

**TREMONTON CITY CORPORATION
CITY COUNCIL MEETING
NOVEMBER 17, 2020**

Members Present:

Connie Archibald

Lyle Holmgren

Bret Rohde

Rick Seamons

Lyle Vance

Roger Fridal, Mayor

Shawn Warnke, City Manager

Linsey Nessen, City Recorder

CITY COUNCIL WORKSHOP

Mayor Fridal called the November 17, 2020 City Council Workshop to order at 5:37 p.m. The meeting was held in the City Council Meeting Room at 102 South Tremont Street, Tremonton, Utah and via Zoom. Those in attendance were Mayor Fridal, Councilmembers Archibald, Holmgren, Rohde, Seamons, and Vance, City Manager Warnke, and City Recorder Nessen. The following Department Heads were also present: Fire Chief Robert LaCroix, Community Services Director Marc Christensen, and Public Works Director Paul Fulgham.

1. Review Discussion of expanding the secondary water system including, but not limited to, the discussion of the increased water rates and bonding scenarios for the construction of additional water system improvements

Manager Warnke said the objective of this presentation is to provide clarity on culinary water authority and how subdivisions are approved, as well as culinary water capacity based on anticipated growth and secondary water projects that are needed to meet demand. We will also discuss available funding. In turn we hope the Council can give us guidance and highlight which projects to undertake. For culinary water authority and granting capacity, State Code requires the Culinary Water Board to sign off on development. That language has been added to our Land Use Code and the Public Works Director is our designated person. Our City Engineer also reviews this and submits a report to the State annually stating if the City meets peak day demand supply. For the subdivision plat, those two are at the meetings and sign it, along with the Chairman of the Development Review Committee. Capacity for culinary water is reserved and guaranteed once a building permit is issued.

Manager Warnke said we have issued 160 building permits this year. There are other subdivisions in the review process and anticipated growth related to that. City Engineer Chris Breinholt put a graph together with input from Director Fulgham and I. We continue to get interest from developers, who are working toward submitting application. Manager Warnke reviewed a few of those, as well as the variables that affect culinary water capacity. This is our best projection of the actual peak day use and the peak day

supply that is required by the State. This is our best indicator of what we anticipate growth to be. It is charted with some of the secondary water projects we have done, as well as those that need to be done to meet that growth curve. Director Fulgham said each month I provide week-by-week water usage showing our peak day use. We can produce up to 3,500 gallons a minute, but are bumping up against what we can produce from our sources. That is the importance of coming up with additional source, which we have started with secondary water to take the demand off of culinary and buy headroom for growth. Manager Warnke said there are some assumptions in putting the graph together to project growth. One of those is the timing of when new subdivisions will connect to the culinary system and when residents will connect to the secondary system. Another assumption is projection of the type of connection. We were able to reconcile those through an Equivalent Residential Connection (ERC), which is a unit of measurement that distinguishes between connections. One home without secondary water is one ERC. If the home has secondary and culinary then it is one-third of an ERC. In 2020 we are approaching our capacity and what the Bear River Water Conservancy District can provide. We are bending that curve with secondary water projects. There could be a 49 ERC reduction associated with the development of our current secondary water projects. This also shows that in 2021 we would start the expansion of Service Area 2, which would provide a 52 ERC reduction. The completion of Service Area 5 would be a 389 ERC reduction. If we can get to this point, we drive the peak day demand below what we can provide. We do have a contract with the Water Conservancy District to take a certain amount of water. We used to spend \$55,000 a year, which was our flat contract fee. However, that has jumped into the \$100,000 range associated with the additional water we needed to make up the demand. If growth continues, we need to move onto additional secondary water projects.

Manager Warnke said our next barrier is funding of the recommended secondary water projects. We will also need a central canal equalization basin. We are working toward acquiring the land and Engineer Breinholt is working on the construction documents. This project has already been budgeted for the current fiscal year. The total cost is \$268,000, with \$183,000 of that associated with the construction and \$85,000 attributed to the land. All the secondary water projects we have discussed are served off the central canal. As we move to other canals, we will develop other equalization basins to mitigate the variability associated with our pumping demand.

Manager Warnke said Service Area 5 is critical because of the amount of ERC's it will free up, but it comes with a large cost (\$3.6 million). The Service Area 2 expansion would provide water for the Harris Subdivision on 350 North and stub into the Matheson Apartment Complex. That cost is \$453,000. Completion of Service Area 4 would free up 35 ERC's and would cost \$440,000. The City has already participated in some upsizing of lines within this area to meet the overall demand. The cost for a pump station is about \$350,000. A critical element we need to consider is the amount of time it takes to implement these projects. One way to fund them would be through bond proceeds and the other is using cash on hand. Manager Warnke went through the timeline of those. We would construct through the summer and into the fall with the systems becoming operational the following year. It takes time to get these projects constructed and

residents switched over, and with the growth we are experiencing, time is of the essence.

Manager Warnke went over the pros and cons of using reserves or going through the bond process to fund these secondary water projects, which would cost \$ 4.8 million and create a reduction of 528 ERC's. The biggest con and real limiting factor is that we do not have enough cash on hand to keep pace with growth (\$1.6 million in reserves). Of that, Finance Director Curtis Roberts believes \$1 million would be available leaving \$600,000 in reserves. No additional projects could be undertaken for three to five years until those are replenished. The bond scenario provides the resources we need to get the ERC reduction and meet anticipated growth with smaller capital projects being paid for with cash. The main con is an increase in water rates. That \$5 million mark equates to a \$160 increase per customer per year in order to service that debt. An increase in water rates could be effective January 1, 2021 and would have to be established by ordinance. We would give notice to all our customers of the proposed rate increase and they would have an opportunity to participate in a public meeting. You can adjust the base rate or the usage. There is also the commercial rate.

Manager Warnke said in summary we are not meeting the current State requirements for peak day supply and are nearing capacity in our culinary water sources. We will see some relief with Service Area 3 being completed and as people migrate to the secondary water system, but it will be short lived if we do not continue additional secondary water projects. Based on the projected growth and State requirements, we believe in 2021 we need to be constructing Service Area 5, expanding Service Area 2 and contemplating Service Area 4. Councilmember Vance asked if there is a way we can look at this on a hybrid situation. The cost for Service Area 5 is \$3.6 million, but why not leverage that into new places that are being built and shift the money over one year so we can do less of a bond and not have to increase rates while investing in the new areas where more income will come in. Instead of borrowing \$4.8 million could we get by with going into part of service areas 2 and 4 without spending the money on zone 5? We do not have to do it all this year, but we still need to move forward. We could go down to \$2.5 million instead and take a smaller step. Councilmember Rohde said in our previous discussions I thought we were in agreement that we needed to go with a rate that would not have to be adjusted in the future. Now all of a sudden we want to adjust it again and I am having some heartache over that. I like Councilmember Vance's idea. Director Fulgham said one problem with that is we are not turning that curve to meet the State requirements. My concern is having enough water. We are going in the right direction, but with all the growth that is projected that eats up that curve. As more homes come on, we lose that headway rapidly. Councilmember Vance said we are all sold on the fact that we have to continue the secondary water system. The only thing I am questioning is the timing. Rather than doing it all, we need to slow down a bit. Director Fulgham said remember those secondary water connections in existing areas do not bring new revenue because they are going from culinary that pays more per tier for outdoor usage to secondary that pays less. Completing zone 5 would start freeing up more culinary water and that is what the curve is about, not revenue. Service Area 3 was a big one, but Service Area 5 carries us on to where we need to be as we continue to grow. Manager Warnke said if we do not do something, the engineer will tell us we are out of compliance. Councilmember

Holmgren said we do not have a lot of capacity to play around. With all the growth we have coming and to stay in compliance we have to take a good hard look at this.

2. Review of items listed on the 7:00 p.m. agenda
3. ***CLOSED SESSIONS: No closed session held at this time.***
 - a. ***Strategy session to discuss the purchase of real property when public discussion of the transaction would disclose the appraisal or estimated value of the property under consideration or prevent the public body from completing the transaction on the best possible terms; and/or***
 - b. ***Strategy session to discuss the character, professional competence, or physical or mental health of an individual; and/or***
 - c. ***Strategy sessions to discuss pending or reasonably imminent litigation; and/or***
 - d. ***Discussions regarding security personnel, devices, or systems***

The meeting adjourned at 6:55 p.m. by consensus of the Council.

CITY COUNCIL MEETING

Mayor Fridal called the November 17, 2020 City Council Meeting to order at 7:00 p.m. The meeting was held in the Tremonton City Council Meeting Room at 102 South Tremont Street, Tremonton, Utah and via Zoom. Those in attendance were Mayor Fridal, Councilmembers Archibald Holmgren, Rohde, Seamons, and Vance, City Manager Warnke, and City Recorder Nessen. The following Department Heads were also present: Fire Chief Robert LaCroix, Community Services Director Marc Christensen, and Public Works Director Paul Fulgham.

1. Opening Ceremony:

Mayor Fridal informed the audience that he had received no written or oral request to participate in the Opening Ceremony. He asked anyone who may be offended by listening to a prayer to step out into the lobby for this portion of the meeting. The prayer was offered by Councilmember Archibald and the Pledge of Allegiance was led by Director Christensen.

2. Introduction of guests:

Mayor Fridal welcomed those in attendance via Zoom.

3. Declaration of Conflict of Interest:

Councilmember Holmgren declared a conflict on item 9. g.

4. Approval of Agenda:

Motion by Councilmember Archibald to approve the agenda of November 17, 2020.
Motion seconded by Councilmember Seamons. Vote: Councilmember Archibald - aye,

Councilmember Holmgren - aye, Councilmember Rohde - aye, Councilmember Seamons - aye, Councilmember Vance - aye. Motion approved.

5. Approval of minutes – October 20, 2020

Motion by Councilmember Holmgren to approve the minutes of October 20, 2020.

Motion seconded by Councilmember Archibald. Vote: Councilmember Archibald - aye, Councilmember Holmgren - aye, Councilmember Rohde - aye, Councilmember Seamons - aye, Councilmember Vance - aye. Motion approved.

6. Public comments:

Resident Mariah Howick, who lives behind West Liberty Foods, said my neighbors and I have a lot of safety concerns regarding employees trespassing on our property. We have complained to West Liberty and they always say it will be taken care of, but it is not. With over 20 small children in the area we have other safety concerns. There is also a lot of garbage along the back lot. They have come to clean it up, but two weeks later it is horrible again. We have had more headlights than normal in the parking lot that shine into our yards.

Resident Jax Whitehill said I have since moved from there, but was asked to address the issues I had. The trash was outrageous and I would pick up one to two grocery bags full of trash periodically. I witnessed people launch water bottles into my yard. There have also been crack pipes and needles, which is a huge concern with children. When people are on their breaks they would approach my daughter in my yard. They would also have their stereos up loud and shine their headlights for 10 to 20 minutes. They were even feeding stray cats on the corner of my property and I complained several times. When people leave they drag racing out of the parking lot. The company says they will take care of it, but it always goes right back to the same problems.

Resident Mary Ann Parsons echoed those responses and said my biggest concern is the safety of my four little girls. People have driven right through our property to my front driveway and are walking through. They also litter and shine their lights through our yards at night.

7. Employee Service Award

- a. Cathy Newman, 15-year Employee Service Award

Mayor Fridal thanked her for her service.

8. Presentation

- a. GFWC Women Civic League

Mayor Fridal said to show their appreciation for the support of their pumpkin walk, the GFWC Women Civic League has donated a check to the City for \$1,000. They plan to do the pumpkin walk again next year.

- b. Introduction to River's Edge Development and Annexation (approximately 10-15 minutes) – Skyler Chambers, Sky Development Group and Braden Moore, Big D Construction

Mr. Chambers said we want to introduce you to the development and what we have planned. We were going to present the annexation, but that will move to the next meeting due to an issue that needs to be resolved. Manager Warnke said what is being proposed is an annexation of 132 acres. It is located north of Main Street between 950 East and the Crossroads. Most of the property owners have put their land within an Ag Protection zone and, according to State law, in order to annex property within an Ag Protection zone, the owners have to sign the annexation petition. The developers are going to reach out to those owners to see if they will sign that. If they do not we can annex the property, but it would create an island of unincorporated and incorporated areas. That is not ideal for many reasons.

Mr. Chambers introduced himself and his partner Braden Moore, who are developers for this area. Mr. Chambers said this is a master planned community with a commercial aspect on Main Street. We will have an 8.4 acre park with a water retention pond for our subdivision and surrounding areas. We also have plans for a secondary water pump station and will pipe water through our subdivision to surrounding subdivisions. We will have quite a few other amenities. We plan to have 267 single-family lots, 210 townhomes, 264 apartments, and seven acres of commercial property. This will have an impact on water so we want to work with the City. Developer Craig Adams has talked to some of you about a Public Infrastructure District (PID). That allows us to use a municipal bond to install infrastructure with the upfront cost, which will be paid back by the homeowners. That takes the cost off the City's plate. We have invited Gilmore & Bell who help write legislation for PIDs and have helped Tremonton with some of their Municipal bonds. They will discuss what these bonds are and how they work.

- c. Introduction to Public Infrastructure District (approximately 10-15 minutes) – Randall Larsen, Gilmore & Bell, P.C. and Ryan Polson, Wells Fargo Bank

Mr. Larsen said we have a long-standing relationship with Tremonton City and our objective is to represent the City in describing and educating you on this if the Council chooses to move forward. Aaron Wade, who created a summary of the districts and how they work, said PIDs are another economic development tool that is available to Utah cities and counties. This is a local district and independent subdivision so any debts of the district are not those of the City. It will also be governed by its own board and create a new tax revenue stream. Those individuals would initially consist of property owners and their agents, but when residents move in, the board would transition from being appointed to elected. Mr. Larsen clarified that PIDs cannot provide any service, speak to planning and zoning or density, or building permits, and not sign off on

engineering specs for the infrastructure that is created. Think of a PID as solely a capital financing group. PIDs have no ability to interfere with any city, county, or district function because of statutory limitations. Mr. Wade said creation of a PID is at the City's discretion and requires consent of all property owners affected. The City has the ability to put limitations on it. There are different ways these districts can be used to enhance infrastructure. This helps facilitate master planned communities by making those initial upfront costs more bearable. It also encourages more commercial development. There is a lower cost to developers to incentivize those types of projects. He reviewed the different types of bonds through a PID and different tax rates within that district. When asked about the added cost to live in a community like this due to the PID, Mr. Chambers said people want to live in a community like this because it has amenities that other places do not. People are willing to pay a premium to get these amenities—like an HOA fee. This does make it less expensive for the developer and shifts that burden onto the homeowner, but it is not a big enough thing that they bat an eye. There just has to be disclosure and information upfront.

Councilmember Vance said you stated development would happen as fast as the market allows, what does that look like? Mr. Moore said we have done a lot of market research in the area and, if Tremonton can handle it, the amount of permits per year could double or triple by next year. Housing along the Wasatch Front is getting so expensive and people have already asked about our lots. If we can figure out water and a couple other things, Tremonton could sell 300 homes in the next year.

9. City Council Business

a. Discussion and consideration of adopting September Financial Statements

Motion by Councilmember Holmgren to adopt the September Financial Statements. Motion seconded by Councilmember Seamons. Vote: Councilmember Archibald - aye, Councilmember Holmgren - aye, Councilmember Rohde - aye, Councilmember Seamons - aye, Councilmember Vance - aye. Motion approved.

b. Discussion and consideration of adopting September Warrant Register

Motion by Councilmember Vance to adopt the September Warrant Register. Motion seconded by Councilmember Rohde. Vote: Councilmember Archibald - aye, Councilmember Holmgren - aye, Councilmember Rohde - aye, Councilmember Seamons - aye, Councilmember Vance - aye. Motion approved.

c. Discussion and consideration of the appointment of Annette McFarlane and Rick Jeppesen, individuals to fill two Library Board Member vacancies

Motion by Councilmember Archibald to approve the individuals stated above. Motion seconded by Councilmember Holmgren. Vote: Councilmember Archibald - aye, Councilmember Holmgren - aye, Councilmember Rohde - aye, Councilmember Seamons - aye, Councilmember Vance - aye. Motion approved.

- d. Discussion and consideration of adopting Resolution No. 20-49 formally appointing Robert LaCroix to serve as Tremonton City Fire Chief

Motion by Councilmember Rohde to adopt the resolution and welcome Chief LaCroix. Motion seconded by Councilmember Archibald. Roll Call Vote: Councilmember Archibald - aye, Councilmember Holmgren - aye, Councilmember Rohde - aye, Councilmember Seamons - aye, Councilmember Vance - aye. Motion approved.

- e. Discussion and consideration of adopting Resolution No. 20-50 requesting admission to the Firefighters Retirement System

Manager Warnke said according to URS we are required to enroll our full-time fire fighter, which Chief LaCroix is. In order to start that process, they want a resolution by the governing board.

Motion by Councilmember Holmgren to adopt the resolution. Motion seconded by Councilmember Seamons. Roll Call Vote: Councilmember Archibald - aye, Councilmember Holmgren - aye, Councilmember Rohde - aye, Councilmember Seamons - aye, Councilmember Vance - aye. Motion approved.

- f. Discussion and consideration of adopting Resolution No. 20-51 approving the First Amendment to the Public Recreation Easement Agreement granted to Rocky Mountain Power to Tremonton City for the Canal Rail Trail System

Manager Warnke said the term of that easement requires us to build within a certain time period. It is not advantageous for us to do that so we have requested an amendment that would allow another five-year period to make those improvements and create a trail. Councilmember Rohde said I would like to see us work on that easement sooner rather than later. So many kids walk on the tracks and it would be nice to get that section in as soon as we can.

Motion by Councilmember Holmgren to adopt the resolution. Motion seconded by Councilmembers Archibald and Rohde. Roll Call Vote: Councilmember Archibald - aye, Councilmember Holmgren - aye, Councilmember Rohde - aye, Councilmember Seamons - aye, Councilmember Vance - aye. Motion approved.

- g. Discussion and consideration of adopting Resolution No. 20-52 accepting the Rivers Edge Annexation to Tremonton City Petition consisting of 132.757 acres of real property located north of Main Street generally between 950 East and State Road 13, under the provisions of sections 10-2-403 and 10-2-405, Utah Code Annotated, 1953, as amended

Manager Warnke said we did discover an issue that needs to be resolved before this can be approved. Councilmember Vance said we need to have a discussion to make sure we really understand the PID, but I would like to see this happen.

Motion by Councilmember Archibald to table this item. Motion seconded by Councilmember Seamons. Roll Call Vote: Councilmember Archibald - aye, Councilmember Rohde - aye, Councilmember Seamons - aye, Councilmember Vance - aye. Motion approved. Councilmember Holmgren abstained from the vote.

- h. Discussion and consideration of authorizing the Fire Department to purchase a 2021 1500 Silverado 4WD Pick-up Truck at the State of Utah contracted price

Manager Warnke said we have budgeted funds in order for the fire chief to have a vehicle and it is consistent with what we do for public safety. We purchase a vehicle for them to take home that is equipped to respond anywhere. Our purchasing policy requires the City Council to approve the purchase of a vehicle. We received a bid from Crumps with the specifications of a vehicle he needs in order to perform his duties. The amount was \$34,000, which is the State contracted price. With your approval, he would order this vehicle, which will take about eight weeks to deliver and be outfitted with a radio, siren, and lights.

Motion by Councilmember Archibald to approve this purchase at the contracted price. Motion seconded by Councilmember Vance. Vote: Councilmember Archibald - aye, Councilmember Holmgren - aye, Councilmember Rohde - aye, Councilmember Seamons - aye, Councilmember Vance - aye. Motion approved.

- 10. Calendar Items and Previous Assignment
 - a. Review of calendar

Director Christensen said the light show starts a week from tomorrow. There are new songs and features, and it is all setup. It will run from 5:30 p.m. to midnight from Thanksgiving to New Year's.

- b. Review of past assignment: None.

- 11. Reports & Comments:
 - a. City Manager Reports and Comments:
 - 1. Fire Department Call Volume Report

Manager Warnke said this is an ongoing effort to inform you where we are at with responses for the fire department. We are trending what we did last year for medical. For fires, the fire department is ahead of last year. The fire department is responding more this year than they have when you look at both services.

- b. Development Review Committee Report and Comments:

Manager Warnke said I mentioned our new projects in the secondary water discussion.

- c. City Department Head Reports and Comments: None
- d. Council Reports and Comments

Councilmember Holmgren said there are some issues at West Liberty Foods. I went there and wonder if it can be resolved with a common fence between the property owners. I think West Liberty Foods' intention is to be a good neighbor and they will work something out.

12. ***CLOSED SESSIONS: No closed session was held at this time.***

- a. ***Strategy session to discuss the purchase of real property when public discussion of the transaction would disclose the appraisal or estimated value of the property under consideration or prevent the public body from completing the transaction on the best possible terms; and/or***
- b. ***Strategy session to discuss the character, professional competence, or physical or mental health of an individual; and/or***
- c. ***Strategy sessions to discuss pending or reasonably imminent litigation; and/or***
- d. ***Discussions regarding security personnel, devices, or systems***

13. Adjournment.

Motion by Councilmember Archibald to adjourn the meeting. Motion seconded by Councilmember Seamons. Vote: Councilmember Archibald - aye, Councilmember Holmgren - aye, Councilmember Rohde - aye, Councilmember Seamons - aye, Councilmember Vance - aye. Motion approved.

The meeting adjourned at 8:13 p.m.

The undersigned duly acting and appointed Recorder for Tremonton City Corporation hereby certifies that the foregoing is a true and correct copy of the minutes for the City Council Meeting held on the above referenced date. Minutes were prepared by Jessica Tanner.

Dated this _____ day of _____, 2020.

Linsey Nessen, City Recorder

Follow-up items for the Council and City Staff

City Staff will continue working on scenarios for secondary water. Councilmember Vance will email his idea of a hybrid situation and a timeline for that.