



## SPECIAL CITY COUNCIL MEETING MINUTES AMENDED #1\*

Thursday, February 6, 2014  
Approved February 13, 2013

5:00 PM ~ GENERAL MEETING [5:03:28 PM](#)

**Attendance:** Mayor, Carmen Freeman

**Council Members Present:** Mike Day, Matt Robinson, Craig B. Tischner and Coralee Wessman-Moser

**Staff Present:** John Brems, City Attorney  
Cindy Quick, Deputy City Recorder  
Brett geo. Wood, City Manager  
Gordon M. Haight II, Asst. City Manager  
Shauna DeKorver, Finance Director  
Tami Moody, Executive Administrative Manager/PIO  
Danie Bills, Events Director

### 1. WELCOME

1.1 [5:03:37 PM](#) Roll Call: Mayor Carmen Freeman asks for the minutes to reflect all members were present at tonight's meeting and welcomes those in attendance.

### 2. MIDAS CREEK ANNEXATION: ~ *John Brems, City Attorney*

2.1 [5:03:41 PM](#) Discussions and consideration of **Resolution No. 14.06** "A resolution (1) accepting for further consideration an annexation petition relating to approximately 316 acres of land, pursuant to section 10-2-405 of the Utah Code; (2) approving the execution and delivery of an annexation agreement related to such annexation; and (3) related matters."

John turns time to Gordon Haight. Gordon explains two important things about this resolution. First, the council needs to accept the annexation petition the city has received for 316 acres. Second, the council needs to agree to the annexation agreement that was given to us by the Suburban Land Reserve group. One thing to note is the resolution allows them to withdraw at any time. The city wants them to expedite the annexation process. John Brems explains that section five of the annexation agreement was added after they saw it. This section basically says that the city council will consider these two items. They will consider approving an ordinance for annexing into the city; Consider one or more ordinances assigning the land use designation to the property; Consider amending the general plan to include it into the city and approve a development agreement which hasn't been seen yet. Keep in mind; you're just saying that you'll look at it. You'll also consider other ordinances that may be required.

Gordon Haight is recommending approval and asks if there is any question from the council.

Mayor Freeman asks if public comment is allowed on this item. John Brems explains that it wasn't noticed that way but he can ask for public comment.

Mayor Freeman asks those present if they would like to make a comment. There was no public comment at this time.

Coralee Wessman-Moser comments that the council has had numerous discussions on this topic and feels that process has allowed the council to quickly move forward with approving this resolution.

Mayor Freeman makes mention that there will be opportunity for public comment through the process. John Brems said that opportunity will be for the development agreement.

Matt Robinson described the considerable amount of work, on behalf of staff and our prior Mayor, Clint Smith and current Mayor, Carmen Freeman to bring this to the council today. He commends staff and elected officials to get us to this point today.

John Brems adds that there will likely be public comment on the Zoning and PUD components of the development plan.

Mayor Freeman adds a final comment that he enjoys having public comment regarding issues that are important to the community and he will be an advocate to allow public comment.

Council Member Coralee Wessman-Moser **MOVED** to approve this item.

Council Member Mike Day **SECONDED** the motion.

Mayor, Carmen Freeman asked if there are any questions on the motion.

Being none, he calls for a roll call vote.

Councilman Mike Day	Yes
Councilman Matt Robinson	Yes
Councilman Craig B. Tischner	Yes
Councilwoman Coralee Wessman-Moser	Yes
Mayor, Carmen Freeman	Yes

This motion carried.

### 3. RECOMMENCE TO WORK MEETING:

Mayor asks for motion to adjourn to a work meeting at [5:10:23 PM](#)

Council Member Mike Day **MOVED** to adjourn this meeting

Council Member Matt Robinson **SECONDED** the motion.

### 4. WORK MEETING *(front conference room)* [5:17:40 PM](#)

**Attendance:** Mayor, Carmen Freeman

**Council Members Present:** Mike Day, Matt Robinson, Craig B. Tischner and Coralee Wessman-Moser

**Staff Present:** John Brems, City Attorney  
Cindy Quick, Deputy City Recorder  
Brett geo. Wood, City Manager  
Gordon M. Haight II, Asst. City Manager  
Shauna DeKorver, Finance Director  
Monte Johnson, Operations Director  
Blake Thomas, City Engineer  
Justun Edwards, Water Director

Tami Moody, Executive Administrative Manager/PIO  
Cheeryl Jeppson, Human Resource Director  
Danie Bills, Events Director

Mayor Freeman calls the meeting to order at [5:17:40 PM](#) and turns the time over to Gordon.

▪ [5:18:04 PM](#) \*Economic Incentive Discussion ~ *Gordon Haight, Assistant City Manager*

Gordon Haight describes a situation with a potential restaurant coming into the Towne Centre. The restaurant owner asked to reconfigure the pads for the restaurant leaving a sliver of land that neither the Grocery Store nor the Developer want. (it's unusable). The cost of this land is approximately \$118,000. The restaurant had agreed to pay \$58,000 to offset the cost. The city has been involved in negotiations and has been asked what they'd be willing to do to get this restaurant to stay here. Gordon suggested to the developer that he could present to the city council some kind of a deal regarding the point of sales, sales taxes that they'd produce over the next three years, which would generate about \$35,000. The developer would feel better about \$50,000 which would take four or five years of point of sales, sales tax to generate. Gordon asks the council for feedback.

Brett Wood comments that he feels more discussion is needed because there isn't many of this product in the state. Gordon Haight confirms that this is the third one in the state of this product. Matt Robinson suggests that we keep conversations going. Gordon Haight would like to know the tools that he has to keep negotiations going. He explains that he's been working with John Brems regarding this opportunity. When the city is working with tax incentives there are three things that need to take place a hearing, a study and a plan. Therefore, the city is looking at creating a second a sales tax CDA that would be over the tax of the Towne Centre. Then the RDA would work directly with these businesses coming into the Towne Centre regarding their sales tax and that would be a direct tool to work with situations like these. The maximum cost would be \$20,000 to create that CDA. Gordon Haight asks the council for feedback.

Craig Tischner asks Gordon what the developer would like to see. Gordon believes he can negotiate with \$35,000. Mike Day reiterates that the developer would be happy with \$50,000 and asks when they would be in. Gordon responds by the end of this summer.

Coralee Wessman-Moser questions if we could work this deal out over several years.

Matt Robinson asks Shauna DeKorver how many years of point of sales, sales tax would this take. Shauna responded that is would take four to five years to recoup \$50,000.

Mayor Freeman asks how this company is doing in terms of sales. Gordon responds that they are doing well and drawing people from all over.

Coralee Wessman-Moser is open to this incentive but would like to see a cap or something that states after a certain amount of time there is nothing available anymore even if you haven't reached a comfortable number. She expresses that this would give them an incentive to perform.

Craig Tischner thinks this would be a great opportunity, longevity wise.

Matt Robinson is supportive; however, he's curious how this even happened. This situation seems to be between the developer and the business. He doesn't understand why they are coming to the city. He'd like the city to have incentives in place so we can say this is the incentives the city can offer, if that's helpful to your situation, great. He doesn't think the city should solve a problem between a developer and a business.

Brett Wood explains that the city has been working toward his suggestion for a while now.

Gordon Haight explains that the problem in this area is that they've limited themselves to a certain foot print and our problem is the inventory that the city has available.

Shauna DeKorver reiterates to the council that the four to five years recoup time frame is 100% of the sales tax.

Mayor Freeman adds that it's also based on how well they do and asks if we are setting precedence.

Gordon declared that every city has set this precedence.

Matt Robinson explains that it's important to set some criteria for incentives for businesses.

Mayor Freeman expresses to the council Senator Stevenson's view point about this topic. Senator Stevenson would like to see equalization in terms of city incentives instead of such a competition amongst cities fighting for businesses.

John Brems gives further information to the council regarding a CDA, depending upon the percentage you want to share and how far the council wants to go the number could be locked in and the city would only have to pay once because the city will be setting up a fund.

Mayor Freeman turns time over to Justun Edwards for Culinary and Secondary Water Rates.

▪ [5:39:39 PM](#) Culinary and Secondary Water Rates ~ *Justun Edwards, Water Director/Tami Moody, PIO*

Justun Edwards reviews information for the previous discussion over water rates and turns the time over to Matt Millis, MSR Zion's Bank.

Matt Millis goes through a PowerPoint presentation (attached to these minutes) to explain the changes to the proposal for Culinary and Secondary Water Rates for Herriman City. This year the proposal is for a 7% overall increase to the water rate system. He commends the council on their decision to look at a 7% increase to provide more financial strength. Matt Millis explains the reason for the increase is due to the rising cost from Jordan Valley Water and Rocky Mountain Power. He shows slides showing the difference between a 5% increase versus a 7% increase and reviews Cash on Hand.

Mayor Freeman asks questions about the Cash on Hand graph and the reason for the declines and inclines on the graph in terms of growth for the city. A brief discussion between Matt Millis and city council ensued.

Mayor Freeman wants to make sure that what we're asking for is what we need.

Matt Millis explains that the city is making improvements by building the John Stillman Well which may reduce the need for Jordan Valley Water and may also reduce costs.

Matt Robinson wants the residents to understand that when they are paying for water they are paying for a service and the cost of that service.

Matt Millis explains that the city is doing things to decrease costs but these are conservative projections.

Matt Robinson would like a statement on our website in regard to why Jordan Valley Water is increasing their costs.

Matt Millis began to review the rate comparisons and for the Culinary without Access (rates) - the 7% increase did not affect the first two tiers because that is what is required to live. Culinary with Access (rates) - there are two base rate fees associated with this rate scale and those who don't wish to hook up to the secondary water will be charged higher.

Matt Robinson feels that the \$1.50 more that residents will need to pay for those with secondary access but who choose not to hook up to the secondary water is not enough to motivate them to hook up and a brief discussion between council and Matt Millis took place.

Non-Residential MM Culinary Rates this slide shows the rates proposed. This is a flat fee per thousand gallons because the water demand is highly unpredictable.

Justun Edwards reviews a slide from the last meeting showing the divergence between those who have access to secondary, those who have access to secondary but don't use it and those who don't have access to secondary.

Matt Robinson explains that he wants a bigger difference between these rates.

Mike Day disagrees he feels just the opposite.

Justun Edwards explains that the divergence will take place naturally over time.

Mayor Freeman is sensitive to the cost of hooking up and wants to be careful with those costs.

- [6:19:39 PM Council Committee Assignments](#) ~ *Carmen Freeman, Mayor*

Mayor Freeman reviews council committees they are each assigned to and asks for corrections or changes that are necessary.

Mike Day is on Arts Council, Healthy Herriman Committee and Herriman Little League Football.

Coralee Wessman-Moser is on Be Ready Herriman, Events / Town Days Committee and Rodeo Committee.

Mayor Freeman is on the Booster Club.

Matt Robinson is on the Community Garden, Historical Committee and USA Soccer.

Mayor and Council are on the Economic Development Committee.

Craig Tischner is on the Herriman Baseball Committee, Historical Committee (Craig asked to be removed from the Historical Committee) and Youth Council (Mayor asks Craig to make sure someone else is at that meeting with him).

Mayor Freeman states that part of the direction for these committees is to be involved enough to know what's going on and provide a representation/direction from the city. Mayor Freeman would love to see the committees meeting on another night other than Thursday if at all possible.

Matt Robinson requests that each committee provide a report to the council at least annually. Mayor and council all agree.

Coralee Wessman-Moser would like to see a schedule to show the frequency of how often these committees meet. She asks if it's okay to be part of any committee meeting and reminds the council that if there are more than two council members who attend that we would then need to get a notice about council attending that meeting.

Mayor Freeman reiterates that the council members, when attending these meetings, should be on the sidelines and let the committee function within guidelines.

Coralee Wessman-Moser asks to go over which nights are available for these committees to meet. A discussion for scheduling meeting dates and times took place.

- [6:19:39 PM \\*Discussion of City Council Minutes for December 12, 2013](#) ~ *Carmen Freeman, Mayor*

Mayor Freeman directs this discussion including Craig Tischner and council members. He asks for clarification with these minutes. He explains that the council had approved these minutes. He asks for clarification from John Brems as to whether or not they've been approved.

John Brems responds that the council would need to have voted on that motion.  
Council collectively respond that they did all vote on it.

Mayor Freeman directs council that he feels the minutes need to be approved and then that they allow Craig Tischner an opportunity to address the issue.

Craig Tischner responds that he'd like to offer an amendment.

Coralee Wessman-Moser responds that the minutes are accurate.

Mike Day suggests that Craig Tischner submit an amendment (for the minutes) to the council and explain what his intention is.

Coralee Wessman-Moser adds that it would have to be approved by all of the council.

Cindy Quick interjects that it should be voted on in a meeting. At the next meeting the minutes have to be brought back before council to be approved.

Coralee Wessman-Moser mentions that when corrections are submitted for the minutes she emails Cindy and includes all the council with those requests/corrections so that all the council members are aware of the changes being requested. She asks if all council members can agree to follow a similar procedure. All council present agree to this process.

Mayor Freeman reiterates that on February 13 we will present the minutes for approval and then asks what Craig needs to do.

Coralee Wessman-Moser suggested that Craig submit an amendment for those minutes to Cindy and include the council in that email. Craig Tischner concurs to submit an amendment before the meeting.

Coralee Wessman-Moser continues, if there is a general approval of that amendment than we can approve it in the meeting, if not, we can have further dialogue during the meeting.

Brett Wood reports on a meeting today regarding an ice-rink, hockey and water polo. During that meeting they talked about partners and he requested names from the council so he can continue to move forward.

Mayor Freeman reports on the legislative Caucus Meeting he attended today. Mayor McAdams is promoting an idea about all areas like Kearns, Millcreek, Magna and White City that have never incorporated, get their cities built up to provide some stability and ask them to incorporate. The good news is he's not interested in the ground around Herriman. He is promoting this idea but not to legislature. Chief Anjewierden added that he believes that it's townships he'll be interested in.

## 5. OTHER

Mayor, Carmen Freeman asks adjourns the work meeting at [6:54:47 PM](#)

## 6:50 PM ~ ADJOURNMENT

*This document along with the digital recording constitute the official minutes for the Herriman City Council Meeting held on February 6, 2014*

*I, Cindy M. Quick, do hereby certify that I am the duly appointed, qualified, and acting Deputy Recorder for Herriman City, of Salt Lake County, State of Utah. I do hereby certify that the foregoing minutes represent a true and accurate, and complete record of this meeting held on this date of February 6, 2014.*



Cindy Quick, Deputy Recorder

# **Herriman Culinary and Secondary Water Rates**

Presented by:

Matt Millis

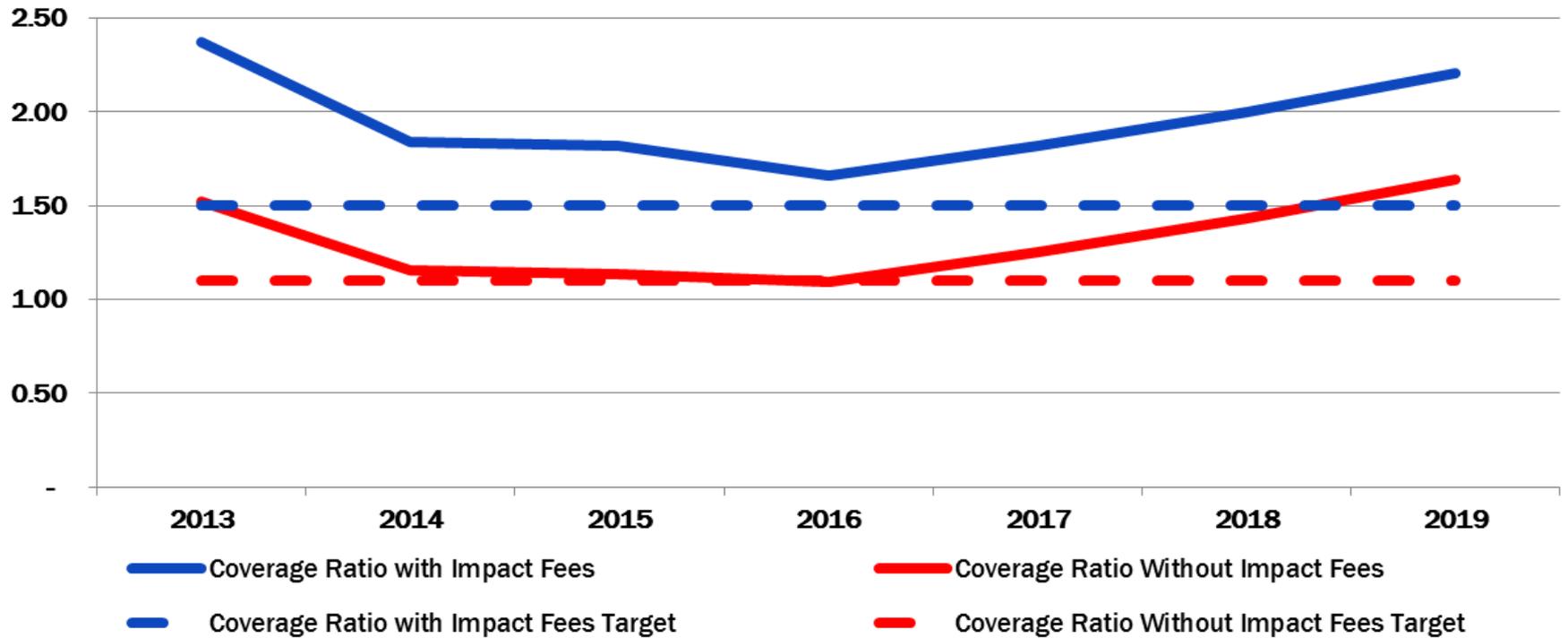
Zions Bank Public Finance

February 6, 2014



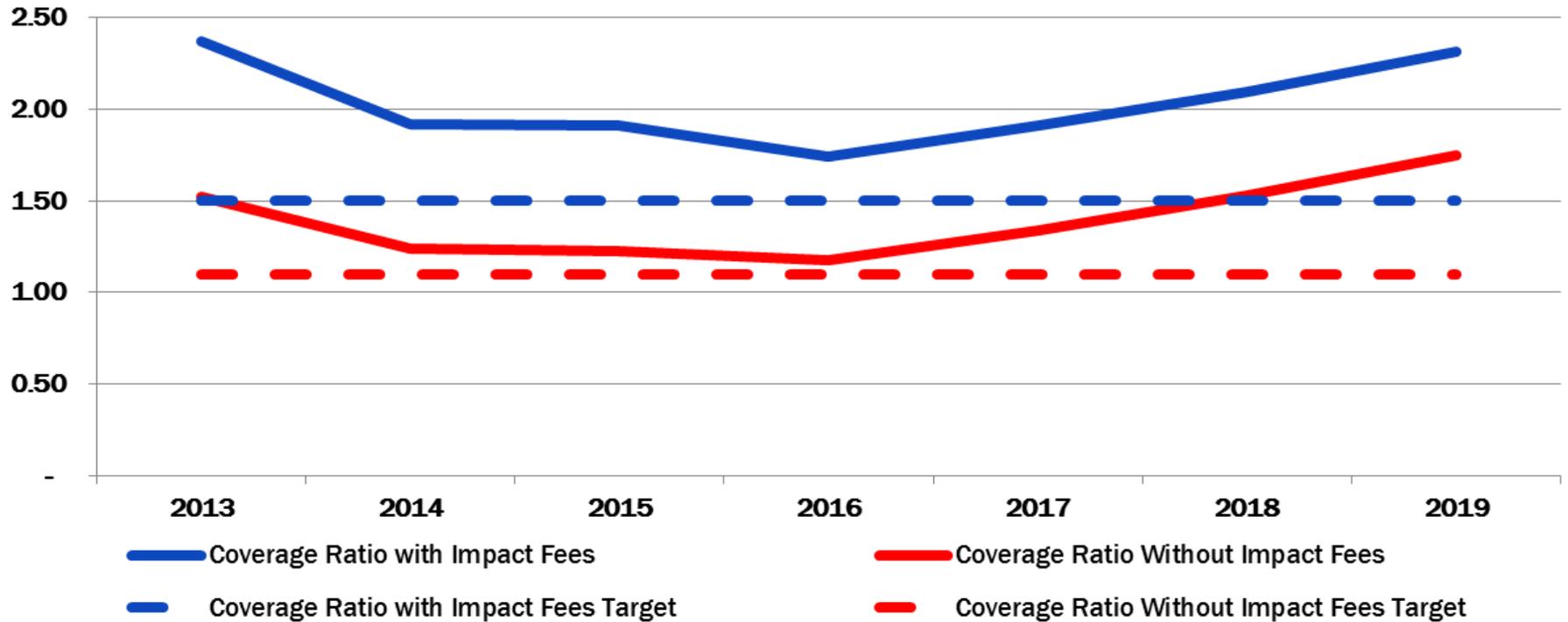
- Calendar year water system revenue targets with a 7% increase
  - 2013 \$5.68M
  - 2014 \$5.99M
  - 2015 \$6.58M
- Water system costs have increased
  - Rocky Mountain Power bills increased 3%
  - JVVCD contract expenses increased 4% - 5%
- Recommending a 7% increase in culinary and secondary rates (average annual bills)
- Total revenue growth will exceed 7% due to new connections plus rate increases
- Increases in total revenues above 7% are necessary to maintain coverage ratios, cash balances, and City's bond ratings

## Debt Service Coverage Ratios and Targets



- Coverage Ratio with Impact Fees Target: 1.50
- Coverage Ratio without Impact Fees Target: 1.10

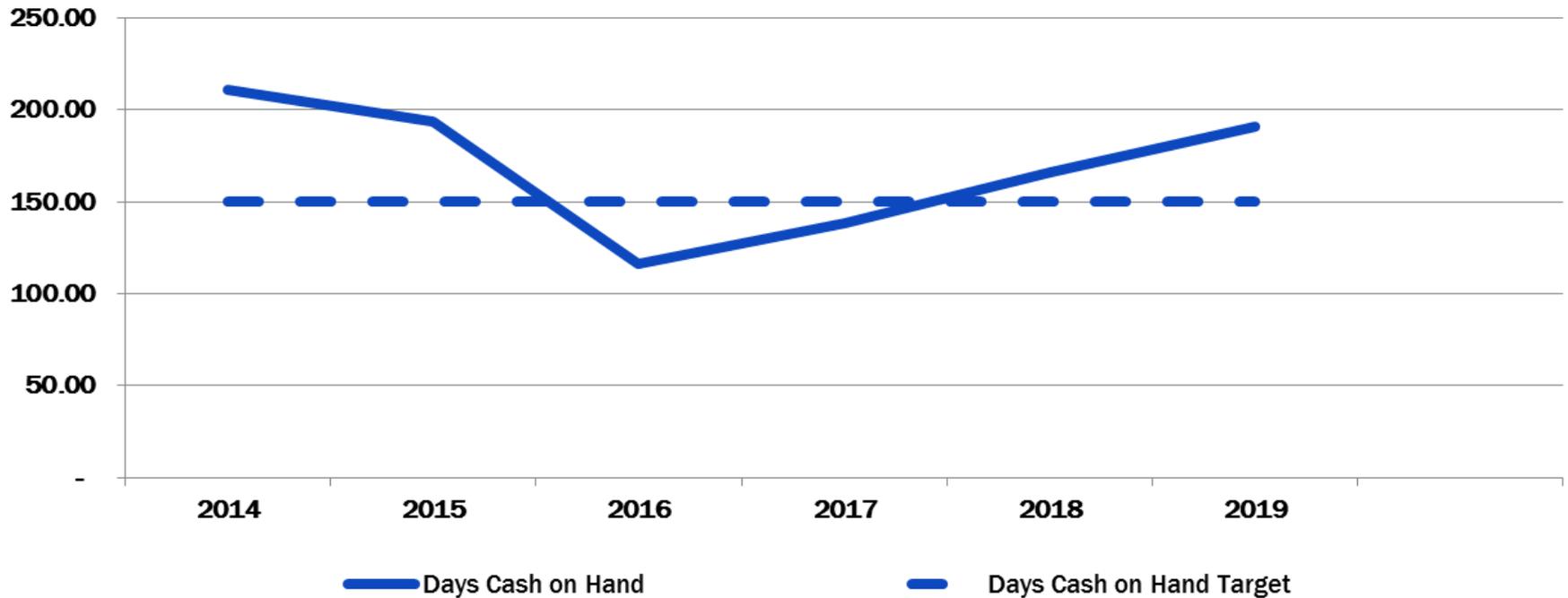
## Debt Service Coverage Ratios and Targets with Proposed Rates



- Coverage Ratio with Impact Fees Target: 1.50
- Coverage Ratio without Impact Fees Target: 1.10

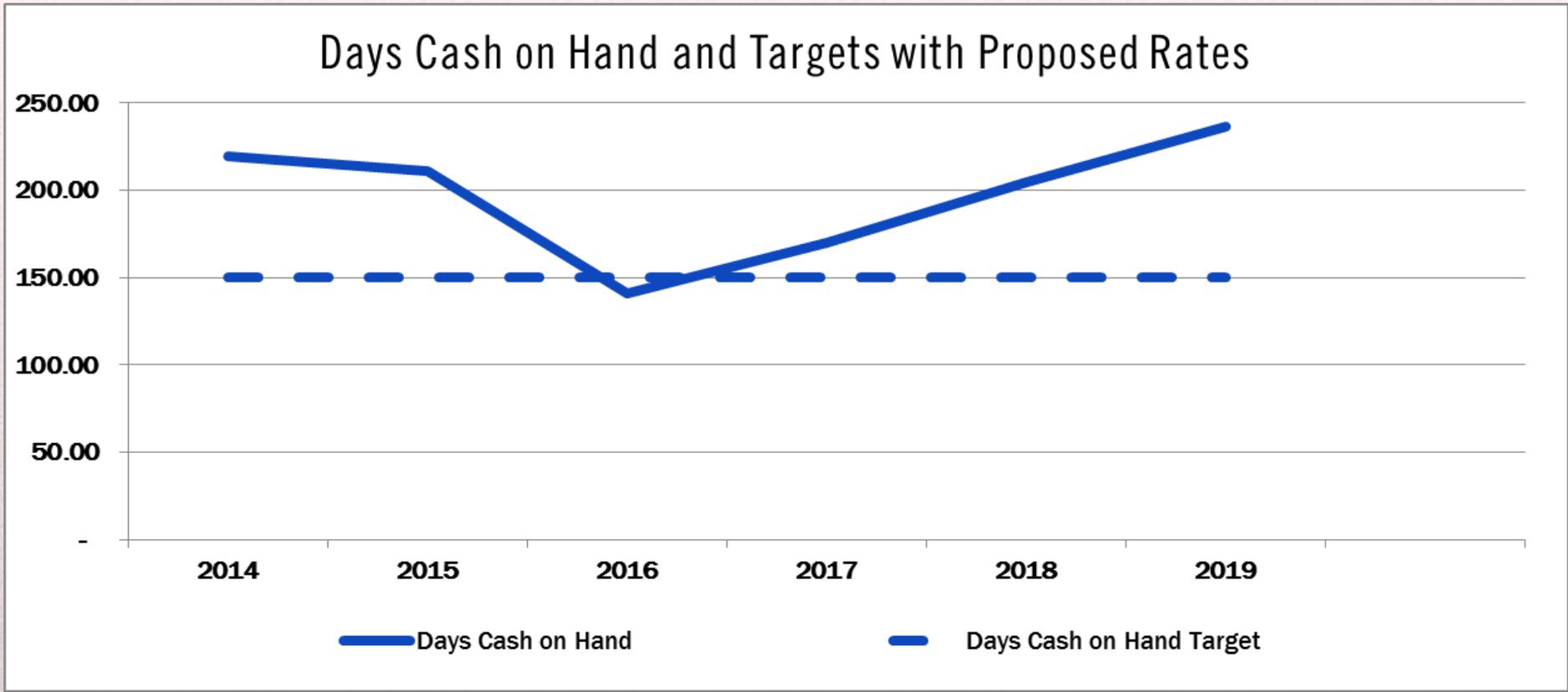
**Coverage Ratios – 7% Increase**

## Days Cash on Hand and Targets



- Day Cash on Hand Target: 150 Days of Operations Expense

**Days Cash on Hand – 5% Increase**



- Day Cash on Hand Target: 150 Days of Operations Expense

**Cash on Hand – 7% Increase**

**Current Rates –  
Without Access**

Culinary Residential 3/4" & 1" Zone 1-4 Wo Secondary					Current
Minimum	Maximum	Price per 1Kgal	Table No.		Base Fee
-	5,000	\$ 1.65	111	Residential 3/4" & 1" Zone 1-4 Wo Secondary	\$ 25.50
5,001	10,000	\$ 1.75			
10,001	25,000	\$ 1.85			
25,001	40,000	\$ 1.95			
40,001	80,000	\$ 2.50			
80,001	above	\$ 3.20			

**5% Increase –  
Without Access**

Culinary Residential 3/4" & 1" Zone 1-4 Wo Secondary					Proposed
Minimum	Maximum	Price per 1Kgal	Table No.		Base Fee
-	5,000	\$ 1.70	111	Residential 3/4" & 1" Zone 1-4 Wo Secondary	\$ 26.60
5,001	10,000	1.80			
10,001	25,000	1.95			
25,001	40,000	2.15			
40,001	80,000	2.50			
80,001	above	3.30			

**7% Increase –  
Without Access**

Culinary Residential 3/4" & 1" Zone 1-4 Wo Secondary					Proposed
Minimum	Maximum	Price per 1Kgal	Table No.		Base Fee
-	5,000	\$ 1.70	111	Residential 3/4" & 1" Zone 1-4 Wo Secondary	\$ 27.29
5,001	10,000	1.80			
10,001	25,000	1.95			
25,001	40,000	2.25			
40,001	80,000	2.60			
80,001	above	3.40			

**Culinary Without Access**

**Current Rates  
– With Access**

Culinary Residential 3/4" & 1" Zone 1-4 W/ Secondary					Current
Minimum	Maximum	Price per 1Kgal	Table No.		Base Fee
-	5,000	\$ 1.65	114	Residential 3/4" & 1" Zone 1-4 W/ Secondary	\$ 17.00
5,001	10,000	1.75			
10,001	25,000	2.00			
25,001	40,000	2.50			
40,001	80,000	2.75			
80,001	above	3.30			

**5% Increase –  
With Access**

Culinary Residential 3/4" & 1" Zone 1-4 W/ Secondary					Proposed
Minimum	Maximum	Price per 1Kgal	Table No.		Base Fee
-	5,000	1.70	114	Residential 3/4" & 1" Zone 1-4 W/ Secondary	\$ 17.80
5,001	10,000	1.80			
10,001	25,000	2.15			
25,001	40,000	2.65			
40,001	80,000	2.90			
80,001	above	3.90			

**7% Increase –  
With Access**

Culinary Residential 3/4" & 1" Zone 1-4 W/ Secondary					Proposed
Minimum	Maximum	Price per 1Kgal	Table No.		Base Fee
-	5,000	1.70	114	Residential 3/4" & 1" Zone 1-4 W/ Secondary	\$ 18.19
5,001	10,000	1.80			
10,001	25,000	2.20			
25,001	40,000	2.70			
40,001	80,000	3.20			
80,001	above	3.90			

- Users located in an area with secondary water access are currently charged the proposed culinary water base fee of \$17.00 plus the secondary water base fee of \$10.50 each month.
- If a user with secondary water access available chooses not to connect then that user will continue to pay the base fees for both systems and all culinary consumption will be charged according to the following schedule:
  - The proposed culinary water base fee of \$17.80 plus the secondary water base fee of \$11.00 each month totaling \$28.80
- Culinary water users that have access to secondary water available will be charged a higher cost for outdoor water use as an incentive to connect to secondary water

**Current Rates –  
Secondary Water**

<b>Secondary 200 - Residential 3/4" &amp; 1" Zone 1 - 4 Access to Secondary</b>						
Minimum	Maximum	Price per 1Kga Table No.			Base Fee	
-	10,000	\$ 1.35	200	Residential 1"	\$ 10.50	
10,001	25,000	\$ 1.65				
25,001	40,000	\$ 1.90				
40,001	70,000	\$ 2.40				
70,001	above	\$ 2.80				

**5% Increase –  
Secondary Water**

<b>Secondary 200 - Residential 3/4" &amp; 1" Zone 1 - 4 Access to Secondary</b>						<b>Proposed</b>
Minimum	Maximum	Price per 1Kga Table No.			Base Fee	
-	10,000	1.35	200	Residential 1"	\$ 11.00	
10,001	25,000	1.65				
25,001	40,000	1.90				
40,001	70,000	2.40				
70,001	above	2.80				

**7% Increase –  
Secondary  
Water**

<b>Secondary 200 - Residential 3/4" &amp; 1" Zone 1 - 4 Access to Secondary</b>						<b>Proposed</b>
Minimum	Maximum	Price per 1Kga Table No.			Base Fee	
-	10,000	1.38	200	Residential 1"	\$ 11.20	
10,001	25,000	1.68				
25,001	40,000	1.94				
40,001	70,000	2.45				
70,001	above	2.86				

- Non-residential and multi-family master meter (mm) connections will continue to be assessed a base monthly fee graduated according to meter size
- Non-residential and multi-family consumption will be charged a flat price per 1,000 gallons according to pressure zones (1-4, 5-6,7-9)

**Current Rates –  
Non – Res/ MM**

Non-Residential Zones 1-4					Current	
Mnimum	Maximum	Price per 1Kgal	Table No.		Base Fee	
-	above	\$ 1.85	122	MM+Non Res 3/4" & 1" Zone 1-4	\$	25.50
			125	MM+Non Res 1 1/2" Zone 1-4		35.06
			130	MM+Non Res 2" Zone 1-4		51.00
			133	MM+Non Res 3" Zone 1-4		171.06
			136	MM+Non Res 4" Zone 1-4		215.69
			139	MM+Non Res 6" Zone 1-4		319.81
			142	MM+Non Res 8" Zone 1-4		438.81
			145	MM+Non Res 10" Zone 1-4		695.94

**5% Increase –  
Non – Res/ MM**

Culinary Non-Residential Zones 1-4					Proposed	
Minimum	Maximum	Price per 1Kgal	Table No.		Base Fee	
-	above	\$ 1.94	122	MM-Non Res 3/4" & 1" Zone 1-4	\$	26.78
			125	MM-Non Res 1 1/2" Zone 1-4		36.82
			130	MM-Non Res 2" Zone 1-4		53.55
			133	MM-Non Res 3" Zone 1-4		179.62
			136	MM-Non Res 4" Zone 1-4		226.47
			139	MM-Non Res 6" Zone 1-4		335.80
			142	MM-Non Res 8" Zone 1-4		460.75
			145	MM-Non Res 10" Zone 1-4		730.73

**7% Increase –  
Non – Res/ MM**

Culinary Non-Residential Zones 1-4					Proposed	
Minimum	Maximum	Price per 1Kgal	Table No.		Base Fee	
-	above	\$ 1.98	122	MM-Non Res 3/4" & 1" Zone 1-4	\$	27.29
			125	MM-Non Res 1 1/2" Zone 1-4		37.52
			130	MM-Non Res 2" Zone 1-4		54.57
			133	MM-Non Res 3" Zone 1-4		183.04
			136	MM-Non Res 4" Zone 1-4		230.79
			139	MM-Non Res 6" Zone 1-4		342.20
			142	MM-Non Res 8" Zone 1-4		469.53
			145	MM-Non Res 10" Zone 1-4		744.65