

RICHMOND CITY COUNCIL

JUNE 15, 2021

The regular meeting of the Richmond City Council was held at the Park Community Center located at 90 South 100 West, Richmond, Utah on Tuesday, June 15, 2021. The meeting began at 6:30 P.M.; Mayor Jeffrey Young was in the chair. The opening remarks were made by Lyle Bair.

The following Council Members were in attendance: Tucker Thatcher, Cheryl Peck, Kelly Crafts, Lyle Bair, and Terrie Wierenga.

City Administrator Jeremy Kimpton, City Engineer Darek Kimball, City Recorder Justin Lewis, and City Treasurer Christine Purser were also in attendance.

VISITORS: Gale Alvey, Una Sweeten, Elbert Sweeten, Alison Ence, Ronald Natali, Assistant Fire Chief Jeremy Hunt, Brian Potts, Marilyn Natali, Sarah Ann Ripplinger, Julie Thain, Sara Gilbert, Sharon Webb, DeMoyn Webb, Eric Hall, Lee Anderson, Paul Erickson, Steven Buttar, Marlowe Adkins

APPROVAL OF THE CITY COUNCIL MEETING MINUTES FROM MAY 18, 2021

A motion to approve the city council meeting minutes from the May 18, 2021 City Council meeting was made by Terrie, seconded by Lyle, and the vote was unanimous.

Yes Vote: Thatcher, Peck, Crafts, Bair, Wierenga

No Vote: None

DISCUSSION AND UPDATE WITH ALISON ENCE REGARDING INFORMATION SHE HAS OBTAINED REGARDING HER REQUEST FOR A CONDITIONAL-USE PERMIT FOR AN ACCESSORY APARTMENT AT 111 EAST 200 NORTH.

MAYOR: We asked Alison to return this month to discuss what she found out about adding another entrance, so she would qualify for an accessory dwelling unit.

ALISON ENCE: I had not read your ordinance. I read it since the last meeting. I talked to the builder. An egress does not mean a door. It is a way in and out. If a window passes, then it is okay. I don't see that I need a door. I talked to the builder, and he was going to attend tonight to discuss the specifics of building code. A door is not needed. I have ladders in each of the window wells.

MAYOR: Previously, we talked about an additional door. I need clarification on if a window can serve as an ingress/egress.

JEREMY HUNT: A window is considered an emergency egress in the fire code. There are limitations in the code.

MAYOR: What about an accessory apartment?

JEREMY HUNT: That would fall to the building code and not the fire code in regard to your question.

MAYOR: Did we get the opinion of our building inspector?

JEREMY KIMPTON: No.

TERRIE: The home was inspected as a single-family home. There are more safety codes in place for accessory dwelling units. I agree that windows are an emergency exit. Our code says two egresses are needed of which only one can come through the garage. International building code refers to doors.

ALISON: There are already two doors and three windows in place.

MAYOR: Do we have any comments from the county?

JEREMY KIMPTON: The definition in our code is vague.

CHERYL: Where is the second door located?

ALISON: At the back of the house leading out of the garage.

CHERYL: Both doors are in the garage?

ALISON: Yes. The appraiser appraised the house including an accessory apartment. My plans all along included an accessory apartment. The window must be a certain height and width and distance from the floor and mine qualify.

MAYOR: If the county signed off on this, then it could be approved.

TERRIE: We were told from the beginning this was a single-family dwelling. We were not told about the accessory dwelling. It was inspected as a single-family dwelling.

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MAYOR: There were two sets of building plans?

TERRIE: Yes. The plans turned into the city were different than the plans turned into the county.

ALISON: The plans were never changed.

JEREMY KIMPTON: Alison, did you see the plans which were approved by the city before they went to the county?

ALISON: No. How are they different? The stairs have always been in the garage. We had to flip the direction the house sits because of your requirements. I had to remove a second furnace to be compliant. We have not made any changes other than what you asked for. The accessory dwelling has always been planned for.

JEREMY KIMPTON: It was not listed as an accessory dwelling unit or stamped off that way.

MAYOR: As a point of clarification, we don't deal with appraisers or know what they are doing with a particular property.

ALISON: I don't know what you got. I know what I saw.

JEREMY KIMPTON: All we receive are the blueprints and site plan.

MAYOR: If it was not clarified on the plans, then it would be considered a single-family home.

TERRIE: It was not specified. It is why we sent them a certified letter as soon as we found out about it. We discovered the split garage, and the letter was sent to Alison and the contractor saying a duplex is not allowed in a single-family zone.

ALISON: The letter only said I could not rent to non-family.

JEREMY KIMPTON: It was not disclosed to the city the home included an apartment. You and everyone else can have a kitchen in the basement of your home. The plans were labeled as a single-family home. They were stamped off on as a single-family home. We were never told to look at anything different than a single-family home. This is the fault of the builder when he submitted the plans. We did not understand what you were doing. The letter we sent to you said to stop and let's resolve the issue. Renting is different. Also, some state statutes have changed since this project started.

MAYOR: If the county approves of this, I don't think we can argue against it.

TERRIE: I would. Ingress and egress are different for this.

ALISON: That is not different.

MAYOR: We will support the decision of the county building inspector. They make sure these requests are legal. If they say the apartment is legal, what is our defense?

TERRIE: There are differences between single-family homes and including an accessory dwelling unit, such as different fire requirements are in place for residential versus commercial use.

MAYOR: But, if everyone signs off on it, why not allow it?

TERRIE: The county signed off on a single-family dwelling, not an apartment.

MAYOR: What if we ask them now to review it and if they say yes, it is okay?

TERRIE: I would doubt it would pass fire and safety code.

ALISON: Not according to the law.

MAYOR: We will have the county building inspector and our fire department do a current inspection.

TUCKER: I don't have a clear understanding of egress. I am not sure if it is just a door or also a window.

JEREMY KIMPTON: Would you like me to schedule a meeting with Brian Abbott, Jay Downs, myself, and Alison to review this?

MAYOR: Yes. We need this clarified on what is required per the code.

JEREMY KIMPTON: They would now know the intended use.

TUCKER: The intent was determined when they received the certified letter. I know the builder came in when the letter was received.

JEREMY KIMPTON: The builder kept telling us it was a single-family home. We talked to the building inspector about it being a single-family dwelling. We were eventually told it was going to be used for short term rentals.

TERRIE: When we found this out, we notified you of the process.

ALISON: I am here to get a permit to rent to non-family members.

MAYOR: We are currently in the process of adjusting our city code. The new state code is more in favor of property owners. Your home was not properly approved. The state statute has changed. We might be able to work with you now. Let's have Jeremy schedule a meeting for this issue to be reviewed. Each department will give their opinion. The council will then know what is allowed or not allowed. It is a good clarification for us as well. If the window option with a ladder works, we need to understand that in regard to an accessory apartment.

TERRIE: I want to hear what the county building inspector has to say as well as the fire department.

MAYOR: If they say it does not comply, then we have a legal issue before us to deal with. We will proceed with scheduling a meeting to get information from them. We will not pursue an eviction of the renters until we get the facts of what is allowed.

DISCUSSION AND POSSIBLE VOTE ON IMPLEMENTING FIREWORKS RESTRICTIONS FOR 2021.

MAYOR: The proposed restrictions are the same as normal. Nothing can be lighted east of 300 East and north of 500 North. There are already state and county guidelines put in place by Governor Cox.

JEREMY HUNT: Hyde Park has banned all fireworks throughout the entire city for this year.

TUCKER: Are we going to allow people to light them at city owned facilities?

MAYOR: Yes, at the park like in past years. I would rather people be at the park where they can safely do it than other areas.

TERRIE: I am opposed to fireworks being allowed in town this year.

MAYOR: Things could change over the next month, and we might have to make changes.

LYLE: I agree. We need to make decisions based on current conditions.

MAYOR: People need to understand they could get a \$750 fine or sentenced to 90 days in jail if they do not comply and get caught.

A motion to approve implementing fireworks restrictions for areas east of 300 East and north of 500 North was made by Tucker, seconded by Cheryl, and the motion passed by a vote of 4-1.

Yes Vote: Thatcher, Peck, Crafts, Bair

No Vote: Wierenga

PUBLIC HEARING FOR THE PURPOSE OF DISCUSSING ORDINANCE 2021-15, AN ORDINANCE AMENDING THE RICHMOND CITY MUNICIPAL CODE, TITLE 12-000 "LAND USE, DEVELOPMENT AND MANAGEMENT (LUDMO)", CHAPTER 12-1000 "OVERLAYS", PART 12-1030 "MULTIPLE-FAMILY DWELLING UNIT OVERLAY "MF"", PART 12-1030-7 "ACCESSORY APARTMENTS.

JUSTIN: We made a couple of changes since last month which you requested. A couple of clerical items were corrected. We also added verbiage about temporary absences would be allowed for up to two years.

CHERYL: What about changing to three years?

JUSTIN: The council can change any part of the Ordinance they want.

A motion to close the regular council meeting and open the public hearing was made by Tucker, seconded by Lyle, and the vote was unanimous.

Yes Vote: Thatcher, Peck, Crafts, Bair, Wierenga

No Vote: None

The public hearing opened at 6:57 P.M.

There were not any comments or questions.

A motion to close the public hearing and reopen the regular council meeting was made by Terrie, seconded by Lyle, and the vote was unanimous.

Yes Vote: Thatcher, Peck, Crafts, Bair, Wierenga

No Vote: None

The public hearing closed at 6:58 P.M.

DISCUSSION AND POSSIBLE VOTE ON ORDINANCE 2021-15.

MAYOR: I have reviewed this and have some questions. I don't see how a house cannot be added onto.

TERRIE: It is stated in state code.

MAYOR: I cannot find it in the state code.

TERRIE: It says in the footprint of the existing building. Many cities were opposed to the changes made by the legislature.

MAYOR: Jeremy, what did legal counsel have to say about this?

JEREMY: The city can state if they want to allow more than the existing footprint. I asked about a prohibition.

Terrie is right, if a person wants to be protected under SB82, then you use the existing footprint. If you want to add-on, you are subject to new city regulations.

MAYOR: So, if the council is okay with them being allowed as an add-on, then it would be okay?

JEREMY: Yes.

TERRIE: It cannot be a separate building.

MAYOR: Correct.

JEREMY: It must be attached.

TERRIE: As well as meet current zoning and setback standards.

JEREMY: SB82 is to protect from the past. SB82 only applies to those which are existing, not any that are new.

MAYOR: So, the council can allow them.

JEREMY: Yes, as long as they follow current land-use standards.

TERRIE: We can add some verbiage specifically identifying current zoning regulations and building code must be met.

MAYOR: I agree.

JEREMY: The state statute is not well written and can be hard to understand. You can leave the proposed Ordinance as written or modify it.

MAYOR: That was my only concern.

TERRIE: We could also say as a city-approved addition.

MAYOR: What are the thoughts on changing the temporary absence from two years to three years?

TERRIE: I have an issue with over two years. I wanted 18 months. When does it become a rental versus owner occupied?

LYLE: Can a person rent the home and put two leases in place?

TERRIE: No.

CHERYL: I think it is worse to have a home vacant than being occupied.

TERRIE: Then we create a bunch of duplexes if the owner-occupied requirement goes away. They can reapply after two years if needed. I don't see a problem with leaving it at two years.

CHERYL: If a person can reapply, then they can just keep doing it over and over.

TERRIE: If they want to reapply and pay the fee that is okay.

CHERYL: That is no different than allowing for three years.

TERRIE: We have instances where the owner of the residence is not easy to find and there are issues with the renter. It will help tighten this up if it is reviewed every two years. We don't want rental properties in violation of our code.

LYLE: Should we limit the number of times someone can reapply?

TUCKER: People could have more than one deployment.

LYLE: What about a limit of two years?

MAYOR: I don't think a limit is needed.

TERRIE: If they want to make it a long-term rental, they can get rid of the accessory dwelling unit part of the home.

A motion to adopt Ordinance 2021-15, an Ordinance amending the Richmond City Municipal Code, Title 12-000 "Land Use, Development and Management (LUDMO)", Chapter 12-1000 "Overlays", Part 12-1030 "Multiple-Family Dwelling Unit Overlay "MF"", Part 12-1030-7 "Accessory Apartments" amending the Ordinance to include the following sentence in A., 1. a., (4), "An addition to the original primary dwelling may be added, with approval by the city, for the purpose of creating an accessory dwelling unit attached to the original dwelling unit" was made by Terrie, seconded by Lyle, and the vote was unanimous.

Yes Vote: Thatcher, Peck, Crafts, Bair, Wierenga

No Vote: None

DISCUSSION AND POSSIBLE VOTE ON RESOLUTION 2021-06, A RESOLUTION UPDATING THE PREVAILING FEE SCHEDULE OF THE CITY.

JUSTIN: We were notified as part of the upcoming audit there will be a focus on the fees charged by the city. We have been doing Resolutions the last several years, but not all of our fees were listed in each Resolution. The proposed Resolution puts all of the fees which were not in previous Resolutions in Resolution form. None of the fees we currently charge are being changed. The only new fee is an Accessory Dwelling Unit Application Fee of \$25.00 will now be charged since Ordinance 2021-15 has been adopted. All of our fees will be easy to find and track as they are now in Resolution form.

CHERYL: Do we have to charge these fees?

JUSTIN: Only the council has the ability to waive any fees.

A motion to adopt Resolution 2021-06, a Resolution updating the Prevailing Fee Schedule of the City was made by Tucker, seconded by Terrie, and the vote was unanimous.

Yes Vote: Thatcher, Peck, Crafts, Bair, Wierenga

No Vote: None

PUBLIC HEARING FOR THE PURPOSE OF DISCUSSING ORDINANCE 2021-16, AN ORDINANCE ESTABLISHING A MONTHLY BILLING AND RATE SCHEDULE FOR THE RICHMOND CITY SANITARY SEWER SYSTEM AND TREATMENT.

MAYOR: This goes back to 2006. We had a lagoon system. We had the lagoons for a long time. The system was installed in the 1970's. The city went away from septic tanks at that time. Our license and permit came due for us to dump into the river. We were informed we were out of compliance with our discharge permit which is governed by the EPA (Environmental Protection Agency). Our water was too dirty to discharge into the river. Richmond was tasked with cleaning up the water before it entered the river. It was a years long process to determine how to do that. We considered many different types of systems. The MBR plant was the option we selected. It has a very small footprint. It was new technology at the time. It made us in compliance with the EPA. What was the original monthly utility bill estimate at that time?

TERRIE: \$78.94 per month for sewer only.

MAYOR: I think at that time we were \$26.00 per month. It would be a big increase. The council and mayor looked for some different funding options.

TERRIE: In exchange for a \$1,300,000 grant and a zero percent loan of \$3,316,000 the monthly sewer utility rate had to be increased \$16.00 per month.

MAYOR: Obtaining a zero percent loan is unheard of.

TERRIE: We were one of the first in the state to have our permit come due.

MAYOR: Paying a monthly utility fee of \$41.00 was much better than \$78.00. We have to pay our debt. We used to have a very large contributor to the system. It has changed. A business was paying us a lot of money each month. They installed their own system and changed their process to save money. It frees up capacity in our plant but also results in a major loss of revenue. It was a long process reviewing things to get to where we are at tonight. The city wants to be fiscally responsible. We are trying to balance this as best we can. I look at Logan's cost to build their new plant. I am glad ours was installed when it was.

TUCKER: I would estimate our plant would cost around \$25,000,000 to \$30,000,000 if built today. I am thankful for a previous council and mayor getting that project done.

JUSTIN: As part of our last financial audit, the number one concern of the auditor was the sewer fund. We were going backwards. We hired a professional company, Public Sector Economics, to do a rate study for us on the sewer fund. The results of the rate study recommended a monthly rate increase of \$35.00. We are not proposing a rate increase of \$35.00 tonight as some people in the community have been saying. We have considered several different scenarios and narrowed it down to five options. In our financial analysis we included \$100,000 per year for equipment purchases. At least \$75,000 of this amount is needed to purchase new membranes each year. The proposed rates are not saving us any funds for emergency purposes. The council has only considered trying to get cash flow positive. If we do nothing, we are projected to have a cash flow decrease of \$151,000 next fiscal year, and

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that does not work. We still have about \$400,000 in the sewer fund but it cannot keep decreasing. The large commercial user we lost was paying at least \$10,000 per month most months. We have to replace the lost revenue. We still owe \$1,500,000 on the loan, and the annual payment is just under \$200,000 the next few years. One of the options the council is considering is raising the monthly rate \$10.00 in July and an additional \$10.00 in January 2022. Other options include just one large increase in July and no additional large increases in January. This is not something we want to do. This is something we have to do. We cannot wait any longer. We know it will affect the residents of the city. It effects every single one of us. It is hard to consider any increase but especially an increase of this amount.

MAYOR: How much are the pumps to replace?

JEREMY: To replace the six lift pumps will cost over \$100,000.

MAYOR: These are not common parts. They are all proprietary.

JEREMY: When a new model is introduced, they will no longer make parts for the old model. We have to keep that in mind. There are 4,800 plates in the system, and they cost at least \$74 each to replace. We are cleaning and reusing as many as we can. When parts are no longer made, we will be forced to retrofit the plant.

MAYOR: Cleaning the biosolid plates is not fun. They must be cleaned periodically. The system is designed to separate the biosolids. When we talk about biosolids, we are talking about poop for those who are not aware. It is a hard job, but we get it done. We expected to have one full-time employee to start with and another full-time employee would be added later on. We are still operating with only one full-time employee. The plant is going to continue to age, and we are going to have more issues and problems we have to repair and fix.

A motion to close the regular council meeting and open the public hearing was made by Lyle, seconded by Cheryl, and the vote was unanimous.

Yes Vote: Thatcher, Peck, Crafts, Bair, Wierenga

No Vote: None

The public hearing opened at 7:30 P.M.

RON NATALI: I submitted a Letter to the Editor which was published in *The Herald Journal*. I was surprised to hear from Mayor Young and former Mayor Mike Hall the night it was published. I spent Saturday morning meeting with Mike about my letter and concerns. The project came in under budget according to Mike.

TERRIE: That is correct.

RON: After meeting with Mike, I understand why the increase is needed. You lost your cash cow on the commercial side. Am I happy with the increase? No. Will I live with it? Yes. Doing something in ignorance is not a good thing to do. I know Justin said it is difficult. Every time something increases in cost, people have to decide which items to pay or not pay. I talked to a friend. Elected officials should do their jobs. Everything on this project was done with due diligence. I needed to read up more on this and research it. Am I happy? No. People will suffer. We do need it, and I support the increase.

MARILYN NATALI: There are so many rumors. I have heard the rate is increasing anywhere from \$10 a month to \$35 per month. Is the yearly raise going from \$53.00 per month to \$54.00 per month?

JUSTIN: The current proposal is to go from \$53.00 per month to \$63.00 per month in July and then to \$73.00 per month in January.

MARILYN: What about the \$1.00 per year increase?

JUSTIN: Starting in July 2022 the monthly rate would increase \$2.00 per year.

SARAH ANN RIPPLINGER: I have lived here for 53 years. When it started, the sewer rate was \$7.50 every three months.

MAYOR: How much was gasoline at that time?

SARAH: I would guess not more than a dollar. When the lagoons were installed, they were supposed to be a lifetime thing. If I understand correctly, the fat from Lower Foods ruined the lagoons?

MAYOR: No, that is incorrect.

SARAH: I called some surrounding cities (Smithfield, Providence, and North Logan were in the provided document) to see what their city bills are. We are \$40 to \$50 a month more than other local cities. I know you have a good sewer system now. Will it handle more than it does now? After talking to those other cities, they charge a base rate plus the amount of flow going into the system. Commercial users pay more.

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JUSTIN: We do the exact same thing here.

MAYOR: We charge a base rate plus flow to the commercial users.

SARAH: It isn't fair if big companies are paying the same amount as the residents.

CHERYL: Our large commercial user left because of the high amount of fees it was paying.

MAYOR: They were paying a big cost.

TUCKER: There is a load surcharge as well.

JEREMY: Loading meaning contaminants in the flow.

SARAH: It is interesting we are more than surrounding communities. I hope we don't have a misappropriation of funds. I see new trucks and lawnmowers. Do you buy them new yearly?

TERRIE: We were required by the state to meet federal fire flow requirements which meant we had to increase our water storage capacity. Our water utility rate increased substantially because of that project. The new Logan City sewer plant is almost complete. I would expect their rate to increase another \$30 to \$40 per month.

MAYOR: Our permit expired before Logan's.

SARAH: So, you are going to increase the rate over time to \$78.00 per month?

MAYOR: No. That was the original price we were quoted back in 2006 before we received some grant funding and an interest free loan. Who is on the Logan system?

JUSTIN: Logan as well as six outlying communities.

MAYOR: How many connections do we have?

JUSTIN: Approximately 922.

MAYOR: We are independent. We have to follow the same regulations as everyone else. We have 922 hookups and Smithfield has over 3,000. More hookups mean a person pays less for the same project at the same cost. I will address your equipment question. There are two ways to do it: use the original equipment until it dies, or replace the equipment on a rotation basis. We get substantial discounts on equipment purchases because we are a governmental agency. We don't lease equipment. We don't pay interest and have loans on equipment. We budget for new equipment and pay cash for it. Our maintenance and repair costs have decreased substantially because we have newer equipment.

GALE ALVEY: The governor of this state says we have over two billion dollars they don't know what to do with.

MAYOR: There is money set aside for water and sewer projects. We submitted a joint application on a sewer project with Logan and Hyrum for a grant to help with our systems. We were denied because we applied as a group. They are requiring individual applications. Some of the stipulations are tough to deal with as well. We are going to resubmit individually and try and get some funding. There is not a guarantee we will be approved.

GALE: You won't know if you don't try.

MAYOR: We were denied once, but we will try again.

GALE: Are there any prospects of getting anything from the federal government?

MAYOR: It is an unknown. I am on the Utah League of Cities and Towns Board. Committees are being formed to help work on the distribution of the funds. Where it is government money, there are always strings attached, just like the zero percent interest loan we received. One requirement was we increase the sewer rate \$16.00 per month.

SARAH: How many more years on the loan?

JUSTIN: The last payment will be made in May or June 2029.

MAYOR: There will be a lot of replacement work which needs to be done to the plant. Upgrades will be required down the road. At least this system has upgrade options. We can expand our existing plant as well.

ELBERT SWEETEN: We have been told the cash cow is gone. How many other big companies are on the system?

MAYOR: None, now.

ELBERT: I was hoping we would not lose another one.

JEREMY: There is nobody else with those types of flows to lose.

MAYOR: Typically, large commercial companies have their own systems. They already had their own lagoon system. They ran into problems inside the plant itself. Lower Foods used to have a high amount of discharge as well. They built their own facility on the west side of the highway across from their plant.

TUCKER: It has gone from a pretreatment facility to a full blow wastewater treatment facility.

MAYOR: Our plant is running at about 40% of capacity right now. We don't know the unknowns of what may happen in the future with funding opportunities, so we have to address this now.

ELBERT: For fire protection, do we rely on Smithfield or have our own equipment here?

MAYOR: Yes, they support us. We have equipment here as well. We are staffed more now than ever before.

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LYLE: We still have volunteers in town who respond to calls.

ERIC HALL: So, the sewer system will be paid off in 2029?

MAYOR: Yes.

ERIC: Will the rates then go down at that point?

MAYOR: The issue is the life cycle of that plant being 20 to 30 years. At the time it is paid off, the life cycle of the plant is over. We will have to evaluate what needs to be upgraded at that time. We have no idea how much upgrades will be.

TERRIE: There is a good possibility we will have three or four more new federal regulations by then as well. Right now, they have been put on hold, but eventually they will be implemented.

TUCKER: The sewer system was installed about 50 years ago. The collection system was installed at that time as well. It is an old system. It will need more maintenance and repair as it ages. Some of the sections will need to be replaced in the next five to ten years. It is in decent shape, but it is aging.

ERIC: These are huge increases for families. This is just for sewer. We haven't even talked about what other increases are coming. Inflation is out of control. There is a drought. Wages do not have as much buying power as in the past.

JUSTIN: The council reviewed the water utility rate earlier this year. The current plan is to have a \$1.00 per year increase for the next five years. We are not planning any major increase in the water fund at this time.

SARA GILBERT: You don't plan to get rid of the current system in the future?

MAYOR: Correct.

SARA: We might need another facility?

MAYOR: I am a realist. It seems like when a project is paid off, we should have extra money. There are always more costs coming. We won't have any extra money most likely. I am not aware of anyone who has been able to do a decrease when a loan is paid for.

TUCKER: Growth will help. It is coming. Some residents want it, and others don't. Growth should help increase our revenue as well.

JEREMY: We do rate studies about every five years. We are not making up these numbers. Professionals do these studies for us. We will have to upgrade the MBR plant, as well as the collection system, in the future.

MAYOR: As the EPA grows, more regulations are put in place. One item we will be dealing with in the near future is storm water. We know this regulation is coming. We will have to have an entire system. A system will need to be put in place as the water has to have somewhere to run. The Utah League of Cities and Towns is fighting to help small cities on this. We cannot control federal and state regulations. We have to meet their requirements.

TUCKER: Some cities in the valley already have a monthly storm water fee in place.

JUSTIN: Right now, Smithfield charges \$20.00 per month.

SARAH RIPPLINGER: Even with them charging that fee, they are still \$40 or \$50 a month cheaper than we are.

JUSTIN: None of the information you provided includes charges for actual water use. Water usage fees would be added onto the charge of every single city you mentioned.

SARA: Are the EPA requirements logical?

TERRIE: Contact our local congressmen and let them know how you feel. Let them know what you support and what you are opposed too. Let them know how you are individually impacted and how the city is impacted.

MAYOR: Lewiston is currently installing a system at a cost of \$7,000,000 to \$10,000,000 if I recall correctly. They are half our size. They are staying with the lagoon system. They are anticipating staying a small community for a while it appears.

SARA: The lagoons are not efficient?

JEREMY: They cannot remove phosphorous. About 25 new contaminants are added to the list each year. They are now focusing on pharmaceuticals. They are looking at the levels of those in the system. I think you will eventually see a requirement where they must be dealt with. More cities are going to MBR plant type systems. Long term reporting and other requirements will be more strict.

SARA: Are we well educated on what is out there?

JEREMY: Several alternatives were considered before the MBR plant option was selected. We discharge into the river, so we must meet a certain standard.

TERRIE: We considered six different options. We installed a plant which can be expanded and handle new regulations. What we installed has paid off.

SARA: So, is this increase because of a loss in revenue or something else?

TERRIE: The plan was to implement this increase in about 2014 or 2015 at the same time the water tank project was happening and required a large increase. The council decided to not implement a large water and sewer increase at the same time.

MAYOR: The water rights we purchased are invaluable. It was an incredible investment by the city.

SARA: I was told the farmer gave the city a good rate on the purchase price.

TERRIE: We have room for growth in our current water system. We can still add more homes and cover our fire protection needs.

SARA: Is there something we can do different at home to help? Are we overusing the system?

TERRIE: Be aware of what you are disposing of. Don't dump fats or oils down the drain. Don't drain your sump pump into your sewer line. Any contaminants which make it to the plant hurt the plant.

SARA: I am all about town coming together and not needing assistance from the federal government.

GALE: So, the increase will be \$2.00 per month?

TUCKER: We are considering \$10.00 per month starting in July.

GALE: Will this information be in an upcoming newsletter?

TERRIE: Yes.

A motion to close the public hearing and reopen the regular council meeting was made by Terrie, seconded by Tucker, and the vote was unanimous.

Yes Vote: Thatcher, Peck, Crafts, Bair, Wierenga

No Vote: None

The public hearing closed at 8:15 P.M.

DISCUSSION AND POSSIBLE VOTE ON ORDINANCE 2021-16.

MAYOR: Justin, please review the scenarios we previously considered.

JUSTIN: Here are the five scenarios we discussed. Scenario 1. Raise the base rate \$1.00 on July 1st. The end result would be a decrease in cash of \$151,822. Scenario 2. Raise the base rate \$10 on July 1st and another \$10 on January 1st. The end result would be an increase in cash of \$4,754 or just barely a break even. Scenario 3. Raise the base rate \$15 on July 1st and \$5 on January 1st. The end result would be an increase in cash of \$32,684. Scenario 4. Raise the base rate \$20 on July 1st. The end result would be an increase in cash of \$60,614. Scenario 5. Raise the base rate \$25 on July 1st. The end result would be an increase in cash of \$116,474.

MAYOR: What were the comments during the audit?

JUSTIN: We are running a negative cash flow. We are not budgeting for depreciation. Worst case scenario, we have to have positive cash flow.

MAYOR: Raising the rate \$1.00 in July or \$10 in July and \$10 in January doesn't help us long term. We are not saving anything for emergencies.

TERRIE: I am in favor of a \$10 increase in July and another \$10 increase in January. I support this because we are still recovering from the pandemic. I think within a year or two prices should stabilize. I would reluctantly consider \$15 in July and \$5 in January. These are not good long-term options. We will be paying \$75 per month for sewer by next year. We need a place for the sewage to go, and we cannot contaminate anything. I am counting on growth from the Lee's Marketplace store coming in. I think we will see an additional 50 to 100 units in the city from it. Those will help our revenue even more. We will evaluate the rate down the road when needed.

MAYOR: We need a reasonable starting point. We know growth is coming, but we don't know how much. This would allow us a year or two to see where things go. If growth doesn't happen and we don't get that additional revenue, we will be having this discussion again.

JUSTIN: Just to be clear. The rate study done by a professional organization stated the rate needs to increase \$35 per month. The council never considered raising the current rate \$35 as some people in the community are saying.

MAYOR: The plant is aging. Our servicing costs will only increase. That is a given. If we don't do this right, we will be having this discussion again soon.

TUCKER: I would support \$10 in July and \$10 in January. I wonder if \$20 in July isn't the best option. Pull the band aid completely off and move forward. It is a hard decision. It is not a fun decision. It affects everyone in the city including us. We are responsible to handle the waste of the city and be fiscally responsible. We have to provide services. I would support increasing the rate \$20 in July.

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CHERYL: I agree.

MAYOR: I would support doing the \$20 increase in July as well.

KELLY: It is hard to keep track of when it changes every few months.

MAYOR: The \$20 per month increase in July would help a little bit more than \$10 in July and \$10 in January.

LYLE: We would add a little more to our reserve with the \$20 increase in July.

TERRIE: I am more comfortable with a \$15 increase in July and a \$5 increase in January.

A motion to adopt Ordinance 2021-16, an Ordinance establishing a monthly billing and rate schedule for the Richmond City Sanitary Sewer System and Treatment as authorized in Title 14-000, Chapter 14-500 of the Richmond City Municipal Code amending the sewer rate to be \$73.00 per month starting on July 1, 2021 was made by Lyle, seconded by Kelly, and the motion passed by a vote of 4-1.

Yes Vote: Thatcher, Peck, Crafts, Bair

No Vote: Wierenga

The council took a short recess at 8:25 P.M.

Council Member Crafts left the council meeting.

The council meeting was reconvened at 8:40 P.M.

PUBLIC HEARING FOR THE PURPOSE OF DISCUSSING AMENDMENTS TO THE FISCAL YEAR 2021 BUDGET WHICH IS THE PERIOD OF JULY 1, 2020 THROUGH JUNE 30, 2021 AND THE NEW FISCAL YEAR 2022 BUDGET WHICH IS THE PERIOD OF JULY 1, 2021 THROUGH JUNE 30, 2022.

JUSTIN: Usually, there are a lot of amendments in the June adjustments, but there are not a lot this year. The overall adjustment is not that much. General Fund revenue would increase for sales tax, Class "C" Road Funds, Black & White Days sponsorships and activities, as well as the Local Road Tax. Expenses would show decreases for the youth council and city party. A city party was not held in 2020, and the youth council could not meet because of COVID-19. Utilities would increase in the building fund. Travel and training for the court will decrease, as they have not had any training this year because of COVID-19. An increase to the Class "C" Road Fund line item and a decrease to sidewalks. A decrease to park wages. We originally budgeted for two part-time seasonal employees, but Jeremy was able to make it work with just one seasonal employee. Water utility revenue is increasing. Engineering expense in the water fund is increasing because we are still dealing with the lead/copper water issue. Sewer utility fee revenue is increasing. Maintenance and repair expense is increasing, and supplies are decreasing. Decreases in the sports complex fund. Additional funding will be needed in the new fiscal year for the sports complex. In regard to the new budget, we were notified our RAPZ Tax application for playground equipment at the White Pine Park was approved. The revenue and expense have been included. The mayor asked for \$3,000 to be added to the city party for a fireworks show. After the discussion at the last council meeting about the fire department budget, it has been adjusted to include utilities for the building and the Smithfield fire contract. In order to make things balance, the new tractor is not included in the new budget. If revenues come in higher and expenses lower than anticipated, we can consider a tractor at that time. We will need to adjust the sewer fund utility rate amount to account for the approval of the \$20 per month increase on July 1st. I had a different number included because I was not sure how things would go tonight and what would be approved.

A motion to close the regular council meeting and open the public hearing was made by Lyle, seconded by Cheryl, and the vote was unanimous.

Yes Vote: Tucker, Peck, Bair, Wierenga

No Vote: None

Absent: Crafts

The public hearing opened at 8:44 P.M.

There were not any comments or questions.

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A motion to close the public hearing and reopen the regular council meeting was made by Terrie, seconded by Lyle, and the vote was unanimous.

Yes Vote: Tucker, Peck, Bair, Wierenga
No Vote: None
Absent: Crafts

The public hearing closed at 8:45 P.M.

DISCUSSION AND POSSIBLE VOTE ON AMENDMENTS TO THE FISCAL YEAR 2021 BUDGET WHICH IS THE PERIOD OF JULY 1, 2020 THROUGH JUNE 30, 2021.

A motion to adopt amendments to the Fiscal Year 2021 Budget was made by Terrie, seconded by Lyle, and the vote was unanimous.

Yes Vote: Tucker, Peck, Bair, Wierenga
No Vote: None
Absent: Crafts

DISCUSSION AND POSSIBLE VOTE APPROVING THE FISCAL YEAR 2022 BUDGET WHICH IS THE PERIOD OF JULY 1, 2021 THROUGH JUNE 30, 2022.

A motion to adopt the Fiscal Year 2022 Budget amending the monthly sewer utility fee to include the \$20 per month increase from \$53.00 to \$73.00 was made by Terrie, seconded by Lyle, and the vote was unanimous.

Yes Vote: Tucker, Peck, Bair, Wierenga
No Vote: None
Absent: Crafts

DISCUSSION AND UPDATE ON CULINARY WATER USE AND FLOWS.

MAYOR: Things are dry. We have not had a water issue in regard to restrictions in the past I am aware of.

TERRIE: Around 2008, water restrictions had to be implemented for a period of time.

MAYOR: I should have clarified. I am not aware of any restrictions since our current system was installed including the new well and tank. What are the pumps doing now?

JEREMY: When Lower Foods was 100% on our system, it was not uncommon to run the well in June of each year. Last year, Lower Foods was 100% off of our system, and we did not run the well one time. There has been enough demand so far this year the wells have kicked on twice so far. Last Thursday and today.

TERRIE: Do we get reminders when the levels drop?

JEREMY: All three tanks alarm when they reach 50% of capacity. That means the alarm goes off at nine feet at the Cherry Creek tank. With the new SCADA system, the wells should automatically come on when a certain level is reached and then send out an alarm if the well does not kick on.

TERRIE: Are we okay without any restrictions at this time? Should we consider banning outside watering from 10:00 A.M. to 6:00 P.M. daily?

JEREMY: Right now, we are okay. The wells will run for two or three days and then shutoff. I am not sure what will happen as things get hotter and drier.

MAYOR: This is a good year for our system to be tested to see how good it is.

JEREMY: I think we can ride it out without implementing restrictions, but it is an unknown of what may happen.

TUCKER: Maybe we could encourage people to conserve without implementing restrictions.

JEREMY: We have cut back watering on city parks with the exception of the White Pine Park. We are trying to make sure the new sod roots down.

CHRIS: What will happen when the irrigation company switches from 24 hours per week to 12 hours per week on July 1st?

JEREMY: That is a concern of mine and an unknown of how the culinary water system will be impacted.

MAYOR: It is certainly better to water at night.

DAREK: Be real careful implementing restrictions. People will use more when restrictions are put in place.

JEREMY: We could ask people to volunteer to cut back. We could ask people to water on even and odd days based on their address. I have seen other cities do this, and the residents complied.

TERRIE: I think that is a great idea.

JEREMY: We could ask for a volunteer approach at this time.

MAYOR: I don't think it is a bad idea. Let's continue to monitor how things are going.

JUSTIN: I would anticipate this will be a monthly agenda item for the next few months.

MAYOR: This will be good to monitor our system, as this type of drought scenario has never happened before.

JUSTIN: I have learned about trees and watering. I thought trees would be heartier than grass because the roots go deeper. I am wrong. Grass will become dormant and won't die. It will come back. Trees need water, or they will die. Trees cannot go long periods of time without water.

TERRIE: Trees, perennials, bushes, and annuals need water before grass. We will continue to include this in the upcoming newsletters.

MONTHLY FINANCIAL REVIEW WITH DISCUSSION AND DECISIONS, AS NECESSARY.

JUSTIN: I don't recall ever having one month where we received over \$50,000 in sales tax revenue. Last month, we received \$50,433. I don't know what to attribute this to. We received \$26,850 in Class "C" Road Funds. This brings our year-to-date total to \$120,639. We received as much in five of our six allocations as we expected to receive in all six. We will save the unspent funds for future projects next fiscal year. We received \$7,446 in Black & White Days revenue through the end of May. We also received \$11,000 in sponsorship funds through the end of May. Kudos to Rhonda Davis for the amount of funds she received for the royalty program this year. Through the end of May, we spent \$16,295 on Black & White Days. I know more invoices will be paid this evening in that regard. The transfer of \$200,000 from the General Fund to the Capital Projects Fund has been completed. This was approved by the council last month. We received \$18,000 from Lewiston for the sports complex. We transferred \$18,000 as well. The county contacted me regarding property tax. The state has directed the county to reassess all parcels throughout the valley this year. They are doing all parcels across the state. Last year, 1/5 of the city was reassessed. In 2019, all of the city was reassessed. The average value of a home in Richmond will be increased to \$339,000. The amount of property tax revenue received in 2020 was \$215,621. If we do nothing this year and let the rate decrease, we will receive \$219,572. If we hold the rate the same as we have in 2018, 2019, and 2020, we will receive \$281,571. The average increase per home would be \$56.12 or a 28.22% increase. The rate we have been holding is 0.001367. If we do nothing, this year it will decrease to 0.001066. I have to notify the county if we want to proceed with the hearing and holding the rate the same or if we don't want to do anything this year.

MAYOR: I struggle not holding the rate the same. It has taken us a long time to get where we are at.

TERRIE: I agree.

MAYOR: Residents know we hold the rate. I struggle to let it decrease. I worry if we don't hold it now, we are inclined to not hold it in the future as well. I don't agree with the logic of the state in reassessing every parcel this year. I would only agree with it if the values decrease when that happens as well. I don't see the state ever reducing the values.

TERRIE: The mosquito abatement district dealt with this as well. The key is to educate people of what is going on. The percentage can be skewed. A 50% increase could amount to as little as \$0.40 per home for the mosquito district. We need to see beyond the percent and look at the dollar amount.

MAYOR: I also don't like how the advertisement is written even though the wording is required by law.

LYLE: The increase is because of the increase in values, not because of any change made by the city to the rate.

JUSTIN: Would you like to proceed with the hearing, and then you can make a determination at that time what you want to do?

TUCKER: Yes. Let's have the discussion. We can change the rate or amount at that time, if needed.

TERRIE: We need to emphasize the fact that valuations are being changed on 100% of the parcels in the city.

DAREK: People also need to understand the vast majority of the property tax collected goes to the school district, not the city.

JUSTIN: If I recall correctly, the city receives about 11-12% of the total property tax collected from those living in the city.

DAREK: Richmond is not the only one who holds the rate.

JUSTIN: The property tax hearing will be held after the regular council meeting on August 17th.

TERRIE: I will be out of town for that meeting.

COUNCIL MEMBER REPORTS

TERRIE: There will be a trail’s meeting on Thursday at 2:00 P.M. to decide how to proceed. There were about 400 responses to the survey. I have been helping with the Imagine Cache Valley project which is an update to the general plan of the county. I will continue working on it.

MAYOR: Thank you for being involved in this.

MAYOR’S REPORT

MAYOR: Lewiston is holding a public hearing tonight on their new well at the Cub River Sports Complex. The well would be in the northeast corner of the property. This project has been discussed by Richmond, Lewiston, and Casper’s Ice Cream. There has been a lot of misinformation on the request for the new well. We met with Garrett Tanner and his wife today. They reside next to the sports complex. There is a property line issue between our property and theirs. There are two legal descriptions. The difference is about ten feet. We would like the property line to line up with the fence which is where we thought the boundary was all along. All of the irrigation boxes for the sports complex are on the Tanner property. They will need to be moved. The election is coming up this year. Terrie and Paul Erickson are running for mayor. Lyle, Reese Hulbert, Amber Ervin, and Vern Fielding are running for the two council seats. Cheryl and I are done at the end of this year. Good luck to all involved. It was good to see participation by the community tonight. There was a lot of misinformation on the sewer rate. I was glad people were willing to come to the meeting to learn and voice their opinion. I encourage people to come, listen, and understand what is going on.

JEREMY: I heard three comments tonight from people who don’t like that there is an increase to the sewer rate, but they now understand why it was done.

MAYOR: I love this community. We have to make hard decisions, and people understand that. I need help with the fireworks show for the city party.

LYLE: I am willing to help.

MAYOR: We will meet with the fire department and get a map prepared.

BRIAN POTTS: A permit will be required.

MAYOR: We will get the appropriate permit and have professionals oversee the lighting of the fireworks and the show.

JUSTIN: Governor Cox is considering a statewide ban on fireworks this year. There is already a ban on state and unincorporated land throughout the state.

MAYOR: I am not sure he can legally do that in a city. Our next council meeting is on July 20th.

A motion to adjourn and pay bills was made by Lyle, seconded by Terrie, and the vote was unanimous.

Yes Vote: Tucker, Peck, Bair, Wierenga

No Vote: None

Absent: Crafts

Adjournment at 9:15 P.M.

RICHMOND CITY CORPORATION

Jeffrey D. Young, Mayor

ATTEST:

Justin B. Lewis, City Recorder