECONDARY WATER USER RATE STRUCTURE

The City's current secondary water user rates are structured with a monthly base fee and graduated tiers based on consumption.

FIGURE 2.6: SECONDARY WATER RATE STRUCTURE FOR USERS WITH A 1" METER

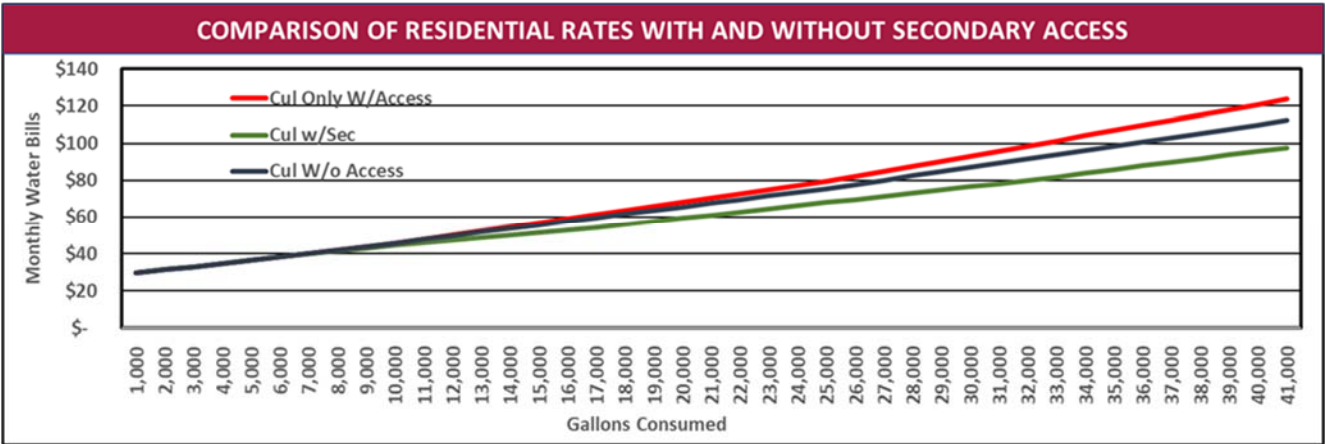
200 - Residential 3/4" & 1"				Proposed	
Minimum	Maximum	Price per 1Kgal	Table No.	Base Fee	
-	10,000	1.41	200	Residential 1"	\$ 9.28
10,001	25,000	1.71			
25,001	40,000	1.98			
40,001	70,000	2.50			
70,001	above	2.92			

IMPACT ON RESIDENTIAL WATER BILLS

Figure 2.7 shows the impact of the proposed rates on residential water bills. Users with access to secondary water who choose to connect will have the lowest average bills. Users with access to secondary water who choose to use culinary for their irrigation needs will have higher bills than users who use secondary water and those who do not have access to culinary water.



FIGURE 2.7: COMPARISON TO EXISTING UTILITY BILLS FOR RESIDENTIAL CULINARY WATER /SECONDARY WATER



APPENDICES

DEBT SERVICE COVERAGE ANALYSIS COMBINED CULINARY/SECONDARY WATER

Herriman City

3.5% O&M Inflation

A	B	C	D	E	F	G	H	I	J
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* Depreciation is not included in the operational expenses as it is a non-cash item

** Coverage ratios are an essential metric but cannot be considered alone. Adequate days cash on hand must be maintained which can push coverage ratios much higher than 1.25 times coverage.

PROPOSED PAGE 1

Culinary Southeast Herriman Rates - Bluffdale					
Minimum	Maximum	Price per 1Kgal	Table No.		Base Fee
-	10,000	\$ 2.65	113	Residential Southeast Area Base Fee	\$ 13.80
10,001	50,000	\$ 3.16		Commercial Southeast Area Base Fee	\$ 34.50
50,001	100,000	\$ 4.03			
100,001	Unlimited	\$ 4.83			

SECONDARY WATER RATE STRUCTURES									
200 - Residential 3/4" & 1"								Proposed	
Minimum		Maximum		Price per 1Kgal Table No.		Base Fee			
-		10,000		1.41		200		Residential 1"	
10,001		25,000		1.71				\$ 9.28	
25,001		40,000		1.98					
40,001		70,000		2.50					
70,001		above		2.92					
201 City Owned - Non-Billed All Size									
Minimum		Maximum		Price per 1Kgal Table No.				Base Fee	
		Water		\$ 2,000.00					
		Parks		\$ (500.00)					
				\$ 1,500.00					
202 MM - Non Res 3/4" & 1" Zone 1-4									
Minimum		Maximum		Price per 1Kgal Table No.				Base Fee	
-		10,000		\$ 1.40		Non-Residential 1"		\$ 27.20	
10,001		25,000		1.72					
25,001		40,000		1.98					
40,001		70,000		2.50					
70,001		above		2.91					
203 MM - Non Res 1 1/2 Zone 1-4									
Minimum		Maximum		Price per 1Kgal Table No.				Base Fee	
-		16,300		\$ 1.40		Non-Residential 1.5"		\$ 44.34	
16,301		40,750		1.72					
40,751		65,200		1.98					
65,201		114,100		2.50					
114,101		above		2.91					
204 MM - Non Res 2" Zone 1-4									
Minimum		Maximum		Price per 1Kgal Table No.				Base Fee	
-		26,100		\$ 1.40		Non-Residential 2"		\$ 70.99	
26,101		65,250		1.72					
65,251		104,400		1.98					
104,401		182,700		2.50					
182,701		above		2.91					
205 MM - Non Res 3" Zone 1-4									
Minimum		Maximum		Price per 1Kgal Table No.				Base Fee	
-		99,000		\$ 1.40		Non-Residential 3"		\$ 269.28	
99,001		247,500		1.72					
247,501		396,000		1.98					
396,001		693,000		2.50					
693,001		above		2.91					
206 MM - Non Res 4" Zone 1-4									
Minimum		Maximum		Price per 1Kgal Table No.				Base Fee	
-		126,000		\$ 1.40		Non-Residential 4"		\$ 342.72	
126,001		315,000		1.72					
315,001		504,000		1.98					
504,001		882,000		2.50					
882,001		above		2.91					
207 MM - Non Res 6" Zone 1-4									
Minimum		Maximum		Price per 1Kgal Table No.				Base Fee	
-		189,000		\$ 1.40		113		Non-Residential 6"	
189,001		472,500		1.72				\$ 514.08	
472,501		756,000		1.98					
756,001		1,323,000		2.50					
1,323,001		above		2.91					
208 MM - Non Res 8" Zone 1-4									
Minimum		Maximum		Price per 1Kgal Table No.				Base Fee	
-		261,000		\$ 1.40		Non-Residential 8"		\$ 709.92	
261,001		652,500		1.72					
652,501		1,044,000		1.98					
1,044,001		1,827,000		2.50					
1,827,001		above		2.91					
209 MM - Non Res 10" Zone 1-4									
Minimum		Maximum		Price per 1Kgal Table No.				Base Fee	
-		400,000		\$ 1.40		Non-Residential 10"		\$ 456.96	
400,001		1,000,000		1.72					
1,000,001		1,600,000		1.98					
1,600,001		2,800,000		2.50					
2,800,001		above		2.91					

WORKING DRAFT PROPOSED PAGE 2

A	B	C	D	E	F	G
1	CULINARY	300 - Irrigation 3/4" Zone 1 - 4	Proposed	0.02		
2	Minimum	Maximum	Price per 1Kg:Table No.	Base Fee		
3	-	10,000	2.17	Residential 1" \$	27.84	
4	10,001	25,000	2.30			
5	25,001	40,000	2.49			
6	40,001	70,000	2.87			
7	70,001	above	3.32			
8						
9	CULINARY	300 - Irrigation 1" Zone 1 - 4	Proposed			
10	Minimum	Maximum	Price per 1Kg:Table No.	Base Fee		
11	-	10,000	2.17	200 Residential 1" Base Fee		
12	10,001	25,000	2.17			
13	25,001	40,000	2.30			
14	40,001	70,000	2.81			
15	70,001	above	3.44			
16						
17	CULINARY	300 - Irrigation 1.5" Zone 1 - 4	Proposed			
18	Minimum	Maximum	Price per 1Kg:Table No.	Base Fee		
19	-	16,300	2.17	Residential 1" \$	38.27	
20	16,301	40,750	2.30			
21	40,751	65,200	2.49			
22	65,201	114,100	2.87			
23	114,101	above	3.32			
24						
25	CULINARY	300 - Irrigation 2" Zone 1 - 4	Proposed			
26	Minimum	Maximum	Price per 1Kg:Table No.	Base Fee		
27	-	26,100	\$ 2.17	Non-Resident \$	55.67	
28	26,101	65,250	2.30			
29	65,251	104,400	2.49			
30	104,401	182,700	2.87			
31	182,701	above	3.32			
32						
33	CULINARY	300 - Irrigation 3" Zone 1 - 4	Proposed			
34	Minimum	Maximum	Price per 1Kg:Table No.	Base Fee		
35	-	99,000	\$ 2.17	Non-Resident \$	186.73	
36	99,001	247,500	2.30			
37	247,501	396,000	2.49			
38	396,001	693,000	2.87			
39	693,001	above	3.32			
40						
41	CULINARY	300 - Irrigation 4" Zone 1 - 4	Proposed			
42	Minimum	Maximum	Price per 1Kg:Table No.	Base Fee		
43	-	126,000	\$ 2.17	Non-Resident \$	235.44	
44	126,001	315,000	2.30			
45	315,001	504,000	2.49			
46	504,001	882,000	2.87			
47	882,001	above	3.32			
48						
49	CULINARY	300 - Irrigation 6" Zone 1 - 4	Proposed			
50	Minimum	Maximum	Price per 1Kg:Table No.	Base Fee		
51	-	189,000	\$ 2.17	Non-Resident \$	349.11	
52	189,001	472,500	2.30			
53	472,501	756,000	2.49			
54	756,001	1,323,000	2.87			
55	1,323,001	above	3.32			
56						
57	CULINARY	300 - Irrigation 8" Zone 1 - 4	Proposed			
58	Minimum	Maximum	Price per 1Kg:Table No.	Base Fee		
59	-	261,000	\$ 2.17	Non-Resident \$	479.01	
60	261,001	652,500	2.30			
61	652,501	1,044,000	2.49			
62	1,044,001	1,827,000	2.87			
63	1,827,001	above	3.32			
64						
65	CULINARY	300 - Irrigation 10" Zone 1 - 4	Proposed			
66	Minimum	Maximum	Price per 1Kg:Table No.	Base Fee		
67	-	400,000	\$ 2.17	Non-Resident \$	759.69	
68	400,001	1,000,000	2.30			
69	1,000,001	1,600,000	2.49			
70	1,600,001	2,800,000	2.87			
71	2,800,001	above	3.32			
72						
73	CULINARY	300 - Irrigation 12" Zone 1 - 4	Proposed			
74	Minimum	Maximum	Price per 1Kg:Table No.	Base Fee		
75	-	-	\$ 1.38	Non-Resident \$	1,002.09	
76	1	-	1.68			
77	1	-	1.94			
78	1	-	2.45			
79	1	above	2.86			
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A B C D E F G H I J K L M

H	I	J	K	L	M	
1	CULINARY	300 - Irrigation 3/4" & 1" Zone 5 - 6	Proposed	1.098		
2	Minimum	Maximum	Price per 1Kg:Table No.	Base Fee		
3	-	10,000	2.38	Residential 1" \$	30.56	
4	10,001	25,000	2.52			
5	25,001	40,000	2.73			
6	40,001	70,000	3.15			
7	70,001	above	3.64			
8						
9	CULINARY	300 - Irrigation 3/4" & 1" Zone 5 - 6	Proposed			
10	Minimum	Maximum	Price per 1Kg:Table No.	Base Fee		
11	-	10,000	2.38	200 Residential 1" \$	-	
12	10,001	25,000	2.52			
13	25,001	40,000	2.73			
14	40,001	70,000	3.15			
15	70,001	above	3.64			
16						
17	CULINARY	300 - Irrigation 1.5" Zone 5 - 6	Proposed			
18	Minimum	Maximum	Price per 1Kg:Table No.	Base Fee		
19	-	16,300	2.38	Residential 1" \$	42.02	
20	16,301	40,750	2.52			
21	40,751	65,200	2.73			
22	65,201	114,100	3.15			
23	114,101	above	3.64			
24						
25	CULINARY	300 - Irrigation 2" Zone 5 - 6	Proposed			
26	Minimum	Maximum	Price per 1Kg:Table No.	Base Fee		
27	-	26,100	\$ 2.38	Non-Resident \$	61.12	
28	26,101	65,250	2.52			
29	65,251	104,400	2.73			
30	104,401	182,700	3.15			
31	182,701	above	3.64			
32						
33	CULINARY	300 - Irrigation 3" Zone 5 - 6	Proposed			
34	Minimum	Maximum	Price per 1Kg:Table No.	Base Fee		
35	-	99,000	\$ 2.38	Non-Resident \$	204.99	
36	99,001	247,500	2.52			
37	247,501	396,000	2.73			
38	396,001	693,000	3.15			
39	693,001	above	3.64			
40						
41	CULINARY	300 - Irrigation 4" Zone 5 - 6	Proposed			
42	Minimum	Maximum	Price per 1Kg:Table No.	Base Fee		
43	-	126,000	\$ 2.38	Non-Resident \$	258.47	
44	126,001	315,000	2.52			
45	315,001	504,000	2.73			
46	504,001	882,000	3.15			
47	882,001	above	3.64			
48						
49	CULINARY	300 - Irrigation 6" Zone 5 - 6	Proposed			
50	Minimum	Maximum	Price per 1Kg:Table No.	Base Fee		
51	-	189,000	\$ 2.38	Non-Resident \$	383.25	
52	189,001	472,500	2.52			
53	472,501	756,000	2.73			
54	756,001	1,323,000	3.15			
55	1,323,001	above	3.64			
56						
57	CULINARY	300 - Irrigation 8" Zone 5 - 6	Proposed			
58	Minimum	Maximum	Price per 1Kg:Table No.	Base Fee		
59	-	261,000	\$ 2.38	Non-Resident \$	525.85	
60	261,001	652,500	2.52			
61	652,501	1,044,000	2.73			
62	1,044,001	1,827,000	3.15			
63	1,827,001	above	3.64			
64						
65	CULINARY	300 - Irrigation 10" Zone 5 - 6	Proposed			
66	Minimum	Maximum	Price per 1Kg:Table No.	Base Fee		
67	-	400,000	\$ 2.38	Non-Resident \$	833.98	
68	400,001	1,000,000	2.52			
69	1,000,001	1,600,000	2.73			
70	1,600,001	2,800,000	3.15			
71	2,800,001	above	3.64			
72						
73	CULINARY	300 - Irrigation 12" Zone 5 - 6	Proposed			
74	Minimum	Maximum	Price per 1Kg:Table No.	Base Fee		
75	-	-	\$ 1.38	Non-Resident \$	1,100.09	
76	1	-	1.68			
77	1	-	1.94			
78	1	-	2.45			
79	1	above	2.86			
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A	B	C	D	E	F
1 CULINARY WATER IRRIGATION RATE STRUCTURES ZONES 7-9 1.36152					
2 Culinary 300 - Irrigation 3/4" & 1" Zone 7 - 9 Proposed					
3	Minimum	Maximum	Price per 1Kgal	Table No.	Base Fee
4	-	10,000	3.69	Residential 1"	\$ 37.89
5	10,001	25,000	3.91		
6	25,001	40,000	4.23		
7	40,001	70,000	4.88		
8	70,001	above	5.64		
9					
10 Culinary 300 - Irrigation 3/4" & 1" Zone 7 - 9 Proposed					
11	Minimum	Maximum	Price per 1Kgal	Table No.	Base Fee
12	-	10,000	3.69	Residential 1"	\$ -
13	10,001	25,000	3.69		
14	25,001	40,000	3.91		
15	40,001	70,000	4.77		
16	70,001	above	5.86		
17					
18 Culinary 300 - Irrigation 1.5" Zone 7 - 9					
19	Minimum	Maximum	Price per 1Kgal	Table No.	Base Fee
20	-	16,300	3.69	Residential 1"	\$ 52.10
21	16,301	40,750	3.91		
22	40,751	65,200	4.23		
23	65,201	114,100	4.88		
24	114,101	above	5.64		
25					
26 Culinary 300 - Irrigation 2" Zone 7 - 9					
27	Minimum	Maximum	Price per 1Kgal	Table No.	Base Fee
28	-	26,100	\$ 3.69	Non-Residential	\$ 75.78
29	26,101	65,250	3.91		
30	65,251	104,400	4.23		
31	104,401	182,700	4.88		
32	182,701	above	5.64		
33					
34 Culinary 300 - Irrigation 3" Zone 7 - 9					
35	Minimum	Maximum	Price per 1Kgal	Table No.	Base Fee
36	-	99,000	\$ 3.69	Non-Residential	\$ 254.19
37	99,001	247,500	3.91		
38	247,501	396,000	4.23		
39	396,001	693,000	4.88		
40	693,001	above	5.64		
41					
42 Culinary 300 - Irrigation 4" Zone 7 - 9					
43	Minimum	Maximum	Price per 1Kgal	Table No.	Base Fee
44	-	126,000	\$ 3.69	Non-Residential	\$ 320.50
45	126,001	315,000	3.91		
46	315,001	504,000	4.23		
47	504,001	882,000	4.88		
48	882,001	above	5.64		
49					
50 Culinary 300 - Irrigation 6" Zone 7 - 9					
51	Minimum	Maximum	Price per 1Kgal	Table No.	Base Fee
52	-	189,000	\$ 3.69	Non-Residential	\$ 475.23
53	189,001	472,500	3.91		
54	472,501	756,000	4.23		
55	756,001	1,323,000	4.88		
56	1,323,001	above	5.64		
57					
58 Culinary 300 - Irrigation 8" Zone 7 - 9					
59	Minimum	Maximum	Price per 1Kgal	Table No.	Base Fee
60	-	261,000	\$ 3.69	Non-Residential	\$ 652.06
61	261,001	652,500	3.91		
62	652,501	1,044,000	4.23		
63	1,044,001	1,827,000	4.88		
64	1,827,001	above	5.64		
65					
66 Culinary 300 - Irrigation 10" Zone 7 - 9					
67	Minimum	Maximum	Price per 1Kgal	Table No.	Base Fee
68	-	400,000	\$ 3.69	Non-Residential	\$ 1,034.14
69	400,001	1,000,000	3.91		
70	1,000,001	1,600,000	4.23		
71	1,600,001	2,800,000	4.88		
72	2,800,001	above	5.64		
73					
74 Culinary 300 - Irrigation 12" Zone 7 - 9					
75	Minimum	Maximum	Price per 1Kgal	Table No.	Base Fee
76	-	-	\$ 1.38	Non-Residential	\$ 1,364.11
77	1	-	1.68		
78	1	-	1.94		
79	1	-	2.45		
80	1	above	2.86		
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A B C D E F



CITY COUNCIL MINUTES

Wednesday, April 10, 2019

Awaiting Formal Approval

The following are the minutes of the City Council Meeting of the Herriman City Council. The meeting was held on **Wednesday, April 10, 2019 at 5:00 p.m.** in the Herriman City Hall Council Chambers, 5355 West Herriman Main Street, Herriman, Utah. Adequate notice of this meeting, as required by law, was posted in the City Hall, on the City's website, and delivered to members of the Council, media, and interested citizens.

Presiding: Mayor David Watts

Councilmembers Present: Sherrie Ohrn, Clint Smith, Jared Henderson, and Nicole Martin

Staff Present: City Manager Brett Wood, Assistant City Manager Gordon Haight, Director of Administration and Communications Tami Moody, Building Official Cathryn Nelson, Planner Michael Maloy, City Engineer Blake Thomas, Fire Chief Riley Pilgrim, Police Chief Troy Carr, City Recorder Jackie Nostrom, Director of Operations Monte Johnson, Public Works Director Justun Edwards, Parks and Recreation Director Wendy Thomas, Police Lieutenant Cody Stromberg, Finance Director Alan Rae, Events and Recreation Manager Kevin Schmidt, Communications Specialist Destiny Skinner, Detective Jose Lopez

Councilmembers Excused: Nicole Martin

5:00 PM - WORK MEETING: *(Fort Herriman Conference Room)*

1. City Council Social

- 1.1. *The City Council will meet for informal discussion and dinner. No action will be taken on any items.*

2. Council Business – 5:15 PM

Mayor David Watts called the meeting to order at 5:15 p.m.

2.1. Review of this Evening's Agenda

The City Council and staff briefly reviewed the agenda.

2.2. Future Agenda Items

There were no Future Agenda Items discussed.

3. Administrative Reports

3.1. Legislative Update – Chris Bleak, Lobbyist

Lobbyist Chris Bleak informed the Council of the 2019 legislative session, explaining that zoning bills were a major focus during this session. The other issue concerned the sales tax change. There were some legislators that felt there was an imbalance with how the State revenues were dispersed. They were interested in expanding the tax base because there was not enough funding to run the general government. Due to the lack of funding, the State was interested in taxing services. No bill had passed concerning a new tax; however, there were other proposals. The ULCT had done a good job presenting the incentives to cities as they related to planning and zoning.

Lobbyist Bleak continued explaining HB 288, which concerned the operation of gravel pits within cities. He also discussed HB 119 which would change the provisions regarding citizens' initiatives. There were changes to signatures and where they needed to be gathered. SB 34 was also important to Herriman, as it covered affordable housing and gave cities options to provide more affordable housing. Councilmember Ohrn said she was concerned about this bill. Lobbyist Bleak agreed there was reason to be concerned, but the City had done a good job informing the State of its strategies.

Lobbyist Bleak explained SB 52 would require changes to the secondary water meters. The State's goal was to begin construction of new meters by April 2020. He then mentioned a bill regarding retirement benefits for public safety. The comment was made that this was a good compromise as it would bring retirement benefits closer to Tier 1 requirements.

Lobbyist Bleak moved on to discuss other bills regarding tax increment and infrastructure funding as these could be beneficial for new developments. City Attorney Brems commented the County had the same power as the State to implement these types of funding. The bill required the City and the developer to agree for the benefits to be available.

SB 268 passed which provided a transportation bond. This was not as large of a bond as they were anticipating, but it would secure \$1 million for Herriman's transportation projects.

Councilmember Ohrn asked about the bill requiring 10-percent for residential in Community Development Agency areas. Lobbyist Bleak responded that he was not sure if this was true, and confirmed he would verify and return with an answer.

Councilmember Smith asked how they would incentivize commercial development if the tax distribution model changed. He questioned how they would prevent disrupting the new distribution model. Lobbyist Bleak explained that the State, County, and the cities were all incentivized differently. The goal of the State was to incentivize all of the entities the same. There was a goal to balance the way everyone was taxed and how jobs were created. He noted that there were a lot of unanswered questions and they were currently discussing this issue. City Manager Wood said he was pleased with the representatives of Herriman this year. Lobbyist Bleak agreed.

Lieutenant Stromberg was invited to discuss the bills that involved criminal justice. He discussed HB 57 regarding gathering information through search warrants for electronic data. He said this bill did not pass and relayed his reluctance to not support the bill as they were mostly concerned with the unintended consequences of the bill.

Lobbyist Bleak noted that the libertarian-minded legislatures would make it difficult to pass bills regarding law enforcement.

Lieutenant Stromberg continued to discuss the bills they opposed. SB 109 regarding asset forfeiture could be abused. The reason they opposed this was due to the language, because it could hinder their acquisition to federally funded grants the State controlled. They also opposed SB 160 regarding body cameras, and they were working with groups to create a resolution on the matter.

Lobbyist Bleak stated that the ULCT did a great job advocating on behalf of the cities.

3.2. 2018-2019 Ice Ribbon Report – Kevin Schmidt, Events Manager

Events Manager Kevin Schmidt reported that the second season of the Ice Ribbon saw an overall 53-percent increase in attendance and 56-percent increase in revenue from last season. The Ice Ribbon had to close four days sooner than expected due to weather conditions that made February especially difficult. The Learn to Skate program was a great addition to the Ice Ribbon this season with 254 participants. It not only taught ice skating to those that participated but helped to fill the slower times on the Ice Ribbon. The program also encouraged those participating to come back with their families. Manager Schmidt thanked staff for their diligent work serving the patrons at the Ice Ribbon as there were several positive comments received.

Councilmember Ohrn asked for a comparison of revenue vs. expenditure. Events Manager Schmidt responded with the expenditure figures, explaining that it was total of about \$40,000.

3.3. 2019 Herriman Event Calendar – Kevin Schmidt, Events Manager

Events Manager Kevin Schmidt reviewed the scheduled events for 2019. He highlighted this year Herriman City would celebrate the 20th year anniversary since incorporation. Upcoming Events included:

April 13: Basket Bash
May 11: Pedal Palooza
May 27: Memorial Day Breakfast and Ceremony
May 31-June 1: Fort Herriman PRCA Rodeo featuring the Knights of Mayhem
June 14: Jackie Foster (2018 The Voice) Concert
June 17-22: Fort Herriman Towne Days
July 10-20: Joseph and the Amazing Technicolor Dreamcoat
Aug 10: Herriman Enduro Challenge
Sept 13: Peter Breinholt Concert
Sept 19-23: Children's Theatre "School House Rock"
Sept 25: Community Partners Luncheon
Oct 14: Herriman Howl
Nov TBD: Miss Herriman Pageant
Nov 7: Senior Social
Dec 2: Night of Lights
Dec 3-20: Herriman Yeti Hunt

Manager Schmidt said he wanted to eliminate the concession stand during the rodeo and Enduro Challenge. They could utilize employees to run the ticket booth and eliminate overtime costs. Councilmember Ohrn agreed this was a good idea.

3.4. Storm Water Utility Fee Presentation - Blake Thomas, City Engineer

City Engineer Blake Thomas indicated that The Utah Department of Environmental Quality (UDEQ) conducted an audit of the City's storm water management program in 2017. UDEQ provided the results of the audit to Herriman on March 28, 2018. An audit response plan was prepared and submitted to UDEQ. One of the deficiencies identified in the audit was the lack of an adopted storm water ordinance that meets the requirements of the UDEQ storm water permit allowing Herriman to manage storm water.

Engineer Thomas indicated that the City entered into a contract with a consultant, Bowen Collins & Associates, to conduct a study to identify storm water program needs and funding options to operate the program. The consultant worked with City staff and a storm water steering committee made up of City staff and residents to create a comprehensive report of their findings. The consultant would present the report of findings and open up the time for public comment at the General Meeting. City Engineer Thomas indicated single family residential units would be billed \$7 monthly, townhomes \$4.90, and stacked units \$4.20. He also outlined the costs for commercial use. City hall would cost \$747 a month. Engineer Thomas explained there were options for commercial users to reduce their costs. Schools would be offered a reduction. He then explained the committee would reach out with a letter explaining the fees and the possible credits.

3.5. Discussion relating to the Interlocal Cooperative Agreement Between Jordan Valley Water Conservancy District and Herriman City – Justun Edwards, Public Works Director

Public Works Director Justun Edwards indicated that the City is constructing several pipelines and infrastructure projects to would serve water to the newly annexed portion of Herriman, at approximately 11800 South 7000 West. He noted some of the infrastructure would be owned by Jordan Valley once installed. Director Edwards reported that a resolution would be presented to the Council that would allow Jordan Valley to reimburse Herriman City for the cost of construction. The City would hire a contractor to build the infrastructure, and request reimbursement from Jordan Valley. The project would be funded utilizing impact fees. The project had not been awarded to a contractor; however, it would cost approximately \$1.2 million.

Councilmember Ohrn asked if there would be any savings. Director Edwards responded that this project would create about \$1 million in savings by partnering with Jordan Valley Water Conservancy District.

3.6. Discussion of a request to rezone 4.29 acres from A-1 (Agricultural) to AMSD (Auto Mall Special District) and C-2 (Commercial) located at approximately 5010 West 12560 South (File No. Z2019-019) – Michael Maloy, City Planner

City Planner Michael Maloy presented a petition that requested for property to be rezoned to establish a future auto mall. The City Council would look to rezone 1.29 acres of property frontage along 12600 South to C-2 (Commercial) and 2.24 acres of property to AMSD (Auto Mall Special District). There would be additional parcels rezoned as property had been acquired. The future auto mall would ultimately contain approximately 90 acres with 10 acres of commercial property along the 12600 South frontage. The Planning Commission recommended approval.

3.7. 2019-2020 Budget Documentation Presentation – Alan Rae, Finance Director & Tami Moody, Director of Administration and Communications

Finance Director Alan Rae reported that staff had been working on the 2019-2020 budget for several months. After working with the various departments, they put together the budget for the upcoming fiscal year. He thanked everyone involved in the process. In response to Councilmember Orhn's question relating to the Ice Ribbon expenditures, Director Rae explained the lease would expire on the Zamboni in 2023, which was currently costing the City \$20,313 a year. It was noted that the City was breaking even on the ice rink.

Director Rae recalled the previous discussion Lobbyist Bleak held regarding the option of moving all public safety employees to tier one retirement benefits, and notated Herriman City has already implemented the change. Director Rae continued by explaining they planned on including the master fee schedule in the budget. He then gave calendar dates for the budget, as follows: May 8 – approve tentative budget, May 22 – public hearing, June 12 – adoption of the final budget.

The total budget revenue was \$31,262,829, which was an increase of 16.75%. There were \$25,678,351 in expenses which was an 11.1% increase. He noted the Herriman City subsidized the Herriman City Safety Enforcement Area (HCSEA) in the amount of \$1 million, which would be paid back once negotiations had been completed with the Unified Police Department.

Councilmember Orhn asked about the reduction of one-time fees. Director Rae stated that they were getting closer to making the change by transferring more money to the capital projects funds. He continued by reviewing the general fund expenditures. The City was spending less than they were earning for the HPD budget. Chief Carr said they were fully staffed, and staying under budget. He noted the police force would grow at a more rapid pace with commercial development as opposed to residential development.

Director Rae explained that no general fund capital projects were planned this year. There was some park, storm drain, road impact, and street light fund projects. Councilmember Smith asked if there were funds available for new City hires. Director Rae stated that funds were available and they had added new hires recently.

Councilmember Orhn moved to adjourn the city council work meeting at 7:00 p.m. Councilmember Smith seconded the motion, and all voted aye.

The Council reconvened the work meeting at 7:57 p.m.

3.8. McCuiston Avenue Project Update – Blake Thomas, City Engineer

City Engineer Blake Thomas informed the Council that McCuiston Avenue had interest by many of the residents for the City to construct roadway improvements including curb, gutter, sidewalk, and asphalt along the section of unpaved road. He said they met with every property owner, taken them a deed, and have obtained a temporary public utility easement and construction easement. He presented the map of the project.

Councilmember Jared Henderson arrived at 8:00 p.m.

3.9. **Park Ordinance Update** – Wendy Thomas, Director of Parks, Recreation and Events

Director of Parks, Recreation and Events Wendy Thomas indicated the Parks Ordinance needed updates to clarify rules and regulations, add specific rules and regulations that applied to use on urban and primitive trails, and to bring the ordinance in line with other updated ordinances. Primary revisions of the Park Ordinance had been previously presented to Council on December 12, 2018 work session.

Councilmember Ohrn suggested additional language concerning motorized vehicles. She noted there were areas that were permitted and did not want the ordinance to be interpreted incorrectly. Councilmember Henderson agreed.

3.10. **Herriman Park and Trail Updates** – Wendy Thomas, Director of Parks, Recreation and Events

Director of Parks, Recreation and Events Wendy Thomas reported several park and trail construction projects in various stages of approval and construction. She explained that the signage for the Crane Park History Walk has been installed. She presented a project review, timeline and fiscal impact to the Council including:

Currently under construction:

- Herriman Blvd. Landscaping, Herriman Blvd. Detention Basin Landscaping, Arches Park, Prairie Oaks Park Restroom Facility, Bonneville Shoreline Trail from Diamondback to Wide Hollow & 6600 West

Currently in planning and design:

- L & L Hamilton Park, Creek Ridge Park, Big Bend Park, Rose Creek Trail, Midas Creek Trail, Cemetery Restroom Facility, Hardlick Downhill Bowl – Stampede Trail, Rawhide Trail and Hardlick Trail, and Juniper Canyon Recreation Area

3.11. **City Manager Updates** – Brett Wood, City Manager

City Manager Brett Wood asked the Council if they wanted to pursue the option of a study for a Public Safety Impact Fee. He noted staff had started the process to get a seismic requirement and timeline for the construction of a Public Safety Facility.

City Planner Maloy explained that the following individuals had upcoming reappointments on the Planning Commission: Chris Berbert, Andrea Bradford, and Lorin Palmer. He asked the Council if there were any questions or concerns with the reappointments. The Council expressed support of the reappointments.

Councilmember Ohrn moved to temporarily recess the City Council work meeting to convene in a Closed Session to discuss pending or reasonably imminent litigation and the purchase, exchange, or lease of real property, as provided by Utah Code Annotated §52-4-205 at 8:30 p.m. Councilmember Henderson seconded the motion.

The vote was recorded as follows:

Councilmember Jared Henderson	Aye
Councilmember Nicole Martin	Absent
Councilmember Sherrie Ohrn	Aye
Councilmember Clint Smith	Aye

The motion passed unanimously with Councilmember Martin being absent.

The Council reconvened the Work Meeting at 9:22 p.m.

4. Adjournment

Councilmember Henderson moved to adjourn the work meeting at 9:22 p.m. Councilmember Ohrn seconded the motion, and all voted aye.

7:00 PM - GENERAL MEETING:

5. Call to Order

Mayor Watts called the meeting to order at 7:08 p.m. and welcomed those in attendance. Councilmembers Nicole Martin and Jared Henderson were excused. Councilmember Clint Smith was participating electronically.

5.1. Invocation/Thought/Reading and Pledge of Allegiance

Ms. Rylee Tomicic led the audience in the Pledge of Allegiance.

5.2. Council Comments and Recognitions

Mayor Watts stated that Camp Williams would be conducting artillery testing.

6. Public Comment

Johnnie Bobo, asked the Council to budget for finishing 7300 West.

Linda Tomicic, stated that Rosecrest road was like a raceway. She asked if they could put in speedbumps or reduce the speed, and remarked that she was concerned with the safety of her family. She also asked if the City could change the zoning of her area to allow for goats. The Mayor directed her to City Planner Michael Maloy to discuss the zoning. He also stated that the residents could make complaints on the HPD website.

7. City Council Board and Committee Reports

There were no reports offered.

8. Reports, Presentations and Appointments

8.1. Presentation of 2019 Outstanding Facility Award - Utah Recreation and Parks Association (URPA) – LeeAnn Powell, URPA Executive Director

This agenda item was continued to a future Council meeting.

8.2. 2019 Legislative Session Presentation – Chris Bleak, Lobbyist

This item was not discussed.

9. Public Hearing

9.1. **Public Hearing and Consideration of an Ordinance approving and appropriating a monetary contribution to ACE Hardware not to exceed the amount of \$20,000 payable over four years not to exceed \$5,000 in any one year – Gordon Haight, Assistant City Manager**

Assistant City Manager Gordon Haight reported that to help the Herriman Corners development to be a successful shopping center, the City knew it would need a quality anchor. Ace Hardware had shown interest in this site for several years, knowing it would not be profitable for at least the first four years. As an incentive to get this project moving forward, the City drafted this ordinance to reimburse the sales tax for the first four years of business, not to exceed \$5,000 per year.

It was noted this would be funded by the sales tax from ACE Hardware. The City would not be paying for the business.

Mayor Watts opened the Public Hearing portion of the meeting. There were no comments offered.

Councilmember Ohrn moved to close the Public Hearing. Councilmember Smith seconded the motion, and all voted aye.

*Councilmember Ohrn moved to approve **Ordinance 2019-07** approving and appropriating a monetary contribution to ACE Hardware not to exceed the amount of \$20,000 payable over four years and not to exceed \$5,000 in any one year. Councilmember Smith seconded the motion.*

The vote was recorded as follows:

<i>Councilmember Jared Henderson</i>	<i>Absent</i>
<i>Councilmember Nicole Martin</i>	<i>Absent</i>
<i>Councilmember Sherrie Ohrn</i>	<i>Aye</i>
<i>Councilmember Clint Smith</i>	<i>Aye</i>
<i>Mayor David Watts</i>	<i>Aye</i>

The motion carried unanimously with Councilmembers Henderson and Martin being absent.

9.2. **Public Hearing relating to the Proposed Storm Water Utility Fee – Blake Thomas, City Engineer**

City Engineer Blake Thomas indicated The Utah Department of Environmental Quality (UDEQ) conducted an audit of the City's storm water management program in 2017. UDEQ provided the results of the audit to Herriman on March 28, 2018. An audit response plan was prepared and submitted to UDEQ. One of the deficiencies identified in the audit was the lack of an adopted storm water ordinance that meets the requirements of the UDEQ storm water permit relating to the management of storm water.

Engineer Thomas indicated the City entered into a contract with a consultant to conduct a study to identify storm water program needs and funding options to operate the program. The consultant worked with City staff and a storm water steering committee made up of city staff and residents to create a comprehensive report of their findings. He time was turned over to Craig Bagley with Bowen Collins to present their findings and to address questions of the

storm water fee.

Consultant Bagley indicated Herriman had storm water needs, as currently all monies funding the program was coming from the General Fund. They proposed to establish a new enterprise fund dedicated to storm water. He presented a map outlining municipality approach in Salt Lake County relating to storm water utility fee adoption. Herriman was one of the few municipalities that was funding the program out of the general fund. He presented a comparison of cities throughout Utah that charged the fees.

The need for the fee was mainly for regulatory compliance as failure to mitigate deficiencies could result in fines, which was, essentially, an unfunded mandate. The utility would provide a reliable funding source dedicated to ensuring the program was fiscally sustainable. The program would not compete with other critical budget items. Only taxable properties participated in funding storm water needs, with the addition of a new fee, all users would help cover the cost of operation and maintenance, regulatory compliance, debt service, capital expenditures, and operating reserve funding.

The recommended budget was \$1,516,000 to follow good fiscal policy. Consultant Bagley recommended building up a reserve account.

The impervious area would be the representative of a parcel's contribution to storm water runoff which was considered an industry standard. They divided City into four different customer classes; single family residential, multifamily residential, institutional, and commercial and apartments.

Credits would be offered to class 4 customers (Commercial, institutional, apartments) for exceeding minimum standards by reducing storm water quantity and improving water quality.

Consultant Bagley recommended a \$7 monthly fee per ERU. Councilmember Ohrn clarified this program was to follow the State statute and to avoid future fines.

Class 1 – \$7

Class 2 – \$4.90

Class 3 – \$4.20

Class 4 – based on measured impervious area, at \$7 per ERU per month. As an example, City hall would pay \$747 monthly.

Engineer Thomas explained that the expected fine could be a million dollars daily until the City complied. He noted Salt Lake County was fined heavily. Councilmember Smith stated they were going through necessary steps on a mandated program. Mayor Watts noted all property owners would pay into the fund. This was a fee and not a tax to not burden the residents to supplement other property owners.

Mayor Watts opened the Public Hearing portion of the meeting.

Teddy Hodges, wanted to know if it was a corporation or a part of the public commission that regulated the fees throughout the years.

Councilmember Ohrn motioned to continue this public hearing to the next meeting. Councilmember Smith seconded the motion, and all voted aye.

City Attorney John Brems responded to Mr. Hodges's question by explaining that this was a utility fee. It was not subject to utility public commission as it would be administered by the City.

10. Consent Agenda

10.1. Approval of the March 13, 2019 City Council Minutes

10.2. Approval of the International Code Council Building Safety Proclamation – Cathryn Nelson, Building Official

10.3. Approval of the 2019 Arbor Day Proclamation – Wendy Thomas, Director of Parks, Recreation and Events

10.4. Approval of an Interlocal Cooperative Agreement Between Jordan Valley Water Conservancy District and Herriman

Councilmember Ohrn moved to approve the Consent Agenda as written. Councilmember Smith seconded the motion.

The vote was recorded as follows:

Councilmember Jared Henderson Absent

Councilmember Nicole Martin Absent

Councilmember Sherrie Ohrn Aye

Councilmember Clint Smith Aye

Mayor David Watts Aye

The motion carried unanimously with Councilmembers Henderson and Martin being absent.

11. Discussion and Action Items

11.1. Discussion and consideration of an ordinance to rezone 4.29 acres from A-1 (Agricultural) to AMSD (Auto Mall Special District) and C-2 (Commercial) located at approximately 5010 West 12560 South (File No. Z2019-019) Michael Maloy, City Planner

City Planner Michael Maloy presented a petition by James Horsley that requested for property to be rezoned to establish a future auto mall. The City Council would look to rezone 1.29 acres of property frontage along 12600 South to C-2 (Commercial) and 2.24 acres of property to AMSD (Auto Mall Special District). There would be additional parcels rezoned as property had been acquired. The future auto mall would ultimately contain approximately 90 acres with 10 acres of commercial property along the 12600 South frontage.

Councilmember Ohrn recognized there was a resident meeting on this item. The Council was cognizant of the lighting concerns and would work to mitigate those concerns.

Planner Maloy described the location of the proposed rezone and noted it was consistent with the Herriman City General Plan. He then presented a concept of the property, and stated that staff recommended approval.

Councilmember Ohrn moved to approve **Ordinance 2019-08** authorizing a zoning map amendment to rezone 4.29 acres of real property located at approximately 5010 West 12560 South from A-1 (Agricultural) to AMSD (Auto Mall Special District) and C-2 (Commercial). Councilmember Smith seconded the motion.

The vote was recorded as follows:

Councilmember Jared Henderson	Absent
Councilmember Nicole Martin	Absent
Councilmember Sherrie Ohrn	Aye
Councilmember Clint Smith	Aye
Mayor David Watts	Aye

The motion carried unanimously with Councilmembers Henderson and Martin being absent.

12. Calendar

12.1. Meetings

- 12.1.1. ~~April 18 – Planning Commission Meeting 7:00 p.m.~~ – Cancelled
- 12.1.2. ~~April 24 – City Council Meeting 7:00 p.m.~~ Cancelled
- 12.1.3. May 2 - Planning Commission Meeting 7:00 p.m.
- 12.1.4. May 8 - City Council Work Meeting 5:00 p.m.; City Council Meeting 7:00 p.m.

12.2. Events

- 12.2.1. April 13 - Easter Basket Bash; Butterfield Park - 10:00 a.m.
- 12.2.2. April 15, 22, 29 - Community Fishing Classes; The Cove 6:00 p.m.
- 12.2.3. April 22 - Hungry Herriman; Crane Park 5:00 p.m.

13. Closed Session

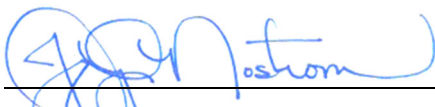
- 13.1. The Herriman City Council may temporarily recess the City Council meeting to convene in a closed session to discuss pending or reasonable imminent litigation and the purchase, exchange, or lease of real property, as provided by Utah Code Annotated §52-4-205

14. Adjournment

Councilmember Ohrn moved to adjourn the City Council meeting and reconvene the City Council Work Meeting at 7:54 p.m. Councilmember Smith seconded the motion, and all voted aye.

15. Recommence to Work Meeting (If Needed)

I, Jackie Nostrom, City Recorder for Herriman City, hereby certify that the foregoing minutes represent a true, accurate and complete record of the meeting held on April 10, 2019. This document constitutes the official minutes for the Herriman City Council Meeting.



Jackie Nostrom, MMC
City Recorder



Mayor and Council

Monthly Financial Summary

Attached is the March 2019 financial report, all of the figures are through March 31, 2019. I have presented the information in summary format, please contact me with any questions or concerns.

General Fund

The general fund has revenue exceeding expenditures through March 31, 2019 in the amount of \$2,182,604 this represents an increase in fund balance. We are currently 75% of the year as you will see we are little ahead our projection of revenue and expenditures.

Fund Balances

I have included the fund balance and changes to fund balance during the year for all funds except water. Due to the Water Fund being accounted for with full accrual accounting a fund balance is not calculated.

Fund balance for Capital Projects is currently negative due to the purchase of the auto mall property. The negative will be corrected by a budget amendment that will transfer funds from other fund balances.

Budget

The budget numbers represent the adopted budget of April 2019.

Alan W Rae
Director of Finance

GENERAL FUND

	3/31/2019	Budget	% of Budget
REVENUE			
TAXES			
Property Tax	\$ 915,036	\$ 772,418	118.46%
Sales & Use Tax	4,351,439	5,300,000	82.10%
Franchise Tax	419,700	1,981,529	21.18%
	5,686,175	8,053,947	70.60%
LICENSES & PERMITS			
Business Licenses and Permit	30,041	60,000	50.07%
Building & Development Revenue	5,824,743	9,094,725	64.05%
	5,854,783	9,154,725	63.95%
INTERGOVERNMENTAL REVENUE			
Class "C" Road Fund Allotm	1,139,329	1,360,000	83.77%
Other Intergovernmental Revenue	412,893	39,003	1058.62%
	1,552,223	1,399,003	110.95%
OTHER REVENUE			
Parks/Rec Special Service District Fees	610,690	800,000	76.34%
Courts	132,102	170,257	77.59%
Miscellaneous Revenue	2,858,812	1,834,922	155.80%
Water Administrative Fee	550,118	863,074	63.74%
Transfer from HCSEA	-	4,500,000	0.00%
	4,151,721	8,168,253	50.83%
TOTAL GENERAL FUND REVENUE	\$ 17,244,903	\$ 26,775,928	64.40%
EXPENDITURES			
Governmental Activities			
Legislative	\$ 103,977	\$ 165,681	62.76%
Planning Commission	13,193	30,300	43.54%
Legal	215,725	367,000	58.78%
Administration			
Administration	404,775	559,714	72.32%
Communications	397,702	611,737	65.01%
Courts	164,982	248,325	66.44%
Human Resources	399,126	520,045	76.75%
Recorder	261,248	426,650	61.23%
Customer Service	179,234	331,700	54.03%
Finance			
Finance	477,692	675,200	70.75%
Information Technology	479,174	590,625	81.13%
Operations			
Facilities	417,722	766,306	54.51%
Enforcement/Emergency	203,902	307,969	66.21%
Fleet Management	294,677	311,186	94.69%
Streets	721,303	1,630,209	44.25%
Snow Removal	193,357	193,823	99.76%
Storm Drain	116,402	447,554	26.01%
Street Signs	95,866	153,370	62.51%
Street Lights	359,745	577,478	62.30%

	3/31/2019	Budget	% of Budget
Parks, Recreation and Events			
Events	544,924	965,538	56.44%
Arts & Cultural Development	66,860	161,950	41.28%
Cemetery	21,514	69,750	30.84%
Parks	1,730,521	2,865,577	60.39%
Engineering			
Engineering	829,559	1,244,790	66.64%
GIS	277,786	421,377	65.92%
Planning & Development			
Building	735,020	1,016,419	72.31%
Economic Development	210,162	324,404	64.78%
Planning	393,450	635,330	61.93%
Public Safety			
Police	4,752,703	6,205,809	76.58%
Transfers		3,950,112	0.00%
TOTAL GENERAL FUND EXPENDITURES	\$ 15,062,299	\$ 26,775,928	56.25%
CHANGE IN FUND BALANCE	\$ 2,182,604		
 Beginning Fund Balance	 \$ 4,866,468		
Change in Fund Balance	2,182,604		
Ending Fund Balance	\$ 7,049,072		

3/31/2019		Budget	% of Budget	Fund Balance				
PARK IMPACT FEE FUND								
Revenue	\$	3,600,656	\$	5,512,991	65.31%	Beginning Fund Balance	\$	4,256,042
Expenditures		2,648,327		4,253,001	62.27%	Change in Fund Balance		952,328
Change in Fund Balance	\$	952,328				Ending Fund Balance	\$	5,208,370

STORM DRAIN IMPACT FEE FUND					
Revenue	\$ 626,936	\$ 866,925	72.32%	Beginning Fund Balance	\$ 1,763,290
Expenditures	170,442	866,925	19.66%	Change in Fund Balance	456,494
Change in Fund Balance	\$ 456,494			Ending Fund Balance	\$ 2,219,784

ROAD IMPACT FEE FUND					
Revenue	\$ 2,359,265	\$ 3,626,951	65.05%	Beginning Fund Balance	\$ 2,545,549
Expenditures	1,150,419	2,393,982	48.05%	Change in Fund Balance	1,208,845
Change in Fund Balance	\$ 1,208,845			Ending Fund Balance	\$ 3,754,394

NEW DEVELOPMENT STREET LIGHTS					
Revenue	\$ 400,481	\$ 715,000	56.01%	Beginning Fund Balance	\$ 374,589
Expenditures	426,114	715,000	59.60%	Change in Fund Balance	(25,633)
Change in Fund Balance	\$ (25,633)			Ending Fund Balance	\$ 348,956

HERRIMAN CITY SAFETY ENFORCEMENT AREA					
Revenue	\$ 5,768,069	\$ 5,883,605	98.04%	Beginning Fund Balance	\$ 21,868
Expenditures	1,100,103	5,883,605	18.70%	Change in Fund Balance	4,667,966
Change in Fund Balance	\$ 4,667,966			Ending Fund Balance	\$ 4,689,833

NEW DEVELOPMENT STREET SIGNS					
Revenue	\$ 50,383	\$ 200,000	25.19%	Beginning Fund Balance	\$ 309,834
Expenditures	36,245	200,000	18.12%	Change in Fund Balance	14,138
Change in Fund Balance	\$ 14,138			Ending Fund Balance	\$ 323,972

HERRIMAN TOWNE CENTER CDA/SAA					
Revenue	\$ 2,212,940	\$ 2,485,211	89.04%	Beginning Fund Balance	\$ 2,260,044
Expenditures	1,833,671	2,371,925	77.31%	Change in Fund Balance	379,270
Change in Fund Balance	\$ 379,270	\$ 113,286		Ending Fund Balance	\$ 2,639,313

HERRIMAN BUSINESS CENTER CDA					
Revenue	\$ 548,388	\$ 498,732	109.96%	Beginning Fund Balance	\$ 3,864,512
Expenditures	-	198,732	0.00%	Change in Fund Balance	548,388
Change in Fund Balance	\$ 548,388			Ending Fund Balance	\$ 4,412,899

HERRIMAN TOWNE CENTER-CITY HALL					
Revenue	\$ 14	#DIV/0!		Beginning Fund Balance	\$ 641,865
Expenditures	-	50,000	0.00%	Change in Fund Balance	14
Change in Fund Balance	\$ 14			Ending Fund Balance	\$ 641,879

CAPITAL PROJECTS					
Revenue	\$ 3,581,794	\$ 11,832,012	30.27%	Beginning Fund Balance	\$ 377,827
Expenditures	14,242,118	20,434,842	69.70%	Change in Fund Balance	(10,660,324)
Change in Fund Balance	\$ (10,660,324)			Ending Fund Balance	\$ (10,282,496)

PUBLIC WORKS FACILITY

Revenue	\$	-	\$	1,191,862	0.00%	Beginning Fund Balance	\$	28,000
Expenditures		1,093,371		1,191,862	91.74%	Change in Fund Balance		(1,093,371)
Change in Fund Balance	\$	(1,093,371)				Ending Fund Balance	\$	(1,065,371)

WATER FUND				
	3/31/2019	Budget	% of Budget	Fund Balance
REVENUE				
Operating Income				
Water Sales	\$ 6,196,271	\$ 8,923,002	69.44%	
Secondary Water Sales	656,810	687,500	95.54%	
Connection Fees	342,496	588,825	58.17%	
Other Operating Income	382,174	587,843	65.01%	
Total Operating Income	\$ 7,577,751	\$ 10,787,170	70.25%	
Operating Expenses				
Administration	\$ 1,147,870	\$ 2,169,754	52.90%	
Maintenance	3,724,935	5,662,472	65.78%	
Blue Stakes	36,050	109,000	33.07%	
Secondary Water	159,620	328,000	48.66%	
Total Operating Expenses	\$ 5,068,476	\$ 8,269,226	61.29%	
Total Income from Operations	\$ 2,509,275	\$ 2,517,944	99.66%	
Non-Operating Revenue	\$ 10,994	\$ 258,900	4.25%	
Non-Operating Expenses	\$ 459,380	\$ 1,000,000	45.94%	
Total Income or (Expense)	\$ 2,060,889			Equity 55,509,175

WATER RIGHTS IMPACT FEE FUND					
Revenue	\$ 1,994,224	\$ 3,051,488	65.35%	Beginning Fund Balance	\$ 10,181,829
Expenditures	620,557	1,579,500	39.29%	Change in Fund Balance	1,373,668
Change in Fund Balance	\$ 1,373,668			Ending Fund Balance	\$ 11,555,497

WATER IMPACT FEE FUND					
Revenue	\$ 2,267,766	\$ 3,810,000	59.52%	Beginning Fund Balance	\$ 13,962,126
Expenditures	2,497,462	4,331,989	57.65%	Change in Fund Balance	(229,696)
Change in Fund Balance	\$ (229,696)			Ending Fund Balance	\$ 13,732,430



STAFF REPORT

DATE: May 2, 2019

TO: The Honorable Mayor and City Council

FROM: Alan Rae, Finance Director

SUBJECT: Approval of Tentative Budget for Fiscal Year 2019-2020 and Revised Budget for Fiscal Year 2018-2019

RECOMMENDATION:

Approval of the resolution acknowledging receipt of a tentative budget and tentatively adopting the tentative budget pursuant to the requirements of Utah Code Ann. §10-6-111 for the fiscal year beginning July 1, 2019 and ending June 30, 2020

DISCUSSION:

On April 10, 2019 the Council received the tentative budget for fiscal year 2019-2020 and the revised budget for Fiscal Year 2018-2019. Approval of the budget means that the Council has accepted it as their budget and makes it available to the citizens for public comment. The budget must still be adopted before it becomes the operating budget.

The request is that the tentative for fiscal year 2019-2020 and the revised budget for fiscal year 2018-2019 be approved. A full copy of the budget with all requested corrections will be available for citizen and Council review on the city's website at www.herriman.org the day following approval by the Council

FISCAL IMPACT:

The budget will set the appropriated spending with associated revenues for Herriman City for the remainder of this fiscal year and the coming fiscal year.

HERRIMAN, UTAH
RESOLUTION NO. R

**A RESOLUTION ACKNOWLEDGING RECEIPT OF A TENTATIVE BUDGET
AND TENTATIVELY ADOPTING THE TENTATIVE BUDGET PURSUANT
TO THE REQUIREMENTS OF UTAH CODE ANN. § 10-6-111 FOR THE
FISCAL YEAR BEGINNING JULY 1, 2019, AND ENDING JUNE 30, 2020 AND
THE REVISED BUDGET FOR FISCAL YEAR 2018-2019, AND REQUEST TO
SCHEDULE A PUBLIC HEARING ON May 22, 2019 FOR FORMAL ADOPTION
ON JUNE 12, 2019**

WHEREAS, the Herriman City Council ("*Council*") met in regular session on May 8, 2019, to consider, among other things, acknowledging receipt of a budget and tentatively adopting the tentative budget pursuant to the requirements of Utah Code Ann. § 10-6-111 for the fiscal year beginning July 1, 2019, and ending June 30, 2020 and revised budget for fiscal year 2018-2019, and request to schedule a Public Hearing on May 22, 2019 for formal adoption on June 12, 2019; and

WHEREAS, Utah Code Ann. § 10-6-111 requires the Budget Officer to submit to the governing body a tentative budget; and

WHEREAS, the Budget Officer hereby submits to the governing body a tentative budget that meets the requirement of state law: and

WHEREAS, Utah Code Ann. § 10-6-111(3) requires, that each tentative budget "shall be reviewed, considered, and tentatively adopted by the governing body" at a regular meeting and may be amended or revised as provided in the Uniform Fiscal Procedures Act for Utah cities; and

WHEREAS, the Council desires to adopt the tentative budget to the extent required by Utah Code Ann. § 10-6-111.

NOW, THEREFORE, BE IT RESOLVED that the tentative budget presented to the Council is tentatively adopted to the extent required by Utah Code Ann. § 10-6-111, and schedule the Public Hearing on May 22, 2019 for formal adoption June 12, 2019.

THIS RESOLUTION shall take effect immediately upon passage and acceptance as provided herein.

PASSED AND APPROVED this 8th day of May, 2019.

HERRIMAN

ATTEST:

By: _____
David Watts, Mayor

Jackie Nostrom, MMC
City Recorder



STAFF REPORT

DATE: May 2, 2019

TO: The Honorable Mayor and City Council

FROM: Riley Pilgrim, UFA Chief

SUBJECT: Fireworks Ban within certain areas of Herriman City

RECOMMENDATION:

Approve Ordinance No. _____ banning the use of fireworks and any open flame fires within certain areas of the City.

BACKGROUND:

Development in the City, along with concerns over dry creek drainages, has changed the recommended Firework Restriction Area for 2019.

DISCUSSION:

Please see the attached map. As per Herriman City Code §4-2-3(B) except for display operators properly licensed as required by the state and as approved by the fire marshal, it is unlawful for any person to discharge, ignite, explode, project, or otherwise fire or permit the ignition, explosion, projection of any fireworks or open flame fires within two hundred feet (200') of an undeveloped property or agricultural field.

Staff will review the map periodically to ensure the restricted area is properly aligned with vacant land and high vegetation areas. It has been determined to approve the map now to make residents aware of the restricted areas in advance.

ALTERNATIVES:

City Council may alter the map as deemed necessary.

HERRIMAN, UTAH
ORDINANCE NO.

**AN ORDINANCE OF THE HERRIMAN CITY COUNCIL REGULATING,
PREVENTING, AND BANNING THE DISCHARGE OF FIREWORKS WITHIN
CERTAIN AREAS OF THE CITY**

WHEREAS, the Herriman City Council (the “*Council*”) met in regular session on May 8, 2019 to consider among other things, regulating, preventing, and banning the discharge of fireworks within certain areas of the city; and

WHEREAS, the fire code official has advised the Council and has determines that existing or historical hazardous environmental conditions necessitate controlled use of any ignition source including fireworks, lighters, matches, sky lanterns, and smoking materials in bush-covered or dry grass-covered areas, within 200 feet of waterways, trails, canyons, washes, ravines, or similar area, or a limited area outside the hazardous areas described above to facilitate a readily identifiable closed area; and

WHEREAS, the fire code official has produced a map (“Map”) that identifies the existing or historical hazardous environmental conditions necessitate controlled use of any ignition source including fireworks, lighters, matches, sky lanterns, and smoking materials in bush-covered or dry grass-covered areas, within 200 feet of waterways, trails, canyons, washes, ravines, or similar area, or a limited area outside the hazardous areas described above to facilitate a readily identifiable closed area; and

WHEREAS, the Council finds that based on the Map that the areas designate for closure are closed areas along readily identifiable features like major roadways, waterways, or geographic features; and

WHEREAS, the Council finds that based on the Map the boundary of the designated closed areas are as close as is practical to the defined hazardous area, provided that the closed area may include areas outside of the hazardous area to facilitate a readily identifiable line; and

WHEREAS, the Council finds that the Map is readily available to the public because the Map will supplement the historical hazardous environmental conditions county-wide map as contemplated in Utah Code Ann. § 53-7-225 (6); and

WHEREAS, after careful consideration, the Council has determined that it is in the best interest of the health, safety and welfare of the inhabitants of Herriman to ban the use of fireworks within certain areas of the city.

NOW, THEREFORE, BE IT ORDAINED except for display operators properly licensed as required by Utah law it is unlawful for any person to discharge a class C common state approved explosive in the areas identified as Restricted Areas on the Map.

BE IT FURTHER ORDAINED that the definition of “a class C common state approved

explosive” shall be as defined in Utah Code Ann. § 53-7-202(5). All other terms shall have the same meaning as set forth in the Utah Fireworks Act, Utah Code Ann § 53-7-220 et seq.

BE IT FURTHER ORDAINED that any person convicted of violating the provisions of this ordinance shall be guilty of an infraction.

PASSED AND APPROVED this 8th day of May 2019.

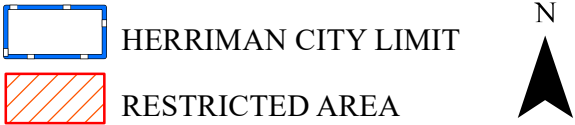
HERRIMAN CITY

By: _____
David Watts, Mayor

ATTEST:

Jackie Nostrom, MMC
City Recorder

**HERRIMAN CITY
2019 FIREWORK RESTRICTION AREA**



**IT IS UNLAWFUL FOR ANY PERSON
TO DISCHARGE, IGNITE, EXPLODE,
PROJECT, OR OTHERWISE FIRE OR
PERMIT THE IGNITION, EXPULSION
PROJECTION OF ANY FIREWORKS OR
OPEN FLAME FIRES WITHIN
TWO HUNDRED (200) FEET
OF AN UNDEVELOPED PROPERTY
OR AGRICULTURAL FIELD.**

