

COUNCIL WORK MINUTES
OCTOBER 19, 2016

The City Council held a meeting on Wednesday, October 19, 2016, at 5:30 p.m., in the Council Chambers, 10 North Main Street, Cedar City, Utah.

MEMBERS PRESENT: Mayor Maile Wilson; Councilmembers: Ron Adams; Paul Cozzens; Terri Hartley; Craig Isom; Fred Rowley.

STAFF PRESENT: City Manager Paul Bittmenn; City Engineer Kit Wareham; City Attorney Tyler Romeril; City Recorder, Renon Savage; Finance Director Jason Norris; Police Lieutenant Jimmy Roden; Public Works Director Ryan Marshall; HR Specialist Natasha Hirschi; Leisure Services/Events Director Bryan Dangerfield; Project Engineer Jonathan Stathis; Director of Golf Jared Barnes; Heritage/Festival Hall Manager Jason Clark; Aquatics Manager Chris Hudson.

OTHERS PRESENT: Jarom Hlebasko, Christopher Daughton, Jeremiah Davis, Kevin Davis, McKayla Zufelt, Kaleigh Bronson, Hannah Klassen, Samantha Nakken, Christopher Holdsworth, Jillian Sorah, Rayn Adams, Danielle Reeves, Chloe Wilson, Clara Barnes, Sarah Sun, Maisie Elison, Gracia Allen, Alisen Allen, Douglas Hall, Tom Jett, Karly Carlile, Haley Vanhille, Stephanie Keliipuleole, Cassidy Clements, Iris Grant, Burgess Milner, Tabytha Daughton, Christopher Daughton, Susan Lewis, Dyllan Adair, Abraham Brower, April Reeves, Chris Reeves, Mary B. Pearson, Sara Pearson, Brad Green, Kelsie Morgan, Ty Morgan, Chelsie Keel, Lindsie Wilson, Holly Carpenter, Brooklyn Messer.

CALL TO ORDER: Councilmember Cozzens gave the invocation; the pledge was led by Councilmember Adams.

AGENDA ORDER APPROVAL: Councilmember Isom moved to approve the agenda order; second by Councilmember Adams; vote unanimous.

ADMINISTRATION AGENDA – MAYOR AND COUNCIL BUSINESS; STAFF COMMENTS: ■Rowley – Cedar City has the most effective Lighthouse, when put in was there a requirement for maintenance or care taking. Hartley – the dental office owns it. ■Mayor – Tomorrow is the Canyon Creek Women’s Crisis Center where a list of restaurants will donate a percentage of proceeds to the Center. Chief Phillips gave a tour and update of the fire, evacuated residents can return to their home, 1100 acres have burned; there is 550 individuals on the fire. Our crews are there. Dancing with Community Stars is November 3rd at 6:30. Jen Weaver from Leisure Services, Mike Blake and Darin Adams from the Police Department, all have to sell tickets, proceeds go to Children’s Justice Center. Heritage and Livestock Festival/Sheep Parade is October 29th at 10:00 a.m. ■Swear-in Youth City Council. Chris Holdsworth, Mayor - last Saturday we helped at the Fall Festival at the Diamond Z Arena. We get to go to Legislative Day in Salt Lake and have discussion which was about body cams last year. It is a valuable program and I am glad to be able to participate. The following are

members: Chris Holdsworth, Mayor CHS; Sarah Sun, City Administrator CHS; Samantha Nakken, City Manager CHS; Hannah Klassen, Recorder CHS; Alisen Allen, Treasurer CHS, and Jullian Sorah CHS, Maisie Elison CHS, Garcia Allen CHS, Danielle Reeves CV, Thalese Barnes CHS, Chase Garrett CHS, Clara Barnes CHS, Tracey Jones CHS, Chloe Wilson CHS and Rayn Adams CHS, Council Members. Kaleigh Bronson, Advisor – we are very excited, we are meeting every other Wednesday. We have a wonderful energy and ideas for service projects and community events.

PUBLIC COMMENTS: ■Tom Jett – I want to recognize the efforts and one or more of these young people will be replacing others and setting up here. Watch them, they will be the future leaders and it is wonderful that they give of their time to do this. ■Chloe Wilson - I am aiding career teacher by stacking biology text books and wants me to throw them away, not old and are nice. If you have ideas for those books it would be great. Rowley – the shipping of the books is the hard thing. I thought there was a company that would buy used text books.

REVIEW VICINITY PLAN FOR SOUTHRIDGE CONDOMINIUM PROJECT AT 595 SOUTH 75 EAST (OLD HOSPITAL PROPERTY). KIT WAREHAM/ HEIDEMAN, BUSH & GUDGELL:

Kit – there is not a representative here. It is a proposed PUD condominium at the old hospital property. It is the old clinic that was at the northwest of the building. There are 8 units in the building they are planning, some are already rented out. They want to be able to sell each unit separately. Some will be residential and some are commercial. Rowley – nothing is going to change other than people can purchase their individual units. Kit – the existing landscaping is there and there won't be any additional required. We will check out the public improvements. Rowley – there are still parts derelict and uninhabited? Kit – yes and it is not part of this. The advertisement and notices went out as well as a sign posted on the property. One person came to Planning Commission to comment, only to see what was going on. It is a CC zone. Hartley – you can have residential? Kit – yes if it doesn't exceed 50% of the floor space. The use won't change. Consent.

CONSIDER ANNUAL LEASE AGREEMENT WITH YETI, INC. TO OPERATE AN ICE RINK ON CITY PROPERTY. BRYAN DANGERFIELD/YETI:

Bryan – a few weeks ago we met with Kerry Fain of YETI to go over the annual agreement and had some changes. Chris Hudson, Tyler, I and Kerry were present. We talked about a Winter Classic to have a formalized hockey competition. Changes from previous agreements was that we have RAP Tax for a changing room behind the Ice Rink, there will be mats put down so they can walk in their skates. We will allow female players access to the locker rooms without skates on. We also have an outdoor changing area. Cozzens – will there be an exterior door cut in? Bryan – they can go in the glass doors and take a left. We will require them to put the mats down. We will also allow them to have concession sales and split 50%. Rowley – we have been trying to do this the past two years. Bryan – the pool will still get the upfront concessions, us having two did not pan out. Rowley – you need one outside. Bryan – they have volunteers do that. We will allow them to do it outside to minimize damage indoors. Those are the main changes. Cozzens – I like having the insurance up front because we have had problems with that in the past.

Rowley – I can't imagine them using \$500 a month in natural gas. Paul – we had a formula taking the Aquatic Center use of gas before the rink and after. That became very cumbersome. A year ago we met with YETI and \$500 a month was agreed on to streamline the process. Cozzens – when then had a power meter we were overcharging them. Isom – can you help us understand the revenue stream, we have taken 5% gross revenues, now add concessions and take 50%, can we simplify that. How are the accountable to us? I love what they are doing; I just want it to be simple. Do you know why we decided 50% on concessions and 5% on gross? Bryan – in everyone's mind it was easier to leave separate. They were very generous in the 50%. Rowley – they will be pulling away from our snacks. Bryan – we feel having concessions on the ice they will do better and people won't use our concessions. Isom – I am not taking exception to the concession, I am looking at our opportunity to work with them, I just wasn't sure why the two different basis. They provide financials each month. Hartley – who review that, where is the checks and balances? Bryan – they come in with their daily take and show expenses and receipts. Chris Hudson – they give us a report from their system and give us the numbers and we let them know what they owe us. It goes through Staheli West they also get a percentage. They manage the sales and report to us and charge off the report. Rowley – I saw a requirement that everyone park in the parking lot east of the building, what about the lake parking for grandmas? Chris – I think it will be open, it was to not have them park in the service road. The fence has worked well. Cozzens – we haven't had a problem with the temporary fence. Is the natural gas bill for the Zamboni and the loss of the heat from the building? Chris – yes, Rick Holman worked with Ruth on that, there was question on how much because some years are warmer than others. We had a gas leak also. We came up with a flat rate so they don't incur costs of gas break or some other problems. The power bill came down from \$3,000 per month to about \$1,800 per month, it is a better situation. Rowley – there is also a requirement for nets to protect the building. Do pucks hurt the wall? Chris – not our building, it is for the houses to the east. Rowley – I do like that they tidy up the area in the summer. Hartley – on the square system, does it track the cash? Chris – yes. Hartley – also I was confused on the locker rooms. Chris – the changing room is from RAP Tax. Some teams have 1 or 2 girls and we don't want them changing with the guys so we will allow them to use the locker room. They will have to put their skates on outside. Rowley – what about skate covers? Chris – for the changing area they will have mats, the biggest problem we had a skater that doesn't own their skates, but uses rentals they don't care. Paul – could we not put a bench inside by the mats so they can set down and put their skates on? Chris – yes. Hartley – can you send us last year's revenues? Chris – yes, I can have Ruth send that to you. Hartley – has it always been \$500 or 5% whichever is greater? Chris – it was \$300, but YETI suggested the increase last year. Rowley – it was a great partnership. 19,000 customers and \$75,000 gross revenue last year. They also pay \$500 gas bill and power usage. Action.

CONSIDER BIDS FOR THE LEISURE SERVICES MASTER PLAN STUDY.

BRYAN DANGERFIELD: Bryan – this has been considered for a long time, the last Master Plan was in 1999. We did an RFP and put it on Bidsync, 20 looked 8, downloaded and 2 put in a bid, Sunrise Engineering and MGB&A. we put a committee together, Bruce Barclay, Chair of Board, Austin Bingham, Chris Hudson and myself and

we scored them on capabilities, qualifications of staff, understanding of project, staff. Both bids were \$25,000. Both firms are qualified and it was difficult. We went through every line item, scored and talked about it and in every case one firm came out ahead, and the committee recommended MGB&A, they did the study in 1999 which had nothing to do in the scoring. Cozzens – Sunrise is an engineering company, is that an area of expertise? Bryan – they have done a lot of master plans mainly in Washington County. MGB&A has done several. They took great detail in what they required of staff to keep the price down. We had one company that said it would be \$100,000 without staff involvement. We didn't want to get into this and not have that outlined. Cozzens – I have worked with Sunrise and they are a great firm. I hope we can work with them in the future. When we look at a Master Plan study we want to have town hall meetings whether you are a walker, hockey player, etc. we will look at 5, 10 and 20 year increments. The next process will be to prioritize not to just build, but to maintain. 82.5 and 80.5 MGB&A and Sunrise. Rowley – will the Cross Hollow pit be looked at for a park or did we clear that out with the Armbrust Family? Paul – it still needs to be a recreational amenity. Bryan – I asked staff to make an inventory of areas interested in a venue and someone on the advisory committee from Planning Commission or Engineering, we want to look into all sports organizations, SUU and ICSD and see where we can work together. Rowley – we talked about BMX or Frisbee area so during floods it could be easily restored. Bryan – I have seen that in Las Vegas in their flood controls used for soccer. Paul – our problem with grass is we get a lot of sediment and rocks. Mayor – this will be part of the big plan. Bryan – this should be our marching orders. We need to have a 20-year plan in place and know what the community wants. It could change overnight with a new company coming in. it is a big picture and we want to encourage. We will have surveys on our website in addition to town hall meetings. Consent.

CONSIDER BID FOR FESTIVAL HALL CARPET. JASON CLARK/STEVE DECKER:

Jason – we sent out RFP and delivered 3 hard copies to various supply contractors in the area and only received one bid back from Pioneer. This is a joint project with the City Council and County Commission. County owns Festival Hall but administered by the City. A few years ago the County Commission wanted it upgraded so we involved them in the process. We had three areas, hallways, room 7 (the large room), we could also have carpet stock if we have stains. If we do it all we are shy of \$52,000. Last I spoke with the Mayor the County would put forth \$24,000. If we do the entire project, the outstanding balance is \$27,956.22. area, enter in on the main floor, stair well, the hallway with the alcoves. We asked for material that is early in production run, it is about 5 years old, no one will guarantee they will make it forever, but it is selling well. We want to tie Festival Hall and the Theatre together, we hope to add additional rooms and the Theatre as well. Mayor – this includes room 7, the large room. Cozzens – there is an area with concrete shift that wears the carpet more. Jason – they originally did not have a basement, but because of that addition it is different surfaces. We could investigate looking into that, but I was going to wait until we replace that carpet. There is a rubber bullnose for the stairs. Part of the request was no splicing on the stairs. Rowley – is making the hallway tile is costlier or what? Jason – since we do have winter you have to put down several mats which is additional costs. This material

wears well and is stain resistant. We will also have a single carpet and get rid of the dark green boarder. Mayor – we needed to order some extra so that is the third page. The second page is the room at the end of the hall. The County did not want to do the offices, so when Jason Norris and I walked over we decided we should do it the right way so we wanted to do the offices. The County said \$24,000. Cozzens – how much RAP money? Mayor – that money went to the HVAC building. Paul – this is Festival Hall and it does not qualify for RAP. Jason – because of the odd shape of the hallway they needed to have a good chunk of time to do it, it will be between Christmas to New Years. The factory also has a lead time to get it here. The City is also on a July to June FY and County is January to December. The County money expires in December if we don't spend it. Rowley – what you put down fits, but replacements don't always fit. If you pull one up does it drop down the same? Jason – I am not a carpet professional. Hartley – we have that in our office and you can't tell. Doug Hall – I have looked into this extensively, the backing is stable and when they put it down it stays stable and stays in place. Jason Norris – since we did request RAP Tax money and it was not funded, it was not in the budget. We will pay this from capital improvement fund and will be part of the budget revision. Jason C. – we have made large strides working with the County, originally we paid for all of the maintenance. With bringing the County on board we are not having to fund the entire project which is where we were 2 years ago. Consent.

CONSIDER BIDS FOR THE SOUTH TANK FLOOR REPLACEMENT

PROJECT. JONATHAN STATHIS: Jonathan – this is an existing tank located on the hillside south of Home Depot. It was originally built in late 50's early 60's. We have been on a 3-year project to do the tanks. We will replace the steel floor and coat it. The low bidder is Stout Construction out of St. George. They have done work for us before and they do a good job. It is a big spread, if we hadn't worked with them before we would be concerned. They did the Cedar tank a few years ago, others done have been the Spilsbury and 3200 North tanks. Rowley – do we have to drain the tank? Yes. Rowley – did we spend a lot doing the lining? Jonathan – we worked with the Water Department on getting it drained. We will put down 4" of pea gravel and then another floor. Isom – the \$251,000 is what you estimated? Jonathan – yes, I had talked with tank contractors. The other companies from Salt Lake area which may be playing into the costs, it could be the cost for travel. Rowley – will the bottom have a treatment on it so the gravel does not rust blisters into it? Jonathan – the bottom of the floor is not coated. The edges we will drill holes for moisture. They recommended not putting the new floor on the old floor. Everything is within budget. Consent.

PRESENTATION ON WASTEWATER TREATMENT PLANT RETURN

EFFLUENT. JONATHAN STATHIS: Jonathan – we have looked at options for reusing effluent on the WWTP. In Cedar Valley overall the draw water is being over pumped. There is discussion on how much it is over pumped. (Presentation is attached as Exhibit "A"). There was discussion on the various options, and funding, which Jason indicated we don't have money to do any, all projects would have to be bonded. Rowley – Could we dig a pond out by the Plant to store the water? Mayor – we need time to do some research and come back with more information on the different options. Kit – we have 100 acre feet at the Lake at the Hills, you are looking storing 1,000 acre feet if you

do it out by the Treatment Plant. Jonathan – this is important to look at. These types of projects are not cheap. Kit had me add the operation and maintenance; we need to look at those costs. If we pump it back into town, it is a huge cost. Operation 1 really cuts down on those costs. Cozzens – going through the process, as a City we have a lot of water rights that are junior to 1935 dates. I don't think most people understand the predicament we are in. We have an obligation and are working on an advisory committee to educate the community on water. When we look at funds, we need to look at water, it should be our #1 priority.

Doug Hall – as you can see by this we are talking large dollar amounts. Most of this should be coming out of our water enterprise fund. We have been reticent in looking at rates that support this in the past. It is not popular thing but we have to face reality. This is a good example of why we need to look at water rates. We have been able to fund our O&M, but capital we have not been able to make rates sufficient to fund those projects. We will have to bite the bullet and do that one of these days and then we will have funds to do these types of projects.

Tom Jett – Doug is correct, but we have differing philosophy. The Water Conservation District was set up for this type of issues. The District is nonpolitical; no elected body so there is not conflicts to deal with this matter. Cedar City has an invisible line where the City and County begin and end. We all drink out of the same bowl. I would hope that this body continues to consider looking at the Water Conservancy District as a mechanism for funding this. Cozzens – I agree, but because Cedar City owns the water we need to look at this.

CONSIDER AMENDING THE RAP TAX ORDINANCE. TYLER ROMERIL:

Tyler – as our ordinance is written there is a statement that within a year of receiving the funds they have to be used or they are put back in the pot. Councilman Cozzens sponsored the amendment for a case by case approval for some entities to hold funds for larger projects that cannot be funded in one-year allocation. All that is amended is a sentence allowing the council to approve on a case by case basis. Do you want to extend them beyond a year, and which projects? Rowley – I think we leave it for any of the RAP recipients. Southwest Wildlife and YETI could have both benefited. Hartley – does the City hold the funds in reserve or do you disburse them? Does it need more detail? Tyler – as written the funds are allocated, annually they have to make a report that they are still there, if not they are in violation of the RAP agreement. Cozzens – it is at the risk of the entity because they may not get funds each year. However, the City should hold the funds. Jason – we only release the funds when a portion of their project is completed. I would earmark the funds. The only argument for outside groups, if they are not ready to go and someone else is ready, it could take 5 years for matching funds when others are ready immediately. In the City's case if you do a playground you would reserve it for a few years. Cozzens – the advantage is you are not pressured to make a decision that year. If you want to buy property you may get a better deal waiting for a better deal. Mayor – do we want to say you have to use the money within X number of years? We want the organizations to do the projects. Cozzens – a group has 3 years of money and they dissolve, where would the money go? Jason – back in the pot and the

board could reallocate. Rowley – they have to use the funds for what they initially applied for. Paul – staff would not allow them to do that, they would have to come back to the elected body. We should add if they fail that the money goes back to the RAP tax funds for reallocation. Cozzens – for some things I would want to go longer than 3 years. Rowley – we could leave it for the discretion of the council. Mayor – with some of the arts groups, we wanted them to do other types of fundraising so the sole source of funding is not just RAP. Do we still want to encourage them to do other fundraising? Rowley – we limit to 3 years and if they can't do it they need other funding. Cozzens – maybe we require matching funds. Paul – YETI and Southwest Wildlife would not qualify. You have avenues to add in provisions that are wise for a later date. We could require that they come up with X amount of dollars in matching funds or other protections. Cozzens – if YETI builds a room it becomes City property. Paul – you could allocate 100% of RAP tax for 3 years to a city project and it still may not be enough money. Jason – I would say 3 years. We don't want \$20,000 setting there for 10 years. Action.

CLOSED SESSION – PENDING LITIGATION: Councilmember Rowley moved to adjourn and go into closed session at 7:13 p.m.; second by Councilmember Hartley; vote unanimous.

ADJOURN: Councilmember Rowley moved reconvene in the work meeting and adjourn at 7:45 p.m.; second by Councilmember Cozzens; vote unanimous.



Renon Savage, MMC
City Recorder

EXHIBIT "A"
OCTOBER 19, 2016

WWTP Return Effluent

OPTIONS

Water Use Information

- Total groundwater use in Cedar Valley is currently 6,000 – 12,000 ac-ft more than the safe yield of the aquifer. The safe yield is the amount of water pumped that matches the recharge in the aquifer.
- City pumping rate at Quichapa is approx. 4,700 ac-ft/year
- City pumping rate at Enoch is approx. 900 ac-ft/year
- Total annual City groundwater use is 6,000 ac-ft/year
- Water use in pressurized irrigation system is approx. 200 ac-ft/year. Water use could expand with a reservoir on the north end. (Revenue lost with expansion would be approx. \$150,000 which is the difference between the culinary & irrigation rates)
- WWTP has 2,900 ac-ft of effluent available annually. Effluent will need to be upgraded to Type 1 water to be suitable for human contact.

WWTP Return Effluent Options

Option #1: Move agricultural operation (hay production) to WWTP land application site

Option #2: New Fiddlers reservoir for use in pressurized irrigation system

- 2.a. Recharge excess and winter water at Coal Creek recharge area on east side of I-15

Option #3: New tank for use in pressurized irrigation system

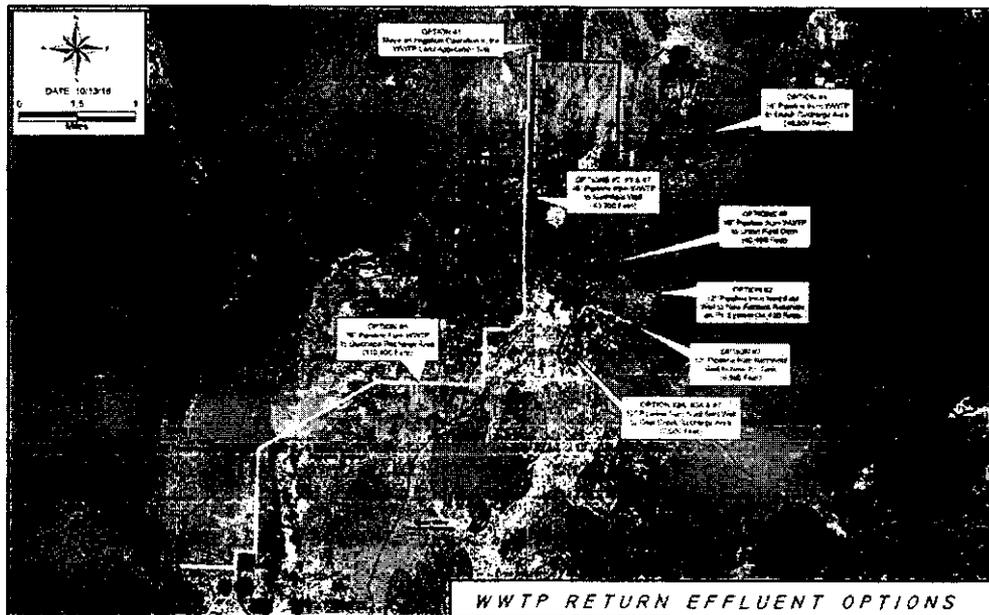
- 3.a. Recharge excess and winter water at Coal Creek recharge area on east side of I-15

Option #4: Enoch recharge

Option #5: Quichapa recharge

Option #6: Irrigation water exchange – trade effluent water for Coal Creek rights

Option #7: Coal Creek recharge



Descriptions of each Option

Option #1: Move an agricultural (hay production) operation to WWTP land application site

Option #2: Use effluent in P.I. system and recharge excess water at Coal Creek

Option #3: Use effluent in P.I. system and recharge excess water at Coal Creek

Option #4: Recharge 2,900 ac-ft/year near Enoch

Option #5: Recharge 2,900 ac-ft/year in Quichapa area

Option #6: Exchange effluent water with irrigation companies. Use Coal Creek water for recharge.

Option #7: Recharge 2,900 ac-ft/year at Coal Creek

- (Note: Irrigation Company will need to keep flood sediment out of recharge basins to prevent the basins from silting in.)

Cost Estimates

Option #1: Agricultural operation = \$10 million (worst case – final cost based on proposals)

- Option #1 includes the costs to purchase the land, water rights (2,900 ac-ft), and irrigation equipment from a hay grower in the valley and move equivalent hay growing operation to the WWTP land application site.

Option #2: Reservoir (1500 ac-ft) on P.I. system = \$17.1M capital + \$7M O&M (30 yrs) = \$24.1M

Option #3: Tank (3 ac-ft) on P.I. system = \$11.5M capital + \$7M O&M = \$18.5M

Option #4: Enoch recharge cost = \$8M capital + \$5.8M O&M = \$13.8M

- Option #4 would have a limited benefit to the City. The City only has 2 wells in the Enoch area.

Option #5: Quichapa recharge cost = \$14M capital + \$5.4M O&M = \$19.4M

Option #6: Irrigation exchange cost = \$8.1M capital + \$4.5M O&M = \$12.6M

Option #7: Coal Creek recharge cost = \$8.6M capital + \$3.6M O&M = \$12.2M

- Options #6 & #7 may have a limited benefit to the City due to mounding groundwater in this area.

Questions?
