



**AGENDA FOR THE WORK / STUDY MEETING
OF THE CITY COUNCIL
OF THE CITY OF SPRINGVILLE, UTAH
COUNCIL CHAMBERS, 110 SOUTH MAIN STREET
MAY 21, 2013 – 5:15 P.M.**

MAYOR AND COUNCIL DINNER – 4:45 P.M.

The Mayor and Council will meet in the Council Work Room for informal discussion and dinner. No action will be taken on any items.

CALL TO ORDER- 5:15 P.M.

COUNCIL BUSINESS

- 1) Minutes
- 2) Calendar
 - May 27 – Memorial Day, City Offices Closed
 - June 1-8 – Art City Days
 - June 3-7 – Candidate Filing Period (Mayor and two Councilmember positions)
- 3) Discussion on this evening's Regular Meeting agenda items
 - a) Invocation – Cl. Olsen
 - b) Pledge of Allegiance – Cl. Child
 - c) Consent Agenda
 4. Approval of all City purchase orders properly signed (Springville City Code §2-10-110(5))
- 4) **DISCUSSIONS/PRESENTATIONS**
 - a) Discussion of the Outlook Development Agreement – John Penrod, Assistant City Administrator/City Attorney
 - b) Discussion of Residences not Connected to the Sanitary Sewer – Brad Stapley, Public Works Director
- 5) **MAYOR, COUNCIL, AND ADMINISTRATIVE REPORTS**
 - a) South Utah Valley Power Systems – Ben Jolley, Councilmember Representative
 - b) Audit Committee – Mark Packard, Councilmember Representative
- 6) **CLOSED SESSION – TO BE ANNOUNCED IN MOTION**

The Springville City Council may temporarily recess the meeting and 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

ADJOURNMENT

This meeting was noticed in compliance with Utah Code 52-4-202 on May 16, 2013. Agendas and minutes are accessible through the Springville City website at www.springville.org/agendasminutes. Council Meeting agendas are available through the Utah Public Meeting Notice website at <http://www.utah.gov/pmn/index.html>. Email subscriptions to Utah Public Meeting Notices are available through their website.

In compliance with the Americans with Disabilities Act, the City will make reasonable accommodations to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the City Recorder at (801) 489-2700 at least three business days prior to the meeting.



**MINUTES OF THE WORK / STUDY MEETING
OF THE CITY COUNCIL
OF THE CITY OF SPRINGVILLE, UTAH
COUNCIL CHAMBERS, 110 SOUTH MAIN STREET
MAY 7, 2013 – 5:15 P.M.**

8 The following are the minutes of the Work/Study Meeting of the Springville City
Council. The meeting was held on **Tuesday, May 7, 2013 at 5:15 p.m.** in the Springville City
10 Civic Center Council Chambers, 110 South Main Street, Springville, Utah. Adequate notice of
this meeting, as required by law, was posted in the Civic Center and on the City’s website, and
12 was delivered to members of the Council, media, and interested citizens.

14 Mayor Wilford W. Clyde presided. In addition to Mayor Clyde, the following were
present: Councilmember Rick Child, Councilmember Christopher Creer, Councilmember Dean
16 Olsen, Councilmember Mark Packard, City Administrator Troy Fitzgerald, Assistant City
Administrator/City Attorney John Penrod, Assistant City Administrator/Finance Director Bruce
18 Riddle, and City Recorder Venla Gubler. Also present were: Community Development Director
Fred Aegerter, Public Safety Director Scott Finlayson, Power Director Leon Fredrickson, Power
20 Distribution Superintendent Brandon Graham, Engineer Noah Gordon, Administrative Services
Manager Rod Oldroyd, Buildings and Grounds Director Alex Roylance, Public Works Director
22 Brad Stapley, and Museum of Art Director Dr. Rita Wright. Councilmember Benjamin Jolley
was excused. Director Keeler arrived at 5:37 p.m.

24
MAYOR AND COUNCIL DINNER – 4:45 P.M.

26 *The Mayor and Council will meet in the Council Work Room for informal discussion and
dinner. No action will be taken on any items.*

28
CALL TO ORDER- 5:15 P.M.

30 Mayor Clyde called the meeting to order at 5:16 p.m.

32 **COUNCIL BUSINESS**

34 1) **Minutes**

COUNCILMEMBER OLSEN MOVED TO APPROVE THE MINUTES OF THE
APRIL 16, 2013 WORK/STUDY MEETING AS WRITTEN. COUNCILMEMBER CREER
36 SECONDED THE MOTION, AND ALL PRESENT VOTED AYE.

38 2) **Calendar**

- May 11 – Annual Art Ball, Art Museum, 6 p.m.
- 40 • May 12 – Mothers’ Day
- May 14 – Work/Study Meeting

- May 15 – Springville City “Bike to Work” Day
- May 18 – Armed Forces Day
- May 21 – Work/Study Meeting 5:15 p.m., City Council Meeting 7:00 p.m.
- May 27 – Memorial Day, City Offices Closed
- June 1-8 – Art City Days
- June 3-7 – Candidate Filing Period (Mayor and two Councilmember positions)

Mayor Clyde drew attention to the calendar. He noted Mothers’ Day and the Art Ball. He reported that he would not be in town for the Art Ball. He noted the dates for Art City Days and pointed out that the filing period to become a candidate for City office is only one week this year. He asked if there were any other calendar items. There was none.

3) **Discussion on this evening’s Regular Meeting agenda items**

- a) Invocation – Cl. Packard
- b) Pledge of Allegiance – Cl. Olsen
- c) Consent Agenda

- 7. Approval of all City purchase orders properly signed (Springville City Code §2-10-110(5))

Mayor Clyde noted that there was one item on the consent agenda. He excused Councilmember Jolley. He asked if there were questions on the regular agenda items. There was none. There was a short discussion on going to see the new Vactor truck, but it was decided to put it off until another day when it wasn’t raining.

8. **DISCUSSIONS/PRESENTATIONS**

a) **Electric Distribution**

Superintendent Graham reported that the mission statement of the Distribution Division is “to continue to provide safe, reliable power and services to our customer in a friendly, efficient, and professional manner.” He offered some facts about the Distribution Division in 2012. He reported that the total number of customers served in Springville total 10,346. The average number of customers per line worker is 1,478. The national average of customers per line worker is 1,283, so Springville’s employees serve more customers than the national average. They completed 3,197 work orders in 2012; fulfilled 3,845 requests for Blue Stakes, maintained 2,034 street lights, and repaired 303 street lights. He reported that the number of repairs has dropped significantly because of the change to LED fixtures. Also in 2012, the power department employees completed 1,014 disconnects for nonpayment.

Superintendent Graham reported that his division consists of 12 employees. He introduced the Council to these employees in a series of pictures, listed their responsibilities, and their years of service to Springville: GIS/Service Technician Johnny Snow (23 years), Line Crew Foreman Shawn Finlinson (21 years), Line Crew Foreman Casey Cropper (11 years), Journeyman Lineman Jake Freeland (6 years), Journeyman Lineman Russell Allred (14 years), Journeyman Lineman Russell Stansfield (20 years), Journeyman Lineman Lance Palmer (11

years), Journeyman Lineman Travis McBride (9 years), Metering Forman Stewart Bird (16 years), Metering Technician/Blue Stakes Andy Roylance (13 years) and Inventory Specialist/Administrative Assistant Kami Craudell (12 years).

Distribution Superintendent Graham commented that he would like to talk about the RP3 Award that was reported in the newspaper last week. He explained that the Reliable Public Power Provider (RP3) Award is based on scoring in four categories. These are Reliability, Safety, Workforce Development, and System Improvement. He reported that Springville Municipal Power was scored 20 out of 25 for Reliability, 23 out of 25 for Safety, 21.5 out of 25 for Workforce Development, and 20 out of 25 for System Improvement. The total score was 84.5, or a Gold Rating. He explained that scores between 80 and 90 are rated as Gold, and scores between 90 and 100 are rated as Platinum. He reported the goal of the division is to reapply for the RP3 Award again in two years and score a Platinum Award. He added that of the over 2,000 members of the American Public Power Association (APPA) only 90 achieved the Platinum Award this year, and 184 achieved the Gold Award. He reviewed the checklist comments from APPA and noted that these items have now been set as goals.

Administrator Fitzgerald commented that the target and intent for applying for this award was to get this feedback from APPA on how to improve the system. Councilmember Packard complimented the department for their achievement. Superintendent Graham asked if there were any questions. Mayor Clyde asked about the rating of other cities in Utah. Superintendent Graham replied that St. George, Provo, and Heber have received awards. He reported that the award program is a two-year cycle, and Springville can apply again in 2014.

b) Presentation and discussion of the draft Pressurized Irrigation Master Plan –
Jeff Anderson, City Engineer

Engineer Gordon introduced the consultant for the Pressurized Irrigation Impact Fee Analysis, Mr. Fred Philpot, from Lewis, Young, Robertson, and Burningham. Mr. Philpot explained that “Lewis Young” is a municipal financing consultant. He noted that this was his first time in this building and he commented that the facility was attractive. He added that he lived in Springville while finishing his degree at BYU.

Mr. Philpot presented the draft of the impact fee analysis and noted that it is based on the assumptions developed by the engineers that created the draft Master Plan. He reported that some of the assumptions are a moving target, so the plans will be revised as more information is established. He was here tonight to have the Council look at the methodology and recommendations, and get feedback from them.

Mr. Philpot reported that Impact Fee Methodology consists of 1) determining the existing and estimating the future demand within a service area; 2) providing an inventory of existing facilities; 3) establishing a level of service and any excess capacity within existing facilities; 4) identifying existing and future capital facilities necessary to serve the new growth; 5) considering all revenue sources to finance system components; and 6) conducting a proportionate share analysis. He displayed a map showing the service area in the Westfields, and noted that

2 impact fees are now based on a ten-year planning horizon. He commented that impact fee studies
3 and master plans of the recent past were based on build-out. The development community
4 pushed the Legislature for a shorter window and the State Code was changed. He added that the
5 State Code also requires collected impact fees to be expended within six years.

6 Administrator Fitzgerald asked if development occurs outside of the anticipated service
7 area, can the City still collect impact fees. Mr. Philpot replied yes. Director Aegerter reported
8 that although the City tries, they cannot completely predict the future. If a development benefits
9 from infrastructure installed to supply the anticipated service area, and are tying into that
10 infrastructure to provide service to that area, they are still required to pay. He added that if
11 requests to connect to infrastructure from outside of the service area happen more often than not,
12 the Master Plan should be updated to reflect the reality of growth. He noted that limiting the
13 service area to an anticipated ten-year growth area will require more frequent updates in the short
14 term than the previous plans based on built-out.

15 Mr. Philpot presented Springville's demand analysis showing that the existing demand
16 (2013) is 155 irrigable acres, the total demand at the end of ten years (2023) is estimated at 466
17 irrigable acres, so new growth is 311 irrigable acres. Total demand at build-out is estimated at
18 1,852.05 irrigable acres.

19 *(Director Keeler arrived at 5:37 p.m.)*

20 Mr. Philpot reviewed the estimated value of existing source assets at \$194,261. They
21 consist of secondary water from the Hobble Creek Diversion at Highline Ditch, and the
22 Mapleton/Springville Lateral. There are no existing storage facilities. In evaluating the City's
23 distribution facilities, he reported that Springville is unique in that the City has existing facilities
24 that are not charged with water. This creates a challenge in establishing a level of service and in
25 evaluating those existing assets. He noted that he has not pulled the value of these facilities into
26 the impact fee. He is assuming that these existing facilities have limited value, or were built at
27 the expense of developers. However, he has attempted to assign a value based on the cost of
28 City-installed facilities, with a determination of the excess capacity that can be assigned to future
29 growth. The cost assigned to growth that can be included in the impact fee is \$116,986.

30 The next step is to look at the level of service. Mr. Philpot reported that the current
31 production rate for the Hobble Creek Diversion is 1.5 cubic-feet-per-second (cfs) at 673.20
32 gallons-per-minute (gpm). He added that the Mapleton/Springville Lateral provides source (but
33 not storage) at 1.5 cfs and 673.20 gpm. The current level of service for source is three cfs;
34 1,346.40 gpm, or 8.69 gallons per irrigable acre. The Master Plan adopted by the City has set a
35 level of service at eight gallons per irrigable acre serving 168.30 acres. Mayor Clyde asked how
36 the figures for gallons-per-irrigable-acre compare to gallons-per-minutes. He asked how deep
37 gallons per irrigable acres would be if it were spread out on an acre. Mr. Philpot replied that the
38 measure could be calculated, but the level of service is based on an estimated "peak day use"
39 amount, or the peak draw on the system within a 12-hour period. He explained that the level of
40 service could be based on average water use pattern, but Springville has chosen to use a "peak
41 day" calculation. Engineer Gordon explained that "peak day" is a rate, not a volume. He reported

2 that the system needs to be designed to handle the “worst” amount of draw from the system, and
4 used July 24th as an example of a hot day when an extremely high number of customers were
6 likely to turn on their secondary system. Mayor Clyde confirmed that “peak day” means that the
8 instant that all of the customers were likely to turn on their water at the same time. He asked if it
10 was realistic to assume that all customers were likely to turn on their sprinklers at the same time.
12 Mr. Philpot replied that the system has to be designed to handle “worst-case” scenarios.
14 Administrator Fitzgerald asked how this figure was calculated. Engineer Gordon replied that the
16 level of service was arrived at by using the Utah turf application rate determined by the Utah
18 Extension Service.

20 Mr. Philpot returned to the presentation by noting that the next step is to determine if
22 there is any excess capacity in current facilities, sources, and systems. He reported that there is
24 some excess capacity in Springville’s irrigation sources of 13.30 irrigable acres, or 7.9-percent of
26 the existing capacity. He showed the calculations for growth served by future facilities being
projected at 311 acres, less the excess capacity of source (13.30 acres), so the remaining growth
to be served by future facilities is 297.70 irrigable acres. He noted that there is no excess
capacity in storage facilities because there is currently no storage. The distribution system was
evaluated to determine how much of the capacity can be used for future distribution. He reported
that the Utah Code requires values to be determined by original cost, not replacement (or current)
cost. He reported that the value of the existing distribution system is estimated at \$1,080,717, but
the original cost was \$204,492. The value of the system that could be used for new growth is
\$116,986 or 10.8-percent, so the value that could be added to the calculations for impact fees is
based 10.8-percent of the original cost, or \$22,136. Mr. Philpot reported that, as presented
earlier, the City has a growth capacity of 297.7 irrigable acres to serve with future facility within
the ten-year window. He noted that the value of the distribution system could be included, but
based on input from Springville’s staff and engineers, this system was funded by development
activity. He added that the audit report shows little value left in the distribution system.

28 Mr. Philpot reviewed water sources to serve future facilities. He noted that the City has
30 decided to implement secondary irrigation in phases. The City has additional source capacity that
32 would become available by piping the Highline Ditch, and installing a pump station and pipeline
34 from the Swenson Ditch. These two sources would provide an additional 21 cfs of water that
36 could be distributed to future growth at a total cost of approximately \$1.36 million. Storage
38 capacity also needs to be provided. The City plans to construct a 19-acre-foot reservoir in
40 Bartholomew Park, with inlet and overflow structures, at a total cost of approximately \$1.9
million. The storage capacity must be apportioned based on what is needed to serve the 10-year
growth area. It is estimated that two-acre-feet of water will be needed to serve existing
infrastructure within the service area. At the completion of the ten-year growth window, an
additional five-acre-feet of water will be required for future growth. This amount accounts for
fifteen-percent of the capacity of the reservoir. The value of the remaining capacity will be
assessed to users that connect to the system after this ten-year window has expired, and a new
Master Plan and Impact Fee Facilities Study is completed for the next ten years.

2 Mr. Philpot reported that the same process is used to determine the value of the
distribution system needed to serve the ten-year growth area. The total distribution system costs
for Phase I (to 2016) are estimated at \$7.3 million, but the amount that can be apportioned to the
4 growth area is approximately \$2.3 million. He offered the calculations for costs of future
distribution (Phase II beyond 2016 to 2023), similar to source and storage capacity reserved for
6 future apportionment, as well. Mr. Philpot reported that he would provide handouts and a report
to the Council to allow them “digestion” time, and he would be available to answer any
8 questions that may arise.

10 Mr. Philpot reported that Phase I – 2016 includes other improvements within the
distribution system that can be apportioned to new development. These include railroad, state
highway, and freeway pipe crossings along with the permits, pipes, trenching, and valves. These
12 improvements will benefit not only the entire service area, but the full build-out of the City. The
costs have been apportioned by the benefit to the service area. He also presented crossing costs
14 for the Phase II – 2023 project.

16 Mr. Philpot reported that the Impact Fee Analysis looks at revenue sources available to
fund existing and future improvements. He noted that no outstanding financing costs have been
included in the preliminary analysis. This is because of a fund balance of \$95,542 of available
18 secondary system impact fees that are available to use for this project, and a \$9 million grant
awarded to the City by the Central Utah Water Conservancy District (CUWCD) for construction
20 of a secondary system. Since there is no need to incur debt right now, no future financing costs
have been included in the analysis.

22 Mr. Philpot displayed a spreadsheet showing a summary of the proportionate share of
each of the components as he had reviewed, and asked if there were any questions. He pointed
24 out that the Phase I impact fee per irrigable acre maximum is \$544, the Phase II impact fee per
irrigable acre maximum is \$4,262, and the impact fee for professional expenses to calculate the
26 impact fee is \$19 per irrigable acre, for a total maximum impact fee per irrigable acre of \$5,251.
He noted that a typical one-third acre lot with 50-percent irrigable acres would cost a builder
28 \$875.24.

30 Councilmember Packard noted that the City had to turn over water shares to CUWCD in
order to get the grant. He asked if the cost of those shares was included in the calculations.
Administrator Fitzgerald replied that there was nothing to allocate in costs because the City did
32 not pay for those shares. He explained that the City received the shares as a recipient within the
service area of the Central Utah Water Project at Strawberry Reservoir. If the City ever accessed
34 the water represented by those shares, a charge would have been assessed. He commented that
CUP water is a potential source for secondary water, but it would be expensive to access.
36 Councilmember Packard confirmed that Springville’s shares were just put on hold for use in the
future. This was confirmed. Administrator Fitzgerald commented that the only cost that could be
38 allocated at this point would be “lost opportunity” costs, but the calculations for the impact fees
were already so complicated that staff decided not to pursue the issue.

2 Mr. Philpot added that what was really difficult in calculating the impact fee study was
3 determining what was already paid for infrastructure improvements in order to offset future
4 costs. The remaining amount of cost will be paid through impact fees assessed over the next ten-
5 years by the irrigable acre. The intent of an impact fee analysis is to include all expenses and
6 give credit for all excess capacity in existing infrastructure. He reported that the current
7 secondary water impact fee adopted by the City is \$1,268 for a typical lot in the R1-15 zone.
8 Therefore, there is a decrease in the maximum fee allowable under law. He commented that it
9 makes sense to have a lower fee because of the grant. He reported that his next step is to assess
10 the current study to see if he has missed anything, and to check his assumptions.

11 Mr. Philpot offered a list of “next steps and considerations” for the Council. He asked
12 them to review the handouts and report he would be delivering and provide him with feedback
13 on policies or alternative scenarios. After the Council’s comments have been evaluated, he
14 would finalize the model and draft the Impact Fee Facilities Plan (IFFP) and Impact Fee
15 Analysis (IFA), prepare a Resolution, and help staff revise existing Reimbursement Agreement
16 policies to match the proposed fee schedule. The noticing for the IFFP and IFA would be
17 completed, and a public hearing scheduled for the Council to accept comment on the proposed
18 Impact Fee Ordinance. After the public hearing, the Council will have the opportunity to adopt,
19 modify, or reject the proposed impact fee again. He commented that if there is a fee increase,
20 many cities opt to phase-in the increase over a period of time. Then there would be a State-
21 required 90-day waiting period until the adopted, revised fees become effective.

22 Administrator Fitzgerald observed that staff is exploring ways to implement the reduced
23 impact fee before the 90-day waiting period expires. Mr. Philpot reported that a review of the
24 State task force minutes is that the intent of the 90-day waiting period is to give developers and
25 homebuilders the time to prepare for an increase in the fees, not a decrease. He added that
26 impact fee projects rely on forecasted revenues in order to be completed, so it would not be fair
27 to citizens who have already paid the fees to wait for a project to be completed that was slated in
28 a previous impact fee facilities study. Administrator Fitzgerald explained that the internal
29 discussion has been that developers and homebuilders can, under the current impact fee
30 ordinance, apply for an adjustment by providing an independent study showing the
31 proportionately different costs incurred by the City to provide capital improvements to serve the
32 proposed development. He suggested that the City can create a packaged study based on this new
33 impact fee facilities study that can be applied at the request of developers and homebuilders. Mr.
34 Philpot replied that this may provide enough additional evidence to support a revised fee before
35 the expiration of the waiting period. He asked if there were any questions.

36 Councilmember Child asked how long the City has been collecting secondary water
37 impact fees. The reply was that the impact fee ordinance was adopted in 2005. Councilmember
38 Child verified that the impact fee will still have to be paid no matter where a structure is built.
39 Administrator Fitzgerald replied that the current service area covered in the impact fee facilities
40 study is in the Westfields; however, there are some areas on the east side of town where
41 infrastructure has been installed, or will be installed, where the impact fee will be captured. He

2 noted that more research into providing secondary water to the east side is needed. Mayor Clyde
3 asked for the map of the ten-year service area to be re-displayed. Mr. Philpot brought up the map
4 and outlined the subject area that extends from the west side of 400 West past the freeway.
5 Administrator Fitzgerald commented that this service area is a “best guess” on probable growth
6 in the next ten years. He added that the IFFP and Master Plan will need to be updated if the

7 Mayor Clyde confirmed that the reason the State laws regarding impact fees were
8 amended was that developers were concerned that they were being charged a proportionate share
9 of large infrastructure projects that were not scheduled for construction. Although they had paid,
10 they were not seeing the results and receiving the services promised because of the far-seeing
11 predictions for a “built-out” community used as the basis of the impact fee. Administrator
12 Fitzgerald replied that Springville is unique compared to most cities in that it has a well-defined
13 growth boundary. For Springville, it was easier to provide a build-out scenario. However, staff
14 has done a good job of finding alternative ways to pay for projects that resulted in a reduction of
15 impact fees for development. Mayor Clyde observed that impact fees were not as likely to be
16 reduced if the City had not received the CUWCD grant. Administrator Fitzgerald reported that
17 the existing Master Plan and IFFP planned for a reservoir located at a lower elevation and
18 incorporated pumping stations to create pressure. This plan removes that infrastructure and
19 accounts for the receipt of the grant. The distribution system is similar in construction.

20 Mayor Clyde commented that developers expect that if the City has a plan and is
21 charging an impact fee, the service will be delivered. He asked if the City charged enough to
22 build that plan. Administrator Fitzgerald replied that the City was charging enough for that plan,
23 and when the reserves were enough, would have built that plan. Now, the proposal is to change
24 that plan. Mayor Clyde pointed out that developers’ complaints were that they pay and then wait
25 for delivery. Administrator Fitzgerald replied that the City was fast approaching the window
26 where the service would be delivered. The receipt of the grant and the new IFFP will get the
27 project moving so the City does not have to respond to these claims.

28 Mayor Clyde reported that many citizens were told that they would be getting secondary
29 service when they built, not this has not happened. They have expressed their concerns to him.
30 Mr. Philpot replied that this is the reason the impact fee process was changed from a build-out
31 analysis. He noted that now Springville has received a grant to finance the construction of the
32 system. Mayor Clyde observed that it takes a lot of money up-front to provide a secondary
33 service to every home. Mr. Philpot agreed that many cities use the impact fee as a repayment
34 source and not a financing mechanism. Mayor Clyde agreed and noted that this process was used
35 to expand the City’s wastewater processing plan, but it was decided to deliver the secondary
36 system later. Mr. Philpot agreed that borrowing costs were not added to the fee calculations for
37 the secondary system. Mayor Clyde asked if there was any more discussion or questions. There
38 was none.

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9. **MAYOR, COUNCIL, AND ADMINISTRATIVE REPORTS**

a. **South Utah Valley Animal Special Services District** – Dean Olsen, Councilmember Representative

4 Councilmember Olsen reported that the South Utah Valley Animal Special Services District (SUVAS) was formed in January 2006 as an interlocal agreement between eleven entities. He listed the member cities as of December 2012, and read the mission statement. He reported that SUVAS received 3,964 animals and were able to save 80-percent of them. The remaining animal were not adoptable, injured, etc. He added that the revenues of the shelter have increased in recent years because of increased licensing efforts by the member cities. Councilmember Child asked the location of the shelter. Councilmember Olsen replied that the current facility was built about seven-years ago southwest of the Utah County Jail. Mayor Clyde commented that this location was handily close to Springville.

14 b. **Administrative and Finance Committee** – Mayor Clyde, Representative

16 Mayor Clyde commented that he assumed this committee consists of the Finance Director, City Administrator, and Mayor. He did not think that a formal meeting had been held. Administrator Fitzgerald agreed that the committee had not met for a while. He reported that the committee had been formed at the request of former-Councilmember Strong to review the City audit and make changes based on the findings of the auditor. Mayor Clyde suggested that this committee be dissolved since an informal meeting can be called at any time.

20 Mayor Clyde asked Director Riddle about changes to the budget. Director Riddle replied that a discussion is scheduled for later.

24 Mayor Clyde asked if there was any other discussion. Director Fredrickson asked if the Council would like to tour the Nebo facility this Friday at 11:30 a.m. He explained that the Nebo facility is off-line and being overhauled. Other members of the project have asked to see it while it is torn apart, so a tour has been scheduled. He suggested that anyone interested meet at the Electrical Operations Center at about 11:15 a.m. to travel over together. Councilmember Packard reported that he had other meetings scheduled in conflict. Councilmember Creer and Mayor Clyde reported that they would be out of town. Director Fredrickson replied that he would check with them later to set another date in the future.

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10. **CLOSED SESSION – TO BE ANNOUNCED IN MOTION**

34 *The Springville City Council may temporarily recess the meeting and 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*

38 COUNCILMEMBER PACKARD MOVED TO TEMPORARILY ADJOURN THE WORK/STUDY MEETING AT 6:25 P.M. AND CONVENE IN A CLOSED SESSION FOR THE PURPOSE OF DISCUSSING PENDING OR REASONABLY IMMINENT

LITIGATION, AND THE PURCHASE, EXCHANGE, OR LEASE OF REAL PROPERTY.
2 COUNCILMEMBER OLSEN SECONDED THE MOTION. THE VOTE IS RECORDED AS
FOLLOWS: COUNCILMEMBER CREER – AYE; COUNCILMEMBER OLSEN – AYE;
4 COUNCILMEMBER PACKARD – AYE; AND COUNCILMEMBER CHILD – AYE. THE
MOTION CARRIED UNANIMOUSLY WITH ONE ABSENT (COUNCILMEMBER
6 JOLLEY).

THE WORK/STUDY MEETING WAS RECONVENED BY CONSENSUS AT 6:49
8 P.M.

10 **ADJOURNMENT**

COUNCILMEMBER CHILD MOVED TO ADJOURN THE WORK/STUDY
12 MEETING AT 6:50 P.M. COUNCILMEMBER PACKARD SECONDED THE MOTION,
AND ALL PRESENT VOTED AYE.



DATE: May 14, 2013
TO: Mayor and City Council
FROM: Bradley D. Stapley, Director of Public Works
SUBJECT: RESIDENCES NOT CONNECTED TO THE SANITARY SEWER

RECOMMENDED ACTION

Give direction to staff regarding enforcement of *City Code Title 4, Chapter 2A Wastewater Treatment, Section 201 Use of Public Sewer Required*, with respect to premises within the City boundaries that are not connected to the City's sanitary sewer.

GOALS, OBJECTIVES AND STRATEGIES AT ISSUE

The Springville City Code Title 4, Chapter 2A-201, Use of Public Sewer Required, paragraph (2) states:

Except as provided in Subsection (3), it shall be unlawful for the owner or any other person having charge of any premises within the City to dispose of sewage therefrom by any means other than by use of the proper public sewer. It shall be unlawful to construct or use any other sewage disposal system such as a privy, vault, cesspool, or septic tank within the City.

City wastewater personnel have identified numerous residences, businesses, and other entities that are within the City boundaries and are not connected to the City's sanitary sewer.

DISCUSSION

As stated above, all premises located within the City boundaries shall be connected to the City's sanitary sewer unless a special permit for the temporary use of an alternate sewage disposal systems is recommended by the Planning Commission and granted by the City Council.

The special permit for the temporary use of an alternate sewage disposal system may be granted "in cases of undue hardship" as determined by the City Council.

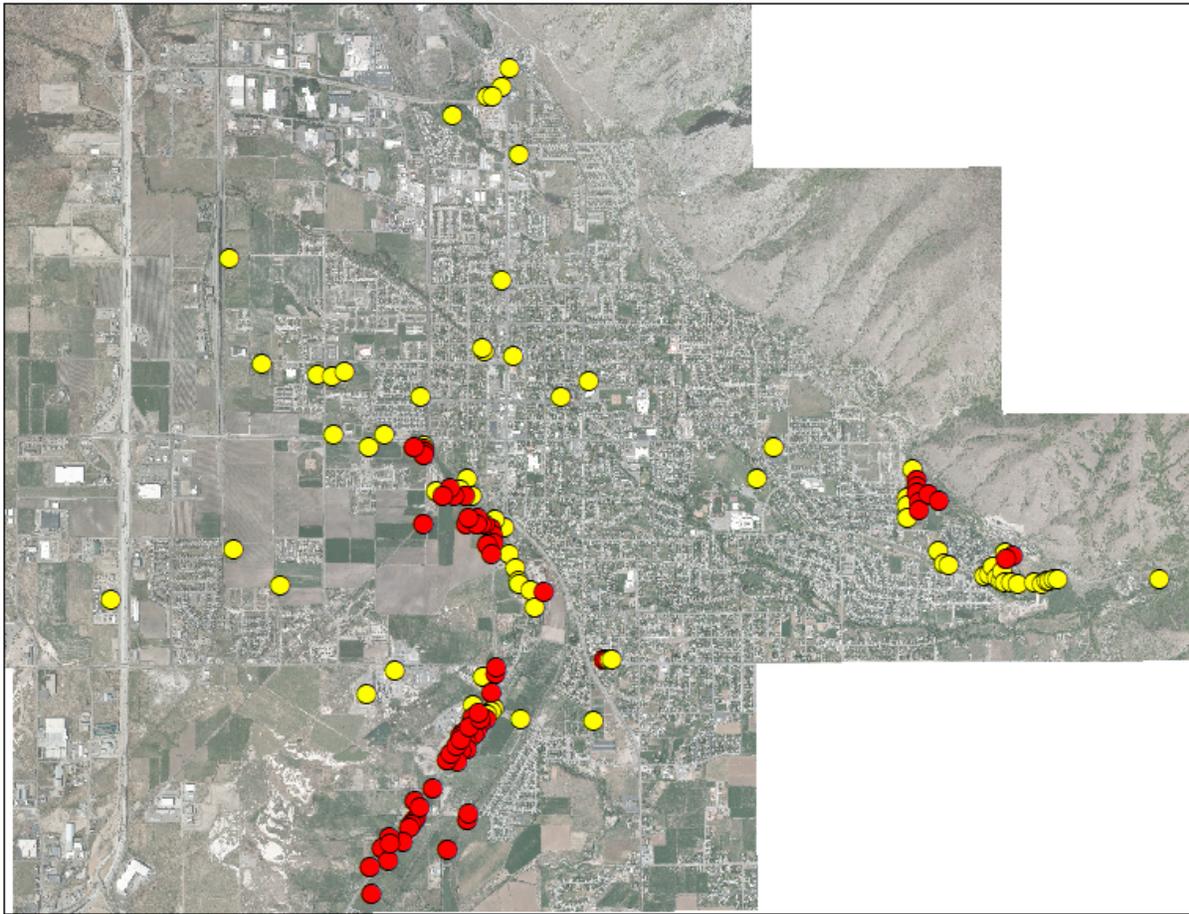
The City Code continues stating, "All such permits shall expire and the holder thereof shall be required to connect the premise to the City's sewer system when any sewer main is constructed within 250 feet of the property line of the premises" (Title 4, Chapter 2A-201 (3)).

Exhibit A shows the known premises within the City boundaries that are not connected to the City's sanitary sewer.

- Red dots indicate those premises in which an existing sanitary sewer is NOT within 250 feet of the property line

- Yellow dots indicate those premises in which an existing sanitary sewer is located within 250 feet of the property line.

Exhibit A



ALTERNATIVES

- Enforce the City Code and require all premises within 250 feet of an existing sewer main pipeline (Yellow dots shown above in Exhibit A) to connect to the City's sanitary sewer system. Funding options:
 - Affected citizens to pay the full cost of connection to the City's sanitary sewer.
 - City offer low interest loans to affected citizens to be paid off in monthly installments over a set period of time
 - City subsidize a portion of the cost to connect to the City's sanitary sewer
- Change the City Code (not recommended)
- No Action (health & safety issues with increased liability to the City)

FISCAL IMPACT

Enforcing the City Code could place a significant financial hardship on affected citizens, businesses, and entities. If individual sewer pump stations are required (for homes that are located below the existing sewer), the cost per premise could approach \$15,000.

Springville City Code
Title 4
Chapter 2A Wastewater Treatment

201 Use of Public Sewer Required.

(1) It shall be unlawful for any person to place, deposit, or permit to be deposited in any unsanitary manner on any public or private property within the City, or in any area under the jurisdiction of the City, any human or animal excrement, garbage, or other objectionable waste. It shall be unlawful to discharge into any natural outlet within the City, or in any area under the jurisdiction of the City, any sewage or other polluted water, except where suitable treatment has been provided in accordance with the provisions of this Chapter.

(2) Except as provided in Subsection (3), it shall be unlawful for the owner or any other person having charge of any premises within the City to dispose of sewage therefrom by any means other than by use of the proper public sewer. It shall be unlawful to construct or use any other sewage disposal system such as a privy, vault, cesspool, or septic tank within the City.

(3) Provided, however, the City Council may, upon recommendation of the Planning Commission, in cases of undue hardship, grant a special permit for the temporary use of alternate sewage disposal systems on such conditions as the City Council shall deem appropriate for protection of the City and the health of the residents of the area. All such special permits shall expire and the holder thereof shall be required to connect the premises to the City's sewer system when any sewer main is constructed within 250 feet of the property line of the premises. In addition to any other conditions for such a special permit which the City Council may impose, all such special permits shall be issued with the following conditions:

- (a) The alternate method of sewage disposal allowed by the permit shall be approved in writing, both as to design and as to installation, by the appropriate health department. Permission to use the alternate method of sewage disposal shall not be authorized until the installation is completed in compliance with the approved plans. Authorized City employees shall be allowed to inspect the work at any state of construction.
- (b) The alternate sewage disposal system shall be properly maintained to comply with the requirements and recommendations of the Utah Department of Environmental Quality and the appropriate health department.
- (c) The holder of the permit shall agree in writing to connect the premises to the City's sewer system when any sewer main is constructed within 250 feet of the boundary of the premises.
- (d) The owner or owners of the premises shall execute and deliver to the City a written agreement in such form as the City may require that said premises will become a part of any special improvement district which is proposed by the City to provide sewer services to the premises.
- (e) No septic tank or cesspool shall be permitted to discharge to any natural outlet.

(4) In the event that any resident or property owner shall fail to connect to the public sewer within ninety (90) days from the time such resident or property owner is notified by certified mail that the public sewer is reasonably available and is within 250 feet of the boundary of the premises, the premises shall be deemed to be a public nuisance and the City may take appropriate action to abate the nuisance as provided by law. In addition, the City may cause the culinary water to be shut off from such premises and shall not be required to

turn the same on again until such premises has been connected to the public sewer at the expense of the resident or property owner.

(1979 Code 4-2A-201; adopted by Ordinance No. 14-85; amended by Ordinance Nos. 10-86, 7-93 and 7-98)



**AGENDA FOR THE REGULAR MEETING
OF THE CITY COUNCIL
OF THE CITY OF SPRINGVILLE, UTAH
COUNCIL CHAMBERS, 110 SOUTH MAIN STREET
MAY 21, 2013 – 7:00 P.M.**

CALL TO ORDER

- INVOCATION AND PLEDGE**
- APPROVAL OF THE MEETING'S AGENDA**
- APPROVAL OF THE MINUTES**
- MAYOR'S COMMENTS**

CEREMONIAL AGENDA

1. Presentation of the Mayor's Recognition Awards – Suzy Young, ASAP Coordinator
2. Presentation of the Art City Days Rodeo Royalty
3. Presentation to the Art City Days Grand Marshal and Resident Artist

PUBLIC COMMENT: *Audience members may bring any item not on the agenda to the Mayor and Council's attention. Please complete and submit a "Request to Speak" form. Comments will be limited to two or three minutes, at the discretion of the Mayor. State Law prohibits the Council from acting on items that do not appear on the agenda.*

CONSENT AGENDA*

4. Approval of all City purchase orders properly signed (Springville City Code §2-10-110(5))

PUBLIC HEARING

5. Public Hearing to consider an Ordinance amending the Springville City Municipal Code Title 11, §11-7-410 and Title 14, §14-5-101 pertaining to required improvements as well as Title 14, §14-5-202 pertaining to performance guarantees – Fred Aegerter, Community Development Director
6. Public Hearing to consider an Ordinance amending Municipal Code Section 11-4-301, Land Use Matrix pertaining to Residential Uses – Fred Aegerter, Community Development Director

REGULAR AGENDA

7. Consideration of an Ordinance amending Chapter 3-8 of the Springville Municipal Code regarding Burglar and Fire Alarms – Scott Finlayson, Public Safety Director

This meeting was noticed in compliance with Utah Code 52-4-202 on May 16, 2013. Agendas and minutes are accessible through the Springville City website at www.springville.org/agendasminutes. Council Meeting agendas are available through the Utah Public Meeting Notice website at <http://www.utah.gov/pmn/index.html>. Email subscriptions to Utah Public Meeting Notices are available through their website.
- Venla Gubler, City Recorder

The next regular Council Meeting will be held on June 4, 2013 at 7:00 p.m. in the Civic Center Council Chambers, 110 South Main Street, Springville, unless otherwise noticed. In compliance with the Americans with Disabilities Act, the City will make reasonable accommodations to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the City Recorder at (801) 489-2700 at least three business days prior to the meeting.

*The Consent Agenda consists of items that are administrative actions where no additional discussion is needed. When approved, the recommendations in the staff reports become the action of the Council. The Agenda provides an opportunity for public comment. If after the public comment the Council removes an item from the consent agenda for discussion, the item will keep its agenda number and will be added to the regular agenda for discussion, unless placed otherwise by the Council.

THIS AGENDA IS SUBJECT TO CHANGE WITH A MINIMUM OF 24-HOURS NOTICE

8. Consideration of a Resolution authorizing the execution and delivery of an Amendatory Indenture, amending certain interest rate and other terms with respect to the city's Water and Sewer Revenue Bonds, Series 2008; and a Resolution amending the Water and Sewer Enterprise Funds for Fiscal Year 2012-2013 – Bruce Riddle, Assistant City Administrator/Finance Director

MAYOR, COUNCIL AND ADMINISTRATIVE REPORTS

CLOSED SESSION

9. *The Springville City Council may temporarily recess the regular meeting and 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*

ADJOURNMENT

This meeting was noticed in compliance with Utah Code 52-4-202 on May 16, 2013. Agendas and minutes are accessible through the Springville City website at www.springville.org/agendasminutes. Council Meeting agendas are available through the Utah Public Meeting Notice website at <http://www.utah.gov/pmn/index.html>. Email subscriptions to Utah Public Meeting Notices are available through their website.

- Venla Gubler, City Recorder

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*The Consent Agenda consists of items that are administrative actions where no additional discussion is needed. When approved, the recommendations in the staff reports become the action of the Council. The Agenda provides an opportunity for public comment. If after the public comment the Council removes an item from the consent agenda for discussion, the item will keep its agenda number and will be added to the regular agenda for discussion, unless placed otherwise by the Council.



STAFF REPORT

DATE: May 15, 2013

TO: Honorable Mayor and City Council

FROM: Planning Commission
Brandon Snyder, Planning Staff

SUBJECT: Mike Stewart seeking to amend Springville City Code, Section 11-7-410 and Section(s) 14-5-101 and 14-5-202 pertaining to improvements and performance guarantees.

RECOMMENDED MOTION

Move to approve the proposed code amendments recommended by the Planning Commission regarding improvements and guarantees found in City Code Section(s) 14-5-101 and 14-5-202.

SUMMARY OF ISSUES/FOCUS OF ACTION

- Does the proposed request meet the requirements of the Springville City Code, particularly 11-7-1, Amendments to the Title and Zone Map?

BACKGROUND

This item was reviewed by the Planning Commission on May 14, 2013. It was previously discussed at the March 26, 2013 and April 23, 2013 Planning Commission meetings. The request to amend City Code would allow subdivision improvements and building construction on individual lots to occur simultaneously. The applicant has indicated that this will save time by allowing footing and foundation work to occur at the same time as the placement of underground improvements. This will also allow for the remaining improvements to be installed later in the development process to protect the final installation of asphalt. Staff and the applicant agree that occupancy permits will not be given until all improvements and infrastructure are in as per current City codes. The applicant's request would allow footing/foundation and slab work while the excavator installs the underground utilities. The applicant's intent is to not start vertical framing until all utilities and hydrants have been installed.

Current City Code

Springville City Code currently reads as follows:

11-7-410 Issuance of Certificate of Occupancy.

CITY COUNCIL AGENDA

May 21, 2013

All site improvements shall be completed prior to issuance of a certificate of occupancy. If certain improvements, which do not affect life safety, are not completed at the time the building is ready to occupy, the applicant may bond for the remaining improvements for a period not to exceed six months from the date of the certificate of occupancy.

14-5-101 Required Improvements.

(1) The improvements required by this Chapter shall be installed in all subdivisions. All improvements shall be installed and guaranteed by the developer in accordance with the City's Construction Standards and Specifications and be inspected by the Director of Public Works or the Director's designee. All improvements shall be completed within one (1) year from the date of recordation of the subdivision. At its discretion, the City Council may grant one (1) extension not to exceed twelve (12) months. The applicant must update or submit current bonding or guarantee documentation with the Public Works Department as required in accordance with Section 14-5-202. Any development that has previously been granted an extension prior to December 31, 2009, may apply for an additional two (2) year extension. Extensions granted by the City Council will also extend the preliminary plan approval of the overall phasing plan accordingly as per Section 14-2-104(8). Failure to meet this time frame may result in forfeiture of the bond in accordance with Section 14-5-206.

(2) Completion of Improvements:

(a) Prior to the issuance of a building permit the following improvements are required to be installed:

(i) all underground piping, including, but not limited to, storm drains, irrigation piping, sewer, culinary and secondary water lines, and any and all electrical, cable, internet service, etc., lines shall be installed.

(ii) all flood control retention/detention basins or areas shall be graded to within four inches (4") of finish grade, with all delivery, outfall lines and structures installed.

(iii) all curb and gutter, structural fill, sub-base, and road base shall be installed, graded and compacted to meet City Specifications. In addition, from the period of May 1 through and including November 1 (or as long as asphalt plants are operating, and the mean daily temperature is above forty-five degrees F. [45×F.]), the roadways shall be asphalted.

(b) Prior to the issuance of an Occupancy Permit the following improvements are required to be installed:

(i) sidewalk along the entire frontage of the lot in question.

(ii) street signs and street lighting.

(iii) flood control retention/detention basins completed with all landscaping, sprinkler systems, or other improvements required by the City for the completion of the basin.

14-5-202 Type and Amount of Guarantee.

The performance guarantee shall be one of the following, at the discretion of the City Council:

(1) A deposit of cash in a separate escrow account in an amount not less than 125% of the estimated cost of constructing the required improvement or improvements, as determined by the City. Said account shall be made with a financial institution acceptable to the City Council and shall be established in such a manner that any release therefrom shall require the advance written consent of the City. All interest earned from the account shall be the property of the subdivider.

(2) A performance bond in an amount not less than 125% of the estimated cost of constructing the required improvement or improvements as determined by the City with such sureties as are acceptable to the City Council.

Applicant's Proposal

The applicant's counsel submitted the following proposal on April 11, 2013:

11-7-410 Issuance of Certificate of Occupancy.

All site improvements shall be completed prior to issuance of a certificate of occupancy. If certain improvements, which do not affect life safety, are not completed at the time the building is ready to occupy, the applicant may bond for the remaining improvements for a period not to exceed six months from the date of the certificate of occupancy. **The provisions of this Section may be modified by the City Manager upon the recommendation of the City Attorney and the City Engineer as reasonably necessary to accommodate the conditions of any financing of such improvements by an agency of the United States government or for commercial projects or other projects that are the subject of an approved development agreement with the City.**

14-5-101 Required Improvements.

(1) The improvements required by this Chapter shall be installed in all subdivisions. All improvements shall be installed and guaranteed by the developer in accordance with the City's Construction Standards and Specifications and be inspected by the Director of Public Works or the Director's designee. All improvements shall be completed within one (1) year from the date of recordation of the subdivision. At its discretion, the City Council may grant one (1) extension not to exceed twelve (12) months. The applicant must update or submit current bonding or guarantee documentation with the Public Works Department as required in accordance with Section [14-5-202](#). Any development that has previously been granted an extension prior to December 31, 2009, may apply for an additional two (2) year extension. Extensions granted by the City Council will also extend the preliminary plan approval of the overall phasing plan accordingly as per Section [14-2-104\(8\)](#). Failure to meet this time frame may result in forfeiture of the bond in accordance with Section [14-5-206](#).

(2) Completion of Improvements:

(a) Prior to the issuance of a building permit the following improvements are required to be installed:

(i) all underground piping, including, but not limited to, storm drains, irrigation piping, sewer, culinary and secondary water lines, and any and all electrical, cable, internet service, etc., lines shall be installed.

(ii) all flood control retention/detention basins or areas shall be graded to within four inches (4") of finish grade, with all delivery, outfall lines and structures installed.

(iii) all curb and gutter, structural fill, sub-base, and road base shall be installed, graded and compacted to meet City Specifications. In addition, from the period of May 1 through and including November 1 (or as long as asphalt plants are operating, and the mean daily temperature is above forty-five degrees F. [45×F.]), the roadways shall be asphalted.

(b) Prior to the issuance of an Occupancy Permit the following improvements are required to be installed:

(i) sidewalk along the entire frontage of the lot in question.

(ii) street signs and street lighting.

(iii) flood control retention/detention basins completed with all landscaping, sprinkler systems, or other improvements required by the City for the completion of the basin.

(3) The provisions of this Section may be modified by the City Manager upon the recommendation of the City Attorney and the City Engineer as reasonably necessary to accommodate the conditions of any financing of such improvements by an agency of the United States government or for commercial projects or other projects that are the subject of an approved development agreement with the City.

14-5-202 Type and Amount of Guarantee.

The performance guarantee shall be one of the following, at the discretion of the City Council:

(1) A deposit of cash in a separate escrow account in an amount not less than 125% of the estimated cost of constructing the required improvement or improvements, as determined by the City. Said account shall be made with a financial institution acceptable to the City Council and shall be established in such a manner that any release therefrom shall require the advance written consent of the City. All interest earned from the account shall be the property of the subdivider.

(2) A performance bond in an amount not less than 125% of the estimated cost of constructing the required improvement or improvements as determined by the City with such sureties as are acceptable to the City Council.

(3) Security that is provided for the same public improvements to an agency of the United States government as a condition of Federal financing of such improvements.

(4) Other forms of security which, in the opinion of the City Attorney, provide adequate security for the City for commercial projects or for projects that are the subject of an approved development agreement with the City.

DISCUSSION

Staff Proposal

The following proposal was discussed by staff. Many Departments indicated the most important items to address during construction were public safety access and protection of installed improvements. Staff did not consider changes to City Code 11-7-410 as the proposed changes were considered to be unnecessary.

(2) Completion of Improvements:

(b) Notwithstanding subsection 2(a), when building construction is commercial, industrial, or multi-family construction, building permits may be issued prior to the completion of those improvements listed under subsection 2(a) when:

(i) all water line systems and hydrants necessary for fire suppression have been installed and tested prior to the beginning of combustible construction,

(ii) appropriate bonds and guarantees are in place to cover said required improvements, and

(iii) the City Council has approved a development agreement that establishes an acceptable timeline to install and protect said improvements and fully addresses all public safety access requirements.

All required improvements of subsection 2(a) shall be installed prior to the issuance of the certificate of occupancy. The timeline to install and protect public improvements shall prohibit heavy equipment traveling on or across any street within the subdivision until the required pavement is installed or road base is filled to top of lip of gutter with sufficient elevation to accommodate street surface drainage.

(b) **(c)** Prior to the issuance of an Occupancy Permit **the certificate of occupancy** the following improvements are required to be installed:

(i) sidewalk along the entire frontage of the lot in question,

(ii) street signs and street lighting,

(iii) flood control retention/detention basins completed with all landscaping, sprinkler systems, or other improvements required by the City for the completion of the basin, **and**
(iv) all street improvements, including pavement.

14-5-202 Type and Amount of Guarantee.

The performance guarantee shall be one of the following, at the discretion of the City Council:

(1) A deposit of cash in a separate escrow account in an amount not less than 125% of the estimated cost of constructing the required improvement or improvements, as determined by the City. Said account shall be made with a financial institution acceptable to the City Council and shall be established in such a manner that any release therefrom shall require the advance written consent of the City. All interest earned from the account shall be the property of the subdivider.

(2) A performance bond in an amount not less than 125% of the estimated cost of constructing the required improvement or improvements as determined by the City with such sureties as are acceptable to the City Council.

(3) Security that is provided for the same public improvements to an agency of the United States government as a condition of Federal financing of such improvements, as long as any release from such a security requires the advance written consent by the City.

Concerns:

- Should temporary occupancy be allowed under section 2(b)?
- Can a connection between the final certificate of occupancy and the HUD bond be made within the development agreement?
- Can the City have the opportunity to sign off prior to any bond releases for HUD projects?
- How can the City call on any bonds held by HUD?

In reviewing the proposal this is a list of concerns submitted to staff:

1. If improvements (undergrounds, manholes, valves, laterals) are installed and covered with road base and sub base, but are not protected (asphalt) or collared, they are susceptible to damage. The City would require testing prior to a permit being issued in your scenario and retesting before final road base and asphalt. Concerns were raised over catching damage to these improvements before acceptance and the extended amount of time that the improvements will be susceptible to damage (two year construction period prior to entering warranty). Damaged water or sewer lines could lead to water being shut off and the site being shut down.

2. Installing undergrounds at the same time as foundation leaves little room for error (elevations and grades) and less time for correction.
3. As Noah indicated the City will not accept improvements with half asphalt and the second half of asphalt later. In doing research and speaking with other Cities, this does not hold up well and leads to large replacements of road base and asphalt.
4. Allowing road base to be used for access proposes during construction or winter months will contaminate the road base. The City would want the entire road base section replaced prior to asphalt being placed.
5. Maintaining access for emergency vehicles at all times with acceptable materials. This along with fire suppression is a liability to the City.
6. Maintaining water for fire suppression.
7. Providing power during early phases of construction. The Power Department has indicated that until the power system is installed, no temporary power will be provided.
8. Maintaining a timeline to complete all improvements. The City doesn't want to hold up occupancy for structures because the development improvements have fallen behind. This could be a concern with other developments. The City discussed allowing this for commercial, industrial and multi-family projects, but excluding single-family projects that may have multiple builders.
9. Requiring project under single ownership.
10. Protection of concrete improvements during curing.

This list was provided to the applicant. The applicant is possibly looking into making his timeline for construction meet current City Code. Based upon our last meeting with the applicant, it is our understanding that the applicant is planning to build the roads while he does his grading and foundation work for the buildings. In order to make this work, the applicant is going to establish an emergency access to his property that will be used by heavy equipment to perform the grading and foundation work. It was also our understanding that the applicant wants to have all the roads paved before the weather turns bad this year. The main concern from the City's engineers is that they want to make sure that the roads and the improvements therein are protected and not damaged. The proposed staff ordinance language seems to allow everyone to get what they want and need. If for some reason the applicant is not able to install pavement before the bad weather season, the proposed ordinance allows him to fill the streets with road base up to top of lip of gutter.

PLANNING COMMISSION ACTION

This item was reviewed by the Planning Commission on May 14, 2013.

Staff presented the item to the Commission. The applicant Mike Stewart as well as his Legal Counsel Bruce Baird indicated that they are comfortable with the City proposal. They indicated they share the same concerns with the City in regards to safety, access and protection of installed improvements. The applicant indicated that they will comply with all SWPPP requirements. The applicant committed to having the detention basins in place when hard surfaces are installed. The applicant indicated that this proposal will save him time and allow him to turn over a nice product to the City. The applicant's counsel indicated that he understands HUD will not allow temporary occupancy and that a connection should be made by the City between bonds and certificates of occupancy. In regards to the City's other comments it was recommended to get them in writing from HUD.

A public hearing was held by the Planning Commission and there were no public comments.

Consideration

CM Huff opened the item for discussion by the Commissioners. City Attorney John Penrod indicated that this involvement of HUD financing is an unknown for the City. He has been working with the applicant and Community Development Director Fred Aegerter to obtain answers from HUD concerning their questions to make sure that the City is protected. He indicated that the development agreement will address the new items proposed for inclusion as well as contain the standard language already in the document template. Commissioner Packard indicated to get all commitments from HUD in writing. He has had experience with a similar project in Provo. He also indicated that the applicant may have a difficult time with the soil and water table in the west fields. It would be prudent to get as much done before bad weather hits. Commissioner Clay indicated he has concern with compaction and contamination of the roadways. He asked the applicant what he will do if the asphalt is not in by winter. The applicant indicated that he will install road base and limit the access and crossings. He will instruct his crews to cross the street perpendicularly to lessen damage. Commissioner Clay reminded the Commission that this proposal will be open to many other developers if approved. Is the City prepared to act if future inspections indicate projects have bad road base? The applicant reminded the Commission that the City can halt a developer's project if road base becomes contaminated and the issue is not addressed to the City Inspector's satisfaction. Legal Counsel Bruce Baird indicated it would be wise for the City to trust the developer but still verify everything.

Multiple Commissioners indicated that at first glance they were opposed to the text amendment. Many felt why make changes when everything seems to be working. These Commissioners did recognize it as a great opportunity for all parties involved. The hope is that the City will have a strong development agreement and take time to complete all inspections. Many indicated that by delaying the asphalt they hope the final product turned over to the City will look new with less damages. Commissioner Nolte indicated it would be in the best interest of the City and the developer to always protect any improvements. Commissioner Packard indicated that the message to the Council would be to follow the code and agreement so that this doesn't get out of hand or run away from the City. Following the terms in this proposed amendment should protect the City. Commissioner Clay indicated that he sees this enabling ordinance as another point of conflict. It was discussed if any changes needed to be made as to when the storm drain basins should be required.

CM Young moved to recommend approval of the staff proposal with the condition that temporary occupancy not be allowed and that the collection of bonds be described in the Development Agreement. CM Packard moved to amend the motion to add the wording regarding the City having the opportunity to sign off on any releases of bonds and that the City have the opportunity to collect on those bonds that are in place. CM Clyde seconded the amendment to the motion. CM Packard seconded the motion made by CM Young with the inclusion of the discussed amendments. The vote was as follows:

CM Packard – Aye
CM Clyde – Aye
CM Huff – Aye
CM Clay – Nay
CM Mertz – Excused
CM Nolte – Aye
CM Young – Aye

Commissioner Clay declined the opportunity to provide additional comments regarding his vote.

ALTERNATIVES

Approval of the Planning Commission's proposal with or without amendments.

Approval of the applicant's proposal with or without amendments.

Approval of staff's proposal with or without amendments.

Propose no changes to City Code.

Attachment(s): Proposed ordinance changes recommended by the Planning Commission:

ORDINANCE NO. _____

AN ORDINANCE AMENDING MULTIPLE SECTIONS OF SPRINGVILLE CITY MUNICIPAL CODE 1991, TITLE 14, PERTAINING TO IMPROVEMENTS AND GUARANTEES.

Be it ordained by the City Council of Springville, Utah:

SECTION 1: **Sections 14-5-101 and 14—5-202** of Springville City Code 1991 is hereby amended to read as follows:

14-5-101 Required Improvements.

(1) The improvements required by this Chapter shall be installed in all subdivisions. All improvements shall be installed and guaranteed by the developer in accordance with the City's Construction Standards and Specifications and be inspected by the Director of Public Works or the Director's designee. All improvements shall be completed within one (1) year from the date of recordation of the subdivision. At its discretion, the City Council may grant one (1) extension not to exceed twelve (12) months. The applicant must update or submit current bonding or guarantee documentation with the Public Works Department as required in accordance with Section 14-5-202. Any development that has previously been granted an extension prior to December 31, 2009, may apply for an additional two (2) year extension. Extensions granted by the City Council will also extend the preliminary plan approval of the overall phasing plan accordingly as per Section 14-2-104(8). Failure to meet this time frame may result in forfeiture of the bond in accordance with Section 14-5-206.

(2) Completion of Improvements:

(a) Prior to the issuance of a building permit the following improvements are required to be installed:

(i) all underground piping, including, but not limited to, storm drains, irrigation piping, sewer, culinary and secondary water lines, and any and all electrical, cable, internet service, etc., lines shall be installed.

(ii) all flood control retention/detention basins or areas shall be graded to within four inches (4") of finish grade, with all delivery, outfall lines and structures installed.

(iii) all curb and gutter, structural fill, sub-base, and road base shall be installed, graded and compacted to meet City Specifications. In addition, from the period of May 1 through and including November 1 (or as long as asphalt plants are operating, and the mean daily temperature is above forty-five degrees F. [45×F.]), the roadways shall be asphalted.

(b) Notwithstanding subsection 2(a), when building construction is commercial, industrial, or multi-family construction, building permits may be issued prior to the completion of those improvements listed under subsection 2(a) when:

- (i) all water line systems and hydrants necessary for fire suppression have been installed and tested prior to the beginning of combustible construction,
- (ii) appropriate bonds and guarantees are in place to cover said required improvements, and
- (iii) the City Council has approved a development agreement that establishes an acceptable timeline to install and protect said improvements and fully addresses all public safety access requirements.

All required improvements of subsection 2(a) shall be installed prior to the issuance of the certificate of occupancy. The development agreement shall specify that no occupancy will be permitted by way of a temporary occupancy permit. The timeline to install and protect public improvements shall prohibit heavy equipment traveling on or across any street within the subdivision until the required pavement is installed or road base is filled to top of lip of gutter with sufficient elevation to accommodate street surface drainage.

~~(b)~~ (c) Prior to the issuance of an Occupancy Permit *the certificate of occupancy* the following improvements are required to be installed:

- (i) sidewalk along the entire frontage of the lot in question;
- (ii) street signs and street lighting;
- (iii) flood control retention/detention basins completed with all landscaping, sprinkler systems, or other improvements required by the City for the completion of the basin; *and*
- (iv) all street improvements, including pavement.

14-5-202 Type and Amount of Guarantee.

The performance guarantee shall be one of the following, at the discretion of the City Council:

(1) A deposit of cash in a separate escrow account in an amount not less than 125% of the estimated cost of constructing the required improvement or improvements, as determined by the City. Said account shall be made with a financial institution acceptable to the City Council and shall be established in such a manner that any release therefrom shall require the advance written consent of the City. All interest earned from the account shall be the property of the subdivider.

(2) A performance bond in an amount not less than 125% of the estimated cost of constructing the required improvement or improvements as determined by the City with such sureties as are acceptable to the City Council.

(3) Security that is provided for the same public improvements to an agency of the United States government as a condition of Federal financing of such improvements, as long as any release from such a security requires the advance written consent by the City. Prior to acceptance of the provided security, the City shall obtain in writing from the agency

of the United States government that the City can call on the security and connect the certificate of occupancy to the approved security releases.

SECTION 2: This ordinance will become effective one (1) day after publication hereof in the manner required by law.

SECTION 3: The City Recorder shall cause this ordinance or a short summary hereof to be published in the *Daily Herald*, a newspaper published and of general circulation in the City.

ADOPTED by the City Council of Springville, Utah, this ___ day of _____, 2013.

Wilford W. Clyde, Mayor

ATTEST:

Venla Gubler, City Recorder



Springville City Planning Commission

Letter of Recommendation to City Council

Applicant: Mike Stewart, JMMS 3214 N. University Ave. #605 Provo UT		Request: Seeking to amend Springville City Code, Section 11-7-410 and Section(s) 14-5-101 and 14-5-202 pertaining to improvements and performance guarantees.		Date of Meeting: May 14, 2013									
Zone Classification:		Total Acreage of Site:		Number of Lots/Units:									
General Plan – Land Use Designation:		Previous Use of Property:		<table border="1"> <tr> <td>Administrative Action</td> <td>X</td> <td>Legislative Action</td> </tr> <tr> <td>Public Hearing Required</td> <td>→</td> <td> <table border="1"> <tr> <td>Planning Commission</td> </tr> <tr> <td>City Council</td> </tr> </table> </td> </tr> </table>		Administrative Action	X	Legislative Action	Public Hearing Required	→	<table border="1"> <tr> <td>Planning Commission</td> </tr> <tr> <td>City Council</td> </tr> </table>	Planning Commission	City Council
Administrative Action	X	Legislative Action											
Public Hearing Required	→	<table border="1"> <tr> <td>Planning Commission</td> </tr> <tr> <td>City Council</td> </tr> </table>	Planning Commission	City Council									
Planning Commission													
City Council													

Motion by: <i>Frank Young</i>	Second by: <i>Brett Packard</i>		
PC RECOMMENDATION	APPROVE	DISAPPROVE	OTHER:

CONDITIONS OF APPROVAL:

Move to recommend approval of the staff proposed amending City Code Section(s) 14-5-101 and 14-5-202 with the condition that Temporary Occupancy not be allowed and that the collection of bonds be described in the Development Agreement.

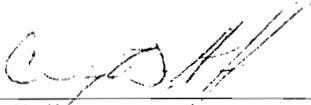
CM Packard moved to amend the motion to add any wording regarding the City having the opportunity to sign off on any releases of bonds; and that the City have the opportunity to collect on those bonds that are in place.

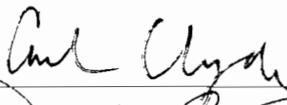
CM Clyde seconded the motion to amend the motion made by CM Packard.

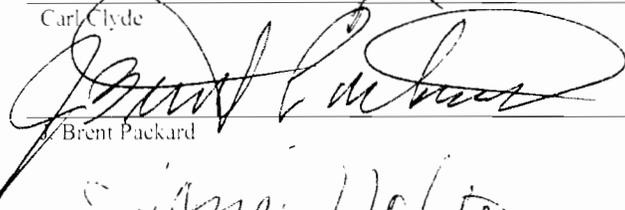
CM Packard seconded the motion made by CM Young.

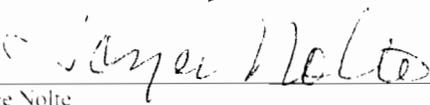
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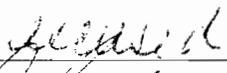
YES NO ABSTAIN

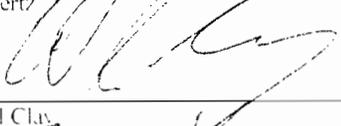

Craig Huff

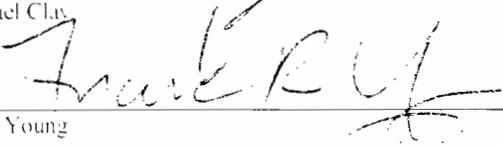

Carl Clyde


Brent Packard


Joyce Nolte


Brad Mertz


Michael Clay


Frank Young

APPROVE 5 DENY 1 ABSTAIN 0


Darlene Gray
Planning Commission Secretary

May 14, 2013
Date



STAFF REPORT

DATE: May 14, 2013

TO: Honorable Mayor and City Council

FROM: Laura Thompson, Planner I

SUBJECT: PUBLIC HEARING TO CONSIDER AN ORDINANCE AMENDING MUNICIPAL CODE SECTION 11-4-301, LAND USE MATRIX PERTAINING TO RESIDENTIAL USES

RECOMMENDED MOTION

Move to approve Ordinance No. ____-2013, amending Section 11-4-301, Land Use Matrix of Springville City Code, pertaining to Residential Uses.

SUMMARY OF ISSUES/FOCUS OF ACTION

- Does the proposed request meet the requirements of the Springville City Code, particularly 11-7-1, Amendments to the Title and Zone Map?
- Does it maintain the intent of the General Plan?

BACKGROUND

City staff has been conducting an overall comprehensive review of Title 11, Development Code and Title 14, Subdivision Code of Springville City. Staff will be submitting small sections of amendments periodically through the review process.

General Plan

The General Plan Land Use and Population sections goal related to existing and future land uses is:

“To create a safe, functional, and attractive community that preserves the best of our past and shapes our future development in a way that benefits all people of our community.”

Objective 3: Include a variety of appropriately located multi-family housing units to help ensure a variety of housing types within the City.

Conditional Uses

CITY COUNCIL AGENDA

May 21, 2013

One goal of staffs is to eliminate the number of conditional uses listed in the Land Use Matrix. If the use is appropriate, it should be a permitted use. Many of the impacts created by the uses listed as “conditional” can be alleviated by the standard requirements already adopted in the ordinance, such as, landscaping buffer and screening requirements. If the use is not appropriate, it should not be allowed in that zone.

PERMITTED USE	ZONING DISTRICTS																		
	A1	R1-15	R1-10	R1-8	R1-5	R2	R-MHP	R-MF1	R-MF2	PO	BP	VC	TC	NC	CC	RC	HC	L-IM	H-IM
RESIDENTIAL/DOMESTIC																			
Accessory Apartment In an owner occupied building					C-P														
Dwelling - Mobile Home							P												
Dwelling – Multiple-Family								P	P			C-P	C						
Dwelling – Single- or Multiple-Family above First Floor (Mixed Use) <u>(When parking is located to the side or rear of the building)</u>										P		P	P		P				
Dwelling – Public Agency Owned Senior Housing								P	P			C	C	C	C				
Dwelling – Single-Family Attached						P		P	P										
Dwelling – Single-Family Detached	P	P	P	P	P	P	C	P	P										
Dwelling – Single-Family Detached, Manufactured	P	P	P	P	P	P	P	P	P										
Dwelling - Two-Unit (Duplex)						P		P	P										
Mobile Home Park							P												
Residential Facilities for Elderly Persons (Small – 8 or Less)	P	P	P	P	P	P	P	P	P	P									
Residential Facilities for Persons with Disabilities (Small – 8 or Less)	P	P	P	P	P	P	P	P	P	P									
Residential Facilities for Persons with Disabilities (Large – 9 or More)	C	C	C	C	C	C	C	P	P	P		P			P				

Accessory Apartment in an owner occupied building in the R1-5 zone. Staff is requesting this be a permitted use. City Code requires the lot to have 100-feet of street frontage and a minimum lot area of 10,000 square feet. The definition of an “accessory apartment” also states the unit cannot substantially alter the structure or appearance of the structure.

Multiple-Family Dwelling in the VC zone. Staff again feels the current City Code already has provisions in place in the Village Center Overlay Zone requirements that address any impacts.

Single- or Multi-Family Dwelling above First Floor (Mixed Use) in the CC zone. Staff is proposing this use be permitted in the CC zone and add that it is only allowed when parking is located to the side or rear of the building.

Single-Family Dwelling in the R-MHP (mobile home park) zone. Currently it is a conditional use; however, staff feels this should probably not be allowed.

DISCUSSION

The Planning Commission considered the proposed amendments at the May 14, 2013 meeting. A public hearing was held with no one wanting to address the item.

COMMISSION ACTION:

Commissioner Nolte moved to recommend approval to amend 11-4-301, Land Use Matrix of Springville City Code, 1991 amending the Residential/Domestic uses section. Commissioner Clay seconded the motion. The vote to recommend approval to the City Council was unanimous.

Commission Vote

<u>Commissioner</u>	<u>Yes</u>	<u>No</u>
Huff	X	
Young	X	
Packard	X	
Nolte	X	
Clay	X	
Mertz	Excused	
Clyde	X	

ALTERNATIVES

1. Adopt the zoning amendment/ordinance as proposed.
2. Amend and adopt the proposed zoning amendment/ordinance.
3. Reject the proposed zoning amendment/ordinance.

Laura Thompson
Planner I

PERMITTED USE	ZONING DISTRICTS																		
	A1	R1-15	R1-10	R1-8	R1-5	R2	R-MHP	R-MF1	R-MF2	PO	BP	VC	TC	NC	CC	RC	HC	L-IM	H-IM
Residential Facilities for Persons with Disabilities (Small – 8 or Less)	P	P	P	P	P	P	P	P	P	P									
Residential Facilities for Persons with Disabilities (Large – 9 or More)	C	C	C	C	C	C	C	P	P	P		P			P				

SECTION 2: This ordinance will become effective one day after publication hereof in the manner required by law.

SECTION 3: The City Recorder shall cause this ordinance or a short summary hereof to be published in the *Daily Herald*, a newspaper published and of general circulation in the City.

ADOPTED by the City Council of Springville, Utah, this 21st day of May, 2013.

Wilford W. Clyde, Mayor

ATTEST:

City Recorder



Springville City Planning Commission

Letter of Recommendation to City Council

Applicant: Springville City 110 South Main Street Springville UT 84663		Request: Seeking to amend Section 11-4-301, Land Use Matrix pertaining to Residential Uses.	Date of Meeting: May 14, 2013	
Zone Classification:		Total Acreage of Site:	Number of Lots/Units:	
General Plan – Land Use Designation:		Previous Use of Property:	<input type="checkbox"/> Administrative Action	<input checked="" type="checkbox"/> Legislative Action
			<input type="checkbox"/> Public Hearing Required	<input type="checkbox"/> Planning Commission <input type="checkbox"/> City Council

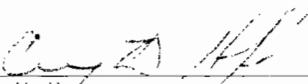
Motion by: <i>James Holte</i>	Second by: <i>Michael Clay</i>
PC RECOMMENDATION <input checked="" type="checkbox"/>	APPROVE <input type="checkbox"/>
DISAPPROVE <input type="checkbox"/>	OTHER: <input type="checkbox"/>

CONDITIONS OF APPROVAL:

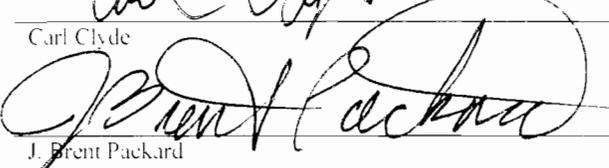
Move to recommend approval to amend 11-4-301, Land Use Matrix of Springville City Code.1991 amending the Residential Domestic Uses section.

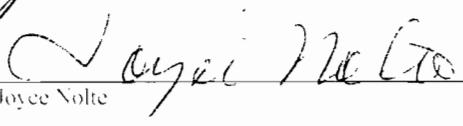
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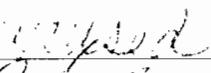
YES NO ABSTAIN


Craig Huff

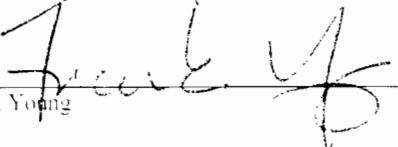

Carl Clyde


J. Brent Packard


Joyce Nolte


Brad Mertz


Michael Clay


Frank Young

APPROVE 6 DENY _____ ABSTAIN _____


Planning Commission Secretary

May 14, 2013

Date



STAFF REPORT

DATE: May 15, 2013

TO: Springville City Council

FROM: Chief Scott Finlayson

SUBJECT: Modification of Springville City Ordinance Section 3, Chapter 8, Burglar and Fire Alarms

RECOMMENDATION:

Approve changes to the Springville City Ordinance Section 3, Chapter 8, Burglar, Medical and Fire Alarms.

DISCUSSION:

Each year the Springville Police and Fire Departments respond to hundreds of false burglar, medical and fire alarm incidents. The police and fire department responded to 587 false alarms in 2010, 632 in 2011 and 559 in 2012. Each call is responded to as though an emergency is currently occurring. Of the alarms received, less than 1% are actual police or fire emergencies. The response by firefighters and police officers tie up resources from performing other duties and responding to legitimate calls for service in a timely manner. On fire alarm calls the volunteer firefighters are paged out immediately taking them away from their home or employment and costing the City hundreds of dollars in fire pay for each false alarm.

In recent years, the number of homes adding fire, medical and burglar alarm systems has increased dramatically. While Springville's current ordinance requires registration of alarm systems when they are installed our informal research has shown few residents currently have registered systems. Also, we currently have no process for updating the information originally provided. Dispatchers, police officers and firefighters are often frustrated when they arrive at a location and cannot get a hold of a responsible party for the alarm location.

The main changes to this ordinance will result in following:

1. All alarm users will be required to register to install an alarm.
2. Medical alarms will be brought under this same section. Currently there is nothing covering medical alarms. Demographic studies show that our population is living longer and the percent of senior citizens will rise in future years. This ordinance will cover medical alarms the same as burglar alarms.
3. Alarm users will be required to update their information on-line each year.
4. Changes false alarm tracking from quarterly to yearly.
5. Reduces the false alarm fees for burglar and medical alarms for the first five false alarms.
6. Cleans up miscellaneous definitions and language.

FISCAL IMPACT:

The current alarm registration fee is \$15.00. This ordinance will allow the city to register more alarms and thereby increase the fees collected, but not by a great amount. This ordinance change will have little fiscal impact on the City.

Name: Chief Scott Finlayson

Title: Public Safety Director/Chief of Police

cc: Troy Fitzgerald

enc: Proposed language change to the ordinance

DRAFT

April 10, 2013 Version

CHAPTER 8 BURGLAR, MEDICAL AND FIRE ALARMS

Sections:

- 3-8-101 Definitions.
- 3-8-102 Permit to Install and Operate Fire, Medical or Burglar Alarm.
- 3-8-103 Burglar, Medical and Fire Alarm Notification to the City.
- 3-8-104 False Alarms from Burglar or Medical Alarms.
- 3-8-105 False Alarms from Fire Alarms.
- 3-8-106 Criminal Penalty.

3-8-101 Definitions.

For purposes of this chapter, the following words and phrases shall have the following meanings:

(1) “Alarm Company” means a person who for consideration provides services to others in giving notification to the Springville Department of Public Safety of possible criminal activities, medical, fire, or emergency notification based on the use of electronic, mechanical or television alarm systems.

~~(1)~~ (2) “Alarm User” means the owner or occupant of any premises where a burglar ~~alarm~~, medical or fire alarm is installed.

~~(2)~~ (3) “Burglar Alarm” means any mechanical, electric or electronic device or system which is intended to notify the alarm user, an alarm operating or monitoring service, the police department, or any other person of possible criminal activities, including burglary, robbery and duress.

~~(3)~~ (4) “False Alarm” means (a) an alarm received from or through a burglar alarm which is responded to by a police officer in relation to which there is not substantial evidence of criminal activity, or (b) an alarm received from or through a fire alarm which is responded to by the fire department in relation to which there is no fire. A false alarm includes alarms given because of alarm device or system failures and alarms given because of human error. A false alarm does not include alarms given because of electric power failures or construction or repair activities of the City or any public utility.

(5) “Medical Alarm” means any notification received from an alarm user through an Alarm Company which results in the Fire and/or Police Department responding to check on the welfare or medical condition of the alarm user.

~~(4)~~ (6) “Fire” means burning or combustion as commonly understood. Fire includes the existence of danger and the need for an emergency response by the fire department because of burning or combustion, including circumstances creating the reasonable belief that a fire exists

or will shortly exist.

~~(5)~~ (7) “Fire Alarm” means any mechanical, electric or electronic device or system which is intended to notify the alarm user, an alarm company ~~operating or monitoring service~~, the fire department, or any other person of a fire.

(8) “Disconnected or Disabled” means the burglar, medical or fire alarm shall not (a) by an Alarm Company, be called in to the Springville Department of Public Safety; or (b) with an audible alarm notification, be disabled so the alarm no longer sounds to where it can be heard from outside the premise where it is installed.

(Adopted by Ordinance No. 20-95)

3-8-102 Permit to Install and Operate Fire, Medical or Burglar Alarm.

(1) All residents or businesses within the City requesting burglar, medical or fire alarm service must receive a City permit to install ~~and activate~~, activate or operate any burglar, medical or fire alarm system that makes notification to Springville City.

Applications for permits shall be obtained and filed either on line at the City website or at the City Offices.

(2) Fire Alarms must meet the following standard which is adopted by reference. National Fire Protection Association (NFPA) Standard 72, Fire Alarm Systems.

(3) Burglar ~~Alarms~~ and Medical Alarm systems installed in a residence and alarm operating or monitoring services must be UL approved.

(4) Notification of a burglar, medical or fire alarm activation by a non registered user does not obligate the Police or Fire Department to respond.

(5) Burglar, Medical and Fire Alarm permits shall be renewed annually to provide Springville City with current information for a proper response and contact of responsible parties.

~~(4)~~ (6) An alarm permit fee shall be set by the City Council.

(Adopted by Ordinance No. 21-98)

3-8-103 Alarm Companies; Business License; Application; Fees.

(1) It shall be unlawful to operate within the definition of an Alarm Company without obtaining a license issued from the State of Utah, pursuant to Section 58-55-301 et seq, Utah Code, as amended. In addition, when Springville City is the principal place of business for said company, it shall be unlawful for the Alarm Company to operate within Springville City without a Springville City business license.

(2) The application shall be approved unless for good cause the application is disapproved by the Chief of Police because of prior violations of this Chapter or for any other good cause reasonably related to the safety of Springville City police officers or residents of Springville City.

(3) The annual fee for a business license to operate an alarm company having its principal place of business within Springville City shall be set by the City Council.

3-8-104 Alarm Companies: Business License Revocation and Reinstatement.

(1) The Chief of Police may at any time and for any reason related to the safety of Springville City police officers or residents of Springville City petition the state of Utah to take appropriate action against the state license of an Alarm Company for acts and practices known to the Chief of Police that reflects unfavorably on the fitness of the Alarm Company. The Chief of Police may order that the business license of an Alarm Company, having its principal place of business within Springville City, be revoked if the Alarm Company loses its state license or fails to pay the Springville City annual business license fee.

(2) For good cause (related to the safety of Springville City police officers or residents) the Chief of Police may reinstate the license of an Alarm Company that has been ordered revoked pursuant to the provisions of this Section.

(3) An Alarm Company which has had its license revoked pursuant to the provisions of Subsection (1) of this Section, and is later reinstated pursuant to the provisions of Subsection (2) of this Section, shall reapply as a new applicant pursuant to the provisions of Section 3-8-103, Springville City Code, if its principal place of business is to remain within Springville City.

3-8-1035 Burglar, Medical and Fire Alarm Notification to the City.

Burglar, medical and fire alarms shall be received by the City in one of the following ways: (1) Alarms may be monitored by an alarm company ~~operating or monitoring service~~ and forwarded to the City by the alarm company ~~operating or monitoring service~~.

(2) Alarms may be audible alarms mounted on the property of the alarm user, intended to notify passers-by of the alarm. Audible burglar alarms shall be required to have an automatic reset to limit the audible alarm to no more than twenty (20) minutes of alarm sound before re-polling the system to see if the alarm has reset. If the alarm resets the alarm sound shall cease.

(3) Burglar, medical and fire alarms shall not be received directly at or by the police or fire department by auto-dial telephone recorded messages or similar system.

(Adopted by Ordinance No. 21-98)

3-8-1046 False Alarms from Burglar and Medical Alarms.

~~(1) If police officers respond to more than five (5) false alarms from a burglar alarm at one location within a quarter of a calendar year (January – March; April – June; July – September; October – December), the Chief of Police may require the alarm user to show cause (related to~~

~~the safety of City police officers or residents of the City) why the burglar alarm at that location should not be disconnected or disabled. The Chief of Police may order that the burglar alarm be disconnected or disabled if the alarm user does not show reasonably sufficient cause why such action should not be taken.~~

~~(2) An alarm user shall pay to the City Treasurer a fee of \$100.00 for each time more than twice in a quarter of a calendar year that a City police officer responds to a false alarm from a burglar alarm at the premises of the alarm user. The Chief of Police may require an alarm user to show cause why the burglar alarm of that alarm user should not be disconnected or disabled for failure to pay the fees provided in this subsection. The Chief of Police may order that the burglar alarm be disconnected or disabled if the alarm user does not show reasonably sufficient cause why such action should not be taken.~~

(1) For each false alarm to which emergency personnel respond in any calendar year, the alarm user shall be issued a warning or shall pay an administrative service fee to the City according to the following schedule:

<u>First three false alarms:</u>	<u>Warning;</u>	
<u>Fourth false alarm:</u>	<u>Per Springville City fee schedule;</u>	(\$50)
<u>Fifth false alarm:</u>	<u>Per Springville City fee schedule;</u>	(\$75)
<u>Sixth through ninth false alarms:</u>	<u>Per Springville City fee schedule;</u>	(\$100)
<u>Tenth and all subsequent false alarms:</u>	<u>Per Springville City fee schedule.</u>	(\$200)

~~(4)~~ (2) For good cause, related to the safety of City police officers or residents of the City, the Chief of Police may allow reinstatement of a burglar or medical alarm which has been disconnected pursuant to this section.

(Adopted by Ordinance No. 20-95, amended by Ordinances No. 21-98 and 19-01)

3-8-1057 False Alarms from Fire Alarms.

(1) If the City fire department responds to more than four (4) false alarms from a fire alarm at one location in one calendar year, the Fire Chief may require the alarm user to show cause (related to the safety of City firemen or residents of the City) why the fire alarm at that location should not be disconnected or disabled. The Fire Chief may order that the fire alarm be disconnected or disabled if the alarm user does not show reasonably sufficient cause why such action should not be taken.

(2) An alarm user shall pay to the City Treasurer a fee of ~~\$750.00~~ as listed in the Springville City fee schedule for each time more than ~~four~~ three times in a calendar year that the City fire department responds to a false alarm from a fire alarm at the premises of the alarm user. The Fire Chief may require an alarm user to show cause why the fire alarm of that alarm user should not be disconnected or disabled for failure to pay the fees provided in this subsection. The Fire Chief may order that the fire alarm be disconnected or disabled if the alarm user does not show reasonably sufficient cause why such action should not be taken.

(3) For good cause, related to the safety of City firemen or residents of the City, the Fire Chief may allow reinstatement of a fire alarm which has been disconnected pursuant to this section.

(Adopted by Ordinance No. 20-95; amended by Ordinance No. 21-98)

3-8-108 Delinquent Payment of Fees.

(1) All administrative service fees assessed under this Chapter shall be paid to the City Treasurer within thirty (30) days of the date that notice of the assessment of the service fee is mailed to the alarm user. If any service fee is not paid within the time set forth above, late penalties shall be assessed against the alarm user according to the following schedule:

<u>1-60 days late:</u>	<u>As per Springville City fee schedule.</u>	<u>(\$10)</u>
<u>61-90 days late:</u>	<u>As per Springville City fee schedule.</u>	<u>(\$20)</u>
<u>91-120 days late:</u>	<u>As per Springville City fee schedule.</u>	<u>(\$30)</u>

(2) The City may use all available legal remedies to collect delinquent service fees and late penalties. If the delinquent service fee is owed by a business, payment of the fee and late penalties may be required prior to the renewal of the alarm user's Business or Alcoholic Beverage License.

(3) Alarm Users who are over 120 days delinquent shall be notified by mail that Springville City will not be responding to burglar alarms while the account is in delinquent status and to disconnect or disable their burglar alarm while the account is unpaid.

3-8-1069 Criminal Penalty.

(1) It shall be unlawful for any person to knowingly give a false alarm.

(2) It shall be unlawful for any person to fail to obey an order of the Chief of Police made pursuant to ~~Section 3-8-102(1)~~ (3), ~~Section 3-8-103, or 3-8-102(2)~~ or an order of the Fire Chief made pursuant to Section 3-8-102(2), or Section 3-8-103(1) or 3-8-103(2).

(3) It shall be unlawful for any person to reconnect an alarm which has been disconnected or disabled by order of the Chief of Police or Fire Chief unless such reconnection is with the permission of the Chief of Police or Fire Chief as provided in ~~Section 3-8-102(3)~~ 3-8-104(4) or ~~3-8-103(3)~~ 3-8-105(3).

(4) Violation of subsection (1) of this section shall be a misdemeanor. A person convicted thereof shall be punished by a fine in an amount not to exceed \$1,000, or by imprisonment for a term not to exceed six months, or by both such fine and imprisonment.

(5) Violation of subsections (2) or (3) of this section shall be an infraction. A person convicted thereof shall be punished by a fine in an amount not to exceed \$750.00.

(Adopted by Ordinance No. 20-95; amended by Ordinances No. 21-98)



DATE: May 14, 2013

TO: Honorable Mayor and City Council

FROM: Bruce Riddle, Finance Director

SUBJECT: 2008 WATER & SEWER REVENUE BOND AMENDMENT

RECOMMENDED MOTION

The Finance Department recommends adopting Resolution ____, AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDATORY INDENTURE AND OTHER DOCUMENTS REQUIRED IN CONNECTION WITH THE AMENDMENT OF CERTAIN TERMS OF THE CITY'S WATER AND SEWER REVENUE BONDS, SERIES 2008; AND RELATED MATTERS.

Associated with the Bond Amendment, the Finance Department recommends adopting Resolution ____, OPENING AND AMENDING THE WATER FUND AND SEWER FUND BUDGETS FOR OPERATIONAL EXPENSES APPLYING TO THE FISCAL YEAR ENDING JUNE 30, 2013 AS OUTLINED IN EXHIBIT A.

SUMMARY OF ISSUES/FOCUS OF ACTION

Adoption of this resolution authorizes the Administration to take advantage of current bond market conditions and proceed with amendments to the terms of the 2008 Water & Sewer Revenue Bonds, which will result in a refinancing and restructuring of the debt associated with the sewer plant expansion and water system improvements.

BACKGROUND

In 2008 the City of Springville issued Water and Sewer Revenue Bonds in the amount of \$15,135,000 to fund an expansion of the waste water treatment facility as well as to make improvements to the water system. Approximately 80% of the bond proceeds were used for the waste water treatment facility and the remaining 20% of the proceeds were used for water system improvements. The Series 2008 bonds have an average coupon of 4.85%; a call date of February 1, 2016; and a final maturity of April 2028.

DISCUSSION

While the call date is still over two years away, staff has been working with the City's financial advisor, John Crandall at George K. Baum and Co., to explore opportunities to take advantage of the unusually low interest rates currently available in the bond market.

The first option was to consider issuing refunding bonds in order to capture the lowest interest rates currently available in the market. Indications from the market were that an interest rate of approximately 2.38 percent could be secured through a direct placement of refunding bonds. Issuing refunding bonds means that the City would issue bonds that would be held in escrow until the call date of the original bonds (Feb. 2016 in this case). In order to analyze the savings in this type of scenario, an accounting must be made for the carrying costs of holding the refunding bonds in escrow at an interest rate that may be lower than the borrowing rate, which results in negative arbitrage. In this case the negative arbitrage was approximately \$600k, which significantly erodes the savings of the refunding.

The second alternative was to approach the investor holding the current bonds and make an attempt to negotiate a lower rate on the bonds. GKB approached the investor on our behalf as was able to negotiate an amendment to the current bonds that would re-set the interest rate at 2.8%. Additionally, the investor would allow us to re-stack the principal however we like for the remainder of the life of the bonds. We are proposing to recognize some front-loading of the savings by skipping a principal payment in 2014 in order to free some debt service budget capacity in the Sewer Fund to put towards the 1500 W. Sewer Pipeline Project. Finally, GKB was also able to negotiate a 10-year call provision in the amendment, which will potentially allow us to once again to take advantage of a refunding before the bonds fully mature.

I believe GKB has negotiated a very attractive deal on our behalf and I am recommending we proceed with the amendment as proposed.

ALTERNATIVES

At its option, the City Council could consider any of the following alternatives:

- Do nothing and continue servicing the existing bonds
- Reject the amendment and market refunding bonds

FISCAL IMPACT

Restructuring the bonds with the proposed amendment will result in a net present value savings of \$1,856,415 (nearly 15%, well in excess of the standard 3-5% rule of thumb for a restructuring). The City will skip a principal payment in February 2014, which will result in a budget savings of approximately \$740k and then annual debt service savings of approximately \$100k per year through final maturity (see attached Restructuring Analysis).

The City will need to pay costs of issuance of approximately \$20k, which was not budgeted and is the subject of the associated budget amendment under consideration by the Council.

RESOLUTION NO. 2013-__

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDATORY INDENTURE AND OTHER DOCUMENTS REQUIRED IN CONNECTION WITH THE AMENDMENT OF CERTAIN TERMS OF THE CITY'S WATER AND SEWER REVENUE BONDS, SERIES 2008; AND RELATED MATTERS.

*** *** ***

WHEREAS, Springville City, Utah (the "*City*") is a political subdivision and body politic duly organized and existing under the Constitution and laws of the State of Utah; and

WHEREAS, in order to finance the cost of various improvements to the City's water and sewer systems, including the expansion of the City's wastewater treatment plant, the City previously issued its Water and Sewer Revenue Bonds, Series 2008 in the original aggregate principal amount of \$15,135,000 (the "*Bonds*") pursuant to a General Indenture of Trust, dated as of October 1, 1998 (the "*General Indenture*"), and a Second Supplemental Indenture of Trust, dated as of April 1, 2008 (the "*Second Supplemental Indenture*"), each between the City and Wells Fargo Bank, N.A., as Trustee (the General Indenture and the Amendatory Indenture are sometimes collectively referred to hereinafter as the "*Original Indenture*"), and sold the Bonds to Capital One Public Funding, LLC (the "*Purchaser*"), pursuant to a Bond Purchase Contract, dated April 15, 2008 (the "*Purchase Contract*") between the City and the Purchaser; and

WHEREAS, Capital One Public Funding, LLC, as Purchaser and owner of all of the Issuer's outstanding Series 2008 Bonds, has agreed to allow the Issuer to make certain amendments to the Original Indenture and, in order to provide for debt service savings, the City

Council deems it advisable and in the interests of the Issuer to approve such amendments to the Original Indenture;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF SPRINGVILLE CITY, UTAH AS FOLLOWS:

Section 1. Approval of Amendatory Indenture. The Amendatory Indenture, in substantially the form attached hereto as *Exhibit A* is hereby authorized and approved, and the Mayor is hereby authorized, empowered and directed to execute and deliver the Amendatory Indenture on behalf of the City, and the City Recorder is hereby authorized, empowered and directed to attest such execution and to countersign, and to affix the seal of the City to the Amendatory Indenture, with such changes to the Amendatory Indenture from the form attached hereto as are approved by the Mayor, his execution thereof to constitute conclusive evidence of such approval. The provisions of the Amendatory Indenture, as executed and delivered, are hereby incorporated in and made a part of this resolution.

Section 2. Other Actions with Respect to the Amendment of the Original Indenture. The officers and employees of the City shall take all action necessary or reasonably required to carry out, give effect to, and consummate the transactions contemplated hereby and shall take all action necessary in conformity with applicable law to carry out the execution and delivery of any documents required to be delivered in connection with the Amendatory Indenture. If (a) the Mayor or (b) the City Recorder shall be unavailable to execute or attest and countersign, respectively, the Bonds or the other documents that they are hereby authorized to

execute, attest and countersign, the same may be executed, or attested and countersigned, respectively, (i) by the Mayor pro tempore or (ii) by any Deputy City Recorder.

Section 3. Resolution Irrepealable. Following the execution and delivery of the Amendatory Indenture, this resolution shall be and remain irrepealable until the Bonds and the interest thereon shall have been fully paid, cancelled, and discharged.

Section 4. Severability. If any section, paragraph, clause, or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this resolution.

Section 5. Effective Date. This resolution shall be effective immediately upon its approval and adoption.

PASSED, APPROVED and ADOPTED this 21st day of May, 2013.

Mayor

ATTEST AND COUNTERSIGN:

City Recorder

[SEAL]

EXHIBIT A

[AMENDATORY INDENTURE]

AMENDATORY INDENTURE

Dated as of May 1, 2013

AMENDING THE
SECOND SUPPLEMENTAL INDENTURE OF TRUST
DATED AS OF APRIL 1, 2008

by and between

SPRINGVILLE CITY, UTAH

and

WELLS FARGO BANK, N.A., as Trustee

AMENDATORY INDENTURE

This Amendatory Indenture (the "*Amendatory Indenture*"), dated as of May 1, 2013, by and between Springville City, Utah, a political subdivision and body politic duly organized and existing under the Constitution and laws of the State of Utah (the "*Issuer*") and Wells Fargo Bank, N.A., a national banking association duly organized and existing under the laws of the United States of America, authorized by law to accept and execute trusts and having a principal office in Salt Lake City, Utah (the "*Trustee*");

WITNESSETH:

WHEREAS, the Issuer has entered into a General Indenture of Trust, dated as of October 1, 1998 (the "*General Indenture*"), as previously supplemented and amended, including by a Second Supplemental Indenture of Trust, dated as April 1, 2008 (the "*Supplemental Indenture*") and, collectively with General Indenture, the "*Original Indenture*"), each between the Issuer and the Trustee; and

WHEREAS, in order to finance the cost of acquiring and constructing improvements to the Issuer's water and sewer system, including the expansion of the Issuer's wastewater treatment plant, and to pay costs of issuance of the bonds, the Issuer previously issued its Water and Sewer Revenue Bonds, Series 2008 (the "*Series 2008 Bonds*") in the original aggregate principal amount of \$15,135,000; and

WHEREAS, Capital One Public Funding, LLC, as Purchaser and owner of all of the Issuer's outstanding Series 2008 Bonds, has agreed to allow the Issuer to make certain amendments to the Original Indenture and, in order to provide for debt service savings, the City Council of the Issuer deems it advisable and in the interests of the Issuer to approve such amendments to the Original Indenture;

NOW, THEREFORE, THIS AMENDATORY INDENTURE WITNESSETH:

ARTICLE I

DEFINITIONS

Section 101. Definitions.

All defined terms contained in the Original Indenture when used in this Amendatory Indenture (the "*Amendatory Indenture*" and, together with the Original Indenture, the "*Indenture*") shall have the same meanings as set forth in the Original Indenture.

ARTICLE II

AMENDMENT OF INDENTURE

(1) The first sentence of Section 2.2 of the Supplemental Indenture is amended to read as follows:

The Series 2008 Bonds shall be dated their date of original issuance and delivery (the “*Dated Date*”), shall mature on February 1, 2028, and shall bear interest from the Dated Date, payable on February 1 and August 1 beginning August 1, 2008, at the rate of (i) 4.85% per annum from the Dated Date to and including May 22, 2013, and (ii) 2.80% per annum commencing May 23, 2013.

(2) Section 2.3(a) of the Supplemental Indenture is amended to read as follows:

(a) The Series 2008 Bonds are subject to redemption prior to maturity at the option of the Issuer in whole or in part, in inverse order of Sinking Fund Installments, on any business day on and after February 1, 2021, upon not less than 30 nor more than 60 days’ prior notice, as provided in Section 2.8 of the General Indenture, at a redemption price equal to 100% of the principal amount of the Series 2008 Bonds to be redeemed plus accrued interest to the date of redemption.

(3) Section 2.3(b) of the Supplemental Indenture is amended to read as follows:

(b) The Series 2008 Bonds shall be subject to redemption by operation of Sinking Fund Installments, at the redemption price equal to the principal amount of the Series 2008 Bonds to be redeemed, together with accrued interest to the date of redemption. No notice of Sinking Fund Installments is required to be given to the Bondholders. The amounts and due dates of the Sinking Fund Installments for the Series 2008 Bonds are set forth in the following table:

FEBRUARY 1 OF THE YEAR	AMOUNT
2015	\$740,000
2016	760,000
2017	780,000
2018	800,000
2019	825,000
2020	845,000
2021	870,000
2022	895,000
2023	920,000
2024	945,000
2025	975,000
2026	1,000,000
2027	1,030,000
2028*	1,055,000

* Stated maturity.

ARTICLE III

FORM OF SERIES 2008 BONDS

Section 301. Form of Series 2008 Bonds. An amended Series 2008 Bond (the “Amended Bond”) conforming to the amended terms set forth in Article II of this Amended Indenture shall be executed on behalf of the Issuer by the Mayor and attested and countersigned by the City Recorder, and the seal of the Issuer shall be placed on the amended Series 2008 Bond. On or before the May 23, 2013 effective date of this Amended Indenture, the issuer shall deliver the Amended Bond to the Purchaser in exchange for the original Series 2008 Bond, and thereupon the original Series 2008 Bond shall be cancelled, and the amended Series 2008 Bond shall be in effect in lieu thereof. The Amended Bond shall be in substantially the following form, with such insertions or variations as to any redemption or amortization provisions and such other insertions or omissions, endorsements and variations as may be required or permitted by the Indenture:

[FORM OF AMENDED BOND]

UNITED STATES OF AMERICA
STATE OF UTAH
COUNTY OF UTAH

SPRINGVILLE CITY
WATER AND SEWER REVENUE BOND,
SERIES 2008

Number R-1 (amended) \$15,135,000
(Original Principal Amount)

INTEREST RATE	MATURITY DATE	ORIGINAL ISSUE DATE
2.80% (amended rate effective May 23, 2013)	FEBRUARY 1, 2028	APRIL 22, 2008

Registered Owner:

Principal Amount: ----- DOLLARS (original principal amount)-----

Springville City, Utah (“*Issuer*”), a political subdivision and body politic duly organized and existing under the constitution and laws of the State of Utah, for value received, hereby acknowledges itself to be indebted and promises to pay to the Registered Owner named above or registered assigns, out of the special fund hereinbelow designated and not otherwise, the Principal Amount specified above on the Maturity Date specified above with interest thereon until paid at the Interest Rate specified above per annum, payable August 1, 2008, and semiannually thereafter on the first day of February and August of each succeeding year, until said Principal Amount is paid. Principal and premium, if any, shall be payable upon surrender of this Bond at the principal offices of Wells Fargo Bank, N.A., Salt Lake City, Utah (“*Trustee*” and “*Paying Agent*”) or its successors. Interest and Sinking Fund Installments on this Bond shall be payable by check or draft mailed to the Registered Owner hereof at his address as it appears on the registration books of the Paying Agent, who shall also act as the Registrar for the Issuer, or at such other address as is furnished to the Paying Agent in writing by such Registered Owner; *provided, however*, that so long as Capital One Public Funding, LLC (the “*Initial Purchaser*”) is the Owner of this Bond, all payments of principal and Redemption Price of and interest on this Bond shall be paid by wire transfer to an account in the continental United States designated by the Initial Purchaser to the Trustee in writing at least two Business Days prior to the Regular Record Date.

Interest hereon shall be deemed to be paid by the Paying Agent when mailed. Both principal and interest shall be payable in lawful money of the United States of America.

This Bond is one of an issue of Bonds in the original aggregate principal amount of \$15,135,000, of like tenor and effect, except as to date of maturity, numbered R-1 (amended), issued by the Issuer pursuant to a General Indenture of Trust dated as of October 1, 1998, as supplemented and amended by a Second Supplemental Indenture of Trust dated as of April 1, 2008 and an Amending Indenture, dated as of May 1, 2013 (collectively the "*Indenture*"), approved by resolutions adopted by the City Council of the Issuer on April 15, 2008 and May 21, 2013 (collectively, the "*Bond Resolution*"), and designated Water and Sewer Revenue Bonds, Series 2008 (the "*Series 2008 Bonds*"), for the purpose of (i) financing the cost of acquiring and constructing improvements to the Issuer's water and sewer systems, including the expansion of the Issuer's wastewater treatment plant, and (ii) paying costs of issuance of the Series 2008 Bonds, all in full conformity with the constitution and laws of the State of Utah.

As more fully provided in the Indenture, the Series 2008 Bonds shall be payable only from Net Revenues and shall not constitute a general indebtedness or pledge of the full faith and credit of the Issuer within the meaning of any constitutional or statutory provision or limitation of indebtedness.

As provided in the Indenture, additional bonds, notes and other obligations of the Issuer may be issued and secured on an equal lien parity with the Series 2008 Bonds from time to time in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the Indenture, and the aggregate principal amount of such bonds, notes and other obligations issued and to be issued under the Indenture is not limited.

Reference is hereby made to the Indenture, copies of which are on file with the Trustee, for the provisions, among others, with respect to the nature and extent of the rights, duties and obligations of the Issuer, the Trustee and the Registered Owners of the Series 2008 Bonds, the terms upon which the Series 2008 Bonds are issued and secured, and upon which the Indenture may be modified and amended, to all of which the Registered Owner of this Bond assents by the acceptance of this Bond.

Except as otherwise provided herein and unless the context indicates otherwise, words and phrases used herein shall have the same meanings as such words and phrases in the Indenture.

The Series 2008 Bonds are subject to redemption prior to maturity at the option of the Issuer in whole or in part, in inverse order of Sinking Fund Installments, on any Business day on and after February 1, 2021, upon not less than 30 nor more than 60 days' prior notice at a redemption price equal to 100% of the principal amount of the Series 2008 Bonds to be redeemed plus accrued interest to the date of redemption.

The Series 2008 Bonds shall be subject to redemption by operation of Sinking Fund Installments, at a redemption price equal to the principal amount of each Series 2008 Bond or

portion thereof to be redeemed, together with accrued interest to the date of redemption. The amounts and due dates of the Sinking Fund Installments for the Series 2008 Bonds are set forth in the following table:

FEBRUARY 1 OF THE YEAR	AMOUNT
2015	\$740,000
2016	760,000
2017	780,000
2018	800,000
2019	825,000
2020	845,000
2021	870,000
2022	895,000
2023	920,000
2024	945,000
2025	975,000
2026	1,000,000
2027	1,030,000
2028*	1,055,000

* Stated maturity.

In the event any of the Bonds are called for optional redemption, notice thereof identifying the Bonds to be redeemed will be given by the Trustee, by mailing a copy of the redemption notice by registered or certified mail not less than 30 nor more than 60 days prior to the date fixed for redemption to the Registered Owner of each Bond to be redeemed at the address shown on the registration books; *provided, however*, that failure to give such notice by mailing, or any defect therein, shall not affect the validity of any proceeding for the redemption of any Bond with respect to which no such failure has occurred. Any notice mailed as provided in this section shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives the notice. All Bonds so called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment at that time. No notice of redemption pursuant to Sinking Fund Installment need be given to the Owner.

The Series 2008 Bonds are issued as fully-registered Bonds. Subject to the limitations and upon payment of the charges provided in the Indenture, registered Bonds may be exchanged for a like aggregate principal amount of registered Bonds of other authorized denominations of the same series and the same maturity.

The Issuer and the Paying Agent may deem and treat the Registered Owner hereof as the absolute owner hereof (whether or not this Bond shall be overdue) for the purpose of receiving payment of or on account of principal hereof, premium, if any, and interest due hereon and for

all other purposes, and neither Issuer nor Paying Agent shall be affected by any notice to the contrary.

This Bond is issued under and pursuant to the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended, and this Bond does not constitute a general obligation indebtedness of the Issuer within the meaning of any state constitutional or statutory limitation. The issuance of the Bonds shall not, directly, indirectly or contingently, obligate the Issuer or any agency, instrumentality or political subdivision thereof to levy any form of taxation therefor or to make any appropriation for their payment.

The Issuer covenants and agrees that it will cause to be collected and accounted for sufficient Net Revenues as defined in the Indenture as will at all times be sufficient to pay promptly the principal of and interest on this Bond and the issue of which it forms a part and to make all payments required to be made into the Bond Fund, and to carry out all the requirements of the Indenture.

It is hereby declared and represented that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in regular and due time, form and manner as required by law, that the amount of this Bond, together with the issue of which it forms a part, does not exceed any limitation prescribed by the Constitution or statutes of the State of Utah, that the Net Revenues of the Issuer have been pledged and that an amount therefrom will be set aside into a special fund by the Issuer sufficient for the prompt payment of the principal of and interest on this Bond and the issue of which it forms a part, as authorized for issue under the Indenture, and that the Net Revenues of the Issuer are not pledged, hypothecated or anticipated in any way other than by the issue of the Bonds of which this Bond is one and all bonds issued on a parity with this Bond.

This Bond shall not be valid or become obligatory for any purpose nor be entitled to any security or benefit under the Indenture until the Certificate of Authentication on this Bond shall have been manually signed by the Trustee.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed by the manual or facsimile signature of its Mayor and countersigned by the manual or facsimile signature of its City Recorder under its corporate seal or a facsimile thereof.

SPRINGVILLE CITY, UTAH

Mayor

ATTEST AND COUNTERSIGN:

City Recorder

[SEAL]

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This Bond is one of the Water and Sewer Revenue Bonds, Series 2008 of Springville City, Utah.

WELLS FARGO BANK, N.A.,
as Trustee

By _____
Authorized Officer

Date of Authentication: May 23, 2013

[FORM OF ASSIGNMENT]

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations.

TEN COM	—	as tenants in common	UNIF TRAN MIN ACT—
TEN ENT	—	as tenants by the entirety	_____ Custodian _____
JT TEN	—	as joint tenants with right of survivorship and not as tenants in common	(Cust) (Minor) under Uniform Transfers to Minors Act of _____ (State)

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED _____ hereby sells, assigns and transfers unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(Please Print or Typewrite Name and Address of Assignee)

the within Bond of SPRINGVILLE CITY, UTAH, and does hereby irrevocably constitute and appoint _____ Attorney to register the transfer of said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an “eligible guarantor institution” meeting the requirements of the Trustee, which requirements include membership or participation in STAMP or such other “signature guarantee program” as may be determined by the Trustee in addition to, or in substitution for, STAMP, all in accordance with the Securities and Exchange Act of 1934, as amended.

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

ARTICLE IV
MISCELLANEOUS

Section 401. Confirmation of Indenture. Except as supplemented and amended by this Amendatory Indenture, all of the provisions of the Indenture shall remain in full force and effect.

Section 402. Severability. The provisions of this Amendatory Indenture are hereby declared to be severable, and if any section, paragraph, clause or provision of this Amendatory Indenture shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions hereof.

Section 403. Captions and Headings. The captions or headings of this Amendatory Indenture are for convenience only and in no way define, limit or describe the scope or intent of any provision hereof.

Section 404. Effective Date. This Amendatory Indenture, including the amendments to the Original Indenture set forth in Article II, shall become effective on May 23, 2013.

IN WITNESS WHEREOF, the Issuer and the Trustee have caused this Amendatory Indenture of Trust to be executed as of the 1st day of May, 2013.

SPRINGVILLE CITY, UTAH

By _____
Mayor

[SEAL]

ATTEST AND COUNTERSIGN:

City Recorder

WELLS FARGO BANK, N.A.

By _____
Its _____

[SEAL]

SPRINGVILLE CITY, UTAH
RESTRUCTURING OF THE 2008 WATER SEWER REVENUE BONDS

As of May 14, 2013

GKB ANALYSIS

ORIGINAL DEBT SERVICE						NEW DEBT SERVICE							
Date	Principal	Coupon	Interest	Total P+I	Fiscal Total	Date	Principal	Coupon	Interest	Total P+I	Fiscal Total	Gross Savings	NPV Savings
04/22/2008	\$ -	-	\$ -	\$ -	\$ -	04/22/2008	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -
08/01/2008	-	-	201,863.06	201,863.06	-	08/01/2008	-	-	201,863.06	201,863.06	-	-	-
02/01/2009	620,000.00	4.850%	367,023.75	987,023.75	1,188,886.81	02/01/2009	620,000.00	4.850%	367,023.75	987,023.75	1,188,886.81	-	-
08/01/2009	-	-	351,988.75	351,988.75	-	08/01/2009	-	-	351,988.75	351,988.75	-	-	-
02/01/2010	485,000.00	4.850%	351,988.75	836,988.75	1,188,977.50	02/01/2010	485,000.00	4.850%	351,988.75	836,988.75	1,188,977.50	-	-
08/01/2010	-	-	340,227.50	340,227.50	-	08/01/2010	-	-	340,227.50	340,227.50	-	-	-
02/01/2011	505,000.00	4.850%	340,227.50	845,227.50	1,185,455.00	02/01/2011	505,000.00	4.850%	340,227.50	845,227.50	1,185,455.00	-	-
08/01/2011	-	-	327,981.25	327,981.25	-	08/01/2011	-	-	327,981.25	327,981.25	-	-	-
02/01/2012	530,000.00	4.850%	327,981.25	857,981.25	1,185,962.50	02/01/2012	530,000.00	4.850%	327,981.25	857,981.25	1,185,962.50	-	-
08/01/2012	-	-	315,128.75	315,128.75	-	08/01/2012	-	-	315,128.75	315,128.75	-	-	-
02/01/2013	555,000.00	4.850%	315,128.75	870,128.75	1,185,257.50	02/01/2013	555,000.00	4.850%	315,128.75	870,128.75	1,185,257.50	-	-
08/01/2013	-	-	301,670.00	301,670.00	-	08/01/2013	-	-	274,464.56	274,464.56	-	-	-
02/01/2014	585,000.00	4.850%	301,670.00	886,670.00	1,188,340.00	02/01/2014	-	2.800%	174,160.00	174,160.00	448,624.56	739,715.44	725,944.46
08/01/2014	-	-	287,483.75	287,483.75	-	08/01/2014	-	-	174,160.00	174,160.00	-	-	-
02/01/2015	610,000.00	4.850%	287,483.75	897,483.75	1,184,967.50	02/01/2015	740,000.00	2.800%	174,160.00	914,160.00	1,088,320.00	96,647.50	93,704.10
08/01/2015	-	-	272,691.25	272,691.25	-	08/01/2015	-	-	163,800.00	163,800.00	-	-	-
02/01/2016	640,000.00	4.850%	272,691.25	912,691.25	1,185,382.50	02/01/2016	760,000.00	2.800%	163,800.00	923,800.00	1,087,600.00	97,782.50	92,108.41
08/01/2016	-	-	257,171.25	257,171.25	-	08/01/2016	-	-	153,160.00	153,160.00	-	-	-
02/01/2017	670,000.00	4.850%	257,171.25	927,171.25	1,184,342.50	02/01/2017	780,000.00	2.800%	153,160.00	933,160.00	1,086,320.00	98,022.50	89,716.58
08/01/2017	-	-	240,923.75	240,923.75	-	08/01/2017	-	-	142,240.00	142,240.00	-	-	-
02/01/2018	705,000.00	4.850%	240,923.75	945,923.75	1,186,847.50	02/01/2018	800,000.00	2.800%	142,240.00	942,240.00	1,084,480.00	102,367.50	90,980.45
08/01/2018	-	-	223,827.50	223,827.50	-	08/01/2018	-	-	131,040.00	131,040.00	-	-	-
02/01/2019	740,000.00	4.850%	223,827.50	963,827.50	1,187,655.00	02/01/2019	825,000.00	2.800%	131,040.00	956,040.00	1,087,080.00	100,575.00	86,866.26
08/01/2019	-	-	205,882.50	205,882.50	-	08/01/2019	-	-	119,490.00	119,490.00	-	-	-
02/01/2020	775,000.00	4.850%	205,882.50	980,882.50	1,186,765.00	02/01/2020	845,000.00	2.800%	119,490.00	964,490.00	1,083,980.00	102,785.00	86,222.34
08/01/2020	-	-	187,088.75	187,088.75	-	08/01/2020	-	-	107,660.00	107,660.00	-	-	-
02/01/2021	815,000.00	4.850%	187,088.75	1,002,088.75	1,189,177.50	02/01/2021	870,000.00	2.800%	107,660.00	977,660.00	1,085,320.00	103,857.50	84,624.22
08/01/2021	-	-	167,325.00	167,325.00	-	08/01/2021	-	-	95,480.00	95,480.00	-	-	-
02/01/2022	850,000.00	4.850%	167,325.00	1,017,325.00	1,184,650.00	02/01/2022	895,000.00	2.800%	95,480.00	990,480.00	1,085,960.00	98,690.00	78,150.64
08/01/2022	-	-	146,712.50	146,712.50	-	08/01/2022	-	-	82,950.00	82,950.00	-	-	-
02/01/2023	895,000.00	4.850%	146,712.50	1,041,712.50	1,188,425.00	02/01/2023	920,000.00	2.800%	82,950.00	1,002,950.00	1,085,900.00	102,525.00	78,826.26
08/01/2023	-	-	125,008.75	125,008.75	-	08/01/2023	-	-	70,070.00	70,070.00	-	-	-
02/01/2024	935,000.00	4.850%	125,008.75	1,060,008.75	1,185,017.50	02/01/2024	945,000.00	2.800%	70,070.00	1,015,070.00	1,085,140.00	99,877.50	74,592.93
08/01/2024	-	-	102,335.00	102,335.00	-	08/01/2024	-	-	56,840.00	56,840.00	-	-	-
02/01/2025	980,000.00	4.850%	102,335.00	1,082,335.00	1,184,670.00	02/01/2025	975,000.00	2.800%	56,840.00	1,031,840.00	1,088,680.00	95,990.00	69,633.56
08/01/2025	-	-	78,570.00	78,570.00	-	08/01/2025	-	-	43,190.00	43,190.00	-	-	-
02/01/2026	1,030,000.00	4.850%	78,570.00	1,108,570.00	1,187,140.00	02/01/2026	1,000,000.00	2.800%	43,190.00	1,043,190.00	1,086,380.00	100,760.00	70,950.92
08/01/2026	-	-	53,592.50	53,592.50	-	08/01/2026	-	-	29,190.00	29,190.00	-	-	-
02/01/2027	1,080,000.00	4.850%	53,592.50	1,133,592.50	1,187,185.00	02/01/2027	1,030,000.00	2.800%	29,190.00	1,059,190.00	1,088,380.00	98,805.00	67,552.09
08/01/2027	-	-	27,402.50	27,402.50	-	08/01/2027	-	-	14,770.00	14,770.00	-	-	-
02/01/2028	1,130,000.00	4.850%	27,402.50	1,157,402.50	1,184,805.00	02/01/2028	1,055,000.00	2.800%	14,770.00	1,069,770.00	1,084,540.00	100,265.00	66,541.92
	\$ 15,135,000.00	-	\$ 8,594,909.31	\$ 23,729,909.31	-		\$ 15,135,000.00	-	\$ 6,456,243.87	\$ 21,591,243.87	-	\$ 2,138,665.44	\$ 1,856,415.13

RESTRUCTURE HIGHLIGHTS

- 1) Reduced interest rates and positive Net Present Value.
- 2) Up-front Savings to pay for sewer improvements.
- 3) Low associated costs of issuance.

Current Bond Fund per Sandy Shupe at Wells Fargo (5/8/13):	\$ 222,213.24
City Contribution for Accrued Interest	\$ 187,705.78
NET BOND FUND REMAINING	\$ 34,507.46
Costs of Issuance Paid by the City	\$ 20,965.00

RESOLUTION _____

A RESOLUTION OPENING AND AMENDING THE WATER FUND AND SEWER FUND BUDGETS FOR OPERATIONAL EXPENSES APPLYING TO THE FISCAL YEAR ENDING JUNE 30, 2013 AS OUTLINED IN EXHIBIT A.

WHEREAS, the City Council has received a recommendation from the Administration that the Springville City Water Fund and Sewer Fund budgets be opened and amended for operational expenses; and,

WHEREAS, on May 21, 2013 the City Council held a duly noticed regular meeting to ascertain the facts regarding this matter, which facts and comments are found in the hearing record; and,

WHEREAS, all persons for and against the proposed appropriation were given an opportunity to be heard; and,

WHEREAS, after considering the Administration's recommendation, and facts and comments presented to the City Council, the Council finds the proposed appropriations reasonably further the health, safety, and general welfare of the citizens of Springville City.

NOW, THEREFORE, be it resolved by the City Council of Springville, Utah as follows:

PART I:

The Budget Officer is hereby authorized and directed to amend the budgets in the Water Fund and Sewer Fund for operational expenses as outlined in Exhibit A.

PART II:

This resolution shall take effect immediately.

END OF RESOLUTION.

PASSED AND APPROVED this 21st day of May 2013.

Wilford W. Clyde, Mayor

ATTEST:

Venla Gubler, City Recorder

Exhibit A

**City of Springville
Budget Amendment Form**

Fiscal Year Ending June 30, 2013

<i>Item</i>	<i>Fund</i>	<i>Dept.</i>	<i>Acct.</i>	<i>Description</i>	<i>Beginning Budget</i>	<i>Increase</i>	<i>Decrease</i>	<i>Amended Budget</i>	<i>Purpose and Funding Source</i>
Revenues									
Expenditures									
1	51	9000	790	Bond Administration	4,500	4,400		8,900	Bond amendment cost of issuance
2	52	9000	790	Bond Administration	6,500	17,600		24,100	Bond amendment cost of issuance
	Total Expenditure Amendments				11,000	22,000		33,000	

Requested by:

Council Approval:

Date:

Resolution #:

Processed: (Finance Dept. Use Only)

Date: _____

By: _____

JE: _____