

MINUTES
ENOCH CITY COUNCIL
October 19, 2016 at 6:00pm
City Council Chambers
City Offices, 900 E. Midvalley Road

Members present:

Mayor Geoffrey Chesnut
Council Member David Harris
Council Member Steve Johnson
Council Member Jolene Lee
Council Member Dave Owens
Council Member Shawn Stoor

Staff present:

Julie Watson, Recorder
Dan Jessen, Treasurer
Gary Kuhlmann, City Attorney
Robert Dotson, City Manager
Jackson Ames, PD Chief
Earl Gibson, Public Works

Public present: Dilworth Armstrong, Todd Sheeran, Paul Yoder, Jordan Barben, Ty Jessen, Kyle Ransom, Lincoln Rushton, Jerry Munroe and Cam Findley

1. **CALL TO ORDER OF REGULAR COUNCIL MEETING-**By Mayor Chesnut at 6:00pm. He welcomed the audience.
 - a. **Pledge of Allegiance-**Led by Council Member Johnson
 - b. **Invocation-**Audience invited to participate-Given by Council Member Harris
 - c. **Inspirational thought-**Given by Council Member Owens
 - d. **Approval of Agenda for October 19, 2016-Council Member Harris made a motion to approve the agenda. Council Member Owens seconded the motion and all voted in favor.**
 - e. **Approval of Minutes for October 5, 2016- Council Member Harris made a motion to approve the minutes. Council Member Owens seconded the motion and all voted in favor.**
 - f. **Conflict of Interest Declaration for this agenda-**none stated

2. **RECOGNITION OF VARIOUS COMMITTEE MEMBERS LEAVING SERVICE**

Mayor Chesnut said we would like to recognize several residents who have served in various capacities on committees and are leaving that service. He asked City Manager Dotson to present the plaques. City Manager Dotson recognized Paul Yoder of the EDC saying he has a web design company, Jump Starter Websites and thanked him for his work on Iron Days and for all he did. Jordan Barben has an accounting business, Quick Pros Accounting and served from 2014. He was great at facilitating things and will be missed. Cam Findley also of the EDC, served since inception in 2012 until March 2016. He works for the Governor's Office of Economic Development. Also leaving the EDC is JD Price owner of JD's Barbershop. Kim Twitchell of the Tree Committee worked at Garden Park Nursery, now Lady Bug Nursery. She is not here tonight but we will get the plaque to her. Mayor Chesnut thanked them all for their service to Enoch City.

3. **PRESENTATION REGARDING OUTDOOR RECREATION/TRAIL SYSTEM**

Council Member Lee gave some background information about disc golf saying she has participated in this activity in other cities. It is a great family activity that could be used as part of our trail development project. The cost for disc golf was included in the 2016-2017 budget. They have approval to purchase 12 cages with three each being placed in four parks; Spanish Trails Park, Liberty Park, Old Enoch Park and Cottonwood Park. They want to have discs to check out at the City Office along with the rules. Council Member Lee said she has been to all three elementary schools to talk to the principals and they would like us to work with the PE teachers to

teach what disc golf is all about. They hope to have volunteers go to the schools to explain the program. She added she is working with the SUU Department of Outdoor Fitness and Recreation and the SUU Department of Rural Health to try to get an EDGE project student to work with the PE teachers.

Cam Findley of the trails committee reported saying he made some maps of each park and how the disc cages will be set up. He told about the website and possible routes to take and events that could coordinate with disc golf. This could also unite the community at other events like 4th of July. No one else in Iron County has this program. He told about the difference between professional courses and what we will have adding there are two courses at the Three Peaks Rec area. He gave more details about plans for tournaments saying it brings tourism and is great for group events. It is free to play. Asked about maintenance, he said it is very low and the posts can be easily mowed around. He said they plan to order the baskets tomorrow and they will ship on the 28th. The parks people will install them for us. Council Member Lee said Cam did the negotiating with the companies and we will have the Enoch logo on the discs. Council Member Johnson asked about the money and Dan said it is in the park development budget with \$5,000 set aside for this project. There are no grants now but we may get some from RAP tax funding for expansion in the future, Cam said. City Manager Dotson said this is a piece of a bigger project to connect Enoch with a trails system. It was noted that vandalism drops because people are around more in the evenings. Mayor Chesnut thanked everyone for their work on this project.

4. DISCUSS WELL FINANCING OPTIONS

Mayor Chesnut asked Treasurer Dan Jessen and City Manager Dotson for an update on the options. City Manager Dotson said we are making this public now and intended to bring the agreement with the well owner who wanted to close tomorrow. After we looked through everything we still did not have all of the details to finalize the agreement. The main concern now is the level to which we want to develop the well which will determine the amount of financing we need. This information was on a handout passed out to the Council Members.

- Purchase alone-\$200,000 (impact fees) \$400,000 (loan)
- Loan (Pay of old/new loan with draws)
- Separate Metering
- Sell to farmers
- Add telemetry/SCADA-\$10,000

- Make culinary
- Well head protection/State approval-\$4,000
- Grout-\$34,150
- New well house-

- Pipe to our system-\$22,810 feet
- Water Modeling-\$13,000
- Pipe/fittings-\$12.50 per foot
- Labor/Installation-\$728, 536
- Testing-

The City Council discussed the three options presented. Other funding such as CIB could be explored to pipe the water into the existing water system at a later date. It was noted the well owner have expressed some new demands that we need to discuss in Executive Session as part of finalizing the agreement. There was more discussion of equipment updates, processes for updating to culinary status, well head protection zone and piping to get the water into the existing

water system. The well house was surveyed and there are challenges with locating the property line and questions to resolve. We sent out water samples some time ago and the water is really good water. The bank just needs a number from us when the City Council decides on the extent of the project.

Council Member Harris commented saying the interest rate of 3½ % is very good. Dan said the bank will work with us on this small loan by perhaps making it interest only until the other water loan is paid off. Council Member Harris said he is favor of locking in the low rate. CIB funds are 1½ % but are getting harder to get, City Manager Dotson said. Dan said we may not want to go through with the whole project right now because we may be able to use CIB funds later. It was noted that is not the only funding source available. We could investigate funding from Rural Water, Department of Water Resources and others.

There was brief discussion of the possibility of a revenue source by selling some of the irrigation water to other farmers for the time being. Dan said the agreement with the well owner includes ensuring well head protection with teeth in it to protect against surrounding pollutants. It may not be a bad choice to purchase and upgrade to better ensure the well head protection. Well head protection zones are covered in a County Ordinance and they have the power to enforce it. Another issue is the closest landowner has applied to drill a well and divert 4000 AF water to his well and pivots. We protested that change application. Council Member Owens asked if we would have more leverage on the protest if we add the culinary upgrade now to protect the well head. City Manager Dotson noted we said in the protest that the intent is for a municipal culinary well. Council Member Harris said he likes the idea of combining the purchase/upgrade now and then find other monies to bring the well into the existing water system.

Mayor Chesnut said we need some consensus as we go forward. Financing is part is the time frame. Council Member Johnson said since this well became public he has had discussions with citizens who felt the City should approach this like a good household is run by avoiding debt. He suggested we use savings for the well purchase. Dan said we have the money but we would be running too low on the required cash position in the water company and he does not think it is good idea. Council Member Stoor agreed saying he likes the idea of purchasing the well and doing the upgrade to culinary now. Council Member Harris in this environment it makes sense to finance it. Personally for individuals avoiding debt is good thing. For the City we need to use money wisely and financing does that with the low rate we can get. Council Member Johnson elaborated on the future of the U.S. dollar and the coming economic downturn. Anytime we cut payments it is a good idea. He also questioned the urgency to develop the well to culinary standards now. Council Member Lee asked if this is a revenue generating business. Dan said the agreement with the owner is almost by definition less than nominal. We are charging him pumping cost plus 10% for maintenance. If we sell to others we would have a revenue stream. Mayor Chesnut said let's leave the agreement out of the discussion as it is not executed yet. There are no guarantees of other revenue. This is for the City's future culinary water needs. Council Member Johnson suggested the revenue from selling water to farmers could bolster savings rather than pay debt, defending his position to pay cash for the well.

There was more discussion of the pros and cons of borrowing versus paying cash. City Manager Dotson shared a story about the value of using other's money in order to make money. It was noted cities do not function like personal households and are not meant to operate that way. It is a business and water payments pay the debt. It is called "leveraging". Council Member Harris elaborated more about the importance of retaining our cash on hand adding he is not worried about the collapse of the financial system or recession. Mayor Chesnut said in light of time constraints it is not unreasonable to do it this way and we can revisit other funding down the road. Council Member Johnson maintained he does not like debt when it is not an emergency. Mayor Chesnut said the lack of cash reserves when financial troubles come is a big problem. He deals with that every day in his work. Cash is king. We weathered other hard times because we had

cash reserves to offset declines in revenues. Different funds can lend to each other so we have options.

Dan said the economy is in recovery and it has been long and drawn out. The State of Utah has a strong economy and there is no reason to anticipate anything drastic. He understands that avoiding debt on a personal level is a great policy but we are not a person. We are a city and many prudent household policies don't apply. Borrowing money to build infrastructure is a legitimate debt. Because of the low cost of capital it makes more sense to take advantage of that. Council Member Johnson went on about businesses closing and other signs of financial downturn. Dan said we could be due for an economic pull back but it is not the end of the world. Mayor Chesnut said it is good and wise to hear a voice preaching caution. Mayor Chesnut said for administrative reasons we need to nail down the options and know what the City Council wants to do. He said he hears the Council is leaning toward purchasing the well and upgrading it to culinary now. Council Member Harris and Council Member Stoor agreed. Council Member Johnson said we will not be in a bad situation for water for some years down the road. Council Member Lee asked if there is any advantage to doing it all right now including bringing it into the water system. It was noted we don't need to do that now.

There was brief discussion of balancing the aquifer and the groundwater management plan being formulated. Council Member Harris said we could get better financing by waiting. Another option is we could bring the well online and save money by not running the pumps on all of the other wells. He suggested we could do a cost/benefit analysis. Mayor Chesnut agreed it would be smart to analyze the numbers. Mayor Chesnut said let's put together a cost/benefit analysis to ascertain the net benefit of financing vs cash buy and including the cost of running the other wells vs the cost of waiting to bring this new water source online. There were no other comments or action taken.

6. PUBLIC COMMENTS

Jordan Barben said we should look up Enoch City UT on Google. He wondered about the picture being shown on the website which is trying to link Enoch to a dating website. Jordan said the new well would be great with a golf course around it.

7. COUNCIL/STAFF REPORT

Dilworth Armstrong said we have a big expense with our wells and they can go out at any time. Speaking from experience in two irrigation companies and six irrigation wells, every few years you have to overhaul each well. Sediment wears things out and efficiency goes down. You have to have enough money in the bank to take care of emergencies so that you don't run out of water. Look at the costs and plan for it.

Earl Gibson reported they are test pumping the animal shelter well. The well discussed tonight and new well on the hill may give the other wells a break.

Dan Jessen said to follow up on Earl's comments this new well purchase and the shelter well would be close enough to pipe into the system together when we decide to run the line to tie it in.

City Manager Dotson said Susan Lewis is leaving for another job. Her last day will be November 4th. Officer Ryan Horton went to the Cedar City PD. Our new officers are doing great and Josh will be made full-time with Ryan's departure. We are advertising for the administrative assistant job "in house" and then we will post it outside. Every person we have on staff is extremely important. When anyone leaves for any reason it creates a hole that is never completely filled. They all put their heart and soul into what they do which is to serve others. He reported public works is working on numerous projects. The drainage basin on Hwy. 91 and Enoch Road is completed. They are clearing the cemetery lot to prepare it to add to the cemetery. Chief Ames could not be here tonight and wanted to pass on that the officers doing great and will be off FTO soon. He reported Susan Lewis is attending the Cedar City Council meeting tonight because they

are talking about wastewater reuse. We have talked about that with them in an effort to get our treated wastewater to Enoch for reuse.

Mayor Chesnut said he did “Enoch Live” Facebook session at the test pumping of the animal shelter well and also toured the proposed new well purchase site.

Council Member Johnson said in thinking about the water ordinance the Council passed last meeting, as a City we should not waste water either and are subject to the law. He wondered how the process works when the violator is the City. Dan pointed out this issue comes up all the time because many cities water cemeteries and parks using secondary treated water which they can only use during the daytime hours so they get reported all the time. In Enoch there are some who own their own wells and can water whenever they want to and we are aware of those well owners and would not cite them.

Council Member Harris said the Planning Commission is working on the M-R-2 zone and may even present an R-1-11 zone. They will start on group homes at the next meeting.

Council Member Lee said she went to the Water Board meeting and they were asked to look at the Subdivision Ordinance language to match the previous recommendation on the Zoning Ordinance in regard to water rights. They sent a favorable recommendation to the Planning Commission to change the Subdivision Ordinance on water rights.

Council Member Owens said he has been meeting with some residents about serving on the EDC is looking to forward to having some names for approval soon.

8. CLOSED EXECUTIVE SESSION REQUESTED-(Requires a roll call vote w 2/3 majority)

Mayor Chesnut asked for a motion to go into executive session to discuss strategy for the pending purchase of property. **Council Member Harris so moved. Motion was seconded by Council Member Owens and a roll call was held as follows:**

Council Member Harris-Yes

Council Member Stoor-Yes

Council Member Johnson-Yes

Council Member Owens-Yes

Council Member Lee-Yes

Motion passed

The regular meeting ended at 7:30pm.

9. ACTION FROM EXECUTIVE SESSION-

Council member Harris made a motion to direct our City Attorney to work with the well owner’s attorney to respond to a new proposal he extended and work out the agreement. Motion was seconded by Council Member Owens and all voted in favor.

10. ADJOURN- Council member Harris made a motion to adjourn the regular meeting. Motion was seconded by Council Member Owens and all voted in favor.

Julie Watson, Recorder

Date