

TOWN COUNCIL MEETING MINUTES

January 19, 2017

1. **Call to Order and Pledge of Allegiance**

Mayor Pro Temp Dean Heavrin called to order the meeting of the Town Council of the Town of Hideout at 3:30 p.m. on January 19, 2017 at 10860 North Hideout Trail, Hideout, Utah and led the Pledge of Allegiance.

2. **Roll Call**

The mayor pro-temp conducted a roll call. The following Council Members were present:

Dean Heavrin
Hanz Johansson
Doug Egerton

Absent: Mayor Martino
Cyndie Neel
Jim Wahl

Also attending: Town Clerk - Lynette Hallam, Kent Cuillard – Public Works, Brian Blazzard – Accountant/Treasurer, Carolyn Kuchinsky, David Erichsen, Terry Matyszczyk, Tony Matyszczyk and Bob Nadelberg

3. **MINUTES - Consideration and Approval of Minutes for Regular Meeting of December 8, 2016 and Work Session of October 27, 2016**

Hanz Johansson motioned to approve the minutes for the regular meeting of December 8, 2016 and Work Session of October 27, 2016. Doug Egerton seconded the motion. The motion passed unanimously with affirmative votes from Councilors Johansson, Heavrin and Egerton.

4. **ORDINANCE - Ordinance #17-01 - An Ordinance Establishing a 2017 Regular Meeting Schedule for the Meetings of the Town Council of Hideout Utah**

Council Member Doug Egerton stated residents have said they would rather have a later meeting time to give them time to get to the meetings after work. Council Member Hanz Johansson suggested a time of 7:00 PM, 6:30 PM or 6:00 PM. There was further discussion of a proposed time.

Council Member Doug Egerton made a motion to adopt Ordinance #17-01 but change the meeting time to 6:00 PM. Council Member Hanz Johansson seconded the motion. The motion passed with affirmative votes from Councilors Johansson, Heavrin and Egerton.

5. **ORDINANCE - Ordinance #17-02 - An Ordinance Establishing Rules and Regulations for Back-Flow Prevention and Cross-Connection Control for the Town of Hideout Utah**

Councilor Doug Egerton wasn't in attendance last month and had some questions about the program that we are voting on, including if it was a new law and why the Town wasn't able to set the inspections up. Dave Erichsen stated he felt it was mostly to protect the residents.

There was further discussion and Council Member Johansson opined if it is a State law there didn't need to be a lot of discussion.

Councilor Doug Egerton motioned to adopt Ordinance #17-02 – An Ordinance Establishing Rules and Regulations for Back-Flow Prevention and Cross-Connection Control for the Town of Hideout Utah. Councilor Hanz Johansson seconded the motion. The motion passed unanimously with “aye” votes from Council Members Egerton, Heavrin and Johansson.

6. **DECISION ITEM - Proposed Changes for 2017 Water Fees**

Carolyn Kuchinsky informed the Council that she, Dave Erichsen and Steve Jackson had done a comprehensive analysis of the fees. The handout given to the Council showed what the fees are presently and what they need to be. The increases are being made to make sure the costs can be covered and also positioning so there can be reserve funds. Jordanelle Special Services District's (JSSD) fees have increased substantially. The reservations fee is broken out based on the type of owner

Council Member Doug Egerton asked for clarification of what is a residential dedicated lot, what is a platted bulk lot and what is unplatted land and why one has a different need/requirement from another. Dave Erichsen replied unplatted land represents the biggest reserve; landowners typically have not done what they need to do to reserve water. The Town wants to encourage raw land owners to get water; the benefit is it gives a big pool of water which we hope we never have to tap into. This group needs the least administrative costs. Mr. Erichsen said the platted bulk lots don't require a lot of administration. We will need those lots to prove beneficial use when we have to go to the State. The residential dedicated lots are ready to build and can get water if they have reserved water.

Councilor Egerton asked why the fees are being reduced for bulk lots. Dave Erichsen replied we don't have to. Over time the residential lots are going to have to pay even more.

Council Member Doug Egerton asked if the sought for surplus is to build an escrow fund for future maintenance. Dave Erichsen replied there some things the Town has not been doing and need to get caught up on. The goal has been to have a lower cost for residents, but there are things that need to get done. The rates are still lower than they would be with JSSD.

Council Member Egerton suggested there needs to be a study done. Dave Erichsen agreed that is something that needs to be done. If the Town decides to do an impact fee, it will require a study.

Carolyn Kuchinsky mentioned that Brian Blazzard has estimated the depreciation for 2017 would be about \$25,000. Dave Erichsen pointed out the lines have previously be maintained to JSSD's

standards; the Town probably should strive for better maintenance. If things go wrong, they usually go big.

Councilor Egerton asked if the Town has insurance for the system. The Town Clerk said there was insurance, but she did not know how much. Mr. Erichsen pointed out that insurance would cover costs for maintenance but not for water rights. The Town will need to buy water reserves in the future; the developer reserves are gone. Insurance coverage is for breaks, fire, etc.

A discussion ensued concerning the rate increase. Dave Erichsen commented the reserve fees were higher to JSSD; he was surprised the rate was dropped down originally. Council Member Doug Egerton suggested leaving platted bulk lots at \$187.50.

Council Member Egerton made a motion to leave the rates as shown in the proposal and the bulk lots at \$187.50. The motion did not receive a second and motion died.

David Erichsen stated that JSSD makes the Town buy 25 acre feet of water per each increase. Dedicated residential lots may need to go up further. There was a discussion of responsibility after the water is turned over to the Town. Mr. Erichsen stated when the Town goes to the State, the State will ask for the residential connections and the dedicated lots. The rest is a reserve that can use to show we've met obligations for culinary. There was a discussion of when lots become residential dedicated and platted bulk. It was determined the lots become a dedicated residential lot when the infrastructure, including water and sewer, is accepted by the Town. Until the plat is recorded, the land is considered unplatted.

Council Member Doug Egerton made a motion to change the reservation fees to \$216 for residential dedicated lots, \$188 for platted bulk lots and \$142 for unplatted land and the categories be unplatted; platted bulk – plat recorded; and residential dedicated – infrastructure accepted by the Town. Council Member Hanz Johansson seconded the motion. The motion passed unanimously, Councilors Egerton, Heavrin and Johansson voted "aye".

The discussion turned to metered water fees. Dave Erichsen stated culinary is only contributing \$24,000 above what JSSD is charging. There needs to be a replacement and maintenance bank. Councilor Egerton brought up that JSSD did not raise rates to the Town, why is the Town raising the rates to residents. Carolyn Kuchinsky pointed out JSSD has raised their rates to their residential customers. Mr. Erichsen said JSSD found they hadn't picked up replacement costs; and he opined that the Town needs to be on top of their game. Culinary rate needs to put money in reserve. Dave Erichsen declared the Town shouldn't go ten years and then be in trouble.

Council Member Egerton felt there needs to be more study done. David Erichsen stated the Town has done a good job to keep costs down.

Terry Matyszczuk expressed a 20 per cent raise was not that much, but it should be rounded off to the nearest dollar.

Council Member Hanz Johansson mad the motion to raise the residential water rate from \$37.01 to \$44.00. Council Member Doug Egerton seconded the motion. The motion passed with affirmative votes from Councilors Egerton, Heavrin and Johansson.

Carolyn Kuchinsky stated she would send a letter concerning the raise with the February billing including the reason it is being raised. The rate increase will be implemented in April.

Brian Blazzard indicated the surplus in the 2016-2017 budget went to pay the reservation fees which were not paid in the previous year which reduced the surplus substantially. Councilor Egerton felt excess funds should be surplused for the future and asked if there could be a reserve fund account for that surplus. There was discussion on how the accounting would be handled. Mr. Blazzard said it would come as retained earnings. Councilor Egerton desired there would be a reserve account.

7. CONSIDERATION & APPROVAL OF BILLS TO BE PAID – Approval of Payment of January, 2016 Bills

There was discussion about the bills. Council Member Johansson brought up hiring a planner which was discussed.

Council Member Hanz Johansson made the motion to approve the January, 2017 bills. Council Member Doug Egerton seconded the motion. The motion passed unanimously with affirmative votes from Councilors Egerton, Johansson and Heavrin.

8. Review Financial Statements, If Needed

No discussion.

9. Public Input

Bob Nadleberg said he was building on Lot 64 in Silver Sky. Mr. Nadleberg talked about the 700 units in Shoreline Village which has preliminary plat approval. Mr. Nadleberg felt this would destroy the community. Mayor Pro-temp replied the density in the project has always been in the Master Plan. Mr. Nadleberg said the residents of Silver Sky are unhappy.

Councilor Doug Egerton said they only had preliminary approval. It will have to meet the ordinances of the Town. There will be some further inquiries on how it will impact property values. There are still a lot of open questions. It can surround Silver Sky and is out of the Council's hands if it meets Town requirements. Traffic, density and property values are all unanswered questions.

Mayor Pro-temp Dean Heavrin said this development is in the RSPA zoning and there are open areas included in the overall development.

Council Member Egerton stated the 700 doors equal 590 eru's in the 140 acres times the amount of additional land that is reserved and can never be built on. A developer can get to 1.8 eru's based on conditions. Amenities such as the Community Center also contribute to the eru equation.

10. **Adjournment**

Council Member Hanz Johansson made the motion to adjourn the Hideout Town Council Meeting. Council Member Doug Egerton seconded the motion.

The meeting adjourned at 5:30 p.m.

Lynette Hallam, Town Clerk

Approved: 2/9/17