



**CLINTON CITY COUNCIL MINUTES
CITY HALL
2267 North 1500 W Clinton UT 84015**

MAYOR
L. Mitch Adams

CITY COUNCIL MEMBERS

*Anna Stanton
Karen Peterson
Mike Petersen
Barbara Patterson
TJ Mitchell*

Date of Meeting	April 12, 2017	Call to Order	7:01 p.m.
Staff Present	Steve Hubbard, Jamie Pengelly, Shawn Stoker, Dick Murdock, Tammy Anderson, Shandra BeCraft, Public Works Director Mike Child and Lisa Titensor recorded the minutes.		
Citizens Present	Sean Hall, Leni Balluff, Dereck Bauer, Ryan Davis, Bryce Wilcox of JUB Engineers		
Pledge of Allegiance	Councilmember Stanton		
Prayer or Thought	Mike Child		
Roll Call & Attendance	Present were: Councilmember Anna Stanton, Councilmember Karen Peterson, Councilmember Mike Petersen, Councilmember Barbara Patterson, Councilmember TJ Mitchell and Mayor Adams		
A. DISCUSS / ACTION – CITY WATER SYSTEM NEEDS AND IMPROVEMENT PLAN			
Petitioner	Dennis Cluff, Mike Child		
Discussion	<p>Mayor Adams explained the reason for this meeting is to address water needs for Clinton City.</p> <p>He identified several projects that need to be addressed including:</p> <ul style="list-style-type: none"> • The City has failing ductile iron water pipes; several road improvement projects are taking place or scheduled in the City, it is more cost effective to replace the water pipes in conjunction with the road improvements; • 1800 N reconstruction plans by UDOT will affect the main water line for Clinton City, the estimated cost for the waterline improvements which needs to be completed before the new road is installed is \$850,000.00; • The City has purchased additional water rights, before these water rights can be secured the City needs to install a well, water tank and pump system which will cost several million dollars. <p>Public Works Director Mike Child said the desire of the City is to maintain a good robust dependable water system for the citizens of Clinton City. He clarified these are capital improvement projects. The costs of completing these projects and maintaining the system continue to rise.</p> <p>Mayor Adams added this proposed cost increase does not include operation and maintenance costs. He identified the following expenses the City has already absorbed in the system which have been very expensive with no prior increases:</p> <ul style="list-style-type: none"> • Chlorination system installation to increase chlorine levels throughout the system in response to the two water contamination incidents • Back flow check valve installations to prevent future contamination incidents • Maintenance program to monitor and rebuild failing valves <p>Mr. Child reported that the ductile iron pipes were installed in 1982-83. The intent was for the pipes to last approximately 50 years. Unfortunately, the pipes are failing and</p>		

leaks have increased 30% over the past five years. Unfortunately the 2300 N road improvements were completed before the failing water pipes were discovered which resulted in a new road being patched in order to replace the compromised water line. The intent is to avoid this in the future by replacing the water lines before the new road is constructed. This will take place over a 20 year period to maximize the life of the streets and replace the worst waterlines first in conjunction with the streets that need improvement. Mr. Child said it is less expensive to complete the projects consecutively.

Bryce Wilcox of JUB Engineers provided the City Council with the following presentation:



Clinton City Water System Improvements

April 12, 2017

CLINTON CITY WATER SYSTEM IMPROVEMENTS:
Water System Improvements Overview



Situation: Clinton City has several major water improvement projects, both short and long term. Funding these essential projects is paramount for the continued health and well-being of Clinton City residents. City officials have analyzed several potential funding solutions to meet the current and future water infrastructure needs in the City. Three areas of concern have been identified that require attention:

1. Failing ductile iron pipes throughout Clinton City
2. UDOT 1800 North Interchange Project
3. The need for a new water well and tank

What this means for you:

The proposed improvement projects will maintain, strengthen, and improve the delivery of drinking water to all of Clinton's residents.



CLINTON CITY WATER SYSTEM IMPROVEMENTS:
Failing Ductile Iron Pipes Replacement



Tasks:

- Replace all 35-year-old ductile iron waterlines, beginning with ones that have already started to fail.

Benefits:

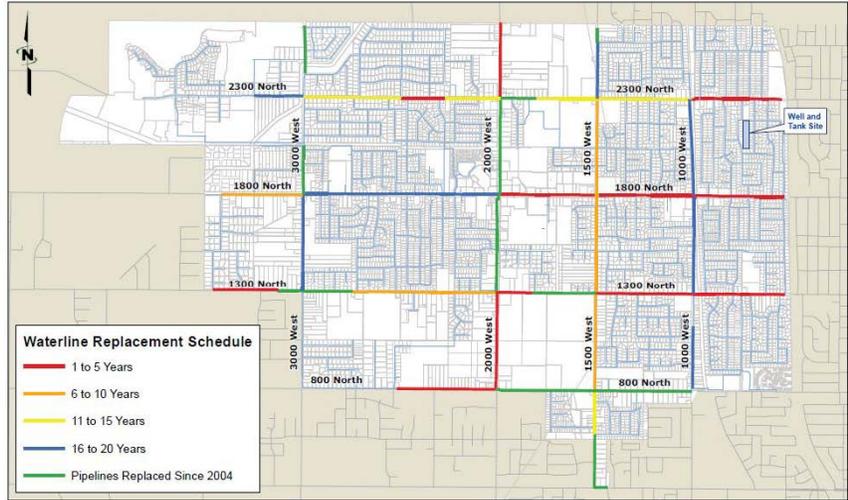
- Increases the reliability of the water system.
- Ensures drinking water delivery to all residents.
- Reduces the number of costly leaks.
- Combines project with street improvements to save money.

Cost:

- \$7,100,000 over 20 years



CLINTON CITY WATER SYSTEM IMPROVEMENTS: Waterline Replacement Map



CLINTON CITY WATER SYSTEM IMPROVEMENTS: UDOT 1800 North Interchange Project



The upcoming UDOT 1800 North and I-15 interchange project will impact one of the City's main waterlines.

Tasks:

- Replace main waterline along 1800 North.
 - UDOT will replace portions that its project will impact.
 - City will replace the rest as part of the ductile iron pipes replacement project.
- Install a reserve waterline along 2300 North.

Benefits:

- New waterline under the new UDOT road.
- Provides back up to one of the City's main water sources.
- Reduces the risk of breaks in water service during UDOT construction.
- Prepares the City for emergency situations.

Cost:

- 2300 North: \$950,000 in 2018
- 1800 North: \$850,000 in 2024

CLINTON CITY WATER SYSTEM IMPROVEMENTS: UDOT 1800 North Interchange Project



CLINTON CITY WATER SYSTEM IMPROVEMENTS: New Water Well and Tank



Tasks:

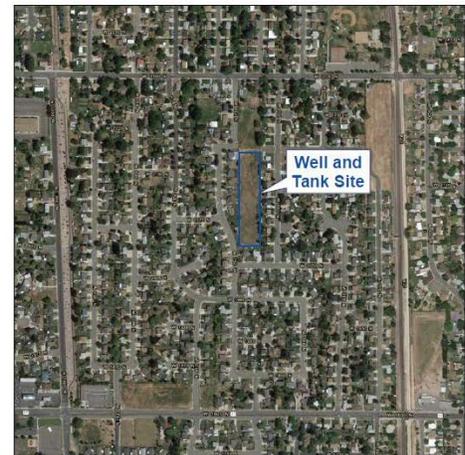
- Install new water well and tank within City boundaries on existing City-owned property.

Benefits:

- Increases the City's self-reliance and develops independence from Weber Basin waterlines.
- Increases ability to provide water during emergency situations.

Cost:

- Waterlines: \$309,000 in 2018
- Well: \$1,600,000 by 2022
- Tank: \$1,500,000 by 2032



CLINTON CITY WATER SYSTEM IMPROVEMENTS:



Enterprise Fund

- The City Water Department operates under an “Enterprise Fund” and by law must function as a self-sufficient operation. Under the City’s umbrella, its water rates and other revenues need to pay for the construction, operation and maintenance of the water system.
- Cost estimates were made using 2017 dollars. Inflation wasn’t included in the estimates. The City should consider an annual increase to water rates to compensate for inflation.



Engineer Bryce Wilcox explained the colored map indicates the priority of the needs in five year increments. The City has sought grants where possible to assist with funding.

Mr. Wilcox identified that the latest information from UDOT on the 1800 N Interchange Project and reconstruction of 1800 N is that it has now been delayed until at least 2024 rather than within the next 5 years. The City will wait and replace the water line on 1800 North in conjunction with the UDOT road reconstruction project.

In anticipation of the 1800 North project, the City has budgeted for an additional water line into the City on 2300 N.

Regarding the water rights purchased by the City; a new water well, tank and pump is planned as an additional water source for the City. The next water right extension application is due by January of 2022. This new water source will be needed to accommodate the City’s future growth.

Mr. Child explained that the City water system is an Enterprise Fund which is required to be self sufficient and not reliant on outside sources for funding to keep it operational. The proposed cost estimates were made with today’s prices, inflation costs were not a consideration; inflation will have an impact on final costs.

Mayor Adams asked for questions from the public.

Leni Balluff Asked if the increase is based only on households or businesses as well?

Mayor Adams confirmed that businesses will participate in the increase.

She asked if union workers are used to complete the construction projects.

Mr. Child responded that specific guidelines are identified for projects the City receives grants for. There also Federal and State requirements the City follow when seeking bids.

Ms. Balluf said she does not like the taste and appearance of the water in Clinton.

Mr. Child responded that Clinton water is surface water that comes from a river through Weber Basin. The City has not received many complaints about the water however, there are certain times that the City pumps water to supplement the limited water supply purchased from Weber Basin.

Mayor Adams said this rate increase is a struggle for the City Council but it is necessary to meet the challenges and significant needs of the water system. Staff has been asked to find funds if available to infuse into the program, however a minimum of \$4.50 is needed just to replace the ductile iron pipes over the next 20 years. The water system cannot continue to be sustained by the General Fund.

Ryan Davis said he appreciates the opportunity for public comment. He asked how much a year from the fees collected from residents and businesses go into the maintenance of the wear and tear of the system? He also asked why raise fees now for projects that are not scheduled for another 15 years, would it be better to raise rates gradually over several years?

Mayor Adams responded it will take a \$4.50 increase now just to fund the ductile iron pipe replacement. The need for the well project is not immediate but the redundant line down 2300 N may not be necessary if the well, tank and pump are installed now which could be a potential cost savings of \$1,000,000.00. However the Engineers have determined the 2300 N project would fulfill the City's water need entirely, however the well project may not fully meet the demand, which may require water restrictions for a short period of time if another water line into the City was compromised.

Mr. Child clarified the \$4.50 increase is needed in addition to what is already being collected through fees and then budgeted for annual maintenance costs; the pipe replacements are capital costs that cannot be funded by the General Fund.

Mayor Adams clarified that the City has supplemented many projects in the water department with the monies collected from the fees. The fees have not been increased to accommodate inflation demands.

Councilmember K. Peterson said that funds are added to the annual budget each year for depreciation, unfortunately the City did not anticipate having to replace the water pipes this soon.

Mayor Adams said the hope was for the pipes to last at least 50 to 75 years. However the soil in some areas of Clinton appears to be corrosive which has resulted in early deterioration even though steps were taken during installation to promote a longer life of the pipes. This increase is necessary for replacement of the deteriorating pipes.

Councilmember K. Peterson said she is not confident with making a decision for a \$6 increase right now because the 2300 N water line project is already incorporated into the 2017-18 budget; she feels this is an important project and appreciates the fact that the funds are currently available. Also, due to UDOT's delay of the 1800 N project to potentially 2022, she does not feel funds should be collected now for a project that far in the future. As for the well project, the water rights can be reapplied for in 2022. The City has made significant progress in preparing to access the water by purchasing land and will continue to make progress. Other funding such as bonding may be an option

	<p>for the well project in the future. In the next 12 months she does feel confident to ask residents for an increase to collect the \$350,000.00 needed to replace the ductile iron pipe. She feels depreciation and undesignated balance funds need to be a part of the conversation.</p> <p>Mayor Adams said \$4 is the absolute minimum to cover the necessary costs to replace the pipes. He would be in favor of considering going to bond to pay for the well project. He feels that with the unknowns with the 1800 N project and UDOT's timeline he feels the City should take measures to prepare to avoid potential water interruptions during that construction.</p> <p>Councilmember Mitchell asked if the full allotment from Weber Basin is being used and how often does the City pump the well to supplement.</p> <p>Mr. Child replied that each year the City uses the entire amount. The City will supplement approximately 300 acre feet a year with well water.</p> <p>Mr. Cluff explained that the price for Weber Basin water will increase by 7.3% (\$22,560.00) next year because they will be adding capital improvement costs to the fee.</p> <p>Councilmember Mitchell said he feels the 2300 N water line is a better option because a well should be used constantly to stay efficient. He sees the 2300 N and ductile iron pipe replacement as priority. He feels there is enough of a possibility to extend the water rights to hold off on the well.</p> <p>Mr. Cluff clarified the two basic reasons for the well project were to meet the water demands at build out and have a redundancy for the water supply in the event of an emergency.</p> <p>Mr. Wilcox stated that with the current political environment for water, there is a strong possibility of extending the water right application. However, the water environment changes constantly and legislation governing water is constantly changing. The beneficial use process extension period is every six years; there may be an option to apply to extend two years earlier.</p> <p>Councilmember Stanton agrees that the ductile iron pipes need to be replaced. Inflation and operation maintenance is something to consider. She questioned if the well and tank are necessary now although she is concerned with the potential of losing the water rights. She feels that further research into the potential to extend the application should be done now.</p> <p>Mayor Adams cautioned that the water rights in the aquifer are already over allocated.</p> <p>Mr. Wilcox confirmed that Weber Basin will not allocate any future water rights from Weber Basin.</p> <p>Councilmember Patterson said she feels the increase is needed now so the City can complete all the projects to avoid inflation costs.</p> <p>Councilmember M. Petersen said it is a challenge to make a decision on this issue; he is concerned there will be more pipe issues than anticipated in the next few years. He said he would still like to discuss a low interest loan from the State for the well project. It is likely fees will need to be increased again in the future. The 2300 N water line is a priority and is already funded in the 2017-18 budget. This could supply the City with</p>
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	<p>water throughout the 1800 N reconstruction project.</p> <p>Mr. Wilcox clarified the estimated amount for the 2300 N water line improvement includes getting to the line on HAFB and \$100,000.00 in estimated costs for the major issues crossing the lines.</p> <p>Councilmember Stanton said the well and tank would benefit the community in the event of an emergency.</p> <p>The Council expressed concern over all the options that have been presented.</p> <p>Mayor Adams responded that the intent was to provide options to lower the amount of the fee increase needed.</p> <p>Councilmember K. Peterson said she feels the decision that needs to be made is the fee increase necessary to replace the ductile iron pipes because that is the only known cost at this time.</p> <p>Mayor Adams said that operation costs of the water fund have increased significantly over the past few years especially with the chlorinator and check valve programs. It is not possible to continue to allocate funds from the General Fund to maintain the water system especially now that the well and tank, 1800 N and 2300 N infrastructure projects are being planned for.</p> <p>Mr. Cluff clarified that information from the State was not available when information for this meeting was being sent out. He suggested the City Council decide if they feel the well and tank or the 2300 N water line are more of a priority.</p> <p>The Council discussed the following:</p> <ul style="list-style-type: none"> • The potential to use depreciation funds to pay for a portion of the projects; • The concern of losing the water rights; • The Council was in consensus that the ductile iron water pipes need to be replaced; • Impact fee reimbursement for a portion of the projects; <p>Mr. Cluff explained the well and tank will be for future use and are fully fundable through impact fees which can be set up as a restricted fund. Over five years the accumulation of impact fees will increase, but they are unknown and depend on growth.</p> <p>Councilmember M. Petersen said because the ductile iron pipes need to be replaced now he feels the increase should be \$4.50 for right now and funding for the other projects including the well and tank and 1800 N should be considered at a later time.</p>
CONCLUSION	<p>Councilmember M. Petersen made a motion to increase the rate to \$4.50 to start the iron ductile pipe replacement. There was no second to the motion.</p> <p>Councilmember Patterson moved to raise the water rate by \$6 and include the ductile iron pipe and work with UDOT to move forward with the bonding now for the well and the water tank and start putting money away for the 1800 N project. Councilmember Stanton seconded the motion. Voting by roll call is as follows: Councilmember Mitchell, no he feels further discussion is necessary; Councilmember Stanton, aye; Councilmember K. Peterson, no; Councilmember Patterson, aye; Councilmember M. Petersen, no; he feels there are too many unknown factors.</p> <p>Councilmember Stanton moved to table the discussion. There was no second to the motion.</p>

<p>Continuation of Discussion</p>	<p>Councilmember Mitchell said before tabling, he would like the Council to further discuss their opinions for funding the well and tank project and the 1800 N project.</p> <p>Councilmember M. Petersen said the Council needs to determine if they want to install the well and tank and if so, determine a means to fund the project such as a bond, a loan from the State or other sources and determine a time frame and process for the project.</p> <p>Utility Billing Clerk Shandra BeCraft asked the Council to consider raising the penalty fees for late utility payments which would increase funds and avoid penalizing good paying customers and have less impact on older citizens who are on a fixed income.</p> <p>Councilmember Mitchell said he feels the fees should be increased to fund the ductile iron pipe replacement. The fees for the well and tank should not be collected until the project has been bonded for and fund the 1800 N project through the other funds including the General Fund.</p> <p>Councilmember Patterson said she would like to start the bond process now.</p> <p>Councilmember Stanton said she is in favor raising the fees by \$4.50 and start the bond process now.</p> <p>Mayor Adams summarized the consensus of the majority of the Council to increase the fees by \$4.50 for the pipe replacement; fund the 2300 N & the 1800 N projects out of existing balances and move forward with the well and tank within two years before the water rights expire and go out for funding and when the costs are solidified increase fees at that time.</p> <p>Bryce Wilcox explained the process for a well will take approximately 18 months; the bonding process could also take several months to finalize. The Water Resource Board climate is constantly changing; right now they have money to fund good water projects.</p> <p>The Council expressed their appreciation for staff and the City Council for their work and discussion of these difficult issues.</p>
<p>CONCLUSION</p>	<p>Councilmember Mitchell moved to raise the fee by \$4.50 for current ductile iron pipe replacement effective immediately, and two years before the water rights expire look at extending the water right or securing funding options to move forward with the well and tank and if necessary raise the water rate again at that time. Councilmember M. Petersen seconded the motion. Voting by roll call is as follows: Councilmember Mitchell, aye; Councilmember Stanton, aye; Councilmember K. Peterson, aye; Councilmember Patterson, no; she feels the \$6 increase is necessary; Councilmember M. Petersen, aye.</p>
<p>ADJOURNMENT</p>	<p>Councilmember M. Petersen moved to adjourn. Councilmember Stanton seconded the motion. Councilmembers Stanton, Patterson, K. Peterson, M. Petersen, and Mitchell voted in favor of the motion. The meeting adjourned at 9:00 p.m.</p>