

NOTICE AND AGENDA
SANTA CLARA CITY COUNCIL WORK MEETING
Wednesday January 4, 2023
Time: 5:00 p.m.
AGENDA

Public Notice is hereby given that the Santa Clara City Council will hold a Work Meeting in the City Council Chambers, located at 2603 Santa Clara Drive, Santa Clara, Utah on Wednesday January 4, 2023, commencing at 5:00 PM. The meeting will be broadcast via You Tube linked on our website at <https://sccity.org/meetings>.

1. **Call to Order:**

2. **General Citizen Public Comment:**

3. **Working Agenda:**

A. General Business

1. Introduction of New Employee. Julie Monson.
2. Audit Review. Hinton & Burdick, Steve Palmer.
3. Discussion regarding the Well study by Willow Stick
4. Discussion regarding a Solar Net Agreement and a Solar Reliability charge.
5. Special Events Ordinance discussion (Chapter 12)
6. Walkable Commercial Zone discussion.
7. Administrative Code Enforcement Ordinance discussion.
8. Review the 2023-2024 Budget Calendar.

4. **Staff Reports:**

5. **Adjournment:**

Note: In compliance with the Americans with Disabilities Act, individuals needing special accommodation during this meeting should notify the city no later than 24 hours in advance of the meeting by calling 435-673-6712. In accordance with State Statute and Council Policy, one or more Council Members may be connected via speakerphone or may by two-thirds vote to go into a closed meeting.

Zoom Meeting Participants: Participants on the Zoom call are limited to City Staff, Council Members, and applicants on the agenda. Email calendar invitations will be sent out in advance of the meeting. Instructions for each meeting will include the meeting ID, and password to join. When joining the meeting your screen name must show your full name. Each applicant will be accepted into the meeting when their item is up for discussion. Please contact Chris Shelley at (435)673-6712 Ext. 203 with any questions regarding public meetings.

The undersigned, duly appointed City Recorder, does hereby certify that the above notice and agenda was posted within the Santa Clara City limits on this 29th day of December 2022 at the Santa Clara City Hall, on the City Hall Notice Board, at the Santa Clara Post Office, on the Utah State Public Notice Website, and on the City Website at <http://www.sccity.org>. The 2022 meeting schedule was also provided to the Spectrum on January 3, 2023

Chris Shelley – City Recorder

From: Santa Clara City
To: [Katie Casselman](#); [Chris Shelley](#); [Brock Jacobsen](#)
Subject: City Council Action Application Form submitted on Santa Clara City by [990] Item 2
Date: Thursday, December 29, 2022 12:25:28 PM

Meeting Type CITY COUNCIL

User ID Debbie Bannon

Date Submitted December 29, 2022

Requested Meeting Date January 4, 2023

Applicant Debbie Bannon

Subject Hinton Burdick Presentation for Fiscal Year 2021-2022 Audited Financials

Background Description Steve with Hinton Burdick has prepared a power point presentation to review the 2021-2022 Audited Financials.

Proposed Recommendation (drop-down select) Discussion

Cost 0

File Upload <https://s3.us-west-004.backblazeb2.com/sccity/formidable/21/2022-Audit-Presentation.pptx>

<https://s3.us-west-004.backblazeb2.com/sccity/formidable/21/RATJOs3S-2022-Santa-Clara-Financials-Final.pdf>

Approved by Legal Department (drop-down select) N/A

Approved in Budget? (drop-down select) N/A

Approved by City Finance Department? (drop-down select) N/A

Requested By Debbie Bannon



FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

With Report of

Independent Certified Public Accountants

City of Santa Clara
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June 30, 2022

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Independent Auditor's Report

The Honorable Mayor and
Members of the City Council
Santa Clara City, Utah

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Santa Clara City, Utah, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Santa Clara City, Utah's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Santa Clara City, Utah, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Santa Clara City, Utah and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Santa Clara City, Utah's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Santa Clara City, Utah's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Santa Clara City, Utah's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Santa Clara City, Utah's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the other Required Supplementary Information, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Santa Clara City, Utah's basic financial statements. The supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary information as listed in the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Change in Accounting Principle

The City implemented the provisions of GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 22, 2022 on our consideration of Santa Clara City, Utah's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Santa Clara City, Utah's internal control over financial reporting and compliance.

HintonBurdick, PLLC

HintonBurdick, PLLC

St. George, UT

December 22, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Santa Clara
Management's Discussion and Analysis
June 30, 2022

As management of the City of Santa Clara (the City), we offer readers of the City's financial statements this narrative overview and analysis of financial activities of the City for the fiscal year ended June 30, 2022.

FINANCIAL HIGHLIGHTS

- *Total net position for the City as a whole increased by \$3,584,026
- *Total unrestricted net position for the City as a whole increased by \$3,215,366
- *Total net position for governmental activities increased by \$809,897
- *Total net position for business-type activities increased by \$2,774,129

BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements of the City of Santa Clara. The basic financial statements comprise three components: (1) government wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, deferred outflows, liabilities, and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the fiscal year reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The statement of activities is presented on two pages. The first page reports the extent to which each function or program is self-supporting through fees and intergovernmental aid. The second page identifies the general revenues of the City available to cover any remaining costs of the functions or programs.

City of Santa Clara
Management's Discussion and Analysis
June 30, 2022

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. These funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. Governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for government funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the government fund balance sheet and the government fund statement of the revenues, expenditures, and changes in fund balances provide reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains two major governmental funds, the general fund and the impact fees special revenue fund.

The City adopts an annual appropriated budget for all its funds. A budgetary comparison schedule has been provided to demonstrate legal compliance with the adopted budget for the general fund.

The basic governmental fund financial statements can be found later in this report; see Table of Contents.

Proprietary funds. The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses four enterprise funds to account for the operations of the water, sewer, electric, and storm water utilities.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The enterprise funds are considered major funds of the City.

The proprietary fund financial statements can be found later in this report; see Table of Contents.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are reported later in this report; see Table of Contents.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City.

City of Santa Clara
Management's Discussion and Analysis
June 30, 2022

FINANCIAL ANALYSIS

City of Santa Clara's Net Position

	Governmental Activities		Business-type Activities		Total	Total
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Current and other assets	\$ 10,759,123	8,614,907	14,321,755	11,698,765	25,080,879	20,313,672
Net capital assets	19,061,047	20,107,465	21,801,285	19,935,036	40,862,331	40,042,501
Deferred outflows of resources	256,175	176,024	228,454	183,501	484,629	359,525
Total assets and deferred outflows	30,076,345	28,898,396	36,351,494	31,817,302	66,427,839	60,715,698
Long-term debt outstanding	4,684,000	5,165,797	11,615,469	9,993,407	16,299,469	15,159,204
Other liabilities	1,378,115	1,426,122	1,353,385	1,515,208	2,731,500	2,941,330
Deferred inflows of resources	2,259,734	1,361,879	652,589	352,768	2,912,323	1,714,647
Total liabilities and deferred inflows	8,321,849	7,953,798	13,621,444	11,861,383	21,943,292	19,815,181
Net position:						
Net investment in						
capital assets	14,377,047	15,060,465	10,185,816	10,068,818	24,562,862	25,129,283
Restricted	3,887,648	3,729,269	5,240,778	4,464,072	9,128,425	8,193,341
Unrestricted	3,489,802	2,154,864	7,303,457	5,423,029	10,793,259	7,577,893
Total net position	\$ 21,754,496	20,944,598	22,730,050	19,955,919	44,484,546	40,900,517

As noted earlier, net position may serve over time as a useful indicator of financial position. Total assets and deferred outflows of resources exceeded total liabilities and deferred inflow of resources at the close of the year by \$44,484,546, an increase of \$3,584,026 from the previous year. This change is equivalent to the net income for the year, in private sector terms.

Total unrestricted net position at the end of the year is \$10,793,259 which represents an increase of \$3,215,366 from the previous year. Unrestricted net position are those resources available to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements.

The amount of current and other assets represent the amounts of cash and receivables on hand at the end of each year. Other liabilities are the amounts of current and other liabilities due, at year end, for goods and services acquired.

Changes in capital assets are the result of the difference, in the current year, of the cost of acquisition of capital assets and any depreciation charges on capital assets. Change in long-term debt is the difference in the amount of debt issued and that which has been paid during the year.

City of Santa Clara
Management's Discussion and Analysis
June 30, 2022

City of Santa Clara's Change in Net Position

	Governmental Activities		Business-type Activities		Total	Total
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Program revenues:						
Charges for services	\$ 3,628,280	2,364,391	10,587,469	9,809,685	14,215,749	12,174,076
Operating grants	485,974	1,803,291	-	-	485,974	1,803,291
Capital grants	1,138,277	1,382,274	2,216,644	1,157,446	3,354,921	2,539,720
General revenues:						
Taxes	4,188,977	3,748,126	-	-	4,188,977	3,748,126
Other revenues	235,589	43,693	52,102	26,463	287,690	70,156
Total revenues	9,677,097	9,341,775	12,856,215	10,993,594	22,533,312	20,335,369
Expenses:						
General government	1,606,649	1,375,283	-	-	1,606,649	1,375,283
Public safety	3,625,997	4,179,949	-	-	3,625,997	4,179,949
Streets and public works	1,823,481	1,652,790	-	-	1,823,481	1,652,790
Parks and recreation	1,771,016	1,113,892	-	-	1,771,016	1,113,892
Community development	57,995	56,842	-	-	57,995	56,842
Interest on long-term debt	110,061	118,831	-	-	110,061	118,831
Water	-	-	1,845,016	1,926,162	1,845,016	1,926,162
Sewer	-	-	820,901	749,130	820,901	749,130
Electric	-	-	6,775,646	5,896,898	6,775,646	5,896,898
Storm water	-	-	512,523	537,179	512,523	537,179
Total expenses	8,995,200	8,497,587	9,954,086	9,109,369	18,949,286	17,606,956
Excess (deficiency) before transfers	681,897	844,188	2,902,129	1,884,225	3,584,026	2,728,413
Transfers in (out)	128,000	130,000	(128,000)	(130,000)	-	-
Change in net position	\$ 809,897	974,188	2,774,129	1,754,225	3,584,026	2,728,413

For the City as a whole, total revenues increased by \$2,197,943 compared to the previous year, while total expenses increased by \$1,342,330. The total net change of \$3,584,026 is, in private sector terms, the net income for the year which is \$855,613 more than the previous year.

Governmental activities revenues of \$9,677,097 is an increase of \$335,322 from the previous year. This is primarily due to an increase in grant revenues during the year. Governmental activities expenses of \$8,995,200 is an increase of \$497,613 from the previous year. While general government and public safety expenses increased during the year, all other department expenses decreased.

Business-type activities revenue of \$12,856,215 is an increase of \$1,862,621 from the previous year. Service revenues increased by \$777,784 and capital grants increased by \$1,059,198. Business-type activities expenses of \$9,954,086 is an increase of \$844,717 from the previous year. While water and sewer expenses decreased, all other department expenses increased.

City of Santa Clara
Management's Discussion and Analysis
June 30, 2022

BALANCES AND TRANSACTIONS OF INDIVIDUAL FUNDS

Some of the more significant changes in fund balances and fund net position, and any restrictions on those amounts, is described below:

General Fund

The fund balance of \$4,121,149 reflects an increase of \$239,219 from the previous year. Total revenues increased by \$1,396,872. Tax revenues, including property taxes and sales taxes, increased by \$440,854. Intergovernmental revenue increased by \$220,651. Revenues from charges for services increased by \$945,756. Licenses and permits revenue decreased by \$107,288. All other revenues decreased \$103,101.

Total expenditures decreased by \$270,686. General government expenditures increased by \$182,946, public safety expenditures increased by \$571,017, streets and public works expenditures increased by \$574,640, parks and recreation expenditures increased by \$468,645, community development increased by \$5,196. Debt service expenditures decreased by \$2,073,129.

Transfers in from the storm water fund amounted to \$30,000. Transfers out to the capital projects fund amounted to \$300,000.

Fund balance restricted for capital projects amounted to \$1,408,193, and fund balance assigned for capital projects amounted to \$10,887, resulting in an unassigned fund balance of \$2,702,068.

Impact Fees Special Revenue Fund

The fund balance of \$2,479,455 reflects an increase of \$703,824 from the previous year. This increase was primarily a result of a \$878,277 in impact fees revenue.

Water Fund

The change in net position (income) was \$756,011, which was \$282,038 more than the prior year's change in net position. This increase was primarily a result of capital contributions of \$360,319. Net position restricted for debt service and construction is \$2,161,839. Unrestricted net position amounts to \$253,883.

Sewer Fund

The change in net position (net income) was \$484,593, which was \$297,237 more than the previous year's net income. Net position restricted for debt service was \$216,821. Unrestricted net position amounts to \$1,574,114.

Electric Fund

The change in net position (net income) was \$1,091,900, which was \$63,083 more than the previous year's change in net position. The amount restricted for debt service is \$2,508,776. Unrestricted net position amounts to \$5,456,795.

Storm Water Fund

The change in net position (net income) was \$441,625, which was \$377,546 more than the previous year's net income. Net position restricted for debt service and construction was \$353,341. Unrestricted net position amounts to \$18,666.

GENERAL FUND BUDGETARY HIGHLIGHTS

Revenues for the current year, exclusive of transfers and fund balance appropriations, were originally budgeted in the amount of \$7,544,924. Subsequent amendments resulted in a final budget of \$8,410,036. Actual revenues, excluding transfers, amounted to \$8,692,698.

City of Santa Clara
Management's Discussion and Analysis
June 30, 2022

GENERAL FUND BUDGETARY HIGHLIGHTS (continued)

Expenditures for the current year, excluding transfers and budgeted increases in fund balance, were originally budgeted in the amount of \$8,192,973. This amount was amended in the final budget to \$9,058,085. Actual expenditures amounted to \$8,225,079.

Transfers in for the year were originally budgeted in the amount of \$130,000, which was equal to the final budget. The actual transfers in amounted to \$30,000. Transfers out amounted to \$300,000. There was not budgeted amount for transfers out.

CAPITAL ASSETS AND DEBT ADMINISTRATION

City of Santa Clara's Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	Total
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Capital Assets:						
Land and water rights	\$ 2,091,942	2,091,942	1,487,859	1,487,859	3,579,801	3,579,801
Buildings	7,552,192	7,552,192	385,260	385,260	7,937,452	7,937,452
Improvements	10,210,837	9,990,201	-	-	10,210,837	9,990,201
Water system	-	-	18,370,046	16,658,747	18,370,046	16,658,747
Sewer systems	-	-	2,408,075	2,047,757	2,408,075	2,047,757
Electric system	-	-	15,276,847	14,565,803	15,276,847	14,565,803
Storm water system	-	-	4,658,918	4,284,645	4,658,918	4,284,645
Infrastructure	31,442,532	31,082,213	-	-	31,442,532	31,082,213
Machinery and equipment	1,645,731	1,405,760	1,516,318	1,297,191	3,162,049	2,702,951
Vehicles	1,683,916	1,258,333	1,743,473	1,558,996	3,427,388	2,817,329
Office equipment	443,817	434,460	-	-	443,817	434,460
Artwork	198,491	198,491	-	-	198,491	198,491
Work in progress	8,506	228,546	772,702	1,180,581	781,208	1,409,127
Total capital assets	55,277,963	54,242,138	46,619,498	43,466,838	101,897,460	97,708,976
Less accumulated depreciation	(36,216,916)	(34,134,672)	(24,818,213)	(23,531,804)	(61,035,129)	(57,666,476)
Net capital assets	\$ 19,061,047	20,107,466	21,801,285	19,935,034	40,862,331	40,042,500

The total amount of capital assets, net of depreciation, of \$40,862,331 is an increase of \$819,831 from the previous year.

Governmental activities capital assets, net of depreciation, of \$19,061,047 is a decrease of \$1,046,420 from the previous year.

Business-type activities capital assets, net of depreciation, of \$21,801,285 is an increase of \$1,866,251 from the previous year.

Additional information regarding capital assets may be found in the notes to financial statements.

City of Santa Clara
Management's Discussion and Analysis
June 30, 2022

City of Santa Clara's Outstanding Long-term Obligations

	Current Year	Previous Year
Governmental activities:		
2021 Sales Tax Revenue Bonds	\$ 2,097,000	2,232,000
2019 Lease Revenue Refunding Bonds	2,537,000	2,715,000
2012 Excise Tax Road Revenue Bonds	50,000	100,000
Compensated absences	91,004	73,923
Net pension liability	-	44,876
Total governmental	\$ 4,775,004	5,165,799
Business-type activities:		
2021 Electric Revenue Refunding Bonds	\$ 3,224,000	3,574,000
2021B Electric Revenue Bonds	2,532,000	-
2018 Sewer Truck Loan	140,469	208,218
2012 Water and Storm Water Revenue Bonds	1,213,000	1,409,000
2012 E & F Water Revenue Refunding Bonds	4,506,000	4,675,000
Less bond discounts	(24,038)	(28,845)
Compensated absences	84,901	80,408
Net pension liability	-	46,781
Total business-type	\$ 11,676,333	9,964,562
Total outstanding long-term obligations	\$ 16,451,337	15,130,361

Differences represent the amount of principal repaid during the year. Additional information regarding the long-term liabilities may be found in the notes to financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

No significant economic changes that would affect the City are expected for the next year. Budgets have been set on essentially the same factors as the current year being reported.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of Santa Clara's finances for all those with an interest in the City's finances and to show the City's accountability for the money it receives. Questions concerning any information provided in this report or requests for additional financial information should be addressed to the City Manager, 2603 Santa Clara Drive, Santa Clara, Utah 84765.

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BASIC FINANCIAL STATEMENTS

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City of Santa Clara
STATEMENT OF NET POSITION
June 30, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:			
Assets:			
Current assets:			
Cash and cash equivalents	\$ 3,543,309	6,464,448	10,007,757
Accounts receivable, net	1,294,967	1,620,034	2,915,001
Internal balances	77,401	(77,401)	-
Inventory	-	506,566	506,566
Total current assets	<u>4,915,677</u>	<u>8,513,647</u>	<u>13,429,324</u>
Non-current assets:			
Restricted cash and cash equivalents	5,254,414	5,240,778	10,495,191
Assessments receivable	-	18,000	18,000
Bond discounts (net)	-	24,038	24,038
Capital assets:			
Not being depreciated	2,100,448	2,260,561	4,361,009
Net of accumulated depreciation	16,960,599	19,540,724	36,501,323
Net pension asset	589,033	525,293	1,114,326
Total non-current assets	<u>24,904,493</u>	<u>27,609,393</u>	<u>52,513,886</u>
Total assets	<u>29,820,170</u>	<u>36,123,040</u>	<u>65,943,210</u>
Deferred outflows of resources - pensions	256,175	228,454	484,629
Total assets and deferred outflows of resources	<u>\$ 30,076,345</u>	<u>36,351,494</u>	<u>66,427,839</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES:			
Liabilities:			
Current liabilities:			
Accounts payable	\$ 222,932	941,428	1,164,361
Accrued liabilities	87,098	96,637	183,735
Accrued interest payable	45,582	69,217	114,799
Customer deposits and security holdings	931,499	161,201	1,092,700
Long-term debt due within one year	366,000	853,749	1,219,749
Total current liabilities	<u>1,653,111</u>	<u>2,122,232</u>	<u>3,775,344</u>
Non-current liabilities:			
Compensated absences	91,004	84,901	175,905
Long-term debt due after one year	4,318,000	10,761,721	15,079,721
Total non-current liabilities	<u>4,409,004</u>	<u>10,846,622</u>	<u>15,255,626</u>
Total liabilities	<u>6,062,115</u>	<u>12,968,854</u>	<u>19,030,970</u>
Deferred inflows of resources - property taxes	1,084,779	-	1,084,779
Deferred inflows of resources - cares act	443,179	-	443,179
Deferred inflows of resources - pensions	731,776	652,589	1,384,365
Total liabilities and deferred inflows of resources	<u>8,321,849</u>	<u>13,621,444</u>	<u>21,943,292</u>
NET POSITION:			
Net investment in capital assets	14,377,047	10,185,816	24,562,862
Restricted for debt service	-	1,004,762	1,004,762
Restricted for construction	3,887,648	4,236,015	8,123,663
Unrestricted	3,489,802	7,303,457	10,793,259
Total net position	<u>21,754,496</u>	<u>22,730,050</u>	<u>44,484,546</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 30,076,345</u>	<u>36,351,494</u>	<u>66,427,839</u>

The notes to the financial statements are an integral part of this statement.

City of Santa Clara
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

FUNCTIONS/PROGRAMS:	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue (To Next Page)
Primary government:					
Governmental activities:					
General government	\$ 1,606,649	746,325	2,390	-	(857,934)
Public safety	3,625,997	1,678,479	74,720	137,365	(1,735,433)
Streets and public works	1,823,481	803,947	408,865	423,345	(187,325)
Parks, recreation and public property	1,771,016	280,491	-	577,568	(912,958)
Community and economic development	57,995	119,038	-	-	61,042
Interest on long-term debt	110,061	-	-	-	(110,061)
Total governmental activities	8,995,200	3,628,280	485,974	1,138,277	(3,742,669)
Business-type activities:					
Water	1,845,016	2,102,929	-	591,943	849,855
Sewer	820,901	904,499	-	399,981	483,579
Electric	6,775,646	7,015,350	-	806,989	1,046,693
Storm water	512,523	564,692	-	417,731	469,899
Total business-type activities	9,954,086	10,587,469	-	2,216,644	2,850,027
Total primary government	\$ 18,949,286	14,215,749	485,974	3,354,921	(892,642)

(continued on next page)

The notes to the financial statements are an integral part of this statement.

City of Santa Clara
STATEMENT OF ACTIVITIES (continued)
For the Year Ended June 30, 2022

	Governmental Activities	Business-type Activities	Total
CHANGES IN NET POSITION:			
Net (expense) revenue (from previous page)	\$ (3,742,669)	2,850,027	(892,642)
General revenues and transfers:			
Property taxes	1,192,774	-	1,192,774
Sales tax	2,145,410	-	2,145,410
Other taxes	850,793	-	850,793
Unrestricted investment earnings	62,234	32,102	94,335
Gain (loss) on disposal of assets	41,600	20,000	61,600
Miscellaneous	131,755	-	131,755
Transfers	128,000	(128,000)	-
Total general revenues	4,552,565	(75,898)	4,476,667
Change in net position	809,897	2,774,129	3,584,026
Net position - beginning	20,944,598	19,955,922	40,900,520
Net position - ending	\$ 21,754,496	22,730,050	44,484,546

The notes to the financial statements are an integral part of this statement.

City of Santa Clara
BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2022

	General Fund	Impact Fees Fund	Nonmajor Governmental Special Revenue Cares/ARPA	Capital Projects Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,743,309	-	-	800,000	3,543,309
Receivables:					
Customer accounts	85,101	7,912	-	-	93,013
Property taxes	1,092,881	-	-	-	1,092,881
Due from other governments	109,073	-	-	-	109,073
Due from other funds	152,401	-	-	-	152,401
Restricted cash and cash equivalents	2,339,692	2,471,543	443,179	-	5,254,414
TOTAL ASSETS	\$ 6,522,457	2,479,455	443,179	800,000	10,245,090
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES					
Liabilities:					
Accounts payable	\$ 222,932	-	-	-	222,932
Accrued liabilities	87,098	-	-	-	87,098
Customer deposits	172,076	-	-	-	172,076
Security holdings	759,423	-	-	-	759,423
Due to other funds	75,000	-	-	-	75,000
Total liabilities	1,316,529	-	-	-	1,316,529
Deferred inflows of resources - property taxes	1,084,779	-	-	-	1,084,779
Deferred inflows of resources - cares act	-	-	443,179	-	443,179
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	2,401,308	-	443,179	-	2,844,487
FUND BALANCES:					
Restricted for:					
Capital projects	1,408,193	2,479,455	-	-	3,887,648
Assigned for:					
Capital projects	10,887	-	-	800,000	810,887
Unassigned	2,702,068	-	-	-	2,702,068
TOTAL FUND BALANCES	4,121,149	2,479,455	-	800,000	7,400,604
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 6,522,457	2,479,455	443,179	800,000	10,245,090

The notes to the financial statements are an integral part of this statement.

City of Santa Clara
**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**
For the Year Ended June 30, 2022

	General	Impact	Nonmajor Governmental		Total
	Fund	Fees	Special	Capital	Governmental
		Fund	Revenue	Projects	Funds
			Cares/ARPA	Fund	
REVENUES:					
Taxes:					
Property	\$ 1,192,774	-	-	-	1,192,774
Sales	2,145,410	-	-	-	2,145,410
Other taxes	850,793	-	-	-	850,793
License and permits	363,136	-	-	-	363,136
Intergovernmental revenues	691,075	-	54,900	-	745,974
Charges for services	2,969,924	-	-	-	2,969,924
Fines and forfeitures	295,220	-	-	-	295,220
Interest	52,612	9,622	-	-	62,234
Miscellaneous revenue	131,755	-	-	-	131,755
Total revenues	8,692,698	9,622	54,900	-	8,757,220
EXPENDITURES:					
General government	1,343,469	-	-	-	1,343,469
Public safety	3,959,520	17,001	54,900	-	4,031,421
Streets and public works	1,168,513	89,649	-	-	1,258,162
Parks, recreation and public property	1,268,236	125,425	-	-	1,393,661
Community and economic development	60,469	-	-	-	60,469
Debt service:					
Principal	313,000	50,000	-	-	363,000
Interest	111,873	-	-	-	111,873
Total expenditures	8,225,079	282,075	54,900	-	8,562,054
Excess (Deficiency) of Revenues over (Under) Expenditures	467,619	(272,453)	-	-	195,166
Other Financing Sources and (Uses)					
Impact fees	-	878,277	-	-	878,277
Sale of capital assets	41,600	-	-	-	41,600
Transfers in	30,000	98,000	-	300,000	428,000
Transfers out	(300,000)	-	-	-	(300,000)
Total other financing sources and (uses)	(228,400)	976,277	-	300,000	1,047,877
Net Change in Fund Balances	239,219	703,824	-	300,000	1,243,043
Fund balances - beginning of year	3,881,929	1,775,631	-	500,000	6,157,560
Fund balance - end of year	\$ 4,121,149	2,479,455	-	800,000	7,400,604

The notes to the financial statements are an integral part of this statement.

City of Santa Clara
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**
June 30, 2022

Total Fund Balance for Governmental Funds	<u>\$ 7,400,604</u>
Total net assets reported for governmental activities in the statement is different because:	
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds:	
Capital assets, at cost	55,277,963
Less accumulated depreciation	<u>(36,216,916)</u>
Net capital assets	<u>19,061,047</u>
Net pension asset is not an available resource and, therefore, is not reported in the fund statements.	<u>589,033</u>
Deferred outflows of resources - pensions, a consumption of net position that applies to future periods, is not shown in the funds statements.	<u>256,175</u>
Long-term liabilities, for funds other than enterprise funds, are recorded in the government-wide statements but not in the fund statements.	
General long-term debt	<u>(4,684,000)</u>
Compensated absences	<u>(91,004)</u>
Interest accrued but not yet paid on long-term debt	<u>(45,582)</u>
Deferred inflows of resources - pensions	<u>(731,776)</u>
Total Net Position of Governmental Activities	<u><u>\$ 21,754,496</u></u>

The notes to the financial statements are an integral part of this statement.

City of Santa Clara
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**
For the Year Ended June 30, 2022

Net Change in Fund Balances - Total Governmental Funds	<u>\$ 1,243,043</u>
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with a material cost are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expenses.

Capital outlays	1,035,824
Depreciation expense	<u>(2,082,244)</u>
Net	<u>(1,046,420)</u>

The Statement of Activities show pension benefits and pension expenses from the adoption of GASB 68 that are not shown in the fund statements.	<u>265,542</u>
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Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Long-term debt principal repayments	<u>363,000</u>
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Accrued interest for long-term debt is not reported as expenditure for the current period, while it is recorded in the statement of activities.

Change in accrued interest	<u>1,812</u>
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Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Change in compensated absences	<u>(17,081)</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 809,897</u></u>
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The notes to the financial statements are an integral part of this statement.

Santa Clara City
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
June 30, 2022

	Water Fund	Sewer Fund	Electric Fund	Storm Water Fund	Total Enterprise Funds
ASSETS AND DEFERRED OUTFLOWS					
OF RESOURCES:					
Assets:					
Current assets:					
Cash and cash equivalents	\$ 45,947	1,459,105	4,840,654	118,742	6,464,448
Accounts receivable, net	396,137	84,259	1,086,558	53,081	1,620,034
Due from other funds	-	75,000	-	-	75,000
Inventory	-	-	506,566	-	506,566
Total current assets	<u>442,084</u>	<u>1,618,364</u>	<u>6,433,777</u>	<u>171,823</u>	<u>8,666,048</u>
Non-current assets:					
Restricted cash and cash equivalents	2,161,839	216,821	2,508,776	353,342	5,240,778
Assessments receivable	-	18,000	-	-	18,000
Bond discounts (net)	16,826	-	-	7,211	24,038
Capital assets:					
Not being depreciated	830,875	-	772,702	656,984	2,260,561
Net of accumulated depreciation	8,271,673	1,248,654	6,932,067	3,088,330	19,540,724
Net pension asset	178,515	46,913	252,172	47,693	525,293
Total non-current assets	<u>11,459,727</u>	<u>1,530,388</u>	<u>10,465,717</u>	<u>4,153,561</u>	<u>27,609,393</u>
Total assets	<u>11,901,811</u>	<u>3,148,752</u>	<u>16,899,494</u>	<u>4,325,384</u>	<u>36,275,441</u>
Deferred outflows of resources - pensions	77,638	20,403	109,672	20,742	228,454
Total assets and deferred outflows of resources	<u>\$ 11,979,449</u>	<u>3,169,155</u>	<u>17,009,165</u>	<u>4,346,126</u>	<u>36,503,895</u>
LIABILITIES AND DEFERRED INFLOWS					
OF RESOURCES:					
Liabilities:					
Current liabilities:					
Accounts payable	\$ 11,585	-	925,240	4,604	941,428
Accrued liabilities	-	59,297	37,340	-	96,637
Accrued interest payable	43,036	5,809	15,979	4,392	69,217
Customer security deposits	161,201	-	-	-	161,201
Due to other funds	-	-	-	152,401	152,401
Long-term debt, current position	312,800	67,749	412,000	61,200	853,749
Total current liabilities	<u>528,623</u>	<u>132,855</u>	<u>1,390,560</u>	<u>222,596</u>	<u>2,274,633</u>
Non-current liabilities:					
Compensated absences	23,581	6,179	46,985	8,157	84,901
Long-term debt, long-term portion	5,042,300	72,721	5,344,000	302,700	10,761,721
Total non-current liabilities	<u>5,065,881</u>	<u>78,899</u>	<u>5,390,985</u>	<u>310,857</u>	<u>10,846,622</u>
Total liabilities	<u>5,594,504</u>	<u>211,754</u>	<u>6,781,544</u>	<u>533,453</u>	<u>13,121,255</u>
Deferred inflows of resources - pensions	221,775	58,282	313,282	59,251	652,589
Total liabilities and deferred inflows of resources	<u>5,816,280</u>	<u>270,036</u>	<u>7,094,826</u>	<u>592,703</u>	<u>13,773,844</u>
NET POSITION:					
Net investment in capital assets	3,747,447	1,108,185	1,948,768	3,381,415	10,185,816
Restricted for debt service	913,137	-	-	91,625	1,004,762
Restricted for capital outlay	1,248,702	216,821	2,508,776	261,716	4,236,015
Unrestricted	253,883	1,574,114	5,456,795	18,666	7,303,457
Total net position	<u>6,163,169</u>	<u>2,899,119</u>	<u>9,914,340</u>	<u>3,753,422</u>	<u>22,730,050</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 11,979,449</u>	<u>3,169,155</u>	<u>17,009,165</u>	<u>4,346,126</u>	<u>36,503,895</u>

The notes to the financial statements are an integral part of this statement.

Santa Clara City
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
For the Year Ended June 30, 2022

	Water Fund	Sewer Fund	Electric Fund	Storm Water Fund	Total Enterprise Funds
Operating income:					
Charges for sales and service	\$ 1,939,112	836,580	6,795,291	562,455	10,133,438
Other operating income	163,817	67,919	220,058	2,237	454,031
Total operating income	2,102,929	904,499	7,015,350	564,692	10,587,469
Operating expenses:					
Personnel services	562,405	164,252	823,223	179,943	1,729,824
Wastewater treatment	-	390,011	-	-	390,011
Wholesale power purchases	-	-	4,305,434	-	4,305,434
Operating and maintenance	449,927	21,658	342,042	91,281	904,907
Professional services	27,541	48,728	100,751	4,360	181,380
Insurance expense	23,088	13,105	30,733	8,183	75,109
Other supplies and expenses	41,474	6,806	113,435	6,252	167,967
Franchise fees	-	-	356,896	-	356,896
Administrative	101,631	55,969	62,256	25,694	245,550
Depreciation expense	502,867	112,474	584,607	179,535	1,379,483
Total operating expense	1,708,934	813,003	6,719,377	495,248	9,736,561
Net operating income (loss)	393,995	91,496	295,973	69,444	850,908
Non-operating income (expense)					
Gain (loss) on disposal of assets	-	-	20,000	-	20,000
Impact fees	231,624	39,662	446,670	57,412	775,368
Interest income	4,156	1,013	25,207	1,725	32,102
Interest on long-term debt	(136,082)	(7,898)	(56,269)	(17,275)	(217,524)
Total non-operating income (expense)	99,697	32,777	435,609	41,862	609,946
Income before contributions and transfers	493,693	124,274	731,581	111,306	1,460,854
Capital contributions	360,319	360,319	360,319	360,319	1,441,275
Transfers out	(98,000)	-	-	(30,000)	(128,000)
Change in net position	756,011	484,593	1,091,900	441,625	2,774,129
Net position - beginning	5,407,158	2,414,527	8,822,440	3,311,798	19,955,922
Net position - ending	\$ 6,163,169	2,899,119	9,914,340	3,753,422	22,730,050

The notes to the financial statements are an integral part of this statement.

Santa Clara City
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2022

	Water Fund	Sewer Fund	Electric Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Cash flows from operating activities:					
Cash received from customers - service	\$ 2,168,530	953,890	6,989,101	580,326	10,691,847
Cash paid to suppliers	(872,198)	(621,462)	(5,257,226)	(142,599)	(6,893,484)
Cash paid to employees	(649,607)	(187,840)	(945,381)	(202,230)	(1,985,058)
Net cash provided (used) in operating activities	646,725	144,589	786,494	235,497	1,813,305
Cash flows from noncapital financing activities:					
Net interfund activity	(98,000)	50,000	-	(135,000)	(183,000)
Change in customer deposits	19,915	-	-	-	19,915
Net cash provided (used) in noncapital financing activities	(78,085)	50,000	-	(135,000)	(163,085)
Cash flows from capital and related financing activities:					
Impact fees and capital contributions	591,943	399,981	806,989	417,731	2,216,644
Debt proceeds	-	-	2,532,000	-	2,532,000
Proceeds from the sale of capital assets	-	-	20,000	-	20,000
Payments for capital assets	(796,515)	(397,157)	(1,506,032)	(546,030)	(3,245,734)
Payments for long-term debt principal	(302,835)	(67,749)	(350,000)	(57,358)	(777,941)
Payments for long-term debt interest	(136,082)	(7,898)	(68,705)	(17,275)	(229,960)
Net cash provided (used) in capital and related financing activities	(643,489)	(72,823)	1,434,253	(202,932)	515,009
Cash flows from investing activities:					
Cash received from interest earned	4,156	1,013	25,207	1,725	32,102
Net cash provided (used) in investing activities	4,156	1,013	25,207	1,725	32,102
Net increase (decrease) in cash	(70,694)	122,779	2,245,954	(100,709)	2,197,330
Cash balance, beginning	2,278,480	1,553,146	5,103,476	572,793	9,507,896
Cash balance, ending	\$ 2,207,786	1,675,925	7,349,430	472,084	11,705,225
Cash reported on the statement of net position:					
Cash and cash equivalents	\$ 45,947	1,459,105	4,840,654	118,742	6,464,448
Non-current restricted cash	2,161,839	216,821	2,508,776	353,342	5,240,778
Total cash and cash equivalents	\$ 2,207,786	1,675,925	7,349,430	472,084	11,705,225

The notes to the financial statements are an integral part of this statement.

Santa Clara City
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS (continued)
For the Year Ended June 30, 2022

**Reconciliation of Operating Income to Net Cash
Provided (Used) in Operating Activities:**

	Water Fund	Sewer Fund	Electric Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Net operating income (expense)	\$ 393,995	91,496	295,973	69,444	850,908
Adjustments to reconcile operating income or (loss) to net cash provided (used) in operating activities:					
Depreciation and amortization	502,867	112,474	584,607	179,535	1,379,483
Changes in assets and liabilities:					
(Increase) decrease in receivables	65,601	49,391	(26,249)	15,634	104,377
(Increase) decrease in net pension asset	(159,787)	(41,936)	(223,771)	(42,322)	(467,816)
(Increase) decrease in deferred outflows	(17,848)	(4,512)	(18,999)	(3,593)	(44,952)
Increase (decrease) in payables	(228,537)	(85,186)	54,322	(6,829)	(266,230)
Increase (decrease) in compensated absences	(1,158)	(821)	4,757	1,717	4,495
Increase (decrease) in net pension liability	(15,242)	(4,051)	(23,116)	(4,372)	(46,781)
Increase (decrease) in deferred inflows	106,835	27,732	138,970	26,282	299,820
Net cash provided (used) in operating activities	\$ 646,725	144,589	786,494	235,497	1,813,305

The notes to the financial statements are an integral part of this statement.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1-A. Reporting entity

The City of Santa Clara (the City), a municipal corporation located in Washington County, Utah, operates under a Mayor-Council form of government. The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable because of the significance of their operational or financial relationships with the City.

The City financial statements include the **Municipal Building Authority of Santa Clara (MBA)** as a blended component unit. The MBA was created by the City for the purpose of financing and leasing facilities to meet the needs of the City. Members of the Town Council serve as the Board of Directors of the MBA, and City management has operational responsibility for the MBA.

1-B. Government-wide and fund financial statements

Government-wide Financial Statements

The government-wide financial statements, consisting of the statement of net position and the statement of activities report information on all the non-fiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of net position reports the financial position of the governmental and business-type activities of the City and its discretely presented component units at year-end.

The statement of activities reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expenses are not allocated. All expenses are included in the applicable function. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privilege provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, if any, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statement.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

1-C. Measurement focus, basis of accounting and financial statement presentation

The financial statements of the City are prepared in accordance with generally accepted accounting principles (GAAP).

The government-wide statements are reported using the economic resources measurement focus and the accrual basis of accounting, generally including the reclassification of internal activity (between or within funds). However, internal eliminations do not include utility services provided to City departments or payments to the general fund by other funds for providing administrative and billing services for such funds. Reimbursements are reported as reductions to expenses. Proprietary and any fiduciary fund financial statements are also reported using this same focus and basis of accounting although internal activity is not eliminated in these statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when the grantor eligibility requirements are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, intergovernmental revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments, if any, receivable within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating income and expense reported in proprietary fund financial statements include those revenues and expenses related to the primary, continuing operations of the fund. Principal operating revenues for proprietary funds are charges to customers for sales or services. Principal operating expenses are the costs of providing goods or services, including administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as non-operating in the financial statements.

Policy regarding use of restricted resources

When faced with a choice, it is the City's policy to use restricted resources first, then committed and assigned amounts before spending unassigned amounts. Restricted assets and liabilities payable from restricted assets current in nature are reported with current assets and current liabilities.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

1-D. Fund types and major funds

Governmental funds

The City reports the following major governmental fund:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *impact fees special revenue fund* is used to account for the collection and use of impact fees related to the City's governmental activities.

Proprietary funds

The City reports the following major and non-major proprietary funds:

The *water fund* is used to account for the activities of the culinary water production, treatment and distribution.

The *sewer fund* is used to account for the activities of the sewer collection and treatment operations.

The *electric fund* is used to account for the activities of the electric power distribution operations.

The *storm water fund* accounts for the activities of the City's storm water operations.

1-E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

1-E-1. Deposit and Investments

Cash includes cash on hand, demand deposits with bank and other financial institutions, deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts and short-term investments with original maturities of three months or less from the date of acquisition. The City's policy allows for investment in fund in time certificates of deposit with federally insured depositories, investment in the state treasurer's pool, and other investments as allowed by the State of Utah's Money Management Act. All investments are carried at fair value with unrealized gains and losses recorded as adjustments to interest earnings. Fair market values are based on quoted market prices.

1-E-2. Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

1-E-3. Receivables and Payables

In the Water, Sewer, Electric, and Storm Water funds, the City records utility revenues billed to customer when meters are read on a monthly basis. Unbilled service accounts receivable at June 30, 2022 were estimated based upon July billings and are included in the operating revenues and accounts receivable at year end. Due to the nature of the accounts receivable in the governmental and business-type activities of the City, management does not consider an allowance for uncollectible accounts receivable necessary or material. Therefore, no allowance for uncollectible accounts receivable is presented.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

**1-E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(continued)**

During the course of operations, there may be transactions that occur between funds that are representative of lending/borrowing arrangements outstanding at year-end. These are reported as either due to or due from other funds.

Property taxes are assessed and collected for the City by Washington County and remitted to the City shortly after collection. Property taxes become a lien on January 1 and are levied on the first Monday in August. Taxes are due and payable on November 1, and are delinquent after November 30. All dates are in the year of levy.

1-E-4. *Restricted Assets*

In accordance with certain revenue bond covenants, resources may be required to be set aside for the repayment of such bonds, and, on occasion, for the repair and maintenance of the assets acquired with the bond proceeds. These resources are classified as restricted assets on the balance sheet because of their limited use. Most capital grant agreements mandate that grant proceeds be spent only on capital assets. Unspent resources of this nature are also classified as restricted. The limited use resources described above involve a reported restriction of both cash and net assets.

Unspent proceeds of bonds issued to finance capital assets are also reported as restricted cash.

1-E-5. *Inventories and Prepaid items*

Inventories in governmental funds are not reported. These consist of immaterial amounts of expendable supplies for consumption. Such supplies are acquired as needed. Proprietary fund inventories, where material, are stated at the lower of cost or market, using the first-in, first-out basis.

Prepaid items record payments to vendors that benefit future reporting and are reported on the consumption basis. Both inventories and prepayments are similarly reported in government-wide and fund financial statements.

1-E-6. *Capital Assets*

Capital assets includes property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), and are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. Such assets are recorded at historical cost or at estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. Infrastructure is depreciated.

The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend the assets' life is not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Upon retirement or disposition of capital assets, the cost and related accumulated depreciation are removed from the respective accounts. Depreciation of capital assets is computed using the straight-line method over their estimated useful lives.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

**1-E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(continued)**

Property, plant, and equipment of the primary government, as well as the component units if any, is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	20-50
Machinery and equipment	5-20
Infrastructure	5-8
Autos and trucks	15-40

1-E-7. Long-term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net assets. Bond discounts or premiums, and the difference between the reacquisition price and the net carrying value of refunded debt are deferred and amortized over the terms of the respective bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

The governmental fund financial statements recognize the proceeds of debt and premiums as other financing sources of the current period.

1-E-8. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation pay and comp time. The liability for these compensated absences is recorded as long-term liabilities and as expenses in the government-wide statements and in the proprietary fund statements. No expenditures are reported for these amounts in the governmental fund statements. Accumulated unpaid vacation pay and comp time are accrued based upon the City's expected legal obligation as of the statement date.

1-E-9. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes include a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City reports deferred outflows of resources relating to pensions as required by GASB 68.

In addition to liabilities, the statement of net position will sometimes include a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The City has two types of items that qualify for reporting in this category. The governmental funds report deferred revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period for which they are levied. The City also reports deferred inflows related to pensions as required by GASB 68.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

**1-E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(continued)**

1-E-10. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

1-E-11. Net position flow assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted - net position to have been depleted before unrestricted – net position is applied.

1-E-12. Fund balance flow assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to reports as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using and of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

1-E-13. Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by formal action of the City's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

**1-E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(continued)**

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The council has authorized the City Manager to assign fund balance. The council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned fund balance is a residual classification of the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to a specific purpose within the General Fund.

1-F. Revenues and expenditures/expenses

Program revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property taxes

Property taxes are collected by Washington County Treasurer and remitted to the City in monthly installments. Taxes levied each October on the taxable value listed as of the prior January 1 (lien date) for all real property located in the City. Taxable values are established by the County Assessor at a percent of the fair market value on primary residential property and 100 percent of the fair market value of non-primary residential property. A revaluation of all property is required to be completed no less than every five years. Taxes are due and payable on November 1 and delinquent after November 30 of each year, at which time they become liens if not paid.

Compensated absences

For governmental funds, amounts of vested or accumulated vacation and comp time that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net position and as expenses in the government-wide statement of activities. No expenditures are reported for these amounts in the fund financial statements. Vested or accumulated vacation and comp time in the proprietary funds are recorded as an expense and a liability of that fund as the benefits accrue to the employees and are thus recorded in both the government-wide and the individual fund financial statements. Accumulated unpaid vacation pay and comp time are accrued based upon the City's expected legal obligation as of the statement date. No provision is made for accumulated sick leave because the City is not obligated to pay accumulated sick leave upon termination or retirement.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

1-F. Revenues and expenditures/expenses (continued)

Proprietary funds operating and nonoperating revenues and expenses

Proprietary funds distinguish operating revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water fund, sewer fund, electric fund and storm water fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

1-G. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying notes. Actual results may differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

2-A. Budgetary data

Annual budgets are prepared and adopted by ordinance by total for each department, in accordance with State law, by the Mayor and City Council on or before June 22 for the following fiscal year beginning July 1. Estimated revenues and appropriations may be increased or decreased by resolution of the City Council at any time during the year. A public hearing must be held prior to any proposed increase in a fund's appropriations. Budgets include activities in the General Fund. The level of the City's budgetary control (the level at which the City's expenditures cannot legally exceed appropriations) is established at the department level. Each department head is responsible for operating within the budget for their department. All annual budgets lapse at fiscal year end.

Utah State law prohibits the appropriation of unassigned General Fund balance to an amount less than 5% of the General Fund revenues. The 5% reserve that cannot be budgeted is used to provide working capital until tax revenue is received to meet emergency expenditures, and to cover unanticipated deficits. Any unassigned General Fund balance greater than 25% of the current year's revenues must be appropriated within the following years.

Once adopted, budget amendments which increase total expenditures must be approved by the City Council following a public hearing. With the consent of the Mayor, department heads may reallocate unexpended appropriated balances from one expenditure account to another within that department during the budget year. Budgets for the General Fund are prepared on the modified accrual basis of accounting. Encumbrances are not used.

2-B. Deficit fund balance or net position

As of June 30, 2022, none of the City's funds carry a deficit fund balance or net position.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 3 - DETAILED NOTES

3-A. Deposits and investments

Cash and investments as of June 30, 2022, consist of the following:

	Fair Value
Cash on hand	\$ 600
Cash in bank	6,347,622
State Treasurer's Investment Pool	14,154,726
Total cash	<u>\$ 20,502,948</u>

Cash and investments listed above are classified in the accompanying government-wide statement of net position as follows:

Cash and cash equivalents (current)	\$ 10,921,369
Restricted cash and cash equivalents (non-current)	9,581,579
Total cash and cash equivalents	<u>\$ 20,502,948</u>

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*.

The Utah Money Management Act (UMMA) establishes specific requirements regarding deposits of public funds by public treasurers. UMMA requires that city funds be deposited with a qualified depository which includes any depository institution which has been certified by the Utah State Commissioner of Financial Institutions as having met the requirements specified in UMMA Section 51, Chapter 7. UMMA provides the formula for determining the amount of public funds which a qualified depository may hold in order to minimize risk of loss and also defines capital requirements which an Institution must maintain to be eligible to accept public funds. UMMA lists the criteria for investments and specifies the assets which are eligible to be invested in, and for some investments, the amount of time to maturity.

UMMA enables the State Treasurer to operate the Public Treasurer's Investment Pool (PTIF). PTIF is managed by the Utah State Treasurer's investment staff and comes under the regulatory authority of the Utah Money Management Council. This council is comprised of a select group of financial professionals from units of local and state government and financial institutions doing business in the state. PTIF operations and portfolio composition is monitored at least semi-annually by the Utah Money Management Council. PTIF is unrated by any nationally recognized statistical rating organizations. Deposits in PTIF are not insured or otherwise guaranteed by the State of Utah. Participants share proportionally in any realized gains or losses on investments which are recorded on an amortized cost basis. The balance available for withdrawal is based on the accounting records maintained by PTIF. The fair value of the investment pool is approximately equal to the value of the pool shares. The City maintains monies not immediately needed for expenditure in PTIF accounts.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

3-A. Deposits and investments (continued)

Fair value of investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows: Level 1--Quoted prices for identical investments in active markets; Level 2--Observable inputs other than quoted market prices; and, Level 3--Unobservable inputs. At June 30, 2022, the City had \$14,154,726 invested in the PTIF, which uses a Level 2 fair value measurement.

Deposit and investment risk

The City maintains no investment policy containing any specific provisions intended to limit the City's exposure to interest rate risk, credit risk, and concentration of credit risk other than that imposed by UMMA. The City's compliance with the provisions of UMMA addresses each of these risks.

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. All deposits and investments of the City are available immediately.

Credit risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligations. As noted on the previous page, PTIF is unrated.

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits. At June 30, 2022, \$500,000 of the City's demand deposits of \$1,106,223 are covered by FDIC insurance.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The City views its placements of moneys in PTIF as deposits, however, this risk is addressed through the policy of investing most excess monies in PTIF accounts.

Concentration of credit risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. PTIF falls under the constraints of UMMA in limiting concentrations of investments.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

3-C. Capital assets

Capital asset activity for governmental activities was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental activities				
Capital assets, not being depreciated:				
Land and rights	\$ 2,091,942	-	-	2,091,942
Construction in progress	228,546	17,001	237,041	8,506
Total capital assets, not being depreciated	2,320,488	17,001	237,041	2,100,448
Capital assets, being depreciated:				
Buildings	7,552,192	-	-	7,552,192
Improvements other than buildings	9,990,201	220,636	-	10,210,837
Machinery and equipment	1,405,760	239,971	-	1,645,731
Vehicles	1,258,333	425,583	-	1,683,916
Office equipment	434,460	9,356	-	443,817
Artwork	198,491	-	-	198,491
Infrastructure	31,082,213	360,319	-	31,442,532
Total capital assets, being depreciated	51,921,650	1,255,865	-	53,177,515
Less accumulated depreciation for:				
Buildings	3,603,419	253,908	-	3,857,327
Improvements other than buildings	2,846,398	479,822	-	3,326,220
Machinery and equipment	935,114	106,125	-	1,041,239
Vehicles	1,111,187	94,078	-	1,205,265
Office equipment	352,625	38,330	-	390,955
Artwork	83,862	6,616	-	90,478
Infrastructure	25,202,067	1,103,365	-	26,305,432
Total accumulated depreciation	34,134,672	2,082,244	-	36,216,916
Total capital assets being depreciated, net	17,786,978	(826,379)	-	16,960,599
Governmental activities capital assets, net	\$ 20,107,466	(809,378)	237,041	19,061,046

Depreciation expense was charged to functions/programs of the primary government governmental activities was follows:

Governmental activities:	
General government	\$ 295,415
Public safety	85,455
Streets and public works	1,163,214
Parks, recreation and public property	538,161
Total	\$ 2,082,244

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

3-C. Capital assets (continued)

Capital asset activity for the business-type activities was as follows:

Business-type activities	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 706,984	-	-	706,984
Water rights	780,875	-	-	780,875
Construction in progress	1,180,581	1,161,025	1,568,904	772,702
Total capital assets, not being depreciated	2,668,440	1,161,025	1,568,904	2,260,561
Capital assets, being depreciated:				
Buildings and improvements	385,260	-	-	385,260
Water distribution system	16,658,747	1,711,298	-	18,370,046
Sewer collection and treatment system	2,047,757	360,319	-	2,408,075
Electric distribution system	14,565,803	711,045	-	15,276,847
Storm water system	4,284,645	374,273	-	4,658,918
Machinery and equipment	1,297,191	312,201	93,074	1,516,318
Vehicles	1,558,996	194,575	10,099	1,743,473
Total capital assets, being depreciated	40,798,398	3,663,712	103,173	44,358,937
Less accumulated depreciation for:				
Buildings and improvements	117,595	11,498	-	129,093
Water distribution system	9,807,201	461,609	-	10,268,810
Sewer collection and treatment system	1,595,854	51,542	-	1,647,396
Electric distribution system	8,712,934	476,885	-	9,189,820
Storm water system	1,634,504	158,719	-	1,793,224
Machinery and equipment	705,941	88,485	93,074	701,352
Vehicles	957,775	130,744	-	1,088,519
Total accumulated depreciation	23,531,804	1,379,483	93,074	24,818,213
Total capital assets being depreciated, net	17,266,594	2,284,229	10,099	19,540,724
Business-type activities capital assets, net	\$ 19,935,034	3,445,254	1,579,003	21,801,285

Depreciation expense was charged to functions/programs of the primary government business-type activities as follows:

Business-type activities:	
Water	\$ 502,867
Sewer	112,474
Electric	584,607
Storm water	179,535
Total	\$1,379,483

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

3-D. Long-term debt

Long-term debt activity for the governmental activities was as follows:

	% Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2021 Sales Tax Revenue Bonds						
Matures 3/1/2036	1.70	\$ 2,232,000	-	135,000	2,097,000	134,000
2019 Lease Revenue Refunding Bonds						
Matures 10/1/2033	2.76	2,715,000	-	178,000	2,537,000	182,000
2012 Excise Tax Road Revenue Bonds						
Matures 7/9/2022	-	100,000	-	50,000	50,000	50,000
Total governmental activity						
 long-term liabilities		\$ 5,047,000	-	363,000	4,684,000	366,000

Bond debt service requirements to maturity for governmental activities are as follows:

	Principal	Interest	Total
2023	\$ 366,000	103,159	469,159
2024	323,000	95,788	418,788
2025	330,000	88,246	418,246
2026	338,000	80,532	418,532
2027	345,000	72,629	417,629
2028 - 2032	1,850,000	237,817	2,087,817
2033 - 2036	1,132,000	41,269	1,173,269
Total	\$ 4,684,000	719,440	5,403,440

The City has direct borrowings related to governmental activities totaling \$4,684,000. The outstanding bonds are secured with their respective revenues and/or property and equipment.

The City has no unused lines of credit as of June 30, 2022.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

3-D. Long-term debt (continued)

Long-term debt activity for the business-type activities was as follows:

	% Rate	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2021 Electric Revenue Refunding Bonds						
Matures 2031	1.38	\$ 3,574,000	-	350,000	3,224,000	370,000
2021B Electric Revenue Bonds						
Matures 2035	1.83	-	2,532,000	-	2,532,000	42,000
2018 Sewer Truck Loan						
Matures 2024	3.05	208,218	-	67,749	140,469	67,749
2012 Water and Storm Water Revenue Bonds						
Matures 2027	2.748-3.66	1,409,000	-	196,000	1,213,000	204,000
2012 E & F Water Revenue Refunding Bonds						
Matures 2043	2.50	4,675,000	-	169,000	4,506,000	170,000
Less bond discounts		(28,845)	-	(4,807)	(24,038)	-
Total business-type activity long-term liabilities		\$ 9,837,373	2,532,000	777,941	11,591,431	853,749

Bond debt service requirements to maturity for business-type activities are as follows:

	Principal	Interest	Total
2023	\$ 853,749	176,434	1,030,183
2024	872,721	158,273	1,030,993
2025	815,000	140,635	955,635
2026	830,000	125,221	955,221
2027	846,000	109,399	955,399
2028 - 2032	3,300,000	380,080	3,680,080
2033 - 2037	2,294,000	157,634	2,451,634
2038 - 2042	981,000	75,400	1,056,400
2043 - 2046	823,000	15,775	838,775
Total	\$ 11,615,469	1,338,851	12,954,320

The City has outstanding notes from direct borrowings related to business-type activities totaling \$11,591,431. The outstanding direct borrowings are all secured with their respective revenues and/or property and equipment.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

3-D. Long-term debt (continued)

Other long-term liabilities:

	Beginning	Increase (Decrease)	Ending
Compensated absences:			
Governmental	\$ 73,923	17,081	91,004
Business-type	80,408	4,493	84,901
Total	\$ 154,331	21,574	175,905

	Beginning	Increase (Decrease)	Ending
Net pension liability:			
Governmental	\$ 44,876	(44,876)	-
Business-type	46,781	(46,781)	-
Total	\$ 91,657	(91,657)	-

3-E. Interfund receivables, payables and transfers

The City had the following interfund receivables and payables at year-end:

	Due To	Due From
General fund	\$ 152,401	75,000
Sewer fund	75,000	-
Storm water fund	-	152,401
Total	\$ 227,401	227,401

With the exception of the interfund loan described below, interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

In 2017, the sewer fund loaned the general fund \$250,000 to finance the purchase of land. The loan bears interest at 2.0% and is payable in 10 installments ranging from \$29,500 to \$25,500.

The City had the following interfund transfers during the year:

	Transfers In	Transfers Out
General fund	\$ 30,000	300,000
Impact fees fund	98,000	-
Capital projects fund	300,000	-
Water fund	-	98,000
Storm water fund	-	30,000
Total	\$ 428,000	428,000

Transfers are used to (1) move revenues from the fund that statute or budget required to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted for debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 4 - OTHER INFORMATION

4-A. Risk management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The City participates in the Utah Local Government Trust, a public agency insurance mutual, which provides coverage for property damage and general liability. The City is subject to a minimal deductible for claims. There have been no significant reductions in insurance coverage from coverage in the prior year. Amounts of settlements have not exceeded insurance coverage in any of the past three fiscal years.

4-B. Contracts

The City has entered into various contracts for its Sewer, Water, Garbage and Electric Utility Funds. A few of the more significant contracts are as follows:

The City has entered into a 25-year wastewater service contract with St. George City, which originally expired in April, 2012. This contract was renewed and an automatic renewal will occur each year until written notice is given. St. George City provides the use of a connecting system to transport the City's wastewater to the St. George City treatment plant where it is treated for the City in exchange for a monthly service charge.

The City has also entered into an interlocal agreement (Snow Canyon Water Project Interlocal Compact) wherein the City reimburses their share of operating and maintenance cost to St. George City based upon Santa Clara's proportionate ownership/usage of water in the compact.

The City also has a solid waste collection and disposal contract with Washington County Special Service District No. 1 (the District). The contract provides for a subcontractor to collect and dispose of residential and commercial solid waste within the City. In connection with the agreement, the City is responsible for the monthly billing, collection, and payment of residential collections to the District.

Additionally, as a member of the Utah Association of Municipal Power System (UAMPS), the City has entered into the San Juan Power Sales Contract (the Power Sales contract) in order to obtain a long-term supply of firm electric energy for the City. The City purchases electricity from UAMPS in exchange for monthly usage fees based on kilowatt hours used.

4-C. Jointly Governed Organization

The City, in conjunction with 38 other governmental entities that provide for the purchase and transmission of electrical services, created the Utah Association of Municipal Power System (UAMPS). UAMPS owns an interest in various power generation entities as well as coordinating the purchase of additional power on the open spot-market. The UAMPS board is comprised of one member from each participating entity (dependent on the particular projects which an entity elects to participate in). Except for minimum purchase requirements, no participant has any obligation, entitlement, or residual interest. The City's electric utility fund purchased power totaling \$4,305,434.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

4-D. Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

The City is contingently liable with respect to lawsuits and other claims incidental to the ordinary course of its operations. Due to the uncertainty of these items and inability of management to estimate an amount for which the City may be liable, the City has not recognized on the financial statements any amount related to contingent liabilities at June 30, 2022.

4-E. Commitments/Subsequent Events

The City is committed to participate in the Regional Water Line Project. The City incurred \$18,184 in cost during the current audit period and their future ownership costs are expected to be \$293,626 or approximately \$25,000 annually for 6.5 years.

The City is a member of the Utah Association of Municipal Power System (UAMPS), a political subdivision of the State of Utah created to secure electric power for the members of UAMPS. As a member, the City has entered into power supply agreements with respect to various projects in which UAMPS participated. The total cost of the power the City will be required to purchase in the future is not determinable, however, at a minimum, in connection with these power supply agreements, the City will be required to fund debt service on the UAMPS bonds which, at June 30, 2022 had an outstanding balance of \$132,230,000. The City's share of this amount is \$4,412,544.

As a member of UAMPS, the City has committed to participate in various projects. The City has made a down payment on the projects of \$300,000. The City's share of the debt related to this projects is disclosed above. The City is also participating with UAMPS to investigate the feasibility of other power projects involving wind, solar, hydro, natural gas, and nuclear generation of power. If any of these projects prove to be viable, the City could participate and incur the associated costs.

4-F. Pension Plans

General Information about the Pension Plan

Plan description:

Eligible plan participants are provided with pensions through the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following Pension Trust Funds:

Defined Benefit Plans

- Public Employees Noncontributory Retirement System (Noncontributory System);
- Firefighters Retirement System (Firefighters System) are multiple employer, cost sharing, retirement systems.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System) is a multiple employer cost sharing public employee retirement system;
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters System) is a multiple employer cost sharing public employee retirement system.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

4-F. Pension Plans (continued)

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Utah State Retirement Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: www.urs.org/publications.

Benefits provided:

URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percentage per year of service	COLA **
Noncontributory System	Highest 3 Years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65	2.0% per year all years	Up to 4%
Firefighters System	Highest 3 Years	20 years any age 10 years age 60 4 years age 65	2.5% per year up to 20 years; 2.0% per year over 20 years	Up to 2.5 % or 4% depending on employer
Tier 2 Public Employees System	Highest 5 Years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year all years	Up to 2.5%
Tier 2 Public Safety and Firefighter System	Highest 5 Years	25 years any age 20 years age 60* 10 years age 62* 4 years age 65	1.5% per year to June 2020; 2.0% per year after July 2020	Up to 2.5%

* with actuarial reductions

** All past-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Contributions Rate Summary: As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

4-F. Pension Plans (continued)

Contribution rates as of June 30, 2022, are as follows:

Utah Retirement Systems	Employee	Employer	Employer 401(k) Plan
Contributory System			
111 - Local Government Div - Tier 2	N/A	16.07	0.62
Noncontributory System			
15 - Local Government Div - Tier 1	N/A	18.47	N/A
Public Safety System			
Contributory			
122 - Tier 2 DB Hybrid Public Safety	2.27	25.83	N/A
Noncontributory			
43 - Other Div A with 2.5% COLA	N/A	34.04	N/A
Firefighters Retirement System			
31 - Other Division A	15.05	4.61	N/A
132 - Tier 2 DB Hybrid Firefighters	2.27	14.08	N/A
Tier 2 DC Only			
211 - Local Government	N/A	6.69	10.00
222 - Public Safety	N/A	11.83	14.00
232 - Firefighters	N/A	0.08	14.00

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For the fiscal year ended June 30, 2022, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	\$ 232,873	N/A
Firefighter System	4,864	-
Tier 2 Public Employees System	142,185	-
Tier 2 Public Safety and Firefighter	50,366	8,092
Tier 2 DC Only System	4,783	N/A
Tier 2 Public Safety and Firefighter System	46	N/A
Total Contributions	\$ 435,118	8,092

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

4-F. Pension Plans (continued)

Combined Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2022, we reported a net pension asset of \$1,114,326 and a net pension liability of \$0.

	(Measurement Date): December 31, 2021				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share 12/31/2020	Change (Decrease)
Noncontributory System	\$ 863,195	\$ -	0.1507209%	0.1500318%	0.0006891%
Firefighters System	229,138	-	0.3928870%	0.4027346%	-0.0098476%
Tier 2 Public Employees System	16,402	-	0.0387533%	0.0318964%	0.0068569%
Tier 2 Public Safety and Firefighter	5,591	-	0.1106184%	0.1127254%	-0.0021070%
Total	\$ 1,114,326	\$ -			

The net pension asset and liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2020 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2022, we recognize pension expense of (\$90,197).

At June 30, 2022, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 119,266	\$ 5,081
Changes in assumptions	125,107	6,721
Net difference between projected and actual earnings on pension plan investments	-	1,361,250
Changes in proportion and differences between contributions and proportionate share of contributions	14,151	11,313
Contributions subsequent to the measurement date	226,105	-
Total	\$ 484,629	\$ 1,384,365

\$226,105 was reported as deferred outflows of resources related to pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2021.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

4-F. Pension Plans (continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2022	\$ (229,266)
2023	(382,921)
2024	(320,157)
2025	(217,986)
2025	4,498
Thereafter	19,992

Actuarial assumptions:

The total pension liability in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary increases	3.25 - 9.25 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

Mortality rates were adopted from an actuarial experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2021, valuations were based on the results of an actuarial experience study for the five-year period ending December 31, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method, in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

4-F. Pension Plans (continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Assets class	Expected Return Arithmetic Basis		
	Target Asset Allocation	Real Return Arithmetic Basis	Long Term expected portfolio real rate of return
Equity securities	37%	6.58%	2.43%
Debt securities	20%	-0.28%	-0.06%
Real assets	15%	5.77%	0.87%
Private equity	12%	9.85%	1.18%
Absolute return	16%	2.91%	0.47%
Cash and cash equivalents	0%	-1.01%	0.00%
Totals	100.00%		4.89%
	Inflation		2.50%
	Expected arithmetic nominal return		7.39%

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.35% that is net of investment expense.

Discount rate:

The discount rate used to measure the total pension liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate was reduced from 6.95% to 6.85% from the prior measurement date.

Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate:

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.85 percent) or 1-percentage-point higher (7.85 percent) than the current rate:

System	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Noncontributory System	\$ 464,166	\$ (863,195)	\$ (1,970,618)
Firefighters System	(56,111)	(229,138)	(369,383)
Tier 2 Public Employees System	97,726	(16,402)	(104,028)
Tier 2 Public Safety and Firefighter	44,853	(5,591)	(45,637)
Total	\$ 550,634	\$ (1,114,326)	\$ (2,489,666)

Pension plan fiduciary net position:

Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

City of Santa Clara
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

4-F. Pension Plans (continued)

Defined Contribution Savings Plan:

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report. The City participates in the following Defined Contribution Savings Plans with the Utah Retirement Systems:

- 401(k) Plan
- 457(b) Plan
- Roth IRA Plan

Employee and employer contributions to the Utah Retirement Contribution Savings Plans for fiscal year ended June 30, were as follows:

	2022	2021	2020
401(k) Plan			
Employer Contributions	\$ 42,608	\$ 37,959	\$ 47,506
Employee Contributions	66,595	86,216	64,018
457(b) Plan			
Employer Contributions	6,042	4,366	4,371
Employee Contributions	19,064	15,752	14,890
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	21,914	19,440	14,815

4-G. Rounding convention

A rounding convention to the nearest whole dollar has been applied throughout this report, therefore the precision displayed in any monetary amount is plus or minus \$1. These financial statements are computer generated and the rounding convention is applied to each amount displayed in a column, whether detail item or total. As a result, without the overhead cost of manually balancing each column, the sum of displayed amounts in a column may not equal the total displayed. The maximum difference between any displayed number or total and its actual value will not be more than \$1.

4-H. Related party transactions

During fiscal year 2022, the City paid Rosenberg Associates a total of \$25,229 for engineering services. Rosenberg Associates is owned by Rick Rosenberg who is currently serving as Mayor.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

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City of Santa Clara
Notes to Required Supplementary Information
June 30, 2022

Budgetary Comparison Schedules

The Budgetary Comparison Schedules presented in this section of the report are for the City's General Fund and Impact Fees Special Revenue Fund.

Budgeting and Budgetary Control

The budget for the General Fund is legally required and is prepared and adopted on the modified accrual basis of accounting.

Original budgets represent the revenue estimates and spending authority authorized by the City Council prior to the beginning of the year. Final budgets represent the original budget amounts plus any amendments made to the budget during the year by the Council through formal resolution. Final budgets do not include unexpended balances from the prior year because such balances automatically lapse to unreserved fund balance at the end of each year.

Current Year Excess of Expenditures over Appropriations

For the year ended June 30, 2022, expenditures for the community and economic development department exceed budget appropriations by \$1,431.

Changes in Assumptions Related to Pensions

The investment return assumption was decreased by 0.10% to 6.85% for use in the January 1, 2021 actuarial valuation. This assumption change was based on analysis performed by the actuary and adopted by the Utah State Retirement Board. In aggregate, this assumption change resulted in a \$509 million increase in the Total Pension Liability, which is about 1.3% of the Total Pension Liability as of December 31, 2020 for all systems combined. The demographic assumptions were reviewed and updated in the January 1, 2020 actuarial valuation and are currently scheduled to be reviewed in the year 2023.

City of Santa Clara
**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND**
For the Year Ended June 30, 2022

	Budgeted Original	Budgeted Final	Actual	Variance with Final Budget
REVENUES:				
Taxes:				
Property	\$ 1,114,619	1,149,619	1,192,774	43,155
Sales	1,845,000	2,150,112	2,145,410	(4,702)
Other taxes	693,753	798,753	850,793	52,040
License and permits	259,850	334,850	363,136	28,286
Intergovernmental revenues	543,000	643,000	691,075	48,075
Charges for services	2,800,702	2,965,702	2,969,924	4,222
Fines and forfeitures	200,000	280,000	295,220	15,220
Interest	25,000	25,000	52,612	27,612
Miscellaneous revenue	63,000	63,000	131,755	68,755
Total revenues	7,544,924	8,410,036	8,692,698	282,662
EXPENDITURES:				
General government	1,498,625	1,575,339	1,549,446	25,893
Public safety	3,847,414	4,224,788	3,959,520	265,268
Streets and public works	1,271,950	1,485,426	1,387,409	98,017
Parks, recreation and public property	1,528,984	1,713,494	1,268,236	445,258
Community and economic development	46,000	59,038	60,469	(1,431)
Total expenditures	8,192,973	9,058,085	8,225,079	833,006
Excess (Deficiency) of Revenues over (Under) Expenditures	(648,049)	(648,049)	467,619	1,115,668
Other Financing Sources and (Uses):				
Sale of capital assets	-	-	41,600	41,600
Transfers in	130,000	130,000	30,000	(100,000)
Transfers out	-	-	(300,000)	(300,000)
Total other financing sources and (uses)	130,000	130,000	(228,400)	(358,400)
Net Change in Fund Balances	(518,049)	(518,049)	239,219	757,268
Fund balances - beginning of year	3,881,929	3,881,929	3,881,929	-
Fund balance - end of year	\$ 3,363,880	3,363,880	4,121,149	757,268

City of Santa Clara
**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**
IMPACT FEES SPECIAL REVENUE FUND
For the Year Ended June 30, 2022

	Budgeted Original	Budgeted Final	Actual	Variance with Final Budget
REVENUES:				
Interest	\$ 7,000	7,000	9,622	2,622
Total revenues	7,000	7,000	9,622	2,622
EXPENDITURES:				
Public safety	20,000	20,000	37,001	(17,001)
Streets and public works	164,782	164,782	89,649	75,133
Parks, recreation and public property	225,000	225,000	155,425	69,575
Total expenditures	409,782	409,782	282,075	127,707
Excess (Deficiency) of Revenues over (Under) Expenditures	(402,782)	(402,782)	(272,453)	130,329
Other Financing Sources and (Uses):				
Impact fees	632,960	632,960	878,277	245,317
Transfers in	-	-	98,000	98,000
Total other financing sources and (uses)	632,960	632,960	976,277	343,317
Net Change in Fund Balances	230,178	230,178	703,824	473,646
Fund balances - beginning of year	1,775,631	1,775,631	1,775,631	-
Fund balance - end of year	\$ 2,005,809	2,005,809	2,479,455	473,646

City of Santa Clara
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
June 30, 2022
Last 10 Fiscal Years*

	As of December 31,							
	2021	2020	2019	2018	2017	2016	2015	2014
Noncontributory Retirement System								
Proportion of the net pension liability (asset)	0.1507209%	0.1500318%	0.1508356%	0.1546589%	0.1418812%	0.1324804%	0.1397285%	0.1430226%
Proportionate share of the net pension liability (asset)	\$ (863,195)	\$ 76,958	\$ 568,480	\$ 1,138,865	\$ 621,624	\$ 850,686	\$ 790,652	\$ 621,038
Covered employee payroll	\$ 1,311,815	\$ 1,337,278	\$ 1,312,160	\$ 1,312,265	\$ 1,190,195	\$ 1,133,297	\$ 1,164,433	\$ 1,198,561
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-65.80%	5.75%	43.32%	86.79%	52.23%	75.06%	67.90%	51.82%
Plan fiduciary net position as a percentage of the total pension liability	108.70%	99.20%	93.70%	87.00%	91.90%	87.30%	87.80%	90.20%
Firefighters System								
Proportion of the net pension liability (asset)	0.3928870%	0.4027346%	0.3776672%	0.3886043%	0.4050682%	0.3930163%	0.2134537%	0.0000000%
Proportionate share of the net pension liability (asset)	\$ (229,138)	\$ (112,613)	\$ (46,838)	\$ 50,459	\$ (25,299)	\$ (3,098)	\$ (3,866)	\$ -
Covered employee payroll	\$ 130,986	\$ 131,392	\$ 120,921	\$ 119,749	\$ 118,394	\$ 110,627	\$ 56,193	\$ -
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-174.93%	-85.71%	-38.73%	42.14%	-21.37%	-2.80%	-6.88%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	120.10%	110.50%	105.00%	94.30%	103.00%	100.40%	101.00%	0.00%
Tier 2 Public Employees Retirement System								
Proportion of the net pension liability (asset)	0.0387533%	0.0318964%	0.0350541%	0.0325277%	0.0315360%	0.0246362%	0.0307646%	0.0324165%
Proportionate share of the net pension liability (asset)	\$ (16,402)	\$ 4,588	\$ 7,884	\$ 13,931	\$ 2,780	\$ 2,748	\$ (67)	\$ (982)
Covered employee payroll	\$ 718,929	\$ 509,909	\$ 487,062	\$ 379,389	\$ 308,303	\$ 202,035	\$ 198,763	\$ 158,967
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-2.28%	0.90%	1.62%	3.67%	0.90%	1.36%	-0.03%	-0.60%
Plan fiduciary net position as a percentage of the total pension liability	103.80%	98.30%	96.50%	90.80%	97.40%	95.10%	100.20%	103.50%
Tier 2 Public Safety and Firefighters Retirement								
Proportion of the net pension liability (asset)	0.1106184%	0.1127254%	0.1320884%	0.1118523%	0.0036548%	0.0322655%	0.0485649%	0.0000000%
Proportionate share of the net pension liability (asset)	\$ (5,591)	\$ 10,111	\$ 12,425	\$ 2,803	\$ (42)	\$ (280)	\$ (710)	\$ -
Covered employee payroll	\$ 264,531	\$ 224,139	\$ 217,702	\$ 149,623	\$ 3,846	\$ 26,658	\$ 28,961	\$ -
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-2.11%	4.51%	5.71%	1.87%	-1.10%	-1.05%	-2.45%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	102.80%	93.10%	89.60%	95.60%	103.00%	103.60%	110.70%	0.00%

* In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset) in their RSI. The 10-year schedule will need to be built prospectively.

City of Santa Clara
SCHEDULE OF CONTRIBUTIONS
 June 30, 2022
 Last 10 Fiscal Years*

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	2014	\$ 202,022	\$ 202,022	\$ -	\$ 1,168,435	17.29%
	2015	223,327	223,327	-	1,209,634	18.46%
	2016	207,823	207,823	-	1,125,190	18.47%
	2017	210,192	210,192	-	1,138,016	18.47%
	2018	232,513	232,513	-	1,263,370	18.40%
	2019	241,664	241,664	-	1,324,708	18.24%
	2020	233,715	233,715	-	1,307,007	17.88%
	2021	241,200	241,200	-	1,348,663	17.89%
	2022	232,873	232,873	-	1,323,100	17.60%
Firefighters System	2016	4,058	4,058	-	101,703	3.99%
	2017	4,382	4,382	-	112,642	3.89%
	2018	4,925	4,925	-	125,318	3.93%
	2019	5,615	5,615	-	121,810	4.61%
	2020	5,960	5,960	-	126,208	4.72%
	2021	6,162	6,162	-	133,668	4.61%
	2022	4,864	4,864	-	105,504	4.61%
Tier 2 Public Employees System**	2014	20,396	20,396	-	145,787	13.99%
	2015	25,814	25,814	-	172,785	14.94%
	2016	29,493	29,493	-	197,809	14.91%
	2017	35,964	35,964	-	241,204	14.91%
	2018	52,947	52,947	-	350,410	15.11%
	2019	67,125	67,125	-	431,813	15.54%
	2020	79,415	79,415	-	507,124	15.66%
	2021	93,667	93,667	-	592,957	15.80%
	2022	142,185	142,185	-	884,784	16.07%
Tier 2 Public Safety and Firefighter System **	2016	5,127	5,127	-	47,696	10.75%
	2017	852	852	-	7,923	10.75%
	2018	7,985	7,985	-	73,802	10.82%
	2019	20,352	20,352	-	179,439	11.34%
	2020	25,721	25,721	-	226,016	11.38%
	2021	31,751	31,751	-	227,014	13.99%
	2022	50,366	50,366	-	357,715	14.06%
Tier 2 Public Employees DC Only System **	2015	1,334	1,334	-	19,856	6.72%
	2016	2,570	2,570	-	38,421	6.69%
	2017	2,038	2,038	-	45,410	6.69%
	2018	4,257	4,257	-	63,626	6.69%
	2019	4,642	4,642	-	69,382	6.69%
	2020	2,579	2,579	-	38,544	6.69%
	2021	2,744	2,744	-	41,021	6.69%
	2022	4,783	4,783	-	71,495	6.69%
Tier 2 Public Safety and Firefighter DC Only System	2018	19	19	-	23,736	0.08%
	2019	45	45	-	56,590	0.08%
	2020	47	47	-	59,389	0.08%
	2021	50	50	-	63,169	0.08%
	2022	46	46	-	57,407	0.08%

* Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. The 10-year schedule will need to be built prospectively. The schedule above is only for the past five years. Contributions as a percentage of covered payroll may be different than the board certified rate due to rounding and other administrative practices.

** Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created July 1, 2011.

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**Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

The Honorable Mayor and
Members of the City Council
Santa Clara City, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Santa Clara City, Utah, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Santa Clara City, Utah's basic financial statements and have issued our report thereon dated December 22, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Santa Clara City, Utah's internal control over financial reporting (internal control) to determine the audit that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Santa Clara City, Utah's internal control. Accordingly, we do not express an opinion on the effectiveness of Santa Clara City, Utah's internal control.

A *deficiency in internal control* exists when the design or operation of control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, as described in the accompanying letter of findings and recommendations that we consider to be significant deficiencies.

2007-002. Controls Over Accounting and Reconciliations

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Santa Clara City, Utah's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Santa Clara City, Utah's Responses to Findings

Santa Clara City, Utah's responses to the findings identified in our audit are described in the Management's Response to the Findings as listed in the table of contents. Santa Clara City, Utah's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

HintonBurdick, PLLC

HintonBurdick, PLLC

St. George, UT

December 22, 2022



**Independent Auditor's Report on Compliance and
Report on Internal Control Over Compliance
As Required by the *State Compliance Audit Guide***

The Honorable Mayor and
Members of the City Council
Santa Clara City, Utah

Report On Compliance with General State Compliance Requirements

We have audited Santa Clara City, Utah's compliance with the applicable general state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, for the year ended June 30, 2022.

General state compliance requirements were tested for the year ended June 30, 2022 in the following areas:

- Budgetary Compliance
- Fund Balance
- Justice Court
- Restricted Taxes and Other Related Restricted Revenue
- Fraud Risk Assessment
- Governmental Fees

Management's Responsibility

Management is responsible for compliance with general state requirements referred to above.

Auditor's Responsibility

Our responsibility is to express an opinion on the City's compliance based on our audit of the state compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Governmental Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the City or its major state programs occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion for each state compliance requirement referred to above. However, our audit does not provide a legal determination of the City's compliance with those requirements.

Opinion on General State Compliance Requirements

In our opinion, Santa Clara City, Utah, complied, in all material respects, with the compliance requirements referred to above for the year ended June 30, 2022.

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance, which are required to be reported in accordance with the *State Compliance Audit Guide*.

Report on Internal Control Over Compliance

Management of Santa Clara City, Utah is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit, we considered the City's internal control over compliance with the state compliance requirements referred to above to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with these state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

HintonBurdick, PLLC

HintonBurdick, PLLC

St. George, UT

December 22, 2022

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**Findings and Recommendations
For the Year Ended June 30, 2022**

The Honorable Mayor and
City Council
City of Santa Clara, Utah

Ladies and Gentlemen:

During our audit of the funds of the City of Santa Clara, Utah, for the fiscal year ended June 30, 2022, we noted several improvements to the City's accounting and budgeting system and wish to commend the City for their achievements. We also observed a few areas needing corrective action in order for the City to be in compliance with laws and regulations as well as a few procedures that, if improved, would strengthen the City's accounting system and control over its assets. These items are discussed below for your consideration.

INTERNAL CONTROL OVER FINANCIAL REPORTING

Material Weaknesses:

None noted

Significant Deficiencies:

2007-002. Controls over Accounting and Reconciliations (prior year reworded)

Statement of Condition: Audit procedures identified various journal entries that were necessary to make accruals, record allocations, and other miscellaneous adjustments. The effect of these journal entries was material to the financial statements.

Criteria: Auditing standards indicate that the identification by the auditor of misstatements in the financial statements may be a deficiency in the City's internal controls.

Effect: The City's financial statements would have not been fairly stated in all material respects without the needed adjustments.

Cause: Procedures for year-end adjustments and periodic account reconciliations may need to be revised or improved to properly identify certain adjustments.

Recommendation: We recommend that management review our proposed journal entries and discuss them with us to ensure they understand and are in agreement with the entries and that they understand the purpose and underlying accounting principles associated

with each entry. We also recommend that the City develop an action plan to ensure that all significant and material adjustments are posted to the general ledger and all account are reconciled before the annual audit takes place or interim reports are provided to the City Council.

COMPLIANCE AND OTHER MATTERS

State Compliance Findings:

None noted

Other Matters:

None noted

Please respond to the above Findings and Recommendations in letter form for submission to the Office of the Utah State Auditor as required by State law.

This letter is intended solely for the use of the Mayor, City Council and management and is not intended to be used and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

It has been a pleasure to be of service to the City this past year. We would like to express special thanks to all those who assisted us so efficiently in this year's audit. We invite you to ask questions of us throughout the year as you feel necessary. We look forward to a continued professional relationship.

Sincerely,

HintonBurdick, PLLC

HintonBurdick, PLLC

December 22, 2022

Management's Response to Finding and Recommendation

2007-002. Controls over Accounting and Reconciliations (prior year reworded)

Statement of Condition: Audit procedures identified various journal entries that were necessary to make accruals, record allocations, and other miscellaneous adjustments. The effect of these journal entries was material to the financial statements.

Criteria: Auditing standards indicate that the identification by the auditor of misstatements in the financial statements may be a deficiency in the City's internal controls.

Effect: The City's financial statements would have not been fairly stated in all material respects without the needed adjustments.

Cause: Procedures for year-end adjustments and periodic account reconciliations may need to be revised or improved to properly identify certain adjustments.

Recommendation: We recommend that management review our proposed journal entries and discuss them with us to ensure they understand and are in agreement with the entries and that they understand the purpose and underlying accounting principles associated with each entry. We also recommend that the City develop an action plan to ensure that all significant and material adjustments are posted to the general ledger and all accounts are reconciled before the annual audit takes place or interim reports are provided to the City Council.

Response: The City will work more diligently to utilize Pelorus's "pre-audit" services. This will help put the needed processes in place to make sure the required entries are booked in a timely manner and before the audit.

From: [Santa Clara City](#)
To: [Katie Casselman](#); [Chris Shelley](#); [Brock Jacobsen](#)
Subject: City Council Action Application Form submitted on Santa Clara City by [990] Item 3
Date: Tuesday, December 27, 2022 3:11:57 PM

Meeting Type	CITY COUNCIL
User ID	Dustin Mouritsen
Date Submitted	December 27, 2022
Requested Meeting Date	January 4, 2023
Applicant	Dustin Mouritsen
Subject	Discussion on future well development
Background Description	We have enough available water rights for one more good producing well. I would like to hire a water rights attorney to verify those rights before moving forward with any new well development. The cost is approximately \$7,000. The best solution to find water is another well in Snow Canyon but will very costly since the current pipeline is at capacity we would need to run a whole new line to the Snow Canyon Tank, which will double the cost of the well. I have been doing some research on finding water in the city boundary so we could pump into our existing pipe line. I was referred to Willowstick Technologies who did a study for Cedar City. They found 8 possible sites which 2 have started test drilling. Willowstick submitted a scope of work and estimate to conduct a geophysical well sitting for Santa Clara. I have had 3 meetings with them and after a brief study of the area they ruled out anything near the river because of the quality of the water but were interested in some areas in the heights especially near the lava beds. The purpose of the investigation is to locate the best possible targets to achieve the goal of drilling wells with high yield production within these selected areas. They will spend 3 days in Santa Clara conducting a geological site assessment within our city boundaries to narrow down specific areas for the geophysical survey field work. Then a lineament study and Fracture Trace analysis to determine how each lineament and fracture fits into the geologic context and how it may or may not contribute to the conceptual hydrologic model. Followed up with on the ground geophysical survey work consisting of radiometric gamma ray scintillation counting that will give signals in places where water accumulates in fractured or faulted zones to generate prospect areas that can be further studied, qualified or ruled out. Then a resonance acoustic profiling passive seismic method will detect structural weakness in rocks and fracture zones where groundwater is most likely. The detailed study will provide specific sites that could then be test drilled and test

pumped. Total cost for the Willowstick well siting investigation is \$45,000.

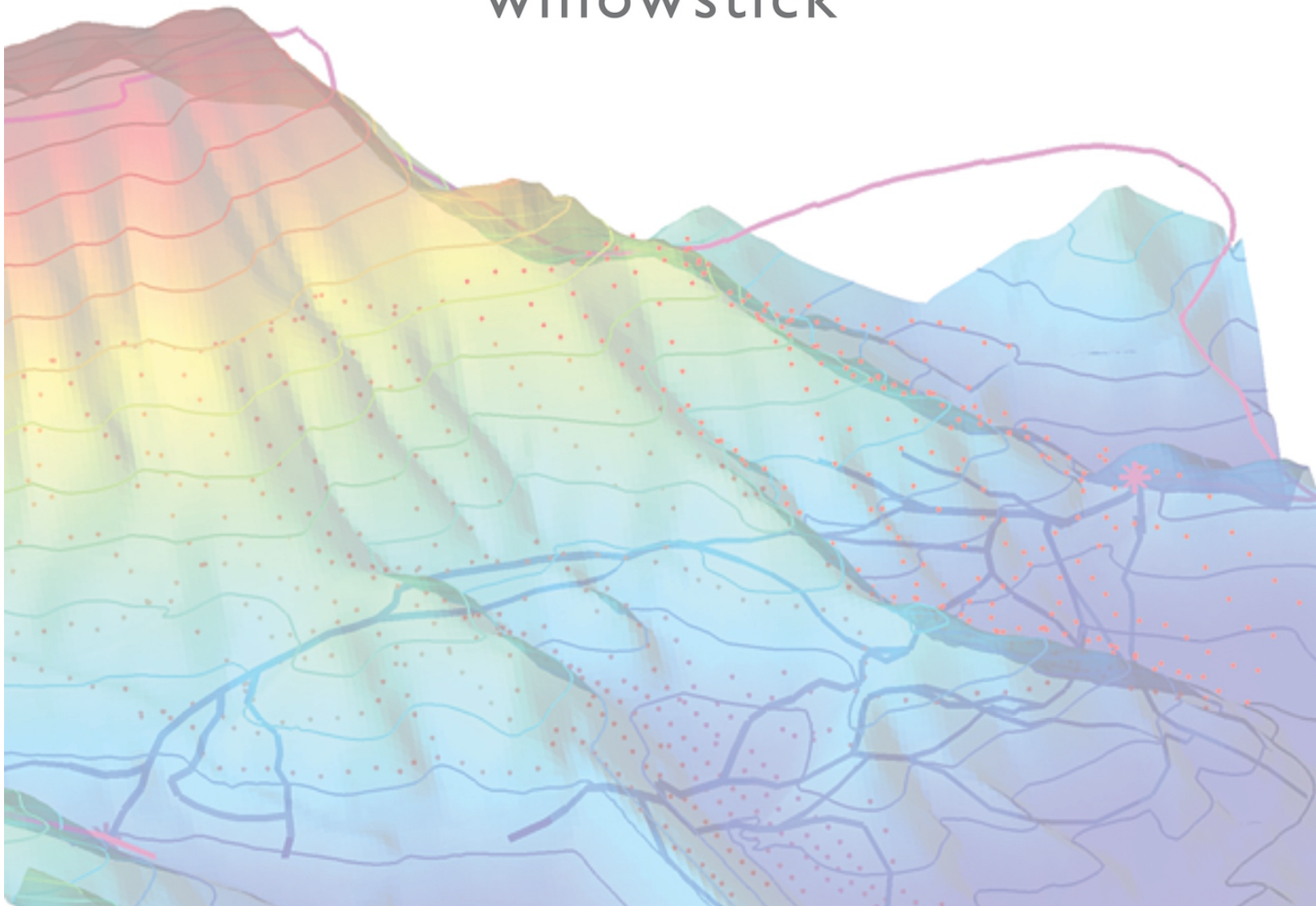
Proposed Recommendation (drop-down select)	Discussion
Cost	\$45,000
Approved by Legal Department (drop-down select)	Yes
Approved in Budget? (drop-down select)	No
Approved by City Finance Department? (drop-down select)	Yes
Amount	\$45,000
Requested By	Dustin Mouritsen

DUSTIN MOURITSEN
PUBLIC WORKS DIRECTOR
December 7, 2022



SANTA CLARA WELL SITING INVESTIGATION

SCOPE OF WORK AND COST ESTIMATE



WILLOWSTICK SUMMARY AND APPROACH



Willowstick Technologies, LLC (Willowstick) is pleased to submit this Scope of Work and Fee Estimate to conduct a geophysical groundwater well-siting investigation for Santa Clara City, Utah (see Figure 1).

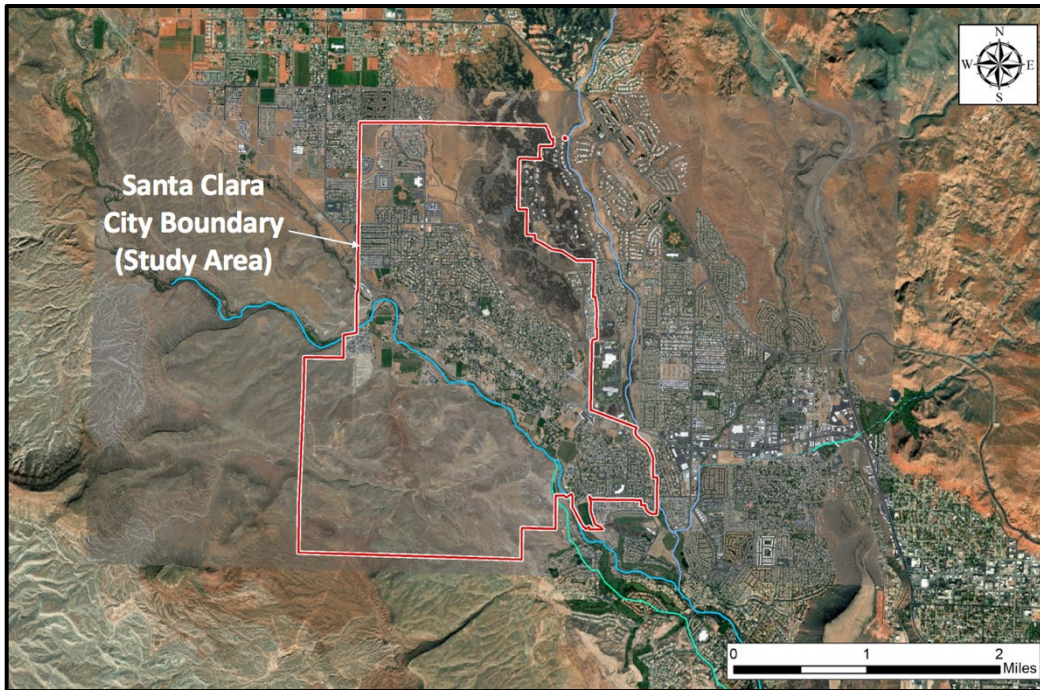


Figure 1 – Aerial View of Santa Clara City, Utah

The purpose of the investigation is to locate the best possible targets to achieve the goal of drilling wells with high-yield production within these selected areas. We propose a stepped approach that integrates several technologies to narrow down prospective locations. After initial collection of GIS and hydrologic project data, it begins with two valuable assessments that facilitate creation of a conceptual hydrologic model. This provides the framework and reconnaissance to follow up with on-the-ground geophysical studies to further narrow down potential targets and to estimate depths for precision drilling. A brief description of each of these technologies is provided below.

Phase 1 – Reconnaissance and Desktop Studies

1. Geological and Property and Well Assessment

For reconnaissance purposes, our staff geologist will spend 3 days in Santa Clara conducting a geological site assessment of all the areas within the Santa Clara City boundaries. There are specific geologic formations within Santa Clara that must be studied further, including the Moenave and Chinle formations that have higher potential to have high-yield water production (see Figure 2). This assessment along with a desktop property and well assessment will assist with narrowing down specific areas for the geophysical survey field work.

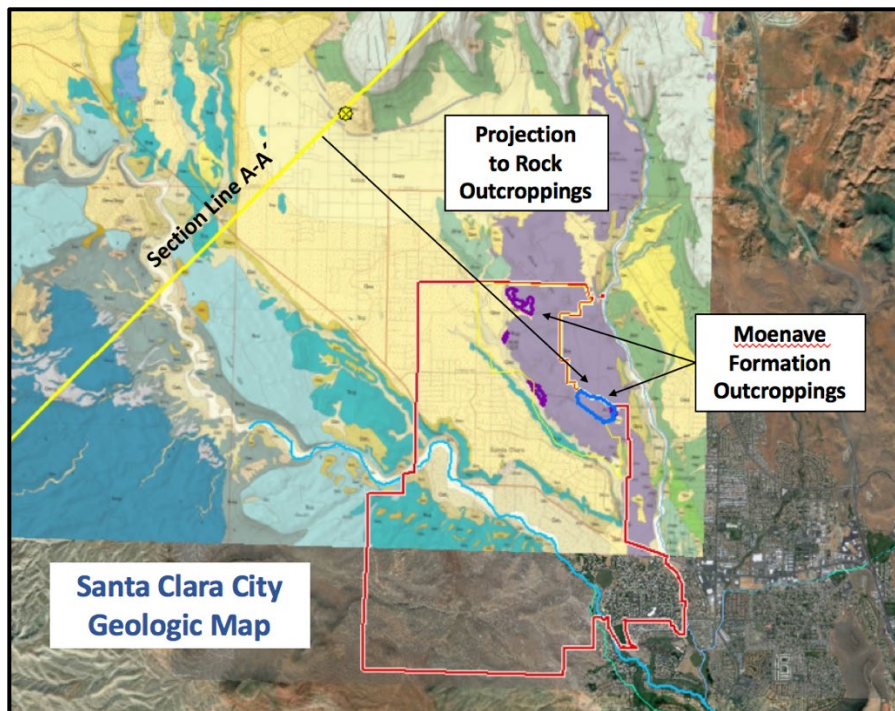


Figure 2 – Geologic Map of Santa Clara City, Utah

2. Lineament Study and Fracture Trace Analysis

Going well beyond typical lineament studies, this analysis determines how each lineament and fracture fits into the geologic context and how it may or may not contribute to the conceptual hydrologic model. This study complements the geological assessment in order to select the best locations to study further with the on-the-ground geophysical survey work.

Phase 2 – On-the-Ground Geophysical Survey Work

3. Radiometric Gamma Ray Scintillation Counting

This system measures the aggregate gamma emissions from subsurface rocks and soil. Most importantly, the signal dips in places where water accumulates enough to diminish the signal—especially vertically, such as in fracture/faulted zones—making it an excellent tool to use in conjunction with the RAP method to discriminate wet versus dry fracture zones. Because this system takes measurements in free space, much larger areas can be covered in shorter time, making it the “scouting” tool to generate prospect areas that can be further studied, qualified or ruled-out as the case may be.

4. Resonance Acoustic Profiling Passive Seismic Method

This method rapidly detects structural weakness in rocks and can locate fracture zones with high accuracy down to depths of 3000 feet or more. What most people don’t realize is that the earth’s crust is always flexing due to the gravitational pull of other planets and the rotation of the earth—similar to how ocean tides are constantly in motion (rising and falling daily). The flexing of the

earth's crust creates resonances that can be measured and interpreted to help identify structural weakness in rocks allowing for the location of fracture zones where groundwater is likely most concentrated and where groundwater preferentially flows through the subsurface.

Prospective areas are narrowed down to final targets using this passive seismic system that provides 2D and 3D acoustic profiles of the lithology to reveal structures highly prospective for groundwater.

These techniques are compact and easily deployable, and 2D acoustic profiles showing strengths or weaknesses of the underlying stratigraphy can be produced rapidly in the field (see Figure 3).

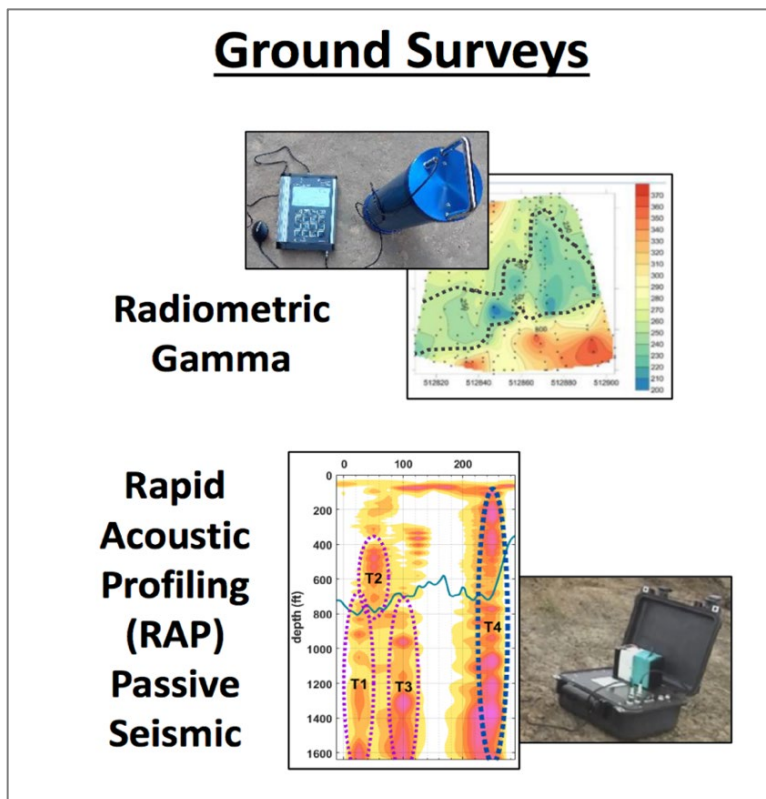


Figure 3 – RAP/Gamma Equipment and Deliverable Examples

3D modeling is also provided to show pertinent site features in relation to subsurface features and anomalous zones, 3D site models of the subsurface are created to serve as helpful tools in the interpretation and presentation of the results. Full analysis and detailed 3D models can be produced within days of collecting the data. Figure 4 shows the results of a 140-meter-deep production well that was drilled to intercept groundwater flow at depth as a result of a Willowstick investigation using the RAP and Gamma methods. The well produces 2800 gallons per minute of artesian water.

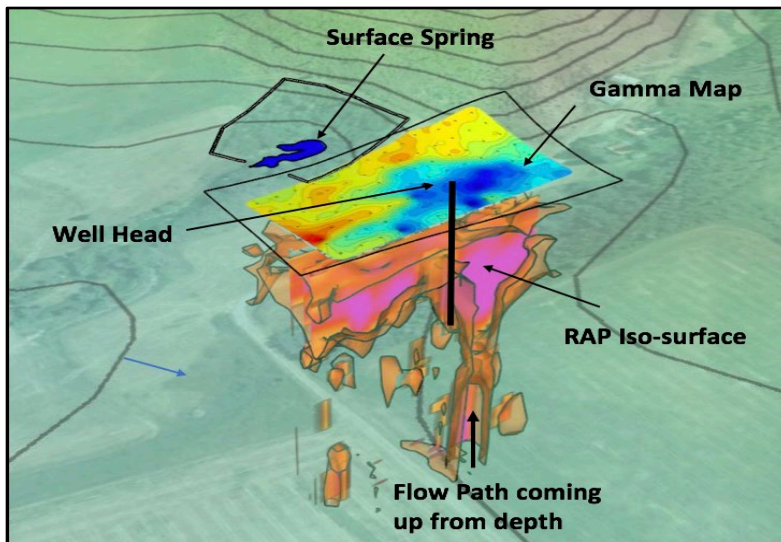


Figure 4 – 3D Modeling Example

The RAP/Gamma survey areas we propose will depend on the geological assessment and desktop studies. The fieldwork portion of the RAP/Gamma investigation is non-intrusive and can be completed in a relatively short time – we can cover the field work on up to 40 acres in 1 day with one field technician. For budgetary purposes, we are planning to select a few different sites within the Santa Clara city boundary which will cover approximately 500 acres. For each of the site, we plan to cover the selected areas with our gamma system which takes readings every second. The Gamma surveys will then be followed by a RAP investigation at each of the sites to identify predominantly weak and fractured water bearing zones that facilitate hydraulic conductivity and yield high water production. In areas where the data suggests strong gamma anomalies and likely well-siting targets within those areas, we will then focus the RAP measurements with much greater detail within those areas where the gamma readings indicate water zones.

COST ESTIMATE

The lump-sum fee to perform the Phase 1 work as described herein is **\$15,500 USD**. The Phase 2 work will need to be further defined but the budgetary fee to conduct the RAP and Gamma surveys on 500 acres is **\$29,500** (see Table 2 below).

Investigation Options	Est. Working Days to Complete Fieldwork	Willowstick Fee
Geological & Property/Well Assessment	3	\$9,500 USD
Fracture Trace & Lineament Study	Office Work	\$6,000 USD
RAP & Gamma Surveys (500 Acres)	10	\$29,500 USD
Total	13	\$45,000 USD

Table 2—Survey Fees and Estimated Working Days

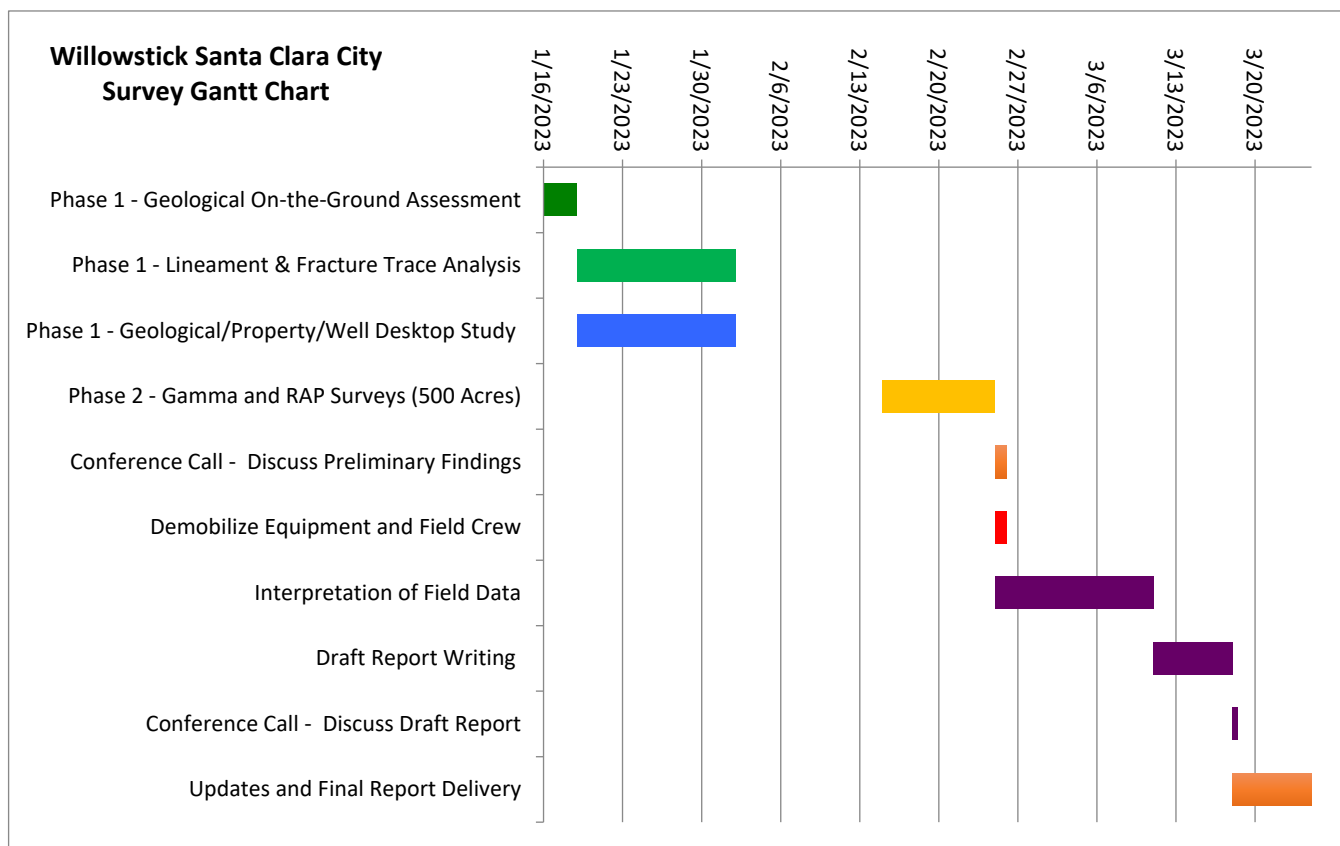
This cost estimate is intended to be comprehensive in the sense that it includes

fieldwork, data collection/reduction, maps, models, reports, meetings, and mobilization and demobilization of the field team.



SCHEDULE

The fieldwork portion of a Willowstick investigation is non-intrusive and can be completed in a relatively short time. We expect the RAP/Gamma fieldwork on approximately 500 acres to take 10 days total with one field technician or 5 days total with two field technicians. The modeling and analysis team begins to analyze data immediately in case the data suggest that we should make changes. We will prepare a summary report within four weeks of completion of the fieldwork. The following is a schedule of field works and report timing (assuming a project start date of Monday, January 16th, 2022):



NEXT STEPS

Thank you for the opportunity to submit this proposal. We look forward to your evaluation and consideration of this proposed Willowstick well-siting investigation. If you have any questions regarding this proposal please contact me directly.

Ryan Blanchard

Vice President of Business Development

+1 801-228-7087

rblanchard@willowstick.com

From: [Santa Clara City](#)
To: [Katie Casselman](#); [Chris Shelley](#); [Brock Jacobsen](#)
Subject: City Council Action Application Form submitted on Santa Clara City by [990] Item 4
Date: Thursday, December 29, 2022 10:22:25 AM

Meeting Type	CITY COUNCIL
Date Submitted	December 29, 2022
Requested Meeting Date	January 4, 2023
Applicant	Gary Hall
Subject	Net Metering Agreement Review
Background Description	The Santa Clara net metering resolution for solar customers was adopted in 2016. This policy was based on research completed by Utility Financial Solutions (UFS) along with a rate study done at that time. It was determined that Santa Clara would need to charge a Solar Reliability Charge (SRC), to solar customers in order to maintain financial stability with the loss of revenue from power sales. When purchasing power, building power lines, building substations, ordering transformers, the full load of each home is considered without solar. We need to be able to provide the same level of service to solar customers as non-solar customers but with less revenue. It was the intention of the net metering agreement to charge all solar customers the base rate, the solar reliability charge, and for the amount of energy used from the city, and credited for excess energy that the customer produced. It has been brought to our attention that the city has charged customers the SRC contrary to the way the agreement is written. Tonight I would like to discuss with Council this agreement and how they feel about the the current charges and where they would like to see it in the future.
Proposed Recommendation (drop-down select)	Discussion
Cost	N/A
Approved by Legal Department (drop-down select)	N/A
Approved in Budget? (drop-	N/A

down select)

**Approved by
City Finance
Department?
(drop-down
select)**

N/A

Amount

N/A

Requested By

Gary Hall



Santa Clara Solar Net Metering Agreement

Gary Hall
Power Director

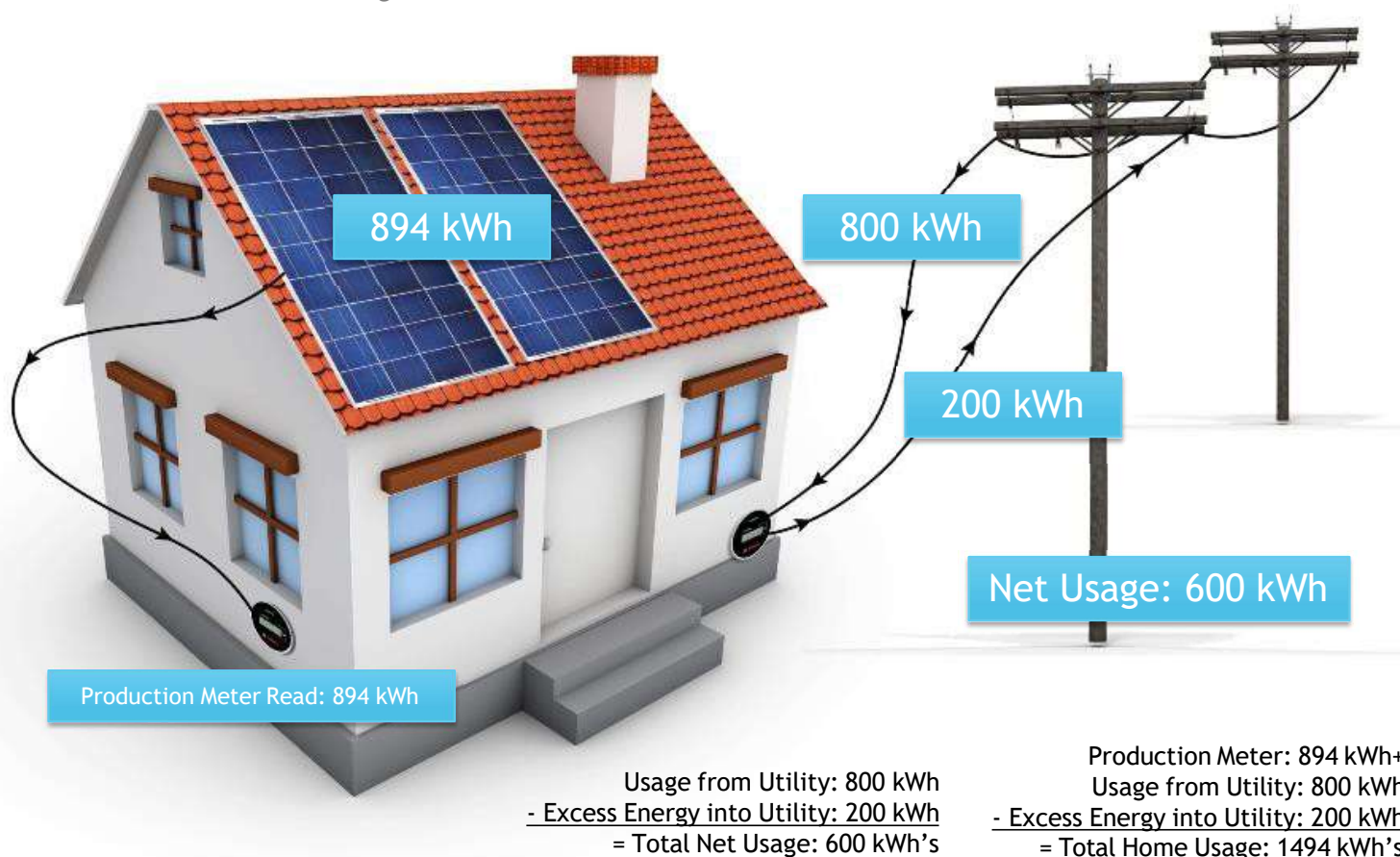
What is Net Metering?

- ▶ How does it work?
 - ▶ The Customer uses energy produced from their solar panels. If they produce more energy than what the home needs, the excess energy is fed into the Utility.
 - ▶ Santa Clara City provides power to the customer when needed (when the solar panels aren't producing enough energy).
 - ▶ The Customer is billed off the net usage between what they used from the City and the energy they fed into the Utility.

Let's see this in action...

Solar Customer with 6 kW Installed

On average 1 kW will produce 149 kWh's per month. This home can produce an average of 894 kWh's per month. (6 kW x 149 kWh = 894 kWh's). At any time during the month, this customer used 800 kWh's from the City. At any time during the month, the customer provided 200 kWh's into the Utility. The home used 1494 kWh's during the month. The Total Net Usage the Customer is billed is 600 kWh's.



How are Solar Customers Billed?

1. Solar Customers shall be billed for the appropriate customer service charge (Base Rate) as other customers of the City in the same rate class.
2. One of these two options:
 - ▶ If the Customer uses more energy from the City than the energy supplied back into the Utility, then the customer shall be billed for the net kWh usage in the same rate class as other Customers of the City.
 - ▶ If the energy generated by the Customer and distributed back to the Utility exceeds the energy supplied to the Customer then the Customer shall be credited for the excess net energy at the Renewable Power Rate of .06 cents per kWh.
3. Billed the Solar Reliability Charge.

What is a Solar Reliability Charge?

Solar Reliability Charge (SRC)

A Solar Reliability Charge (SRC) will be applied to a Customer's bill monthly based on the kW capacity of the solar PV system installed. This charge reflects the cost of the Santa Clara City Utility to provide full service to meet the full demand of net-metered customers.

Why do we need a Solar Reliability Charge?

The Avoided Cost Study completed in December of 2015 provided answers to questions asked regarding the impact of solar on our distribution system.

- ▶ Is there a cost to the Santa Clara Utility for Solar Customers?
The Study determined yes, there is a cost.
- ▶ Santa Clara City needs to collect \$4.05 per kilowatt installed to cover costs on our system.

Solar Reliability Charge (SRC)

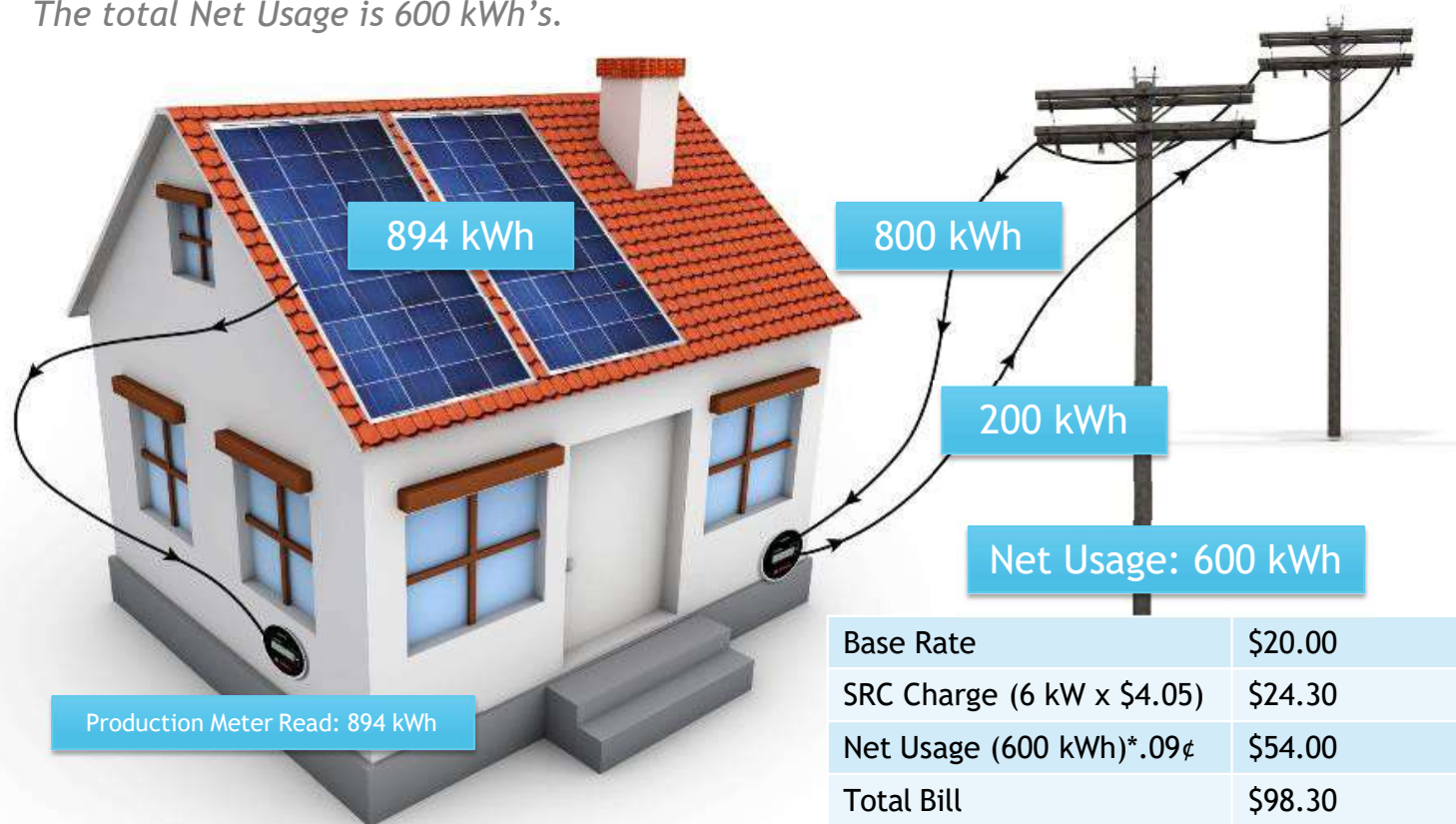
kW Size	Monthly kWh * Charge	SRC
1 kW	$1 * 149 = 149 \text{ kWh} * \$0.0272 =$	\$ 4.05
2 kW	$2 * 149 = 316 \text{ kWh} * \$0.0272 =$	\$ 8.10
3 kW	$3 * 149 = 474 \text{ kWh} * \$0.0272 =$	\$12.15
4 kW	$4 * 149 = 632 \text{ kWh} * \$0.0272 =$	\$16.20
5 kW	$5 * 149 = 790 \text{ kWh} * \$0.0272 =$	\$20.25
6 kW	$6 * 149 = 948 \text{ kWh} * \$0.0272 =$	\$24.30
7 kW	$7 * 149 = 1,106 \text{ kWh} * \$0.0272 =$	\$28.35
8 kW	$8 * 149 = 1,264 \text{ kWh} * \$0.0272 =$	\$32.40

To determine your SRC charge, take the total kW installed and multiply by 149 kWh (estimated generation per month), to get the total kWh solar generation for the month. The Solar Reliability Charge is \$.0272 per kWh or \$4.05 per kW.

Let's look at our first example to see how it would be billed.

Solar Customer with 6 kW Installed

This Customer used more energy from the City than it fed into the system. They used 800 kWh's from the City and supplied 200 kWh's into the Utility. The total Net Usage is 600 kWh's.



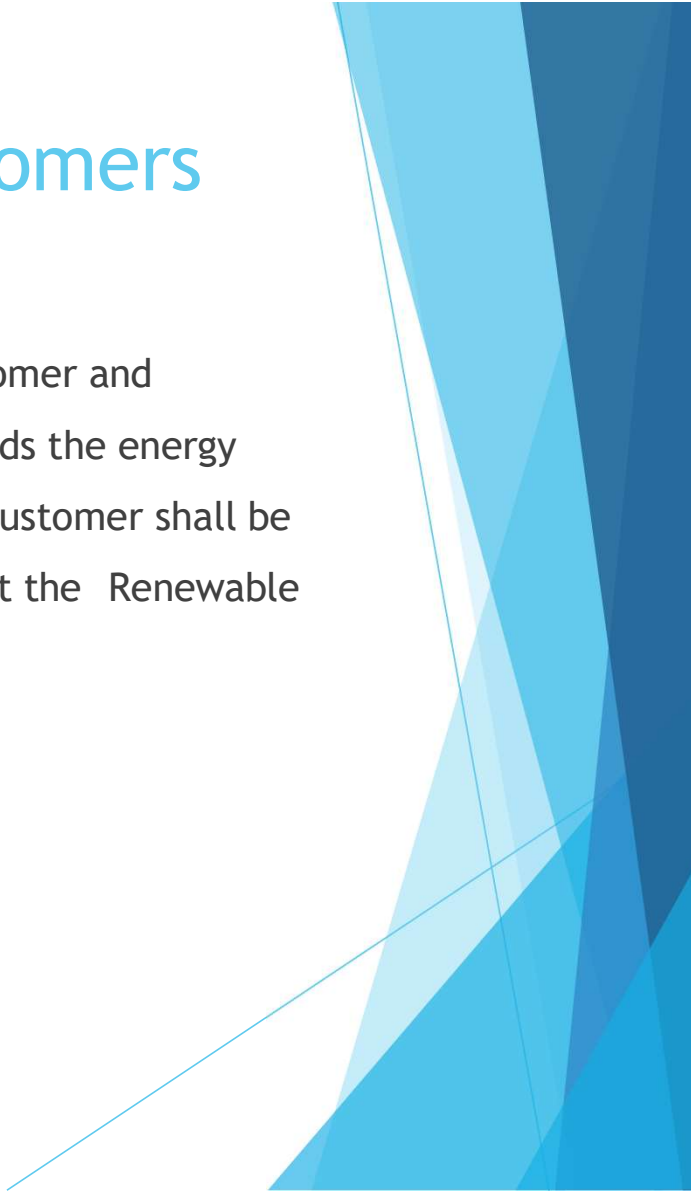
**Billed on Santa Clara's normal rates*

Credits for Solar Customers

How do Solar Customers receive a credit?

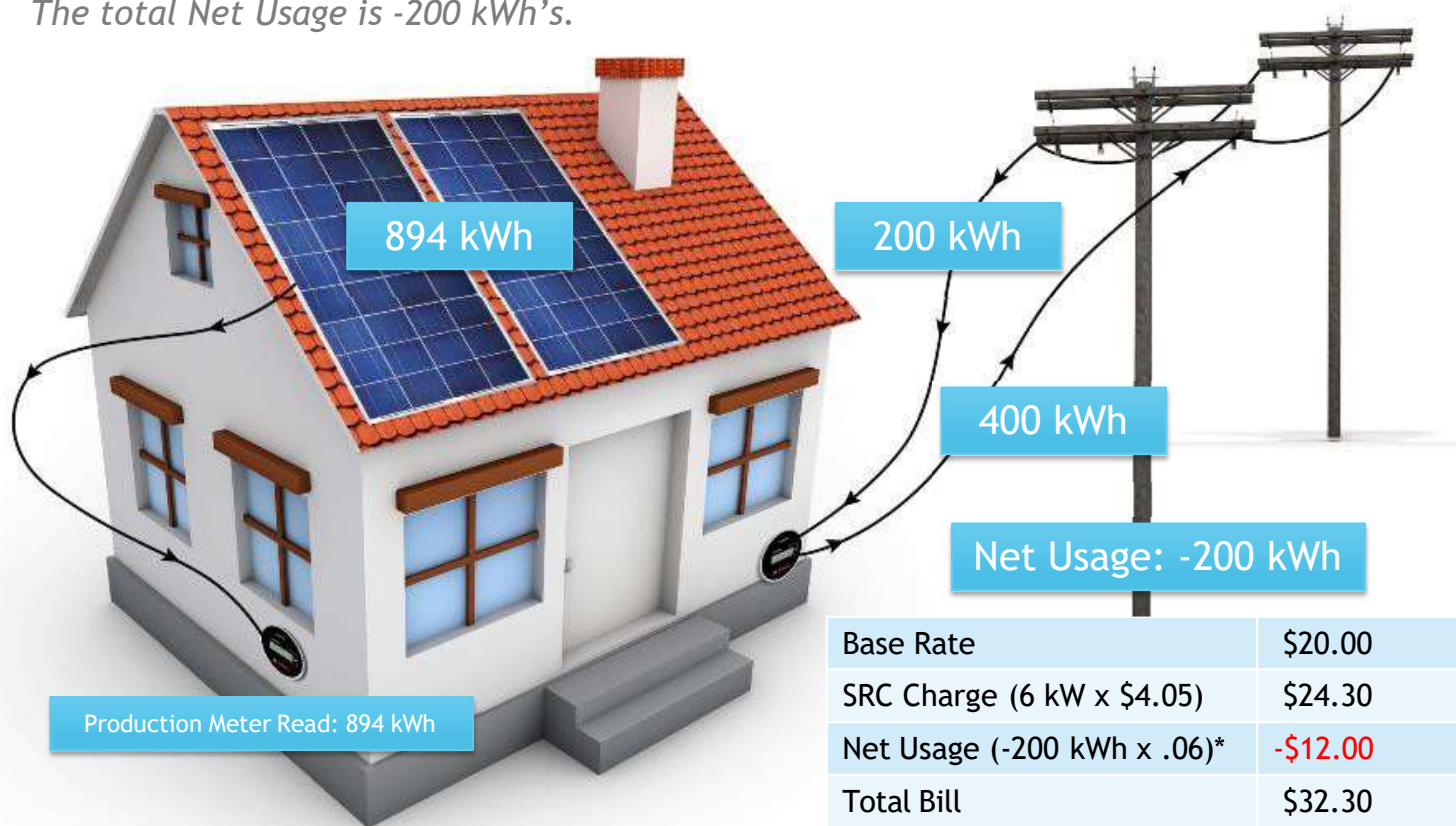
- ▶ If the energy generated by the Customer and distributed back to the Utility exceeds the energy supplied to the Customer then the Customer shall be credited for the excess net energy at the Renewable Power Rate of .06 cents per kWh.

Let's look at our first example again, this time as a credit.



Solar Customer with 6 kW Installed

*This Customer provided more energy to the Utility than it used from the City.
They used 200 kWh's from the City and supplied 400 kWh's into the Utility.
The total Net Usage is -200 kWh's.*



**Credited at the .06 cent Power Reliability Rate*

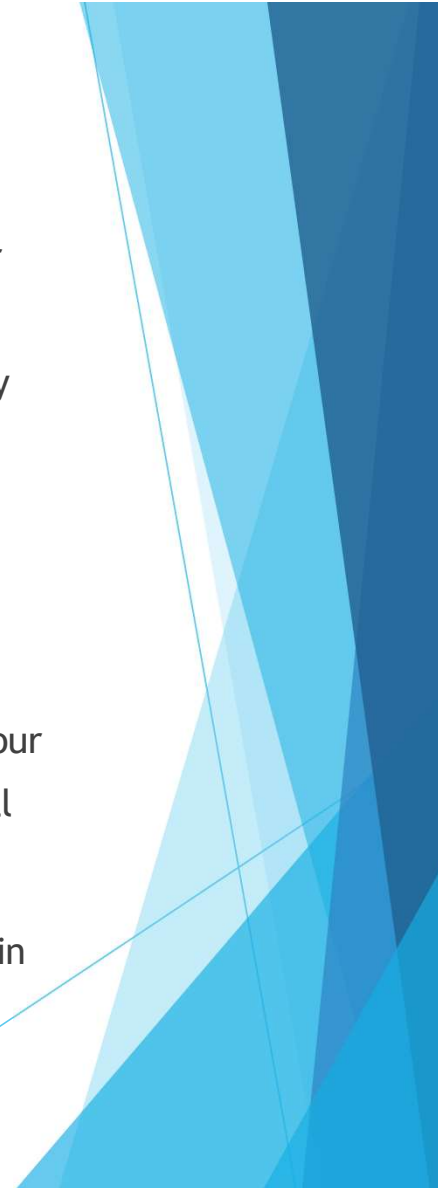
Summary

Santa Clara City Staff has been working with Residents, Solar Companies, City Council, other Municipalities and UAMPS to come up with the best win-win solution available for the City and all of our Residents.

We understand Net Metering is preferred amongst residents and Solar Companies and we want to invite future solar customers to come to Santa Clara.

At the same time, Santa Clara City also needs to make sure our costs are covered so we can continue to provide energy to all our Customers.

Staff feels the Solar Reliability Charge is best possible win-win solution for the City and all of our Residents.



CHARGES	SANTA CLARA	ST. GEORGE	WASHINGTON	HURRICANE	Rocky Mountain Power	Dixie Power
Base Rate	\$20	\$20	\$25	\$31 base \$41 base rate if storage battery is being used	\$1.50 per kWh of installed capacity	\$25
Solar Reliability Charge	\$4.05 per kWh Installed	.02328¢ per kWh produced. (First 215 kWh at no charge.)	No Charge	No Charge	June-September .0516¢ per kWh October-May .0446¢ per kWh	.0585 per kWh produced
Excess kWh Credit	.06¢ per kWh (All excess credit is rolled over to following month and remainder paid to customer at the end of year.)	.04¢ per kWh	.04¢ per kWh (Credit does not roll over or pay out.)	.04¢ per kWh (Credit is rolled over and remainder paid out at end of year.)	All credits expire at end of annual billing period.	.058¢ per kWh (All excess credit rolls over to following month. Credit expires at end of annual billing period.)
Solar kWh Cap	8 kWh Residential	3kW Residential 10 kW Commercial	Renewable resource installed by customer shall not be greater than 120% of historical max monthly consumption.	6kW Max For city.	25kW max Residential 2 MW Commercial	25kW max Residential 2 MW Commercial

	Scenario 1 Net Usage <u>600 kWh</u>	Scenario 2 Net Usage <u>-200 kWh</u>
<u>Santa Clara</u>	Base Rate: \$20.00 SRC: \$24.30 NET: \$54.00 Total: \$98.30	Base Rate: \$20.00 SRC: \$24.30 NET: -\$12.00 Total: \$32.30
<u>Rocky Mountain Power</u>	Base Rate: \$20.00 SRC: \$46.13 NET: \$48.00 Total: \$114.13	Base Rate: \$20.00 SRC: \$46.13 NET: -\$8.00 Total: \$58.13
<u>Dixie</u>	Base Rate: \$25.00 SRC: 15.80 NET: \$36.00 Total: \$76.80	Base Rate: \$20.00 SRC: \$15.80 NET: -\$8.00 Total: \$27.80
<u>Hurricane</u>	Base Rate: \$31.00 SRC: No Charge NET: \$52.80 Total: \$83.80	Base Rate: \$31.00 SRC: No Charge NET: -\$8.00 Total: \$27.80
<u>Washington</u>	Base Rate: \$25.00 SRC: No Charge NET: \$66.00 Total: \$91.00	Base Rate: \$25.00 SRC: No Charge NET: - \$8.00 Total: \$17.00
<u>St. George</u>	Base Rate: \$20.00 SRC: \$15.80 NET: \$48.00 Total: \$83.80	Base Rate: \$20.00 SRC: \$15.80 NET: -\$8.00 Total: \$27.80



RENEWABLE NET METERING & INTERCONNECTION AGREEMENT

This Net Metering and Interconnection Agreement ("Agreement") is made and entered into as of this _____ day of _____, 20__, by the City of Santa Clara, a municipal corporation and political subdivision of the State of Utah herein referred to as the "City" and _____, herein referred to as the "Customer" located at _____, Santa Clara, Utah, 84765.

RECITALS

WHEREAS the City Council of the City of Santa Clara adopted the Renewable Net Metering & Interconnection agreement Policy ("Net Metering Policy"), effective February 24, 2016, to encourage and regulate the orderly installation and maintenance of parallel renewable energy systems interconnected with the City's existing electric distribution system;

WHEREAS, pursuant to the City's Net Metering Policy, Customer wishes to install, operate, and maintain a renewable energy net metering facility, no greater than 8 kilowatts, interconnected with the City's existing electric distribution system;

WHEREAS, the City intends to credit against customers total electric energy usage that portion supplies by the Customer's own renewable energy net metering facility; and

WHEREAS, customer wishes to sell and the City wishes to purchase an excess energy produced by the Customer's renewable energy net metering facility;

AGREEMENT

NOW, THEREFORE, the parties mutually agree and covenant as follows:

1. Renewable Energy Net Metering Facility:

Customer's renewable energy net metering facility (the "Facility") shall mean the generating facility described in Exhibit A attached hereto. The Facility shall consist of a solar (Photovoltaic) generating facility located on the Customer's premises, that is interconnected with and operates in parallel with the City's electric transmission and distribution facilities, and is intended to primarily to offset part of all of the Customer's own electrical requirements. The design, installation, and operation of the Facility shall comply in all aspects with the City's Net Metering Policy. Customer shall be responsible for the design, installation and operation of the Facility and for obtaining and maintaining all required permits and approvals as well as payments of all applicable fees related thereto. This Agreement is applicable only to the renewable energy net metering facility described in Exhibit A and Customer shall not make any modification to the Facility without the prior written consent of the City.

2. Term: **Initial:** _____

This Agreement shall commence on the date established above and shall remain in effect until terminated by either party upon thirty (30) days prior written notice, provided, however, that this Agreement will terminate automatically upon:

- a. Any change of ownership of Customer, if Customer is not an individual;
- b. Any change in ownership of the Facility or the premises upon which the Facility is located;
- c. Any change in the location of the Facility; or
- d. Removal of the Customer from the utility account associated with the Facility.

The City reserves the right to review, modify, or amend this Policy at a minimum of every three (3) years. The City reserves the right to modify or amend the Solar Reliability Charge (SRC), and/or the Renewable Power Rate, as described in Exhibit B, at any time during the contract period, upon thirty (30) days written notice to the Customer.

3. Definition of Net Energy:

Net Energy is the difference between electrical energy consumed by the Customer from the City's electric distribution system and the electrical energy generated by the Customer and fed back into the City's electric distribution system.

4. Measurement of Net Energy:

Bi-direction metering equipment ("Net Meter") shall be installed to measure the flow of electrical energy in each direction. The bi-directional metering equipment shall be installed at the Customer's expense. The bi-directional metering equipment shall be used to provide information necessary to accurately bill or credit Customer and to collect electrical generating system performance information for research purposes.

A Production Meter will also be installed by the City, at the City's expense, near the bi-direction meter. The Production Meter shall be used to measure the flow of electrical energy from the Facility for research purposes and determining total usage of the connection.

5. Purchase of Energy and Payment:

- A. The City shall measure the net energy produced or consumed by the Customer during each billing period, in accordance with normal metering practices.
- B. If the energy supplied by the City exceeds the electricity generated by the Customer and fed back to the City during the billing period, or any portion thereof, then the customer shall be billed for:
 - i. The net energy supplied to Customer by the City's electric distribution system; and
 - ii. The appropriate customer base charge paid by other customers of the City in the same rate class; and
 - iii. The monthly Solar Reliability Charge as described in Exhibit B.

- C. If the energy generated by Customer and distributed back to the City's electric distribution system during the billing period, or any portion thereof, exceeds the energy supplied to the Customer by the City's electric distribution system, then the customer shall be:
 - i. Billed for the appropriate customer service charge as other customers of the City in the same rate class; and
 - ii. Credit for the net excess kWh's generated during the billing period at the Renewable Power Rate as described in Exhibit B, with this kWh credit appearing on Customer's bill for the following billing period.
 - D. The City will purchase a Customer's excess kWh credit in the last billing cycle of the fiscal year by crediting the Customer at the Renewable Power Rate Available as defined in the Renewable Net Metering Program.
 - E. If a home with a Renewable Resource is sold, any remaining credits will be applied to the electrical billing for kWh consumption with any remaining unused credits above the total billing will be paid to the customer at the Renewable Power Rate Available within thirty (30) days.
 - F. Net Metering credit shall only be applied to offset part of all of the Customer's own electrical requirements at a single metering point exclusively. Net Metering credit shall not be applied to multiple meters owned by a single Customer at separate locations.
 - G. This agreement may not be signed by a person who is not both the City's electric Customer and the owner of the renewable energy net metering facility.
6. Interconnection:
 Customer shall provide the electrical interconnection on its side of the bi-directional metering equipment in accordance with the City's Net Metering Policy. The City may make such modifications to the City's system as are reasonably necessary to accommodate the Facility in accordance with the City's Net Metering Policy. The cost for such modifications will be due in advance of construction. Customer shall ensure at its own expense that the Facility includes all equipment necessary to meet applicable safety, power quality and interconnection requirements established by the City's Net Metering Policy, as may be amended from time to time by other applicable City policies and ordinances, by applicable state law and by the National Electric Code ("NEC"), National Electric Safety Code ("NESC"), the Institute of Electrical and Electronic Engineers, Inc. ("IEEE") – standard 1547 for Interconnecting Distributed Resource with Electric Power Systems and Underwriters Laboratories Inc. ("UL") – standard 1741, Inverters, Converters and Controllers for use in Independent Power Systems. Customer shall not commence parallel operation of the Facility until the City has inspected the Facility, including all interconnection equipment and issued a written approval in accordance with the City's Net Metering Policy, which includes a stipulated start time and following which operations in parallel are permitted.
7. Disconnect Device:
 Customer shall furnish and install, on its side of the bi-directional metering equipment a safety disconnect device capable of fully disconnecting and isolating the Facility from the City's electric distribution system. The disconnect device shall be located adjacent to the City's bi-directional metering equipment or other location approved by the City and shall be of the visible break type

in a metal enclosure that can be secured by a padlock. The disconnect device shall be accessible to the City's personnel at all times and shall conform to the National Electric Code Standards. The City shall have the right to disconnect the Facility from the City's electric distribution system when necessary to maintain safe and reliable electrical operation condition or if in the City's sole judgement, the Facility at any time adversely affects the operation of the City's electric distribution system or the quality and reliability of the City's service to other customers. The City shall have the right to require that the Facility remain disconnected until such time as the City determines, in the sole discretion, that the condition(s) required the disconnection have ended or been corrected. The City shall have the option of requiring ongoing testing of disconnection equipment.

8. Operational Standards:

Customer shall furnish, install, operate and maintain in good order and repair, all without cost to the City, all equipment required for the safe operation of the Facility in parallel with the City's electric distribution system. This includes, but is not limited to, equipment necessary to:

- a. Establish and maintain automatic synchronism with the City's electric distribution system; and
- b. Automatically disconnect the Facility from the City's electrical distribution system in the event of overload or outage of the City's electrical distribution system.

The Facility must be designed to operate within allowable operating standards for the City's electric distribution system. The Facility must not adversely affect the quality or reliability of service provided to the City's other customers. The City shall have the right to periodically inspect the Facility.

9. Installation and Maintenance:

Except for the bi-directional and production metering equipment owned by the City, all equipment on Customer's side of the delivery point, including the required disconnect device, shall be provided and maintained in satisfactory operating condition by Customer and shall remain the property and responsibility of the Customer. The City will bear no responsibility for the installation or maintenance of Customer's equipment or for any damage to property as a result of any failure or malfunction thereof. The City shall not be liable, directly or indirectly for permitting or continuing to allow the interconnection of the Facility or for the acts or omission of Customer or the failure or malfunction of any equipment of Customer that causes loss or injury, including death, to any party.

10. Indemnity and Liability:

Customer shall defend, hold harmless, and indemnify the City and its directors, officers, employees and agents against any and all loss, liability, damage, claim, cost charge, demand or expense (including any direct, indirect or consequential loss, liability, damage, claim, cost, charge, demand, or expense including attorney's fees) for injury or death to persons, including employees of the City and Customer or damage to property, including property of the city and Customer, arising out of or in connection with (a) the engineering, design, construction, maintenance, repair, operation, supervision, inspection, testing, protection or ownership of the Facility or (b) the making of placements, additions, betterment of or reconstruction of the Facility. Customer's duty to indemnify the City hereunder shall not extend to loss, liability, damage, claim, cost charge,

demand, or expense resulting from interruptions in electrical service to the City's customers other than the Customer or resulting from the negligent, willful, or intentional acts of the City.

11. Pre-Operation Inspection:

Prior to interconnection, the Facility and associated interconnection equipment must be inspected and approved by the City and by any other governmental authority having jurisdiction.

12. Access:

Authorized City employees shall have the right to enter upon Customer's property at any time for the purposes of inspection and/or operating the disconnect device and meters or making additional tests concerning the operation and accuracy of the City's meters.

13. Merger:

This agreement constitutes the entire agreement of the parties with respect to the subject matter contained herein and supersedes any prior such agreements. There are no other agreements, written or oral, except as specifically provided herein.

The City reserves the right to modify or amend this Net Metering Agreement, the City's avoided cost rate, the Renewable Power Rate or the Solar Reliability Charge, upon reasonable advance notice to the Customer (30 days).

14. Governing Law and Venue:

This Agreement shall be construed according to the laws of the State of Utah. The parties agree that venue for all legal actions, unless they involve the cause of action with mandatory federal jurisdiction, shall be the Fifth District Court for the State of Utah. The parties further agree that the Federal District Court for the District of Utah shall be the venue for any cause of action with mandatory federal jurisdiction.

15. Notices:

All notices required herein, and subsequent correspondence in connection with this agreement shall be mailed to the following:

City of Santa Clara
ATTN: City Attorney
2603 Santa Clara Drive
Santa Clara, UT 84765

Such notices shall be deemed delivered following the mailing of such notices in the United States mail. Adequate notice shall be deemed given at the addresses set forth herein unless either party of a change of address gives written notice.

16. Counterparts:

This Agreement may be executed in counterparts each of which shall be an original and shall constitute one of the same agreements.

17. Application Provisions:

The City shall make Net Metering available to eligible Customers on a first-come, first-served basis. Single or multiple Net Metering connections to a City owned transformer, which create an

The City reserves the right to restrict the amount of kW (“kilowatts”) installed per connection. The maximum allowed for Residential Customers is 8 kW. Commercial customers shall not be allowed under this policy and shall be reviewed by the City under a separate review and approval process, which may include a system impact study. Renewable Resource connection to transmission lines within the City are prohibited.

Property Owner / Customer

On the _____ day of _____ 20_____, personally appeared before me,
_____, personally known to me or proved to
me on the basis of satisfactory evidence to be the person whose name is signed in the foregoing document
and acknowledged before me that he/she signed it voluntarily for its stated purpose.

SANTA CLARA CITY

ATTEST:

6

"EXHIBIT A"
NET METERING AND INTERCONNECTION AGREEMENT

SECTION 1 – CUSTOMER INFORMATION

Name: _____
Owner Address: _____
City, State, Zip: _____
Mailing Address (if different): _____
Phone: (_____) _____ Mobile: (_____) _____
Email: _____

SECTION 2 – NET METERING FACILITY INFORMATION

System Type: Solar (PV)
Generator Size (kW AC): _____
Inverter Manufacturer: _____ Model #: _____
Inverter Serial #: _____ Inverter Power Rating: _____
Inverter Location: _____

SECTION 3 – INSTALLATION INFORMATION

Licensed Electrician: _____ Contractor #: _____
Electrician Address: _____
City, State, Zip: _____
Phone: (_____) _____ Mobile: (_____) _____
Email: _____

SECTION 4 – CERTIFICATIONS

The Facility has been installed to my satisfaction and I have been given Facility warranty information and an operations manual. I have been instructed regarding the properly operation of the Facility and associated equipment. In addition, the installation has received all necessary local, state and federal approvals and certifications.

Signed (Owner): _____ Date: _____

Stipulated Start-up Date: _____

“EXHIBIT B”
SOLAR RELIABILITY CHARGE & RENEWABLE POWER RATE

Solar Reliability Charge

The Solar Reliability Charge reflects both the Customer solar PV system inverter’s continuous AC name plate rated kW capacity, and the cost per kilowatt-hour (kWh) for Santa Clara City to meet the full power demand of net-metered customers. First, the Customer’s estimated monthly kWh solar generation is calculated by multiplying the total kW capacity of the Customer’s system times 149 kWh (estimated average solar generation per kW capacity per month in Santa Clara). Second, Santa Clara City Utility determines its cost per kWh by dividing its total operation expense by the total kWh it purchases during a given period. The Customer’s Solar Reliability Charge is then calculated by multiplying the Customer’s estimated monthly kWh solar generation, times the City’s cost per kWh. Both the estimated average solar generation per kW capacity per month for Santa Clara, and Santa Clara’s per kWh cost will be reviewed annually and adjusted by the City as needed.

For example only:

kW Size	Monthly kWh * Charge	SRC	<i>To find your SRC charge, take the total kW installed and multiply by 149 kWh, to get your total estimated kWh solar generation per month. Then multiply by the City’s per kWh cost of \$0.0272. In this example, the Solar Reliability Charge is \$4.05 per kW capacity.</i>
1 kW	1 * 149 = 149 kWh * \$0.0272 =	\$ 4.05	
2 kW	2 * 149 = 298 kWh * \$0.0272 =	\$ 8.10	
3 kW	3 * 149 = 447 kWh * \$0.0272 =	\$12.15	
4 kW	4 * 149 = 596 kWh * \$0.0272 =	\$16.20	
5 kW	5 * 149 = 745 kWh * \$0.0272 =	\$20.25	
6 kW	6 * 149 = 894 kWh * \$0.0272 =	\$24.30	
7 kW	7 * 149 = 1,043 kWh * \$0.0272 =	\$28.35	
8 kW	8 * 149 = 1,192 kWh * \$0.0272 =	\$32.40	

Renewable Power Rate

The renewable power rate is calculated from the weighted average cost of power Santa Clara City receives from its’ energy sources. Additionally, the rate includes the cost of transmission, schedule, and reserves and factors in the Solar Reliability Charge. The renewable power rate will be review annually and adjusted by the City as needed.

Santa Clara’s Renewable Power Rate is \$.06 per kWh.

Santa Clara Avoided Cost Study



Utility Financial Solutions, LLC
Mark Beauchamp – President
mbeauchamp@ufsweb.com

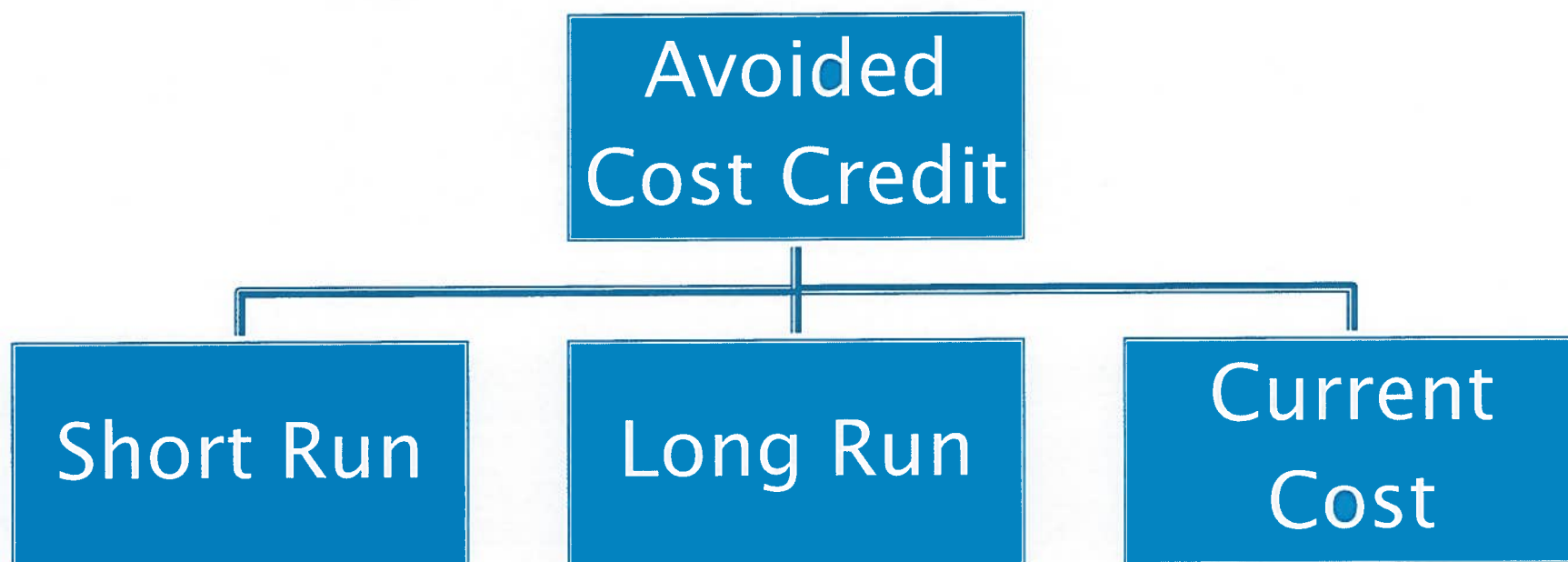
Review

- ▶ Santa Clara retained Utility Financial Solutions to conduct a cost of service study, financial projection and rate design study in 2015
- ▶ UFS completed an avoided cost determination for UAMPS value of solar for generation & transmission savings (\$0.0555/kWh)
- ▶ Using the cost of service study and production profiles for solar unit located in St. George the savings on distribution for Santa Clara was determined



Determining the Value of Avoided Cost Credit

Three theories on how to value the avoided cost credit



Determination of Avoided Cost Credit Short Run

- ▶ When customer provides power supply to the utility the avoided cost in short run is the cost that is avoided
 - Market purchase of power
 - Fuel cost savings
 - Transmission savings
- ▶ Can vary substantially in any given year
- ▶ Inconsistent price signal to customer
- ▶ May not provide credit for capacity value of customers generation



Determination of Avoided Cost Credit Long Run

- ▶ Avoided costs are determined using a theoretical cost of avoiding construction of generation
 - Capital cost of avoided generation
 - Fuel cost savings
 - Transmission savings
 - Reserve requirement



Determination of Avoided Cost Credit Current Cost

- ▶ Avoided cost are determined using cost of service studies both demand and energy component for Power Supply
- ▶ Uses historical investment and average costs
- ▶ Gives customer credit for both capacity and fuel costs



Santa Clara Used Long-Run Marginal Cost Savings and based on current costs

- ▶ Distribution lines
- ▶ Transformers
- ▶ Substations
- ▶ Sub transmission system
- ▶ System Losses
- ▶ Power Supply from UAMPS



Residential Savings

Study EVERY Three Years

Demands don't match

Solar - Residential					
Month	Production Demand Savings	Substation and Sub Transmission	Distribution Savings	Total Savings	Avoided Cost per kWh
1	\$ 2,062.39	\$ -	\$ 39.45	\$ 2,101.83	\$ 0.0604
2	2,093.51	-	40.04	2,133.55	0.0604
3	2,565.61	-	49.07	2,614.68	0.0604
4	2,445.88	34.85	46.78	2,527.52	0.0613
5	2,497.74	44.81	47.77	2,590.33	0.0615
6	2,418.32	68.58	46.25	2,533.15	0.0621
7	2,178.86	118.33	41.67	2,338.86	0.0636
8	2,259.47	104.13	43.22	2,406.81	0.0631
9	2,308.37	95.24	44.15	2,447.76	0.0629
10	2,200.49	47.30	42.09	2,289.88	0.0617
11	1,899.68	-	36.33	1,936.02	0.0604
12	1,574.28	-	30.11	1,604.39	0.0604
Total	\$ 26,504.60	\$ 513.24	\$ 506.95	\$ 27,524.79	0.0616

Transmission 5.5
Loss +
Distribution +
0.0616

Rec NOT A Value yet

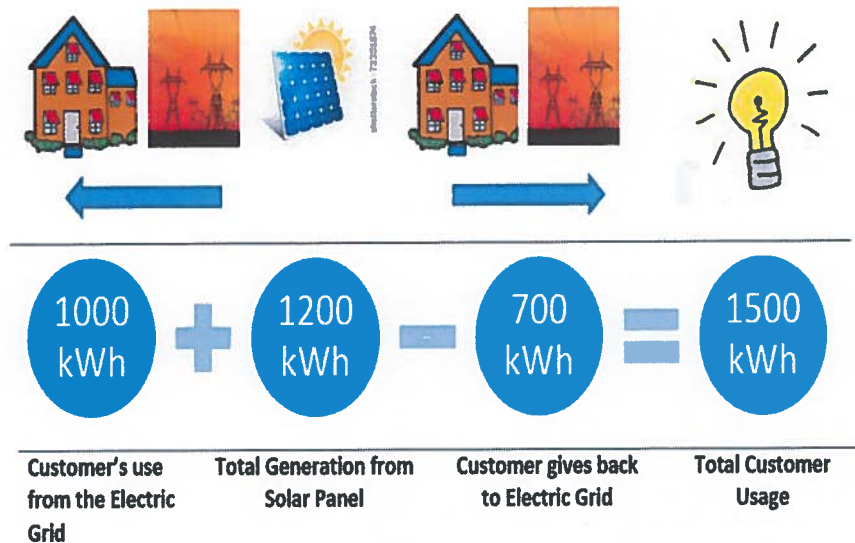


Commercial Savings

Solar - Commercial					
Month	Production Demand Savings	Substation and Sub Transmission	Distribution Savings	Total Savings	Avoided Cost per kWh
1	\$ 2,062.39	\$ -	\$ 321.11	\$ 2,383.49	\$ 0.0685
2	\$ 2,093.51	\$ -	\$ 325.95	2,419.46	0.0685
3	\$ 2,565.61	\$ -	\$ 399.46	2,965.07	0.0685
4	\$ 2,445.88	\$ 32.07	\$ 380.81	2,858.76	0.0693
5	\$ 2,497.74	\$ 41.23	\$ 388.89	2,927.86	0.0695
6	\$ 2,418.32	\$ 63.10	\$ 376.52	2,857.94	0.0700
7	\$ 2,178.86	\$ 108.87	\$ 339.24	2,626.97	0.0715
8	\$ 2,259.47	\$ 95.81	\$ 351.79	2,707.07	0.0710
9	\$ 2,308.37	\$ 87.63	\$ 359.40	2,755.41	0.0708
10	\$ 2,200.49	\$ 43.52	\$ 342.61	2,586.62	0.0697
11	\$ 1,899.68	\$ -	\$ 295.77	2,195.46	0.0685
12	\$ 1,574.28	\$ -	\$ 245.11	1,819.39	0.0685
Total	\$ 26,504.60	\$ 472.23	\$ 4,126.67	\$ 31,103.49	0.0696

Metering & Billing Method

Determine Customer Usage



- ▶ Customer billed on total facilities electric usage
- ▶ Utility credits customer on the total solar production
- ▶ Metering required:
 - Meter on solar unit
 - Meter on facility

Residential Option

Residential Charge per Solar Installation		
Average Residential Rate		0.0888
Avoided Cost		0.0616
Lost Revenues per kWh		0.027
Annual kWh production from 1 kW Solar		1,818
Annual Under-recovery on distribution per kW		\$ 49.58
Additional Monthly Charge per kW of Installed Solar		\$ 4.13

- ▶ Additional Charge per Month per installed kW. Example: 5 kW Solar unit would be Charged \$20.66 (\$4.13 times five)



**CITY OF SANTA CLARA
RESOLUTION NO. 2016-04R**

**A RESOLUTION OF THE CITY OF SANTA CLARA, UTAH APPROVING
THE SOLAR FEE POLICY AND AGREEMENT AND ESTABLISHING AN
EFFECTIVE DATE.**

WHEREAS, the City Council of Santa Clara City, Utah, is the duly authorized governing body of the City; and

WHEREAS, staff and Council believe that a Solar Fee Policy will protect the utility system and customers that do not have solar, while still giving the benefit to those that want to install a solar system on their home.

WHEREAS, A Solar Reliability Charge (SRC) will be applied to a Customer's bill monthly based on the KW capacity of the solar PV system installed. This cost reflects the cost of the Santa Clara Utility to provide full service to meet the full demand of net-metered customers.

WHEREAS, If the energy generated by the Customer and distributed back to the Utility exceeds the energy supplied to the Customer then the Customer shall be credited for the **excess net energy** at the Renewable Power Rate of **6 cents per kwh.**

WHEREAS, staff feels the Solar Reliability Charge is the best solution for the City and all of the residents.

WHEREAS, if the credit for energy supplied to the City is greater than the base rate and the Solar Reliability Charge, credit will be applied to the customers next billing period.

WHEREAS, existing solar customers as of Feb. 24, 2016 must sign the new Renewable Net Metering & Interconnection Agreement in order to **receive a two (2) dollar rebate per KW installed for ten (10) years ending March 14, 2026.**

WHEREAS, the \$2.00 per KW rebate for the existing solar customers as of Feb. 24, 2016 will be effective on the billing cycle **beginning March 15, 2016.**

March 26, 2016

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Santa Clara, Utah that the Renewable Net Metering & Interconnection Agreement are hereby approved as shown in Exhibit B.

Effective Date: This Resolution shall become effective immediately upon adoption by the City Council, recording and posting in the manner prescribed by law.

ADOPTED by a duly constituted quorum of the Santa Clara City Council this 24th day

of February, 2016.

IN WITNESS THERETO:

ATTEST:

Chris Shelley, City Recorder



Rick Rosenberg, Mayor

“Exhibit B”

Solar Reliability Charge

The Solar Reliability Charge reflects both the Customer solar PV system inverter’s continuous AC name plate rated kW capacity, and the cost per kilowatt-hour (kWh) for Santa Clara City to meet the full power demand of net-metered customers. First, the Customer’s estimated monthly kWh solar generation is calculated by multiplying the total kW capacity of the Customer’s system times 149 kWh (estimated average solar generation per kW capacity per month in Santa Clara). Second, Santa Clara City Utility determines its cost per kWh by dividing its total operation expense by the total kWh it purchases during a given period. The Customer’s Solar Reliability Charge is then calculated by multiplying the Customer’s estimated monthly kWh solar generation, times the City’s cost per kWh. Both the estimated average solar generation per kW capacity per month for Santa Clara, and Santa Clara’s per kWh cost will be reviewed annually and adjusted by the City as needed.

For example only:

kW Size	Monthly kWh * Charge	SRC
1 kW	1 * 149 = 149 kWh * \$0.0272 =	\$ 4.05
2 kW	2 * 149 = 298 kWh * \$0.0272 =	\$ 8.10
3 kW	3 * 149 = 447 kWh * \$0.0272 =	\$12.15
4 kW	4 * 149 = 596 kWh * \$0.0272 =	\$16.20
5 kW	5 * 149 = 745 kWh * \$0.0272 =	\$20.25
6 kW	6 * 149 = 894 kWh * \$0.0272 =	\$24.30
7 kW	7 * 149 = 1,043 kWh * \$0.0272 =	\$28.35
8 kW	8 * 149 = 1,192 kWh * \$0.0272 =	\$32.40

To find your SRC charge, take the total kW installed and multiply by 149 kWh, to get your total estimated kWh solar generation per month. Then multiply by the City’s per kWh cost of \$0.0272. In this example, the Solar Reliability Charge is \$4.05 per kW capacity

Renewable Power Rate

The renewable power rate is calculated from the weighted average cost of power Santa Clara City receives from its’ energy sources. Additionally, the rate includes the cost of transmission, schedule, and reserves and factors in the Solar Reliability Charge. The renewable power rate will be review annually and adjusted as needed.

Santa Clara’s Renewable Power Rate is \$.06 per kWh.

ARTICLE III. NET METERING POLICY

13.08.400: AVAILABILITY:

Santa Clara City ("city") desires to encourage the use of renewable resources with Santa Clara City electric customers ("customers") by making available a meter capable of providing the necessary accounting to allow the customer to displace electric energy otherwise purchased from the city or to provide electric energy to the city ("net meter"). The net meter will be available to any electric customer connected to the Santa Clara City's electric distribution system provided that the customer installs a solar, wind, or other city approved renewable generation resource ("renewable resource") on the customer's side of the meter, subject to the application provisions. (Ord. 2013-08)

13.08.410: APPLICATION PROVISIONS:

The customer must make an application to Santa Clara City and receive approval from the city before installing an interconnected renewable resource on their property. Santa Clara City may withhold approval if for any reason the requested interconnection would result in a negative monetary or physical impact on the city's electrical system. The city may approve the agreement if there is no physical negative impact, but may terminate this agreement at any time if it is determined to have an adverse monetary impact.

A. By accepting this net metering policy, the customer hereby agrees to the following provisions:

1. The monthly electrical output of the renewable resource shall not be greater than one hundred twenty percent (120%) of the historical maximum monthly energy consumption at a single point of delivery of the customer.
2. A renewable resource installed by the customer shall include, at the customer's expense, all equipment necessary to meet applicable safety, power quality and interconnection requirements established by the national electric code ("NEC"), national electric safety code ("NESC") and shall be manufactured and installed to interconnection standards that meet or exceed the Institute Of Electrical And Electronics Engineers, Inc. ("IEEE") standard 1547 for interconnecting distributed resources with electric power systems and Underwriters Laboratories, Inc. ("UL") standard 1741, inverters, converters and controllers for use in independent power systems.
3. The customer shall be required to install a manual disconnect that is within five feet (5') of the meter location, readily accessible by city personnel and outside of any fenced in area. The disconnect switch shall be lockable and shall be labeled as "generation disconnect".
4. The city shall install and maintain a new revenue meter for the customer, at the customer's expense. In addition, any subsequent revenue meter change necessitated by the customer, whether because of a decision to stop net metering or for any other reason, shall be an expense billed to the customer at the applicable service rates.
5. By accepting this agreement the customer releases to the city all renewable energy credits ("RECs"), solar renewable energy credits ("SRECs") or other renewable attributes as appropriate based on actual on site electric generation from the renewable resource.
6. The customer will comply with all city service and utility billing requirements, including payments for applicable monthly electrical base rates and other utility billings, fees and taxes.
7. The customer will comply with all installation requirements, applicable inspection fees, building and electric codes of the city.
8. The customer's facility used for net metering shall be equipped with metering equipment, which can measure the flow of electricity in both directions at the same rate. For customer facilities less than ten (10) kilowatts ("kW") in rated capacity, this shall be accomplished through the use of a single, bidirectional electric revenue meter which has only a single register for billing purposes.
9. The city shall make net metering available to eligible customers on a first come, first served basis. Single or multiple net metering connections to a city owned transformer, which create an imbalance that exceeds twenty percent (20%) of the nameplate, rating may be denied at the city's discretion or, if approved may require system upgrades including additional transformers or other system upgrades at the customer's expense.
10. Net metering connections to city facilities above or greater than industry standard, secondary voltages shall not be allowed under this policy and shall be reviewed by the city under a separate review and approval process, which may include a system impact study. Renewable resource connections to transmission lines within the city are prohibited.
11. If the net metering project requires special engineering studies as determined by the city, the customer shall be responsible for all costs. An estimate of costs shall be provided by a licensed engineering firm as determined by the city and payment will be made by the customer, to the city, before the engineering study is approved. Final billing for the study will be trued up upon completion and the customer shall be billed for any amount above, or their electric account credited, for any amount below the initial estimate.
12. The customer shall be solely responsible for all work, and costs incurred, for installation and maintenance of the renewable resource. All modifications or improvements required to the city's electric system due to the customer's installation of facilities shall be paid for by the customer. (Ord. 2013-08)

13.08.420: INSPECTION:

Upon approval and installation of a renewable resource, but before interconnection to the net meter, the city shall inspect the renewable resource, installation and interconnection and approve or disapprove the interconnection. The city may disapprove any final interconnection for any reason.

A. The city shall have the right to inspect the customer's renewable resource during reasonable hours and with reasonable prior notice to the customer. If the city finds that the customer's renewable resource is not in compliance with the requirements of the city's

interconnection rules and the standards set forth in this policy, and noncompliance adversely affects the safety or reliability of the city's facilities or other customer's facilities, the city may require the customer to disconnect the facility until compliance is achieved.

B. If the city disconnects the renewable resource, the customer shall receive in a timely manner, a written explanation of the disconnection. The customer shall have the right to correct the situation and petition the city to reestablish an interconnection. (Ord. 2013-08)

13.08.430: ENERGY RATES AND PAYMENTS:

The customer shall be subject to the following provisions for service under this policy:

A. For all kWh delivered by the city the customer shall pay the normal city rate for customer service, as if the customer had not installed a renewable resource.

B. The city shall credit the customer's bill for kWhs only that exceeds the customer's on site consumption of kWh in the billing period following the billing period of excess production at four cents (\$0.04) per kWh.

C. On June 1 of each calendar year any remaining unused credit accumulated for a period of greater than thirty (30) days of historical monthly usage, shall be relinquished by the customer with no compensation by the city to the customer.

D. If a home with a renewable resource is sold, any remaining credits will be applied to the electrical billing for kWh consumption with any remaining unused credits above the total billing relinquished to the city.

E. Net metering credit shall only be applied to offset part or all of the customer's own electrical requirements at a single metering point exclusively. Net metering credit shall not be applied to multiple meters owned by a single customer at separate locations.

F. This agreement is between the electric customer and the city. Nothing in this policy allows for the purchase or sale of energy produced by the customer to or from a third party. Renewable resources on rental units are not eligible for net metering under this policy.

G. The city reserves the right to modify or amend this policy, the city's avoided cost rate, the displacement ratio, or the monthly service charge, upon reasonable advance notice to the customer (30 days). (Ord. 2013-08)

13.08.440: LIABILITY:

The customer shall be responsible for any damage caused by the customer's renewable resource to the city's distribution system and other customer facilities. The customer shall be responsible for the installation and maintenance of applicable protection equipment, and for any damage caused by improper application, maintenance or faulty equipment. The city will not be liable directly or indirectly for permitting or continuing to allow an attachment of a renewable resource, or the acts or omissions of the customer's renewable resource that cause loss or injury, including death, to any third party.

Application for the customer's net metering, within a homeowners' association ("HOA"), must be accompanied by a letter of approval of the net metering installation, signed by the chairman of the board at the time of application. The letter must include a copy of the minutes showing a majority vote of approval. The city is not liable for any violation of existing CCRs within an HOA, related to the customer's installation of a renewable resource.

Neither the city nor the customer shall be subject to any liability or damages due to the inability of the city to serve the customer's load, due to lack of energy from either the city or the renewable resource.

Neither the city nor the customer shall be subject to any liability or claims for damages due to the inability of equipment manufacturers or vendors to provide equipment or repairs essential for the safe operation of the system in a timely manner. (Ord. 2013-08)

13.08.450: FORMS:

Forms for the net metering program are on file in the city. (Ord. 2013-08)

Acct #	Customer	Address	Months	SRC	Refund
9102	TAYLOR, KOBY	2354 LEDA LANE	9	\$26.65	\$239.85
70402	WILSON, BLAINE & JOYCE	2101 ARROWHEAD TRAIL	26	\$18.66	\$485.16
71603	HOLT, RYAN & KRISTINE	124 W BURTON AVE -SALT LAKE	2	\$43.74	\$87.48
71604	DAVIS, LINDSEY	2959 EAST HORSEMAN PARK DRIVE	5	\$43.74	\$218.70
71605	WALKER, WEST & JESSICA	827 COUNTRY LANE	6	\$43.74	\$262.44
75904	KEETCH, BRUCE & YVONNE	743 MORNING GLORY	49	\$46.17	\$2,262.33
138303	ESCOBAR, SEAN	470 COUNTRY LANE #7	12	\$21.42	\$257.04
139306	JOHNSON, WILLIAM BRADY & KRISTEL	3965 LONDON LANE	2	\$31.71	\$63.42
139307	ROSE, RICK & JOY	470 COUNTRY LANE #10	9	\$31.71	\$285.39
146702	CLARK, PATRICIA	2494 PARKWAY CIRCLE	36	\$16.09	\$579.24
167803	WATKINS, KIRK & PAULA	2624 CANYON VIEW DR.	18	\$14.86	\$267.48
172226	KENNEDY, DAN & SUSANNE	2594 CRESTVIEW DR	17	\$32.40	\$550.80
178403	NICKLES, PAUL & GUADALUPE	2737 RIDGEVIEW DRIVE	5	\$12.47	\$62.35
213605	HOVEY, GLEN & NORMA	1737 SOUTHHILL DRIVE	1	\$20.70	\$20.70
225601	NIELSON, KATHLEEN	1828 N RED MOUNTAIN DRIVE	32	\$15.25	\$488.00
230302	DAVIS, SAMUEL W & ROBIN K	3175 SWISS DRIVE	33	\$13.28	\$438.24
234202	WELLING, HAROLD & SALLY	1836 RED MOUNTAIN DRIVE	26	\$17.62	\$458.12
235505	PROBST, BARBARA	1850 N RED MOUNTAIN DRIVE	57	\$11.25	\$641.25
242304	ARREDONDO, LUCRECIA	2964 WINDMILL DRIVE	6	\$15.39	\$92.34
253803	McNEFF, DEBRA	3705 ALPINE DRIVE	50	\$20.78	\$1,039.00
255626	WALLACE, MICHAEL & JENNIFER	1975 N RIM VIEW DRIVE	14	\$31.39	\$439.46
255902	THORKELSON, REES & MARYKAY	3759 VALLEY VIEW CIRCLE	2	\$32.08	\$64.16
264009	THOMPSON, GARY L & CINDY	3566 Chalet Drive	6	\$8.04	\$48.24
301104	LUDLOW, LANCE & JULIE	3051 W. CRESTVIEW DRIVE	1	\$27.34	\$27.34
307936	ROPER, KEVIN & SUZANNE	2841 CIRCLE DR	24	\$26.08	\$625.92
317901	JENSEN FAMILY TRUST	1470 SANTA CLARA VIEW DRIVE	5	\$30.78	\$153.90
326603	MOFFITT, SCOTT & KRIS	2627 CIRCLE DRIVE	6	\$32.40	\$194.40
334299	WAGSTAFF, LYNN R	2501 CIRCLE DRIVE	3	\$15.07	\$45.21
340802	PRESLEY, E. T. & NADIA	8 BASALT CIRCLE WEST	10	\$13.76	\$137.60
340803	SPARTA, JASON & DONNA	8 BASALT CIRCLE WEST	13	\$13.76	\$178.88
416003	BOUWHUIS, CHAD & SHERILYNN	1780 TAMARISK DRIVE	4	\$18.47	\$73.88
419002	PETERSON, LAWRENCE & SHARON	3194 RED ROCK ROAD	13	\$15.99	\$207.87
421002	BARNES, DENNIS & MELISSA	1631 GUBLER DRIVE	3	\$32.40	\$97.20

422002	POWELL, GARY & ANDREA	1685 GUBLER DRIVE	50	\$25.76	\$1,288.00
422203	LEMBKE, DELLA	3613 VISTA VIEW CIRCLE	10	\$27.34	\$273.40
451803	WINTER, LARRY & KAREN	1646 RIM CIRCLE	12	\$26.73	\$320.76
452001	POTTER, MATT & Carrie	1645 RIM CIRCLE	1	\$26.73	\$26.73
452002	HERRING, BRYAN & DICKERSON, RAQUELLE	1645 RIM CIRCLE	1	\$26.73	\$26.73
452702	SNYDER, MICHAEL & APRIL	3196 TRUMAN DRIVE	12	\$30.13	\$361.56
629404	MOORE, DAVID & SUSAN	3739 MITCHELL DRIVE	2	\$24.10	\$48.20
630810	ELGIN, JESSICA	3755 RACHEL DRIVE	6	\$18.23	\$109.38
649002	WOOD, DAN & JULIE	3550 ROBBIN COURT	44	\$12.71	\$559.24
653402	WHITEHEAD, DAVID & TIFFANY	2167 JACOB DRIVE	9	\$31.21	\$280.89
653403	PARSONS, WILLIAM & ROBIN	2167 JACOB DRIVE	5	\$31.21	\$156.05
701302	WAITE, JARETT & JENNA	2096 RACHEL DRIVE	6	\$10.61	\$63.66
711003	DICKSON, CHARLES E & OLGA	3963 MADISON AVENUE	14	\$12.56	\$175.84
909402	GIBSON, ROBERT	3776 WINDMILL DRIVE	24	\$8.71	\$209.04
909702	DIBB, DAVID & VIVIAN	3784 WINDMILL DRIVE	6	\$32.08	\$192.48
973102	FROERER, LYNN S.	3931 BRENNNA DRIVE	54	\$8.20	\$442.80
973103	GLENN, GARRETT & VALERIA	3931 BRENNNA DRIVE	3	\$8.20	\$24.60
973506	GROVER, KRISTOPHER & AMY	3867 BRENNNA DRIVE	13	\$32.00	\$416.00
981602	CAMPBELL, DOUG	3863 RACHEL DRIVE	66	\$10.66	\$703.56
1120601	MARRIOTT, ERIC & MELANIE	4035 COLBEY LOOP	1	\$32.52	\$32.52
1185801	CAPPS, NATHAN	1663 DESERT HEIGHTS DRIVE	6	\$32.08	\$192.48
TOTAL REFUND AMOUNT					\$16,997.31

Total Monthly SRC	\$1,263.69
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From: [Santa Clara City](#)
To: [Katie Casselman](#); [Chris Shelley](#); [Brock Jacobsen](#)
Subject: City Council Action Application Form submitted on Santa Clara City by [990] Item 5
Date: Wednesday, December 28, 2022 9:39:22 AM

Meeting Type	CITY COUNCIL
Date Submitted	December 27, 2022
Requested Meeting Date	January 4, 2023
Applicant	Santa Clara City
Subject	Special Events Discussion
Background Description	City staff and legal counsel would like to discuss Special Events with the City Council. This would include the addition of Chapter 12.22 to Title 12 of city code. A memo has been attached along with a draft ordinance for your review.
Proposed Recommendation (drop-down select)	Discussion
Cost	N/A
Approved by Legal Department (drop-down select)	N/A
Approved in Budget? (drop-down select)	N/A
Approved by City Finance Department? (drop-down select)	N/A
Amount	N/A
Requested By	James McNulty



TO: Santa Clara City Council
FROM: Jim McNulty, Planning Manager
DATE: January 4, 2023
RE: Special Events Discussion

City staff and legal counsel would like to discuss Special Events with the City Council. Currently, Special Events are not appropriately addressed within city code. We would like to add Chapter 12.22, Special Events to Title 12 of city code. Title 12 includes streets, sidewalks, and public places such as city parks and property.

A draft document has been attached for your review. City staff and legal counsel will be available during the Council work meeting to go through the draft ordinance. The draft ordinance includes the following:

- Section 12.22.010, Definitions
- Section 12.22.020, Permit Required
- Section 12.22.030, Application Requirements and Procedures
- Section 12.22.040, Insurance Requirements
- Section 12.22.050, Fees
- Section 12.22.060, Application Review, Approval, and Issuance
- Section 12.22.070, Grounds for Denial
- Section 12.22.080, Appeal Procedures
- Section 12.22.090, Violation

Putting an ordinance in place will allow for City staff and applicants to follow a process before a special event can take place in the city. Additionally, proper procedures would be required for public safety (Police & Fire) review and approval of special events. The draft ordinance also requires proof of insurance along with the options to approve, approve with conditions, or deny a request for a special event.

City staff and legal counsel would like to move forward with preparing an ordinance for adoption by the City Council later this month.

CHAPTER 12.22

SPECIAL EVENTS

SECTION:

12.22.010: Definitions

12.22.020: Permit Required

12.22.030: Application Requirements and Procedures

12.22.040: Insurance Requirement

12.22.050: Fees

12.22.060: Application Review, Approval, and Issuance

12.22.070: Grounds for Denial

12.22.080: Appeal Procedures

12.22.090: Violation

17.26.010: DEFINITIONS:

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

APPLICANT: The individual event organizer or organization for the event and the payment of fees.

ATHLETIC EVENT: An organized competitive or recreational event in which a group of people collectively engage in a non-field sport or form of physical exercise, including, but not limited to, running, jogging, walking, bicycling, or skating, held on any public or private property.

CITY EVENT: A special event that is organized and operated by the City, whether directly or by contract with a third-party operator.

FILMING EVENT: Filming of a media broadcast (other than for news purposes), filming of a motion picture, or television broadcast and digital media production.

OUTDOOR SALES EVENT: An organized event in which a group of people or an organization engages in the sale of product including, but not limited to, displays and exhibitions, farmer's markets, craft fairs, outdoor sales, tent sales, and other similar activities.

POLITICAL EVENT: An organized event, not including an athletic or entertainment event, having as its primary purpose the exercise of expressive activities of a political nature, including but not limited to speech making, picketing, protesting, marching, demonstrating, or debating public issues.

SPECIAL EVENT:

- A. A temporary event of any of the following or a combination of the following acts with a gathering of more than 200 people: Any athletic event, entertainment event, parade, carnival, circus, dance, musical event, rodeo event, fighting event, racing event, live shows, fairs, concerts, block parties, filming event, political event or

outdoor sales event, whether held for profit, nonprofit or charitable purposes held on private or public property within the City.

- B. Any organized assemblage at any public park, public square or other City property which gathers for a common purpose or event under the direction and control of a person or entity, and which uses more services, amusement devices such as stages, inflatable devices or temporary structures, or equipment, whether provided by the City or a third party, than normally provided to groups which reserve park facilities or other City-owned facilities.
- C. Large filming events that are professional in nature.
- D. Events held at the following are not special events under this chapter:
 - 1. A building that has a business located in it that has a current annual business license as an event business;
 - 2. A building with an assemblage group classification under the International Building Code, as adopted by the City, so long as the event does not exceed the posted load as approved by the City and has a current annual business license, if required; and
 - 3. A government owned facility.
- E. For purposes of this chapter, City events are not special events, however events only sponsored by the City are special events.

17.26.020: Permit Required:

It is unlawful for any person, corporation, partnership, association, or other entity, public or private, to promote, advertise or hold a special event without first obtaining a special event permit. The issuance of a permit under this chapter does not relieve the applicant of the obligation to comply with any other applicable licensing or permit requirements under Title 5 of city code.

17.26.030: Application Requirements and Procedures:

A. *Submission:* A completed application on City forms shall be submitted to the City at least forty-five (45) calendar days before the event is scheduled to take place, in order to allow sufficient time to process the application and to allow timely appeal to the City Council in the event the application is denied. Applications for new events or recurring events with changes that submit the application less than forty-five (45) calendar days prior to the scheduled event shall not be accepted. Applications are not considered complete until all required information has been submitted to the City.

B. *Advertising:* No advertising of a special event shall be permitted until City approval of the special event is granted and a special event permit is issued.

C. *Inspections:* Authorized law enforcement officers, fire control officers, and other government personnel shall be permitted free access to the event to make inspections to ensure compliance with all City, State, and Federal Laws.

D. *Duration:* Each application will indicate the duration of the event for which the permit is sought.

E. *Security Plan:* The police department requires a security plan to be in place. This information will be required as part of the online application.

The police department security requirements are:

1. An estimated amount of people expected at your event.
2. A security director on the site at all times with a cellphone. The police department will need the name and cell number of this person to contact.
3. The total number of security personnel.
4. The security personnel must be twenty-one (21) years or older.
5. Security personnel must be in security shirts or vests that look the same, so they are easily spotted by the police department.
6. The police department will need a name and phone number of someone to contact in case of questions.

17.26.040: INSURANCE REQUIREMENT:

Users are required to provide a certificate of insurance with a minimum limit of one million dollars (\$1,000,000.00) per person in any one occurrence and two million dollars (\$2,000,000.00) aggregate. Limits for property damage are one million dollars (\$1,000,000.00) in any one occurrence. Santa Clara City must be named as an additional insured. A copy of this certificate must be submitted to Santa Clara City.

17.26.050: FEES:

Application And Cost Recovery Fees: Along with the application for a special event permit, the applicant shall pay any applicable special event application fees and City cost recovery fees.

- A. *City Cost Recovery Fees:* Extra City services will be provided for special events as determined by the City to be needed to protect the health, safety, and welfare of the public and shall be paid by the applicant.
 1. City costs include, but are not limited to, police, fire/EMS, park maintenance, power, water, road closures, and cleanup of City facilities before, during, or after the event, and other costs to the City directly attributable to the special event.
 2. Before City approval is granted to hold the event, the applicant shall pay the deposit and estimated City fees as determined by the City based on the application, the applicant's past event history with the City, and experience from similar events.
- B. *Invoice:* The City may mail or deliver to the permit holder an invoice for the cost of City services provided and any costs incurred by the City in restoring the site. If the amount exceeds the City cost recovery fees paid in advance, the applicant shall pay the unpaid portion of the invoice within thirty (30) days of the date that the invoice was mailed or delivered. If the amount is less than the City cost recovery fees paid prior to issuance of the permit, then the remaining amount shall be returned to the applicant.
- C. *Fee Waiver:* The City may waive fees for any events put on by another municipality or government agency. For all other events, an applicant may obtain a fee waiver if the event for which a permit is sought on the basis that: (1) the event is for the primary purpose that the applicant or anticipated participants may exercise a right

guaranteed under the 1st Amendment of the U.S. Constitution; and (2) the applicant cannot afford to pay the fees assessed. To obtain a fee waiver, an applicant must submit a signed and notarized affidavit stating the bases for the requested waiver and include or attach any information and documentation reasonably supporting such bases, consistent with this paragraph.

17.26.060: APPLICATION REVIEW, APPROVAL, AND ISSUANCE:

The City Manager, or designee(s), shall review and either approve, approve with conditions, or deny the request for a special event permit and any fee waiver request received. The City Manager, or designee(s) may refer the request for a special event permit and/or any fee waiver request to the City Council for approval.

17.26.070: GROUNDS FOR DENIAL:

A. Grounds for Denial: The special event application may be denied by the City if:

1. The proposed special event violates a law, ordinance, policy, procedure, or regulation or poses a danger or threat to the public health, safety, or welfare, or causes unreasonable inconvenience or cost to the public;
2. The proposed special event is not consistent with the intended nature and use of the requested City property;
3. The proposed special event is scheduled at a place and time that could disrupt or interfere with an already approved special event;
4. The proposed location or building is not adequate to accommodate the proposed special event such as parking, sanitation facilities, and health or safety codes, or the nature of the proposed special event is such that the City, or the applicant does not have sufficient resources available to reasonably ensure compliance with applicable ordinances (such as noise limits), or to otherwise ensure the health, safety, and welfare of special event participants or the general public;
5. The permit application contains a material falsehood or misrepresentation;
6. The applicant has failed to pay a debt to the City including costs incurred during a prior special event;
7. Incomplete permit applications;
8. Failure to pay any fees assessed, and no fee waiver has been obtained; and
9. The applicant or any person on whose behalf the application for a permit was made has on prior occasions:
 - a. Damaged City property if the application is for an event on City property; or
 - b. Made material misrepresentations regarding the nature or scope of an event or activity previously permitted; or
 - c. Has violated the terms or prior permits issued to or on behalf of the applicant.

Notice: If a special event permit application is denied, the City shall notify the applicant in writing of the reason or reasons for the denial.

17.26.080: APPEAL PROCEDURES:

Any applicant for a special event permit desiring to appeal an administrative decision concerning the denial or modification of a special event permit may petition the City Council if the decision was made by the City Manager or designee(s). Any decision made by the City Council is final. All appeals shall be in writing, shall state the specific grounds for the appeal, and shall be delivered to the City Recorder within five (5) calendar days after the date the applicant received notice of the denial. An applicant may appeal the City Council's decision by seeking judicial review with the district court, which review shall be limited to a review of the record.

17.26.090: VIOLATION:

Any person or entity who maintains or assists in maintaining a violation of this chapter shall be subject to a Class B misdemeanor, punishable as provided by law.

From: [Santa Clara City](#)
To: [Katie Casselman](#); [Chris Shelley](#); [Brock Jacobsen](#)
Subject: City Council Action Application Form submitted on Santa Clara City by [990] Item 6
Date: Wednesday, December 28, 2022 9:44:30 AM

Meeting Type	CITY COUNCIL
Date Submitted	December 28, 2022
Requested Meeting Date	January 4, 2023
Applicant	Jeremy Call
Subject	Walkable Commercial District Discussion
Background Description	Jeremy Call, architect, resident, and former Planning Commission member would like to discuss a "Walkable Commercial District" with the City Council. A memo has been attached along with some draft material submitted by Mr. Call. This item was discussed with the Planning Commission on December 15, 2022. Jeremy would like approximately 20 minutes to address the Council followed by some Q & A.
Proposed Recommendation (drop-down select)	Discussion
Cost	N/A
Approved by Legal Department (drop-down select)	N/A
Approved in Budget? (drop-down select)	N/A
Approved by City Finance Department? (drop-down select)	N/A
Amount	N/A
Requested By	James McNulty



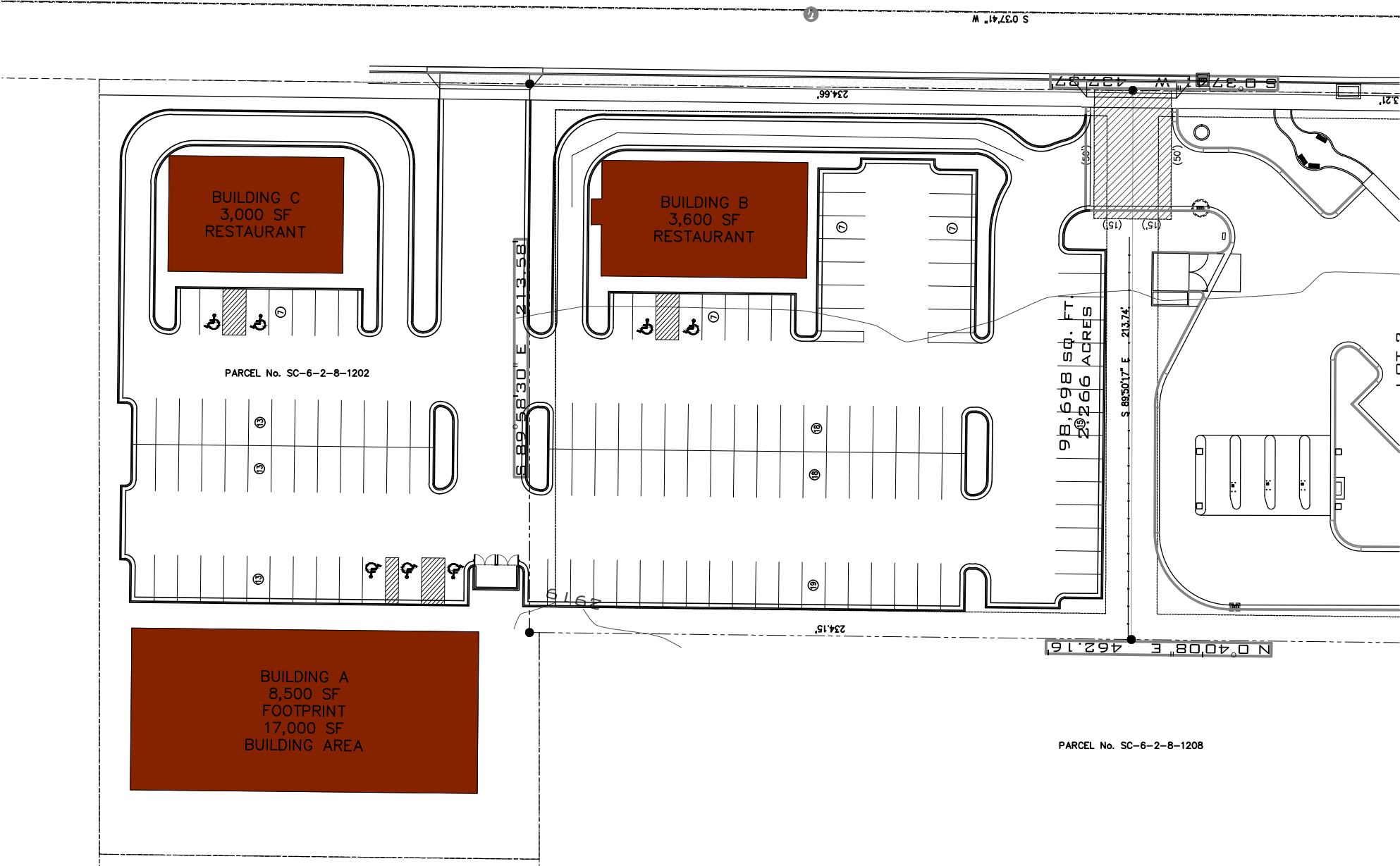
TO: Santa Clara City Council
FROM: Jim McNulty, Planning Manager
DATE: January 4, 2023
RE: Walkable Commercial District Discussion Item 6

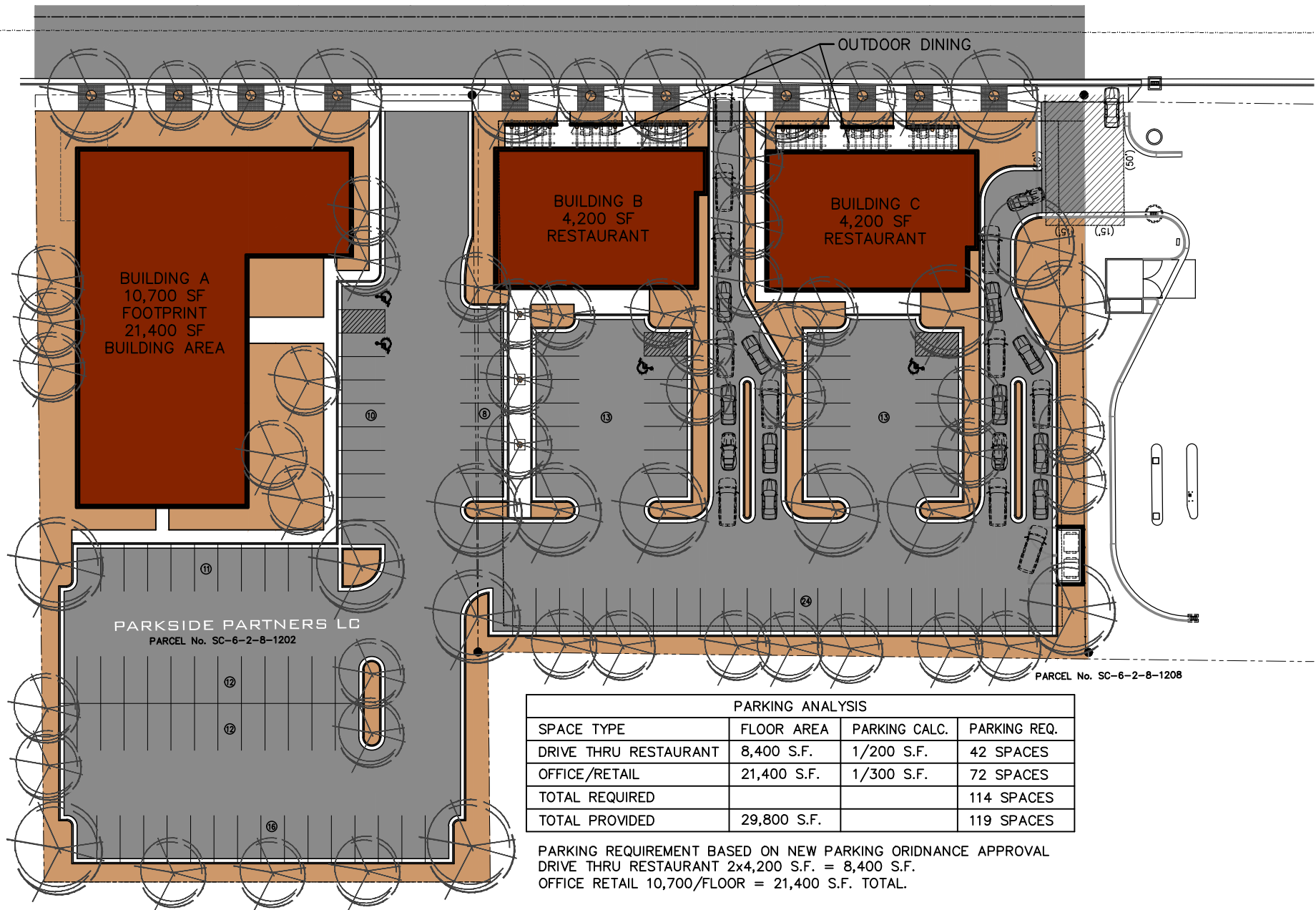
Jeremy Call, architect, resident, and former Planning Commission member would like to discuss a "Walkable Commercial District" with the City Council. Currently, the city has two commercial zones in place including the Commercial Zone, and the Planned Development Commercial Zone.

Mr. Call would like the city to consider adopting an ordinance that allows for more walkable commercial development. This is intended to be a discussion item only. Jeremy would like approximately 20 minutes to address the City Council followed by some Q & A. Planning staff will also be prepared to discuss the item with the Council and the applicant. A copy of the submitted information has been included in the packet.

Mr. Call had a discussion with the Planning Commission on December 15, 2022. In general, the Planning Commission was supportive of potentially allowing for a new commercial zone.

RACHEL DRIVE
(A 60.0' PUBLIC STREET)





Add the following section:

17.66.060: WALKABLE COMMERCIAL DISTRICTS:

Commercial and mixed use development in the following areas shall meet the requirements of this section with the intent to create pedestrian friendly walkable environments:

1. Commercial development near the Harmon's store.
2. Commercial development on at vacant parcels near the Dutchman's store.

Any deviation from these requirements shall be approved by the Planning Commission. Deviations will be approved if the proposed design does a better job than the requirements herein of providing pedestrian safety, convenience, enjoyment and comfort, and it has a greater positive economic impact on the area. Other commercial developments in the City may also adopt these requirements with the exception that buildings in the historic district shall be compatible with the existing buildings and setbacks.

A. Lot density:

Density is vital to walkability. If shops are spread out in favor of open space and parking, then walking becomes inconvenient and traveling by vehicle will dominate the area. In order to promote walkability, sites shall be designed to maximize density per acre while maintaining character, adequate landscaping and appropriate open space. Typical densities should be 20,000 s.f. of floor area per acre plus or minus 20%.

B. Minimum lot area No minimum

C. Minimum zone area No minimum

D. Yard setbacks, unless otherwise approved by the Planning Commission.

- | | |
|-------------------------|---|
| 1. Front | 15 feet typical (Wider where required for bicycle lanes or enlarged outdoor dining) |
| 2. Side facing a street | 15 feet typical (Wider where required for bicycle lanes or enlarged outdoor dining) |
| 3. Interior side | No minimum. 15 feet max from driveway curb |
| 4. Rear | 10 feet minimum |

E. Building Height:

35 feet maximum height (45 feet if accepted by the City) with 2 stories minimum unless specifically approved by the Planning Commission. The third floor of any 3 story building shall be setback a minimum of 12' from the floor below on the street side.

F. Site Plan Approval:

1. In addition to the site plan requirements in section 17.66.060 above, the site plan shall show the following features that are part of the project:
bicycle lanes, pedestrian avenues, tree grates, street trees, street width, proposed sidewalk furnishings, and curb extensions.

G. Required design elements:

1. On Street Parking:

A. Where possible public streets in front of commercial storefronts shall be provided with parallel or diagonal parking to protect pedestrians and for convenience.

See Figure 17.66.060-1.

2. Street Trees:

A. All streets shall be lined with trees selected from the approved street tree list. Large trees shall be located in planters between on street parking unless planters are not permitted by the City. Typical spacing of large trees shall be every 3 parking spaces unless driveway spacing does not allow. Medium height trees shall be located in sidewalk grates between parking spaces at 22 feet to 36 feet o.c. max. Where planters cannot be provided between on street parking - large trees shall be planted in sidewalk grates at 90' o.c. maximum. Trees in sidewalk grates shall be 3'-4' from the back of the curb.

See Figures 17.66.060-1 and 17.66.060-3.

A. Street tree planting details shall comply with the City's standards.

3. Location of off-street parking:

A. Off street parking shall be located behind new buildings. New buildings shall front the street. See Figure 17.66.060-2.

4. Traffic Lanes:

A. Streets shall be designed with one motorized vehicle lane in each direction unless more lanes are required by the City or State. See Figure 17.66.060-2.

5. Sidewalks:

A. Sidewalks shall be a minimum of 10' wide. The throughway zone shall be 7' minimum. See Figure 17.66.060-3.

6. Storefronts:

A. Building walls facing the streets shall have windows, recesses and other relief. Main floors shall have storefronts facing the street. Retail, restaurant and other engaging activities are encouraged on the main floor. Residential and office occupancies are typically located on the 2nd floor. Blank walls shall not be permitted to face the street. See Figure 17.66.060-2.

7. Continuity:

1. Sites shall be designed such that building facades are continuous along the street frontage. The distance between buildings fronting streets shall be a maximum of 21' except at access drives where a maximum of 58' is permitted. See Figure 17.66.060-1.

2. The maximum length of the main floor of buildings shall be 200'. A pedestrian avenue or combination vehicle/pedestrian access shall be provided at 250' max. o.c. to allow for access between the street and the parking lot. Access through buildings may be approved by the Planning Commission where single tenant buildings require longer storefronts.

H. Design elements that are required where feasible:

1. Curb Extensions:

A. Street corners shall have curb extensions to decrease the distance between curbs and improve safety. See Figure 17.66.060-2.

2. Bicycle Lanes:

A. Where existing street width permits or where required for safety or as required by the master road plan, bicycle lanes shall be provided.

See Figure 17.66.060-2.

3. Traffic Lane Width:

A. Traffic lanes and turning lanes shall be 10 - 12 feet wide or as required by the City for the specific location. See Figure 17.66.060-2.

4. Curb Ramps:

A. Vehicle access between buildings shall be limited to one or two major ingress/egress approaches.

5. Medians:

A. Where permitted by the City landscaped medians shall be provided in the street.

6. Number of stories:

A. Buildings should be 2 or 3 stories tall (except in the Historic District).

FIGURE 17.66.060-1

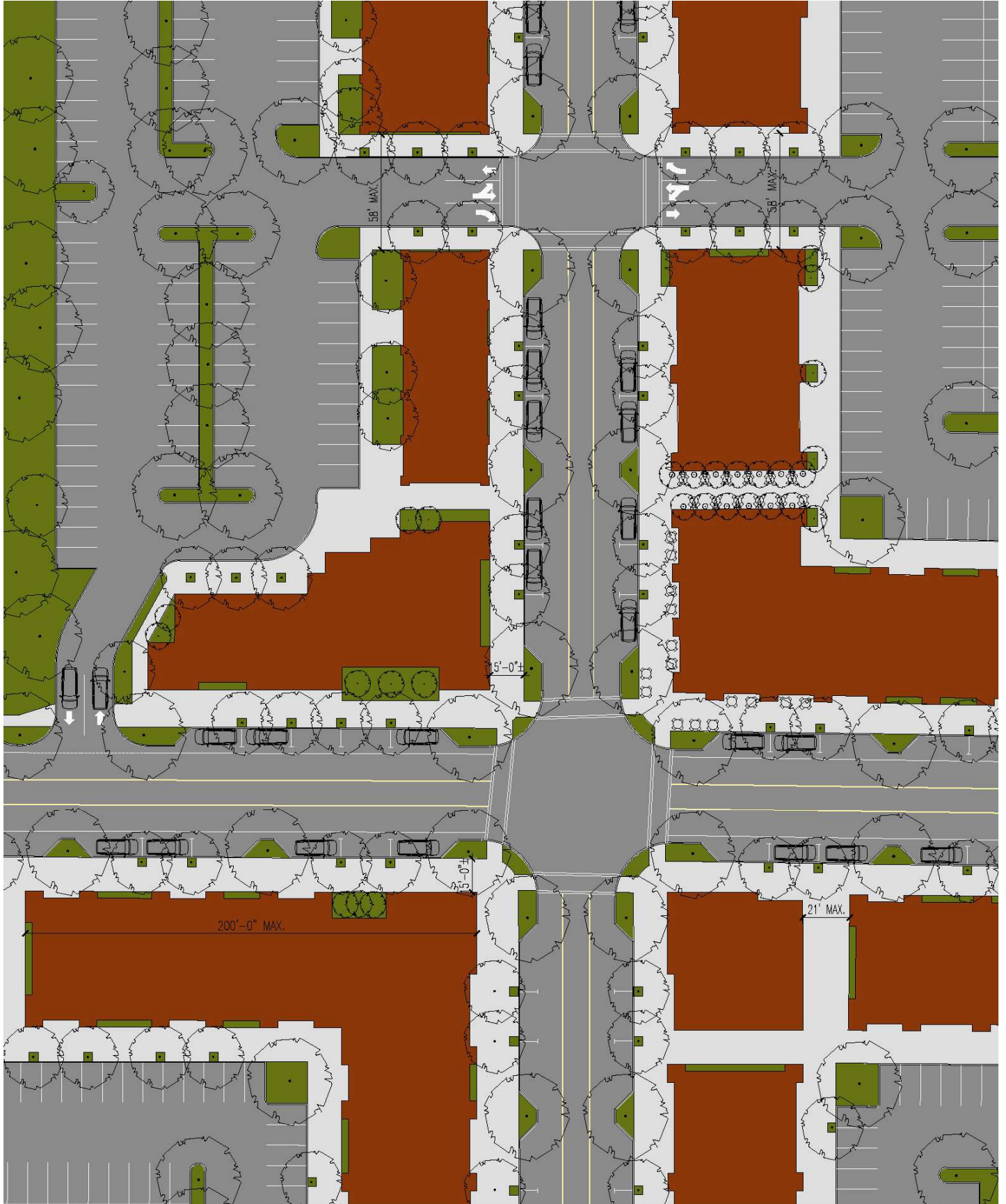


FIGURE 17.66.060-2

WALKABLE STREET DESIGN

TREE LINED STREETS protect pedestrians from cars, provide shade, beautify the streetscape, reduce vehicle speeds, reduce driver and pedestrian stress, define the pedestrian space and help create a pedestrian scale sidewalk.

PEDESTRIAN AVENUES spaced a maximum of 200' apart to provide areas for dining and access to parking in the back.

PLANTERS WITH TREES between parking reduces the street width which reduces vehicle speeds and allows more shade on the asphalt reducing maintenance costs.

ONE LANE OF TRAFFIC in each direction maintains a narrow street width and reduces pedestrian exposure when crossing the street.

PARKING ON THE STREET protects pedestrians, provides convenience parking and defines the pedestrian space.



CURB EXTENSIONS at cross walks (bulb outs) shorten the length of crosswalks making it safer to cross the road.

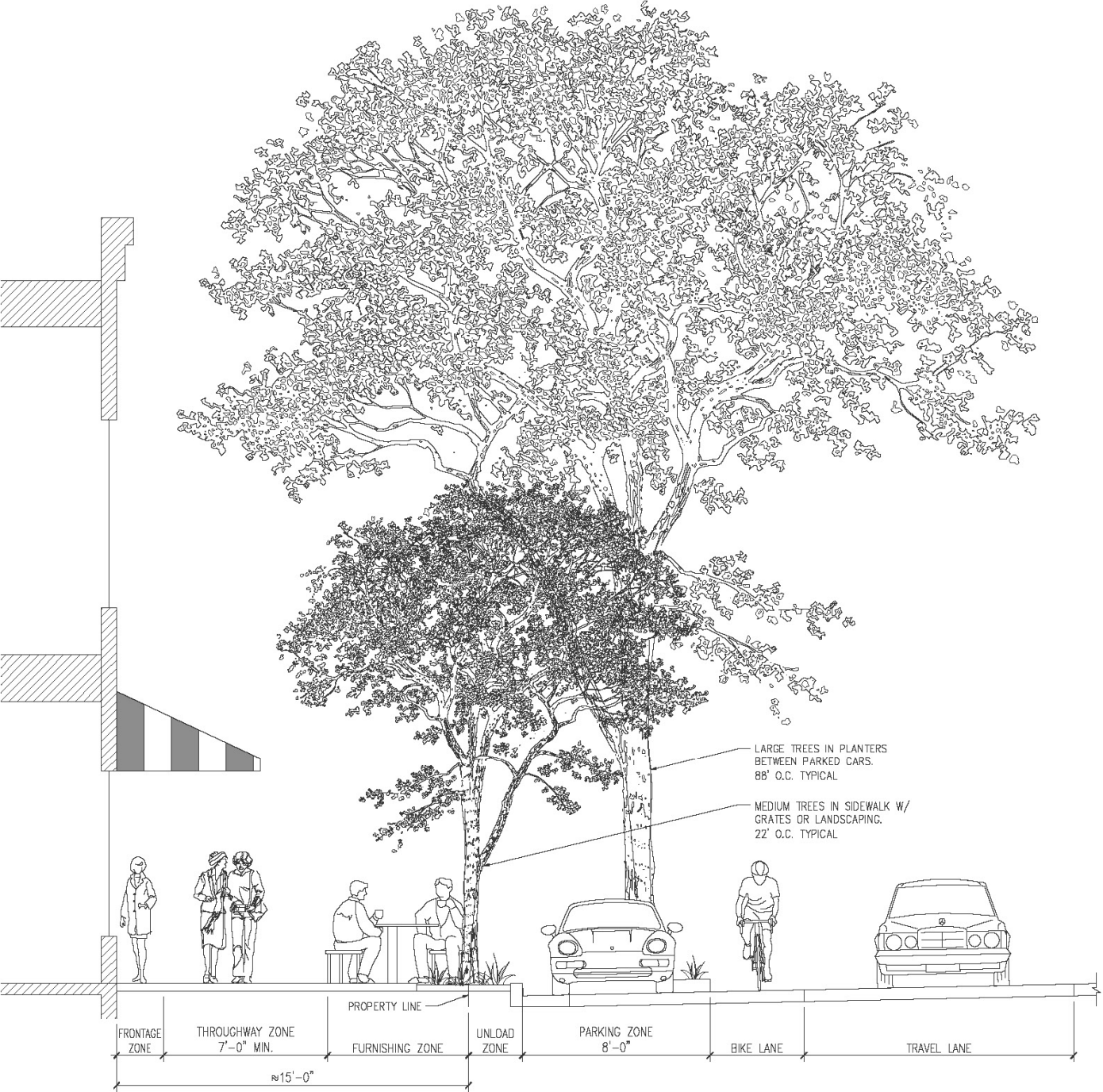
WIDER WALKS allow for the inclusion of landscape, window shopping, dining and multiple pedestrians to walk and pass side by side.

CONTINUOUS BUILDINGS along the length of the street with minimal driveways decreases pedestrian exposure to traffic and increases pedestrian comfort.

LOCATING PARKING LOTS AT THE BACK OF SHOPS and cutting back on the number of required parking spaces reduces heat island effect, beautifies the street, increases property value and allows pedestrians to walk by storefronts which increases sales and tax revenue.

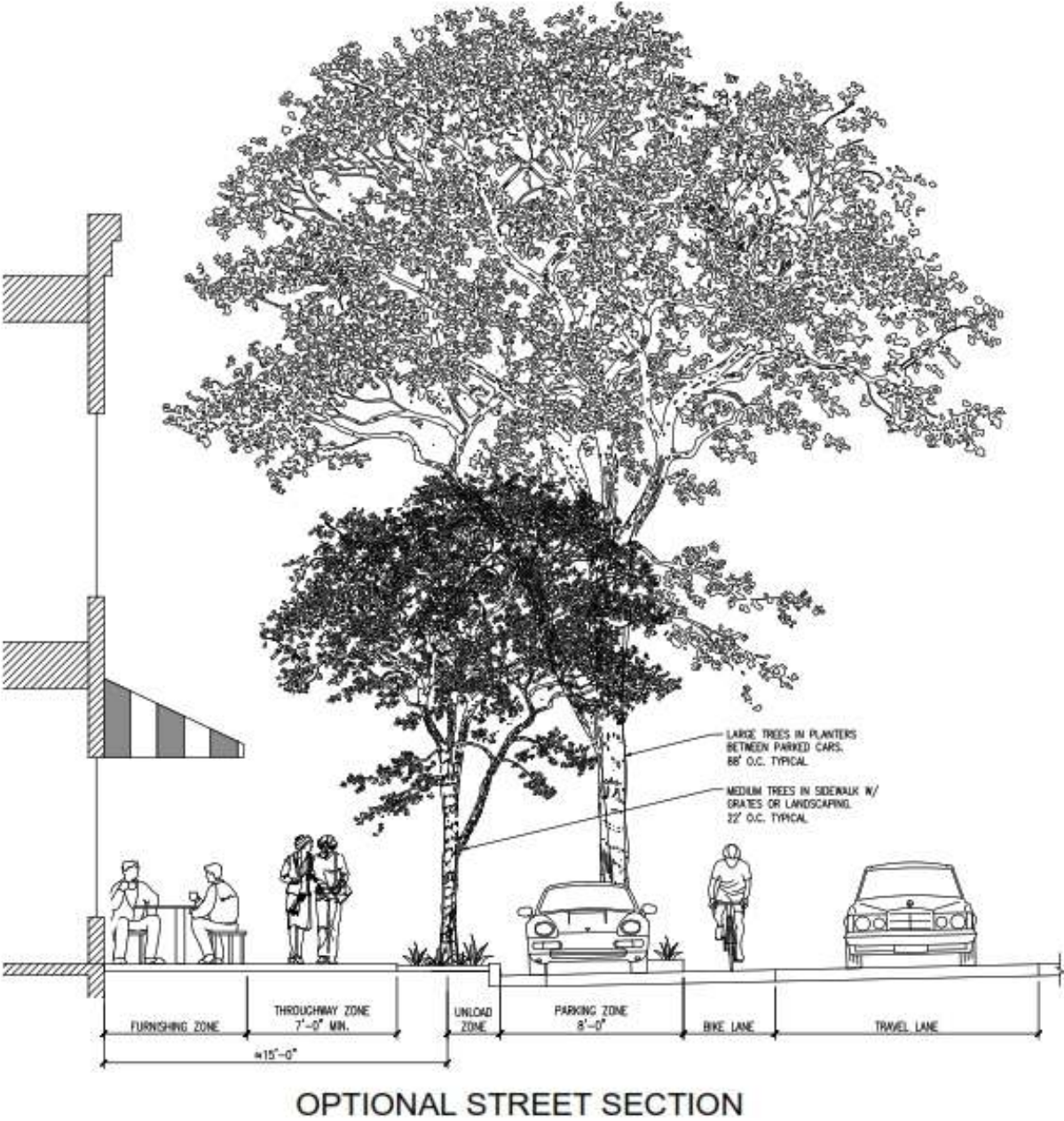
STOREFRONTS ADJACENT TO WALKS increase window shopping, socializing, and spending. it also defines the pedestrian way and is essential to creating the outdoor room which makes pedestrians feel more comfortable.

FIGURE 17.66.060-3



TYPICAL STREET SECTION

FIGURE 17.66.060-4



Add the following paragraph to section 17.32.020:

C. A parallel parking stall located on a street with a 24" clear space for opening doors on the curb side shall be a minimum of 8'-0" wide x 22'-0" long exclusive of travel lanes.

Revise Table 17.32.050 as follows to decrease heat sinks and waste, and increase revenue, comfort, and affordability:

Business, retail, or professional offices: 1/300

Banks and Credit Unions: 1/400

Restaurants: 10 spaces minimum or 1/100 for dining space and 1/300 for kitchen/office space, whichever is greater.

Tennis, handball, racquetball, and pickleball courts: 6 spaces minimum, or 2 spaces per court, whichever is greater.

Art Studios: 1/400

Add the following paragraph after Table 17.32.050:

A maximum 30% reduction in the required number of off-street parking spaces shall be permitted for commercial buildings located in walkable districts that comply with the requirements of Section 17.66.060. The allowable reduction in parking shall be based on the following:

A. The number of required parking spaces may be reduced by 19.5% if all of the following requirements are met:

1. Tree lined streets (trees located between pedestrians and vehicles)
2. Parking at the back of shops
3. Storefronts and/or outdoor dining adjacent to the sidewalk
4. 10' wide Sidewalks (wider w/ dining)
5. One traffic lane in each direction (where possible)
6. Buildings continuous along the length of the street.
7. Commercial businesses, retail, restaurant, art shops, etc. on main floor. Offices or residential on 2nd floors.
8. Where possible parking shall be provided on the street.

B. The number of required parking spaces may be reduced by an additional 1.5% for each of the following requirements that are met:

1. Planters with large shade trees between on street parking (90' o.c. max.) and at bulb outs.
2. Curb extensions at cross walks (bulb out).
3. Bike Lanes.
4. No side curb ramps.
5. 10'-12' wide traffic lanes.
6. Medians with landscape and trees where required.
7. 2 or 3 story buildings.

SANTA CLARA, UTAH

REDUCED PARKING PROPOSAL

A PROPOSAL TO ENCOURAGE WALKABILITY AND
INCREASE THE VIABILITY OF COMMERCIAL DEVELOPMENT

By

The Citizens of Santa Clara



WHY WALKABLE ?

Benefits of walkable streets in commercial areas:

1. Increased physical activity
2. Increased social interaction with everyone in the community
3. Increased property values and tourism
4. Increased tax revenue
5. Increase in sales. People spend 12-20% more in tree lined walkable commercial districts.
6. Reduced crime
7. Reduced traffic speeds
8. Increased safety, comfort and happiness for pedestrians
9. Ability for all ages and abilities to access basic facilities, socialize & stay engaged
10. Increased visits by patrons
11. Reduced need for cars and an increase in lifestyle/affordability
12. Environmentally friendly

FOR MORE INFO VISIT: <https://smartgrowthamerica.org/resources/>



The typical strip mall

Typical strip mall developments with the buildings located behind parking lots creates an unattractive and unsafe environment for pedestrians. Locating the stores along Rachel Drive and Pioneer Parkway adjacent to the street will create a safer street for pedestrians, the majority of which are school children.

Reducing the width of a street is proven to reduce the number of accidents and reducing speeds has a significant impact on the severity of injuries.

The following design concepts create a barrier between pedestrians and vehicles, narrow the width of the street, naturally reduce traffic speeds and are proven to reduce the number of pedestrian/vehicle accidents and there severity:

1. Planting street trees
2. Pulling buildings to the street and locating parking at the back of shops
3. On street parking w/ planters
4. One traffic lane in each direction
5. Curb extensions at cross walks (bulb out)
6. Buildings continuous along the length of the street



WALKABLE STREET DESIGN

TREE LINED STREETS protect pedestrians from cars, provide shade, beautify the streetscape, reduce vehicle speeds, reduce driver and pedestrian stress, define the pedestrian space and help create a pedestrian scale sidewalk.

PEDESTRIAN AVENUES spaced a maximum of 200' apart to provide areas for dining and access to parking in the back.

PLANTERS WITH TREES between parking reduces the street width which reduces vehicle speeds and allows more shade on the asphalt reducing maintenance costs.

ONE LANE OF TRAFFIC in each direction maintains a narrow street width and reduces pedestrian exposure when crossing the street.

PARKING ON THE STREET protects pedestrians, provides convenience parking and defines the pedestrian space.

CURB EXTENSIONS at cross walks (bulb outs) shorten the length of crosswalks making it safer to cross the road.

WIDER WALKS allow for the inclusion of landscape, window shopping, dining and multiple pedestrians to walk and pass side by side.

CONTINUOUS BUILDINGS along the length of the street with minimal driveways decreases pedestrian exposure to traffic and increases pedestrian comfort.

LOCATING PARKING LOTS AT THE BACK OF SHOPS and cutting back on the number of required parking spaces reduces heat island effect, allows more floor area, beautifies the street, increases property value and allows pedestrians to walk by storefronts all of which increases sales and tax revenue.

STOREFRONTS ADJACENT TO WALKS increase window shopping, socializing, and spending. it also defines the pedestrian way and is essential to creating the outdoor room which makes pedestrians feel more comfortable.



PEDESTRIAN AVENUE



PROPOSED REDUCED PARKING REQUIREMENTS

The goal of this ordinance is to incentivize good design, enhance the beauty of the City, keep our streets safe, encourage the design of walkable streets, and increase revenue. Action needs to be taken quickly to prevent the type of development shown in the photo below.

The proposed ordinance would allow developers to reduce the number of required off street parking stalls by up to 30% if they implement the following walkable street design principles into their project:

- | | | |
|---|---|--|
| <ol style="list-style-type: none">1. Tree lined streets (trees located between pedestrians and vehicles)2. Parking at the back of shops3. Storefronts and/or outdoor dining adjacent to the sidewalk4. 10' wide Sidewalks (wider w/ dining)5. One traffic lane in each direction (where possible)6. Buildings continuous along the length of the street.7. Commercial businesses, retail, restaurant, art shops, etc. on main floor. Offices or residential on 2nd floors.8. Where possible Parking shall be provided on the streets | <p>= 19.5%
reduction in
parking</p> | <ol style="list-style-type: none">9. Planters with large shade trees between on street parking (90' o.c. max.) and at bulb outs = an additional 1.5% reduction10. Curb extensions at cross walks (bulb out) = an additional 1.5% reduction11. Bike Lanes (where possible) = an additional 1.5% reduction12. No side curb ramps = an additional 1.5% reduction13. 10'-12' wide traffic lanes = an additional 1.5% reduction14. Medians with landscape and trees where required = an additional 1.5% reduction.15. 2 or 3 story buildings = an additional 1.5% reduction |
|---|---|--|

Reducing parking will save developers a considerable amount of money which will allow them to implement the above design principles without any additional cost to their project. A typical one acre site requires about 54 parking spaces. Each parking space costs a minimum of \$8,000. Cutting out 16 spaces will save \$128,000 per acre. This money can then be used to provide trees, landscape planters, enhanced facades, wider sidewalks, pedestrian furnishings, more floor space, and street renovation where needed all at a net savings to developers. It will be a win win for developers and citizens of Santa Clara.

The City may also provide additional incentives to attract basic services such as reduced impact fees, etc.

The City can provide a site plan showing desired layout of streets, trees, driveways, building location, etc. to make it easy for developers to understand and implement.

The photo below represents what can be built under the current ordinance. This is what will likely happen if we do nothing.



LET'S MAKE IT HAPPEN!



Mayor
Rick Rosenberg

City Manager
Brock Jacobsen



City Council
Denny Drake
Leina Mathis
Ben Shakespeare
Jarett Waite
Christa Hinton

CITY COUNCIL

Meeting Date: January 4, 2023 Agenda Item: 7

Applicant: Santa Clara
City

Requested by: Cody Mitchell

Subject Second review of proposed Administrative Code Enforcement Ordinance.

Description:

The idea of adopting an Administrative Code Enforcement Ordinance was first introduced to the council on November 30, 2022. The initial discussion, as introduced was informative and productive. Due to the newness of this code enforcement concept, staff has elected to present this proposal for a second discussion and review. The intent of this discussion is to revisit the initial proposal answering additional questions and addressing any concerns,

Recommendation: Approval

Attachments:

Cost: N/A

Legal Approval: Yes

Finance Approval: N/A

Budget Approval: N/A

GENERAL PROVISIONS

SHORT TITLE:

This title shall be known as the *ADMINISTRATIVE CODE ENFORCEMENT PROGRAM*, the *ACE PROGRAM*, or *TITLE 4 OF THE SANTA CLARA CITY MUNICIPAL CODE*. It may be cited and pleaded under any such designation.

DECLARATION OF PURPOSE:

The city council finds that the enforcement of the city code and applicable state codes throughout the city is an important public service. Code enforcement is vital to the protection of the public health, safety, and quality of life. The city council recognizes that enforcement starts with the drafting of precise regulations that can be effectively applied in administrative code enforcement hearings and judicial proceedings. The city council further finds that a comprehensive code enforcement system that uses a combination of judicial and administrative remedies is critical to gain compliance with these regulations. Failure to comply with an administrative code enforcement action may require the city attorney to file a judicial action to gain compliance.

SCOPE:

The provisions of this title may be applied to all violations of the city code or applicable state codes which occur within the city. It has been designed as an additional remedy for the city to use in achieving compliance with such codes.

EXISTING LAW CONTINUED:

The provisions of this title shall not invalidate any other title or ordinance, but shall be read in conjunction with those titles and ordinances as an additional remedy available for enforcement of those ordinances.

CRIMINAL PROSECUTION RIGHT:

The city has sole discretion in deciding whether to file a civil or criminal case for the violation of any of its ordinances. The city may choose to file both, or one or the other. The enactment of this administrative remedy shall in no way interfere with the city's right to prosecute city ordinance violations as criminal offenses. The city may use any of the remedies available under the law in both civil and criminal prosecution. If the city chooses to file both civil and criminal charges for the same day of violation, no civil penalties may be assessed, but all other remedies are available.

EFFECT OF HEADINGS:

Title, chapter, part, and section headings contained herein shall not be deemed to govern, limit, modify, or in any manner affect the scope, meaning or intent of the provisions of any title, chapter, part or section hereof.

SEVERABILITY:

If any section, subsection, sentence, clause, phrase, portion, or provision of this title is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions of this title. The city council hereby declares that it would have adopted this title and each section, subsection, sentence, clause, phrase, portion, or provision thereof, irrespective of the fact that one or more sections, subsections, sentences, clauses,

phrases, portions, or provisions be declared invalid or unconstitutional. This section shall apply to all amendments heretofore or hereafter made to this title.

NO MANDATORY DUTY; CIVIL LIABILITY:

It is the intent of the city council that in establishing performance standards or establishing an obligation to act by a city officer or employee, these standards shall not be construed as creating a mandatory duty for purposes of tort liability if the officer or employee fails to perform his or her directed duty or duties.

GENERAL RULES OF INTERPRETATION OF ORDINANCES:

For purposes of this title:

- (1) Any gender includes the other gender.
- (2) "Shall" is mandatory; "may" is permissive.
- (3) The singular number includes the plural, and the plural the singular.
- (4) Words used in the present tense include the past and future tense, and vice versa.
- (5) Words and phrases used in this title and not specifically defined shall be construed according to the context and approved usage of the language.

DEFINITIONS APPLICABLE TO TITLE:

The following words and phrases, whenever used in this title, shall be constructed as defined in this section, unless a different meaning is specifically stated to apply:

ABATEMENT: Any action the city may take, or cause a responsible person to take, on public or private property as may be necessary to remove or correct a violation, including, but not limited to, demolition, removal, repair, boarding and securing or replacement of property.

ADMINISTRATIVE CODE ENFORCEMENT HEARING PROGRAM ADMINISTRATOR OR ACE ADMINISTRATOR: Any person authorized by the city to supervise, administer the administrative code enforcement hearing program, and enforce violations of the city code or applicable state codes.

ADMINISTRATIVE CODE ENFORCEMENT ORDER: An order issued by an administrative law judge. The order may include an order to abate the violation, pay civil penalties and administrative costs, or take any other action as authorized or required by this title and applicable state codes.

ADMINISTRATIVE LAW JUDGE: The administrative law judge appointed by the mayor and city council to preside over the administrative code enforcement hearings established herein.

CITY: Santa Clara City, a Utah municipal corporation, and the area within the territorial city limits of the city, and such territory outside of this city over which the city has jurisdiction or control by virtue of any constitutional or incorporation provisions or any law.

CITY CODE: The Santa Clara municipal code or other codes of Santa Clara City.

CITY COUNCIL: The city council of Santa Clara City.

CODE ENFORCEMENT PERFORMANCE BOND: A bond posted by a responsible person to ensure compliance with city code, applicable state codes, a judicial action, or an administrative code enforcement order.

CODE ENFORCEMENT TAX LIEN: A lien recorded to collect outstanding civil penalties, administrative fees and abatement costs.

CONSOLIDATED FEE SCHEDULE: The fee schedule adopted by the city council that sets forth civil penalties and costs applicable to enforcement of this title. The consolidated fee schedule is on file in the office of the city recorder.

ENFORCEMENT OFFICIAL: Any person authorized to enforce violations of the city code or applicable state codes.

FINANCIAL INSTITUTION: Any person that holds a recorded mortgage or deed of trust on a property.

GOOD CAUSE: Incapacitating illness; death; lack of proper notice; unavailability due to unavoidable, unpreventable or extenuating emergency or circumstance; if a required act causes an imminent and irreparable injury; and acts of nature adverse to performing required acts.

IMMINENT LIFE SAFETY HAZARD: Any condition that creates a present, extreme and immediate danger to life, property, health or public safety.

LEGAL INTEREST: Any interest that is represented by a document, such as a deed of trust, quitclaim deed, mortgage, judgment lien, tax or assessment lien, mechanic's lien, or other similar instrument that is recorded with the Washington County recorder's office.

NOTICE OF COMPLIANCE: A document issued by the city, representing that a property complies with the requirements outlined in the notice of violation.

NOTICE OF SATISFACTION: A document or form approved by the administrative law judge or his or her designee, which indicates that all outstanding civil penalties and costs have been either paid in full, or that the city has negotiated an agreed amount, or that a subsequent administrative or judicial decision has resolved the outstanding debt. In addition to the satisfaction of the financial debt, the property must also be in compliance with the requirements outlined in the notice of violation.

NOTICE OF VIOLATION: A written notice prepared by an enforcement official that informs a responsible person of code violations and orders the responsible person to take certain steps to correct the violations.

OATH: Includes affirmations and oaths.

PERSON: Any natural person, firm, joint venture, joint stock company, partnership, association, club, company, corporation, business trust, organization, or the manager,

lessee, agent, sergeant, officer, or employee of any of them, or any other entity that is recognized by law as the subject of rights or duties.

PROPERTY OWNER: The record owner of real property based on the county assessor's records.

PUBLIC NUISANCE: Any condition caused, maintained or permitted to exist that constitutes a threat to the public health, safety and welfare, or that significantly obstructs, injures or interferes with the reasonable or free use of property in a neighborhood or community or by any considerable number of persons. A "public nuisance" also has the same meaning as set forth in Utah Code Annotated and this code.

RESPONSIBLE PERSON: A person who is responsible for causing or maintaining a violation of the city code or applicable state codes. The property owner, tenant, person with a legal interest in the real property, or person in possession of the real property shall be liable for any violation maintained on the property. In all cases, the property owner shall be considered a "responsible person".

WRITTEN: Includes handwritten, typewritten, photocopied, computer printed or facsimile. (Ord. 2005-10, 2005)

4.01.111: ACTS INCLUDE CAUSING, AIDING AND ABETTING:

Whenever any act or omission is made unlawful in this title, it shall include causing, permitting, aiding, or abetting such act or omission.

SERVICE REQUIREMENTS

SERVICE OF PROCESS:

(1) Whenever service is required to be given under this title for enforcement purposes, the document shall be served by any of the following methods, unless different provisions are otherwise specifically stated to apply:

- (a) Personal service;
- (b) Regular mail, postage prepaid, to the last known address of the owner or other responsible person;
- (c) Posting the notice conspicuously on or in front of the property. If not inhabited, the notice must also be mailed as in subsection (1)(b) of this section. The form of the posted notice shall be approved by the ACE administrator or his or her designee; or
- (d) Published in a newspaper of general circulation where the identity or whereabouts of the person to be served are unknown and cannot be ascertained through reasonable diligence, where service is impracticable under the circumstances, or where there exists good cause to believe that the person to be served is avoiding service of process.

(2) Service by regular mail in the manner described above shall be deemed served on the fifth day after the date of mailing.

(3) If service complies with the requirements of this section, it shall be deemed a valid service even if a party claims not to have received the service and it shall not affect the validity of any proceedings taken under this title.

(4) The failure to serve all responsible persons shall not affect the validity of any proceedings.

CONSTRUCTIVE NOTICE OF RECORDED DOCUMENTS:

Whenever a document is recorded with the Washington County recorder as authorized or required by this title or applicable state codes, recordation shall provide constructive notice of the information contained in the recorded documents.

GENERAL AUTHORITY AND OFFENSES

GENERAL ENFORCEMENT AUTHORITY:

Whenever the ACE administrator or any enforcement official finds that a violation of the city code or applicable state codes has occurred or continues to exist, the appropriate administrative enforcement procedure may be used as outlined in this title. The ACE administrator or enforcement official has the authority and power necessary to gain compliance with the provisions of the city code and applicable state codes. These powers include the power to issue notices of violation and administrative citations, inspect public and private property, abate public and private property, and use whatever judicial and administrative remedies are available under the city code or applicable state codes.

ADOPTION OF POLICY AND PROCEDURES:

The administrative law judge is authorized to develop policies and procedures relating to the hearing procedures, scope of hearings, subpoena powers, and other matters relating to the administrative code enforcement hearings program.

FAILURE TO OBEY SUBPOENA:

It is unlawful for any person to refuse or fail to obey a subpoena issued for an administrative code enforcement hearing. Failure to obey a subpoena constitutes contempt and may be prosecuted as a class B misdemeanor.

From: [Santa Clara City](#)
To: [Katie Casselman](#); [Chris Shelley](#); [Brock Jacobsen](#)
Subject: City Council Action Application Form submitted on Santa Clara City by [990] ITEM 8
Date: Tuesday, December 27, 2022 3:10:36 PM

Meeting Type	CITY COUNCIL
User ID	Debbie Bannon
Date Submitted	December 27, 2022
Requested Meeting Date	January 4, 2023
Applicant	Debbie Bannon
Subject	Fiscal Year 2023-2024 Budget Calendar
Background Description	To review and approve the dates set for this upcoming Fiscal Year 2023-2024 Budget Preparation Calendar.
Proposed Recommendation (drop-down select)	Approval
Cost	0
File Upload	https://s3.us-west-004.backblazeb2.com/sccity/formidable/21/Budget-Prep-Schedule-FY-23_24.pdf
Approved by Legal Department (drop-down select)	N/A
Approved in Budget? (drop-down select)	N/A
Approved by City Finance Department? (drop-down select)	Yes
Requested By	Debbie Bannon

CITY OF SANTA CLARA
FISCAL YEAR 2023-2024 - BUDGET PREPARATION CALENDAR

DATE	EVENT DESCRIPTION
January 11	Approval of budget preparation schedule by Mayor & City Council
February 16	City Manager Conducts Budget Workshop with Council & Staff Mayor & Council Budget and Fiscal Year Goals Due
February & March	City Manager Conducts Budget Reviews with Directors
March 23	Capital Project Budgets, Operating Budgets and Salaries & Benefits requests due
March 30	County notified of date, time and place of public hearing for any potential tax levy increase (59-2-919 (7) (a))
March 1 through March 31	City Manager completes preparation of the Tentative Budget and computes the Tentative Millage Rate necessary to support the proposed Tentative Budget
April 5	Work Meeting to Review and Discuss the Proposed Tentative Budget
May 3	Work Meeting to Review Tentative Budget
May 10	Tentative Budget and Tentative Millage Rate submitted to City Council (10-6-111(1)) Tentative Budget tentatively adopted by City Council (10-6-111(3)) and Public Hearing date set for adoption of Tentative Budget (10-6-113) Issue notice to Spectrum of Public Hearing (Published 7 days prior to Public Hearing) to consider adoption of Tentative Budget for FY 2023-2024 (10-6-113)
May 24	Public Hearing on Tentative Budget for FY 2023-2024 Issue notice to Spectrum of Public Hearing (Published 7 days prior to Public Hearing) to consider adoption of Tentative Budget for FY 2023-2024 (10-6-113) Tentative budget made available for public inspection a minimum of 10 days prior to adoption of final budget (10-6-112)
June 7	Work Meeting to Review Budget

DATE	EVENT DESCRIPTION
June 14	Public Hearing on the Final Budget for FY 2023-2024 (10-6-114) If no increase in tax levy, legislative body may adopt Final Budget by Ordinance for FY 2023-2024 (10-6-113-118) Adopt proposed <u>or</u> final tax rate by resolution or ordinance (59-2-912) (10-6-133)
June 28	If necessary, due to input received at public hearing, City Council adopts Budget and Tax Rate
June 7	Forward proposed or certified Tax Rate to County Auditor (10-6-134)
Prior to July 13	Final certified copy of budget filed with State Auditor within 30 days after adoption (10-6-118)
	<u>NOTE</u> : If the City decides to increase the tax levy, the City would not adopt the budget in June. In the event of an increase in the tax levy, the following additional steps would be undertaken:
July 21	Last day for County Auditor to notify each owner of real estate within City Limits regarding proposed increase in Tax Levy (59-2-919 (4))
July 21	Issue public notice of Public Hearing for adoption of FY 2023-2024 Tax Levy (59-2-919)
August 09	Mayor and Council hold Public Hearing on proposed augmented tax levy (59-2-919) Mayor and Council adopt Resolution approving augmented tax levy (59-2-919) Mayor and Council adopt Ordinance approving Final Budget
August 10	Forward resolution adopting augmented Tax Levy to County Auditor (59-2-920)