



**AGENDA FOR THE WORK / STUDY MEETING  
OF THE CITY COUNCIL  
OF THE CITY OF SPRINGVILLE, UTAH  
COUNCIL CHAMBERS, 110 SOUTH MAIN STREET  
DECEMBER 17, 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
  - December 19 – Springville City Employees’ Christmas Luncheon, Library, 12 noon
  - December 24 – Christmas Eve
  - December 25 – Christmas Day, City Offices Closed
  - December 31 – New Year’s Eve
  - January 1, 2014 – New Year’s Day, City Offices Closed
  - January 7 – Oath of Office Ceremony 5:15 p.m.
  - January 7 – Work/Study Meeting 5:45 p.m., City Council Meeting 7:00 p.m.
- 3) Discussion on this evening’s Regular Meeting agenda items
  - a) Invocation – Cl. Jolley
  - b) Pledge of Allegiance – Cl. Packard
  - c) Consent Agenda
    2. Approval of all City purchase orders properly signed (Springville City Code §2-10-110(5))
    3. Consideration of an interlocal agreement with Utah County for the City’s CTC Coordinator position – John Penrod, Assistant City Administrator/City Attorney
- 4) **DISCUSSIONS/PRESENTATIONS**
  - a) Presentation of the 2013 Citizen Survey – Troy Fitzgerald, City Administrator
  - b) Discussion of the canal located in The Rivers Subdivision- Jeff Anderson, City Engineer

This meeting was noticed in compliance with Utah Code 52-4-202 on December 12, 2013. Agendas and minutes are accessible through the Springville City website at [www.springville.org/agendasminutes](http://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.

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

**5) MAYOR, COUNCIL, AND ADMINISTRATIVE REPORTS**

- a) Art City Days – Councilmember Jolley
- b) Utah County Council of Governments – Mayor Clyde
- c) Review of accomplishments in City Council terms of Mark Packard and Benjamin Jolley – Troy Fitzgerald, City Administrator *(6:30 p.m.)*

**ADJOURNMENT**

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**MINUTES OF THE REGULAR MEETING  
OF THE CITY COUNCIL  
OF THE CITY OF SPRINGVILLE, UTAH  
COUNCIL CHAMBERS, 110 SOUTH MAIN STREET  
OCTOBER 15, 2013 – 7:00 P.M.**

The following are the minutes of the Regular Meeting of the Springville City Council. The meeting was held on **Tuesday, October 15, 2013 at 7:00 p.m.** in the Springville City 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 delivered to members of the Council, media, and interested citizens.

Mayor Wilford W. Clyde presided. In addition to Mayor Clyde, the following were present: Councilmember Rick Child, Councilmember Christopher Creer, Councilmember Benjamin Jolley, Councilmember Dean Olsen, Councilmember Mark Packard, City Administrator Troy Fitzgerald, Assistant City Administrator/City Attorney John Penrod, Assistant City Administrator/Finance Director Bruce Riddle, and City Recorder Venla Gubler. Also present were: Chief, Brandon, Fred, Rod, Brad

**CALL TO ORDER**

Mayor Clyde called the meeting to order at 7: 02 p.m.

**INVOCATION AND PLEDGE**

City Administrator Troy Fitzgerald offered the invocation. Mr. Nate Conrad led the Pledge of Allegiance.

**APPROVAL OF THE MEETING'S AGENDA**

Mayor Clyde thanked Scout Nate Conrad for leading the Pledge and commented that we are blessed to live in the United States. He asked for a motion on the agenda. COUNCILMEMBER JOLLEY MOVED TO APPROVE THE MEETING'S AGENDA AS WRITTEN. COUNCILMEMBER CHILD SECONDED THE MOTION, AND ALL VOTED AYE.

**APPROVAL OF THE MINUTES**

COUNCILMEMBER CREER MOVED TO APPROVE THE MINUTES OF SEPTEMBER 17, 2013 AS WRITTEN. COUNCILMEMBER OLSEN SECONDED THE MOTION, AND ALL VOTED AYE.

**MAYOR'S COMMENTS**

Mayor Clyde recognized scouts from Troops #1476, #1352, #1450, and #106. He also recognized student Lonnie Lowell in the audience.

## **PUBLIC COMMENT**

Mayor Clyde introduced the Public Comment section of the agenda and asked if there were any visitors. There was none. Mayor Clyde commented that there was a rumor floating around town that the Springville Wal-Mart was going to close. He reported that he had talked with the Store Manager and the rumor is not true.

## **CONSENT AGENDA\***

1. **Approval of all City purchase orders properly signed** (Springville City Code §2-10-110(5))
2. **Consideration of an Interlocal Agreement with Spanish Fork City regarding a water inter-connection** – John Penrod, Assistant City Administrator/City Attorney
3. **Consideration of an agreement with the Utah Local Governments Trust** – John Penrod, Assistant City Administrator/City Attorney

COUNCILMEMBER PACKARD MOVED TO APPROVE THE CONSENT AGENDA. COUNCILMEMBER JOLLEY SECONDED THE MOTION, AND ALL PRESENT VOTED AYE. THE MOTION CARRIED UNANIMOUSLY.

## **REGULAR AGENDA**

4. **Report by the ASAP Committee and Utah County Health Department on the success of the Strengthening Families Program**

Mr. Pat Bird, from the Utah County Department of Health, Division of Drug and Alcohol Prevention and Treatment, reported that the Strengthening Families Program was funded and operated by the Art City Substance Abuse Prevention (ASAP) Coalition. They operated two cycles of this program. Two students from the BYU School of Social Work evaluated and measured the outcomes of the program. He distributed handouts and introduced Mr. Kevin Walker and Ms. Kenzie Sorensen to present the findings of their study.

Mr. Walker introduced himself and Ms. Sorensen as Graduate Students at BYU. He directed attention to the Executive Summary. He reported that the purpose of the study was to help Utah County and the ASAP Coalition identify the effect of the Strengthening Families Program had on the participants. They focused the study on three specific areas of interest. The participants were asked to complete a 42-question survey before and after the program. Pre-tests and post-tests were matched and entered into a statistical program for data analysis. He reported that the program had a positive effect on the participants, so he would recommend continuing to fund the program. The three target areas of inquiry were Family Skills, Communication, and Parental Attitudes.

Ms. Sorensen reported that they had evaluated two instances of the program – one in Springville, and one in Provo. The majority of participants were in Springville. They collected data the first and last weeks. After analyzing the data, they found that all three areas of questions showed statistical significance of improvement. She noted that there was a small sample size, and there were only two sites, but the implications are that the program worked in both places. She added that the data was compared to previous research, and the program was again found to be effective.

Mayor Clyde asked how the researchers felt about the evaluation and results. Ms. Sorensen replied that the program is effective. Mr. Walker agreed. He noted that seeing how the program was implemented and operated was a “cool experience.” Councilmember Creer asked about the questions, and how the number showed that the program was effective. Ms. Sorensen replied that they chose to measure three areas and formed a scale. They compared the positive responses from survey one to survey two, and found that there was a positive change in that time period. Councilmember Packard asked if the analysis found any areas that could be better. Ms. Sorensen replied that the survey did not address where the program was lacking.

Councilmember Jolley offered a quick overview of the ASAP Coalition to the audience. He observed that this is a community-based education model used to help stop substance abuse. The Coalition provides a core leadership of community members that research and implement programs based on factors that promote factors to reduce and prevent substance abuse. He commented that it is worth mentioning here that the most current survey says that the dollars spent on this program, the value expressed by the participants, and the effectiveness found by the volunteers is significant. Mayor Clyde added that the Coalition is a dedicated volunteer group that meets monthly at 6:30 a.m. The program has found that stronger families help prevent substance abuse. The participants were tested beforehand and after to see if the program was working as intended. The survey shows an increase in skills.

Mayor Clyde also noted that the former Coordinator for the program has moved out of state and the City is in the process of finding a new Coordinator. Attorney Penrod reported that the City had a wonderful applicant pool, and Ms. Shannon Acor had been chosen to be the new Coordinator. He reported that she would be introduced to the Council soon. He added that the Strengthening Families Program is only one part of the work done by the Coalition to build protective factors and reduce risk factors that endanger our youth. He noted the Mayor’s Recognition Awards as another component of the platform. He reported that the Strengthening Families Program educated 23 families in a 14-week course using a grant from Utah County. The purpose of this report is to ask the Council for continued funding if the County chooses not to start another grant cycle. He reported that the families involved gave positive reviews. There were available for the Council if they wished to read them. Mayor Clyde observed that he honestly feels that the real scourge of society is the illegal use of substances. Substance abuse ruins people and their families. He is glad Springville has a group that helps find solutions. He noted that the Coalition consists of representatives from police, schools, health professions, and parents. He feels that the Community Coalition has made a huge difference in Springville. He asked if there was any other comment. There was none.

**5. Consideration of an agreement for new electric services in Hobble Creek Canyon –**  
John Penrod, Assistant City Administrator/City Attorney

Attorney Penrod reported that this agreement comes at the request of two applicants for electric service outside of the City’s boundaries. He explained that in the past these services would have just been added onto the City’s service lines, but a recent change in the law (SB180) requires the City to have approval from the Council, Rocky Mountain Power, and the Public

Service Commission. He reported that this form can be used for future connections so that the requests would not have to be brought back to the Council.

Attorney Penrod reviewed the terms of the agreement for the Council. He reported that the agreement would continue unless the City decides to implement an increase in the rate or the use requests an increase in load size. The agreement only applies to new customers requesting new services. The agreement terminates when Rocky Mountain Power buys out the City services in the area, or if the area is annexed to Springville. He noted that there is a mechanism outlined in State Code for the process of buyout. He reported that the contract is mostly general standard terms, and there are no new risks to Springville. He disclosed that there is one contract term that the City would not normally agree to—the waiver of a jury. However, the only risk is something the City has been doing for years—providing service to users outside of its boundaries. Councilmember Child asked about rate increases that would affect the agreement. Councilmember Packard commented that the rate increase would only have to affect that area, not a system-wide increase. Attorney Penrod confirmed that this was his understanding of the law. He asked if there were other questions. There was none.

COUNCILMEMBER JOLLEY MOVED TO APPROVE THE EXECUTION OF THE AGREEMENT FOR ELECTRIC SERVICE BY MUNICIPALITY TO ADDITIONAL CUSTOMER(S) AFTER JUNE 15, 2013 OUTSIDE OF MUNICIPAL BOUNDARY FOR TWO CANYON SERVICE CONNECTIONS, AND GIVE AUTHORITY TO EXECUTE THE AGREEMENT FOR ALL FUTURE SERVICE CONNECTIONS OUTSIDE OF SPRINGVILLE'S MUNICIPAL BOUNDARIES. COUNCILMEMBER PACKARD SECONDED THE MOTION, AND ALL VOTED AYE. THE MOTION CARRIED UNANIMOUSLY.

## **MAYOR, COUNCIL AND ADMINISTRATIVE REPORTS**

Mayor Clyde asked if there were any other reports or comments. Attorney Penrod reminded the Council and audience about the Masquerade Ball and reported that tickets were available on the City's website.

## **CLOSED SESSION**

- 6. 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*

There was no closed session.

## **ADJOURNMENT**

COUNCILMEMBER PACKARD MOVED TO ADJOURN THE CITY COUNCIL MEETING AT 7:32 P.M. COUNCILMEMBER JOLLEY SECONDED THE MOTION, AND ALL VOTED AYE.



**MINUTES OF THE REGULAR MEETING  
OF THE CITY COUNCIL  
OF THE CITY OF SPRINGVILLE, UTAH  
COUNCIL CHAMBERS, 110 SOUTH MAIN STREET  
DECEMBER 3, 2013 – 7:00 P.M.**

6

The following are the minutes of the Regular Meeting of the Springville City Council.  
8 The meeting was held on **Tuesday, December 3, 2013 at 7:00 p.m.** in the Springville City Civic  
Center Council Chambers, 110 South Main Street, Springville, Utah. Adequate notice of this  
10 meeting, as required by law, was posted in the Civic Center and on the City’s website, and  
delivered to members of the Council, media, and interested citizens.

12  
14 Mayor Pro Tem Rick Child presided. In addition to Mayor Pro Tem Child, the following  
were present: Councilmember Christopher Creer, Councilmember Benjamin Jolley,  
Councilmember Mark Packard, City Administrator Troy Fitzgerald, Assistant City  
16 Administrator/City Attorney John Penrod, Assistant City Administrator/Finance Director Bruce  
Riddle, and City Recorder Venla Gubler. Also present were: Community Development Director  
18 Fred Aegerter, Chief Henry Clinton, Public Safety Director Scott Finlayson, Power Director  
Leon Fredrickson, Administrative Services Manager Rod Oldroyd, Buildings and Grounds  
20 Director Alex Roylance, and Public Works Director Brad Stapley. Mayor Wilford W. Clyde and  
Councilmember Dean Olsen were absent.

22  
**CALL TO ORDER**

24 Mayor Pro Tem Child called the meeting to order at 7:00 p.m. He excused Mayor Clyde  
and Councilmember Olsen, and then introduced himself to the audience.

26  
**INVOCATION AND PLEDGE**

28 The invocation was offered by Councilmember Creer. Councilmember Jolley led the  
Pledge of Allegiance.

30  
**APPROVAL OF THE MEETING’S AGENDA**

32 COUNCILMEMBER JOLLEY MOVED TO APPROVE THE MEETING’S AGENDA  
WITH THE STRIKING OF ITEM 7. COUNCILMEMBER CREER SECONDED THE  
34 MOTION, AND ALL VOTED AYE.

36  
**APPROVAL OF THE MINUTES**

38 COUNCILMEMBER CREER MOVED TO APPROVE THE MINUTES OF  
NOVEMBER 19, 2103. COUNCILMEMBER PACKARD SECONDED THE MOTION, AND  
ALL VOTED AYE.

2  
4  
**MAYOR’S COMMENTS**

Mayor Pro Tem Child recognized scouts from Troops 1201, 61, and 129. He also recognized six students in the audience that were present on assignment.

6  
**CEREMONIAL AGENDA**

1. **Presentation of the CERT graduates** – Scott Finlayson, Public Safety Director

Mayor Clyde asked Councilmember Creer to help with the presentation. Chief Finlayson introduced the Emergency Preparedness Committee members that manage the Community Emergency Response Team (CERT) training classes, Mr. Martin Palmer and Ms. Karrie Beardall. Mr. Palmer distributed pictures of the training given in the classes. Ms. Beardall reported that the Committee held two CERT training classes last spring, a block captain training in April, a Mock Disaster Training in August, and one CERT training class this fall. She added that the Committee has partnered with Merit Academy to help get involvement in the CERT program. The Committee’s goal is to find ways to get information about emergency training out to community members and increase participation.

The CERT graduates were called to the front and presented their certificates by Councilmember Creer. They were: Camille Marshall (present), Danielle Roberts (not present), David Bunker (no present), Emme-Lee Winfield (present), Grace Yoon (no present), Hannah Fox (not present), Hye Rim-Lim (not present), Kadan Pearson (present), Kilee Davis (present), Luis Zerrallos (present), Sage Lee (not present), and Sergio Ramirez (not present). Congratulations were offered and pictures taken. Councilmember Child commented that the City was glad to have these graduates involved in the CERT program.

24  
**PUBLIC COMMENT**

Mayor Pro Tem Child reminded the audience that the Council can take no action on item brought up in this section of the agenda. He also asked the commenters to keep their remarks brief. He turned the time over to the first requester.

Ms. Karen Ifediba reported that her neighbors are complaining about construction noise starting very early and continuing late in the evening. She had assumed that Springville had adopted a noise ordinance similar to other communities, but found, after contacting the police department, that Springville had a nuisance ordinance and not a noise ordinance. She asked the Council to consider adopting of a noise ordinance. Mayor Pro Tem Child observed that he always thought Springville had a noise ordinance as well. Ms. Ifediba reported that construction noise is starting at 6:15 a.m. and continuing until 10:30 p.m. and bothers her neighbors with children.

Mr. Calvin Crandall reported that the new crossing gate at 1034 South Main had been knocked over, and he assumes that it was Springville’s garbage truck because of the tracks in the snow. He asked for assistance in getting it fixed. He also asked the City to consider spending money on improving 1600 South. He knows that the street is classified as a future arterial, and that it has two railroad crossings, but the surface is so bad that it is not safe.

2            Ms. Trinka Evjen reported that motorists are ignoring the stop sign at 400 East Center  
because it is hidden in a tree. She suggested putting solar lights on the sign to bring to the  
4 attention of motorists before there is a serious accident. Mayor Pro Tem Child agreed that the  
sign was quite a ways back from the side of the street. Administrator Fitzgerald commented that  
6 staff discuss the issue and come up with a solution.

          Mayor Pro Tem Child asked if there were other comments. There was none.

8  
**CONSENT AGENDA\***

- 10        2. **Approval of all City purchase orders properly signed** (Springville City Code §2-10-  
110(5))
- 12        3. **Approval of Resolution #2013-28 adopting the 2014 Annual Meeting Schedule** –  
Venla Gubler, City Recorder
- 14        4. **Approval of Resolution #2013-29 establishing pavilion rental fees and campground  
16 fees for the Springville Canyon Parks, and Resolution #2013-30 establishing winter  
recreation fees for the Canyon Parks** – Alex Roylance, Buildings and Grounds  
Director

18        COUNCILMEMBER PACKARD MOVED TO APPROVE THE CONSENT AGENDA  
AS WRITTEN. COUNCILMEMBER JOLLEY SECONDED THE MOTION. THE VOTE IS  
20 RECORDED AS FOLLOWS: COUNCILMEMBER JOLLEY – AYE; COUNCILMEMBER  
CHILD – AYE; COUNCILMEMBER PACKARD – AYE; AND COUNCILMEMBER CREER  
22 – AYE. THE MOTION CARRIED UNANIMOUSLY WITH ONE ABSENT  
(COUNCILMEMBER OLSEN).

24  
**PUBLIC HEARING AGENDA**

- 26        5. **Public Hearing to consider a request to amend the General Plan Land Use Element  
for the property located at 871 South Main from Low Density Residential to  
28 Industrial Manufacturing** – Fred Aegerter, Community Development Director

          Director Aegerter commented that he will combine the public hearing items for the  
30 presentation. One hearing is for the amendment to the General Plan, and the second is for the  
zoning amendment. He presented a map showing the location of the property. He reported that  
32 the building on the parcel was originally built for commercial or industrial uses. He added that  
the industrial manufacturing zone is right across the street to the west. The surrounding uses on  
34 South Main are a mix of residential, commercial, and small industrial uses.

          Director Aegerter reported that the Planning Commission considered the amendments at  
36 the request of the Council after Mr. Lifferth approached them on behalf of the owner. Mr.  
Lifferth would like to purchase the property and use it for a welding shop to manufacture dairy  
38 equipment. Director Aegerter offered the Council is history of property uses on this parcel. He  
reported that the first building permit recorded on this parcel was in the 1950's when it was still  
40 in the County. The building has been used as a store, a blind shop, and for storage. The zoning  
has been switched back and forth from residential to commercial. The last change was in the  
42 1990's, when it was zoned residential. The proposal before the Council tonight is to amend the

land use map to Industrial Manufacturing to match the designation across the street. The second  
2 proposal is to amend the Official Zoning Map to Light Industrial Manufacturing. The Planning  
Commission considered and discussed the issues and history of the parcel, and recommends  
4 unanimously amending the General Plan and the Zoning Map. The only concern was expressed  
today in his office by Mr. Calvin Crandall. Mayor Pro Tem Child opened the Public Hearing.

6 Mr. Calvin Crandall reported that he was concerned when he came in today, but his  
concerns have been alleviated. He would consider it an improvement to have a business there.  
8 He commented that if something occurs there that is unsightly, he can request to have it removed  
under the current nuisance ordinance. He confirmed that nuisance noises can be corrected under  
10 this ordinance too. Attorney Penrod replied yes. He explained that the nuisance ordinance  
defines a “nuisance” as something that interferes with comfortable living. He added that the  
12 general standard is from 7:00 a.m. to 10:00 p.m. Mr. Crandall commented that he had no  
objections to the proposal then.

14 COUNCILMEMBER PACKARD MOVED TO CLOSE THE PUBLIC HEARING.  
COUNCILMEMBER JOLLEY SECONDED THE MOTION, AND ALL VOTED AYE.

16 COUNCILMEMBER JOLLEY MOVED TO APPROVE ORDINANCE #12-2013  
AMENDING THE LAND USE MAP OF THE SPRINGVILLE GENERAL PLAN FROM  
18 LOW DENSITY RESIDENTIAL TO INDUSTRIAL MANUFACTURING IN THE AREA OF  
871 SOUTH MAIN STREET. COUNCILMEMBER CREER SECONDED THE MOTION.  
20 THE VOTE IS RECORDED AS FOLLOWS: COUNCILMEMBER CREER – AYE;  
COUNCILMEMBER PACKARD – AYE; COUNCILMEMBER CHILD – AYE; AND  
22 COUNCILMEMBER JOLLEY – AYE. THE MOTION CARRIED UNANIMOUSLY WITH  
ONE ABSENT (COUNCILMEMBER OLSEN).

24  
26 **6. Public Hearing to consider a request to amend the Official Zoning Map for the  
property located at 871 South Main from R1-15, Residential Single Family to LIM –  
Light Industrial Manufacturing zone – Fred Aegerter, Community Development  
28 Director**

Mayor Pro Tem Child opened the Public Hearing. There was no comment.

30 COUNCILMEMBER JOLLEY MOVED TO CLOSE THE PUBLIC HEARING.  
COUNCILMEMBER PACKARD SECONDED THE MOTION, AND ALL VOTED AYE.

32 COUNCILMEMBER CREER MOVED TO APPROVE ORDINANCE #13-2013  
AMENDING THE OFFICIAL ZONING MAP FROM THE R1-15 SINGLE FAMILY  
34 RESIDENTIAL ZONE TO THE L-IM LIGHT INDUSTRIAL MANUFACTURING ZONE IN  
THE AREA OF 871 SOUTH MAIN STREET. COUNCILMEMBER PACKARD SECONDED  
36 THE MOTION. THE VOTE IS RECORDED AS FOLLOWS: COUNCILMEMBER  
PACKARD – AYE; COUNCILMEMBER CHILD – AYE; COUNCILMEMBER JOLLEY –  
38 AYE; AND COUNCILMEMBER CREER – AYE. THE MOTION CARRIED  
UNANIMOUSLY WITH ONE ABSENT (COUNCILMEMBER OLSEN).

**REGULAR AGENDA**

2 ~~7. Consideration of a Lease Agreement with the Boy Scouts of America for Camp Jeremiah~~  
3 ~~Johnson in Hobble Creek Canyon—Troy Fitzgerald, City Administrator~~

4 This item was stricken from the agenda in the motion above.

6 **8. Consideration of a Utility Easement Agreement with the Corporation of the**  
7 **Presiding Bishopric of the Church of Jesus Christ of Latter Day Saints, Property**  
8 **Reserve Inc., and Suburban Land Reserve – John Penrod, Assistant City**  
9 **Administrator/City Attorney**

10 Attorney Penrod reported that the City has negotiated a sewer line easement and  
11 construction easement from the Presiding Bishopric, Property Reserve Inc., and Suburban Land  
12 Reserve, Inc. He presented a map showing the alignment of the 1500 West sewer line and  
13 pointed out the properties owned by each entity. He commented that the new sewer line would  
14 service the area and open it up for development. He reported that one reason the negotiations  
15 have taken so long is because of all the companies involved, and the inclusion of the Utah  
16 Transit Authority so that the station could be situated where necessary. He reported that the  
17 contract for installation of the sewer pipeline was recently awarded, and the project is expected  
18 to start in a few days. The City is receiving a perpetual easement that is 20-feet wide and a  
19 temporary construction easement that is 50-feet wide. Construction is scheduled to be complete  
20 by April 15. If the contractor goes beyond that date, the agricultural operator on the land is  
21 expecting crop damages that will be the responsibility of the contractor to pay. Other terms of the  
22 easement agreements are that the grantors may use the property for any purpose that does not  
23 interfere with the pipeline; they may request to relocate the pipeline; and they may connect to the  
24 pipeline after paying an impact fee and connection fee. The easement is being accepted by the  
25 City in an “as is” condition, and providing insurance and indemnification of the companies. He  
26 asked if there were any questions.

27 Councilmember Jolley asked if the new pipeline would connect to the existing line on the  
28 south end. Attorney Penrod replied yes. He pointed out that the 1500 West sewer would be  
29 disconnected from the 1750 West sewer pipeline, and he pointed out the location of the  
30 connection being removed.

31 COUNCILMEMBER PACKARD MOVED TO APPROVE THE EXECUTION OF  
32 EASEMENT AGREEMENTS WITH THE CORPORATION OF THE PRESIDING  
33 BISHOPRIC OF THE CHURCH OF JESUS CHRIST OF LATTER-DAY SAINTS,  
34 PROPERTY RESERVE, INC., AND SUBURBAN LAND RESERVE, INC. FOR THE  
35 INSTALLATION OF THE 1500 WEST SEWER PIPELINE. COUNCILMEMBER JOLLEY  
36 SECONDED THE MOTION, AND ALL PRESENT VOTED AYE.

38 **MAYOR, COUNCIL AND ADMINISTRATIVE REPORTS**

39 There were no reports.

**CLOSED SESSION**

2       9. *The Springville City Council may temporarily recess the regular meeting and convene in*  
4       *a closed session to discuss pending or reasonably imminent litigation, and the purchase,*  
6       *exchange, or lease of real property, as provided by Utah Code Annotated §52-4-205*  
      There was no closed session.

**ADJOURNMENT**

8       COUNCILMEMBER JOLLEY MOVED TO ADJOURN THE CITY COUNCIL  
10      MEETING AT 7:37 P.M. COUNCILMEMBER CREER SECONDED THE MOTION, AND  
      ALL VOTED AYE.



**AGENDA FOR THE REGULAR MEETING  
OF THE CITY COUNCIL  
OF THE CITY OF SPRINGVILLE, UTAH  
COUNCIL CHAMBERS, 110 SOUTH MAIN STREET  
DECEMBER 17, 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 to the outgoing Council Members Mark Packard and Benjamin Jolley – Troy Fitzgerald, City Administrator
2. Presentation of the Mayor's Recognition Awards – Shannon Acor, ASAP Coordinator

**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\***

3. Approval of all City purchase orders properly signed (Springville City Code §2-10-110(5))
4. Consideration of an interlocal agreement with Utah County for the City's CTC Coordinator position – John Penrod, Assistant City Administrator/City Attorney

**PUBLIC HEARING AGENDA**

5. Public Hearing to consider an amendment to Title 11, Chapter 4, Section 501, et seq., of the Springville Municipal Code pertaining to accessory structures in commercial and industrial site developments, and Section 11-6-303, Types of Signs – Fred Aegerter, Community Development Director

**REGULAR AGENDA**

6. Report by the Auditor

This meeting was noticed in compliance with Utah Code 52-4-202 on November 27, 2013. Agendas and minutes are accessible through the Springville City website at [www.springville.org/agendasminutes](http://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 December 17, 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.

7. Consideration of a Resolution adjusting utility fees and amending the policy for Hobble Creek Canyon water users – Brad Stapley, Public Works Director
8. Consideration of appointing proxy for the Springville Irrigation Company’s annual shareholder meeting – John Penrod, Assistant City Administrator/City Attorney

## **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 November 27, 2013. Agendas and minutes are accessible through the Springville City website at [www.springville.org/agendasminutes](http://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.

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## STAFF REPORT

**DATE:** December 11, 2013

**TO:** Honorable Mayor and City Council

**FROM:** John Penrod, City Attorney

**SUBJECT: CONSIDERATION OF ENTERING INTO AN INTERLOCAL AGREEMENT WITH THE COUNTY FOR THE CITY'S CTC COORDINATOR.**

---

### **RECOMMENDED MOTION**

Motion to APPROVE the execution of an interlocal agreement between Springville City and Utah County for the City's CTC Coordinator position.

### **BACKGROUND**

In 2009, the City entered into an interlocal agreement with Utah County to start the Communities that Care ("CTC") program that works towards reducing Springville's drug use rates. The CTC program reduces drug use rates by reducing risk factors and increasing protective factors that will prevent drug use. The main purpose of the original interlocal agreement was to provide money to Springville City to hire a CTC Coordinator to organize and operate the drug coalition program.

Today, the program has a good number of volunteers serving on two committees with nine subcommittees and is involved in many different programs and functions. Some of the events the CTC Program has implemented and will continue with include the Mayor's Recognition Award, a SHS ASAP Club, Substance Abuse Take Back events, stop underage drinking advertisements on City garbage trucks, Art City Day's parade and booth, Art City Day's Battle of the Bands, the Art City Day's Skate Boarding Contest and several other activities.

The proposed approval for the interlocal agreement before the Council will continue the funding from the County level. When the City started the CTC program, the City received funding from the State in the amount of \$20,000 and from the County in the amount of \$12,500. Since commencing the program, the State has chosen to discontinue its funding of the program. As such, the total outside funding for the program is \$12,500 from the County under the interlocal agreement.

In addition to the \$12,500, the City has been funding the program in the amount of \$11,500. The grant money and the City's portion of the program's funding have been used to fund the CTC Coordinator position. In the past, that position was a half-time position wherein the coordinator worked an average of 32 hours per week and received benefits. Due to recent personnel policy revisions, the position has been changed to a non-benefitted part-time position,

working less than 27 hours per week. Given the change in the coordinator position, the grant money and the amount the City is funding the ASAP program will continue to pay for the coordinator position.

The new proposed interlocal agreement is similar to the past interlocal agreements between the City and the County for the CTC Coordinator position. One of the revisions in the agreement is that the funding will match the City's budget year instead of run from January to December.

### **FISCAL IMPACT**

The interlocal agreement requires the City to continue to fund \$11,500 towards the ASAP program.

Attachments: Interlocal Agreement

**INTERLOCAL COOPERATION AGREEMENT WITH SPRINGVILLE CITY FOR  
SUBSTANCE ABUSE PREVENTION SERVICES AND COMMUNITIES THAT CARE  
PREVENTION MODEL**

**INTERLOCAL COOPERATION AGREEMENT**

THIS IS AN INTERLOCAL COOPERATION AGREEMENT, made and entered into by and between UTAH COUNTY, UTAH, a body corporate and politic of the State of Utah, by and through the County Health Department of Utah County, 151 South University Avenue, Suite 2800, Provo, Utah 84601, as administered by Utah County Department of Drug and Alcohol Prevention and Treatment, 151 South University Avenue, Suite 3200, Provo, Utah 84601 and the municipality of, SPRINGVILLE CITY, 50 South Main Street, Springville, Utah 84663, a municipal corporation and a political subdivision of the State of Utah.

**WITNESSETH:**

WHEREAS, pursuant to the provisions of the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated, 1953, as amended, public agencies, including political subdivisions of the State of Utah as therein defined, are authorized to enter into written agreements with one another for joint or cooperative action; and

WHEREAS, all of the parties to this Agreement are public agencies as defined in the Interlocal Cooperation Act; and

WHEREAS, Utah County and Springville City, within Utah County, through their respective governing bodies, have voluntarily determined that the interests and welfare of the public within their respective jurisdictions will best be served by this Interlocal Cooperative Agreement for joint or cooperative action.

NOW THEREFORE, in consideration of the covenants and promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

**Section 1. Effective Date; Duration.**

This Interlocal Cooperation Agreement shall become effective July 1, 2013 and shall enter into force, within the meaning of the Interlocal Cooperation Act, upon the submission of this Interlocal Cooperation Agreement to, and the approval and execution hereof by a majority of the governing bodies of all of the parties to this Agreement. The term of this Interlocal Cooperation Agreement shall be from July 1, 2013 hereof until June 30, 2014. This Interlocal Cooperation Agreement shall not become effective until it has been reviewed and approved as to form and compatibility with the laws of the State of Utah by the Utah County Attorney's Office, and the Springville City Attorney. Prior to becoming effective, this Interlocal Cooperation Agreement shall be filed with the person who keeps the records of each of the parties hereto.

**Section 2. Administration of Interlocal Cooperation Agreement.**

The parties to this Agreement do not contemplate nor intend to establish an interlocal entity under the terms of this Interlocal Cooperation Agreement. The parties do agree that, pursuant to Section 11-13-207, Utah Code Annotated, 1953 as amended, that Utah County shall act as the administrator responsible for the administration of this Interlocal Cooperation Agreement. The parties further agree that this Interlocal Cooperation Agreement does not anticipate nor provide for any organizational changes in the parties.

**Section 3. Purposes**

This Interlocal Cooperation Agreement is established for the following purposes:

- a. To coordinate with Springville City to employ a Communities that Care (CTC) Coordinator and provide technical support to establish and maintain the CTC prevention model within the community
- b. To provide funding to Springville City to employ a CTC coordinator as follows: Utah County will provide Springville City with twelve thousand five hundred dollars (\$12,500.00) for the period of July 1, 2013 through June 30, 2014. Springville City will provide a yearly minimum of eleven thousand five hundred dollars (\$11,500.00) if

approved by the annual Springville City Council budget process.

- c. To establish the Communities that Care system within Springville City and to work with Utah County Department of Drug and Alcohol Prevention and Treatment (UCDDAPT) to ensure CTC is being implemented with fidelity.
- d. To reduce substance abuse and community risk factors.

**Section 4. Manner of Financing.**

This Interlocal Cooperation Agreement and the joint, cooperative actions contemplated herein shall not receive separate financing, nor shall a separate budget be required. Each party shall be responsible for its own obligations under this Interlocal Cooperation Agreement. The funds provided are primarily to be used for the CTC coordinator position, data collection and training, but may be used, with permission from UCDDAPT and Department of Human Service, Division of Substance Abuse and Mental Health to fund additional prevention activities as described in the CTC program.

**Section 5. Property Used in Joint and Cooperative Undertaking.**

There will be no real or personal property acquired, held, and used pursuant to this Interlocal Cooperation Agreement.

**Section 6. Methods of Termination.**

This Interlocal Cooperative Agreement shall automatically terminate at the end of its term herein pursuant to the parameters of Section 1 of this Agreement. The parties to this Agreement may also withdraw from participation herein by giving at least thirty days notice to each of the other party to this Agreement. Any notice of termination or notice of withdrawal shall be served upon each of the parties to this Agreement.

**Section 7. Indemnification.**

Both parties are governmental entities subject to the Governmental Immunity Act of Utah, Utah Code Ann., Section 63G-7-101, et seq., as amended. By entering into this Agreement, neither party waives by this Agreement any defenses or limits of liability available under the Governmental Immunity Act of Utah, or any other applicable federal, state, or common law. Nothing in this Agreement shall be

construed as an assumption of any duty for the benefit of any third-party. Subject to, and without waiving any immunities under applicable federal, state, or common law, including those described above, each party shall assume and retain liability and responsibility for the claims, losses, damages, injuries, or other liabilities arising out of the acts, omissions, or negligence of its own officers, employees, agents, and contractors in an amount not to exceed the damage limits in Utah Code Ann., Section 63G-7-604, as amended.

**Section 8. Filing of Interlocal Cooperation Agreement.**

Executed copies of this Interlocal Cooperation Agreement shall be placed on file in the office of the County Clerk/Auditor of Utah County, and with the official keeper of Springville City records, and shall remain on file for public inspection during the term of this Interlocal Cooperation Agreement.

**Section 9. Adoption Requirements.**

This Interlocal Cooperation Agreement shall be (a) approved by the executive body or officer of each of the parties, (b) executed by a duly authorized official of each of the parties, (c) submitted to and approved by an authorized attorney of each of the parties, as required by Section 11-13-202.5, Utah Code Annotated, 1953 as amended, and (d) filed in the official records of each party.

**Section 10. Amendments.**

This Interlocal Cooperation Agreement may not be amended, changed, modified or altered except by an instrument in writing which shall be (a) approved by a resolution of the legislative body of each of the parties (b) executed by a duly authorized official of each of the parties, (c) submitted to and approved by an authorized attorney of each of the parties, as required by Section 11-13-202.5, Utah Code Annotated, 1953 as amended, and (d) filed in the official records of each party.

**Section 11. Severability.**

If any term or provision of this Interlocal Cooperation Agreement or the application thereof shall to any extent be invalid or unenforceable, the remainder of this Interlocal Cooperation Agreement, or the application of such term or provision to circumstances other than those with respect to which it is invalid or unenforceable, shall not be affected thereby, and shall be enforced to the extent permitted by law. To

the extent permitted by applicable law, the parties hereby waive any provision of law which would render any of the terms of this Interlocal Cooperation Agreement unenforceable.

**Section 12. Governing Law.**

All questions with respect to the construction of this Interlocal Cooperation Agreement, and the rights and liability of the parties hereto, shall be governed by the laws of the State of Utah.

**Section 13. Committees.**

The parties may establish from time to time such committees as shall be deemed appropriate and necessary.

**Section 14. Headings.**

Section headings are for convenience of reference only and shall not be considered any interpretation of the Interlocal Cooperation Agreement.

**Section 15. Entire Agreement.**

This Interlocal Cooperation Agreement contains the entire agreement of the parties. No promise, representation, warranty, or covenant not included in this Agreement has been or is relied upon by the parties to it.

**Section 16. Execution by Counterparts.**

This Interlocal Cooperation Agreement may be executed in counterparts. The original of each executed Agreement shall be filed with Utah County.

**Section 17. Sub-recipient Requirements.**

By virtue of terms and conditions of the federal grant that funds the services purchased through this Agreement, Springville City becomes a sub-recipient of the federal grant

**CFDA #: 93.959**

As Springville City is a Sub-recipient of the grant monies, and as such, shall have no authorization, express or implied, to bind Utah County or Department of Drug and Alcohol Prevention and Treatment (DDAPT) to any agreements, settlements, liability, or understanding whatsoever, and agrees not to perform any acts as agent for the County or DDAPT, except as herein expressly set forth.

The Sub-recipient shall be responsible for the payment of all income tax and social security amounts due as a result of payments received from the County for these contract services. Persons employed by the County or DDAPT and acting under the direction of the County or DDAPT shall not be deemed to be employees or agents of Independent Contractor.

- a) All Springville City records with respect to any matters covered by this Agreement shall be made available to the County, DSAMH and the Comptroller General of the United States or any of their authorized representatives
- b) Failure of the Springville city to comply with the above audit requirements will constitute a violation of this Agreement and may result in the withholding of future payments.
- c) In accordance with OMB Circular A-133, *Audits of State, Local Governments and Non-Profit Organizations*, state and local governments or non-profit organizations that expend \$500,000 or more in total federal financial assistance (from all sources) in the recipient's fiscal year shall have a Single Audit completed.
- d) All Sub-recipient's, regardless of Single Audit eligibility, will make all pertinent financial records available for review, monitoring or audit, in a timely manner to appropriate officials of the federal granting agency, Utah County, Department of Drug and Alcohol Prevention and Treatment, any pass-thru entity and/or the General Accounting Office

Nothing contained in this Agreement is intended to, nor shall be construed in any manner, as creating or establishing the relationship of employer/employee between the parties. The Sub-recipient shall at all times remain an "independent contractor" with respect to the services to be performed under this Agreement. The County and program administrator shall be exempt from payment of all Unemployment Compensation, FICA, retirement, life and/or medical insurance and Workers' Compensation Insurance, as the Sub-recipient is an independent contractor.

WITNESS WHEREOF, the parties have signed and executed this Interlocal Cooperation Agreement on the dates listed below:

APPROVED AND ADOPTED this \_\_\_ day of December 2013.

BOARD OF COUNTY COMMISSIONERS  
UTAH COUNTY, UTAH

By: \_\_\_\_\_  
Doug Witney Chairman

ATTEST:  
BRYAN E. THOMPSON  
Utah County Clerk/Auditor

SPRINGVILLE CITY

By: \_\_\_\_\_  
Deputy Date

By: \_\_\_\_\_  
Mayor Date

APPROVED AS TO FORM:  
TIMOTHY L TAYLOR ATTEST:  
Utah County Attorney

By: \_\_\_\_\_  
Deputy County Attorney Date

By: \_\_\_\_\_  
Springville City Recorder

APPROVED AS TO FORM AND COMPATIBILITY  
WITH THE LAWS OF THE STATE OF UTAH:

By: \_\_\_\_\_  
Springville City Attorney Date

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## STAFF REPORT

**DATE:** December 17, 2013

**TO:** Honorable Mayor and City Council

**FROM:** Springville Planning Commission

**SUBJECT:** **CHRIS HAILSTONE SEEKING AN AMENDMENT TO TITLE 11, CHAPTER 4, SECTION 501 ET. SEQ. OF THE MUNICIPAL CODE PERTAINING TO ACCESSORY STRUCTURES IN A COMMERCIAL AND INDUSTRIAL SITE DEVELOPMENT AND 11-6-313, TYPES OF SIGNS.**

---

### **RECOMMENDED MOTION**

Move to approve Ordinance No. 2013- \_\_\_\_, which amends 11-3-402 (Definitions), 11-4-503 (Location Requirements), 11-4-505 (Height of Buildings) and 11-6-313? (

### **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**

In December 2012, Wiggy Wash opened at 1162 West 500 South. At the time of the inspection of the site prior to issuance of a certificate of occupancy, Planning Staff became aware of a metal frame structure utilized to direct cars for queuing on the site.



One of these structures is located perpendicular to the street, set back about nine feet from the property line and includes minor signage intended for on-site viewing relating to what services are being offered in each lane. There are four queuing lanes associated with this structure leading to the interior of the car wash. A second structure is located running parallel to the street which is setback 15 feet from the property line. This includes a single lane of access to a car wash bay.

None of these structures were ever included in the approved site plan. The site plan included six foot high poles with signs providing queuing information where the four lanes are associated and a similar pole for the single lane queue. This is what was approved as part of the original site plan.

The petitioner is requesting that frame structures such as archways and covered gateways be allowed to be located within eight feet for the front setback line and be allowed to a height of up to 25'.

## **DISCUSSION**

Staff reviewed the General Plan and how allowances for frame structures in rear yards of double frontage lots is largely unaddressed in the General Plan. Concerns with aesthetics is addressed in the Community Identity Element of the General Plan (See Objective 1) and the Economic Development Element which addresses the need for compatible uses and working with business owners and property owners to address issues negatively affecting them (See Objective 4 and Strategy 4A).

According to 11-4-102 of the Zoning Ordinance, the intent of the zones affected by the proposed amendment changes is to provide areas for a full range of commercial (RC and HC) and industrial and manufacturing (LIM, HIM) uses. The ordinance as currently written would require a 20' to 25' setback and allows for heights ranging from 75 to 100 feet.

Staff discussed how they had worked with these property owners to try to craft an ordinance to address their concerns, while taking into account how changes may affect other parts of the City.

In terms of the limited signage being proposed, the Community Identity Element of the General Plan includes some language about the aesthetics of the City and the need to review, update and implement the sign ordinance (See "Shaping Springville for 2030 – The Springville General Plan, Community Identity Element Goal, Objective 1 and Strategy 1C).

The purpose statement of the sign ordinance in the Zoning Ordinance discusses recognition of the need to create a visually pleasant place to visit and live, along with safety, balanced with the need for adequate identification, communication and advertising various types of uses (i.e., commercial, industrial, governmental, residential, etc.). See 11-6-301 of the City Code.

The proposed changes to the ordinance would address the specific situation created at Wiggy Wash. Staff is concerned with the inclusion of the structure in the street frontage landscape area.

Staff expressed that it would be better to have no structural elements in the landscape area, as that area is reserved for trees and vegetation, along with signage. The property owner's concern with being able to utilize their property was also explained to the Commission by Staff. The number of double commercial lots that would include frame structures is anticipated to be somewhat limited, as most businesses would have little use for such structures.

The proposal of the applicant, would mean the following changes to the zoning ordinance:

- 1 – Include a definition of “frame structure”:

A skeletal structure constructed of beams of wood, metal or similar products, none of which are greater than one foot in width and includes no roof or walls.

- 2 – Amend the development chart to include setback and height information for accessory frame structures in the rear yard of double-frontage lots in the Regional Commercial, Highway Commercial and two Industrial/Manufacturing zones:

On double frontage lots, the setback on that portion of the lot identified as the rear yard shall be located at least eight feet from the rear lot street frontage property line.

In addition to the structure issue, the applicant has included a request for the allowance of signage on the frame structure intended to be viewed primarily from the property to be attached to the structure.

- Up to 10 % or 25 square feet (whichever is less) of the area within the enclosure formed by the support beams and arch or crossbeam structure may include informational signage intended for on-site viewing.

The applicant addressed the Commission and explained that their intent had not been to build the structure and try to get past meeting City Code. He stated that their closest competition is 30 miles away. He explained that the structures were key to directing thousands of customers and to help make the development architecturally pleasing. He strongly urged the Commissioners to look at the aesthetically pleasing nature of the structure and development.

Karen Ifediba stated that she knew the City is interested in making Springville an attractive community and felt that as the landscaping matures, it will help screen the structures. She expressed her appreciation for the work of elected and appointed officials to be business friendly and encouraging other businesses to come here. She expressed her appreciation for the way most of the city employees have worked closely with businesses coming into Springville. She said that while this wasn't the best way this could have been handled, a good job has been done trying to resolve the issue.

COMMISSION ACTION:

The Commission discussed concerns about the ordinance being so specifically crafted for Wiggy Wash and concern that granting this amendment might lead to more and more special cases coming to meet the needs of every business owner. There was discussion about whether or not the amendment negatively affected the health, safety and general welfare and the general feeling was that it did not. There was discussion about the city-wide implications of the proposed amendment and it was agreed that they were minimal.

There was also discussion about how the inclusion of the frame structures might affect neighboring properties. Staff indicated that they had looked at this issue and did not feel that the structures negatively affected other properties with frontage along the street.

Commissioner Clyde moved to recommend the zoning ordinance to allow an eight foot setback for frame structures located on the rear yard portion of double frontage lots, allowing a maximum height of 25' and a maximum sign area of 25 square feet or 10% of the area within the enframed portion of the support beams and arch or crossbeam portion of the structure. Commissioner Nolte seconded the motion. There were three ayes and one nay. The voting is as follows:

**Commission Vote**

<u>Commissioner</u>	<u>Yes</u>	<u>No</u>
Huff	X	
Young	Excused	
Packard	Excused	
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.

J Fred Aegerter  
Community Development Director

Attachments

cc:

**ORDINANCE NO. \_\_\_\_-2013**

**AN ORDINANCE AMENDING SECTION 11-3-402, DEFINITIONS; 11-4-503, LOCATION REQUIREMENTS; 11-4-505, HEIGHT OF BUILDINGS; AND 11-6-3?? OF SPRINGVILLE CITY CODE, 1991 PERTAINING TO RESIDENTIAL RELATED USES**

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

SECTION 1: Section 11-3-402 of Springville City Code 1991 is hereby amended to read as follows:

Accessory Frame Structure - A skeletal structure constructed of beams of wood, metal or similar products, none of which are greater than one foot in width and includes no roof or walls.

SECTION 2: Section 11-4-503 of Springville City Code 1991 is hereby amended to read as follows:

(1) Buildings and structures on lots with-in commercial and industrial zones shall be located as follows: (All setbacks are measured from the property line)

CONFIGURATIONS	PO	BP	VC	TC	NC	CC	RC	HC	LIM	HIM
<b>Primary Use Minimum Setbacks</b>	In Feet from the Property Line									
Front Yard	25	30	0/5 <sup>10</sup>	0	0/5 25 <sup>11</sup>	0/5 25 <sup>12</sup>	25	25	25	25
Side Yard (Interior)	10	5	0	0	0	0	0	0	0	0
Side Yard (Street)	20	20	0	0	0/5 <sup>13</sup> 20	0/5 <sup>14</sup> 20	20	20	20	20
Rear Yard	0	10	0	0	0	0	0	0	0	0
Between Bldgs on Same Lot	0	20	0	0	0	0	0	0	0	0
<b>Adjacent to Residential Zones</b>										
Rear <sup>15</sup>	35+	35+	35+	35+	35+	35+	35+	35+	35+	35+
Side	20+	20+	20+	20+	20+	20+	20+	20+	20+	20+
<b><u>Accessory Frame Structures on Double Frontage Lots</u></b>							The portion of the lot identified as the “rear yard” shall be located behind the required street frontage landscape buffer which as identified in 11-6-208.			

10. Buildings setbacks must be located within the first five feet of the property line.
11. Buildings must be built within the first five feet of the property line. Any building set back more than five feet from a street frontage must be setback at least 25 feet. The landscape border requirements are required for any building set back more than five feet or street front not occupied by a building.
12. Buildings may be built to the front property line and be setback up to five feet. Any building set back more than five feet from a street frontage must be setback at least 25 feet. The landscape border requirements are required for any building set back more than five feet or street front not occupied by a building.
13. Any building set back more than five feet from the street frontage must be set back at least 20 feet. The landscape border requirements are required for any building set back more than five feet or street frontage not occupied by a building.
14. Any building set back more than five feet from the street frontage must be set back at least 20 feet. The landscape border requirements are required for any building set back more than five feet or street frontage not occupied by a building.
15. Numbers followed by a plus (+) sign indicate that for every foot of height above 35 feet on principal use structures and above 20 feet on accessory structures, an additional one foot of setback is required.

SECTION 3: Section 11-4-505 of Springville City Code 1991 is hereby amended to read as follows:

- (1) The maximum height of any building in the commercial and industrial zones measured from finished grade to the highest point on the roof shall be as follows:

HEIGHT	PO	BP	VC	TC	NC	CC	RC	HC	LIM	HIM
All non-residential uses except as set forth herein (Maximum in feet)	35	75	35	45	35	45	75	75	75	100
<u>Accessory Frame Structures on Double Frontage Lots in Rear Yard</u>							<u>25</u>	<u>25</u>	<u>25</u>	<u>25</u>

SECTION 4: Section 11-6-304 of Springville City Code 1991 is hereby amended to read as follows:

Frame Structure Sign – Informational signage located within the frame structure enclosure created by the side supports and the arch or cross beam of accessory frame structure. The signage is intended to be primarily viewed from the property on which it is located.

SECTION 5: Section 11-6-313 of Springville City Code 1991 is hereby amended to read as follows:

- (15) Frame Structure Signs.
  - Sign Districts Where Allowed – E-1, E-2 and F.
  - Permit Required – A sign permit is required.
  - Location – The sign shall be located below the arch or cross-beam of the frame structure and within the plane created by the supports and arch or cross-beam.
  - Height/Area – The sign must be located below the arch or cross-beam and may consist of 25 square feet or ten percent (10%) of the plane area created by the supports and the arch or cross beam of the structure, whichever is less.

SECTION 6: This ordinance will become effective one day after publication hereof in the manner required by law.

SECTION 7: 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 17<sup>th</sup> day of December, 2013.

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Wilford W. Clyde, Mayor

ATTEST:

---

City Recorder



# Springville City Planning Commission

## Letter of Recommendation to City Council

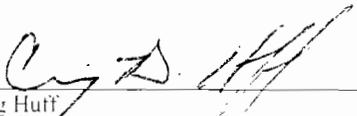
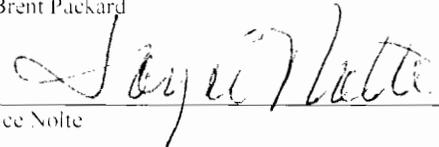
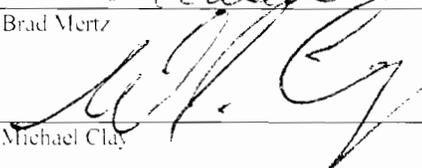
<b>Applicant:</b> Springville City 110 South Main Street Springville UT 84663		<b>Request:</b> Seeking an amendment to Title 11, Chapter 4, Section 501 et. Seq. of the Municipal Code pertaining to accessory structures in a commercial and industrial site development and 11-6-313. Types of Signs.		<b>Date of Meeting:</b> November 26, 2013									
<b>Zone Classification:</b>		<b>Total Acreage of Site:</b>		<b>Number of Lots/Units:</b>									
<b>General Plan – Land Use Designation:</b>		<b>Previous Use of Property:</b>		<table border="1"> <tr> <td><b>Administrative Action</b></td> <td><input checked="" type="checkbox"/></td> <td><b>Legislative Action</b></td> <td><input type="checkbox"/></td> </tr> <tr> <td><b>Public Hearing Required</b></td> <td><input type="checkbox"/></td> <td>Planning Commission</td> <td>City Council</td> </tr> </table>		<b>Administrative Action</b>	<input checked="" type="checkbox"/>	<b>Legislative Action</b>	<input type="checkbox"/>	<b>Public Hearing Required</b>	<input type="checkbox"/>	Planning Commission	City Council
<b>Administrative Action</b>	<input checked="" type="checkbox"/>	<b>Legislative Action</b>	<input type="checkbox"/>										
<b>Public Hearing Required</b>	<input type="checkbox"/>	Planning Commission	City Council										

<b>Motion by:</b> <i>Carl Clyde</i>	<b>Second by:</b> <i>Joyce Noelle</i>
PC RECOMMENDATION <input checked="" type="checkbox"/> APPROVE	<input type="checkbox"/> DISAPPROVE
<b>CONDITIONS OF APPROVAL:</b>	

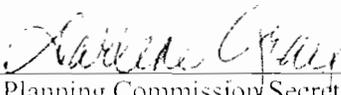
Move to amend the recommended proposal to include the setback of the frame structure to no less than eight-feet back from the property line with a 25-foot maximum height and amending 11-6-308(4)(b) to include signage in connection with a frame structure with up to 10% or 25 square foot whichever is less of the area within the enclosure formed by the support beams and arch or crossbeam structure may include informational signage intended for on-site viewing.

The Commission finds that the proposed amendment meets the requirement of the Springville City Code, particularly 11-7-101, that it maintains the intent of the General Plan and is in the best interest of Springville City and its residents.

Planning Commission Signatures:

	YES	NO	ABSTAIN
 Craig Huff	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 Carl Clyde	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>excused</i> J. Brent Packard	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 Joyce Nolte	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>excused</i> Brad Mertz	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
 Michael Clay	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>excused</i> Frank Young	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

APPROVE 3 DENY 1 ABSTAIN     

  
Barbara Gray  
Planning Commission Secretary

November 26, 2013  
Date



## STAFF REPORT

**DATE:** December 10, 2013  
**TO:** Honorable Mayor and City Council  
**FROM:** Bruce Riddle, Finance Director  
**SUBJECT: FY 2013 AUDIT REPORT**

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### **RECOMMENDED MOTION**

The Finance Department recommends approving a motion to (1) accept the Springville City FY 2013 Independent Auditor's Report as presented; (2) authorize the City Recorder to advertise and make available for public inspection the Independent Auditor's Report; and (3) authorize the Finance Director to submit the Independent Auditor's Report to the State Auditor as required by law.

A separate, identical motion is needed for the Spanish Fork/Springville Airport FY 2013 Independent Auditor's Report.

### **SUMMARY OF ISSUES/FOCUS OF ACTION**

Utah State Code, Title 51, Chapter 2a requires an independent audit of all cities to be performed within 180 days after the close of each fiscal period. Additionally, the independent audit reports are required to be made available for public inspection and are to be filed with the State Auditor.

### **BACKGROUND**

Springville City has retained the services of Mr. Greg Ogden, CPA to prepare the city's financial statements and perform the independent audit. Mr. Ogden has performed these services for the City for the last several years and is familiar with the organizational structure and accounting practices of the City.

### **DISCUSSION**

The Financial Statements, Independent Auditor's Report, and Management Letter have been provided as attachments to this report. The Management's Discussion and Analysis section of the report provides a narrative overview of the financial activities of the City during FY 2013.

### **ALTERNATIVES**

The Council can make comments and suggestions to the report and may chose not to accept it; however, the City is required to prepare acceptable financial statements and submit an independent auditor's report to the State Auditor by December 31, 2013.

### ***CITY COUNCIL AGENDA***

*Meeting Date – December 17, 2013*

**FISCAL IMPACT**

None.

**To view Springville City's Basic Financial Statements and Required Supplementary Information with Independent Auditor's Reports for Year Ended June 30, 2013 click the Audit Button**



## STAFF REPORT

**DATE:** December 10, 2013  
**TO:** Mayor and City Council  
**FROM:** Bradley D. Stapley, Director of Public Works  
**SUBJECT:** ESTABLISHING A CANYON WATER USER FACILITY FEE

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### **RECOMMENDED ACTION**

Approve Resolution \_\_\_\_\_ establishing a Canyon Water User Facility Fee for Hobble Creek Canyon water users located above the City's Rotary Hydro Facility.

Adopt the new Outside City Connections policy as shown in Exhibit "B" defining rules and responsibilities (City and Canyon Water Users) regarding the delivery of culinary water to Canyon Water Users located above the City's Rotary Hydro Facility in the left-hand fork of Hobble Creek.

### **SUMMARY OF ISSUES/FOCUS OF ACTION**

The City provides safe and reliable culinary water to a variety of customers both inside and outside of the City's boundaries. Of note are the ninety (90) plus water users located upstream of the City's Rotary Hydro facility in the left-hand fork of Hobble Creek Canyon.

Providing culinary water to the Hobble Creek Canyon water users above the City's Rotary Hydro Facility requires special facilities of significant cost. Additional concrete vaults, specialized pressure reducing equipment, and conveyance pipelines are needed to provide culinary water at reasonable pressures to these Canyon Water Users.

The current 1991 Outside City Connections policy needs to be amended to reflect current City practices and properly define City and Canyon Water User responsibilities with respect to the delivery of culinary water to the users in the left-hand fork of Hobble Creek.

### **DISCUSSION**

In May 2012, the City Council tasked the Water Board with evaluating the cost to provide water to the Canyon Water Users located above the City's Rotary Hydro Facility. The Council requested the Water Board include in the analysis:

### ***CITY COUNCIL MEETING***

*December 17, 2013*

- Current adopted policy regarding Canyon Water Users
- All major facilities providing safe drinking water in the canyon
- Pressure Reducing Valve (PRV) Station operation and maintenance (O & M) costs
- Past billing practices
- Safety and reliability of the City’s water transmission system from the canyon to the City residents.

Current Policy (see Exhibit “A”)

The February 5, 1991 Outside City Connections policy establishes the following:

- Requires City Council approval to connect to the City’s culinary water penstock (high-pressure pipeline)
- Canyon Water User pays:
  - Connection costs (labor & materials)
  - Meter cost (City to maintain meter after installation)
  - A water rate as specified by City Council
- Canyon Water User is responsible for:
  - Maintenance of their individual or collective Pressure Reducing Valve (PRV) Station.
  - Providing chlorination if needed
- City only maintains the culinary water penstock

Major Facilities

Four major facilities are vital to the Canyon Water Users in providing culinary water. Three of the four major facilities are also vital to the citizens of Springville proper. These facilities, along with their current replacement cost are:

- |   |             |
|---|-------------|
| • Bartholomew Tank  | \$1,400,000 |
| • Bartholomew Chlorination Station                          | \$ 117,000  |
| • Canyon Water User PRV Stations (only vital to the canyon) | \$ 207,000  |
| • Culinary Water Penstock                                   | \$6,700,000 |

PRV Station O & M Costs

Since December 2011, City Water Division personnel have expended over \$15,000 in man-hour, vehicle, and equipment costs to keep the current Canyon Water User PRV stations working at an acceptable minimum level.

Past Billing Practices

The City Council approved a “double base rate billing” practice for Canyon Water Users between June 1991 and June 2005.

***CITY COUNCIL MEETING***

*December 17, 2013*

## **WATER BOARD EVALUATION**

The City's Water Board has been analyzing the Culinary Water Rate Structure for canyon water users over the past 1 1/2 years following the criteria established by the City Council in May 2012. The following are the Water Board's recommendations:

### New Policy (see Exhibit "B")

The Water Board recommends significant changes to the 1991 policy (see Exhibit "A"). The new policy requires:

- **Written** City Council approval to connect to the City's culinary water penstock (high-pressure pipeline).
- Written plans & specifications of all connections to be prepared by a registered Professional Civil Engineer licensed in the State of Utah and approved by the City before connection.
- All initial installation costs to be borne by the Canyon Water User, including the water meter.
- All new or future Canyon Water Users acknowledge, in writing the new policy.

The new policy shifts the following responsibilities to the City:

- City to maintain the Canyon Water User PRV Stations
- City to provide chlorination

### Major Facilities Costs

The Water Board recommends an additional fee be added to the current Canyon Water User base fee to provide equity and fairness to all water users provided culinary water by the City (see attached Tuesday, January 8, 2013 Minutes of the Springville City Water Board).

This added fee is based on an in-depth cost-share analysis of the four major facilities used by the Canyon Water Users. The cost-share analysis determined the percent of each major facility that could be appropriately attributed solely to the Canyon Water Users. This percent was based on Canyon versus City equivalent residential connection ratios, State required water tank volume ratios, and PRV and chlorination station ratios.

Using these ratios the percent of total facility cost for each of the four major facilities was established for the Canyon Water Users. These percentages were converted into an individual monthly cost for each Canyon Water User. The total possible cost per month (the sum of the four major facility's cost) to Canyon Water Users came to \$25.59.

The Water Board deliberated each of the four monthly costs and agreed that the PRV Station cost and the Penstock cost would be appropriate to pass on to the Canyon Water Users, totaling \$15.10 per month in addition to the regular base fee of \$10.00 per month.

## ***CITY COUNCIL MEETING***

*December 17, 2013*

# Cost Share Analysis

## Canyon Water User's Share

FACILITY SERVING CANYON WATER USER	PERCENT OF TOTAL FACILITY COST	COST PER MONTH
• PRV Station Costs	• 98.06%	• \$13.61
• Chlorination Costs	• 95.83%	• \$8.28
• Tank Costs	• 3.35%	• \$2.20
• Penstock Costs	• 0.47%	• \$1.49

(See attached spread sheet of Canyon Water Users Water Rate Analysis – PRV Stations)

### Past Billing Practices

The Water Board considered the “double base rate billing” practice for Canyon Water Users between June 1991 and June 2005. The Water Board determined that since the proposed rate increase of \$15.10 per month covers the Canyon Water Users share of the *future* repair and replacement costs for the PRV stations and the culinary water penstock, the funds from the past “double base rate billing” practices have been and will be expended by the City to bring the current Canyon Water User PRV Stations into acceptable operating conditions pending full replacement in 20 years.

### FISCAL IMPACT

The proposed monthly Canyon Water User Facility Fee will fund the majority of the *future* repair and replacement costs of the Canyon Water User PRV Stations (slated to be replaced in 20 years) and an appropriate portion of the culinary water penstock costs (slated to be replaced in 25 years).

Resolution No. \_\_\_\_\_

**A RESOLUTION ESTABLISHING RATES AND FEES FOR PROVIDING  
CULINARY WATER BY MEANS OF THE SPRINGVILLE CITY MUNICIPAL  
CULINARY WATER SYSTEM**

WHEREAS, Section 4-2-5 of the Springville City Code directs the City Council to establish by resolution water rates and fees for customers of the water system of Springville City; and

WHEREAS, Springville City and the Springville City Water Board have completed a study evaluating water rates for water users both within and outside of the City boundaries; and

WHEREAS, all established water rates should be just and reasonable, meaning just and reasonable as to the cost of providing service to each category of customer and economic impact of charges on each category of customer; and

WHEREAS, special facilities of significant cost are required to provide Canyon Water Users in left-hand fork of Hobbles Creek above the City's Rotary Hydro Facility with culinary water; and

WHEREAS, a tiered rate structure and a Canyon Water User Facility Fee will help to accomplish the following goals: revenue and rate stability; equity and fairness; affordability; water conservation; and simplicity for all water users.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Springville, Utah that:

Section 1: Users of water from the City culinary water system shall pay the following charges and rates for water, which shall be the sum of the following:

Residential Units within the Springville City boundaries with a Meter

1. The following fees are applicable for water usage after the winter usage reading is made sometime in March and until a pre-winter reading is made sometime in October:
  - (a) \$10.00 minimum base fee each bill. One bill will be sent each month. The monthly reading will be rounded down to the nearest thousand; and
  - (b) Usage set forth herein will be rounded to the nearest hundredth after calculation; and

- (c) There will be no charge for the first 0.16666 thousand gallons times the number of days in the monthly reading cycle for the monthly bill; and
  - (d) There will be a charge of \$0.95 for each thousand gallons or portion thereof for the next 0.50 thousand gallons times the number of days in the monthly reading cycle; and
  - (e) There will be a charge of \$1.50 for each thousand gallons or portion thereof for the next 1.33333 thousand gallons times the number of days in the monthly reading cycle; and
  - (f) There will be a charge of \$2.00 for each thousand gallons or portion thereof for the next 1.33333 thousand gallons times the number of days in the monthly reading cycle; and
  - (g) There will be a charge of \$2.50 for each thousand gallons or portion thereof for the next 1.66666 thousand gallons times the number of days in the monthly reading cycle; and
  - (h) There will be a charge of \$3.00 for each thousand gallons or portion thereof for the next 1.66666 thousand gallons times the number of days in the monthly reading cycle; and
  - (i) There will be a charge of \$4.00 for each thousand gallons or portion thereof for any amounts above 6.66666 thousand gallons times the number of days in the monthly reading cycle.
2. The following fees are applicable during the winter months between the October pre-winter reading and March reading. Meters are not read monthly:
- (a) \$10.00 minimum base fee each month will be charged on the monthly bill; and
  - (b) The total amount of water used during the winter will be read and rounded down to the nearest thousand gallons in March of each year. The user will not be charged for 5,000 gallons times the number of months between readings; and
  - (c) There will be a charge of \$1.05 for each thousand gallons or portion thereof used in excess of the amount set forth in subsection (b) above on the March bill.

Commercial, Industrial, or Residential with a Master Meter

1. Industrial water users are defined as any customer connected to the City's culinary water system that uses in excess of 10,000,000 gallons per month. Rates shall be in accordance with the City's Comprehensive Fee Schedule.
- (a) A \$12.00 minimum base fee will be billed each month for the first 5,000 gallons.
  - (b) An additional fee of \$1.26 for each one-thousand gallons in excess of 5,000 gallons will also be billed.

2. Commercial water users are defined as any non-industrial or non-residential customer connected to the City's culinary water system.
  - (a) A \$10.40 minimum base fee will be billed each month for the first 5,000 gallons.
  - (b) An additional fee of \$1.09 for each one-thousand gallons in excess of 5,000 gallons will also be billed.
  
3. Residential water users served by a Master Meter are defined as residential water customers within or outside the City boundaries that are connected to the City's culinary water system via a Master Meter, but served by a private water system serving multiple (greater than three) residences.
  - (a) The rates and fees for residential water users served through a Master Meter shall be computed by taking the total monthly reading and dividing it by the number of residential water connections served by the respective Master Meter. This calculated individual volume will be applied to the tiered rate structure for City residents and billed accordingly.

#### Outside City Limit Customers

1. The fees for use of the municipal culinary water system for all users located outside corporate limits of the City shall be in an amount that is the same as city residents, except as outlined in paragraph 3 below.
  
2. The rates and fees for residential water users outside the City boundaries served through a Master Meter shall be computed by taking the total monthly reading and dividing it by the number of residential water users served by the respective Master Meter. This calculated individual volume will be applied to the rate structure for City residents and billed accordingly.
  
3. A Canyon Water Users Facility Fee shall be added to the base fee in the amount of \$15.10 per month to offset costs for additional vaults, specialized pressure reducing equipment, and conveyance pipeline needed to provide culinary water at reasonable pressures to water users located above the City's Rotary Hydro Facility in left-hand fork of Hobble Creek Canyon.

Section 2: The rates and fees set forth in this resolution become effective for any billing mailed after January 1, 2014.

Section 3: Any user of the culinary water system may petition the City Council for adjustment of the fees and rates charged to that user. The City Council reserves the right to adjust any such rate or fee if it determines that the same is unfair or discriminatory based on the nature of the particular use of the water system.

Section 4: This resolution replaces Resolution 2011-14.

Adopted this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Wilford W. Clyde, Mayor

Attest:

\_\_\_\_\_  
Venla Gubler, City Recorder

Black = Original 1991 Policy

~~STRIKEOUT~~ = Staff Recommendations

RED = Staff and Water Board Recommendations

## Policy #WTOC-02051991 OUTSIDE CITY CONNECTIONS

**Purpose:** As a convenience to residents and other property owners located outside the boundary of the City, Springville City provides culinary water to certain properties in the vicinity of its water mains.

**Procedure:** The following policy shall apply to all such water service:

1. No connection shall be made to the Springville City culinary water system to serve property outside the boundary of the city except on specific **written** approval of the City Council of each such connection.
2. Each connection which is allowed pursuant to paragraph 1 shall be made at the expense of the party for whom the connection is made. If the work is done by the City, reasonable costs thereof (including labor and materials), as determined by the Superintendent of the Water ~~Department~~ **Division**, shall be paid to the City. If the work is done by non-City personnel, **the contractor shall:**
  - a. **Submit complete plans and specifications, signed and stamped by a Utah Registered Professional Civil Engineer outlining:**
    - i. **The location and elevation of the connection point, with the calculated water pressure anticipated at the site.**
    - ii. **The design of the vault structure to house the pressure reducing equipment, including a detailed list of the valves, meters, fittings, and pressure reducing equipment to be used.**
  - b. **Receive written City approval of the submitted plans and specifications before construction commences.**
  - c. **Notify the City at least 72 hours before excavation begins. The actual connection shall be witnessed by City personnel. All work ~~it~~ shall be done in accordance with the City standards and specifications and shall be fully inspected by the Water ~~Department~~ **Division Superintendent or his designee** before the trench is backfilled.**
7. Each water user shall be responsible for **the initial installation costs and maintenance** of any required **vault or structure**, pressure reducing fittings or equipment, **and/or valves or other appurtenances necessary to provide a standard water pressure (50 - 110 psi) to the water user. Should the water user request pressures in excess of the standard water pressure, the water user shall bear all costs for such equipment.** Springville City shall not be liable for any loss or damage caused by the lack of or failure of any such pressure reducing fittings or equipment.
3. Springville City will maintain **all piping, valves, fittings, and Primary Pressure Reducing Equipment from the City's water main to the Primary Meter., including all pressure reducing equipment, valves, and fittings** ~~only its own water mains~~. All other piping and

fittings which serve users outside the City, including service laterals **valves, meters, and individual pressure reducing equipment** shall be maintained by the water user **or the** ~~of~~ ~~other~~ owner of such system.

4. Water meters shall be placed **d** on all connections to the City water system at such point or points as the Superintendent of the Water ~~Department~~ **Division** shall determine. Unmetered connections shall not be allowed.
  - a. The **initial** cost of all such meters (**including labor and materials**) shall be borne by the water user or users and not by the City. ~~; but the~~
  - b. **The Primary Water Meter, once installed and placed into service** shall be the property of **and shall be maintained by** the City.
  - c. Springville City shall maintain **all piping, valves, fittings, and Primary Pressure Reducing Equipment** ~~the meters at~~ **from the connection to** ~~at the City's main pipeline to the Primary Water Meter.; however~~
  - d. **Any other meters or equipment downstream of the connection point Primary Water Meter such as individual meters within a homeowner's association, shall be operated and maintained by the homeowner's association and/or the individual water user.**
  - e. The connection **to the City's main pipeline** may be metered by a **Primary** Master Meter or by separate **Primary** Meters for individual units (**or parcels**) as the Superintendent deems appropriate. ~~Maintenance of the water lines by the City shall, however, be as provided in paragraph 3 regardless of meter location.~~
5. Water users shall pay for water service outside the City at such rates as may be specified from time to time by the City's rate resolution.
6. This policy shall apply to all water connections made for property outside the City boundary which are made after the date this policy is approved by the City Council as well as to all such connections which existed prior to such approval.
- ~~8. If a connection to the City water system is allowed to a water main upstream from the City's chlorinator or any other treatment facility, the treatment of any water provided to a user through such connection shall be the responsibility of the water user.~~
9. As a condition of the water service covered by this policy, each **new or future** water user shall be required to sign an acknowledgment that (a) he has received a copy of this policy; and (b) he agrees to accept such service on the conditions contained herein.
10. This policy may be amended from time to time as the City Council shall deem appropriate.

**Canyon Water Users Water Rate Analysis - PRV Stations**

November-13

% of Water Bill Used For Capital Improvements 27.00%

→ Credit Period (Years) 0

Interest % charged to Canyon Water Users 4.00%      % to Canyon      % to City      Replacement Interval (yr)  
 Interest % earned by City reserve/sinking fund 0.50%

PRV Repairs	\$ 206,892	98.06%	1.94%	20
Chlorination Station Capital Cost	\$ 117,000	95.83%	4.17%	20
Bartholomew Tank	\$ 1,400,000	3.35%	96.65%	50
Water Penstock	\$ 6,700,000	0.47%	99.53%	50

Contingency % 10.00%

June 1991      June 2005      Double Rate Credit (yrs) 0

Canyon Connections with PRV Data						Canyon Water User Costs							27% of Water Bill over Credit Period and Double Billing Credits (if applicable)						City Monthly Costs calculated over respective Replacement Interval Period								
Accounts	PRV Station Capital Cost	PRV Cost to Cyn Users (%)	Special Circumstance Cost to Cyn User (%)	# Users on Connection	Priority	PRV Connection Monthly Cost	PRV Individual User Monthly Cost	Chlorination Station Monthly Cost	Chlorination Station Individual User Monthly Cost	Bartholomew Tank Monthly Cost	Bartholomew Tank Individual User Monthly Cost	Water Penstock Monthly Cost	Water Penstock Individual User Monthly Cost	Total Billing Over Last 3-Years	Average Individual Water Bill Over 3 Year Period	Account Capital Projects Credit During Credit Period	Account Double Rate Credit Within Credit Period	Account Capital Projects Monthly Credit	Account Double Rate Monthly Credit	PRV Stations	Chlorination Station	Bartholomew Tank	Water Penstock	Exist Pipeline Diameter (in)	Replace Service Pipeline?	New Service Diameter (in)	Length of Pipeline (lf)
Hobble Creek Haven	\$16,220.00	98%		43	Low	\$105.67	\$2.46	\$355.88	\$8.28	\$94.66	\$2.20	\$64.24	\$1.49	\$29,583.09	\$19.11	\$0.00	\$0.00	\$0.00	\$0.00	\$2.00	\$14.84	\$2,504.50	\$12,341.95	4"	No		0
Robertson (Service upgrade)	\$12,156.32	98%		1	Low	\$79.19	\$79.19	\$8.28	\$8.28	\$2.20	\$2.20	\$1.49	\$1.49	\$1,415.06	\$39.31	\$0.00	\$0.00	\$0.00	\$0.00	\$1.50	\$0.35	\$58.24	\$287.02	3"	Yes	2"	1750
Compass	\$8,097.00	98%		1	Low	\$52.75	\$52.75	\$8.28	\$8.28	\$2.20	\$2.20	\$1.49	\$1.49	\$365.90	\$10.16	\$0.00	\$0.00	\$0.00	\$0.00	\$1.00	\$0.35	\$58.24	\$287.02	1"	No		0
Stub	\$0.00	0%	0%	1	Low	\$0.00	\$0.00	\$8.28	\$8.28	\$2.20	\$2.20	\$1.49	\$1.49	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.35	\$58.24	\$287.02	1"	No		0
Holiday Hills + McKell	\$28,458.97	98%		26	High	\$185.40	\$7.13	\$215.18	\$8.28	\$57.23	\$2.20	\$38.84	\$1.49	\$9,816.34	\$10.49	\$0.00	\$0.00	\$0.00	\$0.00	\$3.51	\$8.98	\$1,514.35	\$7,462.57	6"	Yes	8"	25
John Nielson & Drown	\$12,752.22	98%		2	High	\$83.08	\$41.54	\$16.55	\$8.28	\$4.40	\$2.20	\$2.99	\$1.49	\$2,105.70	\$29.25	\$0.00	\$0.00	\$0.00	\$0.00	\$1.58	\$0.69	\$116.49	\$574.04	1"	Yes	2"	20
* Mackey (connected November 2006)	\$10,100.00	98%		1	Medium	\$65.80	\$65.80	\$8.28	\$8.28	\$2.20	\$2.20	\$1.49	\$1.49	\$11,716.45	\$325.46	\$0.00	\$0.00	\$0.00	\$0.00	\$1.25	\$0.35	\$58.24	\$287.02	2"	yes		0
Thornhill, Reeb, & vacant	\$28,319.84	98%		3	High	\$184.49	\$61.50	\$24.83	\$8.28	\$6.60	\$2.20	\$4.48	\$1.49	\$1,144.55	\$10.60	\$0.00	\$0.00	\$0.00	\$0.00	\$3.50	\$1.04	\$174.73	\$861.07	4"	Yes	4"	25
* Dee's Riding Ranch (connected March 2008)	\$9,225.89	98%		1	High	\$60.10	\$60.10	\$8.28	\$8.28	\$2.20	\$2.20	\$1.49	\$1.49	\$1,614.85	\$44.86	\$0.00	\$0.00	\$0.00	\$0.00	\$1.14	\$0.35	\$58.24	\$287.02	1"	Yes	1"	35
Cox - (Smith Ranch 1" connection)	\$9,225.89	98%		1	High	\$60.10	\$60.10	\$8.28	\$8.28	\$2.20	\$2.20	\$1.49	\$1.49	\$574.35	\$15.95	\$0.00	\$0.00	\$0.00	\$0.00	\$1.14	\$0.35	\$58.24	\$287.02	1"	Yes	1"	35
Thomas - (Smith Ranch 4" connection)	\$28,458.97	98%		2	High	\$185.40	\$92.70	\$16.55	\$8.28	\$4.40	\$2.20	\$2.99	\$1.49	\$398.60	\$5.54	\$0.00	\$0.00	\$0.00	\$0.00	\$3.51	\$0.69	\$116.49	\$574.04	4"	Yes	8"	25
Hatch - (Laney, Hatch, Watkins, Parker, Paxton, Brown, A&W)	\$25,068.30	98%		7	High	\$163.31	\$23.33	\$57.93	\$8.28	\$15.41	\$2.20	\$10.46	\$1.49	\$3,362.02	\$13.34	\$0.00	\$0.00	\$0.00	\$0.00	\$3.10	\$2.42	\$407.71	\$2,009.15	1"	Yes	6"	415
Stub (west side)	\$0.00	0%	0%	1	Low	\$0.00	\$0.00	\$8.28	\$8.28	\$2.20	\$2.20	\$1.49	\$1.49	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.35	\$58.24	\$287.02	1"	Yes	1"	20
Subtotal	\$188,083.40																										
Contingency	\$18,808.34																										
<b>TOTAL</b>	<b>\$206,891.74</b>			<b>90</b>		<b>\$1,225.30</b>		<b>\$744.86</b>		<b>\$198.12</b>		<b>\$134.45</b>		<b>AVG/Month = \$19.86</b>		<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$23.23</b>	<b>\$31.07</b>	<b>\$5,241.97</b>	<b>\$25,831.95</b>				

City Single Residential Connection cost @ 7595 Connections = \$4.10 per month  
 City Single Residential & Commercial cost @ 8206 Connections = \$3.79 per month  
 All Canyon & All City Connections Equal Pmt@ 8,296 Connections = \$4.03 per month

**Canyon Group Cost @ 90 Users = \$25.59 per month**

- #1 Only PRV Costs \$13.61 per month
- #2 Only Chlorination Costs \$8.28 per month
- #3 Only Tank Costs \$2.20 per month
- #4 Only Penstock Costs \$1.49 per month
- #5 Capital Projects Credit Years to Credit on Bill 0 \$0.00 per month
- #6 Double Rate Credit Years to Credit on Bill 0 \$0.00 per month
- #7 No Chlorination Costs \$17.31 per month
- #8 No Capital Projects Credits \$25.59 per month
- #9 No Double Rate Credits \$25.59 per month
- #10 No Credits At All \$25.59 per month

#11 All Costs Shared Evenly by All City & Canyon Water Users \$4.03 per month

← **(ALL COSTS & ALL CREDITS INCLUDED, based on Credit Period chosen)**

City connections per PRV Station =	413.20
Canyon connections per PRV Station =	8.18
City has	50.50 times more connections per PRV than the Canyon
City 1.94%	
Canyon 98.06%	

City connections per Chlorination Station =	2066
Canyon connections per Chlorination Station =	90
City has	22.96 times more connections per Chlorination Station than the Canyon
City 4.17%	
Canyon 95.83%	

Canyon Tank Storage Requirements	
400 gallons per ERC (State Standard for households)	
2,848 gallons per irrigated acre (State Standard)	
0.23 acres per ERC (City). Use 15% of this number	
Fire flow is 1,500 gpm for 2 hours	
Household	36,000
Irrigation	8,843
Fire flow	0
	<b>44,843</b>
Bartholomew Tank holds 1.34 million gallons	
Canyon percent of tank =	<b>3.35%</b>

City Water System ERC's		
	ERC	Percent
City	8,206	43.27%
ERC's of other connections	2,886	15.22%
Irrigated Acres	1,745	7,784
Canyon	90	0.47%
Total	18,966	

1 **MINUTES OF THE SPRINGVILLE CITY WATER BOARD**

2  
3 Tuesday, January 8, 2013  
4 6:30 a.m.  
5 110 South Main Street  
6 Springville, Utah 84663  
7



8  
9 **ATTENDANCE**

10 Councilmember  
11 Richard Child - excused

Secretary  
Marcie Clark

12 Board Members  
13 Alton Beck  
14 Lynn Panter  
15 Nile Hatch  
16 Calvin Crandall  
17 Rollin Hotchkiss - Chairman

City Staff  
Brad Stapley – Public Works Director  
Shawn Barker – Water Superintendent

18  
19  
20  
21 Guests: Janice Reeb

22  
23 The minutes from December 11, 2012 were reviewed. Mr. Crandall motioned to approve them. Mr. Panter seconded  
24 the motion. All members approved.

25  
26 Mr. Hotchkiss opened the meeting by explaining that the Board needs to come up with a recommendation for the  
27 City Council regarding charges to Canyon Water Users. The current City Policy states that if chlorination becomes  
28 necessary to users outside of the City, those users are to pay for the full costs. That policy has been in place since  
29 1991. The Water Board voted to basically override that policy and recommended to the City Council that the costs  
30 for the new chlorination station in the Left Fork of Hobbie Creek Canyon be borne by the system. But that would  
31 require a change in the policy. Another policy states PRV Stations (in the Canyon) should be paid by the Canyon  
32 Users. The Water Board took a vote last April (2012) that stated chlorination costs should be paid by the City. It  
33 was voted for 4:1. The dissenter of that vote requested that more information be made available following the vote.  
34 The recommendation didn't have a lot of teeth because the Board was a little premature in making it. More issues  
35 came up after that with PRV station repairs. That is why Mr. Stapley's spreadsheet was created. Mr. Hotchkiss  
36 recommended three possible scenarios:

- 37  
38 1. Pass on all of the costs to the Canyon Water Users  
39 2. Pass on no costs to Canyon Water Users  
40 3. Do something in between

41  
42 Mr. Stapley displayed the spreadsheet on the television screen. He explained the four different costs related to PRV  
43 Repairs, Chlorination Station, Penstock and Bartholomew Tank. He made some more changes to it, to include 0, 10,  
44 and 25 year credit periods, at the request of his boss.

45  
46 Mr. Barker mentioned that he verified the connection to Hobbie Creek Haven is behind the meter. Most the others  
47 are right off the penstock. The City does not have any records of maintaining their PRV station. They don't have  
48 the pressure there that the rest of the canyon does. And because their PRV station is behind the meter, the City would  
49 not maintain it.

50  
51 Mr. Stapley stated that if indeed the PRV station at Hobbie Creek Haven is behind the meter, meaning it is  
52 downstream from the meter, and the City does not maintain or operate it, he will need to change his spreadsheet.  
53 When he changes it, the numbers will explode.

54  
55 Mr. Hotchkiss mentioned months ago that Mr. Stapley didn't want untrained people in the PRV Stations. Mr.  
56 Stapley clarified that it was in the PRV stations with 400 psi. The Hobbie Creek Haven PRV Station has only about

March 12, 2013  
*Approved*

1 150 psi. Mr. Beck doesn't think Hobbble Creek Haven should be included in the same category because it's an  
2 entirely different situation. Mr. Stapley mentioned that they are still receiving benefit from the penstock, the  
3 chlorination station and Bartholomew Tank. The PRV station costs might have to drop out for them. Mr. Hotchkiss  
4 asked if the policy could be changed regarding meters. Mr. Stapley didn't recommend it, as it might be seen as  
5 "singling them out".  
6

7 Mrs. Reeb expressed her feelings on making Hobbble Creek Canyon a special category, but excluding Hobbble Creek  
8 Haven and making them a separate category becomes a tricky issue. Mr. Stapley stated that the City needs to be  
9 careful on what they fraction out. Inside the City limits we do not differentiate at all. Mr. Stapley was trying to  
10 differentiate the canyon users for their costs, but not specific canyon users for their individual costs. And that is  
11 allowable under the law. The bigger question is what do you do with that. Mr. Stapley mentioned that we could  
12 remove the cost of \$16,220.00 for Hobbble Creek Haven's portion of the PRV station costs and that would change the  
13 numbers very slightly. But those 43 users are still using the other three facilities.  
14

15 Mr. Beck asked how many other water users are there, besides Hobbble Creek Canyon, that are outside of city limits.  
16 Mr. Stapley stated Grindstone and Kelly's Grove subdivisions have always been below the Hydro and Chlorination  
17 Station; there is no need for a PRV station for those residents. There is a PRV station at the park (Kelly's Grove).  
18 Mr. Beck thinks they should be included in the same category as the rest of the canyon. There was a brief discussion  
19 on annexation. Mr. Stapley stated there has been no talk about annexing Hobbble Creek Canyon.  
20

21 Mr. Hatch asked which principle should govern this decision. He likes to make decisions based on principles. He  
22 has been unable to find a governing principle here. Mr. Stapley stated that the policy explicitly explains how the  
23 Canyon Water Users will pay for their water. Mr. Hatch verified that in the past, it seemed like policy said one thing,  
24 but it wasn't enforced. That is what complicates this issue. Mr. Stapley explained that the legal people look at how it  
25 has been, which is the unwritten law, and how it is written. There is always room for omissions.  
26

27 Mr. Beck argued that the policy was not sent to every individual in the canyon. That policy is a legal document that  
28 the City has put out, but it doesn't go with the property. It doesn't show up in a title search. A new buyer won't  
29 know about the policy. Mr. Stapley stated that 69 of the 90 users live in Holiday Hills and Hobbble Creek Haven. He  
30 believes that the two subdivisions were notified of the policy. He stated that he hasn't researched it very deeply, but  
31 every time someone moved into Hobbble Creek Haven, they had to get a County Permit saying they had a source to  
32 water through Springville. Springville would send them that policy and say, "you have to follow this". That is what  
33 Mr. Stapley has always found. Mr. Beck believes that unless we can prove that they all knew about the policy, we  
34 can't force it on them.  
35

36 Mrs. Reeb stated that they moved to Holiday Hills ten years ago and they looked very carefully at all the  
37 documentation and there was nothing that apprised them that they were responsible for everything on what they  
38 considered the city side of the meter. Within 3 months, there was a break in the pipe between the penstock, which  
39 was on the west side of Canyon Road, and their PRV station. They were shocked when they were told they were  
40 responsible to repair something of that industrial size and capacity. They had no policy to rely on other than the city  
41 employee they spoke to. It was considerable cost, more than \$15,000 because of the erosion of the road, etc. It  
42 occurred to her that at the time that was all put in, there was no requirement that there had to be a building permit per  
43 50 acres and there was a presumption that it might be possible to do a subdivision for what was a considerable  
44 amount of acreage, more than 100 acres. They are now responsible if they do not amortize that over time, and the  
45 city doesn't take over any of the costs, they are looking at continuing maintenance on the PRV Station, which failed  
46 again recently, as did their neighbor's. And then they don't have the benefit of the possibility of subdividing and  
47 can't amortize over that. Plus, if Springville City decides that as a partial solution to this they are going to  
48 incorporate the canyon, then zoning becomes a different issue. It will cause an immense disruption to what their  
49 understanding was. She understands the position people are in when they say, "you don't even read our meter, and  
50 the PRV is on our side of the meter, but you're requiring us to maintain everything." There are different ways of  
51 looking at inequity when looking at principle. It's all downhill for them. She would be interested in the numbers  
52 once Hobbble Creek Haven is pulled out. But Holiday Hills has a unique situation too. So, where do you draw the  
53 line?  
54

55 Mr. Stapley stated "when a person moves somewhere, it is their responsibility to find out what the rules are there. If  
56 he goes to Mexico and he drives through a sign that he doesn't understand, it doesn't matter; he's still breaking the  
57 law. If a person moves to Springville, he should know what the laws are in Springville. And just because he doesn't

1 know them, doesn't mean he can't be prosecuted or cited for breaking that law. Just because you don't understand it,  
2 doesn't mean you're ok." Mr. Stapley stated that they should have asked the City; they didn't ask the right people.  
3 Mrs. Reeb acknowledged that they only asked the County, because the Canyon is not part of the City. Mr. Beck  
4 asked how many of those Canyon Water Users were already in there before 1991 when the policy came out. That's  
5 an "after the fact" policy that they didn't agree to. He feels the policy should be replaced by an agreement between  
6 the City and the Water Users. The people don't sign that policy. He thinks an agreement is needed. Mrs. Reeb  
7 asked if it were possible for future reference for the County to tag that policy. Mr. Stapley said he didn't know; that  
8 was a legal issue with the County. Mr. Crandall didn't think they would. Something like that isn't required of his  
9 house.

10 Mr. Beck made a motion that the 1) Canyon Water Users pay nothing because they did not request the chlorination; it  
11 was mandated by the State. Also, some of the water users were in before the policy came out. He feels the policy is  
12 really not valid because not everybody got a copy of it. We can't prove that. And, 2) have no additional assessment  
13 for facilities for the Canyon Water Users. Mrs. Reeb asked if the City would maintain the PRV stations as part of the  
14 motion. Mr. Beck would like to add that to the recommendation. Mr. Hotchkiss asked for a second. There was no  
15 motion.  
16

17  
18 Mr. Crandall made a motion that all the costs of the Chlorination Station and PRV repairs be borne by the Canyon  
19 Water Users (those 90 users above Rotary Tank) with no credit – so they would pay \$25.59 per month. There was no  
20 second. The motion died.

21  
22 Mr. Hotchkiss questioned the \$4.03 cost/month if amortized by all users. It doesn't seem to add up. That is only 1/6  
23 of what the canyon users would pay if they were going to pay by themselves. It seems like it should be much less.  
24 Mr. Hatch and Mr. Stapley tried to verify the numbers on the spreadsheet.  
25

26 Mr. Hatch mentioned that when we built the tiered rate structure, with the principle of conservation in mind, we  
27 deliberately built the system where if someone chose the ultimate conservation, under the new rate structure, they  
28 would end up with "X" amount monthly payment that we were comfortable with, and it was roughly in the \$4.00 -  
29 \$5.00 range. So when we talk about a \$4.00 per household charge, that's based on a large number. So that's what is  
30 important. If it's not \$4.00, but maybe nine cents, that's a very different thing. The City has done big infrastructure  
31 projects in the past, but we haven't had to push rates up. Mr. Stapley explained that the penstock is a huge project of  
32 about 6 million dollars. The City hasn't done a project that big since he started eight years ago.  
33

34 Mr. Hotchkiss mentioned that this spreadsheet is answering more questions than we've asked. This \$4.03 figure can  
35 be used on other occasions. It could be brought to the attention of the City Council in order to plan for the  
36 replacement of the Penstock; they should consider raising rates for everybody in the City. Mr. Hatch mentioned there  
37 is a half a percent allocated to Canyon Users for the penstock value. But the real question is what share of that half  
38 percent allocated to Canyon Users should be borne by the City. That's a different number. Mr. Stapley said his  
39 spreadsheet won't do that because it's figured on actual costs based on numeric analyses based on ratios.  
40

41 If the costs identified (unique to the Canyon Water Users) were spread out to the City, (just the incremental costs of  
42 the burden that we're talking about attributed to the Canyon Users), it would be a .28 cent per month charge to the  
43 City Users.  
44

45 Mr. Beck asked about the 27% of each water bill. Mr. Stapley explained that percentage goes to new capital  
46 improvement projects. Mr. Hotchkiss mentioned that it might behoove the Water Board to bring to the attention of  
47 the City Council that in order to replace everything in the Canyon (listed on the spreadsheet) and for it to be borne by  
48 the water bill, rates will have to go up.  
49

50 There was also a brief explanation by Mr. Stapley on the 27% of water funds. It does not go to maintenance. He  
51 reviewed a previous email:  
52

53 Maintenance is covered within the other 73% of the water bill. Within that 73% are transfers to:

- 54 • The General Fund in the amount of 5% of the Water Division's annual gross revenue (\$3,479,200). That 5% is approximately  
55 \$174,000 per year. This number represents profit from the Water Division "business" that is passed on to the share-holders  
56 (Springville Citizens) to help fund:
  - 57 ○ Public Safety (Police, Fire Protection, Ambulance, and Animal Control

- Parks & Recreation programs
- Library
- Buildings & Grounds maintenance
- Etc.
- The Administration Department(s) of the City in the amount of 10.7%. This 10.7% pays for services that administrative City employees provide for the Water Division such as:
  - Billing and collection services provided by the City's Finance Department
  - Legal services provided by the City Attorney
  - Engineering services provided by the Engineering Division of Public Works
  - A portion of the Secretarial services that Marcie provides to the Water Division as the Public Works Secretary
  - A portion of my salary for my services to the Water Division as the Public Works Director
  - Other miscellaneous services provided by other administrative City employees

Also within that 73% are operating costs (e.g. Power to run the wells, fuel for Water Division vehicles, etc.), debt service (bonds and loans), Water Division employee wages and benefits, Professional services (water testing), etc.

There is about 16% of that 73% that is going to pay for Mr. Barker running his (water) business. The rest is typically for operation and maintenance. Mr. Hatch asked if we know the periodic maintenance costs of PRV stations. Mr. Stapley mentioned that he didn't include the maintenance costs in his figures because they would be huge. It would be like putting salt in a wound. Mr. Crandall thinks the base rates should cover maintenance costs, but the Canyon Users should cover the capital costs up front, because it's just for them. Mr. Hatch would like to have a better sense of what those maintenance costs are. Mr. Barker stated he hasn't ever figured what those costs are.

Mrs. Reeb spoke about principle vs. policy. The policy has been that homeowners pay for all of it if they have a problem. But the circumstances have changed. She knows that if there is no change, she is personally responsible for going into that PRV and repairing it. If she knows that if there is going to be a problem, she would prefer to pay the City of Springville to repair it, because they have the expertise and personnel. She doesn't have to take on the liability and safety issues and other problems it could create for the City in regards to a valve that has to be shut. She would be willing to pay the \$25.00 a month, knowing the City will take care of it, instead of paying \$18,000 every five, ten, or fifteen years to repair it herself. It's just a different way to look at it.

Mr. Hotchkiss reviewed all the motions and discussions. We found out Hobble Creek Haven has their PRV station on the interior side of the meter. Then we had a motion from Mr. Beck that all costs for infrastructure and maintenance be borne by the City. That did not get a second. Then Mr. Crandall made a motion that all costs be borne by the Canyon Water Users. That didn't get a second either. Then we had a clarification of the \$4.03 charge to every water user in the City and that is for replacing the penstock, etc. etc. If that cost were simply due to the additional facility for the Canyon Water Users, then it is 28 cents per month. We still need to figure out the Hobble Creek Haven issue, but not right now. We could take a political alternative, which is not based strictly by numbers. That would be to just recommend an additional assessment of \$15.00 a month. Mr. Crandall said that's similar to the double billing the City used to charge. Mr. Stapley said the double billing was actually pretty accurate. But our billing needs to have backup status with the law. We could charge anything less than \$25.59. Anything above that can't be justified.

Mr. Hotchkiss explained one of the reasons we wouldn't charge the Canyon Water Users is because they are already paying for some replacements and they are paying for services they don't receive, such as the library. So, on that basis, we can argue that it is one big system and they shouldn't pay extra. Mr. Stapley stated that if he were to raise the garbage rates .28 cents per month, he would hear it from the community, because things are that tight. The City is very cautious about raising rates. Mr. Crandall suggested raising the rate by \$25.59 per month, which has a basis in logic also.

Mr. Stapley stated that no matter what the recommendation is from the Water Board, he will recommend personally that the City should take over the maintenance of the PRV Stations. Mr. Hatch explained that we need to set this thing right. Historically, there is anecdotal evidence that there were city managers that told the Water Department not to touch the PRV stations in the Canyon. So they were deliberately unmaintained. Nobody touched them. The users were told not to touch them and they didn't know how to. So, to set this right, the City should get the infrastructure clean and know who owns it and set a maintenance fee for the Canyon Water Users and maintain them in the future.

1 Mr. Stapley explained that the way the spreadsheet is set up right now, in the \$25.59 per month fee, there is a sinking  
2 fund in place to replace the PRV Stations. They have to be replaced right now, which means the City is going to  
3 front money right now to get them up and running. The scenario of \$25.59 per month would make it so the Canyon  
4 Users would cover the costs 20 years from now. Everything in the spreadsheet is for future, not for current. That  
5 charge would become a sinking fund for the next time.  
6

7 Mr. Panter made a motion that the Canyon Users pay for the PRV costs at \$13.61 and the penstock costs at \$1.49 and  
8 the City would be responsible for maintenance (total \$15.10 per month) in addition to their water bill. Chlorination  
9 and tank costs will be part of the whole city. Alton seconded the motion. Mr. Crandall wondered why we would  
10 single out chlorination and tank costs. Mr. Hotchkiss explained that it is a compromise. Mr. Beck stated that the  
11 City may not need the tank for their system, but it is an advantage to them.  
12

13 We will need to clarify Hobbble Creek Haven's responsibility for their PRV station. Mr. Barker stated he would be  
14 nervous to maintain theirs. Mr. Stapley explained that the replacement costs on the spreadsheet are simply for parts,  
15 not the vault itself. Mr. Hotchkiss stated that if we don't include the PRV station for Hobbble Creek Haven, they will  
16 really be mad when we ask them to pay additional money and they still have to maintain their PRV. Mr. Hotchkiss  
17 asked how much it would be to move their meter and then we wouldn't have to change policy.  
18

19 Mr. Stapley stated that he currently has a BYU graduate class in their Capstone Project doing a design, sizing and  
20 sighting of a new tank to replace the Bartholomew Tank. It might be good to leave the tank costs out because the  
21 new tank might be bigger or smaller.  
22

23 Mr. Hotchkiss mentioned that he feels the City Council will be more accepting of this motion to charge something  
24 over Mr. Beck's original motion to charge nothing (no allocations).  
25

26 There was a brief discussion on chlorination and why the chlorination station was required to be installed. Mr.  
27 Stapley said the State never goes backwards. They will always have to have chlorinated water from now on.  
28

29 Mr. Crandall moved to amend the motion to include chlorination costs or \$8.28. Motion was not seconded.  
30 Amendment failed.  
31

32 Mr. Hatch asked what would change if the City assumed the maintenance for the PRV Stations. Mr. Barker said  
33 there would be weekly checks on the PRV Stations. Historically they weren't checked even once a year. There  
34 would be a rotation schedule created. It might end up to be a day's work for a 2-man crew. Mr. Stapley stated that  
35 the costs in the spreadsheet do not include installing shut off valves. That would need to be done though. For each  
36 valve installation, it would probably involve digging in the roadway, which is around \$3,000-4,000 per dig. You  
37 might also have to shut down the penstock. Mr. Barker stated that you can do it without taking down the penstock  
38 with a special saddle, but it's very costly.  
39

40 Mr. Hotchkiss asked the board to vote on Mr. Panter's motion. All were in favor except Mr. Crandall. The vote was  
41 4:1 in favor that the City charge an additional \$15.10 to the Canyon Water User's water bill. Mr. Stapley offered to  
42 write up the draft explanation of the proposal for City Council recommendation. He offered to email it to the board  
43 members before it goes to Council.  
44

45 Mrs. Reeb expressed her appreciation for the valuable information and reasoning that has come out of this meeting.  
46

47 Mr. Hatch thinks it is premature to talk about going to the Council until the Hobbble Creek Haven issue is resolved.  
48 Mr. Stapley stated we bypassed that issue when we voted on the motion. The numbers that were voted for assumed  
49 Hobbble Creek Haven was part of the Canyon Water Users category. Mr. Hotchkiss mentioned that something has to  
50 change because policy as it is currently written remains that the PRV station in Hobbble Creek Haven is out of the  
51 picture. We just voted to include it in this picture. That policy would need to be changed since their meter is  
52 upstream from their PRV Station.  
53

54 Mr. Hotchkiss wants to make sure the Council knows how much we've considered this and have had a line of  
55 discussion for various reasons. Mr. Stapley stated that it might be helpful to get a better handle on the Hobbble Creek  
56 Haven issue. He is supposed to meet with each of the eleven PRV owners and find out how they feel and if they  
57 have documentation, before this goes to the Council. We don't need to rush to the Council because he will need time

March 12, 2013

*Approved*

1 to visit with 11 different people. He's not sure he'll be able to get that all done and have the presentation ready in a  
2 month's time.

3  
4 Mrs. Reeb suggested that something be dispensed to each Canyon User, explaining what has been going on. She  
5 expressed concern over just two people representing all the people in the canyon. Mr. Hotchkiss stated that these  
6 Water Board minutes are a public record.

7  
8 Mr. Hotchkiss thanked the group for their deliberation and sincerity on this issue.

9  
10 Mr. Hatch made a motion to adjourn. Mr. Panter seconded. All were in favor.

11  
12 *Adjourn* – This meeting adjourned at 8:30 a.m.  
13  
14



## STAFF REPORT

**DATE:** February 27, 2013

**TO:** The Honorable Mayor and City Council

**FROM:** John Penrod, City Attorney

**SUBJECT: CONSIDERATION OF APPOINTING A PROXY TO VOTE  
SPRINGVILLE'S SHARES AT THE SPRINGVILLE IRRIGATION COMPANY'S ANNUAL  
SHAREHOLDER MEETING ON ALL ISSUES, INCLUDING BYLAW 1.**

### **RECOMMENDATION**

Motion to Approve the appointment of Richard Child as proxy to vote Springville City's shares in the Springville Irrigation Company's annual shareholders meeting on all issues, including voting to approve/disapprove Bylaw 1.

### **GOALS, OBJECTIVES AND STRATEGIES AT ISSUE**

Springville General Plan Goal - To provide functionally effective community facilities and services to support a safe, healthy, and vibrant community life.

Objective 5C – Protect established water rights

Objective 5H – Continue to retain and pursue water resources in which the City has an interest.

### **BACKGROUND:**

The Springville Irrigation Company annual shareholder meeting will be held on December 19, 2013. In the past, the City has appointed the council member assigned to the Springville Irrigation Company ("SIC") as proxy to vote the City's shares at the meeting. Councilmember Child is assigned to represent the City's interests on the SIC Board. Accordingly, it is recommended that he be appointed proxy for the shareholder meeting.

One of the issues that is being raised this year at the SIC annual shareholder meeting is Bylaw 1, "Change or Exchange Applications." A draft copy of Bylaw 1 is attached. The SIC is hoping to adopt Bylaw 1 in compliance with Section 73-3-3.5 of the Utah Code. Section 73-3-3.5 allows an irrigation company to establish a process for approving a shareholder's change application that seeks to change the point of diversion, place of use, or purpose of use of water. The application must be approved by the irrigation company where the water is located before it is filed with the state engineer's office for approval. An irrigation company must be reasonable in its approval process.

Bylaw 1 has caused City staff a number of concerns. Those concerns are as follows:

### **CITY COUNCIL AGENDA**

1. Fees & Costs. The bylaw allows SIC to require a number of different application fees and costs that have the potential to make the application process much more costly than it has been in the past.
2. Indemnification. Under the bylaw, shareholders are required to indemnify SIC as a result of SIC's participation in any sort of administrative or judicial proceedings related to the application process. SIC may require an advanced payment from the shareholder who files the change application in anticipation of required participation in proceedings. Also, there is no exception in the indemnification requirement should SIC's participation in proceedings stem from the fault of SIC and not the applicant.
3. Assessments. The bylaw allows SIC's board, at its discretion, to charge an applicant an "amount equal to twenty-five (25) years of assessments, as estimated by the company." SIC has agreed to remove this requirement, but staff has not seen it in a revised bylaw.
4. Bear All Losses. The bylaws require the applicant to "bear all losses or reductions caused by the change or exchange through evaporation, seepage, percolation and other such losses or carrier water." This seems overreaching. All systems have some losses. The City should only be required to bear its proportionate share of losses.
5. Compensation of Loss of Carrier Water. The bylaw allows SIC, "in its sole discretion," to determine what percentage of water that will be available to the applicant and what percentage that would stay within SIC as carrier water. The bylaw allows SIC to cut up to 50% of water available to the applicant. The City and SIC have previously agreed to a lesser percentage of water to be cut on water transferred to wells.
6. Retirement of Acreage. The bylaw requires that an applicant identify and own, or get permission from the owner of, acreage that is to be retired or removed from irrigation on account of water applicable to a change application. Depending on how SIC applies this requirement, it could be very difficult for the City to get the required permission from land owners for shares already received.

The recommended motion at the beginning of this report is to "approve/disapprove." The reason for the recommendation is that staff is still negotiating with SIC concerning Bylaw 1 and possible revisions. Given that SIC is going to present Bylaw 1 at its shareholder meeting on December 19th, this item needs to be considered before that date. Staff will have a more direct recommendation for City Council meeting.

### **FISCAL IMPACT:**

The bylaw is not specific as to how much the application processing fees will be for a change application. We hope to have more specific amounts by City Council meeting.

**BYLAW 1**  
**CHANGE OR EXCHANGE APPLICATIONS**

1. No Independent Shareholder Authority to File Application. No shareholder shall have authority to file a change or exchange application involving the water rights of the corporation without following the procedures set forth in these bylaws and in Utah Code Ann. § 73-3-3.5 (2013).
  
2. Changes or Exchanges Requiring State Engineer Approval. No shareholder may file or cause to be filed a change, temporary change, or exchange application involving the water rights of the corporation requiring the approval of the State Engineer without the express written approval of the Board and following the provisions set forth in these Bylaws and in Utah Code Ann. § 73-3-3.5. The procedures for requesting, considering and taking action on any shareholder's request for a change on the corporation's water rights shall be as follows:
  - a. Any shareholder proposing to file a change or exchange application to change the point of diversion, place of use, or purpose of use of the shareholder's proportionate share of the corporation's water with the Utah State Engineer shall first file a written request to do so with the Board. The Board may set a reasonable fee, applied uniformly to all shareholders, to review and/or file the application. All such requests shall include the following information:
    - (1) The name and address of the shareholder;
    - (2) The quantity of water sought to be changed;
    - (3) The certificate number(s) of the shares sought to be changed or exchanged;

- (4) A description of the land proposed to be retired from irrigation, if applicable;
- (5) A statement that the shareholder is current on all assessments of the corporation, and that, regardless of the requested change or exchange, the shareholder agrees to pay all future assessments;
- (6) A short, concise explanation of the proposed change or exchange and the need and reasons therefore, which may include details like the point of diversion, period of use, place, or nature of use;
- (7) A copy of the draft change or exchange application, if it is available; and
- (8) Any other information the Board may request to reasonably evaluate the requested change or exchange.

Upon the receipt of the written request, the Board may request further information or clarification from the shareholder. If the shareholder's written request is insufficient, it shall be returned to the shareholder with the corporation's written comments to be revised. The Board will not accept a request for a change or exchange application from a shareholder who is in arrears on its assessments.

- b. Within 30 days after the Board receives a written request that it deems is sufficient to process, the Board may, but need not, send notice of the requested change or exchange to any or all other shareholders who, in the

opinion of the Board, may be affected by the requested change or exchange. The notice will include a copy of the request and provide that any affected shareholder may object to the request in writing to the Board within 10 days after the mailing date on the Board's notice. The requesting shareholder shall pay all costs of the mailing, meeting, and other expenses reasonably incurred in the Board's evaluation and action on the change or exchange. If the Board receives any comments in response to its mailing it shall provide copies to the requesting shareholder.

c. As soon as reasonably practicable after the filing of the request and the receipt of comments, if any, and after the Board has investigated the request, the request shall be placed on the agenda of a duly called Board meeting for consideration. The requesting shareholder and those filing comments to the request for a change or exchange application shall be given 10 days' notice of the meeting and be allowed to attend. In considering requests for change or exchange applications, the Board may consider all relevant facts, circumstances and potential impacts of the requested change or exchange including, but not limited to:

- (1) Whether it would unreasonably affect or impair the rights of the corporation or any of its shareholders;
- (2) Whether it would result in increased costs to the corporation or its shareholders, and if so, in what ways;
- (3) Whether the change would unreasonably interfere with the corporation's ability to manage and distribute its water;

- (4) Whether it represents more water than the shareholder's pro rata share of the corporation's water rights under the application;
- (5) Whether it would impair either the quantity or quality of water delivered to other shareholders, including carrier water;
- (6) Whether it would cause the corporation to be in violation of any law or court decree;
- (7) Whether the requesting shareholder has or can arrange for the retirement from irrigation of acreage within the corporation's certificated or decreed service area, if applicable;
- (8) Whether the approval is likely to have cumulative impacts on other shareholders or water company operations;
- (9) Whether the proposed mitigation offered by the requesting shareholder will reduce the impacts to the corporation or the other shareholders.
- (10) In considering requests for change or exchange applications, the Board must evaluate the portion of each share that constitutes comingled water delivered under contract with the Strawberry Water User's Association and the Springville Irrigation District ("Project Water"). Typically, one fourth (1/4) of the water under each company share is Project Water. Such Project Water is subject to limitations regarding place and manner of use under state and federal law. The Board shall not make a decision on any request for change or exchange applications that would

violate then-existing limitations on Project Water.

d. No later than 120 days from the date of receipt of a properly submitted request, the Board, at a duly called meeting, with notice to the requesting shareholder and any shareholders filing comments to the request, shall take action on the requested change or exchange. A change or exchange request may, by resolution, be approved, approved with conditions, or rejected by a majority vote of the Board. The Board shall notify the requesting shareholder of its decision in writing sent by regular mail. In the case of temporary change application requests, the Board shall take action within 60 days. If the requested change or exchange is denied, the written notice thereof shall contain a brief explanation for the denial. If the requested change or exchange is approved with conditions, such conditions shall be clearly set forth in the written notice and may include, but not be limited to, the bearing of all expenses of the change or exchange by the shareholder, including all costs to the Board to meet with and to hire consultants to evaluate the requested change or exchange and provide reports to the Board, and that the shareholder shall bear all losses or reductions caused by the change or exchange through evaporation, seepage, percolation and other such losses or carrier water. A change or exchange request shall not be denied, absent other factors, if any anticipated or potential cost, damage or impairment to the corporation or its shareholders can be reasonably mitigated by the requesting shareholder without cost to the corporation. The approval notice shall indicate that the Board has authorized the President to

sign the application to be filed with the Utah Division of Water Rights.

- e. All conditions of approval of the change or exchange required by the Board shall be appended to the shareholder's application, including that said conditions shall be included in any memorandum decision or certificate of beneficial use on the change. The requesting shareholder shall pay all costs, fees, and expenses necessary to prosecute the application, including any costs of any appeals from the State Engineer's decision on the application. The Board or members individually may, at their sole discretion, participate in any proceedings on the application.
- f. Upon final approval of the change or exchange by the State Engineer, the requesting shareholder shall, at its sole expense, accomplish the change or exchange. All requests for extensions of time in which to submit proof of beneficial use filed with the State Engineer shall be co-signed by the President, unless the Board directs otherwise.
- g. Upon final approval of the change or exchange by the State Engineer, the Secretary shall make a notation on the books of the corporation reflecting the changes to the use, location, point of diversion, or time of use of the shares. While the change or exchange is being accomplished, the requesting shareholder shall be responsible for the continued beneficial use of the water made available under the shares.
- h. If the requesting shareholder fails to comply with the conditions of the Board's approval or the conditions of approval stated in the State Engineer's memorandum decision, either before or after the certificate of beneficial use

on the change or exchange is issued by the State Engineer, the Board, after providing written notice to the requesting shareholder and an opportunity to remedy the failure, may withdraw its approval of the application and petition the State Engineer for an order canceling the application or certificate, as the case may be; provided, however, that the corporation shall not withdraw its approval so long as all such conditions are being substantially complied with. Upon submittal of proof on any change or exchange, the requesting shareholder shall arrange for the retirement from irrigation of land within the corporation's certificated or decreed service area, if applicable, and shall so notify the corporation in writing.

- i. The change application to be filed with the Utah State Engineer will be filed jointly in the name of the Company and Stockholder Company.
3. No change application will be approved that will cause the system to be subject to state or federal drinking water standards.
4. No change application will be approved that will cause the system to be subject to State of Utah, Public Service Commission jurisdiction.
5. Ownership of Company Shares. For so long as the change application or any order based on it remains in effect, Stockholder and the Stockholder's successor(s), including, but not limited to, heirs, devisees, and assigns, shall maintain ownership of the shares of stock.
6. Prepayment of Assessments. Stockholder shall pay all assessments, fees, charges, and expenses levied against the stock in accordance with the Company's Articles of Incorporation and Bylaws and Utah law. At the discretion of the Company

Board of Directors, an amount equal to twenty-five (25) years of assessments, as estimated by the Company, shall be paid in advance by the Stockholder to the Company on each share of stock used to support the Change Application.

- a. The advance deposit shall, at the discretion of the Company, be deposited with the Company either at the signing of this Agreement or at such later time as the Company shall identify by written statement to Stockholder.
- b. Company will place such advance payment in an interest-bearing account to ensure that timely payment of assessments is made by Stockholder. The Company will have sole authority, as set forth below to remove money from the account. Interest earned on the account shall be credited to the Stockholder. Stockholder shall be subject to reporting the interest income on Stockholder's tax return.
- c. The Company will use the amount of deposit to pay the Company assessments and other Company fees from the account. If there is not sufficient money in the account to pay such amounts, the Stockholders shall then pay assessments and other Company fees directly to the Company as they become due.

7. Stockholder Responsibility for Change Approval. Stockholder shall, consistent with the requirements of these Bylaws and at its own expense, be responsible for filing, prosecuting and defending the Change Application in the administrative proceedings before the Utah State Engineer and in any judicial review actions related to the Change Application.

- a. The Company may participate in the administrative proceedings to protect

its interests, but has no duty to do so. If a judicial review action is filed in the district court following a decision by the State Engineer, either by Stockholder or by any other interested party, the Company shall be deemed a necessary party.

b. Shareholder shall indemnify and hold harmless the Company for all costs, expenses and attorney's fees incurred by Company as a result of its participation in the administrative proceedings or any judicial review action, including appeals taken from the district court's decision. The Company may require estimated costs, expenses and attorney's fees to be paid in advance by Stockholder. If any such advance payment remains at the conclusion of the proceeding or actions, such advance payment remaining will be refunded by the Company to the Stockholder. If the advance payment is insufficient, the Stockholder shall make additional payments to the Company within thirty (30) days of the Company's request.

c. Either Stockholder or Company may elect to withdraw the Change Application to avoid the judicial review action

8. Compensation for Loss of Carrier Water. If the Change Application is approved and allows Stockholder to divert water from a source other than the Company water system, Shareholder shall allow such part of the water available for delivery by virtue of the Stock as may be necessary to remain in the Company canal system as carrier water to compensate for canal seepage, water transportation losses, evaporation, and other water losses related to Company operations. The

portion required shall be sufficient to ensure that the change in point of diversion or in the method of transporting water under the Change Application will not adversely affect the remaining stockholders or the Company. The Company will, in its sole discretion, determine the percentage of water available to the Stock that shall be left in the Company as carrier water. Such percentage shall not exceed fifty percent (50%)

9. Measurement of Water Use. Stockholder shall, at no expense to the Company, provide for all facilities necessary to divert water under the Change Application and to convey the water to its place of use. Stockholder shall install, maintain, replace or otherwise provide as necessary such measurement devices as the Company may reasonably require to measure water diversion and use under the Change Application. Stockholder shall provide records of such water measurement to the Company and the Utah Division of Water Rights upon request or as required by law. Stockholder shall allow Company agents full access to the measurement devices as necessary to read and record water measurements and to assure the accuracy and proper operation of the devices.

10. Beneficial Use of Water. Stockholder shall be responsible to assure full beneficial use of the water under the Change Application. Stockholder shall use water so that water rights of the Company are not subject to forfeiture, in whole or in part, or shall file and receive approval of any necessary applications for non-use of the water under the Change Application. In order to ensure beneficial use by Stockholder, the Company is entitled to inspect the water measurement records in the above listed manner.

11. Diversion of Water through Non-Company facilities. If under the Change application the stockholder(s) is to take delivery of the water in another irrigation company canal, or private ditch or canal, or any other water system (“Other System”), Stockholder shall be solely responsible to meet any terms and conditions imposed by the Other System, including, but not limited to payment of assessments and/or other charges and fees and contribution to carriage and seepage losses of the Other System. Stockholder shall be solely responsible for compliance with the terms and conditions of any order of the State Engineer or a court of proper jurisdiction approving the Change Application, including, but not limited to, maintaining flows or return flows into Utah Lake. Stockholder shall indemnify and defend Company against all costs, claims, liability, or suits, including all reasonable attorney fees, expert witness, or related costs arising from use of the Other System to convey water under the Change Application

12. Maintaining the Change Application in Good Standing. Stockholder shall maintain the Change Application in good standing before the office of the Utah Division of Water Resources and will notify the Company of any action required of the Company to do so.

- a. Company, in consultation with Shareholder, will file any required proof of beneficial use under the Change Application, extension requests, and other applications required by the laws of the State of Utah and by the State Engineer’s rules.
- b. Stockholder shall report to the Company on the status of the Change Application and its implementation on at least an annual basis on or before

the anniversary of the date of any order approving the Change Application. Stockholders shall also respond in a timely manner to any inquiries made to Stockholder by the Company concerning the Change Application or implementation of the changes contemplated under the Change Application.

13. Costs and Indemnity. Stockholder shall indemnify and hold harmless the Company, its officers, directors, and employees against any and all losses, damages, liabilities, costs, expenses, and attorney's fees incurred by the Company related to or resulting from the Change Application.

a. Stockholder shall pay to Company at the time of presenting the Change Application a \$1500.00 fee to be applied by the Company, at its discretion, to the above items. Any costs in excess of \$1500.00 shall be billed to the Stockholder by the Company and shall be paid within thirty (30) days of the date the invoice or bill is mailed to the Stockholder.

b. Stockholder will reimburse the Company for all costs and expenses incurred by the Company related to the Change Application.

14. Retirement of Acreage. Stockholder shall identify any acreage under the Company system that is required to be removed from irrigation on account of water used under the Change Application. Such acreage must either belong to the stockholder requesting the change application or an agreement, acceptable to the corporation, must be presented from another landowner within the service area of the corporation wherein the other landowner agrees to retire the required area from irrigation. Stockholder shall provide maps and a legal description of such

acreage to the Company, and if required, to the State Engineer. Land retired shall reflect the corporation's historical per acre water application. For example, if seven (7) acre-feet of water is being considered in a change application and the corporation's records indicate that the average amount available per acre in the corporation's service area is 3.5 acre feet per acre, then 2 acres of ground would have to be identified as being retired from irrigation. The Company shall not be obligated to approve the Change Application unless it is satisfied with the arrangements for retiring acreage.

15. Failure of Stockholder to Comply. Stockholder hereby authorizes the Company, at its discretion, to either withdraw the Change Application or to file a new change application changing the water back to its original place of use or to such other place of use that the Company determines to be in its best interest if the Stockholder does not strictly comply with the conditions of the Bylaws, Articles of Organization, or Utah law. The Stockholder will indemnify and hold harmless the Company for all costs, expenses and attorney's fees incurred by the Company in making this new change application. The Stockholder shall not protest any such new change application. Stockholder irrevocably appoints the president of the Company then holding office as Stockholder's agent and attorney in fact to take all actions provided for in this paragraph. Such appointment shall survive any incompetency of Stockholder and shall be binding on Stockholder's successors and assigns.