

ELK RIDGE  
CITY COUNCIL MEETING  
May 26, 2009

TIME & PLACE  
OF MEETING

This Regularly Scheduled Meeting of the Elk Ridge City Council, was scheduled for Tuesday, May 26, 2009, at 7:00 PM; this was preceded by a City Council Work Session at 6:45 PM, and a Public Hearing, at 6:00 PM, on a proposed Tentative Budget for the 2009/2010 fiscal year. The meetings were held at the Elk Ridge City Hall, 80 East Park Drive, Elk Ridge, Utah.

Notice of the time, place and Agenda of these Meetings were provided to the Payson Chronicle, 145 E Utah Ave, Payson, UT, and to the members of the Governing Body, on May 22, 2009.

6:00 PM –

**PUBLIC HEARING – PROPOSED TENTATIVE 2009/2010 FISCAL YEAR BUDGET**

Public Hearing/To consider a proposed Tentative Budget for the 2009/2010 Fiscal Year, for the Operation of Elk Ridge City (Interested persons shall be given an opportunity to be heard.)

ROLL

*Mayor:* Dennis A. Dunn; *City Council:* Nelson Abbott, Raymond Brown, Julie Haskell & Sean Roylance & Derrek Johnson; *Public:* Lucretia Thayne, Ciera Thayne, Dale & Joann Bigler; and the *City Recorder:* Janice H. Davis

*Discussion:*

*(Memo from City Recorder to Council...included in packets)*

**“Tentative Budget:** *This is a draft of the Budget that will be presented to you at the Public Hearing. I am waiting on certain suggestions from Curtis Roberts (Finance Director); I will likely not have those until Tuesday (with the Holiday on Monday). The Budget Notes after some of the Budget Accounts will be helpful for you...they are meant as an explanation...so, I won't reiterate that information in this memo.*

*As you review this draft, it is the far right column that deals with the proposed Tentative Budget for 2009/2010; the other columns are:*

*Far Left – Original Budget figures at the beginning of 2008/09 (July 1, 2008)*

*2<sup>nd</sup> from the Left: Modified (mid-year) Budget for 08/09*

*Center: Current Year to Date Actual (What has been spent since 7-1-08...to date)*

*2<sup>nd</sup> from Right: Projected Final Budget for 08/09 (June 30, 2009) The “real” Final figures are contained in the Audit Report, which is sent to the State Auditor.*

*There are a couple of extra notes:*

*10-31-100 (Property Tax): I have called the County to arrange for the Truth in Taxation Hearing to be on August 11<sup>th</sup> (must be before the 17<sup>th</sup> of Aug.); however, I have not heard back from him.*

*Please note (Page 11) that the far right column...“bottom line” = (42,003) This looks good...however, it is all based on the Water Dept. and what we are able to save there with utilities...and this is dependent upon the switch-over to the Loafer Well and how much we are actually able to save. If this is not as successful as anticipated; or if we have a “wet summer”...for whatever reason...we will have to review this and re-assess our financial position with the mid-year amendment to the Budget. I have not balanced this figure to zero yet...I wanted you to see the difference.*

*Please note the transfers in for this current year (Page 4):*

*10-39-200 (Trans. From Capital Projects Fund – Town Hall/Fire Station) This one-time transfer helps this year, it is not available in 09/10.*

*10-39-210 (Trans. From CP/FUT IMP...which means...“Transfer from Capital Projects Fund – Future Improvements”): This is where the extra Fund Balance is kept in “savings” for future use for any Capital need. This is also the “pot” we use to balance the General Fund to zero. (No balancing figure in the far right column as yet.)*

*10-34-900 & 10-34-950 (Water & Sewer Administrative Fees): Please read the explanation in the Budget Notes regarding the % the Water Fund should be covering, the % it is covering in 08/09 and what is proposed for 09/10.*

*Questions for Curtis:*

- What proposed Property Tax rate should the Budget show?
- How much unrestricted Retained Earnings is there in the Water Fund to make up the short-fall? (If not enough, the Admin. Fee from Water will have to decrease...resulting in a higher deficit in the General Fund...which will mean a higher transfer from Capital Projects – Future Improvements to balance the General Fund.

*The citizens in attendance at the Public Hearing last August directed that the Council should slash the Budget expenditures as much as possible...it has been; but the revenues are just not there. Even though the projected deficit has decreased (on paper) from about \$225,385 (made up with transfers from Capital Projects Funds) to possibly \$42,003 (subject to Curtis's analysis of retained earnings in the Water Fund).”*

*Mr. Roberts' Response to questions:*

1. *Curtis Roberts said that the Retained Earnings in the Water Fund will sustain the higher Admin. Fee to the General Fund.*
2. *He also said that the Council should set the property tax at the amount they wish to generate; and when the tax rates come out in June, to calculate it off of that amount.*

*10-34-900: Water Admin. Fee: Increase from \$96,678 (08/09 = about 19% of the appropriate operating budget in the General Fund) to \$126,364 in 2009/2010 = 25%. 40% would = \$202,182 (This would be a wonderful source of revenue for the General Fund and would be realistic as far as what the Water Fund should be paying.*

*10-34-950: Sewer Admin. Fee: Increase from \$37,257 in 2008/09 to \$50,546 in 2009/10 (about 10%, which is fairly accurate).*

*The “bottom line in the General Fund at this point is a negative \$42,003; which is better than -\$225,385 in 2008/09 (made up for by transfers from Capital Projects). The danger is in a false sense of well-being and the resulting thought that an increase in property taxes is not required...*

*- The General Fund expenses are cut to a point of sacrifice in road repair, wage freezes, no fire truck, no transfers out, etc.*

*- The Water Admin. Fee is dependent on two variables: water sales (a “wet” summer could affect that figure) and savings on utility costs in switching to the Loafer Well as soon as possible.*

- What will the regular sources of General Fund revenue bring in 09/10?
- How creative can the Council be in creating other sources of revenue? (Suggestions have been: Selling water to neighboring cities, selling home on City property, soft commercial, preparing building lot in Loafer Canyon for sale, review of water rates, etc.)

Another question for Mr. Roberts: *Is an engineering study required for a change in water rates? His response: Not as far as he is aware...he went on to say, "I always get nervous about changing water rates, as you well know. I want to state that I trust that Corbett's calculations will be accurate; however there is always the possibility that changes to the rate could affect demand either up or down; which would affect water revenues. I imagine that this was discussed and an estimate was made for the affect on gallons used. I have seen water rates structures like this and they can be effective and are easily explained to the population. I will always make myself available to discuss the projections with you, Corbett or anyone else."*

*\*Corbett Stephens is going to speak to David Church about any possible requirement for an engineering study to change water rates.*

Mayor Dunn: (Update on switching to Loafer Well) He spoke to Kent Haskell and the equipment has been ordered...it is 10 to 14 days out form delivery...that would put the switch over the 2<sup>nd</sup> week in June. The Mayor is going to meet further with Mr. Haskell to see if there is a way to switch over manually for now, until the equipment comes in.

City Recorder: The budget, as presented, showed the property tax at about what the projected amount will be for 08/09...\$210,000; the question is, what does the Council feel this number should be?

Raymond Brown: If we can demonstrate to the citizens that the Council is trying to save money in every way possible, trying to reevaluate water rates to make the charges more fair...then if property taxes can generate a more "steady" income vs. a fluctuating income through property taxes...he feels it would be a better justification to the public. He reiterated past statements from Councilmember Abbott: If we kept the "tiers" in the water rates for about three to five years, then evaluate if revenues are keeping up with costs...without being frivolous about spending...(water will continue to fluctuate). If in the 3<sup>rd</sup> or 4<sup>th</sup> year, things have stabilized in the Water Dept., and there would be a need to raise property taxes...could water rates then be lowered a bit. *(The rate on return in the Water Fund must be kept in mind...According to the City Finance Director, we are at 2% or less currently; it must be at 8% or higher to consider lowering rates.)*

City Recorder: Last year, the Council proposed a tax rate that would have generated about \$111,000 more for the General Fund. That was not received well by the public in attendance; however, 1/2 that was not opposed by the majority. Suggestion: to propose that half-way mark in property tax revenue...combined with educating the citizens about what has been done about cutting costs and what is being attempted in the Water Fund. (One source of revenue in the Water Fund is the sale of the SUVMWA water rights; the Recorder does not feel that this option should be ignored to allow other water rights to come into the City with no profit-sharing opportunities.)

Nelson Abbott: He agreed with this. He felt that the opportunity with SUVMWA is comparable and profitable to the City.

Raymond Brown: We are nearly a year behind being able to effectively assess our position in the Water Fund; whereas, if we had small tax increases...this money is a more fixed source of income; which allows the City to move forward and be more "pro-active" rather than "re-active".

The City needs a reliable source of income so we can know how to plan.

Questions:

- Bank Charges? *(Bank charges for bounced checks...but then the City charges the resident for the returned check)*

- Animal Control: Does the City charge the citizen (dog owner) for their animals that get picked up? *(No) He feels that these charges should be passed along to the owner.*

Mayor Dunn: Perhaps there could be a line item on the animal shelter bill that is a City Fee; and that could get paid back to the City...or a credit given to the City. There are kenneling fees and pick-up charges that are then charged to the City; tax payers end up paying for the violation.

Raymond Brown: Tax payers should not pay for the civil disobedience of others. He does not mind if people have pets; they should take care of them.

Nelson Abbott: He said that he does not mind charging people a fee, as long as they are informed what the fee is for.

*\*This would be considered under the heading of "Public Safety"; so Councilmember Haskell would check into this and bring the information back to the Council.*

Mayor Dunn: Some cities have their own dog pound; he is not sure why they pulled it back into their own communities. He will be seeing Mayor Bills (Payson City) at a meeting and he will ask him what Payson did.

City Recorder:

Questions:

- How much of a deficit in the General Fund is the Council willing to project?

- How much property tax revenue will be figured?

Raymond Brown: The \$42,000 + deficit is very misleading because the Council has "cut this budget to the bond". Roads can deteriorate, two positions have been eliminated, wages have been frozen, there are no transfers to savings, etc.

Mayor Dunn: The Fire Dept. typically transfers about \$5,000 into savings to accrue money to either purchase a new truck or at least cover a down payment. Last year that transfer was left out; the future year it is back in. That equipment will be important as the City grows.

City Recorder: Once the property tax is set, it will remain...the tax rate cannot change. If the City gets into 2009/2010 and it is evident that the Water Fund cannot afford to pay this higher Admin. Fee to the General

Fund, it would be too late to increase the property tax at that point. If anything goes up or breaks, it could cause problems in trying to balance the budget. Increasing the revenue slowly would be preferable to a larger increase in one year.

Raymond Brown: We cannot keep not paying the employees for the City. We need to figure in some increase for next year. What if the economy turns around a bit and nothing is figured in for the employees?

City Recorder: Pg 12: If anything is to be done as far as building a Public Works building for the City, this is where the transfer in of "fund balance" (bond money) and the associated expense for construction would be shown. Having a site plan to see a proposed lay-out of the land would be useful. This is not in this proposed budget; the amendment would have to show these figures.

Raymond Brown: He has asked Kent Haskell to put an estimate together for the Public Works portion. He asked him to estimate high. He was thinking that the Public Works building could also be built in "modules" (stages).

City Recorder: The bond money must be used; she does not see where it would be useful to spread it out over time. Construction costs are down now.

Raymond Brown: As we vacate the current City Hall, the extra space can be utilized by the Fire Dept.

City Recorder: Suggestion: Perhaps the Council could plan a work session where plans are considered and a site plan decided upon.

Mayor Dunn: He said that each member of the Council could have a plot plan to refer to and they could then decide about where the various phases will go. *(Councilmember Brown suggested a field trip to the area.)* The Mayor advised that the Council visualize what things will be like in 2050 with 1,500 homes as build-out? The future will depend on decisions made now.

Raymond Brown: The "salt shed" has already had a spot picked out; but it is still important to know where the parks and other building will be in relation to all the improvements.

City Recorder: Perhaps some of the bond money could be used in developing the park area; this would assist in the City's athletic program.

Mayor Dunn: There are still a couple of revenue opportunities:

- The pit, if that was settled on
- The storage yard that could be a building lot
- A four season's pavilion to rent out (Like Salem's by the Pond)

*(Councilmember Abbott mentioned that a lot of the materials for Salem's hall/pavilion were donated.)*

Property Tax?

Mayor Dunn: In looking at the tax rates for last year, he figures that the difference between what was originally proposed and what ½ of that would have been, the difference would have been about \$50,000. He suggested that may be a good starting point.

Nelson Abbott: If you take \$50,000 and divide that by roughly 560 units, people would be paying a property tax increase of about \$90.

He feels the Council would be a better position when the Hearing takes place to say what is needed and that is the justification for the tax rate that will be proposed.

Mayor Dunn: The first question from the public will be, what has the Council done to alleviate the need for a tax increase...and the Council has done many things that have "tightened the belt" and cut expenditures.

Nelson Abbott: IF some additional money is figured into the budget for employees (say \$5,000), that would take the deficit up to about \$47,000...he felt that a \$50,000 increase in the property tax would be reasonable. (That would bring the property tax projection to \$260,000, total.)

Raymond Brown: That figure seemed reasonable to him. He did not see how the Council could not do this; particularly if the City experiences a rainy & cool summer, resulting in less revenue in the Water Fund. He felt they would be "remiss" if they did not do something now and possibly end up in a bigger bind next year...and "I don't know how we would get out of it next year; I don't know where else we could cut".

Nelson Abbott: He is more comfortable "going with a high number, because that gives us more room to negotiate".

Mayor Dunn: Payson is still interested in Elk Ridge revenuing water to them. Woodland Hills is looking for a back-up protection plan...this could be another source of revenue; selling water to Salem is another option.

Julie Haskell: Elk Ridge is in good shape; we don't want to do anything that would jeopardize our citizens.

Raymond Brown: Anything the City does, we would have to be the number 1 priority.

Julie Haskell: "We shouldn't have to drill a well for someone else.

Nelson Abbott: The City needs to think about the various opportunities available to generate money; like the proposed tennis lessons to be discussed later in the meeting. He does not think we should give away resources that are there for the benefit of the citizens.

City Recorder: She cited her experience with her Martial Arts business and the sub-lease opportunities they have had. An agreed upon split with finances earned off of an outside program benefits both parties...say a 70%/30% split.

Julie Haskell: (Regarding a proposed increase in property taxes) She feels \$50,000 is a bit high, but she feels the increase is needed.

Nelson Abbott: By August, when the Hearing is scheduled, there will be more information available on the savings with the wells being switched over; and what kind of a summer (wet/dry) we will be experiencing. We will have a better idea of where the finances are at that point. Perhaps the \$50,000 could be reduced; but it is easier to come down than to go up.

Raymond Brown: Later in the meeting, the Council will be discussing water rates and how to make the charges fairer. Some will pay less; some will pay more.

Sean Roylance: He clarified that they were talking about \$100/household on an average. He agrees that the budget has been tightened up as tight as possible. He really hates raising anything this year. If the amount were \$100,000 or \$200,000, he is not sure what he would say; but he feels an amount just less than \$50,000 would be preferable...but he feels "we need to"...and the amount should be "somewhere in that range".

Raymond Brown: He feels \$50,000 is a "good starting point".

Derrek Johnson: He agreed with Councilmember Roylance, that there has been a great effort in cutting the budget as far as possible. He did mention that there may be another area to look at in City employees driving City vehicles home and back again; referring specifically to Corbett Stephens.

Sean Roylance: He agrees that there are always way to continue to be creative in cutting expenses and creating revenue wherever possible.

City Recorder: There is an on-going mind-set with Americans in general, to spend fairly freely. The attitude of sacrifice is practically an unknown in our society.

Mayor Dunn: Elk Ridge is a bit different because of being a "bedroom" community.

City Recorder: (Comment on Mr. Stephens) He is in a unique situation wherein he actually generate revenue; example: even in a "bad" year financially, \$30,000 was generated in building permits; \$20,000 in labor to Woodland Hills; \$3,000 contracting out to neighboring communities...so, that is \$53,000 generated even in a year where the finances have not been as good as other years.

Mayor Dunn: The cost for Mr. Stephens for 2008/09 was \$13,000 out of the General Fund.

Julie Haskell: When workers are on-call, they cannot park the City vehicles at the City Offices.

Mayor Dunn: Part of the duties taken over by Mr. Stephens has been to read meters; that has cost the City about \$500/month...that has now been brought in-house.

Raymond Brown: He agreed the "take-home-car" thing is an issue; but He wanted to share the perspective of the Governor of Florida: He had the policy that non-essential cars were to be parked (meaning at headquarters)...Councilmember Brown said, "You cannot imagine the vandalism, theft, damage that we incurred from that. So, sometimes, taking the vehicle home is safer than leaving it here."

There is nowhere to park the trucks in the bay area, and if they are parked outside, they will get vandalized...the money saved will go back into the truck for repairs. He has experience with this and it is not a good deal.

*The Mayor closed the Public Hearing at 7:05 PM.*

7:05 PM

**CITY COUNCIL WORK SESSION AGENDA ITEMS**

ROLL

*Mayor*: Dennis A. Dunn; *City Council*: Nelson Abbott, Raymond Brown, Julie Haskell & Sean Roylance & Derrek Johnson; *Public*: Lucretia Thayne, Ciera Thayne, Dale & Joann Bigler; and the *City Recorder*: Janice H. Davis

RENTAL HOME –  
CITY OWNED

Mayor Dunn: Mr. Dan Anderson currently rents the home which is located on City property. He missed a payment when we started the rental payments about a year ago. He came in to talk about it at the time and made an offer to put work into the home that would amount to that missed payment (payment = \$1,200/month). He has kept and submitted an accounting of that work that has been completed and the corresponding costs (included in the Council packets).

At this point, there is about \$136 of credit left out of the \$1,200. The Mayor said that he and Corbett Stephens need to go over to the home to inspect it. The home is about 30 years old. There have been repairmen look at things for estimates of the work that needs to be done.

Mr. Anderson attached to his accounting of the work completed, some notations of required repairs and maintenance that will be required:

- Swamp cooler bearings are bad (roof leaks). Western Heating/Cooling estimate: \$180 - \$400 to repair
- Technician from Freeway Propane gave a heads-up about the heater...he says it is overdue to go out (it is a type they've seen a lot of problems with)
- Dishwasher: it does not work well...needs replacing.
- Refrigerator water line broke (ice maker & water does not work) This is an internal line in the refrigerator...it ruptured one night and flooded the kitchen.
- There is a substantial water leak somewhere in the field between the meter and the house. Goosenest Water has acknowledged, and adjusted the bill to average with other neighbors; but because there is no meter at the house, it is impossible to gauge our actual usage."

*\*(Councilmember Brown will go over with Kent Haskell to locate and turn the valve off.)*

What will the City do with the home? Is it worth fixing up? Mr. Anderson has about \$136 worth of work he will still take care of; then the City will be paying for repairs.

The house was gifted to the City, along with the purchase of the land. The City is using the rent to generate revenue.

\*The Mayor and Corbett Stephens are going to go to the home and create a checklist of those things that need to be done to the home. The Mayor will come back to the Council with the list or repairs and the Council can decide what direction to take regarding the home. Regardless of what the City does with the home, the stained glass window in the home needs to go to the family of the Browns for sentimental reasons.

Sean Roylance: He questioned what the selling price for a home like this might be.

Mayor Dunn: He had some house movers take a look at the home and its location; they felt it would take about \$30,000 to move the home, after the City removing the brick. He guesses that the City could put some time and money into the home and get it ready to sell.

Sean Roylance: He suggested simply selling the home as it is...and the buyer would be responsible for moving it.

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LOAFER WELL SWITCH-OVER

Mayor Dunn: (Already discussed) The date that the Well is to be switched over is June 1, 2009. The parts ordered will take 10 to 14 days for delivery. The Mayor will talk to Kent Haskell about the possibility of transferring the Well over manually, until the parts come in. That Well has been controlled manually before (a couple of years ago when the City had to prove-up on water rights from SUVMWA).  
Julie Haskell: According to Kent Haskell, the radio telemetry parts are estimated at about \$1,200 to \$1,400.

WATER RIGHT POLICY FOR CITY

Mayor Dunn: The Mayor’s memo for the last Council Meeting included the “pro’s & con’s”; one of the negatives list by the Mayor was that SUVMWA rights is the organization which was put together about 12 years ago to do exactly this thing. There is water there. Perhaps SUVMWA would allow Mr. Garside to put his water rights there.  
Nelson Abbott: This was confirmed by SUVMWA, that they might allow Mr. Garside the opportunity to place his rights with them...for a percentage. This the same offer Councilmember Abbott made to Mr. Garside from the City. SUVMWA has the shares that were available to the City previously; plus additional rights...more than Elk Ridge could ever use.  
Raymond Brown: He suggested that Mr. Garside be informed that the City is not really interested in his offer.  
Mayor Dunn: He feels the City’s investment with SUVMWA needs to be protected. He agrees that Mr. Garside should be informed that the City is not interested.

**ELK RIDGE  
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TIME & PLACE OF MEETING

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ROLL

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OPENING REMARKS & PLEDGE OF ALLEGIANCE

An invocation was offered by Raymond Brown, and Sean Royslance led those present in the Pledge of Allegiance, for those willing to participate.

AGENDA TIME FRAME

**MOTION WAS MADE BY RAYMOND BROWN AND SECONDED BY NELSON ABBOTT TO APPROVE THE AGENDA TIME FRAME; ADJUSTING THE START TIME TO 7:25 PM**  
**VOTE: YES (5) NO (0)**

PUBLIC FORUM

Lucretia Thayne: (Question re: revenue from water) She is not sure if this has been answered; she wanted to know if she could be recognized to speak when this item is discussed.  
Mayor Dunn: He explained that the public typically is not invited to speak at these regular; but the City is small enough that the citizens are generally heard...though briefly. He would prefer that questions could be answered through the natural discussion between Councilmembers.

PROPOSED PUBLIC WORKS BUILDING

Mayor Dunn: He had a rough drawing of a possible floor plan for a Public Works Shop (Metal building); including a rough estimate of about \$400,000 (this is figuring high).  
Raymond Brown: He explained further some of the marks on the drawing. He described the doors in the drawing: they would open to roads on either side of the building so the trucks would not have to back out of the building. The building would be located where the “horse property” was.  
Mayor Dunn: An example of this building is the old SESD Building (Strawberry Power). They added an office to the front of their building. There are things that could be done to bring the cost down:  
- Get the plans drawn to see the actual costs. It was suggested to ask Ken Harris (architect in town) to see if he would take the ideas given him and create a site plan that would include a Public Works Building, a salt shed, ball fields, City Center...and see if he could indicate modular-type installation of these buildings.  
\*Mayor Dunn will contact him.  
- “In-house” much of the work (The concrete could be poured in-house, the electrical, perhaps some of the framing, etc.)

2009-2010 TENTATIVE BUDGET – ADOPTION

There was no additional discussion.  
**MOTION WAS MADE BY RAYMOND BROWN AND SECONDED BY NELSON ABBOTT TO ADOPT THE TENTATIVE BUDGET FOR 2009/2010; WITH A PROPOSED INCREASE OF \$50,000.00 TO THE PROPERTY TAX FIGURE**  
**VOTE (POLL): SEAN ROYLANCE-AYE, NELSON ABBOTT-AYE, RAYMOND BROWN-AYE, JULIE HASKELL-AYE & DERREK JOHNSON-AYE NAY (0)**

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Corbett Stephens: (Handout: summary of water rates vs. usage)

Councilmember Abbott asked Mr. Stephens to review the current water rates. He obtained information regarding the needs of the Water Dept. The Water Dept. needs money; in order to increase revenue, the rates would need to go up.

The goal was to look at the City being fairer regarding charging for water; reviewing who uses water and how much...and trying to come up with something that is fair to everybody. The idea of being "fair to everybody" includes paying for one's fair share of water used.

Several different options were considered:

- ❖ He took the actual numbers of the water used throughout the winter months:
  - Each user had various columns dedicated to him/her indicating the following:
    - Overall usage through the winter, average monthly usage, current base rate
    - Various scenarios with "flat" base rates for zero gallons + various options for cost per 1,000 gal. for the 1<sup>st</sup> tier, as follows:
      - \$20(Base Rate) w/ 1.70/1,000 (gals. for the 1<sup>st</sup> 12,000 gallons), \$25 w/ 1.70, \$25 w/ 1.40 & \$30 w/ 1.40
      - This summary showed what the difference in charges would be with the various rates
      - This summary left the rest of the tiered rate structure the same as it is currently

(Mr. Stephens explained the above)

Lucretia Thayne: If rates are changed, behavior could also change. The City may lose revenue in the winter and possibly in the summer as well. It would not benefit the City if revenue is insufficient to meet the needs.

Dale & Joann Bigler: They were interested in understanding the "base rate" for water rates. It was explained to them the difference between summer usage and winter usage.

Nelson Abbott: He explained about servicing the City's bond debt and the need to maintain enough of a cushion between operating revenue and bond debt so the State will not dictate a mandatory increase in water rates.

Having auto-read meters has another positive side to it because those with a break in their lines in the winter do not have to wait until spring to have their meters read and the problem can be fixed quicker; this can save a considerable amount of money.

Corbett Stephens: Concern: If the base rates purchases no water, will people be concerned about watering and choose not to so they can eliminate their water charges? Currently, the \$40 base is paid and 12,000 gallons is received; whether it is used or not is a matter of choice. There are pro's and con's both ways; the Council needs to decide which way to go. The tiered structure above 12,000 gallons is the same, but those could be reviewed and altered as well...it just depends on what the Council wants to do.

Nelson Abbott: Residents have been encouraged to conserve water, but to keep yards up and not allow weeds to grow. He agrees that it could be a problem with zero gallons for the base rate; people may feel encouraged to not water.

Mayor Dunn: In a comparison he generated about a year ago, Elk Ridge is the only city in his comparisons that gives gallons with the base rate. The proposed scenario is fairer in the winter months.

Derrek Johnson: He questioned Mr. Stephens if it is possible to indicate how much is being paid per gallon currently. (Mr. Stephens answered that the breakdown could show that.)

Corbett Stephens: At first it was thought that \$25 with \$1.70/1,000 (for 1 gallon through 11,000 gallons would generate about \$30,000/year...based on last year's numbers; but the figures are not supporting that idea. It actually works out to be a negative number during the winter.

City Recorder: That "cushion" spoken of for debt maintenance must be considered in any projected loss in the Water Fund.

Mayor Dunn: Making the Loafer Canyon Well the primary Well is very key in boosting the net income in the Water Fund.

Julie Haskell: She made the point that Kent Haskell should be consulted on these figures; he knows the water system better than anyone and is recognized by the State as the City's "DRC" (Water Master).

Mayor Dunn: There was a problem with the math in some of the figures (as pointed out by Councilmember Roylance) and those calculations should be re-figured.

\*Mr. Stephens said he would fix that.

Nelson Abbott: He would also be curious to review other months like May, June, July, August & September...what revenue would be projected with adjusted rates?

Derrek Johnson: He expressed an interest in putting names with the numbers.

Sean Roylance: Based on the projected figures...and taking that, times about 500 homes; there could be about a \$2,500 per month increase during those summer months. If we want to break-even, then we need to come up with a "winter plan" that would be in the ballpark of \$2,500 less per month (\$25 w/ \$1.40 gets close to that).

Raymond Brown: We would still come back to the "pay for what you use" concept...without losing revenue.

Mayor Dunn: (Regarding tiered rates) Woodland Hills has 21 tiers in their water rate structure. Some of the south communities and in more arid states (like Arizona); they have entire different rate structures for the summer months, as opposed to the winter months. This works for the "sunbelt" communities".

Sean Roylance: What is being talked about is a potential "raise" in rates. If someone were to use 12,000 gallons or more year-round; there would be a \$60 to \$70 raise for the year. Someone who is just barely got by, that person could save about \$150 for the year.

Nelson Abbott: The "upside" and the "downside" need to be weighed on these proposals.

Raymond Brown: Kent Haskell should be involved in the next water discussion.

Corbett Stephens: He said he would take last year’s actual numbers for water usage; fix the formula and insert the numbers into the formula. He will provide this information to Mr. Haskell and to the Council and decisions can be made from there.

*\*He will place a copy of this information in the Council’s folders.*

\*Sean Roylance: Asked if the spreadsheet could be emailed to the Council for review.

Mayor Dunn: He spoke of water conservation options during “drought” years. There is a plan in place for that situation.

*Water Revenue Opportunities:*

1. Corbett Stephens: Some time ago Kent Haskell spoke to Bruce Hall (former City Engineer) about doing a co-op with Woodland Hills. Is the City still interested in pursuing something like this? Woodland Hills is currently not in a good position with their water supply. Last year their only well went down twice. Considering some type of arrangement with them could be good for them and generate revenue for Elk Ridge.

The same thing could be done with the Cloward Well...the City could revenue water to Salem. It is a great well; but the pumping costs are high...if the water went to Salem, it would be downhill.

Mayor Dunn: He can contact Woodland Hills and set up a meeting (Work Session) like the Council had with Payson City...he asked what time frame the Council has in mind. There are other issues to talk over with Woodland Hills besides water: sewerage, Loafer Canyon rd., boundary lines, etc.

*(The Council felt that the sooner the better...perhaps between scheduled Council Meetings...not the last week of June, due to the City Celebration.)*

*\*The Mayor will contact Mayor Toby Harding and email the Council.*

2. Corbett Stephens: If Elk Ridge revenue water to Woodland Hills, there would have to be a tank at the Loafer Canyon site...or somewhere that would allow the water to be utilized by both Communities. Putting a tank up there would create a “buffer” so the well could keep the tank full and both Cities could draw out of the tank.

Julie Haskell: Councilmember Haskell reiterated that the City cannot place its citizens at risk to benefit Woodland Hills...“they really are not our problem”.

Corbett Stephens: The Loafer Well, as it is now, will not supply 100% of Elk Ridge’s water...not 12 months out of the year. In the study that they did, there are 3 or 4 months out of the year that the Loafer Well will not meet the demand, as it is currently; there would have to be work done on site.

Woodland Hills is in such need right now, that it could be that they may be willing to re-drill the well so that it would be a bigger well, yielding a higher production...both Cities would win. This is just talk at this point; these options are just something to think about.

Mayor Dunn: A point of consideration: what water rights would Woodland Hills have to bring to this type of co-op? The State would have to recognize the new rights to be able to increase our production?

Julie Haskell: She maintained that Elk Ridge is okay right now and does not need added rights...this seems like it would be to benefit Woodland Hills...where is the benefit for Elk Ridge?

Mayor Dunn: He felt that these are good questions to ask. Right now, Woodland Hills co-ops with Salem City on their well; he has no details on their arrangement.

On any arrangement, we would have to be sure that our citizens and infrastructure remains safe.

Raymond Brown: When he spoke to Kent Haskell about this and he brought up a good point: in the winter months, no one can get into the Loafer Well...it is very difficult to repair in an emergency. Maintenance could be a problem.

Corbett Stephens: According to the figures for about the last five & ½ years, the Loafer Well produces water at about 1,000 gallons/kilowatt hour...so just to pump it costs less than 8 cents per 1,000 gallons. The Cloward Well gets about 280 gallons/kilowatt hour; so the Loafer Well is about five time better (more efficient) than the Cloward Well; as far as cost...long-term, this means that pumping costs can be at about \$30,000/year vs. \$109,000/year, for the same amount of water. This is a big difference.

*(Mayor Dunn interjected that this is why switching over to the Loafer Well as the primary well is so important.)*

No one is suggesting not using the Cloward Well, just using the Loafer Well as the main source...water can always be pumped from the Cloward Well if necessary...it is a good source, just expensive. In any arrangement with another city, we would never commit 100%...Elk Ridge residents must be protected.

*(Councilmember Haskell feels the other cities are not our responsibility.)*

Derrek Johnson: He also expressed concern that a drought situation could lower the aquifers and place Elk Ridge in a risky position...the option of providing “cheap water” to Elk Ridge citizens would be jeopardized.

Sean Roylance: Before any co-op of this type is attempted, the Council would have to be sure that our citizens would not be placed at risk in this type of situation. We would either need to have the right to cancel the agreement, or have the right to charge the other city more than Elk Ridge residents.

Derrek Johnson: He suggested that perhaps if the water drops to a certain level, the supply to another city would shut off.

Corbett Stephens: All of these details could be included in a contract or agreement.

Nelson Abbott: Another opportunity that has not been explored would be; if the other city runs the lines and they have things set up to switch on in the event that their well goes down...then Elk Ridge could sell them the water at that time. This would be through an inter-local agreement where Elk Ridge would assist in times of emergency and only if Elk Ridge is in a position to do so.

Sean Roylance: If it could be worked out to have another community take some of the pumping costs and still safe-guard our citizens; then he feels that could be beneficial.

Corbett Stephens: Whatever is done, Woodland Hills would be responsible for the costs.

Sean Roylance: “The ‘win/win’ is that we make money...they have a back-up or a secondary water supply. It will cost them, but that is what they need...and we get the money...that’s what we’re in it for.”

Mayor Dunn: All of those things have to be examined closely; and before anything happens, the engineers would have to review the figures and do the model to make sure it would work  
Sean Roylance: He agreed that the City needs to cover all the concerns; but assuming they can be covered...and we could make money, he would be in favor of looking into options.  
Mayor Dunn: "As long as it is safe."

ACTION FROM THE WORK SESSION

*\*Mayor Dunn is to contact Mr. Garside to inform him that the Council is not interested his proposal regarding water rights for the City at this time and that the City's priority is with the SUVMWA Rights.  
\*The Mayor is to get a list of the repair items for the rental home to the City Council.*

TENNIS LESSONS FOR CITY TENNIS COURT

Tennis Coaches: Karl Ward, Steve Fillerup & Daniela Galbraith submitted a proposal to the Council to create a tennis program wherein they would teach tennis lessons and use the City's tennis court for their lessons. After discussion, the Council decided the following:  
- That the court is paid for by tax payers in Elk Ridge and should be available to them, they should not have to wait in line (though the lessons were to be earlier in the morning.  
- There are liability issues with people conducting a private enterprise on public property  
- Perhaps the individuals would be interested in creating a City League tennis program (like our other athletics) and they could do a split with the City...a 70 X 30 split was suggested  
The Council was in agreement with the option of a City Program with a split.  
*\*Mayor Dunn was to contact the individuals involved to see if they would be interested and at what split; and to contact Utah Local Governments Trust regarding liability issues.*

RENEW CITY PLANNER CONTRACT

*The Contract is with Shawn Eliot and with Mountainland Association of Govt. (MAG):  
The proposal is at no increase for the 2009/2010 fiscal year.  
**2009/2010 - MAG's proposal: \$10,500**  
**2010/1011 - MAG's proposal: \$10,500**  
(In the contract, it states that if economic conditions improve, the terms could be renegotiated.)  
**2009/2010 - Planner's proposal: \$14,400**  
**2010/1011 - Planner's proposal: \$14,400**  
The same statement was included regarding the economic situation and the possibility to re-negotiate the prices.  
*\*(This time frame should be clarified whether the same costs would continue for the remainder of the current fiscal year.)**

**MOTION WAS MADE BY JULIE HASKELL AND SECONDED BY SEAN ROYLANCE TO APPROVE THE PROPOSED RENEWAL OF THE CITY PALNNER CONTRACT WITH MOUNTAINLAND ASSOCIATIONOF GOVERNMENTS FOR \$10,500/YEAR; AND WITH SHAWN ELIOT AS THE CITY PLANNER FOR \$14,500 PER YEAR**  
**VOTE (POLL): DERREK JOHNSON-AYE, JULIE HASKELL-AYE, SEAN ROYLANCE-AYE, NELSON ABBOTT-AYE AND RAYMOND BROWN-AYE NAY (0)**  
*Passes 5-0*

EXPENDITURES:

General: None  
  
Use of Park Impact Fees:  
Currently the City has in reserve over \$58,000 in Park Impact Fees.  
*\*The Mayor is to contact David Church to ask about building up another City Park with Impact Fees (like a Park around the City Center land).*  
1. *Ground Cover*: This is cover or hydro-seeding for the east and south sides of the ball field. The expected cost and use of impact fees would be \$2,500.  
2. *Ball Field (Baseball diamond)*: The field was cut as an Eagle Project. The red dirt was not part of the Project. The City will be paying for this. It is legal to utilize impact fees to up-grade the Park. They cannot be used for regular maintenance and up-keep of the Park. The cost of the red dirt for the diamond is estimated at \$4,050 from Staker Parsons.  
Nelson Abbott: Is curious why Staker Parsons is willing to donate work and materials to rebuild two ball fields in Eureka. Why are they unwilling to assist Elk Ridge in any way?  
*\*Councilmember Nelson said perhaps he should go in to talk to Dave Cook (WW Clyde)...he offered to speak to him the next day.*

NON-AGENDA ITEMS

1. Elk Ridge Meadows, Phase 1:  
Mayor Dunn: Tom Henriod (Phase 1) has been trying to contact the Mayor and the Mayor has left a couple of messages...they have not caught up with one another. Mr. Henriod said he and Randy Young are reviewing the CC&R's for the Phase 1 (north) and Phases 5 & 6 (former Phase 3).  
He commented that Centennial Bank has not been very cooperative in getting the Restrictive Covenant issues settled.  
*\*The Mayor will call the Bank representative to see what is going on with the Bank.*

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2. Mr. Salisbury:

Mayor Dunn: He has re-focused on a 500 acre development in east Spanish Fork, Mapleton and Springville; as well as in Salt Lake and St. George; he is selling homes in all of those.

3. Doe Hill Estates:

Raymond Brown: Doe Hill Estates is due to overlay their roads; Councilmember Brown feels this would be better if postponed, so the roads would not be torn up when building occurs. The bond is in place...he suggests waiting. He asked the developers to submit a letter requesting that. It will also allow more time to settle.

4. Sprinkler Systems:

Sean Roylance: If fire suppression systems were going to be waived, he feels it would be more favorable in a development as across the street... (Crestview Estates 1). The development is across from the Fire Dept., no vegetation, it is infill and the lots are larger. In developments where there is more natural vegetation or the lots are smaller and homes are closer, he does not feel those areas should be considered.

Mayor Dunn: The IBC has adopted fire suppression requirements for all new building...so eventually, it will be mandatory for the entire Nation. When Utah adopts this, it will then be mandatory.

5. David Church – Surety Bond Letter:

The Mayor has contacted him a couple of times to remind him of the letter. He assured him that it will be done.

\*The Mayor will contact him again to make sure it gets sent out.

CITY COUNCIL  
MINUTES

A. City Council Meeting 4-21-09:

**MOTION WAS MADE BY NELSON ABBOTT AND SECONDED BY RAYMOND BROWN TO APPROVE THE CITY COUNCIL MINUTES OF 4-21-09**

**VOTE: YES (5)**

**NO (0)**

ADJOURNMENT

At 9:10 PM, the Mayor adjourned the Meeting.

\_\_\_\_\_  
City Recorder