

CITY OF DELTA, UTAH
REGULAR CITY COUNCIL MEETING
APRIL 5, 2012

PRESENT

Gayle Bunker	Mayor
John Niles	Council Member
Steven Pratt	Council Member
Tom Stephenson	Council Member
Betty Jo Western	Council Member

ABSENT

Robert Banks	Council Member
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OTHERS PRESENT

Gregory Jay Schafer	City Recorder
Alan Riding	Public Works Director
Todd Anderson	City Attorney
Ken Clark	Assistant Public Works Director
Beth Johnson	Sherwood Water Company
Scott Johnson	Sherwood Water Company
Dean Draper	Millard County Chronicle/Progress

Mayor Bunker called the meeting to order at 7:00 p.m. He stated that notice of the meeting time, place and agenda had been posted at the City Building and on the Utah Public Notice website and was provided to the Millard County Chronicle/Progress and to each member of the City Council at least two days prior to the meeting.

Council Member John Niles provided opening remarks, following which Mayor Bunker led those in attendance in the Pledge of Allegiance.

MINUTES

The proposed minutes of a Special City Council Meeting held March 22, 2012 were presented for consideration and approval. Following review, Council Member Tom Stephenson MOVED to approve the minutes of the Special City Council Meeting held March 22, 2012, as presented. The motion was SECONDED by Council Member John Niles. Mayor Bunker asked if there were any comments or questions regarding the motion. There being none, he called for a vote. The motion passed with Council Members John Niles, Steven Pratt, Tom Stephenson and Betty Jo Western voting in favor and Council Member Robert Banks being absent.

ACCOUNTS PAYABLE

The Council reviewed the accounts payable, a copy of which had been provided to them two days prior to the meeting. Following review and discussion, Council Member John Niles MOVED to approve the accounts payable, dated March 28, 2012, in the amount of \$34,281.75. The motion was SECONDED by Council Member Steven Pratt. Mayor Bunker asked if there were any comments or questions regarding the motion. There being none, he called for a vote. The motion passed with Council Members John Niles, Steven Pratt, Tom Stephenson and Betty Jo Western voting in favor and Council Member Robert Banks being absent.

PUBLIC COMMENT PERIOD

There were no comments from the public.

UNFINISHED BUSINESS

There were no items of unfinished business on the agenda.

NEW BUSINESS

MAYOR GAYLE BUNKER: REQUEST FOR APPROVAL OF MILLARD COUNTY FIRE DISTRICT ENTERING INTO A MEMORANDUM OF UNDERSTANDING WITH THE UTAH DIVISION OF FORESTRY, FIRE AND STATE LANDS

Mayor Bunker noted that Bruce Curtis had asked, at the previous meeting, that Council Members formally provide approval for Millard County Fire District to enter into the Memorandum of Understanding with the Utah Division of Forestry, Fire and State Lands. This Memorandum of Understanding has been renewed annually for a number of years but this year the State wants to simplify the process by having the Fire District do billing for the various fire departments rather than having each department bill separately for wild land fire fighting expenses. Checks will still be made to the individual departments but billing will be handled by the Fire District. There was a question regarding insurance coverage. City Attorney Todd Anderson stated that we have the required insurance in place and the Millard County Fire District most likely has the required insurance in place.

Following discussion, Council Member Tom Stephenson MOVED to approve Millard County Fire District entering into a Memorandum of Understanding with the Utah Division of Forestry, Fire and State Lands. The motion was SECONDED by Council Member Steven Pratt. Mayor Bunker asked if there were any comments or questions regarding the motion. There being none, he called for a vote. The motion passed with Council Members John Niles, Steven Pratt, Tom Stephenson and Betty Jo Western voting in favor and Council Member Robert Banks being absent.

MAYOR GAYLE BUNKER: RESOLUTION NO. 12-343, A RESOLUTION CREATING THE LOCAL BUILDING AUTHORITY OF DELTA CITY

Mayor Bunker advised Council Members that, in order to obtain bonding and the funding from the Permanent Community Impact Fund Board, we are required to set up a building authority and have the project property transferred into the name of the building authority. The property will then be utilized as security for loan funds. Another requirement is that we obtain bond counsel.

Mayor Bunker noted that Council Members had received a copy of the following proposed resolution:

RESOLUTION NO. 12-343

A RESOLUTION APPROVING THE ORGANIZATION OF A LOCAL BUILDING AUTHORITY FOR DELTA CITY, MILLARD COUNTY, UTAH, TO BE NAMED THE LOCAL BUILDING AUTHORITY OF DELTA CITY AND THE FORMS AND ARTICLES OF INCORPORATION AND BYLAWS RELATING THERETO, AND AUTHORIZING THE APPROPRIATE OFFICERS OF SAID CITY TO TAKE ALL NECESSARY ACTION IN CONNECTION THEREWITH.

Mayor Bunker asked for input regarding the resolution. Council Member Betty Jo Western asked if this was required by the Permanent Community Impact Fund Board. Mayor Bunker answered that it was required by the PCIFB. City Attorney Anderson stated that organizing a local building authority isolates the project, the funding, and the loan from other city monies and projects. The funding involves \$535,000 in grant funds and \$215,000 in loan funds (a thirty year loan at zero percent interest). There was discussion regarding funding for the building and advantages of having a community center in the city.

Mayor Bunker asked to have a motion to either proceed with the local building authority and claim the funding which has been set aside for construction of the community center or to turn the funding down and quit the project. We have to decide which way the Council wants to go on the project.

Council Member John Niles MOVED to adopt Resolution No. 12-343 organizing a Local Building Authority of Delta City. The motion was SECONDED by Council Member Tom Stephenson. Mayor Bunker asked if there were any comments or questions regarding the motion. There being none, he called for a roll call vote. The vote was as follows:

Robert Banks	Absent
John Niles	
Steven Pratt	
Tom Stephenson	Yes
Betty Jo Western	

Council Member Pratt had questions regarding the motion and the vote did not continue. Council Member John Niles withdrew his motion and suggested that the matter be tabled for further discussion at the next meeting.

Council Member John Niles MOVED to table further discussion of Resolution No. 12-343 at the next meeting of the City Council when all Council persons are in attendance. The motion was SECONDED by Council Member Steven Pratt. Mayor Bunker asked if there were any comments or questions regarding the motion. There being none, he called for a vote. The motion passed with Council Members John Niles, Steven Pratt, Tom Stephenson and Betty Jo Western voting in favor and Council Member Robert Banks being absent.

As a result of Resolution No. 12-343 not being adopted, the Council did not recess City Council Meeting to convene as the Building Authority.

MAYOR GAYLE BUNKER: RESOLUTION NO. 12-344, A RESOLUTION TRANSFERRING TITLE OF THREE PARCELS OF REAL PROPERTY TO THE LOCAL BUILDING AUTHORITY OF DELTA CITY

Not discussed due to Resolution No. 12-343 being tabled until the next meeting.

MAYOR GAYLE BUNKER: PROPOSED CREATION OF DELTA WATER DISTRICT

Mayor Bunker stated the question could be asked as to why Delta City is interested in creating a water district for the purpose of providing culinary water to residents of the Sherwood Shores area. Mayor Bunker suggested that one reason is that Delta City had been approached by the Johnsons, owners of Sherwood Water Company, asking if we were interested in helping solve the problem of providing culinary water which will meet state requirements for arsenic content in drinking water. Mayor Bunker felt that Delta City has some responsibility to assist other water providers in the area, if it is possible to do so, because we are not just Delta City residents, we are residents of the community, including the surrounding area that uses Delta to attend schools and shop, etc. A second reason for being interested in creating a water district is that cities are better suited at providing municipal services, such as water, sewer, and other utilities, than are individual providers. Water companies are "not for profit" companies so, if Delta City is able to cooperate in providing water to the Sherwood Shores area, we should do so.

It has been determined that the funding obtained by Sherwood Water Company to correct their arsenic content problem is transferrable, so Delta City would be able to utilize those funds to provide water for the Sherwood Water system. Mayor Bunker said he had driven around the Sherwood Shores area. He then discussed two possible directions that lines could be installed to connect Sherwood Water Company to Delta City water lines. Delta City has made some rough estimates of the cost to install a twelve inch pipe line from Delta City to Gunnison Bend Reservoir and determined an approximate cost of \$200,000; it would cost approximately \$250,000 to install a pipe

line under the reservoir. There would also be a cost of approximately \$300,000 to upgrade the current water system in Sherwood Shores, including adding some new main lines, installing new water meters and installing fire hydrants. Engineering fees of approximately \$150,000 and another \$60,000 for miscellaneous costs, and \$40,000 to acquire additional water, would bring the total to about \$1,000,000. In addition, a storage tank and pumps would cost approximately \$150,000.

Mayor Bunker feels that, even if we want to assist Sherwood Water Company, we cannot supply that assistance at the expense of city residents. Therefore, water rates at Sherwood Shores must be sufficient to pay the cost of providing all upgrades. Sherwood Water Company has received notice that approximately \$800,000 of their \$1,000,000 loan for water service upgrades would be forgiven when the project is complete, resulting in an approximately \$250,000 loan balance, in addition to an additional \$150,000, for a total debt of about \$350,000 for which Sherwood Shores residents would have to bear the cost.

Council Member Tom Stephenson stated that he had talked to a resident of Sherwood Shores who was concerned about the increased cost of water service as a result of this project. The resident was also concerned that the number of people who do not live at Sherwood Shores full time would do without water service to their homes rather than pay the increased cost, thus resulting in the full time residents bearing the burden of all the cost of water system upgrades. Mayor Bunker noted that the arsenic content of water at Sherwood Shores must be corrected so all residents will be required to bear the cost of the project, regardless of whether it is done by Delta City or by Sherwood Water Company. The State of Utah has mandated that the water system must be upgraded. Beth Johnson, Sherwood Water Company, stated that if Sherwood Water Company does the system upgrade, the charge for water service will be double what current rates are at Sherwood Shores. Council Member Stephenson noted that the person he talked to thought they had an option to install a filter to remove excess arsenic. Public Works Director Alan Riding stated that point of use filters require a modification to all kitchen sinks to include a drinking water outlet and that outlet must be monitored for filtration, which would include allowing the system operator to have access to all homes to check and test those filters every month. This is not a feasible option for a system which has over 90 connections unless everyone is willing to give the water system operator access to their homes to check and test filters. Public Works Director Riding also noted that Delta City, acting as the water district, would have taxing authority allowing all property owners to be taxed for system upgrades. A private water company must collect all revenue for system upgrades from water users only.

City Attorney Todd Anderson noted that, in his opinion, the most fair way to assess cost of improvements is for all property owners to pay a share. A water district can tax property owners for cost of improvements but residents must be allowed to vote on the matter. If we are looking at a \$250,000 cost, user fees can pay that cost or the amount can be assessed to each property owner. Thus, the improvements are being paid through taxes and the water itself is paid by users. Mayor Bunker stated that, if these improvements are not made, the system will become an unapproved water system. If the system becomes unapproved, property cannot be purchased or sold because institutions will not loan funds on a home without an approved water source.

Council Member Betty Jo Western asked how Sherwood Shores water users feel about the possibility of Delta City providing upgrades and water to their system. (Could not hear the response by Beth Johnson) Mayor Bunker said that the Chairman of the Drinking Water Board was in Delta last week, not in his official capacity but as an interested person, and he appeared to be in favor of Delta City providing water for the Sherwood Water system. If Council Members are in favor of continuing the process to assist Sherwood Water Company in this manner, we will meet with the Drinking Water Board in May to request transfer of the loan to Delta City on the same terms as was offered to Sherwood Water Company. There was discussion regarding the terms offered to Sherwood Water Company. Mayor Bunker then asked whether Council Members felt that Delta City should pursue the project and obtain further details. Council Members agreed that we should pursue the project in an attempt to assist Sherwood Water Company with supplying approved drinking water to residents of Sherwood Shores.

MAYOR GAYLE BUNKER: PROPOSED COMMUNITY CENTER

No discussion as a result of Resolution No. 12-343 not being adopted. There was no reason to discuss the proposed community center if Council Members are unsure whether to go ahead with obtaining construction funding.

MAYOR GAYLE BUNKER: FOURTH OF JULY CELEBRATION

Mayor Bunker advised Council Members that the Miss Liberty contest will beheld on Tuesday, April 10th at 6:30 p.m. We have five young ladies competing for the royalty.

PUBLIC WORKS DIRECTOR ALAN RIDING: UPDATE ON PUBLIC WORKS PROJECTS

Public Works Director Alan Riding requested that the irrigation water rental rate be set at \$40 per acre foot for the coming irrigation season. Public Works Director Riding suggested that the irrigation water rental rate be set and placed on the fee schedule so that we are not required to have the rate determined every year. Public Works Director Riding asked for direction so that we can send out our annual rate letters to irrigation water users. Council Members agreed to setting the irrigation water rental rate at \$40 per acre foot for this year. The matter will be on the agenda for ratification at the next meeting.

Public Works employees have completed installation of the new door at the airport hangar. We are getting a new "Delta Municipal Airport" sign made. Employees have begun work on the splash pad; the walls for the holding tank have been poured. They plan to have the splash pad ready for use by July 4th.

Council Member Betty Jo Western asked if there was a drainage problem on 450 West Street south of 300 South Street. Public Works Director Riding said that there was poor design on that street when it was constructed. It is supposed to drain into a nearby irrigation ditch and the bottom of the

ditch is at about the same level as the road. At this time, there are not many options to eradicate the water problem on the street but we are looking at possible solutions.

OTHER BUSINESS

Council Member Betty Jo Western advised that Delta High School FFA plans to do a clean up project again this spring and asked Public Works Director Riding to be watching for a project for them. They are currently planning on the first or second week in May.

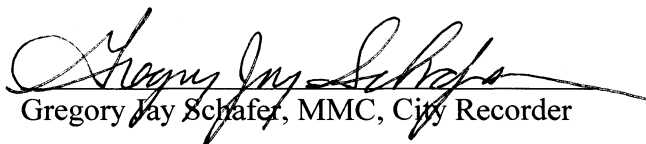
Council Member Western asked if anyone had heard that we are not holding an American Cancer Society Relay for Life this year. She asked if anyone else had heard anything on that event. No one else had heard anything.

Mayor Bunker asked if there were any comments, questions or other items to be discussed. There being none, Council Member Tom Stephenson MOVED to adjourn the meeting. The motion was SECONDED by Council Member John Niles. Mayor Bunker asked if there were any comments or questions regarding the motion. There being none, he called for a vote. The motion passed with Council Members John Niles, Steven Pratt, Tom Stephenson and Betty Jo Western voting in favor and Council Member Robert Banks being absent.

Mayor Bunker declared the meeting adjourned at 8:34 p.m.



GAYLE BUNKER, Mayor



Gregory Jay Schafer, MMC, City Recorder

MINUTES APPROVED: RCCM 04-19-12