

CITY COUNCIL MEETING

Tuesday, May 16, 2017 7:00 p.m.
Community Recreation Center
10640 N Clubhouse Drive, Cedar Hills, Utah

Present: Mayor Gary Gygi, Presiding
Council Members: Ben Bailey, Rob Crawley, Mike Geddes, Jenney Rees, Daniel Zappala
Chandler Goodwin, City Manager
Charl Louw, Finance Director
Greg Gordon, Recreation Director
Jeff Maag, Public Works Director
David Shaw, City Attorney
Colleen Mulvey, City Recorder
Others: Lt. Gregg Ludlow

COUNCIL MEETING

- 1. This meeting of the City Council of the City of Cedar Hills, having been properly noticed, was called to order at 7:02 p.m. by Mayor Gygi. The Pledge of Allegiance was led by Boy Scout, Alan Hiner, and the invocation was given by C. Geddes.

- 2. Approval of Meeting’s Agenda

MOTION: C. Rees—To approve the agenda as is. Seconded by C. Crawley.

Yes - C. Bailey
C. Crawley
C. Geddes
C. Rees
C. Zappala Motion passes.

3. Public Comment

Mr. Darin Lowder thanked Rob Crawley for his service on the City Council. He said that last fall there was a meeting with SkyDrop Smart Sprinkler System regarding misunderstandings of the water system. This company wanted a small city to use as a testimonial, and they were offering to test run on a couple hundred homes. He said the water system was running out, and the City could be in trouble because it was its most important asset. He said SkyDrop was a good option, and they should test run it in the City for a couple months.

C. Geddes asked Mr. Lowder how long he had had SkyDrop and if there was a probe, too. Mr. Lowder explained that it read the internet within a three-mile radius. C. Crawley asked Mr. Lowder if he had to buy it or if the company gave it to him for free on a test run. Mr. Lowder said they gave it to him as free trial.

PUBLIC HEARING

4. Amendments to the City Code Title 10, Chapter 5 Relating to Bed and Breakfast Facilities

No comments.

CONSENT AGENDA

5. Minutes from the April 18, 2017 Work Session & City Council Meeting

MOTION: C. Geddes—To approve the consent agenda. Seconded by C. Rees.

Yes - C. Bailey
C. Crawley
C. Geddes
C. Rees
C. Zappala Motion passes.

CITY REPORTS AND BUSINESS

6. City Manager

Mr. Goodwin reported on the following:

- There is a broken window upstairs in the Community Recreation Center building. He said it was fixed on Thursday, and broken again on Friday from a golf ball.
- In regards to the Recreation Department, T-ball, baseball and lacrosse were ready to kickoff. The Family Festival was getting ready as well. The Recreation Department would be overseeing the golf firecracker tournament, the 3 on 3 soccer, and pickle ball tournaments that would be coming up within the next few weeks.
- Last week, on Friday the 6S group closed the grill. Staff was currently evaluating options for delivering a food option for golfers.
- Yesterday, there was a report on American Fork Canyon runoff. The water master of American Fork Irrigation brought to their attention that the reservoir had filled and was overflowing. This was increasing the amount of river flow on warmer days. Silver Lake was anticipated to overflow. They were assisting in the removal of debris with Highland and American Fork. The basin was closed to the public.
- There was a water leak on Morgan Boulevard. The report came in at 1:00 a.m., and crews were on site in 30 minutes. By that point, much of the subsurface layer of the road had been washed away and had infiltrated a sewer line. Public Works did a good job resolving the situation and working with residents.
- American Fork Police Department invited them to do virtual training. Mr. Goodwin said it was insightful and the training was a valuable resource. Next time this option became available to the County, he encouraged the Council to take advantage of it.
- Candidacy Filing period was June 1-7.

7. Mayor and Council

C. Rees: Family Festival was this month and they were still looking for volunteers. C. Rees noted that volunteers needed to be 18 years old unless they wanted to do children's games. In that case, the age limit was 12.

Mayor Gygi: The Lone Peak Public Safety had a board meeting last Thursday where they approved a preliminary budget for the next year. He reported that there was a very serious threat to the Lone Peak Public Safety District. There was a group in Highland that wanted to blow up the district and have Highland remove itself from the district. They would be meeting again Thursday night for a work session to resolve some of the concerns Highland residents had about this issue. However, he said the matter was serious enough that the district may not remain intact, meaning that Cedar Hills and Alpine would have to reevaluate their public safety services as well.

C. Crawley: C. Crawley reported that this was his last Council meeting. He appreciated the opportunity to serve.

C. Zappala: The Beautification, Recreation, Parks and Trails Committee would be meeting on Thursday to plant flowers. They hadn't invited anyone to come, but anyone was welcome to help. C. Zappala thanked C. Crawley for his service and wished him good luck in the future.

SCHEDULED ITEMS

8. Review/Action on an Ordinance Amending Title 10, Chapter 5 Relating to Bed and Breakfast Facilities

Mr. Goodwin said the Code they were proposing to amend was regarding Bed and Breakfast facilities in the City. Upon research, staff discovered that they had no historical buildings in the City, and they felt this provision should be struck from Code to give residents the opportunity to conduct Bed and Breakfast facilities out of their home. There were three Airbnbs in the City. There were complaints on one of them, but they were mostly related to parking.

C. Rees asked why this provision was in City Code to begin with. Mr. Goodwin said usually cities didn't write their own code, but rather they copied and pasted from other cities if they found it was working elsewhere. This was a provision another city had, and it found its way into Cedar Hills's City Code.

C. Bailey asked if there were any buildings that constituted historic or were getting close to that obtaining that designation. Mr. Goodwin said he couldn't think of any.

MOTION: C. Bailey—To approve Ordinance No. 05-16-2017A, an ordinance amending Title 10, Chapter 5 Relating to Bed and Breakfast Facilities. Seconded by C. Rees. Vote taken by roll call.

Yes - C. Crawley
C. Bailey
C. Geddes
C. Rees
C. Zappala Motion passes.

9. Review/Action on Final Acceptance of Subdivision Improvements and Beginning of Durability for Bridgestone Plats F & G

Jeff Maag said staff had completed inspections and evaluation of the Bridgestone Plats and found them in compliance with their plans. They received a letter of recommendation from the City Engineer, Bowen Collins & Associates (BCA). They asked for additional language to be added about durability inspection. It was recommended that City Council accept the development and to approve the release of the bond amount of \$125,000 with the remainder of the development bond to be changed to the durability retainer.

There was further discussion regarding the retainer. C. Geddes asked if they just changed to 5%, to which Mr. Maag said it was 10% in one year. C. Geddes said it used to be 20% in two years. Next, C. Geddes asked if the HOA weighed in on this matter yet. Mr. Maag answered in the negative, and said the bond was for the City infrastructure: sidewalks, streets, sewer water. Lastly, C. Geddes asked where plats F & G were located. Mr. Maag said plat F was a very small single unit that was broken off. Plat G was the remainder of that section located north of Bridgestone Drive.

MOTION: C. Rees—To approve acceptance of subdivision improvements for the Bridgestone Subdivision Plats F & G, and release the Performance Bond and the submission of the Durability Bond. Seconded by C. Bailey. Vote taken by roll call.

Yes - C. Crawley
C. Bailey
C. Geddes
C. Rees
C. Zappala Motion passes.

10. Discussion on Metering of Pressurized Irrigation (PI)

Mayor Gygi stated that C. Crawley wanted this item on the agenda. C. Crawley listed the following reasons why he was against this action:

- The cost will be between \$1.5 million and \$2.5 million (nobody knows the exact cost).
- Everyone's yard will need to be invaded and torn up where the meter will be installed.
- There will be costs associated with monitoring and billing based on usage.
- We have no proof that usage will decrease substantially with metering.
- We have plenty of water for use in the system and as long as people follow the even/odd watering schedule, the system does not get overloaded.
- We have several backup water sources in case there is a temporary failure of one water source.
- Although the scare tactic used is that a pump can go down at peak watering season, meters don't insure that a pump won't go down during peak season.
- We can buy a spare pump for about \$60,000 (1/25 of the minimum cost of meters) to keep on hand to lessen any potential downtime due to a pump failure.
- When the pressurized irrigation system was implemented, the selling point to the residents was that no matter how much you use there was one small base price.
- More government oversight and monitoring, with more staff needs.
- Future costs of fixing and replacing broken meters.
- If the state government wants to push cities to do this in the future, they may help fund it.

- No matter how it is funded, it still has to be paid for ultimately by us either through city, state, federal or sales taxes.
- Residents have spoken out against this in the past.

C. Zappala said he would like the Council to consider the facts that they had collected. He would like the Council to think about what they are going to do given the reality of the situation. He wanted to review the steps they had gone through. They commissioned a study from a firm called Hanson Allen & Luce Engineers. This firm modeled their system and ran it through a simulation of what could happen. He wanted to draw attention to two scenarios from the report. If one of the two wells failed, the City could increase deliveries from the north turnout to deliver water to the system. However, according to the report this would only be a short-term solution. The City would need to take immediate action to reduce demand on the system. In the case that a well failed, they could cover the missing water for a short time; however, even when they were covering the extra water, they needed to somehow get residents to reduce demand so the system could continue pumping. Realistically, the residents would use the water and the system would run dry.

C. Zappala said another scenario was that irrigation water was pumped up the hill above homes, which could then flow downhill to cover the City. If one of the pumps failed, there would be enough redundancy in the pumps that they could get by, but these pumps cycled so they were not overworked. If one failed, the other would need to stay on for longer periods, which increased the likelihood that other failures could occur. The City would still need to reduce demand. Engineers also found these two scenarios in which their system was at risk. There was a water conservation committee that met, for which there was a report. The resident committee recommended they proceed with meters; the Council should listen to the residents.

C. Zappala said there was another study commissioned of BCA to look at the financial aspect of installing irrigation meters. It looked at four alternatives. The first was not installing PI meters at all. Option two was installing them immediately and paying them off with a five-year bond. Option three was installing the meters and paying with a ten-year bond. Option four was installing them in the future and paying with cash reserves. The report said the additional wear and tear from overconsumption would require \$300,000 of capital improvements every five years. If PI meters were installed, according to the report, capital costs would decrease and only \$150,000 of improvements would be required every ten years. There were also likely to be operation and maintenance savings that needed to be considered if meters were installed. There was \$70,000 in utility costs that could be saved per year due to decreased pumping demand on the system. Over 20 years, the savings could be \$1.4 million. The report concluded that the net cost of doing nothing was \$1.2 million. The recommendation from that report was that they should install meters because it ultimately saved the City a lot of money. C. Zappala concluded that in light of these four, strong recommendations given from multiple sources, they should move forward with the installation of PI meters.

C. Crawley asked what percentage of decrease BCA planned on having with the metering in order to calculate the savings. He said they were saving \$70,000 in savings in the electricity; however, the total cost for the year was \$170,000 for the PI system. That was a 40% decrease in usage, which he said was unreasonable. C. Zappala said it was still a 40% decrease in water use and a 40% decrease in electricity. He said they were not going to pump as much. C. Crawley

said it pumped a certain amount per hour. He said it would be less, because there was some fixed cost, which probably meant a 50% or 60% decrease.

Mr. Louw noted that the City's utility and electricity budget was \$320,000 per year. C. Crawley said that included culinary.

C. Crawley also said the report didn't mention that American Fork had a backup plan for Cedar Hills, too, because both cities supplied water to one another anytime there was a need. C. Crawley responded to a previous argument that the system could run dry or lose pressure; he explained that the worst case scenario was they would have their grass grow not as green for a while. He said it was not worth \$2 million.

C. Zappala said the \$2 million figure was ignoring the cost savings that the report estimated. C. Crawley said there would be cost savings, but he opined that it wouldn't be \$2 million. He said he did not believe in the numbers from the report.

C. Rees said she also understood the need for conservation. She had concerns with the metering approach. The studies didn't always result in conservation, especially with an area that could afford increased rates. The Weber Basin Conservancy District in Ogden had also been installing meters and testing different water conservation methods. The Standard Examiner published an article in 2015 which said California water rates were 74% higher than Utah's, but overwatering had not gone away. Last summer water increased by 1% instead of going down the targeted 20%; this was even after fines for overwatering were implemented. Spanish Fork implemented secondary meters and saw a reduction in usage. Comparing Spanish Fork to Cedar Hills, it was a different demographic, and higher income areas were willing to pay more for water usage. Studies had shown educating users on consumption helped to reduce usage. Ogden installed meters and provided monthly information on how much water users were using, but they didn't change rates. Without changing the billing cycle, they saw a decrease in usage. In three years, Weber County saw the average household usage drop from 83% of their one-acre foot water allocation to 60%; overwatering dropped from 26% in 2012 to 9% in 2013. When a homeowner used a smart controller, overnight they saw a 30% to 200% reduction in water use. In California, they were installing smart controllers because they weren't seeing reduction with the meters alone. Another issue was that if conservation was key it had to come from the State. Her concern was that their wells drew from aquifers shared by other cities.

Mr. Goodwin said future growth would only increase demand on those shared aquifers. C. Rees agreed. She said when cities like Lehi were not trying to preserve water, any conservation on the part of Cedar Hills would be minimal if the larger cities like Lehi were pulling from aquifers faster than smaller cities could conserve. Conservation was important, but if it was the focus, it needed to come from the State. She was not sure metering would fix wear and tear on the system. Studies had always told Cedar Hills to not increase PI rates. It might make more sense to adjust those PI rates based on wear and tear rather than going to meters since they were not guaranteed that water meters would reduce consumption. They might have to upgrade faster anyway. C. Rees said the City used to have culinary water for lawns and everyone paid for what they used; however, the City presented to residents the benefits of switching to a PI system. As such, it was presented that they could use all the PI water they wanted for a flat rate. Those who

conducted the study didn't take into account that usage was going to increase. Now that that selling point wasn't working residents were frustrated. She did not want to implement another fix to a problem that didn't actually fix the problem. She would like to see the City increase education efforts on the benefits of smart controller systems and water conservation. She was open to a rebate program to motivate residents to get a smart controller. Furthermore, she would also like to talk with the State.

C. Zappala said on the point of charging people more for water, they should have a system where people pay for what they use. It was a strong market principle. If people chose to ignore the price signal, they were charging the right people to pay for the extra wear and tear. If they stayed with the status quo and charged everyone with a flat rate, everyone had to pay to replace the equipment. It was unfair to spread the cost to everybody.

C. Rees agreed, but that's what the City sold the residents on. C. Zappala explained that he was never aware that the City had made that kind of a pitch to the residents.

C. Geddes said this occurred around 2006 or 2007. He did not remember the City marketing a flat fee. Things changed, and sometimes changes needed to be made to policy. He was conflicted about what the State may do in the future. He liked giving incentives for smart meters.

C. Zappala said they had tried education a number of times. He believed that using education to change behavior was ineffective. With an education campaign, usage went down only 3%. Monetary incentives were the most effective means for changing behaviors.

C. Rees said educating residents on how much water they were using worked; in Weber County, education worked when the residents were given the data of the water they used.

C. Geddes said education could be a way to ease into conversation efforts as a whole.

C. Crawley said the reason he was against SkyDrop when they came was because it seemed like they were forcing their services upon everyone. He didn't like the idea of taking away residents' choice of what they had to use on their yard; however, he liked the idea of having year-long incentive programs instead of something more long term.

C. Rees said to look at recycling. People were participating because they had desire to help. She wanted residents to understand the purpose of water conservation.

Mayor Gygi said there was a lot of data available on this issue. He had been talking about reducing water consumption for six years. If smart technology worked, he was open to it. He would meet with the Governor's office and report back to the Council on what the State's plan was with water. Doing nothing was not a good option. Nothing had worked to help residents conserve water. He didn't like forcing anything on residents, and said a market solution may be best.

C. Geddes asked if 3% reduction took growth into account. Mr. Goodwin said it was hard to attribute reduction to any one thing. He noted that the City had put some smart controllers on their own parks.

Mr. Maag said one of the considerations that seemed to get overlooked was the City's annual reporting to the Division of State Water Usage. Each year the City was required to send in an annual report on the amount of water they produced, where it came from, and how much leakage had occurred. This year, this data was separated into two reports: culinary and irrigation. The culinary report required documentation of leakage in the system. This would be adopted into irrigation water in the future. This was done by the difference of water produced and water consumed. Most all systems leak. They needed to be able to measure the water consumed to determine the leakage, and the only way to do that was with meters.

C. Zappala asked if the State would be satisfied with metering on a neighborhood level, or if they needed usage per home. Mr. Maag said the matter had not been discussed. Neighborhood levels might be a viable option. It was difficult to isolate any given area.

C. Bailey said the Council seemed divided. He said he liked C. Rees's idea. The up-front cost for meters was a lot of money for which to bond. He would rather have a \$200 smart system on his own home than coming up with \$750 for installing a meter.

C. Zappala said they would need to do both at some point. They could at least give direction.

Mr. Goodwin addressed the smart water controller. SkyDrop was expensive, but it wasn't the only option. Staff could explore other options as well. C. Bailey said they could do it by neighborhoods. Mr. Goodwin said his initial concern was with the size of those pipes being more expensive.

11. Discussion on Lone Peak Public Safety District

Mr. Goodwin said the Lone Peak Public Safety District (LPPSD) board met and approved their preliminary budget as required by State code. It was broken into three parts: administrative, police, and fire. They did not contribute to the police budget because they paid American Fork directly. The fire budget was set to increase 1% for Cedar Hills. The administrative budget was set to increase to help fund an HR legal professional for the district. He reminded the Council that when setting the Council priorities, they wanted to get a handle on public safety costs for the next five years. The American Fork contract expires in two years, and to leave the district required two year notice. As a City, he wanted to explore options. The best option could be with Lone Peak, but in order to get the best value for the City, they should explore all options.

Mayor Gygi said he agreed. They may not do anything, but having sat on LPPSD board for six years, there were pros and cons of being a part of the district. Cedar Hills had never been treated equally as partners on the safety district. Furthermore, there was a group of Highland residents that clearly wanted Highland City to pull out of the safety district.

Mr. Goodwin said he sat down with C. Bailey who was a member of the district. Years ago, LPPSD had large amount of funds from grants. They received over \$1 million dollars in grants

for the district. Currently the district was budgeting for \$20,000 dollars in grants, which he opined was incredibly low. He would make a proposal with Lone Peak that Cedar Hills offer the services of the grant writer, and in turn the district helps pay said position. In one afternoon, they found 15 grants that were available.

Mayor Gygi said he wanted to be clear so there would be no misunderstanding. He had no problems with the firefighters. However, he did not like how the board had treated Cedar Hills. Therefore, they should reassess which options were best for the City.

C. Bailey said he was a Battalion Chief with LPPSD. His personal interest was to stay together as the fire district as Lone Peak. However, he agreed that what was best for citizens may be different, and they should look at all of their options. He supported that even if it hurt his income. As a Councilmember, he strongly suggested going out and seeing what was best for the City.

ADJOURNMENT

12. This meeting was adjourned at 8:11 p.m. on a motion by C. Zappala, seconded by C. Geddes, and unanimously approved.

Approved by Council:
June 20, 2017

/s/ Colleen A. Mulvey, MMC
City Recorder