



# HURRICANE CITY UTAH

## City Council

*Joseph Prete  
Dave Sanders  
David Hirschi  
Kevin Thomas*

**Mayor**

**City Manager**

Nanette Billings Kaden DeMille

## Hurricane City Council Meeting Agenda

January 6, 2022  
5:00 PM

City Council Chambers 147 N 870 W, Hurricane

Notice is hereby given that the City Council will hold a Regular Meeting in the City Council Chambers 147 N 870 W, Hurricane, UT. This meeting will also be available via GoToMeeting. To join the meeting you can do the following: 1. **Download the GoToMeeting app and enter Access Code 604736877** 2. Visit <https://global.gotomeeting.com/join/604736877> 3. Dial **1(646) 749-3129 and enter Access Code 604736877** A silent roll call will be taken, followed by the Pledge of Allegiance and prayer by invitation.

**THOSE WISHING TO SPEAK DURING PUBLIC FORUM MUST SIGN IN WITH THE RECORDER BY 6:00 P.M.**

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**5:00 p.m. Pre-meeting**

**6:00 p.m. - Call to Order**

### **Public Forum – Comments from Public**

Please Note: In order to be considerate of everyone attending the meeting and to more closely follow the published agenda, public comments will be limited to 2 minutes per person per item. A spokesperson representing a group to summarize their concerns will be allowed 5 minutes to speak. Repetitious commentary will not be allowed. If you need additional time, please request agenda time with Cindy Beteag in writing before 5:00 p.m. the Wednesday one week before the Council meeting.

### **OLD BUSINESS**

1. Consideration and possible approval of a **Development Agreement with Southern Shores-** Stephen Nelson

### **NEW BUSINESS**

1. Update and discussion on **rate changes for the Solid Waste District** - Kevin Kunz
2. Presentation of the **2020-2021 annual audit**-Hinton Burdick
3. Consideration and possible approval of a **Franchise Agreement between Hurricane City and Infowest**
4. Public Hearing to take comments on the following:
  - a. A sensitive lands application for Paraiso subdivision, a 390 unit residential development, located at 2850 W and 300 N

5. Consideration and possible approval of a **preliminary plat and sensitive lands application for Paraiso subdivision**, a 390 unit residential development, located at 2850 W and 300 N. Middon LLC Applicant
6. Consideration and possible approval of a **MOU with UDOT-Arthur LeBaron**
7. Consideration and possible approval of an **MOU between Washington County Water Conservancy District, Hurricane City, and River Valley Development regarding the Bench Lake Water Line Easement-Arthur LeBaron**
8. Discussion and Consideration of Approval of **Resolution 2022-01: Updating the Planning Commission Term Schedule and reappointment of Ralph Ballard and Penny James-Garcia to the 2022-2026 Terms.**
9. Discussion regarding **golf carts on public roadways pertaining to House Bill 184** - Richard Foote
10. Appointment of **Council Members to various boards**-Nanette Billings
11. Consideration and possible approval of the **annual meeting schedule**
12. Consideration and possible approval of a **resolution approving participation in the Utah opioid abatement fund and settlement allocation MOU**-Kaden DeMille
13. Discussion and possible recommendation to the **Washington County Water Conservancy District regarding extending limited water supplies**

## **Adjournment**

I hereby certify that the above notice was posted to the city website, ([www.cityofhurricane.com](http://www.cityofhurricane.com)) posted to the state public notice website, and at the following locations:

1. City office – 147 North 870 West, Hurricane, UT
2. The Post Office – 1075 West 100 North, Hurricane, UT
3. The library – 36 South 300 West, Hurricane, UT

\_\_\_\_\_ for the City Recorder





January 4, 2022

To whom it may concern:

My name is Cody Larkin and I am one of the partners of Desert Lakes LLC which is working towards the final approval and development agreement on the Southern Shores development in Hurricane City. My role in the partnership is primarily the engineering and construction aspect of the project and this is because of my experience in building reservoirs specifically with communities around them. I have built a number of dams and reservoirs in the state of Utah. My intent in this letter is to shed some light on the stringent safety precautions and backstops that have been put into the design of the Southern Shores project as well as those precautions that are required to by the State of Utah in order to construct such a reservoir. I would like to inform the Hurricane City Council of these precautions to allow a confident feeling of safety upon the citizens within its reach and city.

To begin with, the Utah State Dam Safety (USDS) is the governing agency that regulates all dams and reservoirs within the state of Utah. This agency's main concern is to protect the citizens and communities where any dam and/or reservoir is placed within the State of Utah as well as protect the water that is entering those reservoirs assuring it is using the appropriate water rights to do so. Any body of water that holds over 20-acre feet of water must be reviewed, approved, fully inspected during construction, and given a final approval by the USDS before being allowed to fill. In the design and preconstruction review process, the USDS will give each dam a rating of either a low, moderate, or high hazard rating. The rating is based solely on what kind of impact would happen if the dam on these reservoirs was to breach and ultimately indicates how robust and stringent the design criteria and construction process of the dam must be. The USDS has three ratings it uses to classify dams: Low, Moderate, and High Hazard. The Low Hazard rating indicates there would be insignificant or no property damage if the dam was breached. The Moderate Hazard rating means that there would be a possibility of significant property damage if the dam was breached. The High Hazard rating means there would be not only significant property damage but a potential loss of life if the dam was breached.

Desert Lakes LLC contracted two separate soils engineering firms to test the soils and investigate how difficult it would be to build a lake on the property where the Southern Shores project is proposed. Both firms found that the soils are so porous on the property that any water placed onto the soil will percolate down into the soils at such a staggering rate that a lake wouldn't be able to be built without a synthetic liner to keep the water inside the lake and not allow it to fall into the aquifer well below the ground surface. Southern Shores is designed with a highly expensive 40mil LDPE synthetic liner to assure that every drop of water that goes into the lake stays in the lake or evaporates into the air. Nothing will be lost because of seepage or leaking. The use of this liner is a rare way to line a lake of this size because



of the great expense but, it also is the surest way to assure that the water will not be lost. Southern Shores is also designed to protect this liner by adding 12"-18" of a cemented soil on top of the liner around all the perimeter shorelines as well as volcanic rip-rap on the island in the middle. The liner and the covering materials are not required of the USDS but a requirement and expense we as the owners wanted to spend to make sure water is never lost through seepage, percolation and/or a leak in the liner.

One more important fact about the Southern Shores project is that it is designed much differently than virtually all other reservoirs because the slopes on the dam shorelines on the inside of the lake are extremely flat, 16:1, so to allow the waves generated from motor boats to quickly dissipate as they crash on the shorelines. Also, behind the dam structure there would be a leveling course of structural fill placed to fill the lots around the lake at an elevation level even or higher than the dam crest. This would in a sense make the dam 2-3 times thicker than normal. Most dams have a 3:1 slope on the inside, a 12' crest on the top, and a 2:1 slope on the outside. Southern Shores will have around a 6-7:1 slope on the inside and between 50-150' crest.

With these important factors showing that the Southern Shores project would be built with a liner and strong cement-soil covering as well as thickened dam section as compared to regular dam standards, I asked the USDS to review the project and see if there was any way to rate it as a low hazard dam. I asked this because the need of installing a costly dam section that included a thick clay core and chimney drains was absolutely unnecessary because any water that actually was lost through the liner if there was any type of leak would just percolate straight down and not find its way to the downstream toe of the dam. Even with these factors, the USDS held the Southern Shores dam to the black-and-white regulation that if for some reason, regardless of how robust the dam or liner is designed and built, if the dam was to breach it had the potential to cause property damage because of the homes that would be placed around the lake. The USDS classified the Southern Shores dam as a Moderate Hazard dam.

With this classification, the dam has been engineered to an extremely robust design costing Desert Lakes an estimated \$9M more than a low hazard rating would have required. It also means that the testing and quality control the USDS will oversee during the construction of the dam will be much more stringent. And ultimately, the USDS will require an inspection of the dam on a yearly basis to verify it is safe-and-sound indefinitely. With all of these factors I can certify and assure you that this dam and reservoir are over-engineered and will be completely overseen for its entire life by an agency that's sole purpose is to protect the citizens and water-rights within the state of Utah.

If you have any questions, please feel free to contract me.

Sincerely,

Cody Larkin

[cody@slgc.com](mailto:cody@slgc.com)

**DEVELOPMENT AGREEMENT  
FOR  
SOUTHERN SHORES SUBDIVISION**

This DEVELOPMENT AGREEMENT FOR SOUTHERN SHORES SUBDIVISION is made and entered into on this \_\_\_\_ day of \_\_\_\_\_, 2022 by and between the City of Hurricane, Utah, a municipal corporation of the State of Utah (hereinafter referred to as “City”), and Desert Lakes, LLC, a Utah limited liability company (hereinafter referred to as “Developer”), and BJ Christensen, Inc., a Utah corporation, and Jason Christensen and Brittany Christensen, individuals residing in St. George, Utah (hereinafter referred to as “Owners”), collectively referred to as “the Parties.”

**RECITALS**

A. Developer is the entity created by Owners to develop the Southern Shores Subdivision in Hurricane, Utah, which is comprised of approximately 79.976 acres of land more particularly described in Exhibit A, a copy of which is attached hereto and incorporated herein by this reference (the “Property”).

B. On \_\_\_\_\_ 20\_\_\_\_, City approved an application for a zone change, as shown in Exhibit B attached hereto and incorporated herein, subject to and conditioned upon the terms and conditions of a Development Agreement for Southern Shores Subdivision.

C. On \_\_\_\_\_ 20\_\_\_\_, City approved the preliminary plat attached hereto as Exhibit C.

D. On \_\_\_\_\_ 20\_\_\_\_, City approved, a Preliminary Site Plan attached hereto and incorporated herein as Exhibit D, which includes a dam and reservoir (the Project).

E. Developer is willing to design and construct the Project in accordance with the preliminary plat and preliminary site plan and in a manner that is in harmony with and intended to promote the long-range policies, goals, and objectives of the City’s general plan, zoning and development regulations in order to receive the benefit of vesting for certain uses and zoning designations under the terms of this Agreement as more fully set forth below.

F. City, Developer and Owner desire to specify certain terms and conditions relating to construction of the dam and reservoir and the intentional or unintentional drainage or discharge of water from the reservoir.

G. City has authorized the Mayor of the City to execute and deliver this Agreement on behalf of the City.

H. The City has the authority to enter into this Agreement pursuant to Utah Code Section 10-9a-102(2) and relevant municipal ordinances, and desires to enter into this Agreement with the Developer for the purpose of guiding the development of the Property in accordance with the terms and conditions of this Agreement and in accordance with applicable City ordinances.

I. This Agreement is generally consistent with, and all preliminary and final plats within the Property are subject to and shall conform with, the City's General Plan, Zoning Ordinances, and Subdivision Ordinances, and any permits issued by the City pursuant to City Ordinances and regulations.

J. The Parties desire to enter into this Agreement to specify the rights and responsibilities of the Parties with respect to development of the Property as expressed in this Agreement and the rights and responsibilities of the City to allow and regulate such development pursuant to the requirements of this Agreement.

K. The Parties understand and intend that this Agreement is a "development agreement" within the meaning of, and entered into pursuant to, the terms of Utah Code Ann., §10-9a-102.

## AGREEMENT

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants and obligations contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the City, Developer and Owners hereby acknowledge, represent, covenant and agree as follows:

1. Incorporation of Recitals. The foregoing Recitals A-K are hereby incorporated herein as if fully set forth.

2. Development in Accordance with City Ordinances. Unless otherwise agreed by the Parties, the Project shall be developed in accordance with the preliminary plat, preliminary site plan and all City ordinances, procedures, rules and regulations.

3. Construction of Dam and Reservoir. The dam and reservoir to be constructed as part of the Project shall be designed, constructed, operated and maintained by Developer in accordance with all requirements of Utah Code Ann. Title 73, Chapter 5a, Parts 1-7 and Rule 655-10 of the Utah Administrative Rules.

4. Intentional Drainage or Discharge of Waters from Reservoir. Developer represents that it does not anticipate the intentional drainage or discharge of water from the reservoir onto adjoining lands or lands within the natural drainage area. In the event, however, that emergency or unforeseen circumstances require or result in such drainage or discharge, the following shall apply:

- a. Developer shall provide to all affected landowners, the City of Hurricane and the Utah State Water Engineer thirty (30) days prior written notice of its intent to drain or discharge, along with a drainage or discharge plan describing the flow, route and duration of the discharge, the storm drain or other facilities planned to

be used, and the method or means to insure that such drainage shall not cause damage to the land of any other owner.

b. Developer shall secure a drainage permit from the City Engineer prior to drainage or discharge of any waters.

c. Developer shall conduct all drainage or discharge operations in compliance with all Utah State laws, rules and regulations, including any rules or requirements of the Utah State Water Engineer.

5. Liability for Damages Caused by Drainage or Discharge of Waters from Reservoir. The Parties agree that Developer shall be solely responsible and liable for any damages which accrue to any adjoining land or lands within the natural drainage area as a result of:

a. the intentional drainage or discharge of water from the reservoir as described in paragraph 4 above, or

b. the unintentional drainage or discharge of water from the reservoir as a result of dam failure or any other reason.

6. Indemnification. Developer shall indemnify, defend and hold harmless the City of Hurricane, its officers, employees and agents from and against any and all demands, claims, or causes of action which may be asserted against the City of Hurricane for injury or damages which are caused by or resulting from the intentional or unintentional discharge or drainage of waters from the reservoir onto adjoining lands or lands within the natural drainage area.

7. Notices. Any notices, requests and demands required or desired to be given hereunder shall be in writing and shall be served personally upon the party for whom intended, or if mailed, by certified mail, return receipt requested, postage prepaid, to such party at its address shown below:

To the Developer: Desert Lakes, LLC  
c/o Jason Christensen  
321 N. Mall Dr. T102  
St. George, Utah 84790

To Owners: Jason Christensen  
4061 South 2420 East  
St. George, Utah 84790

To the City: City of Hurricane  
Attention: Kaden DeMille, City Manager  
147 North 870 West  
Hurricane, UT 84737

8. General Term and Conditions.

a. Headings. The headings contained in this Agreement are intended for convenience only and are in no way to be used to construe or limit the text herein.

b. Assignment. Developer agrees that CC&R's creating a homeowners association for the subdivision shall be recorded at the office of the Washington County Recorder's office at the time of recording of the subdivision final plat, and that all of Developer's rights, duties and obligations under this agreement shall be assigned, transferred and delegated to said homeowners association which shall then become jointly and severally liable with Developer for compliance with all terms and conditions of this Agreement. Nevertheless, no such assignment, transfer or delegation shall relieve the Developer of any obligation under this Agreement except upon such terms and conditions as may be agreed to in writing by City. Except as provided herein, Developer or said homeowners association shall not assign, transfer or delegate any of its rights, duties and obligations under this Agreement to any other person or entity without the written consent of City.

c. Owners' Agreement. Owners shall be jointly responsible and liable for performance of all duties and obligations of Developer under this Agreement.

d. Further Documentation. This Agreement is entered into by the Parties with the recognition and anticipation that subsequent agreements, plans, profiles, engineering and other documentation implementing and carrying out the provisions of this Agreement may be necessary. The Parties agree to negotiate and act in good faith with respect to all such future items.

e. Relationship of Parties. This Agreement does not create any joint venture, partnership, undertaking, business arrangement or fiduciary relationship between the City and the Developer.

f. Agreement to Run With the Land. This Agreement shall be recorded in the Office of the Washington County Recorder against the Property and is intended to and shall be deemed to run with the land, and shall be binding on and shall benefit all successors in the ownership of any portion of the Property.

g. Performance. Each party, person and/or entity governed by this Agreement shall perform its respective obligations under this Agreement in a manner that will not unreasonably or materially delay, disrupt or inconvenience any other party, person and/or entity governed by this Agreement, the development of any portion of the Property or the issuance of final plats, certificates of occupancy or other approvals associated therewith.

h. Applicable Law. This Agreement is entered into under and pursuant to, and is to be construed and enforceable in accordance with, the laws of the State of Utah.

i. Construction. This Agreement has been reviewed and revised by legal counsel for both the City and the Developer, and no presumption or rule that ambiguities shall be construed against the drafting party shall apply to the interpretation or enforcement of this Agreement.

j. Consents and Approvals. Except as expressly stated in this Agreement, the consent, approval, permit, license or other authorization of any party under this Agreement shall be given in a prompt and timely manner and shall not be unreasonably withheld, conditioned or delayed. Any consent, approval, permit, license or other authorization required hereunder from the City shall be given or withheld by the City in compliance with this Agreement and the City Ordinances.

k. Approval and Authority to Execute. Each of the Parties represents and warrants as of the Effective Date this Agreement, it/he/she has all requisite power and authority to execute and deliver this Agreement, being fully authorized so to do and that this Agreement constitutes a valid and binding agreement.

l. Merger. This Agreement contains the full and complete understanding and agreement of the Parties with respect to the subject matter contained herein, all prior discussions and negotiations having been merged into this Agreement.

m. Amendment. This Agreement may be amended only in writing signed by the Parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by and through their respective, duly authorized representatives as of the day and year first hereinabove written.

**CITY:**  
CITY OF HURRICANE

By: \_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Recorder

**DEVELOPER:**  
Desert Lakes, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF UTAH                    )  
                                              :SS  
COUNTY OF UTAH                )

On the \_\_\_\_ day of \_\_\_\_\_, 202\_, personally appeared before me \_\_\_\_\_, who being by me duly sworn, did say that he is the \_\_\_\_\_ of Desert Lakes, LLC, a Utah limited liability company, and that the within and foregoing instrument was signed on behalf of said limited liability company with proper authority and duly acknowledged to me that he executed the same.

\_\_\_\_\_  
Notary Public  
Residing at:

**OWNERS:**  
BJ Christensen, Inc

By \_\_\_\_\_  
Jason Christensen  
President

STATE OF UTAH                    )  
                                              :SS  
COUNTY OF UTAH                )

On the \_\_\_\_ day of \_\_\_\_\_, 202\_, personally appeared before me Jason Christensen, who being by me duly sworn, did say that he is the President of BJ Christensen, Inc., a Utah corporation, and that the within and foregoing instrument was signed on behalf of said corporation with proper authority and duly acknowledged to me that he executed the same.

\_\_\_\_\_  
Notary Public  
Residing at:

Jason Christensen

\_\_\_\_\_  
Jason Christensen, an individual



Brittany Christensen

\_\_\_\_\_  
Brittany Christensen, an individual

STATE OF UTAH                    )  
                                          :ss  
COUNTY OF UTAH                )

On the \_\_\_\_ day of \_\_\_\_\_, 202\_, personally appeared before me Jason Christensen and Brittany Christensen, who being by me duly sworn, did each say that he/she executed the within and foregoing instrument for the reasons stated therein.

\_\_\_\_\_  
Notary Public  
Residing at:

**EXHIBIT A**  
**Legal Description Parcel and Preliminary Plat:**

DRAFT

**EXHIBIT B**  
**Zoning Amendment**

DRAFT

**EXHIBIT C**  
**Site Plan**

DRAFT

**From:** Fay Reber <fayreber@infowest.com>  
**Sent:** Wednesday, January 5, 2022 4:32 PM  
**To:** Stephen Nelson  
**Cc:** Nanette Billings; Joseph Prete; David Sanders; David Hirsch; Kevin Thomas; Cindy Beteag; Arthur Lebaron; Mike Vercimak  
**Subject:** Southern Shores Development Agreement  
**Attachments:** [Southern Shores Development Agreement \(Draft\).docx](#)

Stephen,

Attached please find the latest draft of the proposed development agreement for Southern Shores Subdivision.

The 2 main concerns are: (1) to prevent, to the extent possible, situations that might lead to damage to surrounding properties if the water in the reservoir was discharged or drained, either intentionally or unintentionally, onto adjoining lands, and (2) to ensure that the city would have no liability for any such damage if it were to occur.

As to the first concern, the agreement requires that all provisions of Utah law, including the Utah Dam Safety Act, are followed. And to that end, the developer has provided a letter further explaining the rigorous requirements imposed by the Utah State Dam Safety for this particular structure.

As to the second concern, the focus has been to put responsibility on the developer for all damages caused by such discharge or drainage, and requiring the developer to indemnify the city from all such liability for damages. This draft seeks to beef that up by requiring that the developer file CC&R's to create a Homeowner's Association that would assume that same responsibility jointly with the Developer. And then the agreement goes a step further by obligating the individual owners of the LLC formed to fulfill the development function, the idea being that if the individual owners are liable, perhaps more attention and care will be given to ensure that no such damage occurs.

Whether this will be sufficient for the City Council or acceptable to the developer and individual owners, I don't know. If you see the need to make other changes or additions to the agreement, please feel free to do so. When the agreement is at the point we can recommend it to the council and the developer, please send it the developer.

Thanks.

Fay

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Fay E. Reber  
Attorney at Law

St. George Office: 435-628-7600  
Hurricane Office: 435-635-0422

CONFIDENTIALITY NOTICE

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**CITY OF HURRICANE, UTAH**



**HURRICANE CITY**  
**UTAH**

**FINANCIAL STATEMENTS**

**For the Fiscal Year Ended June 30, 2021**

**With Report of**

**Certified Public Accountants**

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## **INTRODUCTORY SECTION**



The comprehensive Annual Financial Report of the City of Hurricane, Utah for the fiscal year ended June 30, 2021, is submitted herewith.

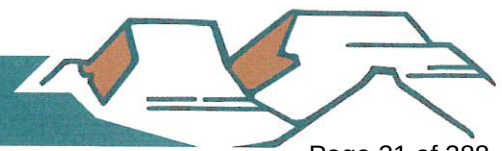
### ACCOUNTING SYSTEM

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with revenues being recorded when available and measurable and expenditures being recorded when the liability is incurred. Accounting records for the City's utilities and other enterprise funds are maintained on the accrual basis.

### GENERAL GOVERNMENTAL FUNCTIONS

Revenues for general governmental functions totaled \$14,100,492 for 2020-21, an increase of \$1,939,939 from \$12,160,553 for fiscal year 2019-20. Sales tax increased about 27.80% and property tax increased 5.83%. Residential and commercial construction increased resulting in a \$413,780 increase in License and Permit fees. The intergovernmental revenue decreased by (\$59,147). Sale of capital assets increased slightly by \$17,248. Interest and financing revenues decreased \$109,334. The following revenue sources are shown compared to fiscal year 2019-20.

| <b><u>REVENUE SOURCE</u></b> | <b><u>2020-21</u></b> | <b><u>2019-20</u></b> | <b><u>Increase (Decrease)</u></b> |
|------------------------------|-----------------------|-----------------------|-----------------------------------|
| Property Taxes and Penalties | \$2,884,142           | \$2,725,169           | \$158,973                         |
| Sales Tax                    | \$5,153,873           | \$4,032,655           | \$1,121,218                       |
| Franchise & Energy Taxes     | \$1,396,463           | \$1,294,370           | \$102,093                         |
| License and Permits          | \$1,272,838           | \$859,058             | \$413,780                         |
| Intergovernmental Revenue    | \$1,380,921           | \$1,440,068           | (\$59,147)                        |
| Charges and Services         | \$661,323             | \$487,319             | \$174,004                         |
| Fines and Forfeitures        | \$448,425             | \$500,261             | (\$51,836)                        |
| Sale of Capital Assets       | \$120,315             | \$103,067             | \$17,248                          |
| Contributions and Donations  | \$75,021              | \$59,741              | \$15,280                          |
| Recreation & Events          | \$554,480             | \$424,326             | \$130,154                         |
| Interest & Financing         | \$30,368              | \$139,702             | (\$109,334)                       |
| Other                        | \$122,323             | \$89,724              | \$32,599                          |
| Transfers                    | \$0                   | \$5,093               | (\$5,093)                         |
| Total Revenues               | \$14,100,492          | \$12,160,553          | \$1,939,939                       |



Taxable value of real and personal property for 2021 is \$2,297,780,759 representing a \$430,701,695 increase in value which is an 23.07% increase from the preceding year. This increase is the result of residential, commercial, and industrial growth and property values increases. The Certified tax rate for 2021 decreased to .00117% from 2020's .001332%.

Expenditures for general governmental purposes totaled \$13,525,704 which was \$1,665,667 more than in 2019-2020. This increase shows up under the Transfer to Other Funds. This function increased by \$2,224,703. Public Safety showed a \$284,889 decrease. Parks & Recreation saw a decrease of \$60,140. General Government was up \$53,287 due to higher costs and costs of living increase.

Levels of expenditures for major functions of the city with a comparison to the preceding year are shown in the following tabulation. General Government includes: Mayor and City Council, Judicial, Clerk, Treasurer, Recorder, Human Resources, Non-Departmental, Buildings and Grounds, Elections, Planning and Zoning, and Professional Services expenses; Public Safety includes: Police Protection, Inspection and Animal Control; Highways and Public Improvements includes: Highways General, Class "C" Roads, Waste Disposal, Airport, and Parks & Recreation includes: Parks, Recreation, Swimming Pool, Community Center, Events, Peach Days and Cemetery.

| <b><u>FUNCTION</u></b>  | <b><u>2020-21</u></b> | <b><u>2019-20</u></b> | <b><u>Increase (Decrease)</u></b> |
|-------------------------|-----------------------|-----------------------|-----------------------------------|
| General Government      | \$1,706,360           | \$1,653,073           | \$53,287                          |
| Public Safety           | \$4,657,886           | \$4,942,785           | (\$284,899)                       |
| Highways & Public Imp.  | \$1,479,418           | \$1,746,702           | (\$267,284)                       |
| Parks, Recreation       | \$2,434,103           | \$2,494,243           | (\$60,140)                        |
| Capital Outlay          |                       | \$0                   | \$0                               |
| Transfer to Other Funds | \$3,247,937           | \$1,023,234           | \$2,224,703                       |
| Total                   | <u>\$13,525,704</u>   | <u>\$11,860,037</u>   | <u>\$1,665,667</u>                |

Enterprise Funds include: Electric Utilities, Water, Pressurized Irrigation, Golf Course, Municipal Building Authority, and Drainage. The three largest Enterprise funds are show below in summary Statement of Earnings form.

|            | <b><u>Electric</u></b> | <b><u>Water</u></b> | <b><u>Golf</u></b> |
|------------|------------------------|---------------------|--------------------|
| Revenues   | \$15,431,312           | \$5,630,711         | \$2,708,598        |
| Expenses   | 14,519,933             | 4,329,281           | 2,054,494          |
| Net Income | <u>\$911,379</u>       | <u>\$1,301,430</u>  | <u>\$654,104</u>   |



## INDEPENDENT AUDIT

Utah State Law requires an annual audit to be made of the books of account, financial records and transactions of all administrative departments of the City by independent certified public accountants selected by the City Council. This requirement has been complied with and the auditors' report has been included in this presentation.

## EMPLOYEES RETIREMENT SYSTEM

The City of Hurricane participates in the Utah State Retirement system which covers all City, County, and State employees. In 2011 the State created a two-tier system. Those employees who had service credit before the change are on Tier 1, and new hires after that date are on Tier 2. The Tier 2 system requires more years to retire and the system is a combination defined benefit and defined contribution plan whereas Tier 1 is only a defined benefit plan. The City contributes 18.47% of each salary for the tier 1 employees and 16.69% for Tier 2 employees in the State Retirement System. The Police Department participates in the Public Safety Branch of the Utah State Retirement system. The City contributes 34.04% for the employees in Tier 1, and 23.83% for employees in the Tier 2 of the Public Safety System. The City's contribution for the year ended June 30, 2021, was \$1,703,698. This includes the Employees' voluntary contributions to the state 401K plan which all employees are eligible to participate in.

## CLOSING STATEMENT

The preparation of this report could not have been accomplished without the efficient and dedicated services of the accounting staff of Hinton Burdick PLLC. I would also like to thank the members of the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully Submitted,



Kaden C. DeMille  
City Manager

## **FINANCIAL SECTION**

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## **Independent Auditors' Report**

The Honorable Mayor and  
Members of the City Council  
Hurricane, UT 84737

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Hurricane City, Utah, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hurricane, Utah, as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison for the General Fund, schedule of the proportionate share of the net pension liability, and schedule of contributions, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Hurricane, Utah's basic financial statements. The introductory section, combining nonmajor fund financial statements, capital asset schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements and capital asset schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements and the capital asset schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2021, on our consideration of the City of Hurricane, Utah's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Hurricane's internal control over financial reporting and compliance.



HintonBurdick, PLLC  
St. George, Utah  
December 15, 2021



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## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Hurricane, we offer readers of the City of Hurricane's financial statements this narrative overview and analysis of the financial activities of the City of Hurricane for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

### FINANCIAL HIGHLIGHTS

The total net position of City of Hurricane increased 12.98% to \$160,737,263.

The total net position of 160,737,263 is made up of \$114,566,019 in capital assets net of related debt and \$46,171,244 in other assets.

In the General Fund, revenues exceeded expenses by \$574,788 due to a reduction in fund balance. The total fund balance of the General Fund represents 29.60% of total budgeted expenditures for the next fiscal year ending June 30, 2022.

Total long-term bond liabilities of the City are \$6,959,979.

Business-type activities total net position increased \$7,049,145 or 9.73%.

### REPORTING THE CITY AS A WHOLE

This discussion and analysis is intended to serve as an introduction to the City of Hurricane's basic financial statements. The City of Hurricane's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also includes other supplementary information in addition to the basic financial statements.

***The government-wide financial statements*** are designed to provide readers with a broad overview of the City of Hurricane's finances, in a manner similar to a private-sector business.

- The statement of net assets presents information on all of the City of Hurricane's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Hurricane is improving or deteriorating. However, you will also need to consider other nonfinancial factors.
- The statement of activities present information showing how the City's net assets changed during the fiscal year reported. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Both of the government-wide financial statements distinguish functions of the City of Hurricane that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

## **REPORTING THE CITY'S MOST SIGNIFICANT FUNDS**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Hurricane also uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- Governmental funds – These funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. These funds statements focus on how money flows into and out of these funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general governmental operations and the basic services it provides. Governmental fund information helps users determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship (or difference) between governmental activities (reported in the Statement of Net Assets and the Statement Activities) and governmental funds in a reconciliation included with the fund financial statements. The only major government fund (as determined by generally accepted accounting principles) is the General Fund. The balances of the governmental funds are determined to be non-major and are included in the combining statements within this report.
- Proprietary funds – These funds also known as enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Hurricane uses enterprise funds to account for its Electric Utility, Water Utility, Pressurized Irrigation Utility, Drainage System, Municipal Building Authority, and Golf Course. As shown in the financial statements, all enterprise funds except for Drainage and Pressurized Irrigation are classified as major funds. The Drainage and Pressurized Irrigation funds are classified as non-major and are included in the combining statements within this report.
- Fiduciary funds – These funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting method used for these funds is much like that used for proprietary funds.

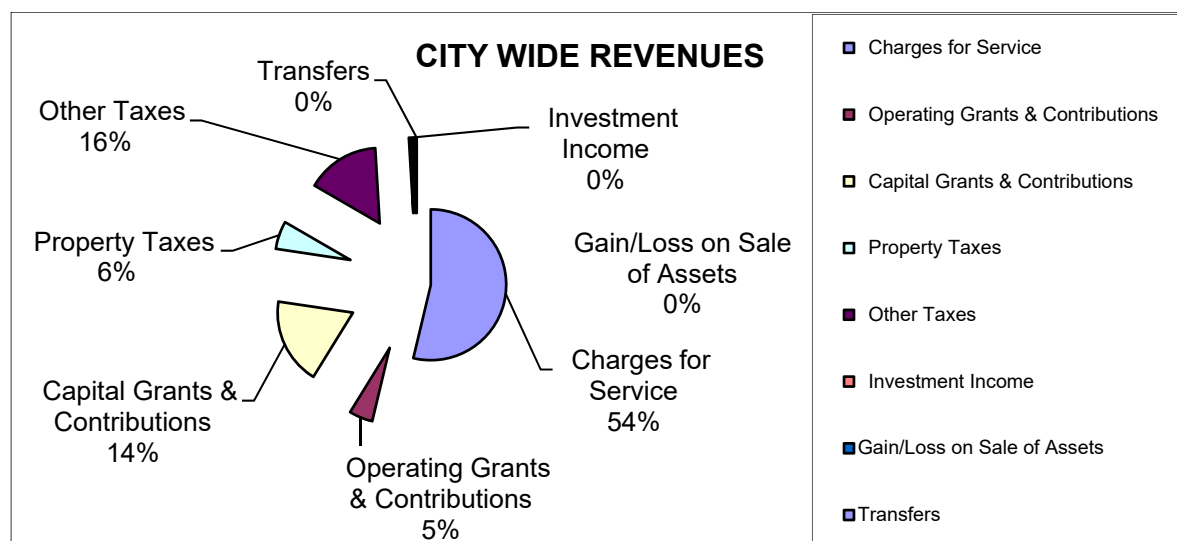
## GOVERNMENT-WIDE FINANCIAL ANALYSIS

|                                  | Governmental<br>Activities | Business-type<br>Activities |
|----------------------------------|----------------------------|-----------------------------|
| <b>Revenues:</b>                 |                            |                             |
| Program Revenues:                |                            |                             |
| Charges for Service              | \$ 7,477,309               | \$22,158,683                |
| Operating Grants & Contributions | 2,795,857                  | -                           |
| Capital Grants & Contributions   | 3,379,387                  | 6,857,584                   |
| Property Taxes                   | 3,312,221                  | -                           |
| Other Taxes                      | 8,651,752                  | -                           |
| Investment Income                | 128,266                    | 118,322                     |
| Other Revenues                   | 105,828                    | -                           |
| <b>Total Revenues</b>            | <u>\$26,025,987</u>        | <u>\$29,135,589</u>         |
| <b>Expenses:</b>                 |                            |                             |
| General government               | \$ 1,533,980               |                             |
| Public Safety                    | 5,874,455                  |                             |
| Highways/Public Improvements     | 4,032,746                  |                             |
| Parks & recreation               | 2,770,162                  |                             |
| Interest on Long-term Debt       | 361,877                    |                             |
| Economic development             | 13,528                     |                             |
| Water                            |                            | \$4,329,281                 |
| Electric                         |                            | 14,519,933                  |
| Golf Course                      |                            | 2,053,752                   |
| Drainage                         |                            | 344,228                     |
| Municipal Building Authority     |                            | 332,227                     |
| Pressurized Irrigation           |                            | 506,023                     |
| <b>Total Expenses</b>            | <u>\$14,586,748</u>        | <u>\$22,085,444</u>         |
| Increase/Decrease in Net Assets  | <u>\$11,439,239</u>        | <u>\$7,049,145</u>          |
| Net Assets Beginning             | <u>\$69,831,171</u>        | <u>\$72,417,702</u>         |
| Net Assets End                   | <u>\$81,270,410</u>        | <u>\$79,466,847</u>         |

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Hurricane, assets exceed liabilities by \$160,737,257.

Capital assets comprise 69.42% of the net assets of the City. Capital assets consist of land, buildings, infrastructure assets, (roads, sidewalks, water, and power lines, etc.) and machinery and equipment. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

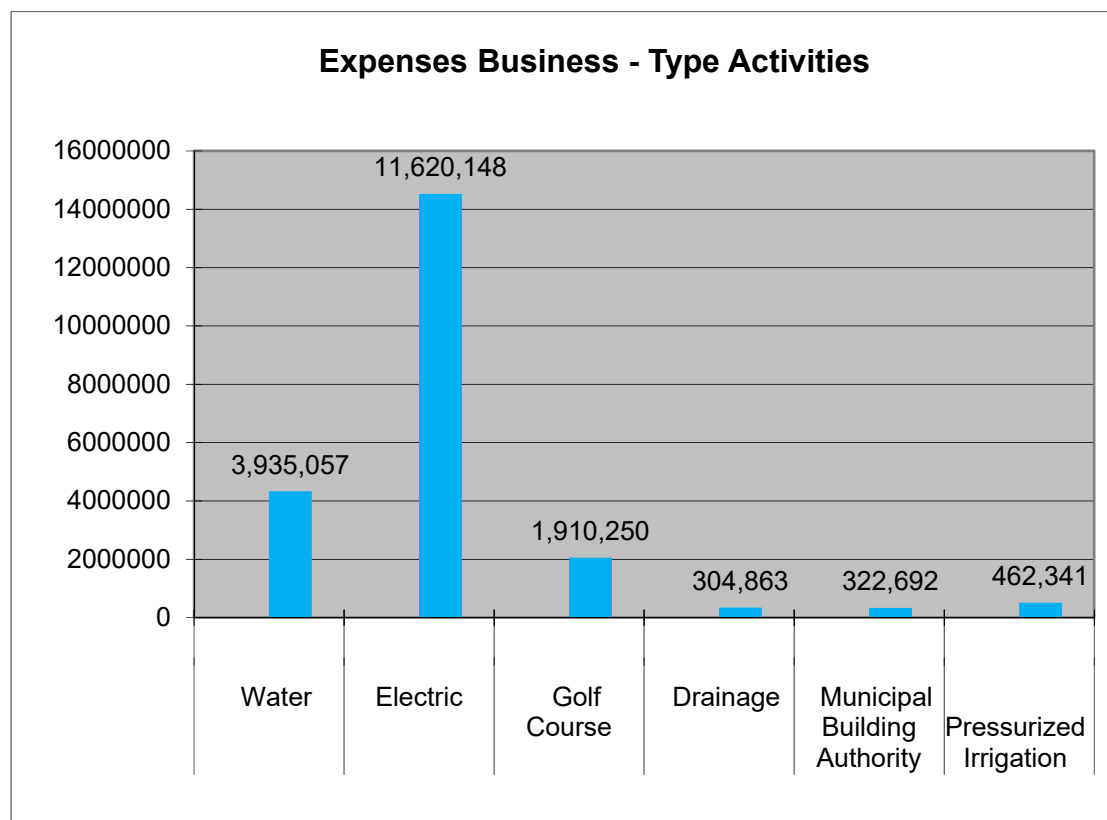
The following graph displays the city-wide activities for revenues reflected in the above tables.



The largest revenue by far is charges for service. This is due to the number of proprietary funds whose main source of funding is service fees. The distribution of revenues is similar to prior years. The charges for services increased this year. The major enterprise funds decreased although the overall percentage of cost for services increased from 51.13% to 53.73%. This increase as an overall percentage can be contributed to the decrease in capital grants received compared with the prior year. Growth of residential construction continues to fuel the increase with more utility hookups and monthly service fees. Investment income increased slightly in the general fund and decreased slightly in enterprise funds while interest rates at the State Treasurers Pool continue to remain favorable. Other taxes increased by 25.55%.

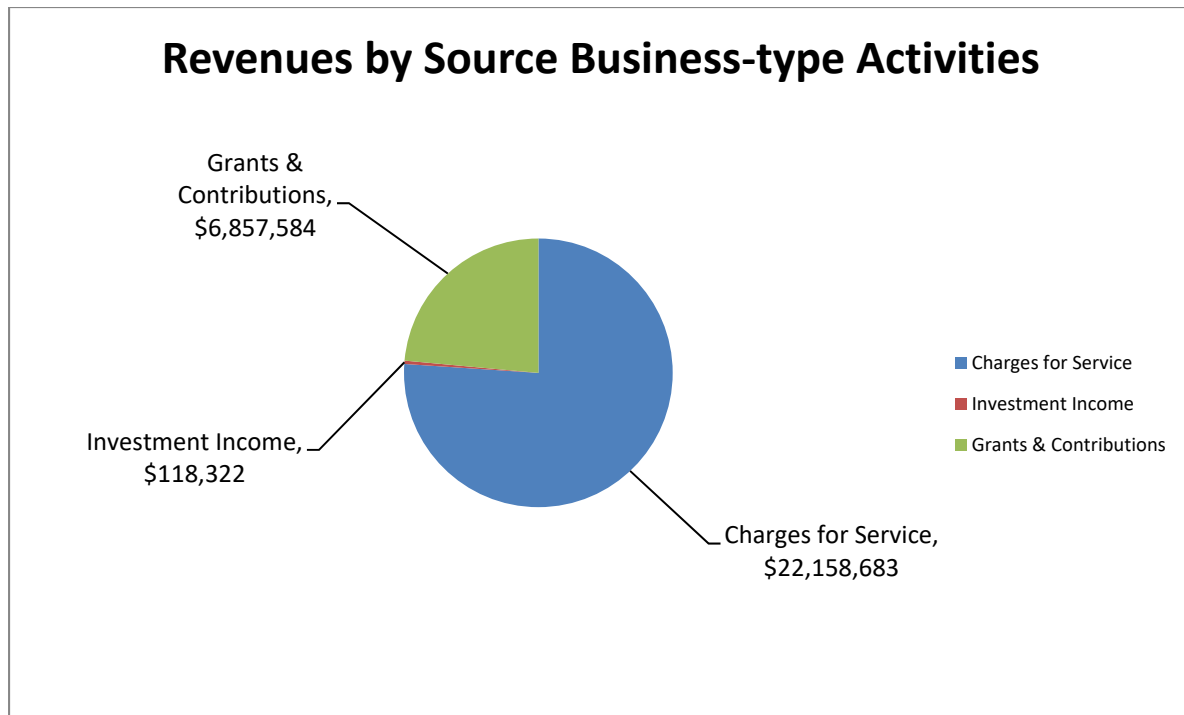
Total net position in business-type activities increased by \$7,049,145. The Water Utility increased by \$3,018,747, the Electric fund increased by \$2,419,551, the Golf fund increased by \$654,846, the Municipal Building fund increased by \$117,847, the Pressurized Irrigation fund increased by \$234,647, and the Drainage fund increased by \$603,507. The main reason for the increases can likely be attributed to growth and a favorable economy.

The following graph shows the expenses of the business type funds. The Water Fund saw an increase in expenses of 10.02%. The Electric Utility has by far the largest expenses. The Electric Utility's expenses increased over the prior year by 24.95%. The cost of power purchased accounts for more than half of the Electric Utility expenses. The Golf Course saw an increase in expenses of 7.51% due in large part to the increase in cost of water. The Municipal Building Authority saw a decrease of 2.95%. The Drainage Fund had an increase of 12.91%. The Municipal Building Authority acts as a conduit fund holding title and the lease financing on several of the municipal buildings. The main function of the fund is to make the debt payments on the financing. The increase in expenses reflects the increasing debt service payments. The Pressurized Irrigation fund saw an increase of 9.45% due to increase in operational and water purchase costs.



As can be seen from the following chart, the majority of revenues in the business-type activities are in Charges for Service with 76.06%, Grants and Contributions 23.54%, and Interest Earnings at .41%.





## FINANCIAL ANALYSIS OF GOVERNMENT FUNDS

The focus of the City's government funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements.

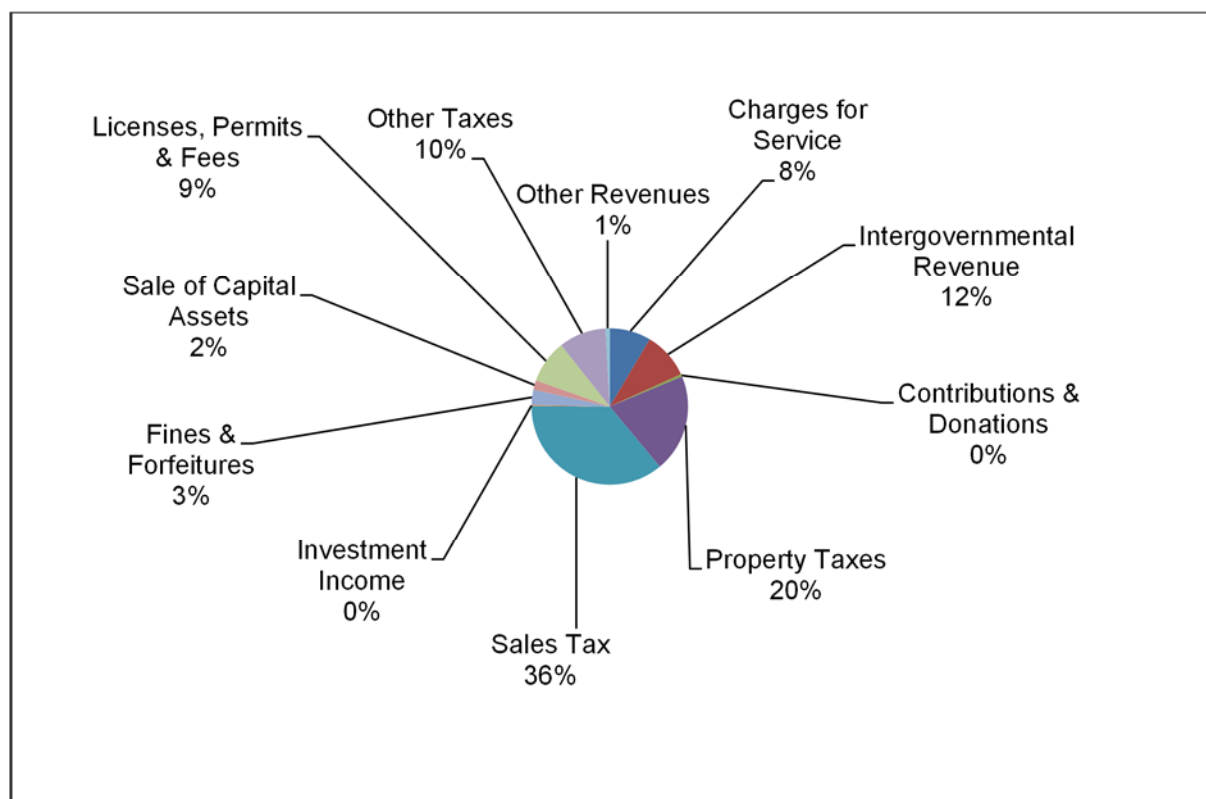
As of June 30, 2021, the City governmental funds which are comprised of the General Fund and Non-major Governmental Funds including: Capital Projects, Debt Service, and Special Revenue reported combined fund balances of \$26,601,813. This represents an increase of \$8,406,667 (46.20%) over last year's ending balances. Capital project funds typically accumulate revenues over a multi-year time frame and when sufficient, are used to fund some capital improvement. The increased fund balance was the result of holding funds collected from impact fees or transfers from General Fund to hold for specific projects to be completed in future years. The General Fund increased by \$574,788, the Special Revenue funds increased \$1,974,040 and the Capital Project funds increased \$1,530,196. The Dixie Springs fund (a Special Revenue Fund) continues to show a decrease in fund balance as the bond is paid off.

The General Fund saw an increase in fund balance this year after the prior year's fund balance was reduced after exceeding the state maximum fund balance allowed. The excess funds have been set aside for use in the funding of future anticipated projects. All activities which are not required to be accounted for in separate funds either by state or local ordinance or by a desire to maintain a matching of revenues and expenses are accounted for in this fund.

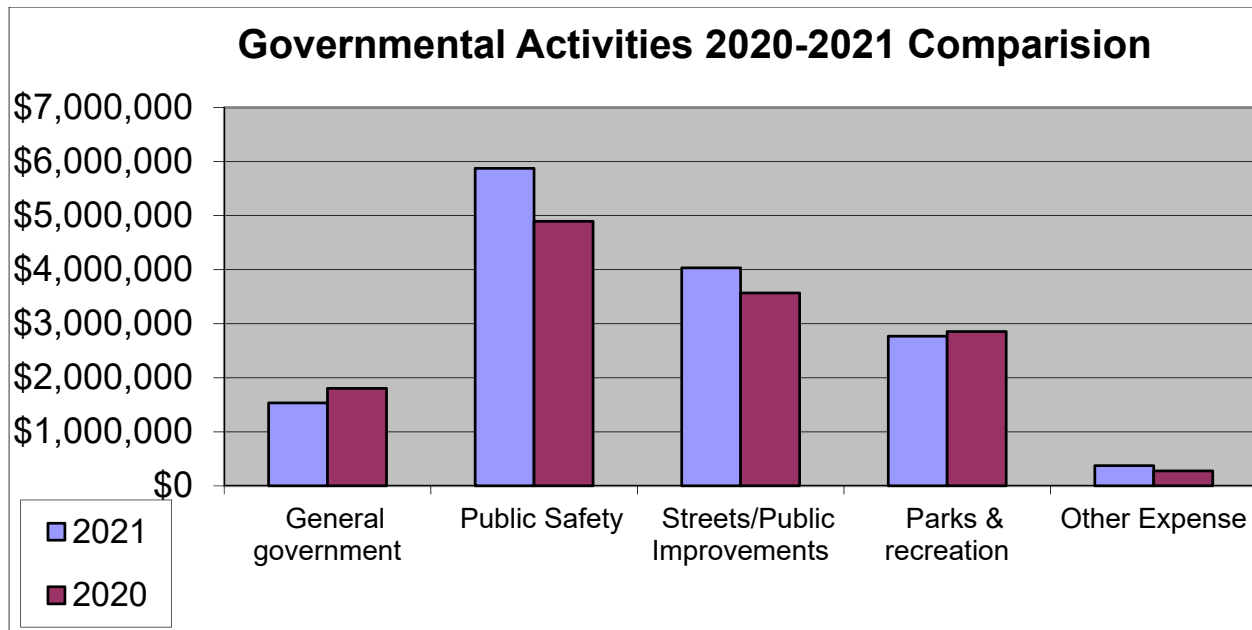
Revenues exceeded expenditures in the General fund by \$574,788. An analysis of the total fund balance shows that it represents 26.22% of the projected revenues for the new fiscal year which ends June 30, 2022.

Taxes continue to be the largest source of revenue in the General Fund and represent 66.15% of the total general fund revenues. The largest element of taxes is sales tax. It represents 54.63% of total tax revenues and represents 36.14% of total general fund revenues. This compares to 33.18% in the prior fiscal year ended June 30, 2020.

The following chart displays General Fund revenues as a percent of total revenues.



The following graph displays the expenditures in the General Fund by function for the past fiscal year. As can be seen by reviewing the graph, the general administrative expenses decreased by \$269,479. The streets/public improvements increased from 2020 to 2021 by \$464,608 after the prior year's significant decrease. Public safety saw an increase of \$979,076. Parks and Recreation showed a decrease of \$86,143. Public Safety accounts for 40.27% of the general fund expenditures.



As stated earlier, the City maintains several enterprise funds to account for the business-type activities of the City. The separated fund statements included in this report provide the same information for business-type activities as is provided in the governmental-wide financial statements. However, the difference is that the fund statements provide much more detail. The Electric Utility fund charges for services increased by \$1,207,903 or 9.77% during the year. Impact and connection fees increased \$1,029,932 and interest income decreased \$185,145. The expenditures increased \$2,902,999, or 24.99%. The net results were that the utility posted a net income of \$2,419,551 in 2021. The Water Utility fund had an increase in its net position from \$2,576,555 to 3,018,747 in 2021. The increase in the Water Utility fund's net income is due in large part to the prior year's large capital contributions for expansion projects.

## GENERAL FUND BUDGETARY HIGHLIGHTS

During the fiscal year, the General Fund original budget was amended from an original budget expenditure total of \$11,743,049 to a final budget of \$12,586,598 a 7.18% increase. These increases were needed because of grants and increased revenues unknown at the time the budget was adopted.

## CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets – The City of Hurricane's investment in capital assets for its governmental and business-type activities as of June 30, 2021, amount to \$121,663,499 (net of accumulated depreciation). This investment in capital assets includes land, buildings, system improvements, parks, infrastructure (streets, sidewalks, etc.) and machinery and equipment.

Major capital asset events during the current fiscal year included the following:

Street Department Shop and Office Building  
Generators  
2100 W. Phase 1 Waterline  
Lone Rock Condo. Phase 1 Waterline  
Freightliner M2 106  
North Slope Phase 1 and 2 Powerline  
Lava Knolls Phase 1 Powerline  
Desert Sage Phase 1 and 2 Drainage  
Hurricane Heights Pressurized Irrigation  
Airplane Hangar  
Dixie Springs Park  
Pioneer Park Shade Structure  
Renovations to the Community Center Splash Pad

| <b>HURRICANE CITY'S CAPITAL ASSETS</b> |                            |                             |
|----------------------------------------|----------------------------|-----------------------------|
| (net of depreciation)                  |                            |                             |
|                                        | Governmental<br>Activities | Business type<br>Activities |
| Water Stock                            | \$0                        | \$1,960,541                 |
| Land & Water Rights                    | \$5,985,152                | \$2,459,057                 |
| Improvements                           | \$8,925,707                | \$736,264                   |
| Buildings                              | \$1,299,405                | \$6,794,703                 |
| Infrastructure                         | \$32,692,248               | \$45,029,629                |
| Machinery & Equipment                  | \$0                        | \$0                         |
| Plant, Property, & Equipment           | \$2,774,656                | \$7,313,367                 |
| Construction in Progress               | \$5,037,560                | \$655,210                   |
| <b>Total</b>                           | <b>\$56,714,725</b>        | <b>\$64,948,771</b>         |

Additional information on the City's capital assets can be found in the footnotes to the financial report and also the supplemental section.

**Long-term debt** –At June 30, 2021 the City had total bonded debt outstanding of \$6,659,548. Of this amount, none is considered to be general obligation debt which is backed by the full faith and credit of the City. The \$6,659,548 outstanding debt is secured solely by specific revenues sources.

|                          | Governmental<br>Activities |             | Business-<br>type<br>Activities |             |
|--------------------------|----------------------------|-------------|---------------------------------|-------------|
|                          | 2021                       | 2020        | 2021                            | 2020        |
| General Obligation Bonds | \$0                        | \$0         | \$0                             | \$0         |
| RDA Bonds                | \$0                        | \$0         | \$0                             | \$0         |
| Capital Leases           | \$300,431                  | \$340,440   | \$0                             | \$0         |
| Notes Payable            | \$0                        | \$0         | \$0                             | \$0         |
| Special Assessment Debt  | \$0                        | \$0         | \$0                             | \$0         |
| Revenue Bonds            | \$471,000                  | \$582,000   | \$6,188,548                     | \$6,618,433 |
| Total Outstanding Debt   | \$771,431                  | \$922,440   | \$6,188,548                     | \$6,618,433 |
| Bonded Debt              | \$6,659,548                | \$7,200,433 |                                 |             |
| Total Debt               | \$6,959,979                | \$7,540,873 |                                 |             |

The City's total debt decreased by \$580,894 during the year. This is due to scheduled bond payments during the 2020-2021 fiscal year.

State statutes limit the amount of the general obligation debt a governmental entity may issue to 4% of its total taxable value. The current limitation for the City is \$91,911,230, which is significantly in excess of the City's outstanding general obligation debt. In addition, state statute allows for an additional 4% to be used for water, sewer, or electrical projects thus resulting in a debt limit of 8% of taxable value. The current limitation for these water, sewer, and electrical projects is thus \$91,911,230. The City currently has no general obligation debt outstanding for general purposes, water, sewer, or electrical projects.

Additional information on the outstanding debt obligations of the City can be found in the footnotes to this report.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- Unemployment in Washington County (of which Hurricane is the third largest City) was 4.1% compared with a state unemployment rate of 1.9% and a national rate of 4.2% in November 2021. (source: Utah Department of Workforce Services)
- The General Fund budget for the fiscal year-ending June 30, 2020 reflects a decrease of 5.97% over the final budget for the fiscal year ended June 30, 2019. The decrease was caused by the Covid-19 pandemic. Because of the concern over the effect, it would have on the economy the budget was cut back. As of December 1, 2020, the decrease in actual revenues has not occurred. The City is experiencing better than average year in revenues.
- Growth in the construction of new homes increased in 2020-21. 1,105 total buildings permits were issued during the year, 735 were new residential building permits. The 2020 census showed an average of 2.7 people per household in Hurricane, thus the increase in population during the year due to new construction was approximately 1,985.

This compares with 411 residential permits and 960 total permits issued in fiscal year 2019-20. This is reflected in the total valuation of all building permits during the year. The June 30, 2021, year-end total valuation of permits issued was \$144,134,898. This compares with the June 30, 2020, total of \$93,510,402 for an increase of \$50,624,496 or a 54.14% increase.

#### REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City of Hurricane's finances for those with an interest in the City's finances. Questions concerning any information provided in this report or requests for additional information should be addressed to: City of Hurricane, City Manager, at 147 North 870 West, Hurricane, Utah 84737.

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## **BASIC FINANCIAL STATEMENTS**



**CITY OF HURRICANE, UTAH**  
**Statement of Net Position**  
**June 30, 2021**

|                                                   | <b>Governmental<br/>Activities</b> | <b>Business-type<br/>Activities</b> | <b>Total</b>          |
|---------------------------------------------------|------------------------------------|-------------------------------------|-----------------------|
| <b>Assets</b>                                     |                                    |                                     |                       |
| Cash and cash equivalents                         | \$ 26,594,205                      | \$ 21,821,166                       | \$ 48,415,371         |
| Receivables (net of allowance)                    | 3,570,253                          | 1,964,513                           | 5,534,766             |
| Inventory                                         | -                                  | 1,101,028                           | 1,101,028             |
| Prepaid expense                                   | 215,962                            | 9,352                               | 225,314               |
| Internal balances                                 | 120,678                            | (120,678)                           | -                     |
| Restricted assets:                                |                                    |                                     |                       |
| Temporarily restricted:                           |                                    |                                     |                       |
| Cash and cash equivalents                         | 2,848,147                          | 990,766                             | 3,838,913             |
| Capital assets not being depreciated:             |                                    |                                     |                       |
| Land and water rights                             | 5,985,152                          | 2,459,057                           | 8,444,209             |
| Water stock                                       | -                                  | 1,960,541                           | 1,960,541             |
| Construction in progress                          | 5,037,560                          | 655,210                             | 5,692,770             |
| Capital assets (net of accumulated depreciation): |                                    |                                     |                       |
| Improvements                                      | 8,925,707                          | 736,264                             | 9,661,971             |
| Plant and equipment                               | 2,774,656                          | 7,313,367                           | 10,088,023            |
| Irrigation pond                                   | -                                  | 7,556                               | 7,556                 |
| Water tank                                        | -                                  | 6,403,567                           | 6,403,567             |
| Buildings                                         | 1,299,405                          | 6,794,703                           | 8,094,108             |
| Distribution system                               | -                                  | 38,618,506                          | 38,618,506            |
| Infrastructure                                    | 32,692,248                         | -                                   | 32,692,248            |
| Total assets                                      | <u>90,063,973</u>                  | <u>90,714,918</u>                   | <u>180,778,891</u>    |
| <b>Deferred Outflows of Resources</b>             |                                    |                                     |                       |
| Deferred outflows related to pensions             | 824,854                            | 277,302                             | 1,102,156             |
| Total deferred outflows of resources              | <u>824,854</u>                     | <u>277,302</u>                      | <u>1,102,156</u>      |
| <b>Liabilities</b>                                |                                    |                                     |                       |
| Accounts payable and other current liabilities    | 3,560,393                          | 4,340,570                           | 7,900,963             |
| Unearned revenue                                  | 84,192                             | -                                   | 84,192                |
| Interest payable                                  | 2,177                              | 77,483                              | 79,660                |
| Noncurrent liabilities:                           |                                    |                                     |                       |
| Due within one year                               | 165,975                            | 461,030                             | 627,005               |
| Due in more than one year                         | 793,342                            | 5,865,019                           | 6,658,361             |
| Net pension liability                             | 634,684                            | 213,370                             | 848,054               |
| Total liabilities                                 | <u>5,240,763</u>                   | <u>10,957,472</u>                   | <u>16,198,235</u>     |
| <b>Deferred Inflows of Resources</b>              |                                    |                                     |                       |
| Deferred inflows related to pensions              | 1,689,248                          | 567,898                             | 2,257,146             |
| Property taxes levied for future year             | 2,688,403                          | -                                   | 2,688,403             |
| Total deferred inflows of resources               | <u>4,377,651</u>                   | <u>567,898</u>                      | <u>4,945,549</u>      |
| <b>Net Position</b>                               |                                    |                                     |                       |
| Net investment in capital assets                  | 55,943,297                         | 58,622,722                          | 114,566,019           |
| Restricted for:                                   |                                    |                                     |                       |
| Debt service                                      | 27,839                             | 385,394                             | 413,233               |
| Capital projects                                  | 12,217,125                         | 4,998,052                           | 17,215,177            |
| Legal restrictions                                | 412,296                            | -                                   | 412,296               |
| Other purposes                                    | 5,434,842                          | -                                   | 5,434,842             |
| Unrestricted                                      | 7,235,014                          | 15,460,682                          | 22,695,696            |
| Total net position                                | <u>\$ 81,270,413</u>               | <u>\$ 79,466,850</u>                | <u>\$ 160,737,263</u> |

The accompanying notes are an integral part of the financial statements.

**CITY OF HURRICANE, UTAH**  
**Statement of Activities**  
**For the Year Ended June 30, 2021**

| Functions/Programs                          | Expenses     | Program Revenues     |                                  |                                | Net (Expense) Revenue and Changes in Net Position |                          |                |
|---------------------------------------------|--------------|----------------------|----------------------------------|--------------------------------|---------------------------------------------------|--------------------------|----------------|
|                                             |              | Charges for Services | Operating Grants & Contributions | Capital Grants & Contributions | Governmental Activities                           | Business-type Activities | Total          |
| Governmental activities:                    |              |                      |                                  |                                |                                                   |                          |                |
| General government                          | \$ 1,533,980 | \$ 1,988,157         | \$ 1,645,153                     | \$ 5,257                       | \$ 2,104,587                                      | \$ -                     | \$ 2,104,587   |
| Public safety                               | 5,874,455    | 900,625              | 49,616                           | -                              | (4,924,214)                                       | -                        | (4,924,214)    |
| Highways/ public works                      | 4,032,746    | 1,760,915            | 1,086,168                        | 3,374,130                      | 2,188,467                                         | -                        | 2,188,467      |
| Parks and recreation                        | 2,770,162    | 2,827,612            | 14,920                           | -                              | 72,370                                            | -                        | 72,370         |
| Economic development                        | 361,877      | -                    | -                                | -                              | (361,877)                                         | -                        | (361,877)      |
| Interest on long-term debt                  | 13,528       | -                    | -                                | -                              | (13,528)                                          | -                        | (13,528)       |
| Total governmental activities               | 14,586,748   | 7,477,309            | 2,795,857                        | 3,379,387                      | (934,195)                                         | -                        | (934,195)      |
| Business-type activities:                   |              |                      |                                  |                                |                                                   |                          |                |
| Water                                       | 4,329,281    | 4,255,049            | -                                | 3,057,099                      | -                                                 | 2,982,867                | 2,982,867      |
| Electric                                    | 14,519,933   | 13,750,888           | -                                | 3,117,896                      | -                                                 | 2,348,851                | 2,348,851      |
| Golf course                                 | 2,053,752    | 2,705,803            | -                                | -                              | -                                                 | 652,051                  | 652,051        |
| Municipal Building Authority                | 332,227      | 444,368              | -                                | -                              | -                                                 | 112,141                  | 112,141        |
| Pressurized Irrigation                      | 506,023      | 560,373              | -                                | 180,297                        | -                                                 | 234,647                  | 234,647        |
| Drainage                                    | 344,228      | 442,202              | -                                | 502,292                        | -                                                 | 600,266                  | 600,266        |
| Total business-type activities              | 22,085,444   | 22,158,683           | -                                | 6,857,584                      | -                                                 | 6,930,823                | 6,930,823      |
| General Revenues:                           |              |                      |                                  |                                |                                                   |                          |                |
| Taxes:                                      |              |                      |                                  |                                |                                                   |                          |                |
| Property taxes levied for general purposes  |              |                      |                                  |                                | 3,312,221                                         | -                        | 3,312,221      |
| Franchise taxes                             |              |                      |                                  |                                | 1,707,456                                         | -                        | 1,707,456      |
| General sales taxes and highway sales taxes |              |                      |                                  |                                | 6,595,610                                         | -                        | 6,595,610      |
| RAP tax                                     |              |                      |                                  |                                | 348,686                                           | -                        | 348,686        |
| Unrestricted investment earnings            |              |                      |                                  |                                | 128,266                                           | 118,322                  | 246,588        |
| Gain on sale of assets                      |              |                      |                                  |                                | 281,195                                           | -                        | 281,195        |
| Total general revenues & transfers          |              |                      |                                  |                                | 12,373,434                                        | 118,322                  | 12,491,756     |
| Change in net position                      |              |                      |                                  |                                | 11,439,239                                        | 7,049,145                | 18,488,384     |
| Net position - beginning                    |              |                      |                                  |                                | 69,831,175                                        | 72,417,705               | 142,248,880    |
| Net position - ending                       |              |                      |                                  |                                | \$ 81,270,413                                     | \$ 79,466,850            | \$ 160,737,263 |

The accompanying notes are an integral part of the financial statements.

**CITY OF HURRICANE, UTAH**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2021**

|                                                                        | <b>General</b>      | <b>Nonmajor<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|------------------------------------------------------------------------|---------------------|--------------------------------------------|-----------------------------------------|
| <b>Assets</b>                                                          |                     |                                            |                                         |
| Cash and cash equivalents                                              | \$ 3,804,774        | \$ 22,789,431                              | \$ 26,594,205                           |
| Receivables                                                            | 1,520               | 442,268                                    | 443,788                                 |
| Due from other governments                                             | 3,073,344           | 53,121                                     | 3,126,465                               |
| Due from other funds                                                   | 58,407              | 64,945                                     | 123,352                                 |
| Prepaid expenses                                                       | 166,365             | 49,597                                     | 215,962                                 |
| Restricted cash and cash equivalents                                   | 2,848,147           | -                                          | 2,848,147                               |
| Total assets                                                           | <u>\$ 9,952,557</u> | <u>\$ 23,399,362</u>                       | <u>\$ 33,351,919</u>                    |
| <b>Liabilities</b>                                                     |                     |                                            |                                         |
| Accounts payable                                                       | \$ 509,425          | \$ 102,406                                 | \$ 611,831                              |
| Accrued liabilities                                                    | 499,892             | -                                          | 499,892                                 |
| Customer deposits                                                      | 2,429,271           | -                                          | 2,429,271                               |
| Court funds held                                                       | 19,399              | -                                          | 19,399                                  |
| Due to other funds                                                     | -                   | 2,674                                      | 2,674                                   |
| Unearned revenue                                                       | 84,192              | -                                          | 84,192                                  |
| Total liabilities                                                      | <u>3,542,179</u>    | <u>105,080</u>                             | <u>3,647,259</u>                        |
| <b>Deferred Inflows of Resources</b>                                   |                     |                                            |                                         |
| Property taxes levied for future year                                  | 2,688,403           | -                                          | 2,688,403                               |
| Unavailable revenue - special assessments                              | -                   | 414,444                                    | 414,444                                 |
| Total deferred inflows of resources                                    | <u>2,688,403</u>    | <u>414,444</u>                             | <u>3,102,847</u>                        |
| <b>Fund Balances</b>                                                   |                     |                                            |                                         |
| Nonspendable:                                                          |                     |                                            |                                         |
| Prepays                                                                | 166,365             | -                                          | 166,365                                 |
| Restricted for:                                                        |                     |                                            |                                         |
| Debt service                                                           | -                   | 27,839                                     | 27,839                                  |
| Capital outlay                                                         | -                   | 12,217,125                                 | 12,217,125                              |
| Other                                                                  | 412,296             | 5,434,842                                  | 5,847,138                               |
| Assigned                                                               | -                   | 5,200,032                                  | 5,200,032                               |
| Unassigned                                                             | 3,143,314           | -                                          | 3,143,314                               |
| Total fund balances                                                    | <u>3,721,975</u>    | <u>22,879,838</u>                          | <u>26,601,813</u>                       |
| Total liabilities, deferred inflows of resources,<br>and fund balances | <u>\$ 9,952,557</u> | <u>\$ 23,399,362</u>                       | <u>\$ 33,351,919</u>                    |

The accompanying notes are an integral part of the financial statements.

**CITY OF HURRICANE, UTAH**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**To the Statement of Net Position**  
**June 30, 2021**

Amounts reported for governmental activities in the statement of net position are different because:

|                                                                                                                                                          |                     |                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|-----------------------------|
| Total fund balances - governmental funds                                                                                                                 |                     | \$ 26,601,813               |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.                                |                     |                             |
| Governmental capital assets                                                                                                                              | \$ 90,906,249       |                             |
| Accumulated depreciation                                                                                                                                 | <u>(34,191,521)</u> |                             |
|                                                                                                                                                          |                     | 56,714,728                  |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.                                         |                     |                             |
| Bonds payable                                                                                                                                            | (471,000)           |                             |
| Leases payable                                                                                                                                           | (300,431)           |                             |
| Net pension liability                                                                                                                                    | (634,684)           |                             |
| Compensated absences                                                                                                                                     | (187,886)           |                             |
| Accrued interest payable                                                                                                                                 | <u>(2,177)</u>      |                             |
|                                                                                                                                                          |                     | (1,596,178)                 |
| Deferred outflows and inflows of resources related to pensions are applicable to future reporting periods and, therefore, are not reported in the funds. |                     |                             |
| Deferred outflows                                                                                                                                        | 824,854             |                             |
| Deferred inflows                                                                                                                                         | <u>(1,689,248)</u>  |                             |
|                                                                                                                                                          |                     | (864,394)                   |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.        |                     | 414,444                     |
| Total net position - governmental activities                                                                                                             |                     | <u><u>\$ 81,270,413</u></u> |

The accompanying notes are an integral part of the financial statements.

**CITY OF HURRICANE, UTAH**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2021**

|                                                              | <b>General</b>      | <b>Nonmajor<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--------------------------------------------------------------|---------------------|--------------------------------------------|-----------------------------------------|
| <b>Revenues</b>                                              |                     |                                            |                                         |
| Taxes                                                        | \$ 9,434,478        | \$ 2,529,496                               | \$ 11,963,974                           |
| Licenses, permits and fees                                   | 1,272,838           | -                                          | 1,272,838                               |
| Intergovernmental revenue                                    | 1,380,921           | 1,592,176                                  | 2,973,097                               |
| Charges for services                                         | 1,215,803           | -                                          | 1,215,803                               |
| Fines and forfeitures                                        | 448,425             | -                                          | 448,425                                 |
| Impact fees                                                  | -                   | 4,161,729                                  | 4,161,729                               |
| Contributions and donations                                  | 75,021              | 120                                        | 75,141                                  |
| Investment earnings                                          | 30,368              | 97,898                                     | 128,266                                 |
| Other revenues                                               | 122,323             | 501,049                                    | 623,372                                 |
| Total revenues                                               | <u>13,980,177</u>   | <u>8,882,468</u>                           | <u>22,862,645</u>                       |
| <b>Expenditures</b>                                          |                     |                                            |                                         |
| Current:                                                     |                     |                                            |                                         |
| General government                                           | 1,706,360           | 342,461                                    | 2,048,821                               |
| Public safety                                                | 4,657,886           | 1,242,827                                  | 5,900,713                               |
| Highways/ public works                                       | 1,479,418           | 101,364                                    | 1,580,782                               |
| Parks and recreation                                         | 2,434,103           | 285,652                                    | 2,719,755                               |
| Economic development                                         | -                   | 361,877                                    | 361,877                                 |
| Debt service:                                                |                     |                                            |                                         |
| Principal                                                    | -                   | 111,000                                    | 111,000                                 |
| Interest                                                     | -                   | 13,735                                     | 13,735                                  |
| Capital outlay:                                              |                     |                                            |                                         |
| Street construction                                          | -                   | 853,474                                    | 853,474                                 |
| Other                                                        | -                   | 1,147,016                                  | 1,147,016                               |
| Total expenditures                                           | <u>10,277,767</u>   | <u>4,459,406</u>                           | <u>14,737,173</u>                       |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>3,702,410</u>    | <u>4,423,062</u>                           | <u>8,125,472</u>                        |
| <b>Other Financing Sources (Uses)</b>                        |                     |                                            |                                         |
| Bond proceeds                                                | -                   | -                                          | -                                       |
| Sale of capital assets                                       | 120,315             | 160,880                                    | 281,195                                 |
| Reallocation of resources to agency fund                     | -                   | -                                          | -                                       |
| Operating transfers in                                       | -                   | 3,247,937                                  | 3,247,937                               |
| Operating transfers out                                      | (3,247,937)         | -                                          | (3,247,937)                             |
| Total other financing sources and uses                       | <u>(3,127,622)</u>  | <u>3,408,817</u>                           | <u>281,195</u>                          |
| Net change in fund balances                                  | 574,788             | 7,831,879                                  | 8,406,667                               |
| Fund balances, beginning of year                             | <u>3,147,187</u>    | <u>15,047,959</u>                          | <u>18,195,146</u>                       |
| Prior period adjustment                                      | -                   | -                                          | -                                       |
| Fund balances, end of year                                   | <u>\$ 3,721,975</u> | <u>\$ 22,879,838</u>                       | <u>\$ 26,601,813</u>                    |

The accompanying notes are an integral part of the financial statements.

**CITY OF HURRICANE, UTAH**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**  
**For the Year Ended June 30, 2021**

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Amounts reported for governmental activities in the statement of activities are different because:

|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                    |                      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|----------------------|
| Net change in fund balances - total governmental funds                                                                                                                                                                                                                                                                                                                                                                                                                              |                    | \$ 8,406,667         |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the difference between capital outlay and depreciation expense in the current period.                                                                                                                                                                   |                    |                      |
| Capital Outlay                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | \$ 1,863,133       |                      |
| Depreciation Expense                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <u>(2,650,340)</u> |                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                    | (787,207)            |
| Donations of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.                                                                                                                                                                                                                                                                                                             |                    | 3,306,391            |
| In the statement of activities, only the gain or loss on sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the net book value of the capital assets sold.                                                                                                                                                                  |                    | (130,401)            |
| Repayment of long-term debt (e.g. bonds, leases) principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.                                                                                                                                                                                                                                                                                           |                    | 151,009              |
| Pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the net pension liability is measured six months before the City's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities. |                    |                      |
| Pension contributions                                                                                                                                                                                                                                                                                                                                                                                                                                                               | (461,939)          |                      |
| Pension expense                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <u>935,901</u>     |                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                    | 473,962              |
| Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.                                                                                                                                                                                                                                                                                   |                    | 18,611               |
| Accrued interest for long-term debt is not reported as an expenditure for the current period in the governmental funds, while it is recorded in the statement of activities.                                                                                                                                                                                                                                                                                                        |                    | 207                  |
| Change in net position of governmental activities                                                                                                                                                                                                                                                                                                                                                                                                                                   |                    | <u>\$ 11,439,239</u> |

The accompanying notes are an integral part of the financial statements.

**CITY OF HURRICANE, UTAH**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2021**

|                                                | <u>Water Fund</u>    | <u>Electric Fund</u> | <u>Golf Fund</u>    |
|------------------------------------------------|----------------------|----------------------|---------------------|
| <b>Assets</b>                                  |                      |                      |                     |
| Current assets:                                |                      |                      |                     |
| Cash and cash equivalents                      | \$ 5,366,638         | \$ 14,008,909        | \$ 1,205,536        |
| Receivables, net of allowance of \$18,813      | 332,456              | 1,569,386            | 1,910               |
| Inventory                                      | -                    | 1,038,173            | 62,855              |
| Prepaid expense                                | -                    | -                    | 9,352               |
| Total current assets                           | <u>5,699,094</u>     | <u>16,616,468</u>    | <u>1,279,653</u>    |
| Noncurrent assets:                             |                      |                      |                     |
| Restricted cash and cash equivalents           | 294,148              | 532,999              | -                   |
| Capital assets:                                |                      |                      |                     |
| Water stock                                    | 1,685,113            | -                    | -                   |
| Land, improvements and water rights            | 401,406              | 532,650              | 557,651             |
| Plant and equipment                            | 1,756,449            | 15,840,333           | 995,015             |
| Irrigation pond                                | -                    | -                    | 13,029              |
| Water tank                                     | 6,954,054            | -                    | -                   |
| Intangible plant                               | -                    | 36,780               | -                   |
| Buildings                                      | 2,446,280            | 577,644              | 253,308             |
| Construction in progress                       | 655,210              | -                    | -                   |
| Distribution system                            | 27,139,698           | 14,530,155           | -                   |
| Less: Accumulated depreciation                 | <u>(8,603,048)</u>   | <u>(14,693,599)</u>  | <u>(1,293,956)</u>  |
| Total noncurrent assets                        | <u>32,729,310</u>    | <u>17,356,962</u>    | <u>525,047</u>      |
| Total assets                                   | <u>38,428,404</u>    | <u>33,973,430</u>    | <u>1,804,700</u>    |
| <b>Deferred Outflows of Resources</b>          |                      |                      |                     |
| Deferred outflows related to pensions          | 63,374               | 153,530              | 60,398              |
| Deferred charge on refunding                   | <u>-</u>             | <u>-</u>             | <u>-</u>            |
| <b>Liabilities</b>                             |                      |                      |                     |
| Current liabilities:                           |                      |                      |                     |
| Accounts payable                               | 328,317              | 2,939,361            | 82,073              |
| Accrued liabilities                            | 43,753               | 150,601              | 145,060             |
| Customer deposits                              | 72,250               | 532,999              | -                   |
| Due to other funds                             | -                    | -                    | 64,945              |
| Interest payable                               | 42,082               | 2,143                | -                   |
| Current portion of noncurrent liabilities      | <u>120,000</u>       | <u>-</u>             | <u>-</u>            |
| Total current liabilities                      | <u>606,402</u>       | <u>3,625,104</u>     | <u>292,078</u>      |
| Noncurrent liabilities:                        |                      |                      |                     |
| Bonds payable                                  | 2,705,841            | -                    | -                   |
| Net pension liability                          | 48,763               | 118,134              | 46,473              |
| Less current portion of noncurrent liabilities | <u>(120,000)</u>     | <u>-</u>             | <u>-</u>            |
| Total noncurrent liabilities                   | <u>2,634,604</u>     | <u>118,134</u>       | <u>46,473</u>       |
| Total liabilities                              | <u>3,241,006</u>     | <u>3,743,238</u>     | <u>338,551</u>      |
| <b>Deferred Inflows of Resources</b>           |                      |                      |                     |
| Deferred inflows related to pensions           | <u>129,786</u>       | <u>314,420</u>       | <u>123,692</u>      |
| <b>Net Position</b>                            |                      |                      |                     |
| Net investment in capital assets               | 29,729,321           | 16,823,963           | 525,047             |
| Restricted for debt service                    | 221,775              | -                    | -                   |
| Restricted for capital outlay                  | 2,835,382            | 2,073,187            | -                   |
| Unrestricted                                   | <u>2,334,508</u>     | <u>11,172,152</u>    | <u>877,808</u>      |
| Total net position                             | <u>\$ 35,120,986</u> | <u>\$ 30,069,302</u> | <u>\$ 1,402,855</u> |

The accompanying notes are an integral part of the financial statements.

| <b>Municipal Building<br/>Authority</b> | <b>Nonmajor<br/>Enterprise Funds</b> | <b>Totals<br/>2021</b> |
|-----------------------------------------|--------------------------------------|------------------------|
| \$ -                                    | \$ 1,240,083                         | \$ 21,821,166          |
| -                                       | 60,761                               | 1,964,513              |
| -                                       | -                                    | 1,101,028              |
| -                                       | -                                    | 9,352                  |
| -                                       | 1,300,844                            | 24,896,059             |
| 163,619                                 | -                                    | 990,766                |
| -                                       | 275,428                              | 1,960,541              |
| 2,968,592                               | 45,000                               | 4,505,299              |
| -                                       | 645,912                              | 19,237,709             |
| -                                       | -                                    | 13,029                 |
| -                                       | -                                    | 6,954,054              |
| -                                       | -                                    | 36,780                 |
| 6,260,665                               | -                                    | 9,537,897              |
| -                                       | -                                    | 655,210                |
| -                                       | 10,396,068                           | 52,065,921             |
| (3,023,296)                             | (2,403,770)                          | (30,017,669)           |
| 6,369,580                               | 8,958,638                            | 65,939,537             |
| 6,369,580                               | 10,259,482                           | 90,835,596             |
| -                                       | -                                    | 277,302                |
| -                                       | -                                    | -                      |
| 143                                     | 46,013                               | 3,395,907              |
| -                                       | -                                    | 339,414                |
| -                                       | -                                    | 605,249                |
| 55,733                                  | -                                    | 120,678                |
| 31,905                                  | 1,353                                | 77,483                 |
| 341,030                                 | -                                    | 461,030                |
| 428,811                                 | 47,366                               | 4,999,761              |
| 3,620,208                               | -                                    | 6,326,049              |
| -                                       | -                                    | 213,370                |
| (341,030)                               | -                                    | (461,030)              |
| 3,279,178                               | -                                    | 6,078,389              |
| 3,707,989                               | 47,366                               | 11,078,150             |
| -                                       | -                                    | 567,898                |
| 2,585,753                               | 8,958,638                            | 58,622,722             |
| 163,619                                 | -                                    | 385,394                |
| -                                       | 89,483                               | 4,998,052              |
| (87,781)                                | 1,163,995                            | 15,460,682             |
| \$ 2,661,591                            | \$ 10,212,116                        | \$ 79,466,850          |



**CITY OF HURRICANE, UTAH**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2021**

|                                             | <u>Water Fund</u>    | <u>Electric Fund</u> | <u>Golf Fund</u>    |
|---------------------------------------------|----------------------|----------------------|---------------------|
| <b>Operating revenues:</b>                  |                      |                      |                     |
| Charges for services                        | \$ 4,248,729         | \$ 13,576,439        | \$ 2,705,803        |
| Lease revenue                               | -                    | -                    | -                   |
| Other revenues                              | 6,320                | 174,449              | -                   |
| Total operating revenues                    | <u>4,255,049</u>     | <u>13,750,888</u>    | <u>2,705,803</u>    |
| <b>Operating expenses:</b>                  |                      |                      |                     |
| Purchased power                             | -                    | 10,134,225           | -                   |
| Power generation                            | -                    | 95,723               | -                   |
| Rent                                        | 1,088                | -                    | 92,558              |
| Administration                              | 183,976              | 133,579              | 42,893              |
| Salaries and wages                          | 468,060              | 1,152,071            | 594,606             |
| Payroll taxes                               | 45,638               | 112,708              | 58,490              |
| Employee benefits                           | 161,775              | 377,923              | 210,408             |
| Distribution system repairs and maintenance | 312,067              | 229,616              | 51,867              |
| Repairs and maintenance                     | 80,900               | 77,769               | 62,990              |
| Tools expense                               | 2,271                | 86,652               | 795                 |
| Office expense                              | -                    | 10,778               | 377                 |
| Gasoline                                    | 13,600               | 10,401               | 15,480              |
| Insurance                                   | 18,563               | 53,591               | 10,241              |
| Depreciation                                | 742,227              | 835,863              | 73,465              |
| Telephone                                   | 7,567                | 12,849               | 7,378               |
| Utilities                                   | 384,542              | 1,435                | 44,460              |
| Office supplies                             | 9,670                | 7,012                | 4,514               |
| Special department supplies                 | -                    | 49,865               | 319,422             |
| Professional services                       | 142,258              | 237,756              | 6,855               |
| Trustee fees                                | -                    | -                    | -                   |
| Advertising                                 | -                    | -                    | 17,235              |
| Franchise payment                           | -                    | 741,917              | -                   |
| Travel and training                         | 6,370                | 7,412                | 936                 |
| Miscellaneous                               | 661,398              | 74,425               | 3,877               |
| Sales tax                                   | -                    | -                    | 174,185             |
| Fertilizer and chemicals                    | 22,248               | -                    | 42,383              |
| Postage and freight                         | 14,100               | 15,079               | -                   |
| Credit card expense                         | 24,696               | 40,125               | 56,527              |
| Assessments                                 | -                    | -                    | -                   |
| Remote meter reading                        | -                    | 450                  | -                   |
| Tree trimming                               | -                    | 20,709               | -                   |
| Water costs                                 | 923,279              | -                    | 159,757             |
| Total operating expenses                    | <u>4,226,293</u>     | <u>14,519,933</u>    | <u>2,051,699</u>    |
| Operating income (loss)                     | <u>28,756</u>        | <u>(769,045)</u>     | <u>654,104</u>      |
| <b>Nonoperating revenues (expenses):</b>    |                      |                      |                     |
| Connection and impact fees                  | 1,339,782            | 1,609,724            | -                   |
| Interest income                             | 35,880               | 70,700               | 2,795               |
| Gain (loss) on sale of assets               | -                    | -                    | -                   |
| Interest expense and fiscal charges         | (102,988)            | -                    | (2,053)             |
| Total nonoperating revenues (expenses)      | <u>1,272,674</u>     | <u>1,680,424</u>     | <u>742</u>          |
| Income before contributions and transfers   | 1,301,430            | 911,379              | 654,846             |
| Capital contributions                       | 1,717,317            | 1,508,172            | -                   |
| <b>Change in net position</b>               | 3,018,747            | 2,419,551            | 654,846             |
| Total net position, beginning of year       | <u>32,102,239</u>    | <u>27,649,751</u>    | <u>748,009</u>      |
| <b>Total net position, end of year</b>      | <u>\$ 35,120,986</u> | <u>\$ 30,069,302</u> | <u>\$ 1,402,855</u> |

The accompanying notes are an integral part of the financial statements.

| <b>Municipal Building<br/>Authority</b> | <b>Nonmajor<br/>Enterprise Funds</b> | <b>Totals<br/>2021</b> |
|-----------------------------------------|--------------------------------------|------------------------|
| \$ -                                    | \$ 1,002,575                         | \$ 21,533,546          |
| 444,368                                 | -                                    | 444,368                |
| -                                       | -                                    | 180,769                |
| 444,368                                 | 1,002,575                            | 22,158,683             |
| -                                       | -                                    | 10,134,225             |
| -                                       | -                                    | 95,723                 |
| -                                       | -                                    | 93,646                 |
| 4,561                                   | 61,022                               | 426,031                |
| -                                       | -                                    | 2,214,737              |
| -                                       | -                                    | 216,836                |
| -                                       | -                                    | 750,106                |
| -                                       | 54,215                               | 647,765                |
| 694                                     | 11,693                               | 234,046                |
| -                                       | 91                                   | 89,809                 |
| -                                       | -                                    | 11,155                 |
| -                                       | -                                    | 39,481                 |
| 40,373                                  | 7,115                                | 129,883                |
| 170,716                                 | 230,938                              | 2,053,209              |
| -                                       | -                                    | 27,794                 |
| 2,065                                   | 22,821                               | 455,323                |
| -                                       | -                                    | 21,196                 |
| -                                       | 1,434                                | 370,721                |
| -                                       | 79,989                               | 466,858                |
| 5,135                                   | -                                    | 5,135                  |
| -                                       | -                                    | 17,235                 |
| -                                       | -                                    | 741,917                |
| -                                       | -                                    | 14,718                 |
| -                                       | 19,836                               | 759,536                |
| -                                       | -                                    | 174,185                |
| -                                       | -                                    | 64,631                 |
| -                                       | 9,400                                | 38,579                 |
| -                                       | 16,464                               | 137,812                |
| -                                       | 18,255                               | 18,255                 |
| -                                       | -                                    | 450                    |
| -                                       | -                                    | 20,709                 |
| -                                       | 316,978                              | 1,400,014              |
| 223,544                                 | 850,251                              | 21,871,720             |
| 220,824                                 | 152,324                              | 286,963                |
| -                                       | 32,699                               | 2,982,205              |
| 5,706                                   | 3,241                                | 118,322                |
| -                                       | -                                    | -                      |
| (108,683)                               | -                                    | (213,724)              |
| (102,977)                               | 35,940                               | 2,886,803              |
| 117,847                                 | 188,264                              | 3,173,766              |
| -                                       | 649,890                              | 3,875,379              |
| 117,847                                 | 838,154                              | 7,049,145              |
| 2,543,744                               | 9,373,962                            | 72,417,705             |
| \$ 2,661,591                            | \$ 10,212,116                        | \$ 79,466,850          |

**CITY OF HURRICANE, UTAH**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2021**

|                                                                                   | <u>Water Fund</u>          | <u>Electric Fund</u>        |
|-----------------------------------------------------------------------------------|----------------------------|-----------------------------|
| <b>Cash flows from operating activities:</b>                                      |                            |                             |
| Cash received from customers, service fees                                        | \$ 4,253,225               | \$ 13,517,972               |
| Cash received from customers, capacity fees and other                             | 6,320                      | 174,449                     |
| Cash paid to suppliers                                                            | (2,614,253)                | (11,339,737)                |
| Cash paid to employees                                                            | (714,793)                  | (1,688,117)                 |
| Net cash provided by operating activities                                         | <u>930,499</u>             | <u>664,567</u>              |
| <b>Cash flows from noncapital financing activities:</b>                           |                            |                             |
| Advances (to) from other funds                                                    | -                          | -                           |
| Net cash provided (used) by noncapital financing activities                       | <u>-</u>                   | <u>-</u>                    |
| <b>Cash flows from capital and related financing activities:</b>                  |                            |                             |
| Principal payments on long-term debt                                              | (114,999)                  | -                           |
| Interest paid                                                                     | (104,425)                  | -                           |
| Purchase of capital assets                                                        | (839,625)                  | (1,684,167)                 |
| Connection and impact fees                                                        | 1,339,782                  | 1,609,724                   |
| Net cash provided (used) by capital and related financing activities:             | <u>280,733</u>             | <u>(74,443)</u>             |
| <b>Cash flows from investing activities:</b>                                      |                            |                             |
| Interest on investments                                                           | <u>26,452</u>              | <u>70,700</u>               |
| Net increase (decrease) in cash and cash equivalents                              | 1,237,684                  | 660,824                     |
| Cash and cash equivalents, including restricted cash, beginning of year, restated | <u>4,423,102</u>           | <u>13,881,084</u>           |
| <b>Cash and cash equivalents, including restricted cash, end of year</b>          | <u><u>\$ 5,660,786</u></u> | <u><u>\$ 14,541,908</u></u> |
| Reconciliation of operating income to net cash provided by operating activities:  |                            |                             |
| Net operating income (loss)                                                       | \$ 28,756                  | \$ (769,045)                |
| Adjustments to reconcile net income to net cash provided by operating activities  |                            |                             |
| Depreciation/amortization                                                         | 742,227                    | 835,863                     |
| Pension expense                                                                   | (44,985)                   | (64,889)                    |
| Changes in operating assets and liabilities:                                      |                            |                             |
| (Increase) Decrease in receivables                                                | 4,496                      | (58,467)                    |
| (Increase) Decrease in inventory                                                  | -                          | (106,087)                   |
| Increase (Decrease) in accounts payable                                           | 194,340                    | 807,718                     |
| Increase (Decrease) in accrued liabilities                                        | 5,665                      | 19,474                      |
| Net cash provided by operating activities                                         | <u><u>\$ 930,499</u></u>   | <u><u>\$ 664,567</u></u>    |
| <b>Supplemental Schedule of Non-cash Investing and Financing Activities:</b>      |                            |                             |
| Capital contributions                                                             | \$ 1,717,317               | \$ 1,508,172                |

The accompanying notes are an integral part of the financial statements.

| <b>Golf Fund</b>    | <b>Municipal Building Authority</b> | <b>Nonmajor Enterprise Funds</b> | <b>Totals 2021</b>   |
|---------------------|-------------------------------------|----------------------------------|----------------------|
| \$ 2,707,579        | \$ 444,368                          | \$ 1,011,550                     | \$ 21,934,694        |
| -                   | -                                   | -                                | 180,769              |
| (1,071,048)         | (52,834)                            | (613,930)                        | (15,691,802)         |
| (876,036)           | -                                   | -                                | (3,278,946)          |
| 760,495             | 391,534                             | 397,620                          | 3,144,715            |
| (71,930)            | 55,733                              | -                                | (16,197)             |
| (71,930)            | 55,733                              | -                                | (16,197)             |
| -                   | (314,885)                           | -                                | (429,884)            |
| (2,053)             | (109,104)                           | -                                | (215,582)            |
| (13,330)            | -                                   | -                                | (2,537,122)          |
| -                   | -                                   | 32,699                           | 2,982,205            |
| (15,383)            | (423,989)                           | 32,699                           | (200,383)            |
| 2,795               | 5,706                               | 3,241                            | 108,894              |
| 675,977             | 28,984                              | 433,560                          | 3,037,029            |
| 529,559             | 134,635                             | 806,523                          | 19,774,903           |
| <u>\$ 1,205,536</u> | <u>\$ 163,619</u>                   | <u>\$ 1,240,083</u>              | <u>\$ 22,811,932</u> |
| \$ 654,104          | \$ 220,824                          | \$ 152,324                       | \$ 286,963           |
| 73,465              | 170,716                             | 230,938                          | 2,053,209            |
| (34,403)            | -                                   | -                                | (144,277)            |
| 1,776               | -                                   | 8,975                            | (43,220)             |
| 20,242              | -                                   | -                                | (85,845)             |
| 23,440              | (6)                                 | 5,383                            | 1,030,875            |
| 21,871              | -                                   | -                                | 47,010               |
| <u>\$ 760,495</u>   | <u>\$ 391,534</u>                   | <u>\$ 397,620</u>                | <u>\$ 3,144,715</u>  |
| \$ -                | \$ -                                | \$ 649,890                       | \$ 3,875,379         |

**CITY OF HURRICANE, UTAH**  
**Statement of Net Position**  
**Fiduciary Funds**  
**June 30, 2021**

|                                      | <b>Dixie Springs SID</b>  |
|--------------------------------------|---------------------------|
|                                      | <b>No Commitment Debt</b> |
|                                      | <b>Custodial Fund</b>     |
| <b>Assets</b>                        |                           |
| Current assets:                      |                           |
| Restricted cash and cash equivalents | \$ 548,119                |
| Total Assets                         | 548,119                   |
| <b>Liabilities</b>                   |                           |
| Current liabilities:                 |                           |
| Prepayments                          | 76,695                    |
| Total liabilities                    | 76,695                    |
| <b>Net Position</b>                  |                           |
| Restricted for:                      |                           |
| Property owners                      | 471,424                   |
| Total Net Position                   | \$ 471,424                |

The accompanying notes are an integral part of the financial statements.

**CITY OF HURRICANE, UTAH**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2021**

|                                                   | <u>Dixie Springs SID<br/>No Commitment Debt<br/>Custodial Fund</u> |
|---------------------------------------------------|--------------------------------------------------------------------|
| <b>Additions</b>                                  |                                                                    |
| Contributions                                     | \$ 329,868                                                         |
| Interest income                                   | <u>1,576</u>                                                       |
| Total additions                                   | <u>331,444</u>                                                     |
| <b>Deductions</b>                                 |                                                                    |
| Administrative expenses                           | 30,000                                                             |
| Capital outlay                                    | <u>232,989</u>                                                     |
| Total Deductions                                  | <u>262,989</u>                                                     |
| Net Increase (decrease) in fiduciary net position | <u>68,455</u>                                                      |
| Net position - beginning                          | <u>402,969</u>                                                     |
| Net position - ending                             | <u><u>\$ 471,424</u></u>                                           |

The accompanying notes are an integral part of the financial statements.

**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**NOTE 1.      Summary of Significant Accounting Policies**

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**Description of government-wide financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, when applicable, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

**Reporting entity**

The City of Hurricane, Utah (the City) is a municipal corporation governed by an elected mayor and five-member governing council (council). The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the City. The City currently has no discretely presented component units and one blended component unit – the Redevelopment Agency. See note 14 for additional information regarding this Agency.

**Basis of presentation – government-wide financial statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments to the Redevelopment Agency Fund by the Golf Fund and Pressurized Irrigation Fund for the lease of the golf course and irrigation pond. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

**Basis of presentation – fund financial statements**

The fund financial statements provide information about the City's funds, including its fiduciary fund. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**NOTE 1. Summary of Significant Accounting Policies, Continued**

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The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

The City reports the following major proprietary funds:

The **Water Fund** is used to account for the provision of water services to the residents of the City.

The **Electric Utilities Fund** is used to account for the provision of electricity to the residents of the City.

The **Golf Course Fund** is used to account for the operation and maintenance of the City's golf course.

The **Municipal Building Authority Fund** is used to account for the construction, financing and operation of various assets that will be leased to other funds of the City. The assets include the city office, drainage pond, City fire stations and City swimming pool facilities.

Additionally, the City reports the following fund type:

The **Dixie Springs SID No Commitment Debt Custodial Fund** is used to account for funds collected from property owners in the Dixie Springs Special Improvement District for the payment of no-commitment special assessment bonds.

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.



**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**NOTE 1.      Summary of Significant Accounting Policies, Continued**

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**Measurement focus and basis of accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement* focus and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, room taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary funds are reported using the *economic resources measurement focus* and the accrual basis of accounting. The Dixie Springs SID no commitment debt custodial fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**NOTE 1. Summary of Significant Accounting Policies, Continued**

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**Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance**

***Deposits and Investments***

Cash includes cash on hand, demand deposits with banks and other financial institutions, deposits in other types of accounts or cash management pools that have the general characteristics of demand deposit accounts and short-term investments with original maturities of three months or less from the date of acquisition. The City's policy allows for the investment of funds in time certificates of deposit with federally insured depositories, investment in the state treasurer's pool, and other investments as allowed by the State of Utah's Money Management Act. All investments are carried at fair value with unrealized gains and losses recorded as adjustments to interest earnings. Fair market values are based on quoted market prices.

***Receivables and Payables***

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to" or "due from other funds." All trade accounts receivable in the enterprise funds are shown net of an allowance for uncollectibles. Due to the nature of the accounts receivable in governmental type activities, management does not consider an allowance for uncollectible accounts receivable necessary or material. Therefore, no allowance for uncollectible accounts receivable is presented.

***Inventories and prepaid items***

The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. Inventories of the business type activities are valued at the lower of FIFO cost or market. Market is considered as replacement cost.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

***Capital Assets***

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. For Governmental funds, capital assets are defined by the City as assets with an individual cost of more than \$5,000 and an estimated useful life in excess of three years. For proprietary funds the capital asset cost threshold is \$3,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**NOTE 1.      Summary of Significant Accounting Policies, Continued**

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Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

|                                      |                |
|--------------------------------------|----------------|
| Building and improvements            | 40 years       |
| Distribution system and improvements | 20 to 50 years |
| Plant and equipment                  | 5 to 10 years  |
| Infrastructure                       | 20 years       |
| Intangible assets                    | 10 years       |

***Deferred outflows/inflows of resources***

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The government only has one item that qualifies for reporting in this category. It is pension related items reported on the government-wide and proprietary fund statement of net position. See footnote 9 for more information.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items, which qualify for reporting in this category. Accordingly, the first item, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes levied for a future year and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The governmental activities statement of net position reports deferred inflows of resources from property taxes levied for a future year. The second item is pension related items reported on the government-wide and proprietary fund statement of net position. See footnote 9 for more information.

***Pensions***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**NOTE 1.      Summary of Significant Accounting Policies, Continued**

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***Net position flow assumption***

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

***Fund balance flow assumptions***

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

***Fund balance policies***

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City’s highest level of decision-making authority. The governing council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Manager is authorized to assign amounts to a specific purpose in accordance with the City’s budget policy. The City Manager and council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**NOTE 1.      Summary of Significant Accounting Policies, Continued**

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***Minimum Fund Balance***

Utah Code 10-6-116(4) indicates that only the “fund balance in excess of 5% of total revenues of the general fund may be utilized for budget purposes.” The remaining 5% must be maintained as a minimum fund balance.

**Revenues and expenditures/expenses**

***Program revenues***

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

***Taxes***

Property taxes are collected by the Washington County Treasurer and remitted to the City in three installments: July, December, and March. Taxes are levied and are due and payable on November 1 and delinquent after November 30 of each year at which time they become liens if not paid. An accrual of uncollected current and prior year’s property taxes has not been made, as the amounts are not material in relationship to the financial statements taken as a whole.

Sales taxes are collected by the Utah State Tax Commission and remitted to the City monthly.

***Compensated Absences***

For governmental funds, amounts of vested or accumulated vacation and comp time that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net position and as expenses in the government-wide statement of activities. No expenditures are reported for these amounts in the fund financial statements. Vested or accumulated vacation and comp time in the proprietary funds are recorded as an expense and a liability of that fund as the benefits accrue to the employees and are thus recorded in both the government-wide financial statements and the individual fund financial statements.

Accumulated unpaid vacation pay and comp time are accrued based upon the City's expected legal obligation as of the statement date. No provision is made for accumulated sick leave because the City is not obligated to pay accumulated sick leave upon termination or retirement.

**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**NOTE 1.       Summary of Significant Accounting Policies, Continued**

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***Proprietary funds operating and nonoperating revenues and expenses***

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Use of estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**New Pronouncements**

For the year ended June 30, 2021, the City implemented the provisions of GASB Statement No. 84, *Fiduciary Activities*. GASB Statement No. 84 improves guidance regarding the identification of fiduciary activities and how those activities should be reported. Implementation of the new standard resulted in a change in reporting "Agency funds" to "Custodial Funds" and also required the inclusion of a Statement of Changes in Fiduciary Net Position.

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**NOTE 2.       Reconciliation of Government-Wide and Fund Financial Statements**

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The governmental fund balance sheet includes a reconciliation between total governmental fund balances and net position of governmental activities as reported in the government-wide statement of net position. This difference primarily results from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets. The details of these differences are reported in the reconciliation on page 29.

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. These differences are the result of converting from the current resources measurement focus and modified accrual basis for governmental fund statements to the economic resources measurement focus and full accrual basis used for government-wide statements. The details of these differences are reported in the reconciliation on page 31.

**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**NOTE 3. Stewardship, Compliance, and Accountability**

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**Budgets and Budgetary Accounting**

The City Council observes the following procedures in establishing the budgetary data reflected in the financial statements:

- (1) Prior to the first meeting in May, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them. Budgets are required for the General Fund, Special Revenue Fund, Debt Service Fund, Capital Projects funds, and the Enterprise Funds.
- (2) Public hearings are conducted to obtain taxpayer comments.
- (3) Prior to June 22, the budget is legally enacted through passage of an ordinance.
- (4) The City Manager is authorized to transfer budgeted amounts within departments; however, to transfer budgeted amounts between departments requires City Council approval. Any revisions that alter the total expenditures of any fund must be approved through public hearing by the City Council and can be made at any time during the fiscal year.

Budgets for the General Fund, Special Revenue Fund, Debt Service Fund and Capital Projects Funds are prepared on the modified accrual method of accounting. Budgets for the Enterprise Funds are prepared on the accrual basis of accounting. Control is maintained at the function level. (i.e. Public Safety, Highways and Public Improvements, etc.) All appropriations lapse at year-end. Utah State law requires budgets to be prepared and reported on for the General Fund and major Special Revenue Funds. The budget was amended during the current fiscal year.

**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**NOTE 4. Deposits and Investments**

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The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

The City follows the requirements of the Utah Money Management Act (*Utah code*, Section 51, chapter 7) in handling its depository and investment transactions. The Act requires the depositing of City funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

**Deposits**

*Custodial Credit Risk*

For deposits, this is the risk that in the event of a bank failure, the City's deposit may not be returned to it. The City does not have a formal policy for custodial credit risk. As of June 30, 2021, \$2,646,018 of the City's bank balance of \$2,896,018 was exposed to custodial credit risk because it was uninsured and uncollateralized.

**Investments**

The Money Management Act defines the types of securities authorized as appropriate investment for the City and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

The Act authorizes investments in negotiable or nonnegotiable deposits of qualified depositories and permitted depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac), and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; the Utah Public Treasurer's Investment Fund; and reciprocal deposits subject to rules of the State Money Management Council.

The Utah State Treasurer's Office operates the Public Treasurer's Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer.



**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**NOTE 4. Deposits and Investments, Continued**

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The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Section 51-7, *Utah Code Annotated, 1953*, as amended. The Act established the Money Management Council, which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gain or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses – net of administration fees, of the PTIF are allocated based upon the participant’s average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

As of June 30, 2021, the City had the following investments, ratings, and maturities:

| Investment Type                                     | Fair<br>Value        | Credit<br>Rating (1) | Weighted Average<br>Maturity (2) |
|-----------------------------------------------------|----------------------|----------------------|----------------------------------|
| State of Utah Public Treasurer's<br>Investment Fund | \$ 51,133,602        | N/A                  | 66.7                             |
| Total Fair Value                                    | <u>\$ 51,133,602</u> |                      |                                  |

(1) Ratings are provided where applicable to indicate associated Credit Risk. N/A indicates not applicable.

(2) Interest Rate Risk is estimated using the weighted average days to maturity.

**Interest rate risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City’s policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State’s Money Management Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested.

**Credit risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City’s policy for reducing its exposure to credit risk is to comply with the State’s Money Management Act.

**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**NOTE 4. Deposits and Investments, Continued**

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**Fair value measurements**

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The City has the following recurring fair value measurements as of June 30, 2021:

- PTIF of \$51,133,602 are valued using amortized cost (Level 2 inputs).

Restricted assets at June 30, 2021 consisted of the following:

|                                 | Governmental<br>Activities | Business-type<br>Activities |
|---------------------------------|----------------------------|-----------------------------|
| Restricted cash                 |                            |                             |
| Flag and scholarship trust      | \$ 21,674                  | \$ -                        |
| Cemetery perpetual care         | 397,202                    | -                           |
| General fund customer deposits  | 2,429,271                  | -                           |
| Water fund customer deposits    | -                          | 72,250                      |
| Electric fund customer deposits | -                          | 532,999                     |
| Unspent debt proceeds           | -                          | 152                         |
| Debt reserves requirements      | -                          | 385,364                     |
| Total                           | <u>\$ 2,848,147</u>        | <u>\$ 990,766</u>           |

**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

**NOTE 5. Capital Assets**

Capital asset activity for the year ended June 30, 2021 was as follows:

**Governmental Activities:**

|                                              | <b>Balance<br/>6/30/2020</b> | <b>Additions</b>    | <b>Deletions</b>    | <b>Balance<br/>6/30/2021</b> |
|----------------------------------------------|------------------------------|---------------------|---------------------|------------------------------|
| Capital assets, not being depreciated:       |                              |                     |                     |                              |
| Land                                         | \$ 5,985,152                 | \$ -                | \$ -                | \$ 5,985,152                 |
| Construction in progress                     | 5,561,970                    | 477,129             | 1,001,539           | 5,037,560                    |
| Total capital assets, not being depreciated: | 11,547,122                   | 477,129             | 1,001,539           | 11,022,712                   |
| Capital assets, being depreciated:           |                              |                     |                     |                              |
| Improvements                                 | 13,400,490                   | 1,059,518           | -                   | 14,460,008                   |
| Plant and equipment                          | 6,624,794                    | 1,103,025           | 297,333             | 7,430,486                    |
| Buildings                                    | 1,669,029                    | 225,000             | -                   | 1,894,029                    |
| Infrastructure                               | 52,792,623                   | 3,306,391           | -                   | 56,099,014                   |
| Total capital assets, being depreciated:     | 74,486,936                   | 5,693,934           | 297,333             | 79,883,537                   |
| Less accumulated depreciation for:           |                              |                     |                     |                              |
| Improvements                                 | (5,095,465)                  | (438,836)           | -                   | (5,534,301)                  |
| Plant and equipment                          | (4,168,875)                  | (653,887)           | (166,932)           | (4,655,830)                  |
| Buildings                                    | (549,392)                    | (45,232)            | -                   | (594,624)                    |
| Infrastructure                               | (21,894,381)                 | (1,512,385)         | -                   | (23,406,766)                 |
| Total accumulated depreciation               | (31,708,113)                 | (2,650,340)         | (166,932)           | (34,191,521)                 |
| Total capital assets, being depreciated, net | 42,778,823                   | 3,043,594           | 130,401             | 45,692,016                   |
| Governmental activities capital assets, net  | <u>\$ 54,325,945</u>         | <u>\$ 3,520,723</u> | <u>\$ 1,131,940</u> | <u>\$ 56,714,728</u>         |

Depreciation expense was charged to the functions/programs of the City as follows:

**Governmental Activities:**

|                                                      |                     |
|------------------------------------------------------|---------------------|
| General government                                   | \$ 65,761           |
| Public safety                                        | 384,131             |
| Highways                                             | 1,707,695           |
| Parks and recreation                                 | 492,753             |
| Total depreciation expense - governmental activities | <u>\$ 2,650,340</u> |

**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**NOTE 5. Capital Assets, Continued**

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**Business Type Activities:**

|                                              | <b>Balance<br/>6/30/2020</b> | <b>Additions</b>    | <b>Deletions</b>    | <b>Balance<br/>6/30/2021</b> |
|----------------------------------------------|------------------------------|---------------------|---------------------|------------------------------|
| Capital assets not being depreciated:        |                              |                     |                     |                              |
| Water stock                                  | \$ 1,960,541                 | \$ -                | \$ -                | \$ 1,960,541                 |
| Land and water rights                        | 2,459,057                    | -                   | -                   | 2,459,057                    |
| Construction in progress                     | 1,412,187                    | 666,335             | 1,423,312           | 655,210                      |
|                                              | <u>5,831,785</u>             | <u>666,335</u>      | <u>1,423,312</u>    | <u>5,074,808</u>             |
| Total capital assets, not being depreciated  |                              |                     |                     |                              |
| Capital assets being depreciated:            |                              |                     |                     |                              |
| Improvements                                 | 2,046,244                    | -                   | -                   | 2,046,244                    |
| Plant and equipment                          | 17,431,751                   | 1,844,508           | 38,551              | 19,237,708                   |
| Irrigation pond                              | 13,029                       | -                   | -                   | 13,029                       |
| Water tank                                   | 6,954,054                    | -                   | -                   | 6,954,054                    |
| Intangible plant                             | 36,780                       | -                   | -                   | 36,780                       |
| Buildings                                    | 9,537,897                    | -                   | -                   | 9,537,897                    |
| Distribution system                          | 46,809,916                   | 5,324,968           | 68,964              | 52,065,920                   |
|                                              | <u>82,829,671</u>            | <u>7,169,476</u>    | <u>107,515</u>      | <u>89,891,632</u>            |
| Total capital assets, being depreciated      |                              |                     |                     |                              |
| Less accumulated depreciation for:           |                              |                     |                     |                              |
| Improvements                                 | (1,284,628)                  | (25,352)            | -                   | (1,309,980)                  |
| Plant and equipment                          | (11,262,920)                 | (699,972)           | (38,551)            | (11,924,341)                 |
| Irrigation pond                              | (5,212)                      | (261)               | -                   | (5,473)                      |
| Water tank                                   | (411,406)                    | (139,081)           | -                   | (550,487)                    |
| Intangible plant                             | (36,780)                     | -                   | -                   | (36,780)                     |
| Buildings                                    | (2,502,190)                  | (241,004)           | -                   | (2,743,194)                  |
| Distribution system                          | (12,568,839)                 | (947,539)           | (68,964)            | (13,447,414)                 |
|                                              | <u>(28,071,975)</u>          | <u>(2,053,209)</u>  | <u>(107,515)</u>    | <u>(30,017,669)</u>          |
| Total accumulated depreciation               |                              |                     |                     |                              |
| Total capital assets, being depreciated, net | <u>54,757,696</u>            | <u>5,116,267</u>    | <u>-</u>            | <u>59,873,963</u>            |
| Business-type activities capital assets, net | <u>\$ 60,589,481</u>         | <u>\$ 5,782,602</u> | <u>\$ 1,423,312</u> | <u>\$ 64,948,771</u>         |

**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

**NOTE 6. Long-Term Liabilities**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2021.

| <b>Long-Term Debt</b>                     | <b>Date of<br/>Issue</b> | <b>Interest<br/>Rate</b> | <b>Original Amount<br/>of Issue</b> | <b>June 30,<br/>2020</b> | <b>Additions</b> | <b>Retirements</b>   | <b>June 30,<br/>2021</b> | <b>Current<br/>Portion</b> |
|-------------------------------------------|--------------------------|--------------------------|-------------------------------------|--------------------------|------------------|----------------------|--------------------------|----------------------------|
| <b>Governmental Activities</b>            |                          |                          |                                     |                          |                  |                      |                          |                            |
| <b>Direct Placement Bonds Payable:</b>    |                          |                          |                                     |                          |                  |                      |                          |                            |
| Sales Tax Revenue Bonds, Series 2015      | 7/6/2015                 | 2.36%                    | \$ 1,100,000                        | \$ 582,000               | \$ -             | \$ (111,000)         | \$ 471,000               | \$ 114,000                 |
| Total direct placement bonds payable      |                          |                          |                                     | <u>582,000</u>           | <u>-</u>         | <u>(111,000)</u>     | <u>471,000</u>           | <u>114,000</u>             |
| Total Bonds Payable                       |                          |                          |                                     | <u>582,000</u>           | <u>-</u>         | <u>(111,000)</u>     | <u>471,000</u>           | <u>114,000</u>             |
| <b>Capital leases payable:</b>            |                          |                          |                                     |                          |                  |                      |                          |                            |
| Lease of Airport Hangar                   | 12/10/2009               | 6.47-7.20%               | 131,000                             | 81,506                   | -                | (7,045)              | 74,461                   | 7,381                      |
| Lease of Parks Department Office Building | 4/27/2017                | 3.27%                    | 353,000                             | 258,934                  | -                | (32,964)             | 225,970                  | 34,594                     |
| Total capital leases payable              |                          |                          |                                     | <u>340,440</u>           | <u>-</u>         | <u>(40,009)</u>      | <u>300,431</u>           | <u>41,975</u>              |
| <b>Other Liabilities</b>                  |                          |                          |                                     |                          |                  |                      |                          |                            |
| Compensated absences                      |                          |                          |                                     | 206,497                  | 6,487            | (25,098)             | 187,886                  | 10,000                     |
| Net pension liability                     |                          |                          |                                     | <u>1,952,085</u>         | <u>-</u>         | <u>(1,317,401)</u>   | <u>634,684</u>           | <u>-</u>                   |
| Total governmental long-term liabilities  |                          |                          |                                     | <u>\$ 3,081,022</u>      | <u>\$ 6,487</u>  | <u>\$(1,493,508)</u> | <u>\$ 1,594,001</u>      | <u>\$ 165,975</u>          |

**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

**NOTE 6. Long-Term Liabilities, Continued**

| <b>Long-Term Debt</b>                              | <b>Date of Issue</b> | <b>Interest Rate</b> | <b>Original Amount of Issue</b> | <b>June 30, 2020</b> | <b>Additions</b> | <b>Retirements</b>  | <b>June 30, 2021</b> | <b>Current Portion</b> |
|----------------------------------------------------|----------------------|----------------------|---------------------------------|----------------------|------------------|---------------------|----------------------|------------------------|
| <b>Business-Type Activities</b>                    |                      |                      |                                 |                      |                  |                     |                      |                        |
| <b>Public Offerings Bonds:</b>                     |                      |                      |                                 |                      |                  |                     |                      |                        |
| Water Revenue Bonds, Series 2017                   | 4/4/2017             | 2.5-4%               | \$ 3,015,000                    | \$ 2,670,000         | \$ -             | \$ (115,000)        | \$ 2,555,000         | \$ 120,000             |
| Total public offering bonds payable                |                      |                      |                                 | <u>2,670,000</u>     | <u>-</u>         | <u>(115,000)</u>    | <u>2,555,000</u>     | <u>120,000</u>         |
| <b>Direct Placement Bonds Payable:</b>             |                      |                      |                                 |                      |                  |                     |                      |                        |
| MBA Lease Revenue Refunding Bonds, Series 2013 A&B | 4/5/2013             | 2.75-3.72%           | 3,358,000                       | 1,673,000            | -                | (123,000)           | 1,550,000            | 143,000                |
| MBA Lease Revenue Bonds, Series 2010               | 2/11/2010            | 3.29%                | 2,465,000                       | 1,501,000            | -                | (115,000)           | 1,386,000            | 119,000                |
| MBA Lease Revenue Bonds, Series 2019               | 3/27/2019            | 2.79%                | 850,000                         | 774,433              | -                | (76,885)            | 697,548              | 79,030                 |
| Total direct placement bonds payable               |                      |                      |                                 | <u>3,948,433</u>     | <u>-</u>         | <u>(314,885)</u>    | <u>3,633,548</u>     | <u>341,030</u>         |
| <b>Deferred Amounts:</b>                           |                      |                      |                                 |                      |                  |                     |                      |                        |
| Issuance Premiums                                  |                      |                      |                                 | 160,268              | -                | (9,427)             | 150,841              | -                      |
| Issuance Discounts                                 |                      |                      |                                 | <u>(15,932)</u>      | <u>-</u>         | <u>2,592</u>        | <u>(13,340)</u>      | <u>-</u>               |
| Total deferred amounts                             |                      |                      |                                 | <u>144,336</u>       | <u>-</u>         | <u>(6,835)</u>      | <u>137,501</u>       | <u>-</u>               |
| Total bonds payable                                |                      |                      |                                 | <u>6,762,769</u>     | <u>-</u>         | <u>(436,720)</u>    | <u>6,326,049</u>     | <u>461,030</u>         |
| <b>Other Liabilities</b>                           |                      |                      |                                 |                      |                  |                     |                      |                        |
| Net pension liability                              |                      |                      |                                 | <u>641,358</u>       | <u>-</u>         | <u>(427,988)</u>    | <u>213,370</u>       | <u>-</u>               |
| Total business-type long-term liabilities          |                      |                      |                                 | <u>\$ 7,404,127</u>  | <u>\$ -</u>      | <u>\$ (864,708)</u> | <u>\$ 6,539,419</u>  | <u>\$ 461,030</u>      |

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations.

For governmental activities, compensated absences and net pension liabilities are generally liquidated through the General Fund.

**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**NOTE 6. Long-Term Liabilities, Continued**

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The City's outstanding bonds from direct placements related to governmental activities are \$471,000. The sales tax revenue and excise tax revenue bonds are secured by excise tax and sales tax revenues, respectively. The Bond contain a provision that in an event of default (i.e. failure to pay principal or interest payments when due or failure to remedy after notice given of failure to perform or observe covenants, agreements, or conditions contained in the indenture or bond), principal of all outstanding bond and the interest accrued thereon become immediately due and payable.

The City's outstanding bonds from direct placements related to business activities are \$3,633,548. The electric revenue bonds are secured by electric fund revenues. The direct placement MBA Bonds contains provisions in the event of default the bonds will bear interest at the default rate of 18% per annum until the event of default is cured.

The City has no unused lines of credit at June 30, 2021.

The following is a summary of bond transactions of the City for the year ended June 30, 2021:

|                                |                            |
|--------------------------------|----------------------------|
| Bonds Payable at July 1, 2020  | \$ 7,200,433               |
| New Bonds Issued               | -                          |
| Bonds Retired                  | <u>(540,885)</u>           |
| Bonds Payable at June 30, 2021 | <u><u>\$ 6,659,548</u></u> |

**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

**NOTE 6. Long-Term Liabilities, Continued**

**Annual Requirements to Amortize Long-Term Debt**  
**June 30, 2021**

| Fiscal<br>Year<br>Ended<br>30-Jun | Direct Placement<br>Sales Tax Revenue Bonds<br>Series 2015 |                  |
|-----------------------------------|------------------------------------------------------------|------------------|
|                                   | Principal                                                  | Interest         |
|                                   |                                                            |                  |
| 2022                              | \$ 114,000                                                 | \$ 11,116        |
| 2023                              | 116,000                                                    | 8,425            |
| 2024                              | 119,000                                                    | 5,688            |
| 2025                              | 122,000                                                    | 2,879            |
| Total                             | <u>\$ 471,000</u>                                          | <u>\$ 28,108</u> |

| Fiscal<br>Year<br>Ended<br>30-Jun | Direct Placement<br>Municipal Building Authority Bonds<br>Series 2010 |                   | Direct Placement<br>Municipal Building Authority Bonds<br>Series 2013 |                   |
|-----------------------------------|-----------------------------------------------------------------------|-------------------|-----------------------------------------------------------------------|-------------------|
|                                   | Principal                                                             | Interest          | Principal                                                             | Interest          |
|                                   |                                                                       |                   |                                                                       |                   |
| 2022                              | \$ 119,000                                                            | \$ 43,642         | \$ 143,000                                                            | \$ 41,103         |
| 2023                              | 123,000                                                               | 39,661            | 185,000                                                               | 36,149            |
| 2024                              | 127,000                                                               | 35,548            | 189,000                                                               | 31,006            |
| 2025                              | 131,000                                                               | 31,304            | 195,000                                                               | 25,726            |
| 2026                              | 136,000                                                               | 26,912            | 200,000                                                               | 20,295            |
| 2027                              | 140,000                                                               | 22,372            | 207,000                                                               | 14,699            |
| 2028                              | 145,000                                                               | 17,684            | 212,000                                                               | 8,938             |
| 2029                              | 150,000                                                               | 12,831            | 219,000                                                               | 3,011             |
| 2030                              | 155,000                                                               | 7,814             | -                                                                     | -                 |
| 2031                              | 160,000                                                               | 2,632             | -                                                                     | -                 |
| Total                             | <u>\$ 1,386,000</u>                                                   | <u>\$ 240,400</u> | <u>\$ 1,550,000</u>                                                   | <u>\$ 180,927</u> |



**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

**NOTE 6. Long-Term Liabilities, Continued**

| Fiscal<br>Year<br>Ended<br>30-Jun | Direct Placement<br>Municipal Building Authority Bonds<br>Series 2019 |                  | Public Offering<br>Water Revenue Bonds<br>Series 2017 |                   |
|-----------------------------------|-----------------------------------------------------------------------|------------------|-------------------------------------------------------|-------------------|
|                                   | Principal                                                             | Interest         | Principal                                             | Interest          |
|                                   |                                                                       |                  |                                                       |                   |
| 2022                              | \$ 79,030                                                             | \$ 19,462        | \$ 120,000                                            | \$ 100,975        |
| 2023                              | 81,235                                                                | 17,257           | 125,000                                               | 96,775            |
| 2024                              | 83,502                                                                | 14,990           | 125,000                                               | 92,400            |
| 2025                              | 85,831                                                                | 12,660           | 130,000                                               | 87,400            |
| 2026                              | 88,226                                                                | 10,266           | 135,000                                               | 82,200            |
| 2027                              | 90,687                                                                | 7,804            | 140,000                                               | 76,800            |
| 2028                              | 93,218                                                                | 5,274            | 150,000                                               | 71,200            |
| 2029                              | 95,819                                                                | 2,673            | 155,000                                               | 65,200            |
| 2030                              | -                                                                     | -                | 160,000                                               | 59,000            |
| 2031                              | -                                                                     | -                | 165,000                                               | 52,600            |
| 2032                              | -                                                                     | -                | 175,000                                               | 46,000            |
| 2033                              | -                                                                     | -                | 180,000                                               | 39,000            |
| 2034                              | -                                                                     | -                | 185,000                                               | 31,800            |
| 2035                              | -                                                                     | -                | 195,000                                               | 24,400            |
| 2036                              | -                                                                     | -                | 205,000                                               | 16,600            |
| 2037                              | -                                                                     | -                | 210,000                                               | 8,400             |
| Total                             | <u>\$ 697,548</u>                                                     | <u>\$ 90,386</u> | <u>\$ 2,555,000</u>                                   | <u>\$ 950,750</u> |

**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**NOTE 7. Capital Leases**

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The City has entered into lease agreements as lessee for financing the acquisition of a hanger and office building. These lease agreements qualify as a capital leases for accounting purposes (title transfers at the end of the lease term for a nominal \$1 payment) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of inception.

The following is a schedule of future minimum lease payments under such capital lease, and the present value of net minimum lease payments at June 30, 2021.

- (A) Lease of airport hangar. The value of the hangar is \$130,000. The lease payment is \$6,045 semi-annually. Interest is accrued at 7.2% until December 2019 at which time interest is accrued at 6.47%. Accumulated depreciation on the asset is \$47,633.

Fiscal year ended:

|                                   |                  |
|-----------------------------------|------------------|
| 6/30/2022                         | \$ 12,089        |
| 6/30/2023                         | 12,089           |
| 6/30/2024                         | 12,089           |
| 6/30/2025                         | 12,089           |
| 6/30/2026                         | 12,089           |
| Thereafter                        | 36,267           |
| Total lease payments              | 96,712           |
| Less amount representing interest | (22,251)         |
| Present value of lease            | <u>\$ 74,461</u> |

- (B) Lease of parks department office building. The value of the building is \$308,724. The lease payment is \$20,843 semi-annually through May 2027. Interest is accrued at 3.27%. Accumulated depreciation on the asset is \$23,154.

Fiscal year ended:

|                                   |                   |
|-----------------------------------|-------------------|
| 6/30/2022                         | \$ 41,686         |
| 6/30/2023                         | 41,686            |
| 6/30/2024                         | 41,686            |
| 6/30/2025                         | 41,686            |
| 6/30/2026                         | 41,686            |
| Thereafter                        | 41,686            |
| Total lease payments              | 250,116           |
| Less amount representing interest | (24,146)          |
| Present value of lease            | <u>\$ 225,970</u> |

**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**NOTE 8. Interfund Transactions and Balances**

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Individual fund receivable and payable balances at June 30, 2021 were:

| Due to:                   | Due from:                          |                  |                                   |                   |
|---------------------------|------------------------------------|------------------|-----------------------------------|-------------------|
|                           | Municipal<br>Building<br>Authority | Golf Fund        | Nonmajor<br>Governmental<br>Funds | Total             |
| General Fund              | \$ 55,733                          | \$ -             | \$ 2,674                          | \$ 58,407         |
| Redevelopment Agency Fund | -                                  | 64,945           | -                                 | 64,945            |
| Total                     | <u>\$ 55,733</u>                   | <u>\$ 64,945</u> | <u>\$ 2,674</u>                   | <u>\$ 123,352</u> |

Interfund balances are the result of equipment the golf fund is leasing from the Redevelopment Agency Fund. Payoff is scheduled to be \$40,131 per year, including interest, through 2023. Remaining interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund transfers for the year ended June 30, 2021, consisted of the following:

|                                       | <u>Transfer In:</u> | <u>Transfer Out:</u> |
|---------------------------------------|---------------------|----------------------|
| General Fund                          | \$ -                | \$ 3,247,937         |
| SRF - Highway                         | 550,000             | -                    |
| Street Shop Capital Project           | 547,937             | -                    |
| Building Remodel Capital Project Fund | 1,900,000           | -                    |
| Equipment Capital Project Fund        | 250,000             | -                    |
|                                       | <u>\$ 3,247,937</u> | <u>\$ 3,247,937</u>  |

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**NOTE 9. Pension Plans**

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General Information about the Pension Plan

Plan description: Eligible plan participants are provided with pensions through the Utah Retirement Systems. Utah Retirement Systems are comprised of the following pension trust funds:

**Defined Benefit Plans**

- Public Employees Noncontributory Retirement System (Noncontributory System) is a multiple employer, cost-sharing, public employee retirement systems;
- Public Safety Retirement System (Public Safety System) is a cost-sharing, multiple-employer cost sharing public employee retirement system;
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); is a multiple employer, cost-sharing, public employee retirement systems;
- Tier 2 Public Safety and Firefighter Contributory Retirement System (Tier 2 Public Safety and Firefighters Systems) is a multiple employer, cost-sharing, public employee retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms.

URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S, Salt Lake City, Utah 84102 or visiting the website: [www.urs.org](http://www.urs.org).

**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

**NOTE 9. Pension Plans, Continued**

Benefits provided: URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

**Summary of Benefits by System**

| <b>System</b>                               | <b>Final average salary</b> | <b>Years of service required and/or age eligible for benefit</b>                                | <b>Benefit percentage per year of service</b>                     | <b>COLA**</b>                              |
|---------------------------------------------|-----------------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|--------------------------------------------|
| Noncontributory System                      | Highest 3 years             | 30 years any age<br>25 years any age*<br>20 years age 60*<br>10 years age 62*<br>4 years age 65 | 2.0% per year all years                                           | Up to 4%                                   |
| Public Safety System                        | Highest 3 years             | 20 years any age<br>10 years age 60<br>4 years age 65                                           | 2.5% per year up to 20 years;<br>2.0% per year over 20 years      | Up to 2.5% to 4% depending on the employer |
| Tier 2 Public Employees System              | Highest 5 years             | 35 years any age<br>20 years age 60*<br>10 years age 62*<br>4 years age 65                      | 1.5% per year all years                                           | Up to 2.5%                                 |
| Tier 2 Public Safety and Firefighter System | Highest 5 years             | 25 years any age<br>20 years age 60*<br>10 years age 62*<br>4 years age 65                      | 1.5% per year to June 2020<br>2.00% per year July 2020 to present | Up to 2.5%                                 |

\* Actuarial reductions are applies

\*\* All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

**NOTE 9. Pension Plans, Continued**

**Contribution Rate Summary**

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2021 are as follows:

|                                        | <u>Employee</u> | <u>Employer</u> | <u>Employer<br/>401(k)</u> |
|----------------------------------------|-----------------|-----------------|----------------------------|
| Contributory System                    |                 |                 |                            |
| 111 – Local Government Division Tier 2 | N/A             | 15.80 %         | 0.89 %                     |
| Noncontributory System                 |                 |                 |                            |
| 15 – Local Government Division Tier 1  | N/A             | 18.47 %         | N/A                        |
| Public Safety Retirement System        |                 |                 |                            |
| Noncontributory                        |                 |                 |                            |
| 43 – Other Division A with 2.5% COLA   | N/A             | 34.04 %         | N/A                        |
| Contributory                           |                 |                 |                            |
| 122 – Tier 2 DB Hybrid Public Safety   | 2.27%           | 25.83 %         | N/A                        |
| Firefighters System                    |                 |                 |                            |
| 31 – Other Division A                  | 15.05%          | 4.61 %          | N/A                        |
| 132 – Tier 2 DB Hybrid Firefighters    | 2.27%           | 14.08 %         | N/A                        |
| Tier 2 DC Only                         |                 |                 |                            |
| 221 – Local Government                 | N/A             | 6.69 %          | 10.00%                     |
| 222 – Public Safety                    | N/A             | 11.83 %         | 14.00 %                    |
| 223 – Firefighters                     | N/A             | 0.08 %          | 14.00 %                    |

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For fiscal year ended June 30, 2021, the employer and employee contributions to the Systems were as follows:

| <u>System</u>                                  | <u>Employer<br/>Contributions</u> | <u>Employee<br/>Contributions</u> |
|------------------------------------------------|-----------------------------------|-----------------------------------|
| Noncontributory System                         | \$ 517,432                        | N/A                               |
| Public Safety System                           | 366,617                           | -                                 |
| Tier 2 Public Employees System                 | 248,819                           | -                                 |
| Tier 2 Public Safety and Firefighter           | 95,292                            | 8,338                             |
| Tier 2 DC Only System                          | 13,316                            | N/A                               |
| Tier 2 DC Public Safety and Firefighter System | 18,914                            | N/A                               |
| <u>Total Contributions</u>                     | <u>\$ 1,260,391</u>               | <u>\$ 8,338</u>                   |

Contributions reported are the URS Board approved required contributions by System. Contributions in the Tier 2 Systems are used to finance the unfunded liabilities in the Tier 1 Systems.

**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

**NOTE 9. Pension Plans, Continued**

**Combined Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2021, the City reported a net pension asset of \$0 and a net pension liability of \$848,054.

|                                      | <b><u>(Measurement Date): December 31, 2020</u></b> |                                  |                                |                                                          |                              |
|--------------------------------------|-----------------------------------------------------|----------------------------------|--------------------------------|----------------------------------------------------------|------------------------------|
|                                      | <b>Net<br/>Pension<br/>Asset</b>                    | <b>Net Pension<br/>Liability</b> | <b>Proportionate<br/>Share</b> | <b>Proportionate<br/>Share<br/>December 31,<br/>2019</b> | <b>Change<br/>(Decrease)</b> |
| Noncontributory System               | \$ -                                                | \$ 181,696                       | 0.3542227%                     | 0.3518531%                                               | 0.0023696%                   |
| Public Safety System                 | -                                                   | 637,510                          | 0.7678608%                     | 0.7646940%                                               | 0.0031668%                   |
| Tier 2 Public Employees System       | -                                                   | 13,260                           | 0.0921959%                     | 0.0839947%                                               | 0.0082012%                   |
| Tier 2 Public Safety and Firefighter | -                                                   | 15,588                           | 0.1737854%                     | 0.2196100%                                               | -0.0458246%                  |
|                                      | <u>\$ -</u>                                         | <u>\$ 848,054</u>                |                                |                                                          |                              |

The net pension asset and liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2020 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the Systems during the plan year.

For the year ended June 30, 2021 the City recognized pension expense of \$641,998.

At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

|                                                                                                      | <b><u>Deferred<br/>Outflows of<br/>Resources</u></b> | <b><u>Deferred<br/>Inflows of<br/>Resources</u></b> |
|------------------------------------------------------------------------------------------------------|------------------------------------------------------|-----------------------------------------------------|
| Differences between expected and actual experience                                                   | \$ 381,364                                           | \$ 6,694                                            |
| Changes in assumptions                                                                               | 20,395                                               | 44,051                                              |
| Net difference between projected and actual earnings on pension plan investments                     | -                                                    | 2,199,275                                           |
| Changes in proportion and differences between contributions and proportionate share of contributions | 83,163                                               | 7,126                                               |
| Contributions subsequent to the measurement date                                                     | 617,235                                              | -                                                   |
| Total                                                                                                | <u>\$ 1,102,157</u>                                  | <u>\$ 2,257,146</u>                                 |

**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

**NOTE 9. Pension Plans, Continued**

\$617,235 reported as deferred outflows of resources related to pension results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020. These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <b>Year Ended<br/>December 31</b> | <b>Deferred<br/>Outflows<br/>(Inflows) of<br/>Resources</b> |
|-----------------------------------|-------------------------------------------------------------|
| 2021                              | \$ (441,261)                                                |
| 2022                              | (235,850)                                                   |
| 2023                              | (768,760)                                                   |
| 2024                              | (360,196)                                                   |
| 2025                              | 5,214                                                       |
| Thereafter                        | 28,630                                                      |

**Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources**

For the year ended June 30, 2021, we recognized pension expense of \$184,880.

At June 30, 2021, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

|                                                                                                      | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Differences between expected and actual experience                                                   | \$ 243,758                                    | \$ -                                         |
| Changes in assumptions                                                                               | -                                             | 23,767                                       |
| Net difference between projected and actual earnings on pension plan investments                     | -                                             | 1,326,754                                    |
| Changes in proportion and differences between contributions and proportionate share of contributions | 12,805                                        | 4,411                                        |
| Contributions subsequent to the measurement date                                                     | 245,363                                       | -                                            |
| Total                                                                                                | <u>\$ 501,926</u>                             | <u>\$ 1,354,932</u>                          |

\$245,363 reported as deferred outflows of resources related pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020. These contributions will be recognized as a reduction of the net pensions liability in the upcoming fiscal year.



**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**NOTE 9. Pension Plans, Continued**

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Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions, will be recognized in pension expense as follows:

| <b>Year Ended<br/>December 31</b> | <b>Deferred<br/>Outflows<br/>(Inflows) of<br/>Resources</b> |
|-----------------------------------|-------------------------------------------------------------|
| 2021                              | \$ (287,230)                                                |
| 2022                              | (130,582)                                                   |
| 2023                              | (460,599)                                                   |
| 2024                              | (219,958)                                                   |
| 2025                              | -                                                           |
| Thereafter                        | -                                                           |

**Public Safety System Pension Expense, and Deferred Outflows and Inflows of Resources**

For the year ended June 30, 2021, we recognized pension expense of \$277,910.

At June 30, 2021, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

|                                                                                                      | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Differences between expected and actual experience                                                   | \$ 117,340                                    | \$ 617                                       |
| Changes in assumptions                                                                               | -                                             | 18,132                                       |
| Net difference between projected and actual earnings on pension plan investments                     | -                                             | 823,799                                      |
| Changes in proportion and differences between contributions and proportionate share of contributions | 43,708                                        | -                                            |
| Contributions subsequent to the measurement date                                                     | 178,878                                       | -                                            |
| Total                                                                                                | <u>\$ 339,926</u>                             | <u>\$ 842,548</u>                            |

\$178,878 reported as deferred outflows of resources related pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020. These contributions will be recognized as a reduction of the net pensions liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources related to pensions, will be recognized in pension expense as follows:

**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

**NOTE 9. Pension Plans, Continued**

| <b>Year Ended<br/>December 31</b> | <b>Deferred<br/>Outflows<br/>(Inflows) of<br/>Resources</b> |
|-----------------------------------|-------------------------------------------------------------|
| 2021                              | \$ (147,460)                                                |
| 2022                              | (100,971)                                                   |
| 2023                              | (296,516)                                                   |
| 2024                              | (136,553)                                                   |
| 2025                              | -                                                           |
| Thereafter                        | -                                                           |

**Firefighters System Pension Expense, and Deferred Outflows and Inflows of Resources**

For the year ended June 30, 2021, we recognized pension expense of \$2,101.

At June 30, 2021, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

|                                                                                                      | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Differences between expected and actual experience                                                   | \$ -                                          | \$ -                                         |
| Changes in assumptions                                                                               | -                                             | -                                            |
| Net difference between projected and actual earnings on pension plan investments                     | -                                             | -                                            |
| Changes in proportion and differences between contributions and proportionate share of contributions | 3,132                                         | -                                            |
| Contributions subsequent to the measurement date                                                     | -                                             | -                                            |
| Total                                                                                                | <u>\$ 3,132</u>                               | <u>\$ -</u>                                  |

\$0 reported as deferred outflows of resources related pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020. These contributions will be recognized as a reduction of the net pensions liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources related to pensions, will be recognized in pension expense as follows:

**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

**NOTE 9. Pension Plans, Continued**

| <b>Year Ended<br/>December 31</b> | <b>Deferred<br/>Outflows<br/>(Inflows) of<br/>Resources</b> |
|-----------------------------------|-------------------------------------------------------------|
| 2021                              | \$ 2,101                                                    |
| 2022                              | 1,031                                                       |
| 2023                              | -                                                           |
| 2024                              | -                                                           |
| 2025                              | -                                                           |
| Thereafter                        | -                                                           |

**Tier 2 Public Employees System Pension Expense, and Deferred Outflows and Inflows of Resources**

For the year ended June 30, 2021, we recognized pension expense of \$129,891.

At June 30, 2021, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

|                                                                                                      | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Differences between expected and actual experience                                                   | \$ 12,206                                     | \$ 6,072                                     |
| Changes in assumptions                                                                               | 16,773                                        | 482                                          |
| Net difference between projected and actual earnings on pension plan investments                     | -                                             | 38,760                                       |
| Changes in proportion and differences between contributions and proportionate share of contributions | 21,970                                        | -                                            |
| Contributions subsequent to the measurement date                                                     | 130,787                                       | -                                            |
| Total                                                                                                | <u>\$ 181,737</u>                             | <u>\$ 45,314</u>                             |

\$130,787 reported as deferred outflows of resources related pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020. These contributions will be recognized as a reduction of the net pensions liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources related to pensions, will be recognized in pension expense as follows:

**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

**NOTE 9. Pension Plans, Continued**

| <b>Year Ended<br/>December 31</b> | <b>Deferred<br/>Outflows<br/>(Inflows) of<br/>Resources</b> |
|-----------------------------------|-------------------------------------------------------------|
| 2021                              | \$ (6,550)                                                  |
| 2022                              | (3,826)                                                     |
| 2023                              | (8,935)                                                     |
| 2024                              | (2,558)                                                     |
| 2025                              | 4,589                                                       |
| Thereafter                        | 22,917                                                      |

**Tier 2 Public Safety and Firefighter Pension Expense, and Deferred Outflows and Inflows of Resources**

For the year ended June 30, 2021, we recognized pension expense of \$47,216.

At June 30, 2021, we reported deferred outflows of resources and deferred inflows of resources relating to pensions from the following sources:

|                                                                                                      | <b>Deferred<br/>Outflows of<br/>Resources</b> | <b>Deferred<br/>Inflows of<br/>Resources</b> |
|------------------------------------------------------------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| Differences between expected and actual experience                                                   | \$ 8,060                                      | \$ 5                                         |
| Changes in assumptions                                                                               | 3,622                                         | 1,670                                        |
| Net difference between projected and actual earnings on pension plan investments                     | -                                             | 9,962                                        |
| Changes in proportion and differences between contributions and proportionate share of contributions | 1,548                                         | 2,715                                        |
| Contributions subsequent to the measurement date                                                     | 62,206                                        | -                                            |
| Total                                                                                                | <u>\$ 75,436</u>                              | <u>\$ 14,352</u>                             |

\$62,206 reported as deferred outflows of resources related pensions results from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2020. These contributions will be recognized as a reduction of the net pensions liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources related to pensions, will be recognized in pension expense as follows:

**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**NOTE 9. Pension Plans, Continued**

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| <u>Year Ended<br/>December 31</u> | <u>Deferred<br/>Outflows<br/>(Inflows) of<br/>Resources</u> |
|-----------------------------------|-------------------------------------------------------------|
| 2021                              | \$ (2,122)                                                  |
| 2022                              | (1,503)                                                     |
| 2023                              | (2,710)                                                     |
| 2024                              | (1,127)                                                     |
| 2025                              | 625                                                         |
| Thereafter                        | 5,713                                                       |

**Actuarial assumptions**

The total pension liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |                                                                              |
|---------------------------|------------------------------------------------------------------------------|
| Inflation                 | 2.50 Percent                                                                 |
| Salary increases          | 3.25- 9.75 percent, average, including inflation                             |
| Investment rate of return | 6.95 percent, net of pension plan investment expense,<br>including inflation |

Mortality rates were adopted from an actuarial experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2020, valuation were based on the results of an actuarial experience study for the five year period ending December 31, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

**NOTE 9. Pension Plans, Continued**

| Asset Class               | Target Asset Allocation            | Expected Return Arithmetic Basis |                                                  |
|---------------------------|------------------------------------|----------------------------------|--------------------------------------------------|
|                           |                                    | Real Return Arithmetic Basis     | Long-Term Expected Portfolio Real Rate of Return |
| Equity securities         | 37%                                | 6.30%                            | 2.33%                                            |
| Debt securities           | 20%                                | 0.00%                            | 0.00%                                            |
| Real assets               | 15%                                | 6.19%                            | 0.93%                                            |
| Private equity            | 12%                                | 9.50%                            | 1.14%                                            |
| Absolute return           | 16%                                | 2.75%                            | 0.44%                                            |
| Cash and cash equivalents | 0%                                 | 0.00%                            | 0.00%                                            |
| Totals                    | 100%                               |                                  | 4.84%                                            |
|                           | Inflation                          |                                  | 2.50%                                            |
|                           | Expected arithmetic nominal return |                                  | 7.34%                                            |

The 6.95% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.45% that is net of investment expense.

**Discount rate:** The discount rate used to measure the total pension liability was 6.95 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current, active, and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate. The discount rate remained unchanged at 6.95 percent.

**Sensitivity of the proportionate share of the net pension asset and liability to changes in the discount rate:** The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.95 percent, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.95 percent) or 1-percentage-point higher (7.95 percent) than the current rate:

**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

**NOTE 9. Pension Plans, Continued**

| System                               | 1% Decrease<br>(5.95%) | Discount Rate<br>(6.95%) | 1% Increase<br>(7.95%) |
|--------------------------------------|------------------------|--------------------------|------------------------|
| Noncontributory System               | \$ 3,150,069           | \$ 181,696               | \$ (2,292,889)         |
| Public Safety System                 | 2,691,470              | 637,510                  | (1,030,302)            |
| Tier 2 Public Employees System       | 223,132                | 13,260                   | (147,286)              |
| Tier 2 Public Safety and Firefighter | 73,490                 | 15,588                   | (30,594)               |
| Total                                | \$ 6,138,161           | \$ 848,054               | \$ (3,501,071)         |

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

**Defined Contribution Savings Plans**

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report.

Hurricane City participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

- \* 401(k) Plan
- \* 457(b) Plan
- \* Roth IRA Plan

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended June 30, 2021 were as follows:

|                        | 2021       | 2020       | 2019      |
|------------------------|------------|------------|-----------|
| <b>401(k) Plan</b>     |            |            |           |
| Employer Contributions | \$ 142,336 | \$ 139,066 | \$ 95,150 |
| Employee Contributions | \$ 75,893  | \$ 69,083  | \$ 50,551 |
| <b>457 Plan</b>        |            |            |           |
| Employer Contributions | \$ 76,635  | \$ 71,437  | \$ 69,235 |
| Employee Contributions | \$ 55,896  | \$ 50,774  | \$ 60,781 |
| <b>Roth IRA Plan</b>   |            |            |           |
| Employer Contributions | N/A        | N/A        | N/A       |
| Employee Contributions | \$ 20,710  | \$ 18,710  | \$ 19,685 |

**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**NOTE 10. Risk Management**

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The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Risk financing activities are accounted for in various operating funds, with unallocated or City-wide activities being accounted for in the general fund.

The City maintains insurance for general liability, auto liability, and employee dishonesty through Utah Local Government's Insurance Trust. Worker's compensation coverage is carried through the State Worker's Compensation Fund.

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**NOTE 11. Individual Fund Disclosures**

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**Segment Information**

For information on the enterprise funds, see the proprietary funds' financial statements in the fund financial statements and the combining financial statements in the supplementary section.

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**NOTE 12. Sewer and Garbage Contracts**

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Sewer and garbage disposal services are provided to the residents of the City by the Ash Creek Special Service District and the Washington County Solid Waste Special Service District, respectively. The City bills for these services as part of its utility billings. Revenues collected less administrative fees paid to the City are remitted to the Districts each month. Amounts due to these entities, if any, are included with accounts payable in the Electric Fund balance sheet.

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**NOTE 13. Tax Abatements**

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Under City Council approval, the City entered into tax abatement agreements with local businesses for the purpose of attracting businesses within their jurisdiction.

The City currently has agreements with three businesses to reimburse 0.25% of the sales taxes collected by the business. For the fiscal year ended June 30, 2021, the City abated sales taxes totaling \$2,003.

The City currently has an agreement with one business to reimburse the portion of assessed property taxes on the appreciation of their building since the business moved into the building. For the fiscal year ended June 30, 2021, the City abated property taxes totaling \$342,895.



**CITY OF HURRICANE, UTAH**  
**Notes to the Financial Statements**  
**June 30, 2021**

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**NOTE 14.      Redevelopment Agency**

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The redevelopment agency was set up by the City and is reported in these financial statements as a blended component unit. The Redevelopment Agency has three project areas. Areas #1 and #2 were used to develop Sky Mountain Golf Course and clean up the Industrial Park. Area #3 was used to develop the Gateway Industrial Park. Bonds were originally issued for project Areas # 1 & 2, and another bond for Area #3. Those bonds have since been paid off and no debt exists on any of the project areas. The Agency is governed by a separate board appointed by the City Council. At this time, the Council has elected to appoint themselves as the governing board. Under project Areas # 1 & 2 a golf course was constructed and then leased back to the city for operation. This is leased to the City on a year to year basis and at the end of the Agency's life will revert to City ownership. The land, golf course improvements, and buildings are included as government capital assets in the statement of net position. The Agency is accounted for under the modified accrual basis of accounting, the same as the general fund.

The following is the information concerning the taxes collected, bonds outstanding and costs expended for the fiscal year ended June 30, 2021.

|                                       | <u>Area #1</u> | <u>Area #2</u> | <u>Area #3</u> |
|---------------------------------------|----------------|----------------|----------------|
| Tax increment collected               | \$ -           | \$ -           | \$ 428,080     |
| Tax increment paid to taxing entities | None           | None           | None           |
| Outstanding bonds                     | None           | None           | None           |
| Outstanding loans                     | None           | None           | None           |
| Funds expended:                       |                |                |                |
| Acquisition of property               | None           | None           | None           |
| Site improvements                     | None           | None           | None           |
| Public utilities                      | None           | None           | None           |
| Administrative costs                  | \$ 6,750       | \$ 6,750       | \$ 5,481       |
| Economic and business promotion       | \$ -           | \$ -           | \$ 342,895     |
| Capital Outlay                        | \$ 136,571     | \$ 136,571     | \$ -           |

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF HURRICANE, UTAH**  
**General Fund**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual**  
**For the Year Ended June 30, 2021**

|                                                              | Budgeted Amounts |               | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------------------------------|------------------|---------------|-------------------|---------------------------------------------------------|
|                                                              | Original         | Final         |                   |                                                         |
| <b>Revenues</b>                                              |                  |               |                   |                                                         |
| Taxes                                                        | \$ 13,035,943    | \$ 13,035,943 | \$ 9,434,478      | \$ (3,601,465)                                          |
| Licenses, permits and fees                                   | 1,895,334        | 1,895,334     | 1,272,838         | (622,496)                                               |
| Intergovernmental revenue                                    | 2,097,077        | 2,097,077     | 1,380,921         | (716,156)                                               |
| Charges for services                                         | 2,928,961        | 2,928,961     | 1,215,803         | (1,713,158)                                             |
| Fines and forfeitures                                        | 618,227          | 618,227       | 448,425           | (169,802)                                               |
| Contributions and donations                                  | 131,762          | 131,762       | 75,021            | (56,741)                                                |
| Investment earnings                                          | 143,433          | 143,433       | 30,368            | (113,065)                                               |
| Other revenues                                               | 200,108          | 200,108       | 122,323           | (77,785)                                                |
| Total revenues                                               | 21,050,845       | 21,050,845    | 13,980,177        | (7,070,668)                                             |
| <b>Expenditures</b>                                          |                  |               |                   |                                                         |
| Current:                                                     |                  |               |                   |                                                         |
| General government                                           | 2,972,158        | 2,972,158     | 1,706,360         | 1,265,798                                               |
| Public safety                                                | 5,468,612        | 5,468,612     | 4,657,886         | 810,726                                                 |
| Highways/ public works                                       | 1,884,643        | 1,884,643     | 1,479,418         | 405,225                                                 |
| Parks and recreation                                         | 2,910,101        | 2,910,101     | 2,434,103         | 475,998                                                 |
| Total expenditures                                           | 13,235,514       | 13,235,514    | 10,277,767        | 2,957,747                                               |
| Excess (deficiency) of revenues<br>over (under) expenditures | 7,815,331        | 7,815,331     | 3,702,410         | (4,112,921)                                             |
| <b>Other Financing Sources (Uses)</b>                        |                  |               |                   |                                                         |
| Sale of capital assets                                       | 240,630          | 240,630       | 120,315           | (120,315)                                               |
| Operating transfers out                                      | (3,780,941)      | (3,780,941)   | (3,247,937)       | 533,004                                                 |
| Total other financing sources and uses                       | (3,540,311)      | (3,540,311)   | (3,127,622)       | 412,689                                                 |
| Net change in fund balances                                  | 4,275,020        | 4,275,020     | 574,788           | (3,700,232)                                             |
| Fund balances, beginning of year                             | 3,147,187        | 3,147,187     | 3,147,187         | -                                                       |
| Fund balances, end of year                                   | \$ 7,422,207     | \$ 7,422,207  | \$ 3,721,975      | \$ (3,700,232)                                          |

**CITY OF HURRICANE, UTAH**  
**Schedule of the Proportionate Share of the Net Pension Liability**  
**Last 10 Fiscal Years**

| <b>As of<br/>fiscal<br/>year<br/>ended<br/>June 30,</b> | <b>Proportion of<br/>the net<br/>pension<br/>liability (asset)</b> | <b>Proportionate<br/>share of the<br/>net pension<br/>liability<br/>(asset)</b> | <b>Covered<br/>payroll</b> | <b>Proportionate<br/>share of the net<br/>pension liability<br/>(asset) as a<br/>percentage of<br/>its covered<br/>payroll</b> | <b>Plan fiduciary<br/>net position<br/>as a<br/>percentage of<br/>the total<br/>pension<br/>liability</b> |
|---------------------------------------------------------|--------------------------------------------------------------------|---------------------------------------------------------------------------------|----------------------------|--------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| <b>Noncontributory System</b>                           |                                                                    |                                                                                 |                            |                                                                                                                                |                                                                                                           |
| 2015                                                    | 0.3252373%                                                         | \$ 1,412,257                                                                    | \$ 2,864,737               | 49.30%                                                                                                                         | 90.2%                                                                                                     |
| 2016                                                    | 0.3327473%                                                         | \$ 1,882,846                                                                    | \$ 2,911,659               | 64.67%                                                                                                                         | 87.8%                                                                                                     |
| 2017                                                    | 0.3485371%                                                         | \$ 2,238,035                                                                    | \$ 3,090,797               | 72.41%                                                                                                                         | 87.3%                                                                                                     |
| 2018                                                    | 0.3429286%                                                         | \$ 1,502,473                                                                    | \$ 2,998,633               | 50.11%                                                                                                                         | 91.9%                                                                                                     |
| 2019                                                    | 0.3535448%                                                         | \$ 2,603,406                                                                    | \$ 3,086,454               | 84.35%                                                                                                                         | 87.0%                                                                                                     |
| 2020                                                    | 0.3518531%                                                         | \$ 1,326,088                                                                    | \$ 3,060,405               | 43.33%                                                                                                                         | 93.7%                                                                                                     |
| 2021                                                    | 0.3542227%                                                         | \$ 181,696                                                                      | \$ 2,993,167               | 6.07%                                                                                                                          | 99.2%                                                                                                     |
| <b>Public Safety System</b>                             |                                                                    |                                                                                 |                            |                                                                                                                                |                                                                                                           |
| 2015                                                    | 0.5519732%                                                         | \$ 694,152                                                                      | \$ 896,587                 | 77.42%                                                                                                                         | 90.5%                                                                                                     |
| 2016                                                    | 0.5881566%                                                         | \$ 1,053,536                                                                    | \$ 959,331                 | 109.82%                                                                                                                        | 87.1%                                                                                                     |
| 2017                                                    | 0.6119810%                                                         | \$ 1,241,878                                                                    | \$ 989,716                 | 125.48%                                                                                                                        | 86.5%                                                                                                     |
| 2018                                                    | 0.6040303%                                                         | \$ 947,517                                                                      | \$ 975,649                 | 97.12%                                                                                                                         | 90.2%                                                                                                     |
| 2019                                                    | 0.6984523%                                                         | \$ 1,796,828                                                                    | \$ 1,095,215               | 164.06%                                                                                                                        | 84.7%                                                                                                     |
| 2020                                                    | 0.7646940%                                                         | \$ 1,227,806                                                                    | \$ 1,196,321               | 102.63%                                                                                                                        | 90.9%                                                                                                     |
| 2021                                                    | 0.7678608%                                                         | \$ 637,510                                                                      | \$ 1,221,590               | 52.19%                                                                                                                         | 95.5%                                                                                                     |
| <b>Fire fighters System</b>                             |                                                                    |                                                                                 |                            |                                                                                                                                |                                                                                                           |
| 2015                                                    | 0.9604150%                                                         | \$ (54,805)                                                                     | \$ 346,376                 | -15.82%                                                                                                                        | 103.5%                                                                                                    |
| <b>Tier 2 Public Employees System</b>                   |                                                                    |                                                                                 |                            |                                                                                                                                |                                                                                                           |
| 2015                                                    | 0.0381375%                                                         | \$ (1,156)                                                                      | \$ 187,143                 | -0.62%                                                                                                                         | 103.5%                                                                                                    |
| 2016                                                    | 0.0513689%                                                         | \$ (112)                                                                        | \$ 331,967                 | -0.03%                                                                                                                         | 100.2%                                                                                                    |
| 2017                                                    | 0.0706999%                                                         | \$ 7,887                                                                        | \$ 579,793                 | 1.36%                                                                                                                          | 95.1%                                                                                                     |
| 2018                                                    | 0.0736480%                                                         | \$ 6,493                                                                        | \$ 719,933                 | 0.90%                                                                                                                          | 97.4%                                                                                                     |
| 2019                                                    | 0.0783841%                                                         | \$ 33,570                                                                       | \$ 914,858                 | 3.67%                                                                                                                          | 90.8%                                                                                                     |
| 2020                                                    | 0.0839947%                                                         | \$ 18,891                                                                       | \$ 1,166,783               | 1.62%                                                                                                                          | 96.5%                                                                                                     |
| 2021                                                    | 0.0921959%                                                         | \$ 13,260                                                                       | \$ 1,473,568               | 0.90%                                                                                                                          | 98.3%                                                                                                     |
| <b>Tier 2 Public Safety and Firefighter System</b>      |                                                                    |                                                                                 |                            |                                                                                                                                |                                                                                                           |
| 2015                                                    | 0.1791118%                                                         | \$ (2,650)                                                                      | \$ 74,001                  | -3.58%                                                                                                                         | 120.5%                                                                                                    |
| 2016                                                    | 0.1104233%                                                         | \$ (1,613)                                                                      | \$ 65,714                  | -2.45%                                                                                                                         | 110.7%                                                                                                    |
| 2017                                                    | 0.1331246%                                                         | \$ (1,156)                                                                      | \$ 109,992                 | -1.05%                                                                                                                         | 103.6%                                                                                                    |
| 2018                                                    | 0.1520796%                                                         | \$ (1,760)                                                                      | \$ 160,456                 | -1.10%                                                                                                                         | 103.0%                                                                                                    |
| 2019                                                    | 0.2066393%                                                         | \$ 5,177                                                                        | \$ 275,901                 | 1.88%                                                                                                                          | 95.6%                                                                                                     |
| 2020                                                    | 0.2196100%                                                         | \$ 20,657                                                                       | \$ 361,995                 | 5.71%                                                                                                                          | 89.6%                                                                                                     |
| 2021                                                    | 0.1737854%                                                         | \$ 15,588                                                                       | \$ 347,792                 | 4.48%                                                                                                                          | 93.1%                                                                                                     |

Note: The City implemented GASB 68 in fiscal year 2015. Prior year information is not available.

**CITY OF HURRICANE, UTAH**  
**Schedule of Contributions**  
**Last 10 Fiscal Years**

| As of fiscal<br>year ended<br>June 30,                      | Actuarially<br>determined<br>contributions | Contributions in<br>relation to the<br>contractually<br>required<br>contribution | Contribution<br>deficiency<br>(excess) | Covered<br>payroll | Contributions<br>as a percentage<br>of covered<br>payroll |
|-------------------------------------------------------------|--------------------------------------------|----------------------------------------------------------------------------------|----------------------------------------|--------------------|-----------------------------------------------------------|
| <b>Noncontributory System</b>                               |                                            |                                                                                  |                                        |                    |                                                           |
| 2014                                                        | \$ 473,512                                 | \$ 473,512                                                                       | \$ -                                   | \$ 2,818,061       | 16.80%                                                    |
| 2015                                                        | 518,474                                    | 518,474                                                                          | -                                      | 2,875,997          | 18.03%                                                    |
| 2016                                                        | 532,150                                    | 532,150                                                                          | -                                      | 2,952,398          | 18.02%                                                    |
| 2017                                                        | 537,803                                    | 537,803                                                                          | -                                      | 2,984,698          | 18.02%                                                    |
| 2018                                                        | 568,890                                    | 568,890                                                                          | -                                      | 3,154,743          | 18.03%                                                    |
| 2019                                                        | 559,656                                    | 559,656                                                                          | -                                      | 3,106,203          | 18.02%                                                    |
| 2020                                                        | 542,799                                    | 542,799                                                                          | -                                      | 3,012,086          | 18.02%                                                    |
| 2021                                                        | 517,432                                    | 517,432                                                                          | -                                      | 2,871,451          | 18.02%                                                    |
| <b>Public Safety System</b>                                 |                                            |                                                                                  |                                        |                    |                                                           |
| 2014                                                        | \$ 250,674                                 | \$ 250,674                                                                       | \$ -                                   | \$ 865,863         | 28.95%                                                    |
| 2015                                                        | 285,865                                    | 285,865                                                                          | -                                      | 928,981            | 30.77%                                                    |
| 2016                                                        | 294,642                                    | 294,642                                                                          | -                                      | 961,504            | 30.64%                                                    |
| 2017                                                        | 291,758                                    | 291,758                                                                          | -                                      | 954,598            | 30.56%                                                    |
| 2018                                                        | 323,385                                    | 323,385                                                                          | -                                      | 1,060,040          | 30.51%                                                    |
| 2019                                                        | 355,466                                    | 355,466                                                                          | -                                      | 1,160,047          | 30.64%                                                    |
| 2020                                                        | 375,607                                    | 375,607                                                                          | -                                      | 1,221,426          | 30.75%                                                    |
| 2021                                                        | 366,617                                    | 366,617                                                                          | -                                      | 1,195,653          | 30.66%                                                    |
| <b>Firefighters System</b>                                  |                                            |                                                                                  |                                        |                    |                                                           |
| 2014                                                        | \$ 6,947                                   | \$ 6,947                                                                         | \$ -                                   | \$ 330,586         | 2.10%                                                     |
| 2015                                                        | 5,099                                      | 5,099                                                                            | -                                      | 181,447            | 2.81%                                                     |
| <b>Tier 2 Public Employees System*</b>                      |                                            |                                                                                  |                                        |                    |                                                           |
| 2014                                                        | \$ 24,833                                  | \$ 24,833                                                                        | \$ -                                   | \$ 177,503         | 13.99%                                                    |
| 2015                                                        | 34,504                                     | 34,504                                                                           | -                                      | 230,955            | 14.94%                                                    |
| 2016                                                        | 65,696                                     | 65,696                                                                           | -                                      | 440,616            | 14.91%                                                    |
| 2017                                                        | 95,709                                     | 95,709                                                                           | -                                      | 641,914            | 14.91%                                                    |
| 2018                                                        | 127,908                                    | 127,908                                                                          | -                                      | 846,852            | 15.10%                                                    |
| 2019                                                        | 156,253                                    | 156,253                                                                          | -                                      | 1,005,559          | 15.54%                                                    |
| 2020                                                        | 209,806                                    | 209,806                                                                          | -                                      | 1,339,758          | 15.66%                                                    |
| 2021                                                        | 248,819                                    | 248,819                                                                          | -                                      | 1,574,805          | 15.80%                                                    |
| <b>Tier 2 Public Safety and Firefighter System*</b>         |                                            |                                                                                  |                                        |                    |                                                           |
| 2014                                                        | \$ 9,303                                   | \$ 9,303                                                                         | \$ -                                   | \$ 56,504          | 16.46%                                                    |
| 2015                                                        | 12,806                                     | 12,806                                                                           | -                                      | 67,277             | 19.03%                                                    |
| 2016                                                        | 18,696                                     | 18,696                                                                           | -                                      | 83,095             | 22.50%                                                    |
| 2017                                                        | 28,690                                     | 28,690                                                                           | -                                      | 127,512            | 22.50%                                                    |
| 2018                                                        | 48,416                                     | 48,416                                                                           | -                                      | 214,537            | 22.57%                                                    |
| 2019                                                        | 77,705                                     | 77,705                                                                           | -                                      | 336,532            | 23.09%                                                    |
| 2020                                                        | 84,446                                     | 84,446                                                                           | -                                      | 364,617            | 23.16%                                                    |
| 2021                                                        | 95,292                                     | 95,292                                                                           | -                                      | 368,967            | 25.83%                                                    |
| <b>Tier 2 Public Employees DC Only System*</b>              |                                            |                                                                                  |                                        |                    |                                                           |
| 2019                                                        | \$ 2,824                                   | \$ 2,824                                                                         | \$ -                                   | \$ 42,206          | 6.69%                                                     |
| 2020                                                        | 10,328                                     | 10,328                                                                           | -                                      | 154,374            | 6.69%                                                     |
| 2021                                                        | 13,316                                     | 13,316                                                                           | -                                      | 199,048            | 6.69%                                                     |
| <b>Tier 2 Public Safety and Firefighter DC Only System*</b> |                                            |                                                                                  |                                        |                    |                                                           |
| 2016                                                        | \$ 1,627                                   | \$ 1,627                                                                         | \$ -                                   | \$ 13,752          | 11.83%                                                    |
| 2017                                                        | 4,841                                      | 4,841                                                                            | -                                      | 40,920             | 11.83%                                                    |
| 2018                                                        | 5,434                                      | 5,434                                                                            | -                                      | 45,930             | 11.83%                                                    |
| 2019                                                        | 6,133                                      | 6,133                                                                            | -                                      | 51,839             | 11.83%                                                    |
| 2020                                                        | 14,072                                     | 14,072                                                                           | -                                      | 118,949            | 11.83%                                                    |
| 2021                                                        | 18,914                                     | 18,914                                                                           | -                                      | 159,878            | 11.83%                                                    |

Note: The City implemented GASB 68 in fiscal year 2015. Prior year information is not available.

\* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

**CITY OF HURRICANE, UTAH**  
**Notes to Required Supplementary Information**  
**For the Year Ended June 30, 2021**

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**Changes in Assumptions:**

There were a number of demographic assumptions (e.g. rates of termination, disability, retirement, as well as an updated mortality and salary increase assumption) updated for use in the January 1, 2020 actuarial valuation. These assumption updated were adopted by the Utah State Retirement Board as result of an Actuarial Experience Study performed for the Utah Retirement Systems. In aggregate, those assumption changes resulted in a \$201 million increase in the Total Pension Liability, which is about 0.50% of the Total Pension Liability as of December 31, 2019 for all systems combined. The Actuarial Experience Study report as of December 31, 2019 provides detailed information regarding those assumption changes, which may be accessed online at [newsroom.urs.org](https://newsroom.urs.org) under the “Retirement Office” column using the “Reports and Stats” tab.

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## **COMBINING STATEMENTS**



## **NONMAJOR FUNDS**

### **DEBT SERVICE FUNDS**

Debt service funds are used to account for the accumulation and payment of outstanding debt.

The Debt Service Special Improvement Fund is used to account for the collection of special assessments and payment of the bond principal and interest related to old special improvement districts in the city.

### **SPECIAL REVENUE FUNDS**

The Special Revenue Fund is used to account for the proceeds from the ¼% sales tax passed by the City voters to be used for transportation-related improvements.

The CARES Act Special Revenue Fund is used to account for the proceeds from CARES act to be used as stipulated by the federal legislation.

### **CAPITAL PROJECTS FUNDS**

The Redevelopment Agency capital projects fund is used to account for the receipt of property taxes for, and the expenditure of funds for, RDA #1 and #2. These project areas were used to develop the Sky Mountain Golf Course and surrounding area.

The Redevelopment Agency #3 capital projects fund is used to account for the expenditure of funds for the RDA used to develop the area around the Wal-Mart Distribution Center.

The SID Construction capital projects fund is used to account for the construction and related financing of the Dixie Springs and the East Bench Special Improvement Districts.

The Street Shop capital projects fund is used to account for expenditure of funds for the street shop and related capital expenditures.

The RAP Tax capital projects fund is used to account for the collection and use of RAP (recreation, arts, and parks) taxes.

The Airport capital projects fund is used to account for expenditures and related revenues for airport construction projects.

The Parks Impact capital projects fund is used to account for the fees received and the expenditures made from Park impact fees. Expenditures are made for capital improvements to existing parks and acquisition of new park property and facilities.

The Fire Impact capital projects fund is used to account for the fees received and the expenditures made from Public Safety impact fees. Expenditures are made for capital improvements to Public Safety buildings and facilities.

The Building Remodel capital projects fund is used to account for expenditures and financing to remodel the Justice Court and Police Department building.

## **NONMAJOR FUNDS**

The Housing capital projects fund is used to account for the expenditures of a CDBG grant for affordable housing. The grant is set up on a revolving fund to purchase, renovate, and sell homes for affordable housing.

The Equipment capital projects fund is a revolving fund that purchases equipment for other funds and is reimbursed from the other funds over time.

## **ENTERPRISE FUNDS**

The Pressurized Irrigation Fund is used to account for the provision of pressurized irrigation services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to administration, operations, maintenance, financing, related debt service, and billing and collection

The Drainage Fund is used to account for the construction, financing, and operation and maintenance of a storm drain system within the City.

**CITY OF HURRICANE, UTAH**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2021**

|                                                                        | Capital Projects                       |                     |                  |                         |                            |                     |                   |
|------------------------------------------------------------------------|----------------------------------------|---------------------|------------------|-------------------------|----------------------------|---------------------|-------------------|
|                                                                        | Debt Service<br>Special<br>Improvement | Special<br>Revenue  | CARES<br>Act     | Redevelopment<br>Agency | Redevelopment<br>Agency #3 | SID<br>Construction | Street<br>Shop    |
| <b>Assets</b>                                                          |                                        |                     |                  |                         |                            |                     |                   |
| Cash and cash equivalents                                              | \$ 15                                  | \$ 4,809,819        | \$ -             | \$ 133,720              | \$ 357,873                 | \$ 552              | \$ 607,975        |
| Receivables                                                            | 27,824                                 | -                   | -                | -                       | -                          | 414,444             | -                 |
| Due from other governments                                             | -                                      | -                   | -                | -                       | 12,107                     | -                   | -                 |
| Due from other funds                                                   | -                                      | -                   | -                | 64,945                  | -                          | -                   | -                 |
| Prepaid expenses                                                       | -                                      | -                   | 49,597           | -                       | -                          | -                   | -                 |
| Total assets                                                           | <u>\$ 27,839</u>                       | <u>\$ 4,809,819</u> | <u>\$ 49,597</u> | <u>\$ 198,665</u>       | <u>\$ 369,980</u>          | <u>\$ 414,996</u>   | <u>\$ 607,975</u> |
| <b>Liabilities</b>                                                     |                                        |                     |                  |                         |                            |                     |                   |
| Accounts payable                                                       | \$ -                                   | \$ 101,206          | \$ 1,200         | \$ -                    | \$ -                       | \$ -                | \$ -              |
| Due to other funds                                                     | -                                      | -                   | 2,674            | -                       | -                          | -                   | -                 |
| Total liabilities                                                      | <u>-</u>                               | <u>101,206</u>      | <u>3,874</u>     | <u>-</u>                | <u>-</u>                   | <u>-</u>            | <u>-</u>          |
| <b>Deferred Inflows of Resources</b>                                   |                                        |                     |                  |                         |                            |                     |                   |
| Unavailable revenue - special assessments                              | <u>-</u>                               | <u>-</u>            | <u>-</u>         | <u>-</u>                | <u>-</u>                   | <u>414,444</u>      | <u>-</u>          |
| <b>Fund Balances</b>                                                   |                                        |                     |                  |                         |                            |                     |                   |
| Restricted for:                                                        |                                        |                     |                  |                         |                            |                     |                   |
| Debt service                                                           | 27,839                                 | -                   | -                | -                       | -                          | -                   | -                 |
| Capital outlay                                                         | -                                      | -                   | -                | 198,665                 | 369,980                    | 552                 | -                 |
| Other                                                                  | -                                      | 4,708,613           | 45,723           | -                       | -                          | -                   | -                 |
| Assigned                                                               | -                                      | -                   | -                | -                       | -                          | -                   | 607,975           |
| Total fund balances                                                    | <u>27,839</u>                          | <u>4,708,613</u>    | <u>45,723</u>    | <u>198,665</u>          | <u>369,980</u>             | <u>552</u>          | <u>607,975</u>    |
| Total liabilities, deferred inflows of resources,<br>and fund balances | <u>\$ 27,839</u>                       | <u>\$ 4,809,819</u> | <u>\$ 49,597</u> | <u>\$ 198,665</u>       | <u>\$ 369,980</u>          | <u>\$ 414,996</u>   | <u>\$ 607,975</u> |

| Capital Projects  |                   |                     |                     |                   |                     |                  |                   |                              | Total<br>Nonmajor<br>Governmental<br>Funds |
|-------------------|-------------------|---------------------|---------------------|-------------------|---------------------|------------------|-------------------|------------------------------|--------------------------------------------|
| RAP Tax           | Airport           | Street<br>Projects  | Parks<br>Impact     | Fire<br>Impact    | Building<br>Remodel | Housing          | Equipment         | Total<br>Capital<br>Projects |                                            |
| \$ 639,492        | \$ 735,099        | \$ 6,193,368        | \$ 5,139,945        | \$ 314,615        | \$ 3,408,664        | \$ 49,301        | \$ 398,993        | \$ 17,979,597                | \$ 22,789,431                              |
| -                 | -                 | -                   | -                   | -                 | -                   | -                | -                 | 414,444                      | 442,268                                    |
| 41,014            | -                 | -                   | -                   | -                 | -                   | -                | -                 | 53,121                       | 53,121                                     |
| -                 | -                 | -                   | -                   | -                 | -                   | -                | -                 | 64,945                       | 64,945                                     |
| -                 | -                 | -                   | -                   | -                 | -                   | -                | -                 | -                            | 49,597                                     |
| <u>\$ 680,506</u> | <u>\$ 735,099</u> | <u>\$ 6,193,368</u> | <u>\$ 5,139,945</u> | <u>\$ 314,615</u> | <u>\$ 3,408,664</u> | <u>\$ 49,301</u> | <u>\$ 398,993</u> | <u>\$ 18,512,107</u>         | <u>\$ 23,399,362</u>                       |
| \$ -              | \$ -              | \$ -                | \$ -                | \$ -              | \$ -                | \$ -             | \$ -              | \$ -                         | \$ 102,406                                 |
| -                 | -                 | -                   | -                   | -                 | -                   | -                | -                 | -                            | 2,674                                      |
| -                 | -                 | -                   | -                   | -                 | -                   | -                | -                 | -                            | 105,080                                    |
| -                 | -                 | -                   | -                   | -                 | -                   | -                | -                 | 414,444                      | 414,444                                    |
| -                 | -                 | -                   | -                   | -                 | -                   | -                | -                 | -                            | 27,839                                     |
| -                 | -                 | 6,193,368           | 5,139,945           | 314,615           | -                   | -                | -                 | 12,217,125                   | 12,217,125                                 |
| 680,506           | -                 | -                   | -                   | -                 | -                   | -                | -                 | 680,506                      | 5,434,842                                  |
| -                 | 735,099           | -                   | -                   | -                 | 3,408,664           | 49,301           | 398,993           | 5,200,032                    | 5,200,032                                  |
| <u>680,506</u>    | <u>735,099</u>    | <u>6,193,368</u>    | <u>5,139,945</u>    | <u>314,615</u>    | <u>3,408,664</u>    | <u>49,301</u>    | <u>398,993</u>    | <u>18,097,663</u>            | <u>22,879,838</u>                          |
| <u>\$ 680,506</u> | <u>\$ 735,099</u> | <u>\$ 6,193,368</u> | <u>\$ 5,139,945</u> | <u>\$ 314,615</u> | <u>\$ 3,408,664</u> | <u>\$ 49,301</u> | <u>\$ 398,993</u> | <u>\$ 18,512,107</u>         | <u>\$ 23,399,362</u>                       |

**CITY OF HURRICANE, UTAH**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2021**

|                                                              | Capital Projects                       |                    |              |                         |                            |                     |                |
|--------------------------------------------------------------|----------------------------------------|--------------------|--------------|-------------------------|----------------------------|---------------------|----------------|
|                                                              | Debt Service<br>Special<br>Improvement | Special<br>Revenue | Cares<br>Act | Redevelopment<br>Agency | Redevelopment<br>Agency #3 | SID<br>Construction | Street<br>Shop |
| <b>Revenues</b>                                              |                                        |                    |              |                         |                            |                     |                |
| Taxes                                                        | \$ -                                   | \$ 1,752,730       | \$ -         | \$ -                    | \$ 428,080                 | \$ -                | \$ -           |
| Intergovernmental revenue                                    | -                                      | -                  | 1,592,176    | -                       | -                          | -                   | -              |
| Impact fees                                                  | -                                      | -                  | -            | -                       | -                          | -                   | -              |
| Contributions and donations                                  | -                                      | -                  | -            | -                       | -                          | -                   | -              |
| Investment earnings                                          | -                                      | 15,683             | 2,474        | 3,149                   | 345                        | -                   | 876            |
| Other revenues                                               | -                                      | 76,805             | -            | -                       | -                          | -                   | -              |
| Total revenues                                               | -                                      | 1,845,218          | 1,594,650    | 3,149                   | 428,425                    | -                   | 876            |
| <b>Expenditures</b>                                          |                                        |                    |              |                         |                            |                     |                |
| Current:                                                     |                                        |                    |              |                         |                            |                     |                |
| General government                                           | -                                      | -                  | 306,100      | -                       | -                          | -                   | -              |
| Public safety                                                | -                                      | -                  | 1,242,827    | -                       | -                          | -                   | -              |
| Highways/ public works                                       | -                                      | 28,037             | -            | -                       | -                          | -                   | -              |
| Parks and recreation                                         | -                                      | -                  | -            | -                       | -                          | -                   | -              |
| Economic development                                         | -                                      | -                  | -            | 13,500                  | 348,377                    | -                   | -              |
| Debt service:                                                |                                        |                    |              |                         |                            |                     |                |
| Principal                                                    | -                                      | -                  | -            | -                       | -                          | -                   | -              |
| Interest                                                     | -                                      | -                  | -            | -                       | -                          | -                   | -              |
| Capital outlay:                                              |                                        |                    |              |                         |                            |                     |                |
| Street construction                                          | -                                      | 393,141            | -            | 273,142                 | -                          | -                   | -              |
| Parks and recreation                                         | -                                      | -                  | -            | -                       | -                          | -                   | -              |
| Public safety                                                | -                                      | -                  | -            | -                       | -                          | -                   | -              |
| Other                                                        | -                                      | -                  | -            | -                       | -                          | -                   | 164,072        |
| Total expenditures                                           | -                                      | 421,178            | 1,548,927    | 286,642                 | 348,377                    | -                   | 164,072        |
| Excess (deficiency) of revenues<br>over (under) expenditures | -                                      | 1,424,040          | 45,723       | (283,493)               | 80,048                     | -                   | (163,196)      |
| <b>Other Financing Sources (Uses)</b>                        |                                        |                    |              |                         |                            |                     |                |
| Sale of capital assets                                       | -                                      | -                  | -            | -                       | -                          | -                   | -              |
| Operating transfers in                                       | -                                      | 550,000            | -            | -                       | -                          | -                   | 547,937        |
| Total other financing sources and uses                       | -                                      | 550,000            | -            | -                       | -                          | -                   | 547,937        |
| Net change in fund balances                                  | -                                      | 1,974,040          | 45,723       | (283,493)               | 80,048                     | -                   | 384,741        |
| Fund balances, beginning of year                             | 27,839                                 | 2,734,573          | -            | 482,158                 | 289,932                    | 552                 | 223,234        |
| Fund balances, end of year                                   | \$ 27,839                              | \$ 4,708,613       | \$ 45,723    | \$ 198,665              | \$ 369,980                 | \$ 552              | \$ 607,975     |

| Capital Projects |            |                 |              |             |                  |           |            |                        |                                   |
|------------------|------------|-----------------|--------------|-------------|------------------|-----------|------------|------------------------|-----------------------------------|
| RAP Tax          | Airport    | Street Projects | Parks Impact | Fire Impact | Building Remodel | Housing   | Equipment  | Total Capital Projects | Total Nonmajor Governmental Funds |
| \$ 348,686       | \$ -       | \$ -            | \$ -         | \$ -        | \$ -             | \$ -      | \$ -       | \$ 776,766             | \$ 2,529,496                      |
| -                | -          | -               | -            | -           | -                | -         | -          | \$ -                   | \$ 1,592,176                      |
| -                | -          | 1,684,110       | 2,279,987    | 197,632     | -                | -         | -          | \$ 4,161,729           | \$ 4,161,729                      |
| -                | -          | -               | 120          | -           | -                | -         | -          | \$ 120                 | \$ 120                            |
| 2,482            | 3,099      | 24,320          | 18,478       | 1,312       | 5,968            | 195       | 19,517     | \$ 79,741              | \$ 97,898                         |
| -                | -          | -               | -            | -           | -                | -         | 424,244    | \$ 424,244             | \$ 501,049                        |
| 351,168          | 3,099      | 1,708,430       | 2,298,585    | 198,944     | 5,968            | 195       | 443,761    | 5,442,600              | 8,882,468                         |
| -                | -          | -               | -            | -           | -                | -         | 36,361     | 36,361                 | 342,461                           |
| -                | -          | -               | -            | -           | -                | -         | -          | -                      | 1,242,827                         |
| -                | -          | -               | -            | -           | 73,327           | -         | -          | 73,327                 | 101,364                           |
| 284,152          | -          | -               | 1,500        | -           | -                | -         | -          | 285,652                | 285,652                           |
| -                | -          | -               | -            | -           | -                | -         | -          | 361,877                | 361,877                           |
| -                | -          | -               | 111,000      | -           | -                | -         | -          | 111,000                | 111,000                           |
| -                | -          | -               | 13,735       | -           | -                | -         | -          | 13,735                 | 13,735                            |
| -                | -          | 187,191         | -            | -           | -                | -         | -          | 460,333                | 853,474                           |
| 10,291           | -          | -               | 105,000      | -           | -                | -         | -          | 115,291                | 115,291                           |
| -                | -          | -               | -            | 123,000     | -                | -         | 744,653    | 867,653                | 867,653                           |
| -                | -          | -               | -            | -           | -                | -         | -          | 164,072                | 164,072                           |
| 294,443          | -          | 187,191         | 231,235      | 123,000     | 73,327           | -         | 781,014    | 2,489,301              | 4,459,406                         |
| 56,725           | 3,099      | 1,521,239       | 2,067,350    | 75,944      | (67,359)         | 195       | (337,253)  | 2,953,299              | 4,423,062                         |
| -                | -          | -               | -            | -           | -                | -         | 160,880    | 160,880                | 160,880                           |
| -                | -          | -               | -            | -           | 1,900,000        | -         | 250,000    | 2,697,937              | 3,247,937                         |
| -                | -          | -               | -            | -           | 1,900,000        | -         | 410,880    | 2,858,817              | 2,858,817                         |
| 56,725           | 3,099      | 1,521,239       | 2,067,350    | 75,944      | 1,832,641        | 195       | 73,627     | 5,812,116              | 7,831,879                         |
| 623,781          | 732,000    | 4,672,129       | 3,072,595    | 238,671     | 1,576,023        | 49,106    | 325,366    | 12,285,547             | 15,047,959                        |
| \$ 680,506       | \$ 735,099 | \$ 6,193,368    | \$ 5,139,945 | \$ 314,615  | \$ 3,408,664     | \$ 49,301 | \$ 398,993 | \$ 18,097,663          | \$ 22,879,838                     |

**CITY OF HURRICANE, UTAH**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**June 30, 2021**

|                                     | <u>Pressurized<br/>Irrigation Fund</u> | <u>Drainage Fund</u> | <u>Total<br/>Nonmajor</u> |
|-------------------------------------|----------------------------------------|----------------------|---------------------------|
| <b>Assets</b>                       |                                        |                      |                           |
| Current assets:                     |                                        |                      |                           |
| Cash and cash equivalents           | \$ 336,524                             | \$ 903,559           | \$ 1,240,083              |
| Receivables, net of allowance       | 20,213                                 | 40,548               | 60,761                    |
| Total current assets                | <u>356,737</u>                         | <u>944,107</u>       | <u>1,300,844</u>          |
| Noncurrent assets:                  |                                        |                      |                           |
| Capital assets:                     |                                        |                      |                           |
| Water stock                         | 275,428                                | -                    | 275,428                   |
| Land, improvements and water rights | -                                      | 45,000               | 45,000                    |
| Plant and equipment                 | -                                      | 645,912              | 645,912                   |
| Distribution system                 | 2,732,922                              | 7,663,146            | 10,396,068                |
| Less: Accumulated depreciation      | <u>(822,457)</u>                       | <u>(1,581,313)</u>   | <u>(2,403,770)</u>        |
| Total noncurrent assets             | <u>2,185,893</u>                       | <u>6,772,745</u>     | <u>8,958,638</u>          |
| Total assets                        | <u>2,542,630</u>                       | <u>7,716,852</u>     | <u>10,259,482</u>         |
| <b>Liabilities</b>                  |                                        |                      |                           |
| Current liabilities:                |                                        |                      |                           |
| Accounts payable                    | 46,013                                 | -                    | 46,013                    |
| Interest payable                    | 667                                    | 686                  | 1,353                     |
| Total current liabilities           | <u>46,680</u>                          | <u>686</u>           | <u>47,366</u>             |
| Total liabilities                   | <u>46,680</u>                          | <u>686</u>           | <u>47,366</u>             |
| <b>Net Position</b>                 |                                        |                      |                           |
| Net investment in capital assets    | 2,185,893                              | 6,772,745            | 8,958,638                 |
| Restricted for capital outlay       | -                                      | 89,483               | 89,483                    |
| Unrestricted                        | 310,057                                | 853,938              | 1,163,995                 |
| Total net position                  | <u>\$ 2,495,950</u>                    | <u>\$ 7,716,166</u>  | <u>\$ 10,212,116</u>      |

**CITY OF HURRICANE, UTAH**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Nonmajor Enterprise Funds**  
**For the Year Ended June 30, 2021**

|                                             | <u>Pressurized<br/>Irrigation Fund</u> | <u>Drainage Fund</u>       | <u>Total<br/>Nonmajor</u>   |
|---------------------------------------------|----------------------------------------|----------------------------|-----------------------------|
| <b>Operating revenues:</b>                  |                                        |                            |                             |
| Charges for services                        | \$ 560,373                             | \$ 442,202                 | \$ 1,002,575                |
| Total operating revenues                    | <u>560,373</u>                         | <u>442,202</u>             | <u>1,002,575</u>            |
| <b>Operating expenses:</b>                  |                                        |                            |                             |
| Administration                              | 37,769                                 | 23,253                     | 61,022                      |
| Distribution system repairs and maintenance | 15,933                                 | 38,282                     | 54,215                      |
| Repairs and maintenance                     | 3,759                                  | 7,934                      | 11,693                      |
| Tools expense                               | -                                      | 91                         | 91                          |
| Insurance                                   | 2,491                                  | 4,624                      | 7,115                       |
| Depreciation                                | 51,642                                 | 179,296                    | 230,938                     |
| Utilities                                   | 22,821                                 | -                          | 22,821                      |
| Special department supplies                 | -                                      | 1,434                      | 1,434                       |
| Professional services                       | 23,033                                 | 56,956                     | 79,989                      |
| Miscellaneous                               | 410                                    | 19,426                     | 19,836                      |
| Postage and freight                         | 4,700                                  | 4,700                      | 9,400                       |
| Credit card expense                         | 8,232                                  | 8,232                      | 16,464                      |
| Assessments                                 | 18,255                                 | -                          | 18,255                      |
| Water costs                                 | 316,978                                | -                          | 316,978                     |
| Total operating expenses                    | <u>506,023</u>                         | <u>344,228</u>             | <u>850,251</u>              |
| Operating income (loss)                     | <u>54,350</u>                          | <u>97,974</u>              | <u>152,324</u>              |
| <b>Nonoperating revenues (expenses):</b>    |                                        |                            |                             |
| Connection and impact fees                  | 29,469                                 | 3,230                      | 32,699                      |
| Interest income                             | -                                      | 3,241                      | 3,241                       |
| Total nonoperating revenues (expenses)      | <u>29,469</u>                          | <u>6,471</u>               | <u>35,940</u>               |
| Income before contributions and transfers   | 83,819                                 | 104,445                    | 188,264                     |
| Capital contributions                       | 150,828                                | 499,062                    | 649,890                     |
| <b>Change in net position</b>               | 234,647                                | 603,507                    | 838,154                     |
| Total net position, beginning of year       | <u>2,261,303</u>                       | <u>7,112,659</u>           | <u>9,373,962</u>            |
| <b>Total net position, end of year</b>      | <u><u>\$ 2,495,950</u></u>             | <u><u>\$ 7,716,166</u></u> | <u><u>\$ 10,212,116</u></u> |



**CITY OF HURRICANE, UTAH**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended June 30, 2021**

|                                                                                     | <b>Pressurized<br/>Irrigation Fund</b> | <b>Drainage Fund</b>     | <b>Total<br/>Nonmajor</b>  |
|-------------------------------------------------------------------------------------|----------------------------------------|--------------------------|----------------------------|
| <b>Cash flows from operating activities:</b>                                        |                                        |                          |                            |
| Cash received from customers, service fees                                          | \$ 573,584                             | \$ 437,966               | \$ 1,011,550               |
| Cash paid to suppliers                                                              | (447,996)                              | (165,934)                | (613,930)                  |
| Net cash provided (used) by operating activities                                    | <u>125,588</u>                         | <u>272,032</u>           | <u>397,620</u>             |
| <b>Cash flows from capital and related<br/>financing activities:</b>                |                                        |                          |                            |
| Connection and impact fees                                                          | <u>29,469</u>                          | <u>3,230</u>             | <u>32,699</u>              |
| Net cash used by capital and related<br>financing activities:                       | <u>29,469</u>                          | <u>3,230</u>             | <u>32,699</u>              |
| <b>Cash flows from investing activities:</b>                                        |                                        |                          |                            |
| Interest on investments                                                             | <u>-</u>                               | <u>3,241</u>             | <u>3,241</u>               |
| Net increase (decrease) in cash and cash equivalents                                | 155,057                                | 278,503                  | 433,560                    |
| Cash and cash equivalents, including restricted cash,<br>beginning of year          | <u>181,467</u>                         | <u>625,056</u>           | <u>806,523</u>             |
| <b>Cash and cash equivalents, including restricted cash,<br/>end of year</b>        | <u><u>\$ 336,524</u></u>               | <u><u>\$ 903,559</u></u> | <u><u>\$ 1,240,083</u></u> |
| Reconciliation of operating income to net cash<br>provided by operating activities: |                                        |                          |                            |
| Net operating income (loss)                                                         | \$ 54,350                              | \$ 97,974                | \$ 152,324                 |
| Adjustments to reconcile net income to net<br>cash provided by operating activities |                                        |                          |                            |
| Depreciation/amortization                                                           | 51,642                                 | 179,296                  | 230,938                    |
| Changes in operating assets and liabilities:                                        |                                        |                          |                            |
| (Increase) Decrease in receivables                                                  | 13,211                                 | (4,236)                  | 8,975                      |
| Increase (Decrease) in accounts payable                                             | <u>6,385</u>                           | <u>(1,002)</u>           | <u>5,383</u>               |
| Net cash provided by operating activities                                           | <u><u>\$ 125,588</u></u>               | <u><u>\$ 272,032</u></u> | <u><u>\$ 397,620</u></u>   |
| <b>Supplemental Schedule of Non-cash Investing and<br/>Financing Activities:</b>    |                                        |                          |                            |
| Capital contributions                                                               | \$ 150,828                             | \$ 499,062               | \$ 649,890                 |

**CAPITAL ASSETS USED IN THE  
OPERATION OF GOVERNMENTAL FUNDS**

**CITY OF HURRICANE, UTAH**  
**Capital Assets Used in the Operation of Governmental Funds**  
**By Source**  
**For the Year Ended June 30, 2021**

|                                             | Balance<br>June 30, 2020 | Additions           | Deletions           | Balance<br>June 30, 2021 |
|---------------------------------------------|--------------------------|---------------------|---------------------|--------------------------|
| <b>Capital Assets</b>                       |                          |                     |                     |                          |
| Land, improvements and water rights         | \$ 19,385,642            | \$ 1,059,518        | \$ -                | \$ 20,445,160            |
| Construction in progress                    | 5,561,970                | 477,129             | 1,001,539           | 5,037,560                |
| Plant and equipment                         | 6,624,794                | 1,103,025           | 297,333             | 7,430,486                |
| Buildings                                   | 1,669,029                | 225,000             | -                   | 1,894,029                |
| Infrastructure                              | <u>52,792,623</u>        | <u>3,306,391</u>    | <u>-</u>            | <u>56,099,014</u>        |
|                                             | <u>\$ 86,034,058</u>     | <u>\$ 6,171,063</u> | <u>\$ 1,298,872</u> | <u>\$ 90,906,249</u>     |
| <b>Investment in Capital Assets From</b>    |                          |                     |                     |                          |
| General city revenues,<br>grants, and bonds | <u>\$ 86,034,058</u>     | <u>\$ 6,171,063</u> | <u>\$ 1,298,872</u> | <u>\$ 90,906,249</u>     |
|                                             | <u>\$ 86,034,058</u>     | <u>\$ 6,171,063</u> | <u>\$ 1,298,872</u> | <u>\$ 90,906,249</u>     |

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**CITY OF HURRICANE, UTAH**  
**Capital Assets Used in the Operation of Governmental Funds**  
**By Function and Activity**  
**For the Year Ended June 30, 2021**

| Functions and Activity                  | 6/30/2021            | Land and<br>Improvements | Construction<br>in progress |
|-----------------------------------------|----------------------|--------------------------|-----------------------------|
| <b>General government</b>               |                      |                          |                             |
| City council                            | \$ 19,214            | \$ -                     | \$ -                        |
| City manager                            | 177,609              | -                        | -                           |
| Court                                   | 18,293               | -                        | -                           |
| Personnel                               | 129,520              | -                        | -                           |
| Other - unclassified                    | 3,032,979            | 2,088,193                | -                           |
| <b>Public safety</b>                    |                      |                          |                             |
| Police                                  | 3,147,936            | -                        | -                           |
| Fire                                    | 732,924              | 6,942                    | -                           |
| Ambulance                               | 1,909                | -                        | -                           |
| Animal control                          | 122,853              | 50,000                   | -                           |
| <b>Highways</b>                         |                      |                          |                             |
| Airport                                 | 5,585,950            | 1,083,170                | 4,026,329                   |
| Maintenance                             | 2,610,240            | 1,835,639                | -                           |
| Street system                           | 59,433,075           | 2,897,631                | 358,334                     |
| Other - unclassified                    | 240,610              | 102,938                  | -                           |
| <b>Parks and recreation</b>             |                      |                          |                             |
| Golf                                    | 4,462,803            | 3,962,803                | -                           |
| Other - unclassified                    | 11,190,334           | 8,417,844                | 652,897                     |
| Total governmental funds capital assets | <u>\$ 90,906,249</u> | <u>\$ 20,445,160</u>     | <u>\$ 5,037,560</u>         |

| <u>Plant and<br/>equipment</u> | <u>Buildings</u>    | <u>Infrastructure</u> |
|--------------------------------|---------------------|-----------------------|
| \$ 19,214                      | \$ -                | \$ -                  |
| 177,609                        | -                   | -                     |
| 18,293                         | -                   | -                     |
| 129,520                        | -                   | -                     |
| 759,887                        | 184,899             | -                     |
| 2,841,137                      | 306,799             | -                     |
| 725,982                        | -                   | -                     |
| 1,909                          | -                   | -                     |
| 72,853                         | -                   | -                     |
| 70,551                         | 355,000             | 50,900                |
| 774,601                        | -                   | -                     |
| 237,516                        | -                   | 55,939,594            |
| 29,152                         | -                   | 108,520               |
| -                              | 500,000             | -                     |
| <u>1,572,262</u>               | <u>547,331</u>      | <u>-</u>              |
| <u>\$ 7,430,486</u>            | <u>\$ 1,894,029</u> | <u>\$ 56,099,014</u>  |

**CITY OF HURRICANE, UTAH**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes By Function and Activity**  
**For the Year Ended June 30, 2021**

| Functions and Activity                  | Balance<br>June 30, 2020 | Additions           | Deletions           | Balance<br>June 30, 2021 |
|-----------------------------------------|--------------------------|---------------------|---------------------|--------------------------|
| <b>General government</b>               |                          |                     |                     |                          |
| City council                            | \$ 19,214                | \$ -                | \$ -                | \$ 19,214                |
| City manager                            | 213,833                  | -                   | 36,224              | 177,609                  |
| Court                                   | 18,293                   | -                   | -                   | 18,293                   |
| Personnel                               | 129,520                  | -                   | -                   | 129,520                  |
| Other - unclassified                    | 2,801,149                | 231,830             | -                   | 3,032,979                |
| Total general government                | <u>3,182,009</u>         | <u>231,830</u>      | <u>36,224</u>       | <u>3,377,615</u>         |
| <b>Public safety</b>                    |                          |                     |                     |                          |
| Police                                  | 2,759,982                | 649,062             | 261,108             | 3,147,936                |
| Fire                                    | 732,924                  | -                   | -                   | 732,924                  |
| Ambulance                               | 1,909                    | -                   | -                   | 1,909                    |
| Animal control                          | 122,853                  | -                   | -                   | 122,853                  |
| Total public safety                     | <u>3,617,668</u>         | <u>649,062</u>      | <u>261,108</u>      | <u>4,005,622</u>         |
| <b>Highways</b>                         |                          |                     |                     |                          |
| Airport                                 | 5,226,685                | 359,265             | -                   | 5,585,950                |
| Maintenance                             | 2,610,240                | -                   | -                   | 2,610,240                |
| Street system                           | 55,953,590               | 3,479,485           | -                   | 59,433,075               |
| Other - unclassified                    | 240,610                  | -                   | -                   | 240,610                  |
| Total highways                          | <u>64,031,125</u>        | <u>3,838,750</u>    | <u>-</u>            | <u>67,869,875</u>        |
| <b>Parks and recreation</b>             |                          |                     |                     |                          |
| Golf                                    | 4,462,803                | -                   | -                   | 4,462,803                |
| Other - unclassified                    | 10,740,453               | 1,451,421           | 1,001,540           | 11,190,334               |
| Total parks and recreation              | <u>15,203,256</u>        | <u>1,451,421</u>    | <u>1,001,540</u>    | <u>15,653,137</u>        |
| Total governmental funds capital assets | <u>\$ 86,034,058</u>     | <u>\$ 6,171,063</u> | <u>\$ 1,298,872</u> | <u>\$ 90,906,249</u>     |

## **FEDERAL AND STATE REPORTS**



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**Independent Auditors' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Based on an Audit of Basic Financial Statements Performed  
in Accordance with *Government Auditing Standards***

To the Honorable Mayor and  
Members of the City Council  
Hurricane, Utah 84737

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Hurricane, Utah, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City of Hurricane's basic financial statements and have issued our report thereon dated December 15, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



HintonBurdick, PLLC  
St. George, Utah  
December 15, 2021



**Independent Auditors' Report on Compliance and  
Report on Internal Control Over Compliance  
As Required by the *State Compliance Audit Guide***

To the Honorable Mayor and  
Members of the City Council  
Hurricane, UT 84737

**Report On Compliance with General State Compliance Requirements**

We have audited Hurricane City's compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor for the year ended June 30, 2021.

State compliance requirements were tested for the year ended June 30, 2021 in the following areas:

- Budgetary Compliance
- Fund Balance
- Justice Courts
- Restricted Taxes and Related Revenues
- Fraud Risk Assessment
- Government Fees

***Management's Responsibility***

Management is responsible for compliance with the state requirements referred to above.

***Auditor's Responsibility***

Our responsibility is to express an opinion on Hurricane City's compliance based on our audit of the state compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about Hurricane City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirement referred to above. However, our audit does not provide a legal determination of Hurricane City's compliance with those requirements.

### ***Opinion on Compliance***

In our opinion, Hurricane City complied, in all material respects, with the state compliance requirements referred to above for the year ended June 30, 2021.

### ***Other Matters***

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the State Compliance Audit Guide and which is described in the accompanying schedule of findings and recommendations as item 2020-001. Our opinion on compliance is not modified with respect to this matter.

Hurricane City's response to the noncompliance finding identified in our audit is described in the accompanying response to findings, Hurricane City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report On Internal Control Over Compliance**

Management of Hurricane City is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered Hurricane City's internal control over compliance with the state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Hurricane City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control and compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

*HintonBurdick, PLLC*

HintonBurdick, PLLC  
St. George, Utah  
December 15, 2021

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**Schedule of Findings and Recommendations  
For the Fiscal Year Ended June 30, 2021**

Kaden DeMille  
Honorable Mayor  
And City Council  
Hurricane, UT 84737

Ladies and Gentlemen:

Professional standards require that we communicate, in writing, deficiencies in internal control over financial reporting that are considered significant deficiencies or material weaknesses that are identified during the audit of the financial statements. During our audit of Hurricane City, Utah for fiscal year ended June 30, 2021, we noted the following circumstance that, if improved, would strengthen the City's compliance with State Laws. This item is discussed below for your consideration.

**Internal Control Findings:**

None noted

**State Compliance Findings:**

**2020-001 Budgetary Compliance**

Criteria: Utah code 10-6-123 prohibits incurring expenditures in excess of total appropriations in the budget as adopted or as subsequently amended.

Condition: At year end, the Golf Fund expenditures, including transfers, exceeded the approved budgeted amounts by \$51,279.

Cause: Controls for monitoring and/or adjusting the budget did not identify and adjust for budget overruns at year-end.

Effect: Budget overruns occurred without budget approval from the City Council.

Recommendation: We recommend the City operate within the confines of the budget by limiting expenditures or following controls to adjust budgets as necessary.



Please respond to the above findings and recommendation in letter form for submission to the Utah State Auditor's office as required by state law.

This letter is intended solely for the use of the Mayor, City Council and management and is not intended to be used and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

It has been a pleasure to be of service to the City this past year. We would like to express special thanks to each member of the staff who assisted us so efficiently in this year's audit. We found each member of the staff to be very helpful and cheerful. Particularly, a great deal of time was required by the city manager, Kaden DeMille. We invite you to ask questions of us throughout the year as you feel necessary.

We look forward to a continued pleasant professional relationship.

Sincerely,



HintonBurdick, PLLC  
St. George, Utah  
December 15, 2021

## **HURRICANE CITY'S RESPONSE TO FINDINGS**

**Mayor**  
John Bramall

**City Manager**  
Kaden C. DeMille



**City Council**  
Nanette Billings  
Darin Larson  
Joseph Prete  
David Sanders  
Kevin Tervort

Response to the schedule of findings and recommendations. Audit year June 30, 2021.

Finding 2021-001 Budgetary Compliance.

The finding for the Golf Fund is correct. There were a few more expenditures than what was estimated. In the future we will make amendments when the fund expenditures are expected to be 95% of budget and above, in anticipation of expenditures that may occur.

## **STATISTICAL SECTION**

# **CITY OF HURRICANE** **Required Bond Disclosures**

## **Note 1. Utility Rate Information**

|                                    |       |
|------------------------------------|-------|
| Water Connections                  | 8,076 |
| Pressurized Irrigation Connections | 1,406 |
| Power Connections                  | 7,798 |

|             |                            |
|-------------|----------------------------|
| Water usage | 1,438,175,000 gallons      |
| Power Usage | 136,651,446 kilowatt hours |

|                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Residential Water Rates | \$16.83 base rate plus usage:<br>\$1.03 per 1,000 gallons for the 1 <sup>st</sup> 5,000 gallons<br>\$1.08 per 1,000 gallons for the next 5,000 gallons<br>\$1.13 per 1,000 gallons for the next 10,000 gallons<br>\$1.30 per 1,000 gallons for the next 10,000 gallons<br>\$1.47 per 1,000 gallons for the next 10,000 gallons<br>\$1.71 per 1,000 gallons for the next 20,000 gallons<br>\$1.94 per 1,000 gallons for usage above 60,000 gallons. |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

|                               |                    |
|-------------------------------|--------------------|
| Pressurized Irrigation Rates: | \$12.00 per month. |
|-------------------------------|--------------------|

|                         |                                                                                                                                                               |
|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Residential Power Rates | \$19.00 base rate plus usage:<br>\$.0707 per kilowatt up to 800 kWh.<br>\$.0808 per kilowatt from 800 to 1,200 kWh<br>\$.0908 per kilowatt up above 1,200 kWh |
|-------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|

## **Note 2. Insurance Coverage**

Insurance coverage for Hurricane City for fiscal year 2020 was as follows:

| <u>Insurer</u>              | <u>Insurance Type</u> | <u>Amount of Coverage</u> | <u>Policy Number</u> |
|-----------------------------|-----------------------|---------------------------|----------------------|
| Utah Local Government Trust | General Liability     | 5,000,000                 | 11830-GL2014         |
| Utah Local Government Trust | Auto Liability        | 5,000,000                 | 11830-GL2013         |

|                             |                   |                |
|-----------------------------|-------------------|----------------|
| Utah Local Government Trust | Property Coverage | ULGT-APDP-2010 |
|-----------------------------|-------------------|----------------|

|                            |           |
|----------------------------|-----------|
| Police Building            | 2,839,940 |
| Street Shop                | 509,718   |
| Museums                    | 469,925   |
| Power Building             | 4,100,113 |
| Swimming Pool              | 838,035   |
| City Office                | 1,657,941 |
| Pavilion                   | 59,766    |
| Animal Shelter             | 387,911   |
| Brentwood Substation       | 1,302,527 |
| Parks Office               | 456,653   |
| Community Center           | 4,260,708 |
| Fine Arts Center           | 2,392,436 |
| Water Shop                 | 432,487   |
| Water Offices              | 910,837   |
| Airport Hangar-Police      | 270,000   |
| Airport Hangar-Manager     | 142,415   |
| Airport Hangar             | 198,000   |
| Airport Terminal           | 93,137    |
| Concession Stand/Restrooms | 114,111   |
| Dog Pavilion               | 26,524    |
| Pro Shop/Diner             | 851,142   |
| Pumphouse                  | 432,906   |
| Quonset Hut                | 250,540   |
| Storage Facilities         | 332,108   |
| Restroom Buildings         | 373,494   |
| 100 W. Home                | 175,000   |
| Electrical Substation      | 287,056   |

|                             |                      |
|-----------------------------|----------------------|
| Utah Local Government Trust | Workers Compensation |
|-----------------------------|----------------------|

|      |         |
|------|---------|
| PEHP | Medical |
|------|---------|

|                             |                      |           |                  |
|-----------------------------|----------------------|-----------|------------------|
| Utah Local Government Trust | Auto & Equipment     | 5,000,000 | 11830-GL2014     |
| ACE USA                     | Airport Liability    | 2,000,000 | AAPN02203443 007 |
| Utah Local Government Trust | Police Department    | 5,000,000 | 11830-GL2014     |
| Utah Local Government Trust | Public Officials E&O | 5,000,000 | 11830-GL2014     |

| <b>Note 3. Population.</b> | <u>Census<br/>Count</u> | <u>Population<br/>Increase</u> | <u>Percent<br/>Increase</u> | <u>Average<br/>Yearly</u> |
|----------------------------|-------------------------|--------------------------------|-----------------------------|---------------------------|
| 1980 Census                | 2,315                   |                                |                             |                           |
| 1990 Census                | 3,915                   | 1,600                          | 69.11%                      | 6.91%                     |
| 2000 Census                | 8,250                   | 4,335                          | 110.73%                     | 11.07%                    |
| 2010 Census                | 13,748                  | 5,498                          | 66.64%                      | 6.66%                     |
| 2020 Census                | 20,036                  | 7,503                          | 45.74%                      | 5.08%                     |
| 2021 Estimate              | 21,601                  | 1,565                          | 7.81%                       | .87%                      |

**Note 4. Full Time Employees.**

|                         | <u>2017-18</u> | <u>2018-19</u> | <u>2019-20</u> | <u>2020-21</u> |
|-------------------------|----------------|----------------|----------------|----------------|
| Administration          | 6              | 7              | 9              | 8              |
| Building & Planning     | 5              | 5              | 5              | 4              |
| Courts & Prosecutor     | 4              | 3              | 4              | 4              |
| Public works & Engineer | 5              | 6              | 6              | 6              |
| Golf Course             | 8              | 9              | 9              | 8              |
| Water                   | 9              | 9              | 9              | 8              |
| Power                   | 11             | 11             | 13             | 13             |
| Streets                 | 7              | 6              | 6              | 5              |
| Parks & Cemetery        | 8              | 11             | 11             | 11             |
| Police & Animal Control | 32             | 34             | 34             | 39             |
| Recreation              | 4              | 6              | 4              | 3              |
| Total                   | <u>99</u>      | <u>107</u>     | <u>110</u>     | <u>109</u>     |



December 15, 2021

To the Mayor & City Council of  
Hurricane City  
Hurricane, Utah

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of Hurricane City for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 8, 2021. Professional standards also require that we communicate to you the following information related to our audit.

#### Significant Audit Findings

##### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Hurricane City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during fiscal year 2021.

We noted no transactions entered into by Hurricane City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting Hurricane City's financial statements were:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, management's estimates have been determined on the same basis as they are reported by the Utah Retirement Systems (URS). The City's net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. Allocations between governmental activities and business-type activities are based on the pro-rata share of payroll. The key factors and assumptions used to develop the valuation and the accrual appear reasonable in relation to the financial statements taken as a whole.



Management's estimate of depreciation expense is based on the assigned depreciation lives of the assets. We evaluated the key factors and assumptions used to develop depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the compensated absences accrual is based on current pay rates and accrued vacation and sick pay hours. We evaluated the key factors and assumptions used to develop the compensated absences accrual in determining that it is reasonable in relation to the financial statements taken as a whole

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. All of the misstatements detected as a result of audit procedures were corrected by management. A copy of our adjustments can be obtained from management.

#### *Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated December 15, 2021.

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### Other Matters

We applied certain limited procedures to management's discussion and analysis, budgetary comparison for the general fund, and pension-related schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.



We were engaged to report on the combining nonmajor fund financial statements and the capital asset schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the mayor, city council, management of Hurricane City, and various state and federal agencies and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



HintonBurdick, PLLC



**TELECOMMUNICATIONS FRANCHISE AGREEMENT  
BETWEEN THE CITY OF HURRICANE UTAH  
AND INFOWEST, INC**

**THIS TELECOMMUNICATIONS FRANCHISE AGREEMENT** (this “Agreement”) is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2022 (the “Effective Date”) by and between **Hurricane City**, a municipal corporation and political subdivision of the State of Utah, with principal offices at **147 N 870 W, Hurricane, Utah 84737** (the “City”) and **InfoWest Inc,** a telecommunications corporation with its principle offices at **435 E Tabernacle St, St. George, Utah 84770** (the “Provider”). The CITY and the PROVIDER may sometimes be referred to herein collectively as the “Parties”.

**RECITALS**

**WHEREAS**, the Provider desires to provide telecommunications services within the City and, in connection therewith, to establish a telecommunications network in, under, along, over and across present and future rights-of-way of the City which consists of telecommunication lines, cables, and all other necessary appurtenances (the “System”); and

**WHEREAS**, after extensive consideration, the City, in exercising its management of public rights-of-way, has determined that it is in the best interest of the public to provide the Provider a non-exclusive franchise agreement to operate a telecommunications network within the City; and

**WHEREAS**, the City and the Provider have negotiated an arrangement whereby the Provider may provide its services within the City pursuant to the terms and conditions outlined in the Agreement and all applicable City ordinances, and subject to the further reasonable regulation under the City’s police and other regulatory power.

**AGREEMENT**

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements of the Parties contained herein, and for other good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged, the City and the Provider hereby agree as follows:

## **ARTICLE I FRANCHISE AGREEMENT**

**1.1 Agreement.** Upon approval by the City Council and execution by both Parties, this Agreement shall be deemed to constitute a binding contract by and between the City and the Provider.

**1.2 Grant of Franchise.** The City, through this Agreement, hereby grants to the Provider the non-exclusive right, privilege, and franchise to install, repair, maintain, remove and replace its telecommunications system on, in, under, over and across the present and future public rights-of-way in the City in order to provide services.

**1.3 Licenses.** The Provider hereby acknowledges that it has, or will, obtained any and all necessary approvals, licenses or permits required by federal, state and local law to provide telecommunication services consistent with the provisions of this Agreement.

**1.4 Financial Capability.** The Provider hereby warrants that it has the financial capability to construct, maintain, and operate a telecommunications network and to otherwise comply with the provisions of this Agreement.

**1.5 Relationship of Parties.** Nothing herein shall be deemed to create a joint venture or principal-agent relationship between the Parties, and neither Party is authorized to nor shall either Party act toward third persons or the public in a manner that would indicate any such relationship.

**1.6 Pole Attachments.** This franchise grants to the Provider the right to use City poles, conduit, or other facilities. Provider must work with the city for approval of such use.

## **ARTICLE II FRANCHISE FEE**

### **2.1 Franchise Fee.**

a. This agreement is subject to the Utah Municipal Telecommunications License Tax Act Title 10, Chapter 1, Sections 401 through 410, Utah Code Annotated, 1953 as amended, enrolled at the time this agreement is signed or as may be amended. Provider shall pay the City's municipal telecommunications license tax at the rate of **3.5%** of the gross receipts from telecommunications service attributed to the municipality. Said tax shall be paid through the Utah State Tax Commission.

b. All payments shall be made to the Utah State Tax Commission, whose current address is as follows:

Utah State Tax Commission  
210 North 1950 West  
Salt Lake City, Utah 84134

c. Payments are due to the Utah State Tax Commission within forty-five (45) days after receipt by the Provider. Interest shall accrue on late payments at the rate of 1 ½% per month until paid. Compliance by the Provider with the terms and provisions of the Municipal Telecommunications Tax Act, and any rules and regulations promulgated thereunder, shall satisfy all requirements of this Agreement with respect to the calculation and payment of the Franchise Fee.

d. The City and the Provider hereby agree to negotiate in good faith any amendments to this Agreement as shall be necessary to accommodate changes in the Franchise Fee including payment provisions; provided, however, such new or changed provisions shall substantially confirm with the provisions contained in any permits held by other similarly situated companies.

e. City shall have access to any and all of Provider's business records upon reasonable notice for the purpose of auditing compliance with the above tax provisions.

f. The Provider hereby represents to the City that one of the purposes for entering into this Agreement is to obtain authority to build a network within the City to provide telecommunication services to customers within the City.

**2.2 Equal Treatment.** The City hereby agrees that if any service forming part of the base for calculating the Franchise Fee under this Agreement is, or becomes, subject to competition from a third party, the City will either impose and collect from any such third party a fee or tax on gross revenues from such competing service in the same percentage identified herein, plus the percentage specified as a utility revenue tax or license fee in the then-current ordinances of the City, or to waive collection of the fee(s) provided for herein that are subject to such competition.

## **ARTICLE III TERM AND RENEWAL**

**3.1 Term and Renewal.** The franchise granted to the Provider herein shall be for a period of twenty (20) years commencing on the Effective Date first set forth above in this Agreement unless this Agreement is terminated sooner as provided herein. At the end of the initial twenty (20) year term of this Agreement, the franchise granted herein may be renewed by the City and the Provider upon the same terms and conditions as contained in this Agreement for an additional ten (10) year term, by the Provider providing to the City's representative designated herein written notice of the Provider's intent to renew not less than ninety (90) calendar days before the expiration of the initial franchise term.

**3.2 Rights of Provider upon Expiration or Revocation.** Upon expiration of this Agreement, whether by lapse of time, by agreement between the Parties, or by revocation or forfeiture, the Provider shall have the right to remove from the City's rights-of-way any and all of its system; however, in such an event, it shall be the duty of the Provider, immediately upon such removal, to restore the rights-of-way for which such system is removed to as good a condition as the same was before the removal was affected.

**3.3 Rights of City upon Expiration or Revocation.** Upon expiration of the term of this Agreement, forfeiture, or lawful revocation of this Agreement, and if no renewal or extension thereof is agreed upon, the Provider may, at the discretion of the City Council, be required, in part or entirely, to remove all its wires, poles, fixtures, and other facilities or equipment installed or used in the enjoyment of the franchise. Alternatively, the removal or sale of such facilities and equipment may be directed, limited, or conditioned by the City by agreement between the Parties or through means of other lawful municipal power or right. The City may continue to invoke any or all provisions of this franchise Agreement against the Provider or any successor entity enjoying de facto franchise privileges after expiration or revocation. The City and the Provider shall work together to take all other actions deemed by the City as necessary and proper to accommodate the transition to any successor as may be in the best interest of the City or its inhabitants and the Provider.

## **ARTICLE IV USE AND RELOCATION OF FACILITIES IN THE PUBLIC RIGHTS-OF-WAY**

**4.1 Franchise Rights to Use the Public Rights-of-Way.** The Provider shall have the right to use the public rights-of-way within the City to construct and maintain its network subject to the conditions set forth in this Agreement; provided, however, that the Provider shall not, pursuant to this Agreement, place any new poles, mains, cables, structures, pipes, conduits, or

wires on, in, under, along, over, across or within any right-of-way, City park, pleasure ground, or other recreational area currently existing or developed in the future without a permit from the City. Nothing contained herein shall preclude the City from granting a revocable permit for such purpose. In addition, the Provider shall have the right to utilize any easements across private property granted to the City for utility purposes; provided, however, that the Provider obtain the City's prior written permission in each case and the documents granting any such easements to the City to authorize such use. The Provider specifically understands and acknowledges that certain City easements and rights-of-way may be prescriptive in nature, and that nothing in this Agreement extends permission to use the easement or right-of-way beyond the extent that the City may have acquired, and such easements and rights-of-way may be subject to third party prior or after-acquired interests. The Provider is cautioned to examine each individual easement and right-of-way and the legal arrangement between the City and adjacent property owners. The City assumes no duty or obligation to defend any interest in any easement or right of-way, and the Provider remains solely responsible to make any arrangements required as a result of other persons claiming an interest in the City easement or right-of-way.

**4.2 Provider Duty to Relocate; Subordination to City Use.** Whenever the City, for any lawful public purpose, shall require the relocation or reinstallation of any property of the Provider or the Provider's successors in any of the streets, alleys, rights-of-way, or public property of the City, it shall be the obligation of the Provider, upon notice of such requirement and written demand made of the Provider, and within a reasonable time thereof, but not less than thirty (30) calendar days, to remove and relocate or reinstall such facilities as may be reasonably necessary to meet the requirements of the City. Such relocation, removal, or reinstallation by the Provider shall be at no cost to the City; provided, however, that the Provider and its successors and assigns may maintain and operate such facilities, with the necessary appurtenances, in the new location or locations without additional payment, if the new location is a public place. Notwithstanding the foregoing, the duty of the Provider to install or relocate its lines underground shall be subject to the provisions of Article IV, Paragraph 4.4 below. Any money and all rights to reimbursement from the State of Utah or the federal government to which the Provider may be entitled for work done by the Provider pursuant to this Paragraph shall be the property of the Provider. The City shall assign or otherwise transfer to the Provider all rights the City may have to recover costs for such work performed by the Provider and shall reasonably cooperate with the Provider's efforts to obtain reimbursement. In the event the City has required the Provider to relocate its facilities to accommodate a private third party, the City shall use good faith to require such third party to pay the costs of any such relocation. Notwithstanding anything to the contrary herein, the Provider's use of the right-of-way shall in all matters be subordinate to the City's use of the right-of-way for any public purpose. The City and the Provider shall coordinate the placement of their respective facilities and improvements in a manner which minimizes adverse impact on each other. Where placement is not otherwise regulated, the

facilities shall be placed with adequate clearance from such public improvements so as not to impact or be impacted by such public improvements.

**4.3 Duty to Obtain Approval to Move Provider Property; Emergencies.** Except as otherwise provided herein, the City, without the prior written approval of the Provider, shall not intentionally alter, remove, relocate, or otherwise interfere with any Provider facilities. Approval by Provider will not be unreasonable withheld. However, if it becomes necessary (in the judgment of the Mayor, City Council, City Engineer, Fire Chief, Police Chief, or their designees) to cut, move, remove, or damage any of the cables, appliances, or other fixtures of the Provider because of a fire, emergency, disaster, or other imminent threat thereof, these acts may be done without prior written approval of the Provider, and the repairs thereby rendered necessary shall be made by the Provider, without charge to the City. Should the City take actions pursuant to this section, the Provider shall indemnify, defend, and hold the City harmless from and against any and all claims, demands, liens, or liability for (a) loss or damage to the Provider's property; and/or (b) interruptions of telecommunications services provided by the use of or through the Provider's property (including telecommunications services provided by the Provider to the Provider's customers), whether such claims, demands, liens, or liability arise from or are brought by the Provider, its insurers, the Provider's customers, or third parties. If, however, the City requests emergency funding reimbursement from federal, state or other governmental sources, the City shall include in its request the costs incurred by the Provider to repair facilities damaged by the City in responding to the emergency. Any funds received by the City on behalf of the Provider shall be paid to the Provider within thirty (30) business days.

**4.4 Location to Minimize Interference.** All lines, poles, towers, pipes, conduits, equipment, property, structures, and assets of the Provider shall be located so as to minimize interference with the use of streets, alleys, rights-of-way, and open property by others and shall reasonably avoid interference with the rights of owners of property that abuts any of said streets, alleys, rights-of-way, or public property.

**4.5 Repair of Damage.** If, during the course of work on its facilities, the Provider causes damage to or alters any street, alley, right-of-way, sidewalk, utility, public improvement, or other public property, the Provider, at its own cost and expense and in a manner approved by the City, shall promptly and completely restore such street, alley, right-of-way, sidewalk, utility, public improvement, or other public property to its previous condition in accordance with applicable City ordinances, policies and regulations relating to repair work of similar character to the reasonable satisfaction of the City. Except in cases of emergency, the Provider, prior to commencing work in the public way, street or public property, shall make application for a permit to perform such work from the City Engineer or other department or division designated by the City. Provider shall also be required to obtain a road break permit from the Public Works



Department. Such permit shall not be unreasonably withheld. The Provider shall abide by all reasonable regulations and requirements of the City for such work.

**4.6 Guarantee of Repairs.** For a period of eighteen (18) months following the completion of the repair work performed pursuant to Paragraph 4.5 above, the provider shall maintain, repair, and keep in good condition those portions of said streets, alleys, rights-of-way, or public property restored, repaired or replaced to the satisfaction of the City. Provider will comply with all applicable City Ordinances related to the posting of bonds and guarantee of repairs.

**4.7 Safety Standards.** It shall be the Provider's responsibility to ensure that the Provider's work, while in progress, be properly protected at all times with suitable barricades, flags, lights, flares, or other devices as are reasonably required by applicable safety regulations or standards imposed by law including, but not limited to, signage in conformance with the Federal and State of Utah manuals on Uniform Traffic Control Devices.

**4.8 City Supervision.** The Provider shall construct, operate, and maintain its network within the City in strict compliance with all laws, ordinances, rules, and regulations of the City and any other agency having jurisdiction over the operations of the Provider. The Provider's network and all parts thereof within the City shall be subject to the right of periodic inspection by the City; provided, however, that such inspection shall be conducted at reasonable times and upon reasonable notice to the Provider.

**4.9 Provider's Duty to Remove Network.**

a. The Provider shall promptly remove, at its own cost and expense, from any public property within the City, all or any part of the network when one or more of the following conditions occur:

- i. This franchise grant is terminated or revoked pursuant to notice as provided herein; or
- ii. This franchise grant expires pursuant to the terms of this Agreement.

b. The removal of any or all of the network by the Provider that requires trenching or other opening of the City's streets shall be done only after the Provider complies with applicable City Ordinances related to opening City Streets.

c. The Provider shall receive notice in writing from the City setting forth one (1) or more of the occurrences specified in Subsection 4.9 (a) above and shall have ninety (90) calendar days from the date upon which said notice is received to remove or abandon such facilities.

**4.10 Notice of Closure of Streets.** Except in cases of emergency, the Provider shall notify the City not less than three (3) business days in advance of any construction, reconstruction, repair, or relocation of facilities which would require any street closure which reduces traffic flow to less than two (2) lanes of moving traffic. Except in the event of an emergency, as reasonably determined by the Provider, no such closure shall take place without prior authorization from the City. In addition, all work performed in the traveled way or which in any way impacts vehicular or pedestrian traffic shall be properly signed, barricaded, and otherwise protected as required by Paragraph 4.7 above, and the City shall receive no less than 48 hours' notice of said closure.

**4.11 Agreement to Abide by Construction and Technical Requirements.** In addition to the provisions of this Article 4, the Provider expressly agrees to comply with all other provisions of City governing the construction and technical requirements of the Provider's network and system.

## **ARTICLE V POLICE POWERS**

**5.1 Police Powers.** The City hereby expressly reserves, and the Provider hereby expressly recognizes, the City's right and duty to adopt, from time to time, in addition to provisions herein contained, such ordinances and rules and regulations as the City may deem necessary in the exercise of its police power for the protection of the health, safety and welfare of its citizens and their properties.

## **ARTICLE VI SEVERABILITY**

**6.1 Severability.** If any section, sentence, paragraph, term or provision of this Agreement is for any reason determined to be or rendered illegal, invalid or superseded by other lawful authority, including any state or federal, legislative, regulatory or administrative authority having jurisdiction thereof, or is determined to be unconstitutional, illegal or invalid by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such determination shall have no effect on the validity of any other section, sentence, paragraph, term or provision, all of which shall remain in full force and effect for the term of this Agreement or any renewal or renewals thereof. Provided that if the invalidated portion is considered a material consideration for entering into this Agreement, the Parties shall negotiate, in good faith, an amendment to this Agreement. As used herein, "material consideration" for the City is its ability to collect the Franchise Fee during the term of this

Agreement and its ability to manage its rights-of-way in a manner similar to that provided in this Agreement and the City's excavation ordinance. For the Provider, "material consideration" is its ability to use the rights-of-way for telecommunication purposes in a manner similar to that provided in this Agreement and the City's excavation ordinance.

## **ARTICLE VII**

### **EARLY TERMINATION; REVOCATION OF FRANCHISE; OTHER REMEDIES**

**7.1 Grounds for Termination.** The City may terminate or revoke this Agreement and all rights and privileges herein provided for any of the following reasons:

a. The Provider fails to make timely payments of the Franchise Fee as required under Article II of this Agreement and does not correct such failure within sixty (60) calendar days after written notice by the City of such failure;

b. The Provider, by act or omission, materially violates a material duty herein set forth in any particular within the Provider's control, and with respect to which redress is not otherwise herein provided. In such event, the City, acting by or through its City Council, may determine, after a hearing, that such failure is of a material nature, and thereupon, after written notice giving the Provider notice of such determination, the Provider, within sixty (60) calendar days of such notice, shall commence efforts to remedy the conditions identified in the notice and shall have ninety (90) calendar days from the date it receives notice to remedy the conditions. After the expiration of such ninety (90) day period and failure to correct such conditions, the City may declare the franchise forfeited and this Agreement terminated, and thereupon, the Provider shall have no further rights or authority hereunder; provided, however, that any such declaration of forfeiture and termination shall be subject to judicial review as provided by law, and provided further, that in the event such failure is of such nature that it cannot be reasonably corrected within the ninety (90) day time period provided above, the City shall provide additional time for the reasonable correction of such alleged failure if the reason for the non-compliance was not the intentional or negligent act or omission of the Provider;

c. The Provider becomes insolvent, unable or unwilling to pay its debts; is adjudged bankrupt; or all or part of its facilities should be should under an instrument to secure a debt and is not redeemed by the Provider within sixty (60) calendar days; or

d. In furtherance of the Provider's policy or through acts or omissions done within the scope and course of employment, a director or officer of the Provider knowingly engages in conductor makes a material misrepresentation with or to the City that is fraudulent or in violation of a felony criminal statute of the State of Utah.

## **ARTICLE VIII NOTICES**

**8.1 City Designee and Address.** The Mayor of the City or his/her designee(s) shall serve as the City's representative regarding administration of this Agreement. Unless otherwise specified herein, all notices from the Provider to the City pursuant to or concerning this Agreement shall be delivered to the City's representative at 147 N 870 W, Hurricane, Utah 84737, or other such officer and address as the City may designate by written notice to the Provider.

**8.2 Provider Designee and Address.** Unless otherwise specified herein, all notices from the City to the Provider pursuant to or concerning this Agreement shall be delivered to 435 E Tabernacle St, St. George Utah, 84770; with a copy to General Counsel at the same address.

**8.3 Failure of Designee.** The failure or omission of the City's or the Provider's representative to act shall not constitute any waiver or estoppel by the City or the Provider.

## **ARTICLE IX INSURANCE AND INDEMNIFICATION**

**9.1 No Liability.** Except as otherwise specifically provided herein, the City shall in no way be liable or responsible for any loss or damage to property, including financial or business loss (whether direct, indirect, or consequential), or any injury to or death of any person(s) that may occur in the construction, operation, or maintenance by the Provider of any of its lines and appurtenances hereunder, except to the extent of the City's own negligence or willful misconduct. Notwithstanding any other provision of this Agreement, in no event shall either Party be liable for any consequential, special, incidental, punitive, indirect or similar damages.

**9.2 Provider Indemnification of City.** The Provider shall indemnify and, at the City's option, defend and hold the City, its elected and appointed officers, agents, and employees thereof, harmless from and against any and all claims, suits, actions, liability and judgments for damages or otherwise harmless from and against claims, demands, liens, and all liability or damage of whatsoever kind on account of or arising from the exercise by the Provider of the related rights, or from the operations of the Provider within the City, and shall pay the costs of defense plus reasonable attorneys' fees. Said indemnification shall include, but not be limited to, the Provider's negligent acts or omissions pursuant to its use of the rights and privileges of this Agreement including construction, operation and maintenance of telecommunications lines and

appurtenances, whether or not any such use, act or omission complained of is authorized, allowed, or prohibited by this Agreement.

**9.3 Notice of Indemnification.** The Provider shall give prompt written notice to the City of any claim, demand or lien that may result in a lawsuit against the City. The City shall ( i) give prompt written notice to the Provider of any claim, demand or lien with respect to which the City seeks indemnification hereunder; and (ii) unless, in the City' s sole judgment, a conflict of interest may exist between the City and the Provider with respect to such claim, demand or lien, permit the Provider to assume the defense of such claim, demand or lien with counsel satisfactory to the City. If such defense is not assumed by the Provider, the Provider shall not be subject to any liability for any settlement made without its consent. Notwithstanding any provision hereof to the contrary, the Provider shall not be obligated to indemnify, defend or hold the City harmless to the extent any claim, demand or lien arises out of or in connection with a breach by the City of any obligation under this Agreement or any negligent or otherwise tortious act or failure to act of the City or any of its elected or appointed officers, agents, or employees.

**9.4 Insurance.** The Provider shall file a Certificate of Insurance with the City prior to commencing any action pursuant to this Agreement, and shall at all times thereafter maintain in full force and effect, at its sole expense, an acceptably policy or policies which have one (1) of the three (3) highest or best rating from the Alfred M. Best Company of liability insurance, including comprehensive liability insurance. The policy(ies) shall name the City as an additional insured and in their capacity as such, also the City' s elected and appointed officers, agents, and employees. Policies of insurance shall be in the minimum single limit amount of three million dollars (\$2,000,000) per occurrence. The insurer(s) shall be authorized to write the required insurance in the State of Utah. The policy(ies) of insurance shall be maintained by the Provider in full force and effect during the full term of this franchise Agreement. Each policy of insurance shall contain a statement on its face that the insurer(s) will not cancel the policy or fail to renew the policy, whether for nonpayment of premium or otherwise, and whether at the request of the Provider or for other reasons, except after thirty (30) calendar days' advance written notice mailed by the insurer(s) to the City, and that such notice shall be transmitted postage prepaid.

**9.5 City's Right to Intervene.** In any suit in which the City is named as a party and which seeks indemnification from the Provider, and in which the City, in its own reasonable discretion, believes that a conflict of interest with the Provider exists, the City shall have the right to provide its own defense in connection with the same. In such event, in addition to being reimbursed for any judgment that may be rendered against the City which is subject to indemnification hereunder, together with all court costs incurred therein, the Provider shall reimburse the City for all reasonable attorneys' fees including those employed by the City in such case (s), as well as all reasonable expenses incurred by the City by reason of undertaking the defense of such suit(s),

whether such suit(s) are successfully defended, settled, compromised, or fully adjudicated against the City.

**9.6 No Creation of Private Cause of Action.** The provisions set forth herein are not intended to create liability for the benefit of third parties, but is solely for the benefit of the Provider and the City. In the event any claim is made against the City that falls under these indemnity provisions and a court of competent jurisdiction should adjudge, by final decree, that the City is liable therefore, the Provider shall indemnify and hold the City harmless of and from any such judgment or liability, including any court costs, expenses, and attorneys' fees incurred by the City in defense thereof. Nothing herein shall be deemed to prevent the Parties indemnified and held harmless herein from participating in the defense of any litigation by their own counsel at their own expense. Such participation shall not, under any circumstances, relieve the Provider from its duty of defense against liability or paying any judgment entered against such party.

**9.7 Performance Bonds and/or Cash Bonds and other Surety.** To ensure completion of the Provider's performance of its obligations hereunder, the Provider shall furnish to the City a performance bond and/or cash bond from an insurer or guarantor that is acceptable to the City prior to commencing any action pursuant to this Agreement. At the City's sole discretion, and based on the project, a performance bond and/or cash bond may be required.

## **ARTICLE X REMEDIES**

**10.1 Duty to Perform.** The Provider and the City hereby agree to take all reasonable and necessary actions to assure that the terms of this Agreement are performed.

**10.2 Remedies at Law.** In the event the Provider or the City fail to fulfill any of their respective obligations under this Agreement, the City or the Provider, whichever the case may be, shall have a breach of contract claim and remedy against the other in addition to any other remedy provided by law, provided that no remedy that would have the effect of amending the specific provisions of this Agreement shall become effective without such action that would be necessary to formally amend the Agreement.

**10.3 Third Party Beneficiaries.** The benefits and protections provided by this Agreement shall inure solely to the benefit of the City and the Provider. This Agreement shall not be deemed to create any right in any person who is not a Party hereto and shall not be construed in any respect to be a contract in whole or in part for the benefit of any third party (other than the permitted successors and assigns of a Party hereto.)

**10.4 Reserved Rights.** Nothing contained herein shall be deemed to preclude the Provider from pursuing any legal or equitable rights or remedies it may have to challenge the action of the City.

**10.5 Force Majeure.** The Provider shall not be held in default or non-compliance with the provisions of this Agreement, nor suffer any enforcement or penalty relating thereto, where such non-compliance or alleged defaults are caused by strikes, acts of God, power outages, or other events reasonably beyond the Provider's ability to control; however, the Provider shall not be relieved of any of its obligations to comply promptly with any provision of this Agreement by reason of any failure of the City to enforce such prompt compliance.

**10.6 No Waiver.** Nothing herein shall be construed as to imply that the City waives any right, payment, or performance based on future legislation where said legislation impairs this Agreement in violation of the United States or Utah Constitutions.

## **ARTICLE XI TRANSFER OF FRANCHISE**

**11.1 Written Approval Required to Transfer.** The Provider shall not transfer or assign any rights under this Agreement or the franchise granted herein to another entity unless the City first gives its approval in writing, which approval shall not be unreasonably withheld or delayed; provided, however, that the Provider may fully assign the franchise contained herein to its corporate parent, a corporate affiliate or a subsidiary, and also that inclusion of the franchise as property subject to the liens of the Provider's mortgages or other security interests shall not constitute a transfer or assignment. A lease of the Provider's system to a third party shall not constitute a transfer or assignment of the franchise for purposes of this Agreement. Any attempted assignment or transfer without such prior written consent shall constitute a default of the franchise and this Agreement. In the event of such a default, the City shall proceed according to the procedures set forth in this Agreement and any applicable state, federal or local law.

**11.2 Procedure for Obtaining Approval for Transfer.** At least ninety (90) calendar days before a proposed assignment or transfer of the Provider's franchise is scheduled to become effective, the Provider shall petition in writing for the City Councils written consent for such a proposed assignment or transfer. The City shall not unreasonably withhold its consent to such an assignment or transfer. However, in making such a determination, the City Council may consider the following:

a. Experience of the proposed assignee or transferee (including conducting an investigation of the proposed assignee or transferee's service record in other communities);

- b. Qualifications of the proposed assignee or transferee;
- c. Legal integrity of the proposed assignee or transferee;
- d. Financial ability and stability of the proposed assignee or transferee;
- e. The corporate connection, if any, between the Provider and the proposed assignee or transferee; and
- f. Any other aspect of the proposed assignee's or transferee's background which could affect the health, safety and welfare of the citizenry of the City as it relates to the operation of a telecommunication network.

**11.3 Certification of Assignee.** Before an assignment or transfer is approved by the City Council, the proposed assignee or transferee shall execute an affidavit acknowledging that it has read, understands, and intends to abide by this franchise Agreement.

**11.4 Effect of Approval.** In the event of any approved assignment or transfer, the assignee or transferee shall assume all obligations and liabilities of the Provider, except that an assignment or transfer shall not relieve the Provider of its liabilities under this franchise Agreement until the assignment actually takes place or unless specifically relieved by federal, state, or local law, or unless specifically relieved by the City Council at the time an assignment or transfer is approved.

**11.5 Transfer upon Revocation by the City.** The Provider and the City hereby agree that in the event of a lawful revocation of this franchise, at the Provider's request, which shall be made in the Provider's sole discretion, the Provider shall be given a reasonable opportunity to effectuate a transfer of its network to a qualified third party. The City further hereby agrees that during such a period of time, it shall authorize the Provider to operate pursuant to the terms of its prior franchise Agreement; however, in no event shall such authorization exceed a period greater than six (6) months from the effective date of such revocation. If, at the end of that six (6) month period, the Provider is unsuccessful in procuring a qualified transferee or assignee of its network which is reasonably acceptable to the City, the Provider and the City may avail themselves of any rights they may have pursuant to federal or state law; it being further agreed that the Provider's continued operation of its network during the six (6) month period shall not be deemed to be a waiver or extinguishment of any rights of either the City or the Provider. Notwithstanding anything to the contrary set forth herein, neither the City nor the Provider shall be required to violate federal or state law.



**11.6 Abandonment of Facilities by the Provider.** The Provider, with the consent of the City, may abandon any underground facilities in place, subject to the requirements of the City. In such an event, the abandoned network shall become the property of the City, and the Provider shall have no further responsibilities or obligations concerning those facilities.

## **ARTICLE XII GENERAL PROVISIONS**

**12.1 Binding Agreement.** The Parties hereby represent that (i) when executed by their respective parties, this Agreement shall constitute all the legal and binding obligations of the Parties pertaining to the subject matter contained herein; and (ii) that each Party has complied with all relevant statutes, ordinances, resolutions, by-laws, and other legal requirements applicable to their operation in entering into this Agreement. This Agreement shall be binding upon the heirs and successors, administrators and assigns of each of the Parties.

**12.2 Governing Law.** This Agreement shall be construed, interpreted and governed in accordance with the laws of the State of Utah. All disputes resulting in legal action shall be governed by the laws of the State of Utah. Jurisdiction shall be vested in the District Courts in and for the State of Utah. Venue is vested in the 5<sup>th</sup> Judicial District Court in and for Washington County, State of Utah or in any other successor district court of competent jurisdiction.

**12.3 Interpretation of Agreement.** The invalidity of any portion of this Agreement shall not prevent the remainder of this agreement from being carried into effect. Whenever the context of any provision shall require it, the singular number shall be held to include the plural number, and vice versa, and the use of any gender shall include any other and all genders. The paragraph and section headings in this Agreement are for convenience only and do not constitute a part of the provisions hereof.

**12.4 Entire Agreement and Amendments.** This Agreement and all attachments hereto constitute and represent the entire agreement and understanding between the Parties hereto and replaces any previous agreement, understanding or negotiation between the Parties with respect to the subject matter hereof, and may be modified or amended, supplemented, or changed only by the written agreement of the Parties, including the formal approval of the City Council. No oral modifications or amendments shall be effective.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year set forth above.

HURRICANE CITY, UTAH

\_\_\_\_\_  
John Bramall, MAYOR  
Hurricane City Corporation

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
, CITY RECORDER

STATE OF UTAH     )

: Ss.

COUNTY OF WASHINGTON     )

This is to certify that on the \_\_\_\_ day of \_\_\_\_\_, 2022, before me, the undersigned, a Notary Public, in and for the State of Utah, duly commissioned and sworn as such, personally appeared John Bramall, known to me to be the Mayor of Hurricane City Corporation, and \_\_\_\_\_ known to me to be the City Recorder of Hurricane City Corporation, and acknowledged to me that he the said John Bramall and She the said \_\_\_\_\_ executed the foregoing instrument as a free and voluntary act and deed of said corporation, for the uses and purposes therein, and on oath state that they were authorized to execute said instrument, and that the seal affixed is the corporate seal of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year hereinabove written.

\_\_\_\_\_  
NOTARY PUBLIC

\_\_\_\_\_

By: \_\_\_\_\_

Titles: \_\_\_\_\_

Date: \_\_\_\_\_

STATE OF \_\_\_\_\_)

: Ss.

COUNTY OF \_\_\_\_\_)

On this \_\_\_\_ day of \_\_\_\_\_, 2022, \_\_\_\_\_  
personally appeared before me \_\_\_\_\_, and duly  
acknowledged to me that he/she signed the above and foregoing document.

\_\_\_\_\_

NOTARY PUBLIC



## STAFF COMMENTS

Consideration and possible approval of a **preliminary plat and sensitive lands application for Paraiso subdivision**, a 390 unit residential development, located at 2850 W and 300 N. Middon LLC Applicant

### **Discussion:**

See Attached Report

### **Findings:**

See Attached Report

### **Recommendation:**

**Recommendation:** Staff recommends the City Council review this application based on standards with Hurricane City Code. Staff recommends approval subject to staff and JUC comments. Staff main concerns are the following:

- Utility and fire access. Those items will need to be addressed during the construction drawing process and be approved by the JUC and Fire District.
- Make sure block lengths are 800 ft max and comply with staff recommendations.

### **Attachments:**

1. 2021-PP-36 App
2. 2021-PP-36 Map
3. 2021-HIL-07
4. Paraiso Subdivision Hillside Color
5. 2021-PP-36 2021-HIL-07 Paraiso
6. 2021-PP-36 Checklist
7. WP PARK 1 (1)
8. WP PARK 2 (1)



- N/A g. Existing Hurricane Canal Company facilities; other ditches, canals, natural drainage channels and open waterways and any proposed realignments.
- X h. Contours at vertical intervals not greater than five (5) feet.
- X i. Identification of potential geotechnical constraints on the project site (such as expansive rock and soil, collapsible soil, shallow bedrock and caliche, gypsiferous rock and soil, potentially unstable rock or soil units including fault lines, shallow groundwater, and windblown sand) and recommendations for their mitigation.
- X j. Information on whether property is located in desert tortoise take area

X 3. Proposed Plan: The subdivision plans shall show:

- X a. The layout of streets, showing location, widths, and other dimensions of proposed streets, crosswalks, alleys and easements.
- X b. The layout, numbers and typical dimensions of lots.
- X c. Parcels of land intended to be dedicated or temporarily reserved for public use or set aside for use of property owners in the subdivision.
- N/A d. Easements for water, sewers, drainage, utilities, lines and other purposes.
- X e. Typical street cross sections and street grades where required by the Planning Commission. (All street grades over 5% should be noted on the preliminary plat)
- X f. A tentative plan or method by which the subdivider proposes to handle the storm water drainage for the subdivision.
- X g. Approximate radius of all center line curves on highways or streets.
- X h. Each lot shall abut a street shown on the subdivision plat or on an existing publicly-dedicated street. (Double frontage or flag lots shall be prohibited except where conditions make other design undesirable)
- X i. In general, all remnants of lots below minimum size left over after subdividing of a larger tract must be added to adjacent lots, rather than allow to remain as unusable parcels.
- N/A j. Where necessary, copies of any agreements with adjacent property owners relevant to the proposed subdivision shall be presented to the Planning Commission.
- X k. A letter from both the local sanitary sewer provider and culinary water provider indicating availability of service.
- X l. Will this subdivision be phased? If yes show possible phasing lines.
- X m. A tentative plan or method for providing non-discriminatory access to the subdivision for purposes of placement of communications infrastructure, and for purposes of placement of utility infrastructure.

X 4. Required copies of plans:

- X a. Three copies of all full scale drawings
- X b. One copy of each drawing on a 11 x 17 inch sheets. (8 1/2 x 11 is acceptable if the project is small and the plans are readable at that size).

5. Warranty deed or preliminary title report or other document (see attached Affidavit) showing evidence that the applicant has control of the property

**NOTE: It is important that all applicable information noted above is submitted with the application. An incomplete application will not be scheduled for Planning Commission consideration. A deadline missed due to an incomplete application, could result in a month's delay. Planning Commission meetings are held on the second Thursday and fourth Wednesday of each month at 6:00 p.m. The deadline to submit an application to be placed on an agenda is no later than 12:00 noon 10 full business days before the Planning Commission meeting at which you plan for your application to be heard.**

\*\*\*\*\*

(Office Use Only)

Date Received: \_\_\_\_\_

Application Complete: YES

☐ NO

☐

Date application deemed to be complete: \_\_\_\_\_ Completion determination made by: \_\_\_\_\_



**AFFIDAVIT**  
**PROPERTY OWNER**

STATE OF UTAH )

:ss

COUNTY OF Washington )

I (we), Judd Palmer, being duly sworn, depose and say that I (we) am (are) the owner(s) of the property identified in the attached application and that the statements herein contained and the information provided identified in the attached plans and other exhibits are in all respects true and correct to the best of my (our) knowledge. I (we) also acknowledge that I have received written instructions regarding the process for which I am applying and the Hurricane City Planning staff have indicated they are available to assist me in making this application.

  
\_\_\_\_\_  
(Property Owner)

\_\_\_\_\_  
(Property Owner)

Subscribed and sworn to me this

18

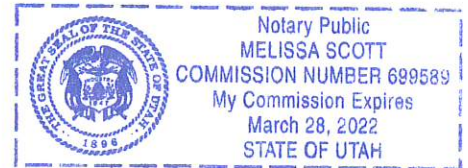
day of

November 2021

  
\_\_\_\_\_  
(Notary Public)

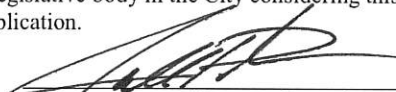
Residing in: Hurricane, Utah

My Commission Expires: March 28, 2022



**Agent Authorization**

I (we), Judd Palmer, the owner(s) of the real property described in the attached application, do authorize as my (our) agent(s) Adam Allen to represent me (us) regarding the attached application and to appear on my (our) behalf before any administrative or legislative body in the City considering this application and to act in all respects as our agent in matters pertaining to the attached application.

  
\_\_\_\_\_  
(Property Owner)

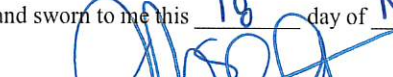
\_\_\_\_\_  
(Property Owner)

Subscribed and sworn to me this

18

day of

November 2021

  
\_\_\_\_\_  
(Notary Public)

Residing in: Hurricane, Utah

My Commission Expires: March 28, 2022



Warranty Deed Page 1 of 2

Gary Christensen Washington County Recorder

10/05/2021 09:18:48 AM Fee \$40.00 By

SOUTHERN UTAH TITLE COMPANY

When recorded mail deed and tax notice to:  
Middon LLC, a Utah Limited Liability Company  
1842 South 3430 East  
St. George, UT 84790



SOUTHERN UTAH  
TITLE COMPANY  
"Doing good Deeds for over 70 years"  
sutc.com

Order No. 221244 - BLS

Space Above This Line for Recorder's Use

Tax I.D. No. H-3-1-31-1101, H-3-1-31-1103, H-3-1-31-1105 (New numbers are H-3-1-31-1111, H-3-1-31-1112, and H-3-1-31-1113)

## WARRANTY DEED

Hurricane 5 LLC, a Utah Limited Liability Company, grantor(s), of Salt Lake City, County of Salt Lake, State of Utah, hereby CONVEY and WARRANT to

Middon LLC, a Utah Limited Liability Company, grantee(s) of St. George, County of Washington, State of Utah, for the sum of TEN DOLLARS AND OTHER GOOD AND VALUABLE CONSIDERATION the following described tract of land in Washington County, State of Utah:

See Attached Exhibit "A"

TOGETHER WITH all improvements and appurtenances there unto belonging, and being SUBJECT TO easements, rights of way, restrictions, and reservations of record and those enforceable in law and equity.

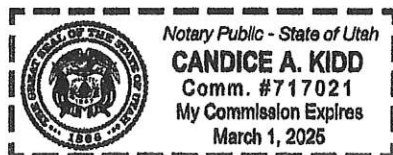
WITNESS the hand(s) of said grantor(s), this 1 day of October, 2021.

Hurricane 5 LLC, a Utah Limited Liability Company

By: Nathan A. Brockbank, Manager

STATE OF Utah )  
COUNTY OF Salt Lake ) :ss.

On the 1 day of October, 2021, personally appeared before me, Nathan A. Brockbank, who being by me duly sworn, did say that he/she is the Manager of Hurricane 5 LLC, a Utah Limited Liability Company, and that said instrument was signed by him/her in behalf of said limited liability company by authority of statute, its articles of organization or its operating agreement, for the uses and purposes herein mentioned, and said Nathan A. Brockbank acknowledged to me that said limited liability company executed the same.



Candice A. Kidd  
NOTARY PUBLIC  
My Commission Expires:



Attachment to that certain Warranty Deed executed by Hurricane 5 LLC, a Utah Limited Liability Company grantor(s), to Middon LLC, a Utah Limited Liability Company grantee(s).

Order No. 221244

Tax I.D. No. H-3-1-31-1101, H-3-1-31-1103, H-3-1-31-1105 (New numbers are H-3-1-31-1111, H-3-1-31-1112, and H-3-1-31-1113)

### EXHIBIT "A"

#### Parcel 1:

Beginning at a point located South 0°52'38" West along the Section line 1605.08 feet and North 88°25'15" West 100.01 feet from the Northeast Corner of Section 31, Township 41 South, Range 13 West, Salt Lake Base and Meridian and running; thence South 00°52'38" West, 660.32 feet; thence South 88°24'18" East, 64.95 feet to a point on the Westerly boundary of that parcel to be deeded to Hurricane City for Public Roadway purposes; thence along said Westerly boundary the following two (2) courses, (1) South 00°52'47" West, 447.60 feet; (2) thence South 00°54'25" West, 257.83 feet; thence North 89°46'39" West, 933.09 feet; thence North 00°54'07" East, 347.67 feet; thence North 01°01'32" East, 200.41 feet; thence South 89°55'26" East, 127.33 feet; thence North 00°55'27" East, 836.43 feet; thence South 88°25'15" East, 739.62 feet to the Point of Beginning.

"Exhibit "A" Revised Parcel 2" (Labeled as such for reference purposes only)

#### Parcel 2:

Beginning at a point located South 0°52'38" West along the Section line 1605.08 feet and North 88°25'15" West 839.63 feet from the Northeast Corner of Section 31, Township 41 South, Range 13 West, Salt Lake Base and Meridian and running; thence South 00°55'27" West, 836.43 feet; thence North 89°55'26" West, 127.33 feet; thence South 01°01'32" West, 124.22 feet; thence North 88°35'06" West, 748.35 feet; thence North 01°20'44" East, 68.17 feet; thence North 88°39'16" West, 520.07 feet; thence North 01°01'10" East, 575.13 feet; thence South 89°55'26" East, 718.16 feet; thence North 01°24'54" East, 306.08 feet; thence South 88°25'15" East 673.80 feet to the Point of Beginning

"Record of Survey for Mark A. Schnippel Survey Description Parcel 3" (Labeled as such for reference purposes only)

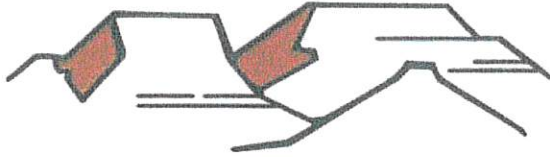
#### Parcel 3:

Beginning at a point located South 0°52'38" west along the Section line 1605.08 feet and North 88°25'15" West 1386.37 feet from the Northeast Corner of Section 31, Township 41 South, Range 13 West, Salt Lake Base and Meridian and running; thence North 88°25'15" West, 127.06 feet; thence South 1°24'54" West, 306.08 feet; thence North 89°55'26" West, 718.16 feet; thence North 1°01'10" East, 1429.79 feet; thence South 88°25'08" East, 844.70 feet; thence South 0°53'09" West, 1104.85 feet to the Point of Beginning

"Record of Survey for Mark A. Schnippel Survey Description Parcel 4" (Labeled as such for reference purposes only)

\*\*\*

Initials \_\_\_\_/\_\_\_\_



# HURRICANE CITY

## UTAH

*Water Department*  
*Ken Richins, Superintendent*

November 22, 2021

To Whom It May Concern:

A will serve letter has been requested for Paraiso Subdivision located at approximately 2850 W 300 N in Hurricane, Utah.

Yes, we do have culinary water in the area of 2850 W 300 N in Hurricane, Utah.

A hydraulic water study may be required to ensure the waterline will deliver the required fire flows. A looped water system may be required

Sincerely,

Hurricane City Water – Dallan Wadsworth



## **Ash Creek Special Service District**

1350 S. Sand Hollow Road

Hurricane, UT 84737

Office: (435) 635-2348 Fax: (435) 635-8550

ashcreek@infowest.com

November 19, 2021

Hurricane City  
Stephen Nelson  
127 N. 870 W.  
Hurricane, UT 84737

**RE: Paraiso Subdivision** – approximately 600 N 2800 W

Stephen,

There is sewer capacity for this project. The developers understand and agree that they will need to get plan approval for the sewer system and obtain any easements associated with the project.

After approval they agree to pay all costs associated with construction and impact fees. Please let us know if you have any questions.

Sincerely,

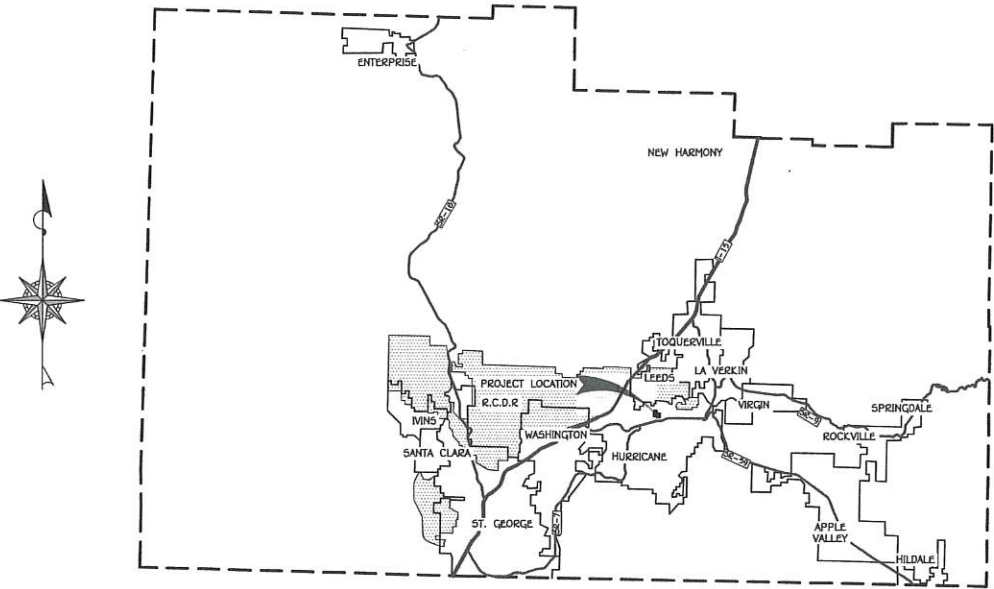
Amber Gillette  
Engineering Tech  
Ash Creek Special Service District

PARAISO SUBDIVISION

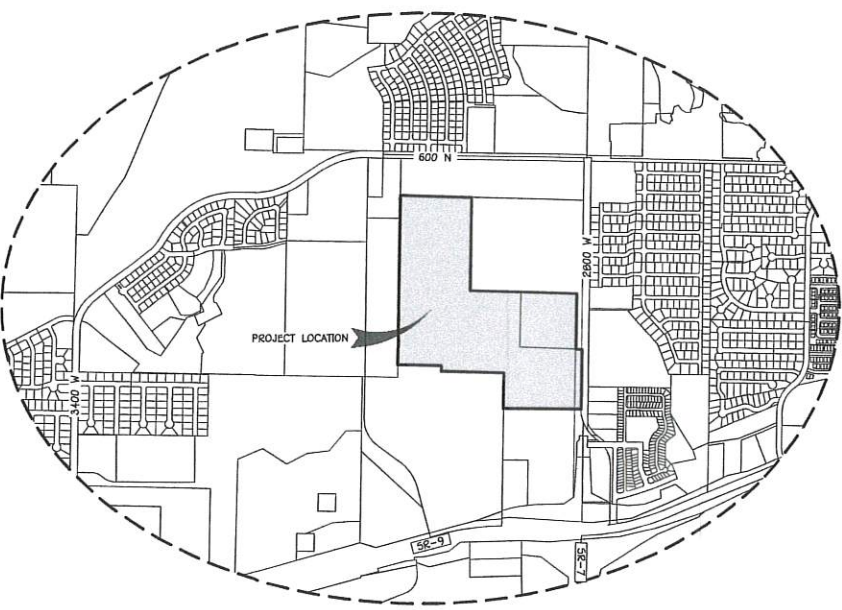
HURRICANE, UTAH

PRELIMINARY PLAT

NOVEMBER 2021



WASHINGTON COUNTY



VICINITY MAP

SECTION 31, TOWNSHIP 41 S,  
RANGE 13 W SLB&M

| SHEET INDEX |       |                         |
|-------------|-------|-------------------------|
| #           | SHEET | DESCRIPTION             |
| 1           | P.1.1 | COVER SHEET             |
| 2           | P.2.1 | OVERALL SITE PLAN       |
| 3           | P.2.2 | SITE & UTILITY PLAN I   |
| 4           | P.2.3 | SITE & UTILITY PLAN II  |
| 5           | P.2.4 | SITE & UTILITY PLAN III |
| 6           | P.2.5 | SITE & UTILITY PLAN IV  |
| 7           | P.3.1 | OVERALL GRADING PLAN    |
| 8           | P.3.2 | GRADING PLAN I          |
| 9           | P.3.3 | GRADING PLAN II         |
| 10          | P.3.4 | GRADING PLAN III        |
| 11          | P.3.5 | GRADING PLAN IV         |
| 12          | P.4.1 | SECTIONS                |

OWNER/APPLICANT:  
MIDDON LLC  
1842 SOUTH 3430 EAST CIRCLE  
ST. GEORGE, UT 84790  
CONTACT: MELISSA SCOTT  
PHONE: (435) 680-4383  
EMAIL: melissa@jpecavating.com

PROJECT MANAGER  
AMERICAN LAND CONSULTING  
1173 SOUTH 250 WEST, SUITE 502  
ST. GEORGE, UT 84770  
CONTACT: ADAM ALLEN  
PHONE: (435) 680-6711  
EMAIL: adam@alcsq.com

CIVIL ENGINEER  
AMERICAN ENGINEERING & LAND SURVEYING  
1173 SOUTH 250 WEST, SUITE 502  
ST. GEORGE, UT 84770  
CONTACT: AUSTIN CHAPPELL, P.E.  
PHONE: (435) 668-5015  
EMAIL: austin@aelssg.com

PRELIMINARY  
NOT FOR  
CONSTRUCTION



1173 SOUTH 250 WEST, SUITE 502  
ST. GEORGE, UT 84770

DATE: 11/19/2021  
JOB #: AES-21-009  
DRAWN BY: SSA  
CHECKED BY: ARC

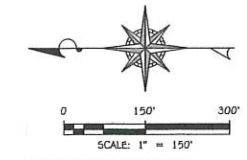
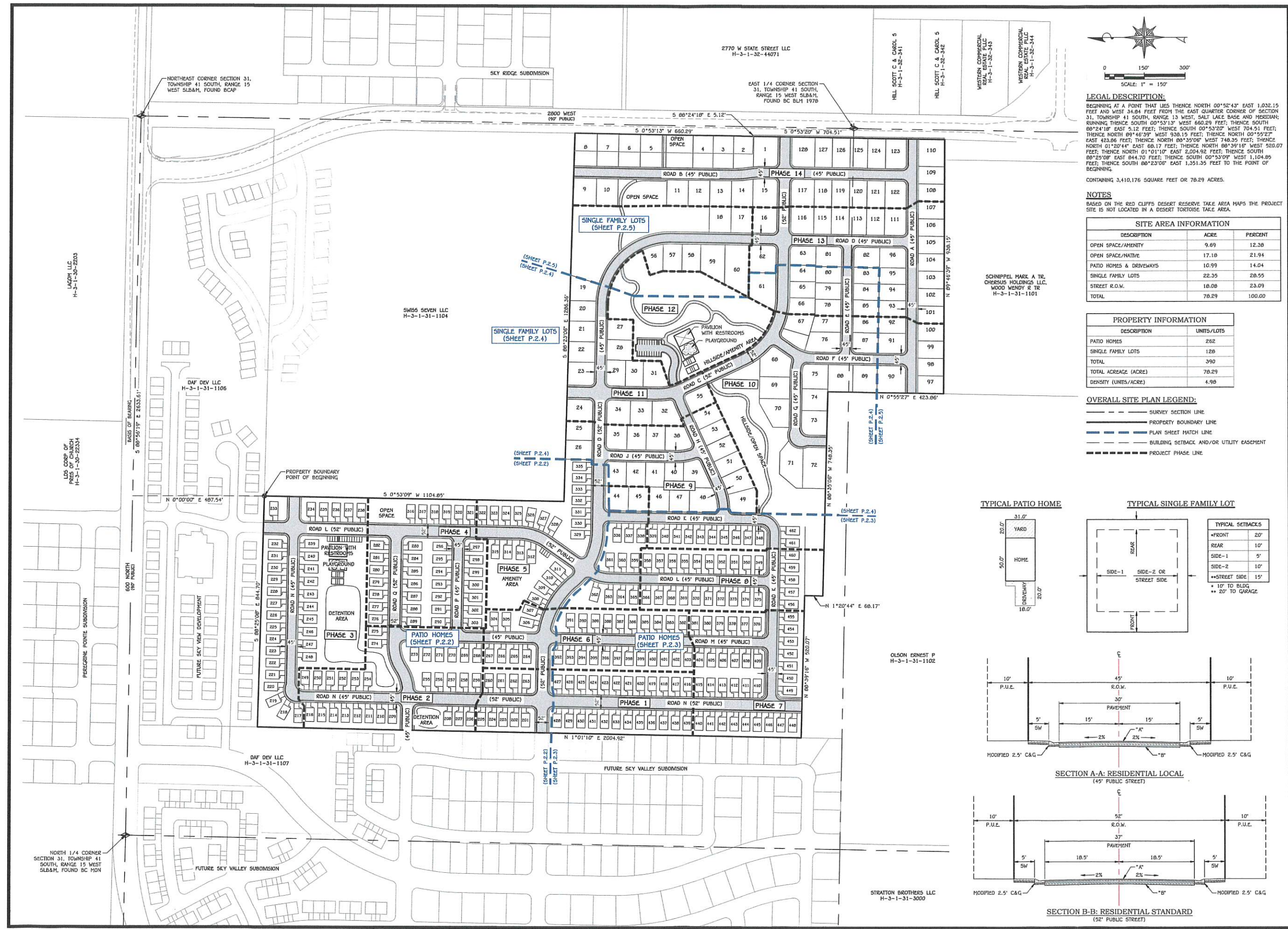
PARAISO SUBDIVISION  
SECTION 31, TOWNSHIP 41 S, RANGE 13 W SLB&M  
HURRICANE, UTAH

COVER SHEET  
PRELIMINARY PLAT

P.1.1

SHEET: 1 of 12





**LEGAL DESCRIPTION:**  
BEGINNING AT A POINT THAT LIES THENCE NORTH 00°52'43" EAST 1,032.15 FEET AND WEST 34.84 FEET FROM THE EAST QUARTER CORNER OF SECTION 31, TOWNSHIP 41 SOUTH, RANGE 13 WEST, SALT LAKE BASE AND MERIDIAN; RUNNING THENCE SOUTH 00°53'13" WEST 660.29 FEET; THENCE SOUTH 88°24'18" EAST 5.12 FEET; THENCE SOUTH 00°53'20" WEST 704.51 FEET; THENCE NORTH 09°46'39" WEST 930.15 FEET; THENCE NORTH 00°55'27" EAST 423.86 FEET; THENCE NORTH 08°35'00" WEST 748.35 FEET; THENCE NORTH 01°20'44" EAST 68.17 FEET; THENCE NORTH 88°39'16" WEST 520.07 FEET; THENCE NORTH 01°01'10" EAST 2,004.92 FEET; THENCE SOUTH 88°25'08" EAST 844.70 FEET; THENCE SOUTH 00°53'09" WEST 1,104.85 FEET; THENCE SOUTH 88°23'06" EAST 1,351.35 FEET TO THE POINT OF BEGINNING.

CONTAINING 3,410,176 SQUARE FEET OR 78.29 ACRES.

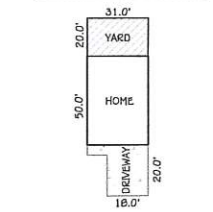
**NOTES:**  
BASED ON THE RED CLIFFS DESERT RESERVE TAKE AREA MAPS THE PROJECT SITE IS NOT LOCATED IN A DESERT TORTOISE TAKE AREA.

| SITE AREA INFORMATION   |       |         |
|-------------------------|-------|---------|
| DESCRIPTION             | ACRE  | PERCENT |
| OPEN SPACE/AMENITY      | 9.69  | 12.38   |
| OPEN SPACE/NATIVE       | 17.18 | 21.94   |
| PATIO HOMES & DRIVEWAYS | 10.99 | 14.04   |
| SINGLE FAMILY LOTS      | 22.35 | 28.55   |
| STREET R.O.W.           | 18.08 | 23.09   |
| TOTAL                   | 78.29 | 100.00  |

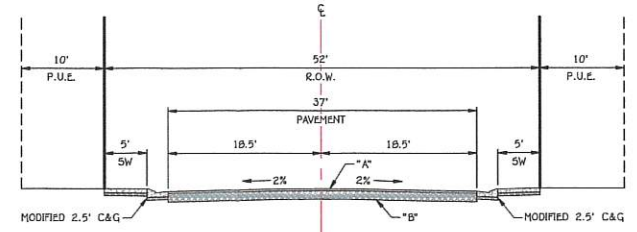
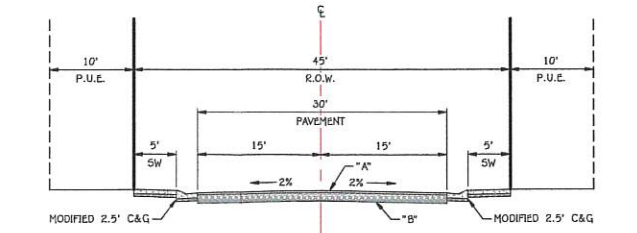
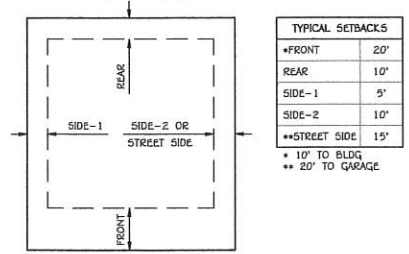
| PROPERTY INFORMATION |            |
|----------------------|------------|
| DESCRIPTION          | UNITS/LOTS |
| PATIO HOMES          | 262        |
| SINGLE FAMILY LOTS   | 128        |
| TOTAL                | 390        |
| TOTAL ACREAGE (ACRE) | 78.29      |
| DENSITY (UNITS/ACRE) | 4.98       |

- OVERALL SITE PLAN LEGEND:**
- SURVEY SECTION LINE
  - PROPERTY BOUNDARY LINE
  - PLAN SHEET MATCH LINE
  - BUILDING SETBACK AND/OR UTILITY EASEMENT
  - PROJECT PHASE LINE

TYPICAL PATIO HOME



TYPICAL SINGLE FAMILY LOT



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CONSTRUCTION

AMERICAN  
ENGINEERING & LAND SURVEYING

1173 SOUTH 250 WEST, SUITE 502  
ST. GEORGE, UT 84770

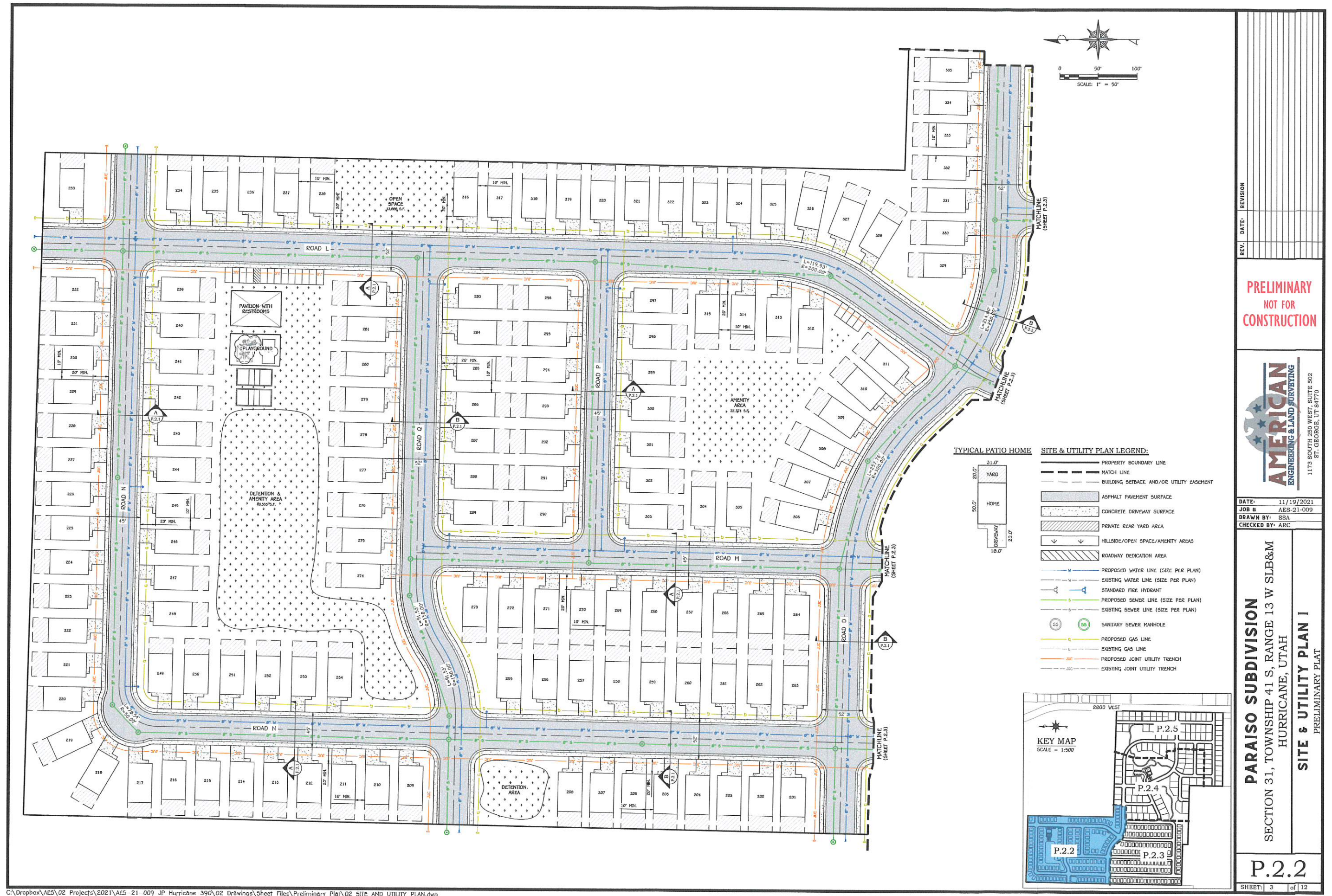
DATE: 11/19/2021  
JOB #: AES-21-009  
DRAWN BY: SSA  
CHECKED BY: ARC

PARAISO SUBDIVISION  
SECTION 31, TOWNSHIP 41 S, RANGE 13 W SLB&M  
HURRICANE, UTAH

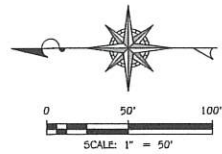
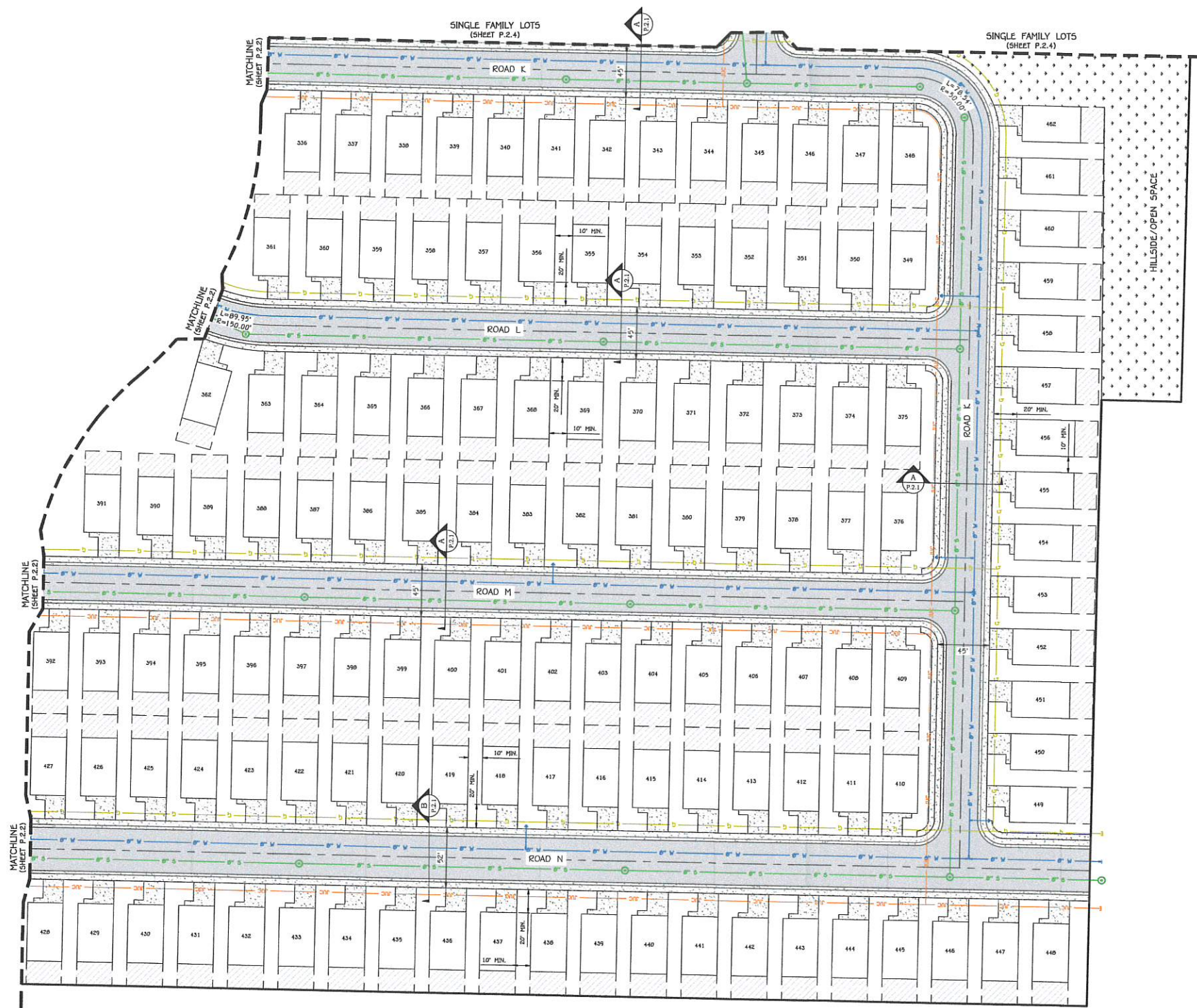
OVERALL SITE PLAN  
PRELIMINARY PLAT

P.2.1  
SHEET: 2 of 12







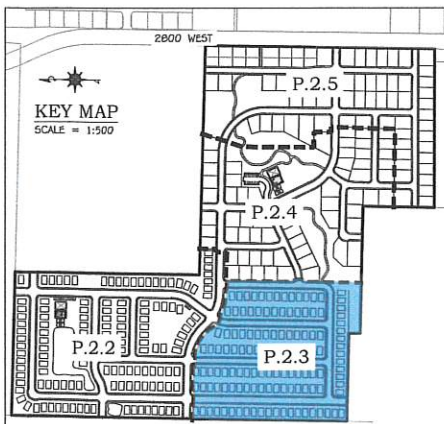


TYPICAL PATIO HOME



SITE & UTILITY PLAN LEGEND:

- PROPERTY BOUNDARY LINE
- MATCH LINE
- BUILDING SETBACK AND/OR UTILITY EASEMENT
- ASPHALT PAVEMENT SURFACE
- CONCRETE DRIVEWAY SURFACE
- PRIVATE REAR YARD AREA
- HILLSIDE/OPEN SPACE/AMENITY AREAS
- ROADWAY DEDICATION AREA
- PROPOSED WATER LINE (SIZE PER PLAN)
- EXISTING WATER LINE (SIZE PER PLAN)
- STANDARD FIRE HYDRANT
- PROPOSED SEWER LINE (SIZE PER PLAN)
- EXISTING SEWER LINE (SIZE PER PLAN)
- SANITARY SEWER MANHOLE
- PROPOSED GAS LINE
- EXISTING GAS LINE
- PROPOSED JOINT UTILITY TRENCH
- EXISTING JOINT UTILITY TRENCH



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NOT FOR  
CONSTRUCTION

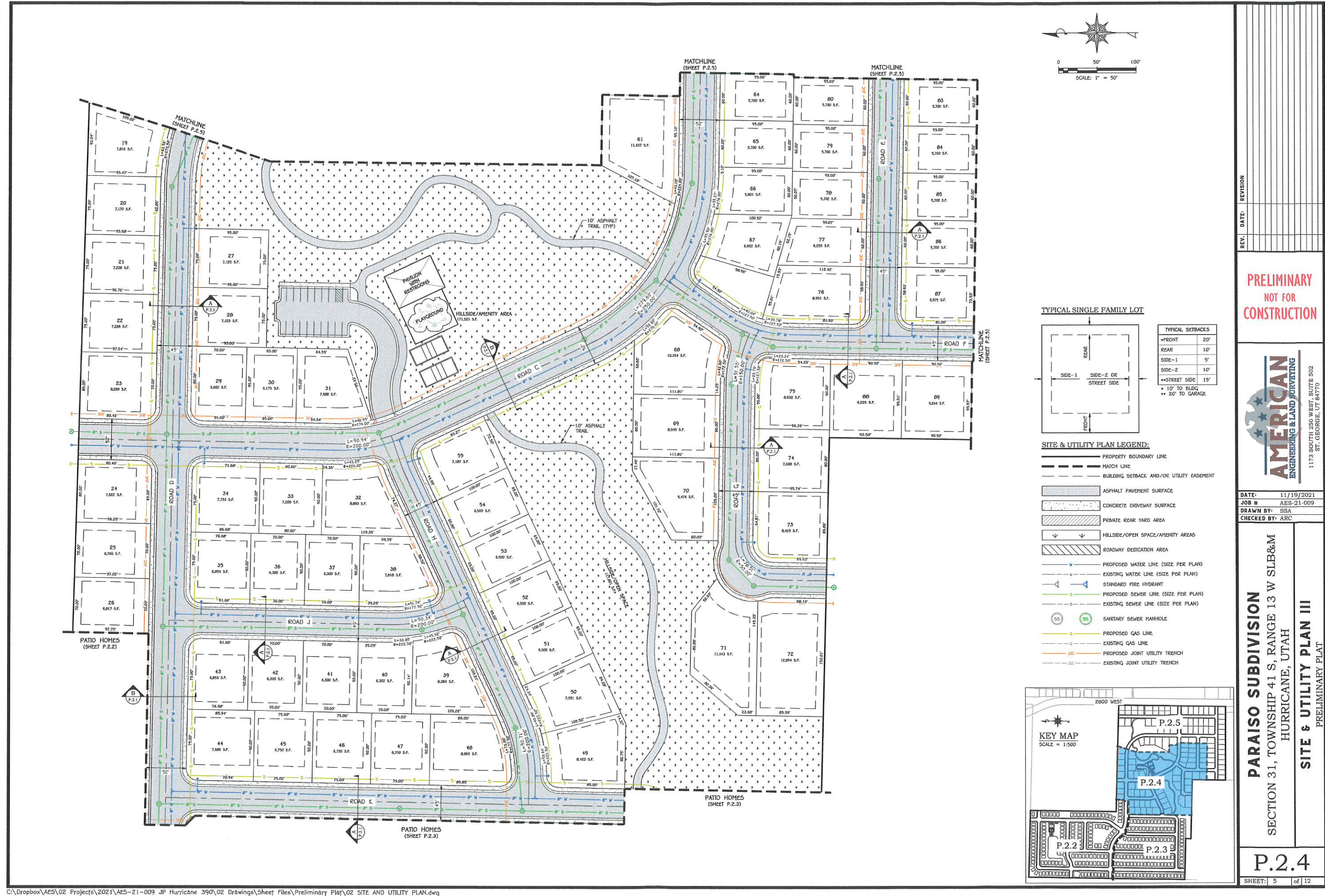


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JOB #: AES-21-009  
DRAWN BY: SSA  
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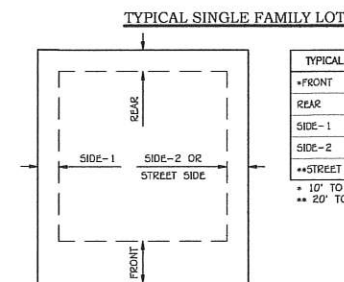
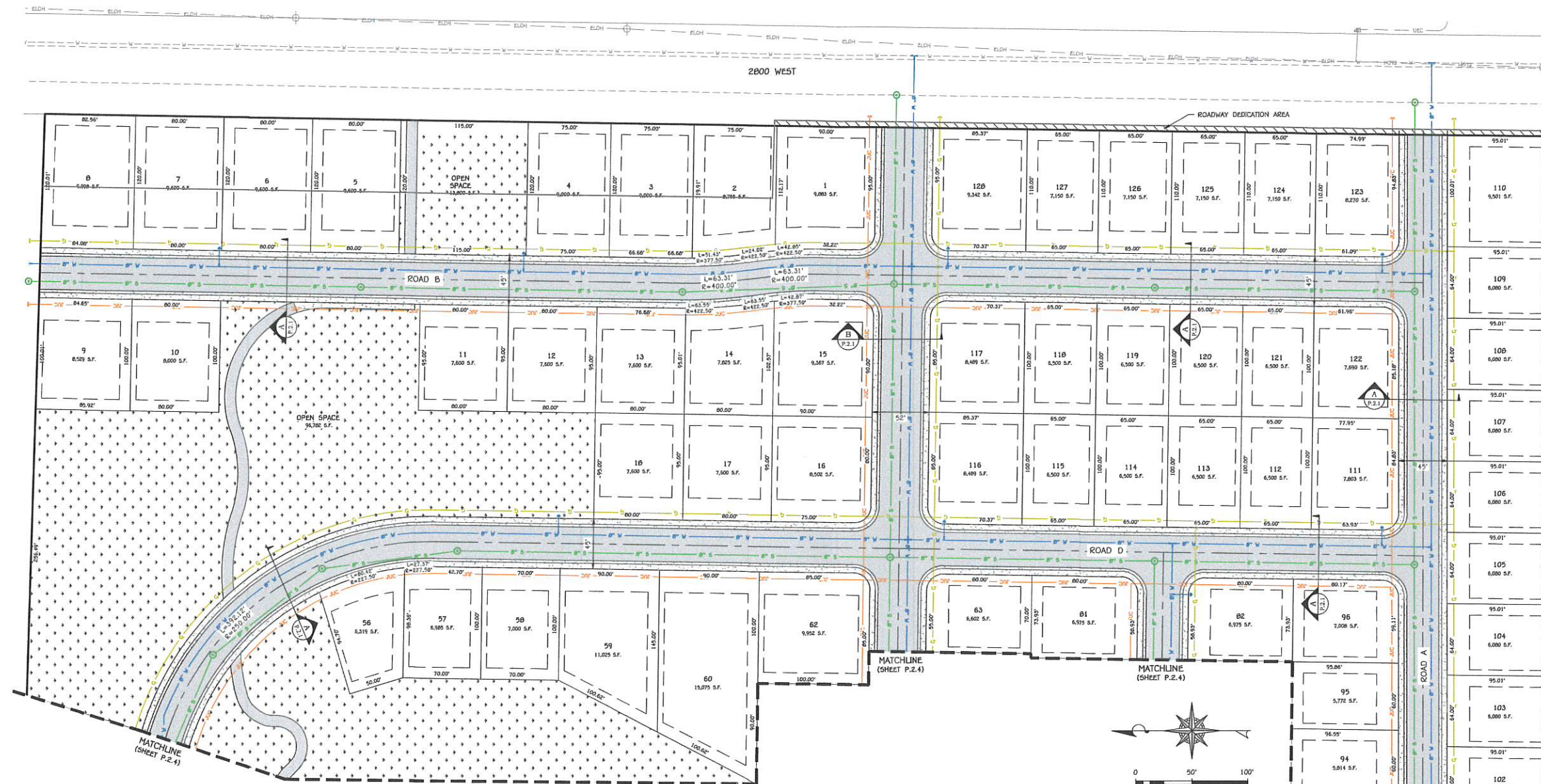
PARAISO SUBDIVISION  
SECTION 31, TOWNSHIP 41 S, RANGE 13 W SLB&M  
HURRICANE, UTAH  
SITE & UTILITY PLAN II  
PRELIMINARY PLAT

P.2.3  
SHEET: 4 of 12



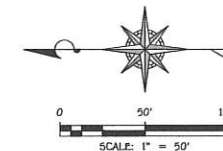






| TYPICAL SETBACKS |     |
|------------------|-----|
| FRONT            | 20' |
| REAR             | 10' |
| SIDE-1           | 5'  |
| SIDE-2           | 10' |
| STREET SIDE      | 15' |
| * 10' TO BLDG    |     |
| ** 20' TO GARAGE |     |

- SITE & UTILITY PLAN LEGEND:**
- PROPERTY BOUNDARY LINE
  - MATCH LINE
  - BUILDING SETBACK AND/OR UTILITY EASEMENT
  - ASPHALT PAVEMENT SURFACE
  - CONCRETE DRIVEWAY SURFACE
  - PRIVATE REAR YARD AREA
  - HILLSIDE/OPEN SPACE/AMENITY AREAS
  - ROADWAY DEDICATION AREA
  - PROPOSED WATER LINE (SIZE PER PLAN)
  - EXISTING WATER LINE (SIZE PER PLAN)
  - STANDARD FIRE HYDRANT
  - PROPOSED SEWER LINE (SIZE PER PLAN)
  - EXISTING SEWER LINE (SIZE PER PLAN)
  - SANITARY SEWER MAINHOLE
  - PROPOSED GAS LINE
  - EXISTING GAS LINE
  - PROPOSED JOINT UTILITY TRENCH
  - EXISTING JOINT UTILITY TRENCH



PRELIMINARY  
NOT FOR  
CONSTRUCTION



DATE: 11/19/2021  
JOB #: AES-21-009  
DRAWN BY: SSA  
CHECKED BY: ARC

**PARAISO SUBDIVISION**  
SECTION 31, TOWNSHIP 41 S, RANGE 13 W SLB&M  
HURRICANE, UTAH  
**SITE & UTILITY PLAN IV**  
PRELIMINARY PLAT

**P.2.5**

SHEET: 6 of 12





# SENSITIVE LANDS APPLICATION

City of Hurricane  
147 North 870 West  
Hurricane, UT 84737  
(435) 635-2811  
FAX (435) 635-2184

Fee: \$

For Office Use Only:  
File No. 2021-HIL-07  
Receipt No. \_\_\_\_\_

Name: Middon LLC Telephone: (435) 680-4383

Address: 1842 South 3430 East Circle, St. George UT Fax No. \_\_\_\_\_

Agent (If Applicable): \_\_\_\_\_ Telephone: \_\_\_\_\_

Email: melissa@jpexcavating.com Agent Email: \_\_\_\_\_

Address/Location of Subject Property: Approximately 300 North and 2850 West

Tax ID of Subject Property: H-3-1-31-1111,  
H-3-1-31-1112,  
H-3-1-31-1113 Zone District: PDO

Proposed Use: (Describe, use extra sheet if necessary) \_\_\_\_\_

Paraiso Subdivision: 262 single family patio homes and 128 single family residential lots,

390 total units/lots

Other companion application submitted with the Development Plan:

☒ Preliminary Plat  
☐ Site Plan Review  
☐ Conditional Use Permit  
☐ Rezone  
☐ Other

## Submittal Requirements:

Please review the attached Supplemental Information to determine additional information that must be submitted with this application.

\*\*\*\*\*

(Office Use Only)

Date Received: \_\_\_\_\_ Application Complete: YES ☐ NO ☐

Date application deemed to be complete: \_\_\_\_\_ Completion determination made by: \_\_\_\_\_



## DEVELOPMENT PLAN SUBMITTAL REQUIREMENTS

**Development Plan Submittal:** The following information shall be submitted with the application for Development Plan approval, and may be in addition to information required for a companion application being processed concurrently with the Development Plan:

- X 1. **Development plan:** The development plan shall clearly show:
  - X a. Two (2) foot contours. The contour map shall be prepared and certified by a licensed professional civil engineer or surveyor drawn at a scale no smaller than one (1) inch equals one hundred (100) feet. Contour maps based on interpolation of maps with larger contour intervals are not acceptable.
  - X b. Field surveys may be required of the applicant by the City to verify the accuracy of the contour lines shown on the contour map.)
  - X c. Slopes having grades of 10-29 percent and natural slopes of thirty (30) percent or greater shall be color shaded clearly showing the difference between the two categories. This contour information shall either be computer based, or based on profile lines drawn perpendicular to contours at intervals no less than one hundred fifty (150') feet apart, nor greater than seventy-five (75') feet from an existing or proposed property line. Grades shall then be determined by calculating the slope along one hundred (100) foot segments of the profile. (See Appendix Diagram-A of the Land Use Ordinance)
  - X d. To determine required minimum lot size (Section 10-24-6B of the Sensitive Land Ordinance), the average natural grade on each proposed parcel shall be calculated and indicated on the development plan. The average grade is determined by calculating the grade of the natural slope between two opposing property lines, based on profiles taken perpendicular to the contours, no less than one hundred fifty (150) apart, nor greater than seventy-five (75) feet from an existing or proposed property line.
  - X e. The proposed development layout of lots, roads, proposed road grades, open space, area of disturbances, and existing native vegetation.
- \_\_\_\_\_ 2. **Soils Investigation Report:** A soils investigation report which contains the following information:
  - \_\_\_\_\_ a. Nature, distribution and classification (Unified Soil Classification) of existing soils to the appropriate depth of influence by the proposed development, but not less than ten (10) feet deeper than the proposed excavations or to bedrock.
  - \_\_\_\_\_ b. Strength of existing soils, bearing capacity of supporting soils, settlement estimates, collapse and shrink-swell characteristics, lateral pressures and trench excavation limitations.
  - \_\_\_\_\_ c. Ground water levels that may affect development and estimated elevation of high ground water levels.
  - \_\_\_\_\_ d. Appropriate laboratory testing for classification, consistency, strength and consolidation conditions.
  - \_\_\_\_\_ e. Slope stability.
  - \_\_\_\_\_ f. A written statement by the persons or firm preparing the soils report describing the general suitability of the site for the owner=s intended use.
- \_\_\_\_\_ 3. **Geotechnical Report:** A geotechnical and geological report shall be prepared by a geologist licensed to practice in the State of Utah, whenever a proposed building permit or development project:
  - a. Is located within one thousand (1,000) feet of an identified fault; or
  - b. Is located on slopes estimated to be twenty (20) percent or greater; or
  - c. Is determined to have potential hazards by the City Engineer, County Geologist or State Geologist.

The geotechnical and geological report when required above shall include:

- ☐ a. A geologic map showing topography, surface and subsurface geologic features and any geologic limitations to the proposed use;
- ☐ b. Depth to bedrock;
- ☐ c. Subsurface investigative logs and reports;
- ☐ d. Identification of all geologic hazards; and
- ☐ e. Measures to mitigate or eliminate geologic hazards and problems.

☒ 4. Grading and Drainage Plan: A grading and drainage plan report which includes storm water management, erosion, and grading plans describing the methods by which surface water, natural drainages, flooding (including identification of 100 year flood where applicable), erosion and sedimentation loss, and hydrologic hazards will be controlled during and after construction. The plan shall include the following information:

- ☒ a. The grading plan shall show present topography, including the location and depth of all proposed fills and cuts of finished earth surfaces, and/or use of retaining walls including height, using a contour interval of two (2) foot when grades are 0-29% and five (5) foot contours when grades 30% and over.
- ☒ b. The proposed area to be graded shall be clearly delineated on the plan.
- ☐ c. Preliminary street grades shall be identified on the plan.
- ☒ d. All calculations and proposed details used for design and construction of debris basins, impoundments, diversions, dikes, waterways, drains, culverts and other water management or soil erosion control measures shall be shown. Drainage calculations shall determine runoff volume and peak discharge using the "Rational Method," "SCS Curve Number Method," or appropriate equivalent. Data provided should include:

- (1) Rainfall depth, duration and distribution;
- (2) Watershed slope and drainage area delineation;
- (3) Land condition of watershed surface;
- (4) Topography of drainage area; and
- (5) Soil Descriptions in Watershed. Erosion calculations shall employ predictions of soil loss sheet erosion using the Universal Soil Loss Equation or equivalent. Data to be provided should include factors of:
  - (a) Rainfall intensity and duration;
  - (b) Soil erodability;
  - (c) Land slope and length of slope or topography;
  - (d) Condition the soil surface and land management practices in use; and
  - (e) Surface cover, grass, pavements, etc.

5. License Required: All required reports shall be prepared by persons licensed to practice their specialty or expertise in the State of Utah, if such license for practice is required.

6. Expert Advice: In reviewing technical reports, calculations, and plans which may be required, the City staff or City Engineer may find it necessary to obtain the advice of other experts regarding the adequacy of the reports submitted, and the validity of the conclusions and recommendations reached in the reports. In such cases the City staff or City Engineer may consult with such experts, with the reasonable costs of these consultations to be borne by the developer prior to any public hearing. The Planning Commission or City Council may require payment by the developer of the costs of such consultations as a condition of preliminary or final plat approval.

**NOTE:** It is important that all applicable information noted above is submitted with the application. An incomplete application will not be scheduled for Planning Commission consideration. A deadline missed due to an incomplete application could result in a month's delay. Call the Planning Department to determine the submittal deadline.

## **PROJECTS SUBJECT TO SENSITIVE LANDS REQUIREMENTS**

The following projects are subject to Sensitive Land requirements:

1. All preliminary plats, planned developments, site plan reviews, conditional use permits and any other land use development permits authorized by City Codes when they are:
  - (a) Located on lands defined in Section 10-24-2 of the Land Use Code or identified as sensitive lands on the General Plan Sensitive Lands Map;
  - (b) Located within one thousand (1000) feet of a fault identified on a published geologic map.
  - (c) Located within one hundred (100) feet, measured perpendicularly from a fault identified as a result of on-site investigation by a registered geologist.
  - (d) Hillside and ridge and bluff areas (as set forth in section 10-24-5A of the Land Use Ordinance.).
2. Any grading on sensitive land not associated with an approved project of the types listed in subsection 1 above, when such grading will:
  - a. Disturb ten thousand (10,000) square feet or more of land area;
  - b. Create a cut or fill over three (3) feet in height; or
  - c. Create trenching over two hundred (200) feet in length.(A development plan is not required, however sufficient information must be submitted to determine compliance with Chapter 24, Sensitive Lands)
3. All building permits, including grading on vacant lots or parcels not previously processed in accordance with the provisions of this Chapter 24 of the Land Use Ordinance. (A development plan is not required, however sufficient information must be submitted to determine compliance with Chapter 24, Sensitive Lands)

## **PROJECT REVIEW PROCEDURE**

When a preliminary plat, site plan, planned development or conditional use permit or other application is located on sensitive lands, the Development Plan application is submitted as a companion application and processed concurrently. The Planning Commission will review the application(s) and on conditional use permits and site plan reviews they will approve, approve with conditions or deny the Development Plan application. On preliminary plats, or zone changes, the Planning Commission will forward a recommendation to the City Council. Following receipt of a recommendation from the Planning Commission, or on appeal, the City Council will hold a public hearing on the application and approve, approve with conditions, or deny the proposed Development Plan.

**NOTE:** To fully understand the requirements for projects on sensitive lands, you should request a copy of Chapter 24 of the Land Use Ordinance from the City of Hurricane Planning Department.



November 24, 2021

Plumb Holdings SG, LLC  
201 S. Main, Suite 2000  
Salt Lake City, Utah 84111

Attention: Walter Plumb Sr.

Subject: Geotechnical Consultation  
Paraiso Subdivision  
Hurricane, Utah  
AGEC Project No.s 2210771

Applied Geotechnical Engineering Consultants, Inc. has completed the field study and laboratory testing for the above referenced project.

#### **SITE CONDITIONS**

The property consists of approximately 77 acres. It is located west of 2800 West along the southern portion of the property and the northern portion of the property is further to the west. The property is several hundred feet south of 600 North in Hurricane, Utah. There are existing residential developments to the east and further to the west with a portion of the adjacent property to the northwest under construction for a residential project.

The property is primarily a "hummocky" property with several small hills and low areas. The majority of the property contains basalt or "lava" rock on the surface. The remaining portion of the property contains infilled areas of wind blown sand. There is sparse vegetation throughout the property.

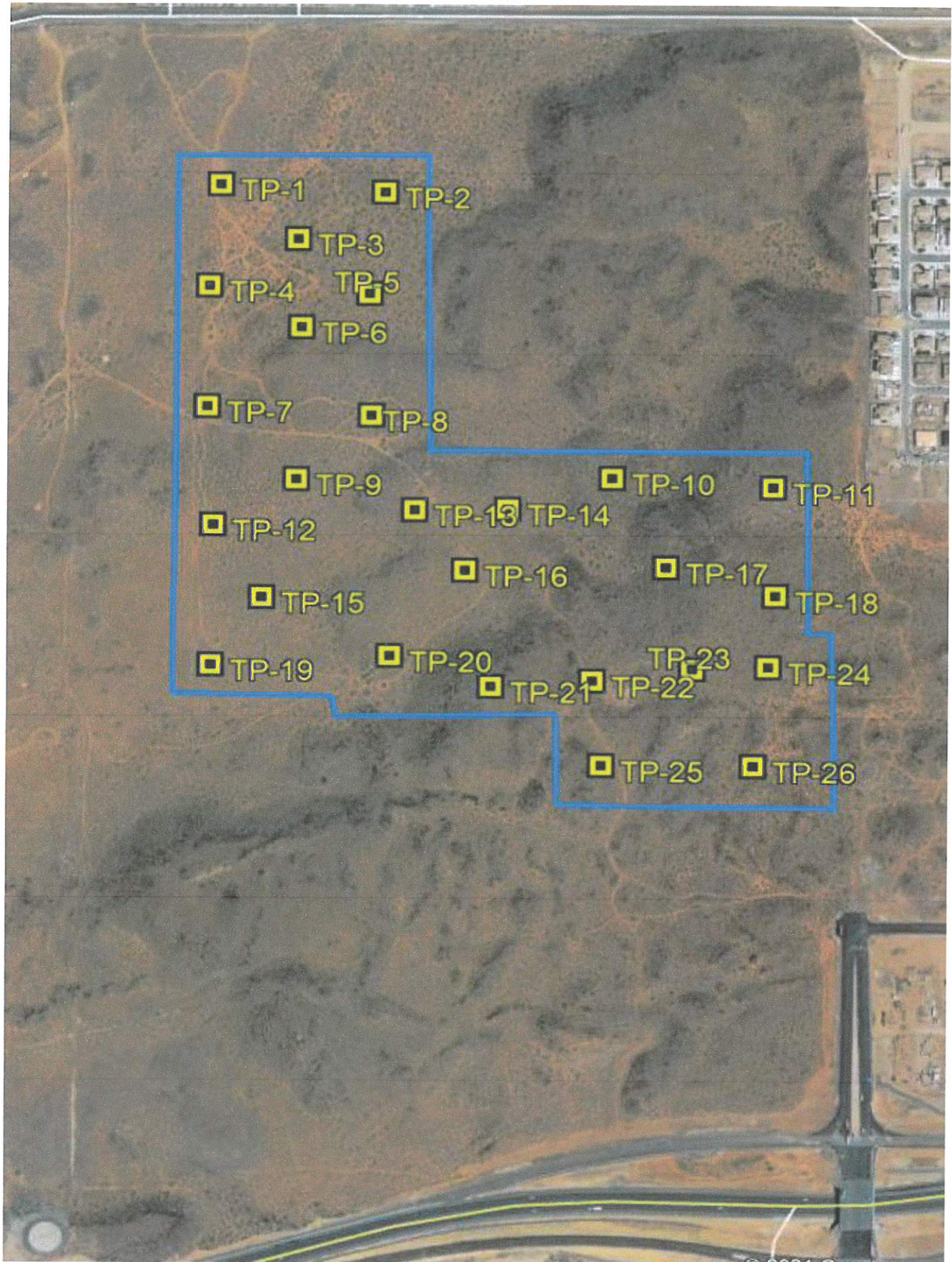
The property slopes down from the north to south with approximately 130 feet of elevation change. There is also a slight slope down to the west.

The property to the east has been graded with a large, rock fill slope along the southern portion.

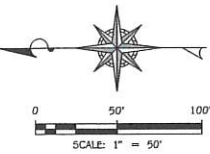
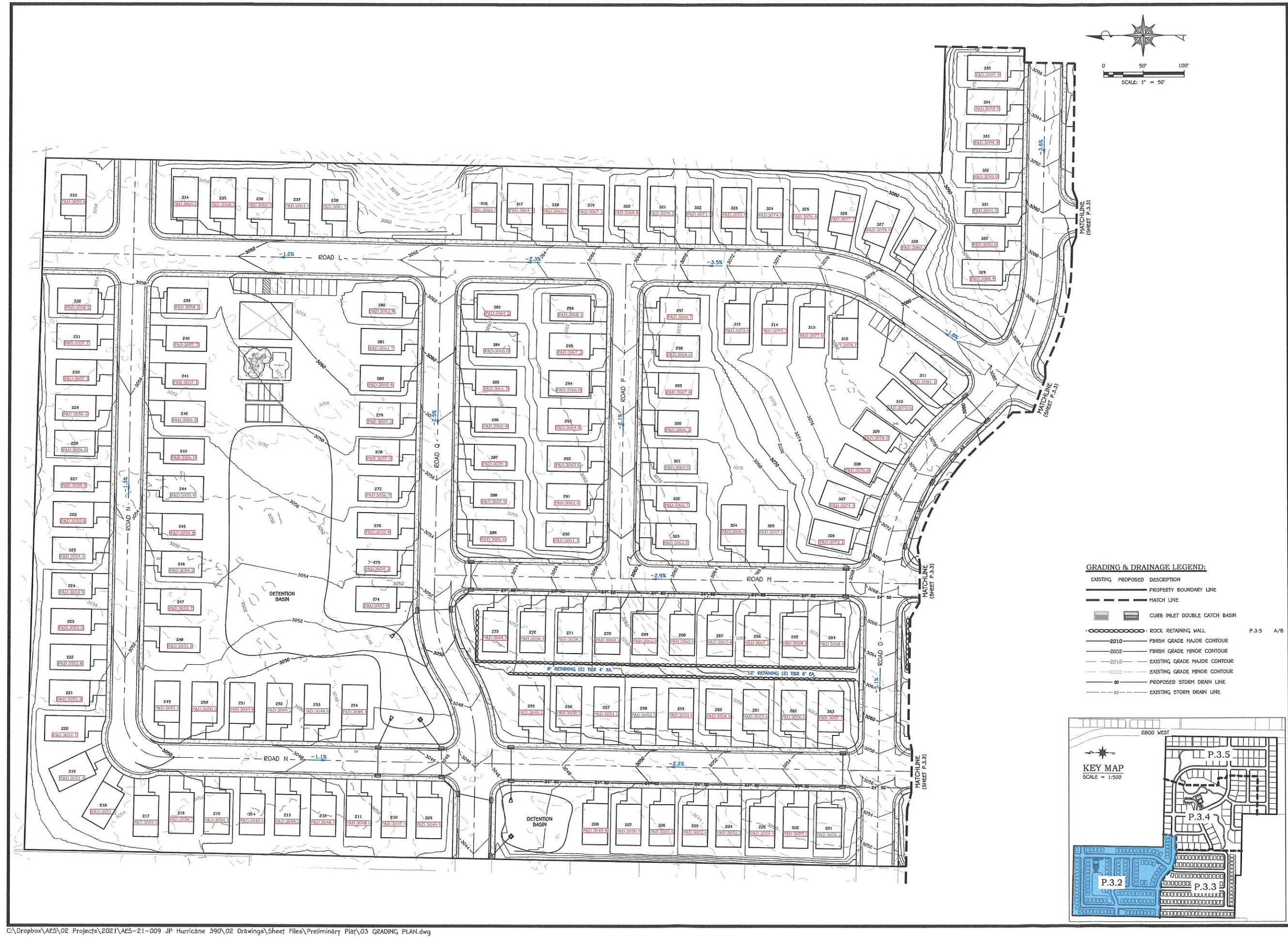
#### **SUBSURFACE CONDITIONS**

AGEC has completed 26 test pits across the property. The subsurface soils consist of ½ to 5 feet of silty sand overlying caliche or basalt caprock. Practical refusal by the excavator was encountered at approximately 2 to 7 feet on caliche or basalt caprock throughout the site.

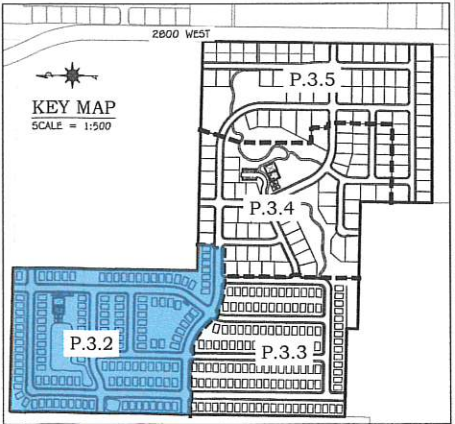






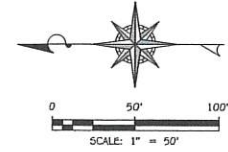


| GRADING & DRAINAGE LEGEND: |          |                                   |
|----------------------------|----------|-----------------------------------|
| EXISTING                   | PROPOSED | DESCRIPTION                       |
| ---                        | ---      | PROPERTY BOUNDARY LINE            |
| ---                        | ---      | MATCH LINE                        |
| ---                        | ---      | CURB INLET DOUBLE CATCH BASIN     |
| ---                        | ---      | ROCK RETAINING WALL               |
| ---                        | ---      | 2010 FINISH GRADE MAJOR CONTOUR   |
| ---                        | ---      | 2002 FINISH GRADE MINOR CONTOUR   |
| ---                        | ---      | 2010 EXISTING GRADE MAJOR CONTOUR |
| ---                        | ---      | 2002 EXISTING GRADE MINOR CONTOUR |
| ---                        | ---      | 50 PROPOSED STORM DRAIN LINE      |
| ---                        | ---      | 50 EXISTING STORM DRAIN LINE      |



|                                                                                                                                                                                                   |      |          |
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| REV.                                                                                                                                                                                              | DATE | REVISION |
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| <b>PRELIMINARY<br/>NOT FOR<br/>CONSTRUCTION</b>                                                                                                                                                   |      |          |
| <br><b>AMERICAN</b><br>ENGINEERING & LAND SURVEYING<br>1173 SOUTH 250 WEST, SUITE 502<br>ST. GEORGE, UT 84770 |      |          |
| DATE: 11/19/2021                                                                                                                                                                                  |      |          |
| JOB #: AES-21-009                                                                                                                                                                                 |      |          |
| DRAWN BY: SSA                                                                                                                                                                                     |      |          |
| CHECKED BY: ARC                                                                                                                                                                                   |      |          |
| <b>PARAISO SUBDIVISION</b><br>SECTION 31, TOWNSHIP 41 S, RANGE 13 W SLB&M<br>HURRICANE, UTAH<br><b>GRADING PLAN 1</b><br>PRELIMINARY PLAT                                                         |      |          |
| <b>P.3.2</b>                                                                                                                                                                                      |      |          |
| SHEET: 8 of 12                                                                                                                                                                                    |      |          |





| GRADING & DRAINAGE LEGEND: |          |                                   |
|----------------------------|----------|-----------------------------------|
| EXISTING                   | PROPOSED | DESCRIPTION                       |
| ---                        | ---      | PROPERTY BOUNDARY LINE            |
| ---                        | ---      | MATCH LINE                        |
| ---                        | ---      | CURB INLET DOUBLE CATCH BASIN     |
| ---                        | ---      | ROCK RETAINING WALL               |
| ---                        | ---      | 2010 FINISH GRADE MAJOR CONTOUR   |
| ---                        | ---      | 2002 FINISH GRADE MINOR CONTOUR   |
| ---                        | ---      | 2010 EXISTING GRADE MAJOR CONTOUR |
| ---                        | ---      | 2002 EXISTING GRADE MINOR CONTOUR |
| ---                        | ---      | 50 PROPOSED STORM DRAIN LINE      |
| ---                        | ---      | 50 EXISTING STORM DRAIN LINE      |



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DATE: 11/19/2021  
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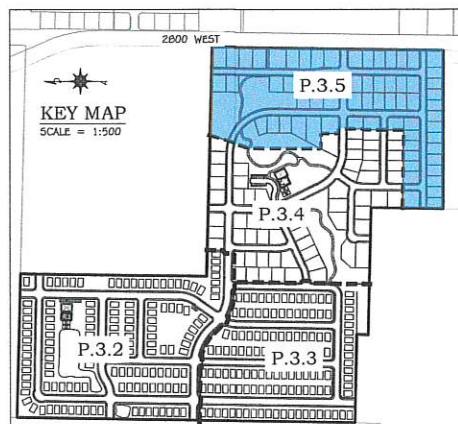
PARAISO SUBDIVISION  
SECTION 31, TOWNSHIP 41 S, RANGE 13 W SLB&M  
HURRICANE, UTAH  
GRADING PLAN II  
PRELIMINARY PLAT

P.3.3  
SHEET: 9 of 12







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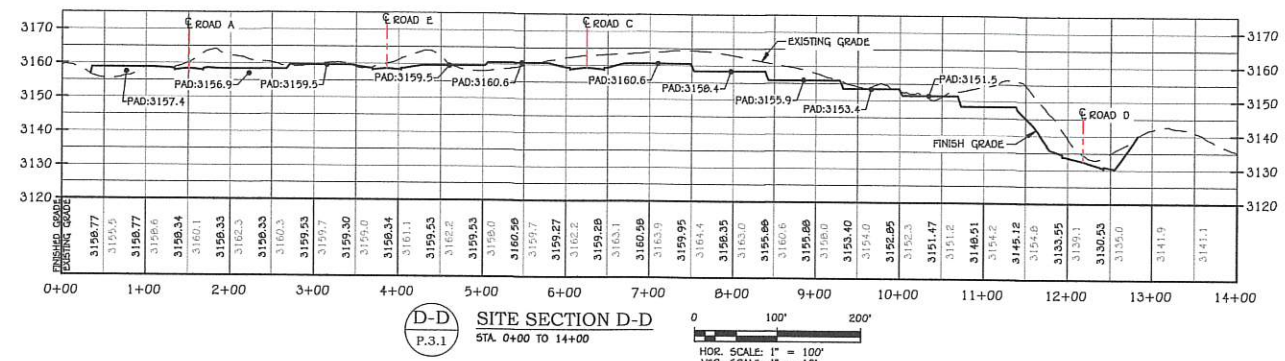
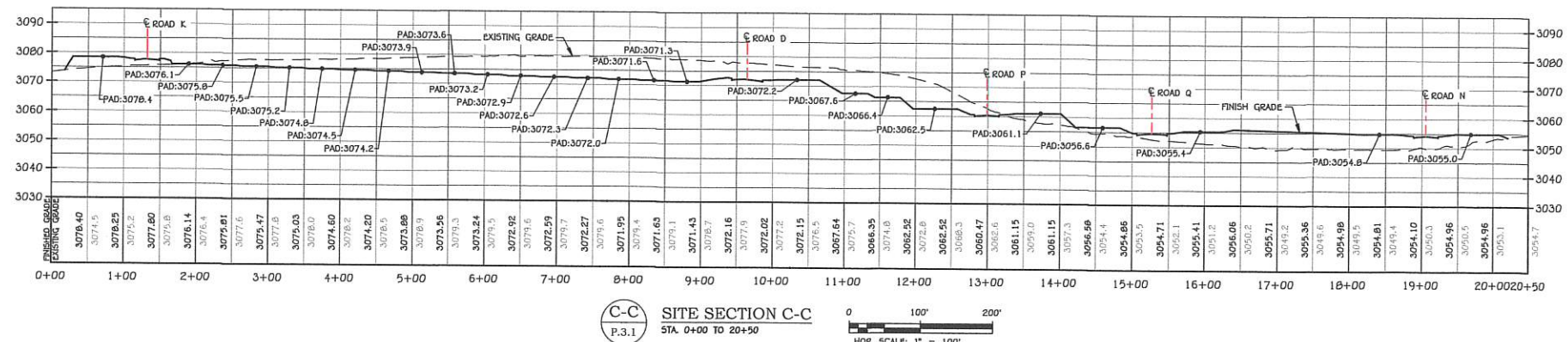
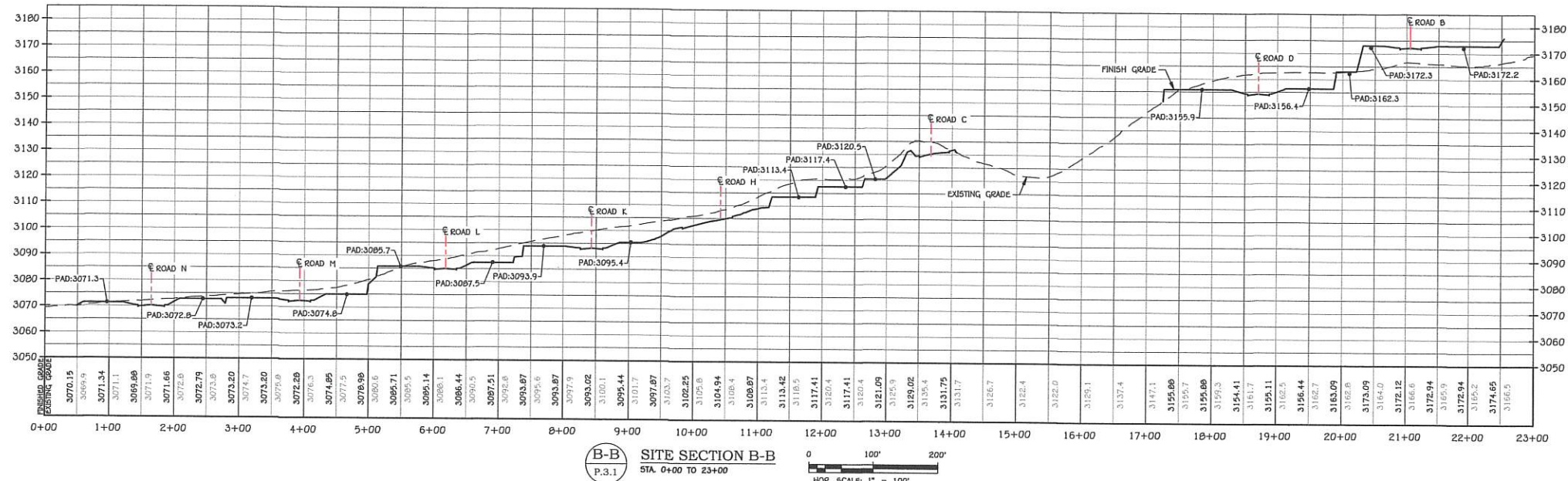
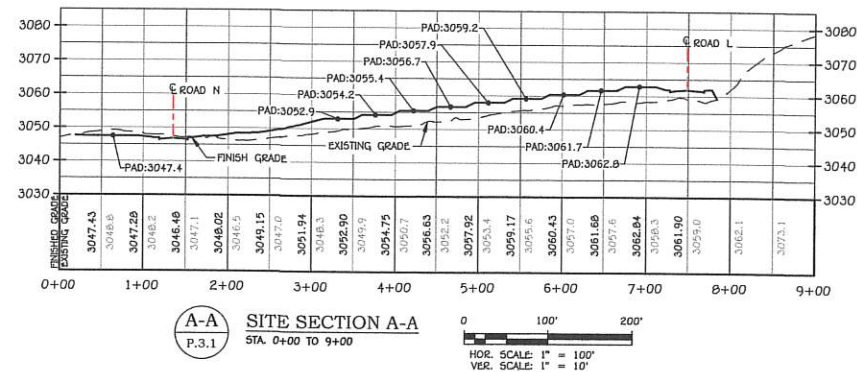


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| DATE:       | 11/19/2021 |
| JOB #       | AES-21-009 |
| DRAWN BY:   | SSA        |
| CHECKED BY: | ARC        |

**PARAISO SUBDIVISION**  
SECTION 31, TOWNSHIP 41 S, RANGE 13 W SLB&M  
HURRICANE, UTAH  
**GRADING PLAN IV**  
PRELIMINARY PLAT

P.3.5  
SHEET: 11 of 12





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**PRELIMINARY  
NOT FOR  
CONSTRUCTION**



DATE: 11/19/2021  
JOB #: AES-21-009  
DRAWN BY: SSA  
CHECKED BY: ARC

**PARAISO SUBDIVISION**  
SECTION 31, TOWNSHIP 41 S, RANGE 13 W SLB&M  
HURRICANE, UTAH

**SECTIONS**  
PRELIMINARY PLAT

**P.4.1**

SHEET: 12 of 12

# CONCEPTUAL DRAINAGE REPORT

---

|                    |                                                                |
|--------------------|----------------------------------------------------------------|
| <b>PROJECT:</b>    | <b>PARAISO SUBDIVISION</b>                                     |
| <b>PROJECT NO:</b> | <b>AES-21-009</b>                                              |
| <b>DATE:</b>       | <b>November 23, 2021</b>                                       |
| <b>LOCATION:</b>   | <b>Approximately 300 North / 2850 West<br/>Hurricane, Utah</b> |

---

**PREPARED BY:**



1173 South 250 West, Suite 502  
St. George, UT 84770  
Contact: Austin Chappell, P.E.  
Phone: (435) 668-5015  
Email: [austin@aelssg.com](mailto:austin@aelssg.com)

**PREPARED FOR:**

MIDDON LLC  
1842 South 3430 East Circle  
St. George, UT 84790  
Contact: Melissa Scott  
Phone: (435) 680-4383  
Email: [melissa@jpexcavating.com](mailto:melissa@jpexcavating.com)

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## A. GENERAL DESCRIPTION

The proposed Paraiso Subdivision is located in Hurricane, UT at approximately 300 North and 2850 West in Section 31 Township 41 South Range 13 West Salt Lake Base & Meridian (SLB&M). A vicinity map for the site is shown in Figure 1 below.

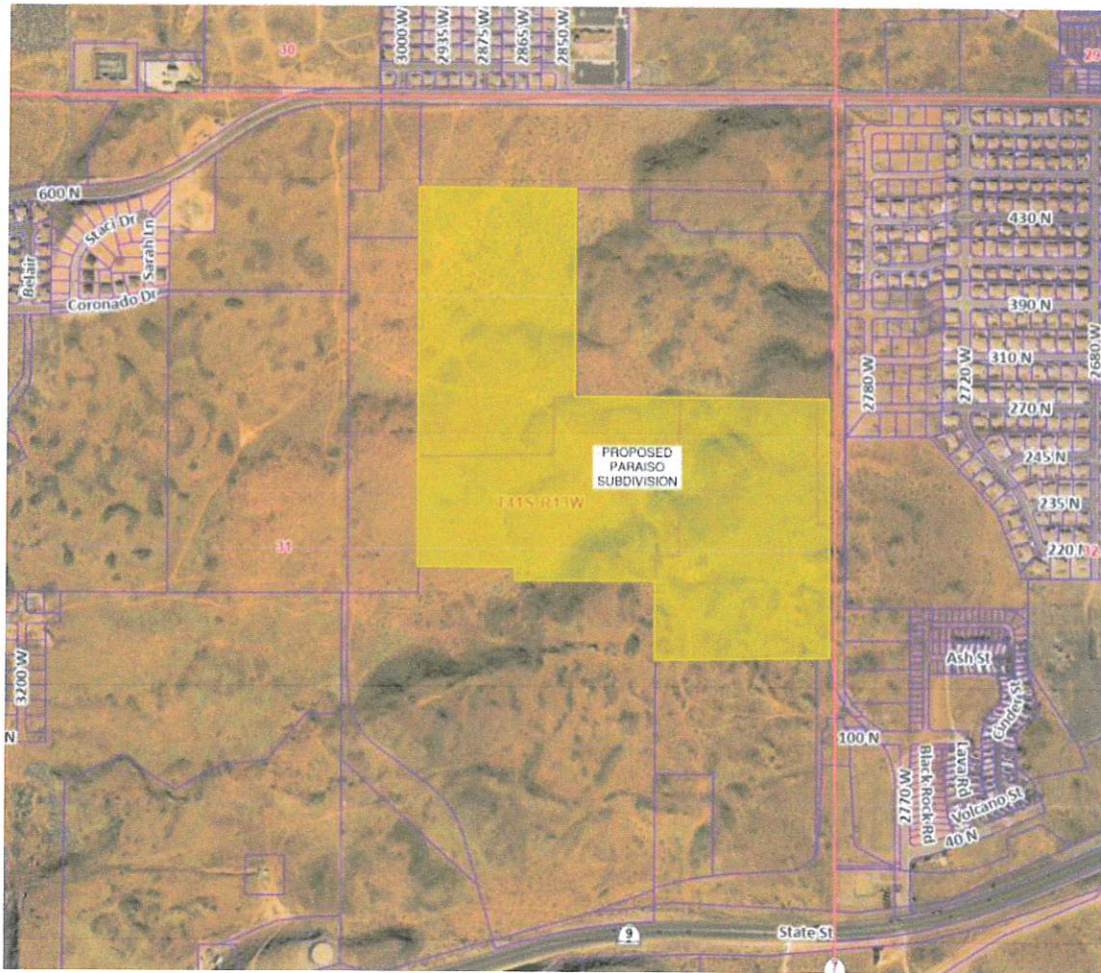


Figure 1: Site Vicinity Map

## B. EXISTING DRAINAGE FACILITIES

Currently there are no existing drainage facilities within the property boundary. There are however several culverts shown in the 2800 West roadway improvement plans. These culverts appear to pass through runoff from the east side of 2800 West to west side where they then discharge onto the proposed Paraiso Subdivision. These culverts will require further evaluation and coordination with Hurricane City as the subdivision design progresses.

## C. PROPERTY DESCRIPTION



The proposed 77-acre site is currently undeveloped but is surrounded by either existing subdivisions or future growth. To the east is the existing Sky Ridge Subdivision, to the north is the future Sky View development, and to the west is the future Sky Valley Subdivision. Access to the site is provided by 600 North (90' public street) and 2800 West (90' public street). Roadway improvements for 2800 West have been designed and to my knowledge construction is either in progress or beginning soon. The completed Paraiso subdivision will consist of 262 patio style single family homes and another 128 single family residential lots for a total of 390 new single-family residences.

#### **D. OFF-SITE DRAINAGE**

Upstream and to the east of the proposed Paraiso Subdivision is an undeveloped approximately 22-acre off-site watershed area. This off-site sub-basin is separated from the project site by 2800 West, however, there are several culverts shown in 2800 West roadway improvement plans that will convey runoff from east to west across 2800 West and onto the proposed subdivision site. As mentioned previously, these culverts will require further evaluation and coordination with Hurricane City.

Upstream and to the north is another undeveloped watershed area. This sub-basin is approximately 40 acres with only a small portion of the basin draining toward the proposed Paraiso Subdivision.

There are no other upstream off-site watershed areas of concern.

Directly downstream from the site is sub-basin NW-5 shown in the Storm Drain Master Plan. This sub-basin and other information from the Storm Drain Master Plan are discussed in more detail under Section F of this report.

To my knowledge, there are no known drainage problems within or directly next to the property boundary.

#### **E. ON-SITE DRAINAGE**

On-site drainage will support historical existing drainage patterns as much as possible. Post-developed on-site runoff will generally flow from the southeast of the property boundary to southwest. Runoff during a rain event will sheet flow across padded lots away from homes and structures toward the street where it will be collected by the street system curb and gutter. The streets will convey runoff to strategically placed inlets and pipes where it will then be conveyed to a suitable detention basin. All proposed on-site drainage facilities will follow the Hurricane City Drainage Manual. A preliminary storm drain layout showing inlets, pipes, and detention basins is shown in the Preliminary Plat drawings.

---

**F. MASTER PLANNED DRAINAGE FACILITIES**

From Figure 3-1, there are no existing drainage facilities within the site boundary or surrounding area.

From Figure 4-1-A, the proposed project is located within a portion of sub-basin NW-5 (approximately 27 acres of the total 201 acres) and NW-6 (approximately 50 acres of the total 157 acres).

From Figure 5-1, erosion and flooding deficiencies are noted at the 600 North and 2800 West intersection. No other deficiencies at, or near, the project site is identified in the storm drain master plan.

From Figure 6-1-A, the master plan shows a regional detention basin labeled as DNW-5 with a volume of 15.7 ac-ft near the midpoint of the west boundary of sub-basin NW-5. It appears that runoff from both NW-5 and NW-6 will be detained by detention basin DNW-5 before crossing over into sub-basin NW-4. The master plan shows a 30-inch storm drain outlet pipe labeled as RNW-4B that runs from the DNW-5 detention basin to a second regional detention basin labeled as DNW-1 with a volume of 20.6 ac-ft, which then discharges into the Virgin River through another 30-inch storm drain outlet pipe labeled as RNW-1A.

Regional detention basins DNW-1 and DNW-5 are master planned facilities downstream of the Paraiso site; however, the proposed project is currently planning to include on-site detention basins in accordance with the Hurricane City Drainage Manual. Further coordination with Hurricane City will be necessary to determine if these on-site detention basins are required or if the master planned regional detention basins can be utilized for the proposed development.

**G. FEMA FLOODPLAIN**

Based on the FEMA National Flood Hazard Layer FIRMette Map #49053C0840G the proposed project is located within Zone X, which is defined as an area of minimal flood hazard. The referenced floodplain map is provided in Appendix C.

**H. PROPOSED DRAINAGE FACILITIES**

The overall stormwater management approach for this site is based on conveying the 10-year storm through inlets and pipes and the 100-year storm within the roadways. General runoff patterns within the development include draining graded pads to the nearest street curb and gutter which will then convey runoff to strategically placed catch basin curb inlets. Once captured by inlets pipes will convey runoff to the nearest detention basin where the peak runoff will be detained and released at a controlled rate through an orifice.



1. **Grading:** Each lot will be graded to provide positive drainage away from structures and retaining walls. Pads will be graded to drain towards the street. Streets will be graded to generally follow the existing historical drainage of the site.
2. **Roadway Improvements:** The roadway improvements within the property will consist of a 45' and 52' right-of-way residential normal crown asphalt streets with RU30 curb and gutter and sidewalk on both sides. Roadway cross-slopes will be no less than 2% and longitudinal slopes in the curb and gutter will be no less than 0.50%.
3. **Conveyance Improvements:** Inlets will be placed at strategic locations along the roadways to meet maximum spread and bypass requirements. Inlets will be connected by appropriately sized H.D.P.E. storm drainpipes which will convey the collected runoff to the nearest detention basin.
4. **Detention/Storage Facilities:** There are two detention basins planned for the proposed project. Further coordination with Hurricane City will be necessary to determine if either of the two regional basins, DNW-5 and DNW-1, can accept un-detained runoff from the proposed Paraiso subdivision. For preliminary design purposes it is assumed that all post-developed runoff generated within the property boundary will be detained on-site. The on-site detention basins will be designed to provide adequate storage to prevent increases in the 10-year 24-hour, 100-year 24-hour, or the 100-year 3-hour Farmer Fletcher storm, whichever requires the largest volume. In accordance with the Drainage Manual, post-development discharges will not exceed pre-development discharges or 0.20 cfs/acre, whichever is less.

## I. RUNOFF COMPUTATIONS

1. **Hydrological Model:** Autodesk's Hydraflow Hydrographs Extension software is used to estimate pre-developed and post-developed peak runoff rates.
2. **Hydrological Model Inputs:** Autodesk's Hydraflow Hydrograph Extension software requires the following inputs and parameters for each drainage basin/sub-basin.
  - Drainage Area
  - SCS Curve Number (weighted)
  - Lag Time (min) or TR55 Time of Concentration (min)
  - Rainfall Depth (inches)
  - Storm Distribution
3. **Drainage Area:** Conceptual watershed areas for both pre and post developed conditions are included in Appendix A.

4. **SCS Curve Number:** The existing pre-developed ground cover consists of primarily natural desert terrain common in undisturbed areas of Washington County. Soil data obtained from the USDA Web Soil Survey shows the site soils are comprised of the following soil types:

| Symbol  | Name                                            | HSG | AOI (acres) | % of AOI |
|---------|-------------------------------------------------|-----|-------------|----------|
| BED     | Bermesa fine sandy loam, 1 to 10 percent slopes | C   | 43.4        | 55.6%    |
| BF      | Bermesa-Rock land association                   | C   | 19.9        | 25.4%    |
| WCF     | Winkel-Rock outcrop, 8 to 30 percent slopes     | D   | 14.9        | 19.0%    |
| Totals: |                                                 |     | 78.2        | 100.0%   |

Source: USDA Web Soil Survey (complete report included in Appendix B)

The post-developed site will consist of both native open space areas and high-density single family residential homes (5.03 units/acre). From Table 2-4 in the Drainage Manual the post-developed average percent impervious area is 35% for high density single family residential and 1% for open space.

Weighted SCS curve numbers for both pre- and post-developed conditions are calculated using the following equation:

$$CN (weighted) = \frac{\sum CN \times A}{\sum A}$$

Where:

CN = curve number for a specific drainage basin  
A = drainage area (acre)

5. **Lag Time:** For drainage areas less than 2,000 acres, the lag time can be calculated using the following equation:

$$L = \frac{l^{0.8} \left( \frac{1000}{CN} - 9 \right)^{0.7}}{1900(S)^{0.5}}$$

Where:

L = lag time (hour)  
l = longest flow path length of subarea (ft)  
CN = SCS curve number  
S = average slope along longest flow path of subarea (%)

The time of concentration is also calculated using the NRCS Technical Release 55 (TR-55) method as a comparison to the lag time calculations. The lag time generally applies to pre-developed conditions where concentrated

flows are more difficult to define while the TR-55 method is more applicable to post-developed conditions.

6. **Rainfall Depth:** Rainfall depths used for hydrological models are obtained from the Table 2-1 in the Drainage Manual and are summarized below:

| Storm Event | 3-Hour (in) | 24-Hour (in) |
|-------------|-------------|--------------|
| 10-Year     | 1.10        | 1.85         |
| 100-Year    | 1.89        | 2.76         |

Source: Hurricane City Drainage Manual, Table 2-1

7. **Design Storms and Distribution:** Per the Drainage Manual the following design storms are used for hydrological analysis:

- 10-year, 24-hour
- 100-year, 24-hour
- 100-year, 3-hour

The SCS Type II design storm distribution is used for the 10-year and 100-year 24-hour storms. The Farmer-Fletcher design storm distribution is used for the 100-year 3-hour storm.

8. **Hydrological Model Results:** Complete hydrological model results will be provided in the final drainage study.

## J. DRAINAGE FACILITY DESIGN COMPUTATIONS

The Rational Method is used to size all proposed inlets, pipes, and roadways. The 10-year design storm is used for inlets and pipes and the 100-year design storm is used for roadways and channels.

$$Q = c \times i \times A$$

Where:

- Q = largest rate of runoff (cfs)
- i = rainfall intensity (inches/hour)
- A = drainage basin area (acres)
- c = weighted runoff coefficient

Rainfall intensities for the applicable design storm are obtained from Table 2-2 in the Drainage Manual.

| Duration (min) | 10-Year (in/hr) | 100-Year (in/hr) |
|----------------|-----------------|------------------|
| 15             | 0.61            | 1.13             |

Source: Hurricane City Drainage Manual, Table 2-2



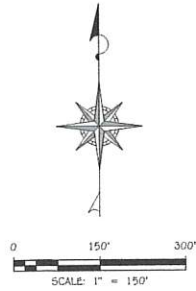
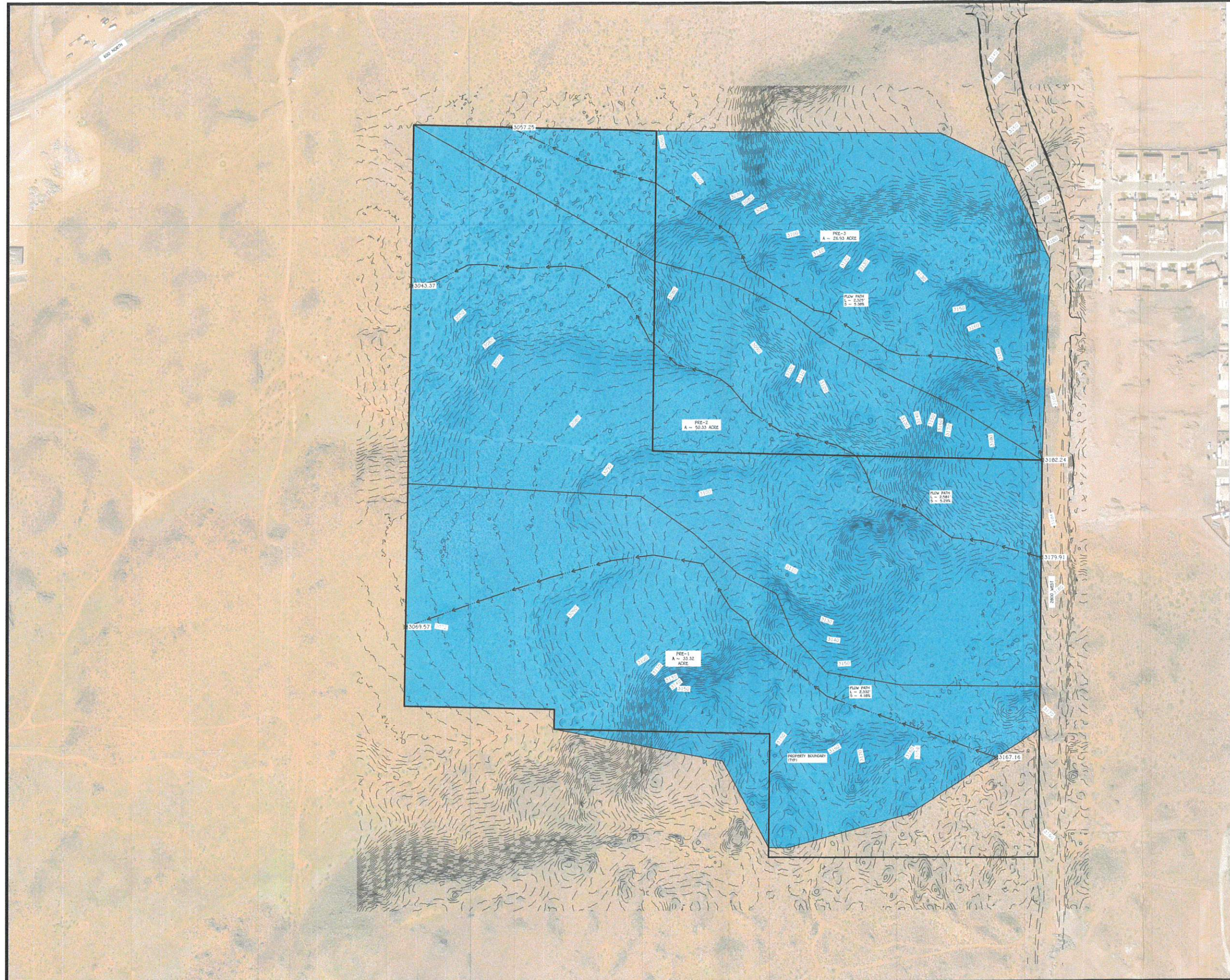
The maximum runoff rate calculated for each drainage basin inlet is entered into AutoDesk's Storm Sewer program to model the capacity and performance of the proposed storm drain system (inlets and pipes). The complete Storm Sewer analysis will be provided in the final drainage study.

#### **K. CONCLUSIONS**

All storm drain improvements for the proposed Paraiso Subdivision will follow the Hurricane City Drainage Manual, Storm Drain Master Plan, Hurricane City Standard Specifications, and drainage engineering best management practices. The drainage report presented herein is conceptual and will be supplemented and/or replaced by the final drainage study and accompanying construction drawings. The final drainage study report will provide complete hydrological and hydraulic analysis including calculations and exhibits.

## **APPENDIX A: DRAINAGE BASIN EXHIBITS**





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CONSTRUCTION**



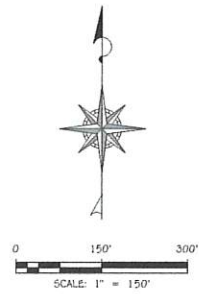
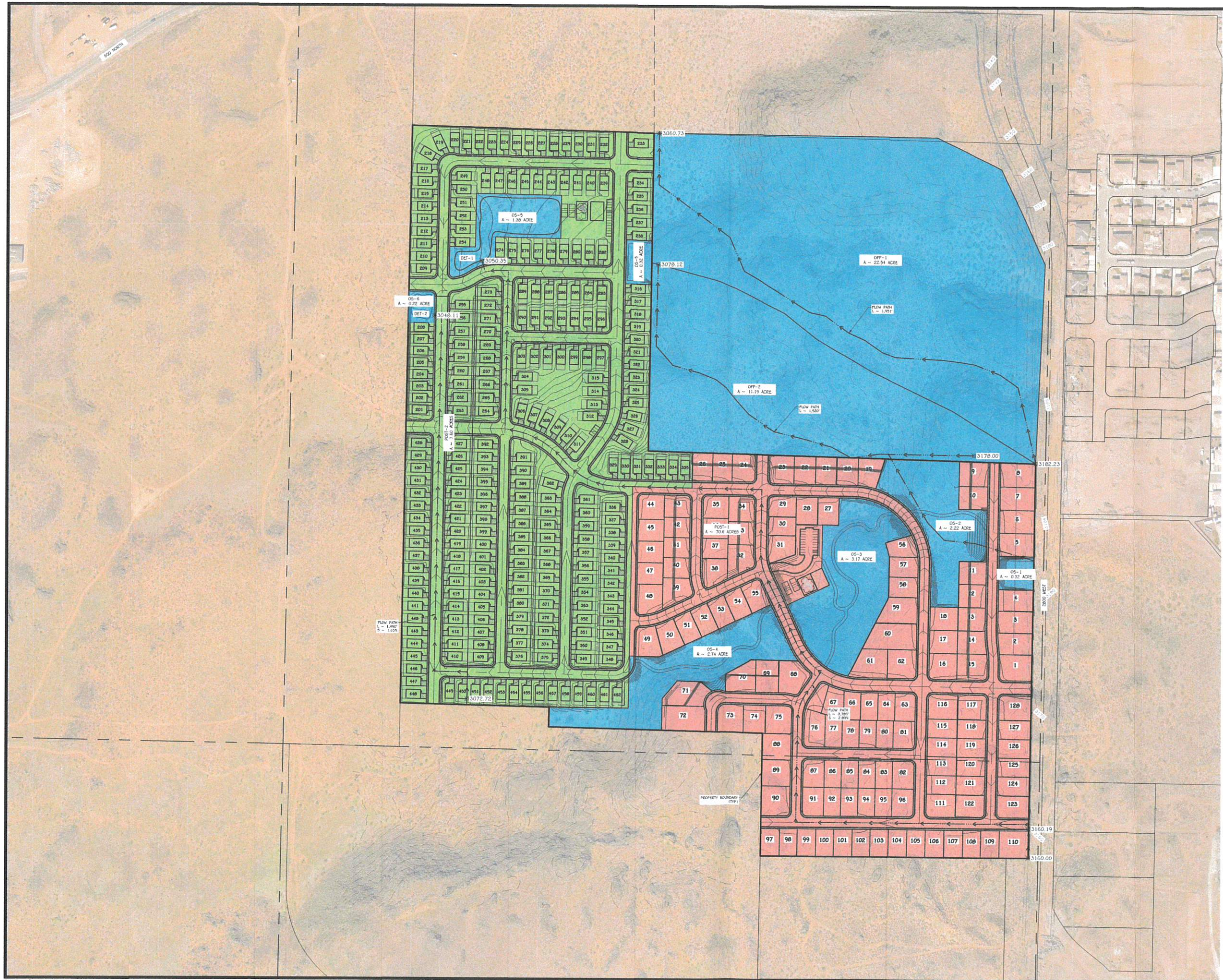
DATE: 11/22/2021  
JOB #: AES-21-009  
DRAWN BY: SSA  
CHECKED BY: ARC

**PARAISO SUBDIVISION**  
HURRICANE, UTAH

**PRE-DEVELOPED DRAINAGE BASINS**  
DRAINAGE CONTROL PLAN

**D.1.1**  
SHEET: 1 of 2





**PRELIMINARY  
NOT FOR  
CONSTRUCTION**



DATE: 11/22/2021  
JOB #: AES-21-009  
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CHECKED BY: ARC

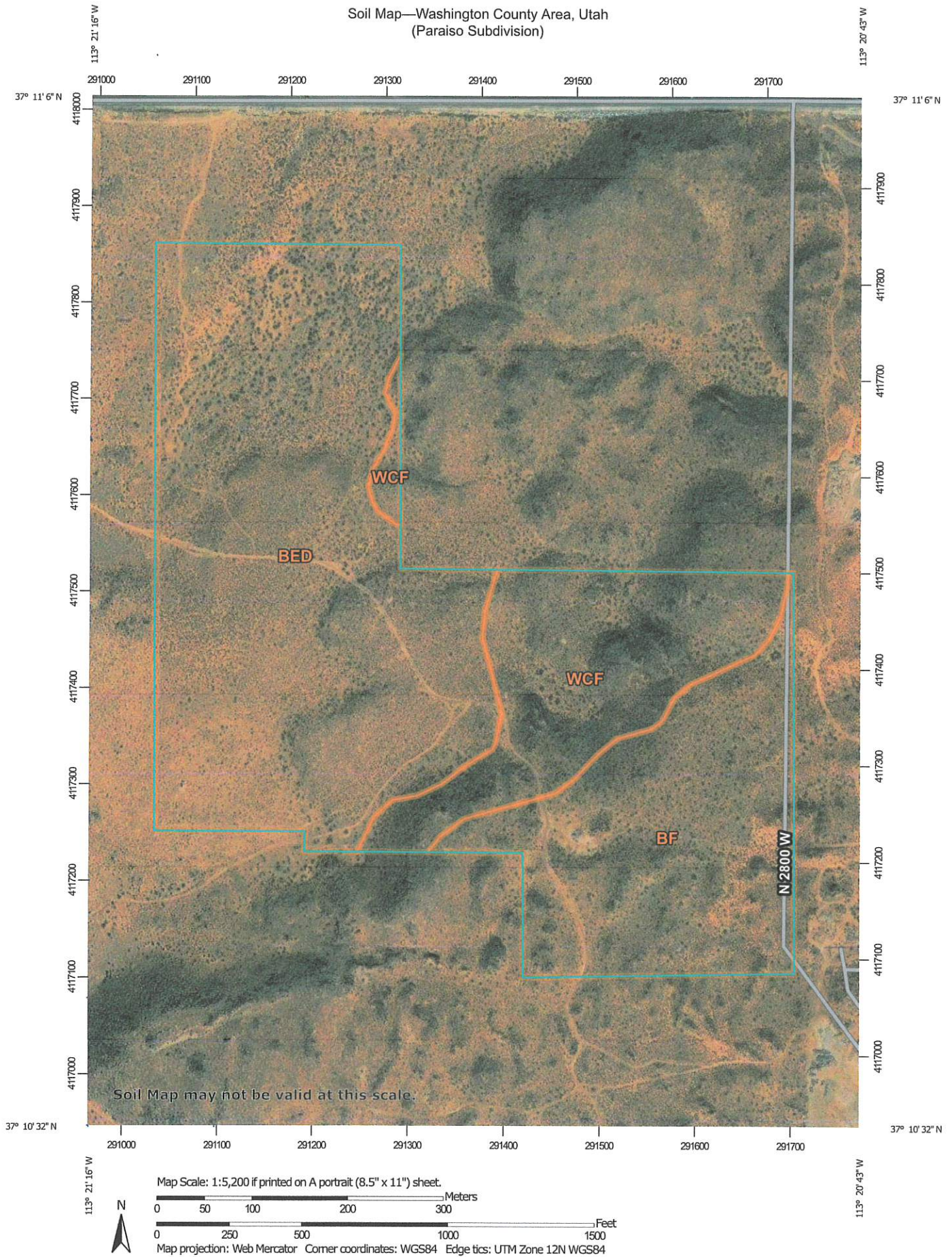
**PARAISO SUBDIVISION**  
HURRICANE, UTAH  
**POST-DEVELOPED DRAINAGE BASINS**  
DRAINAGE CONTROL PLAN

**D.1.2**  
SHEET: 2 of 2



## **APPENDIX B: USDA WEB SOIL SURVEY**

Soil Map—Washington County Area, Utah  
(Paraiso Subdivision)



Natural Resources  
Conservation Service

Web Soil Survey  
National Cooperative Soil Survey

11/22/2021  
Page 1 of 3



## MAP LEGEND

|                                                                                     |                        |                                                                                     |                       |
|-------------------------------------------------------------------------------------|------------------------|-------------------------------------------------------------------------------------|-----------------------|
|  | Area of Interest (AOI) |  | Spoil Area            |
|  | Area of Interest (AOI) |  | Stony Spot            |
|  | Soils                  |  | Very Stony Spot       |
|  | Soil Map Unit Polygons |  | Wet Spot              |
|  | Soil Map Unit Lines    |  | Other                 |
|  | Soil Map Unit Points   |  | Special Line Features |
|  | Special Point Features |  | Water Features        |
|  | Blowout                |  | Streams and Canals    |
|  | Borrow Pit             |  | Transportation        |
|   | Clay Spot              |   | Rails                 |
|    | Closed Depression      |    | Interstate Highways   |
|    | Gravel Pit             |    | US Routes             |
|    | Gravelly Spot          |    | Major Roads           |
|    | Landfill               |    | Local Roads           |
|    | Lava Flow              |    | Background            |
|    | Marsh or swamp         |    | Aerial Photography    |
|    | Mine or Quarry         |                                                                                     |                       |
|    | Miscellaneous Water    |                                                                                     |                       |
|    | Perennial Water        |                                                                                     |                       |
|    | Rock Outcrop           |                                                                                     |                       |
|    | Saline Spot            |                                                                                     |                       |
|    | Sandy Spot             |                                                                                     |                       |
|    | Severely Eroded Spot   |                                                                                     |                       |
|    | Sinkhole               |                                                                                     |                       |
|    | Slide or Slip          |                                                                                     |                       |
|    | Sodic Spot             |                                                                                     |                       |

## MAP INFORMATION

The soil surveys that comprise your AOI were mapped at 1:24,000.

Warning: Soil Map may not be valid at this scale.

Enlargement of maps beyond the scale of mapping can cause misunderstanding of the detail of mapping and accuracy of soil line placement. The maps do not show the small areas of contrasting soils that could have been shown at a more detailed scale.

Please rely on the bar scale on each map sheet for map measurements.

Source of Map: Natural Resources Conservation Service  
Web Soil Survey URL:

Coordinate System: Web Mercator (EPSG:3857)

Maps from the Web Soil Survey are based on the Web Mercator projection, which preserves direction and shape but distorts distance and area. A projection that preserves area, such as the Albers equal-area conic projection, should be used if more accurate calculations of distance or area are required.

This product is generated from the USDA-NRCS certified data as of the version date(s) listed below.

Soil Survey Area: Washington County Area, Utah  
Survey Area Data: Version 15, Sep 7, 2021

Soil map units are labeled (as space allows) for map scales 1:50,000 or larger.

Date(s) aerial images were photographed: Mar 7, 2015—Oct 22, 2017

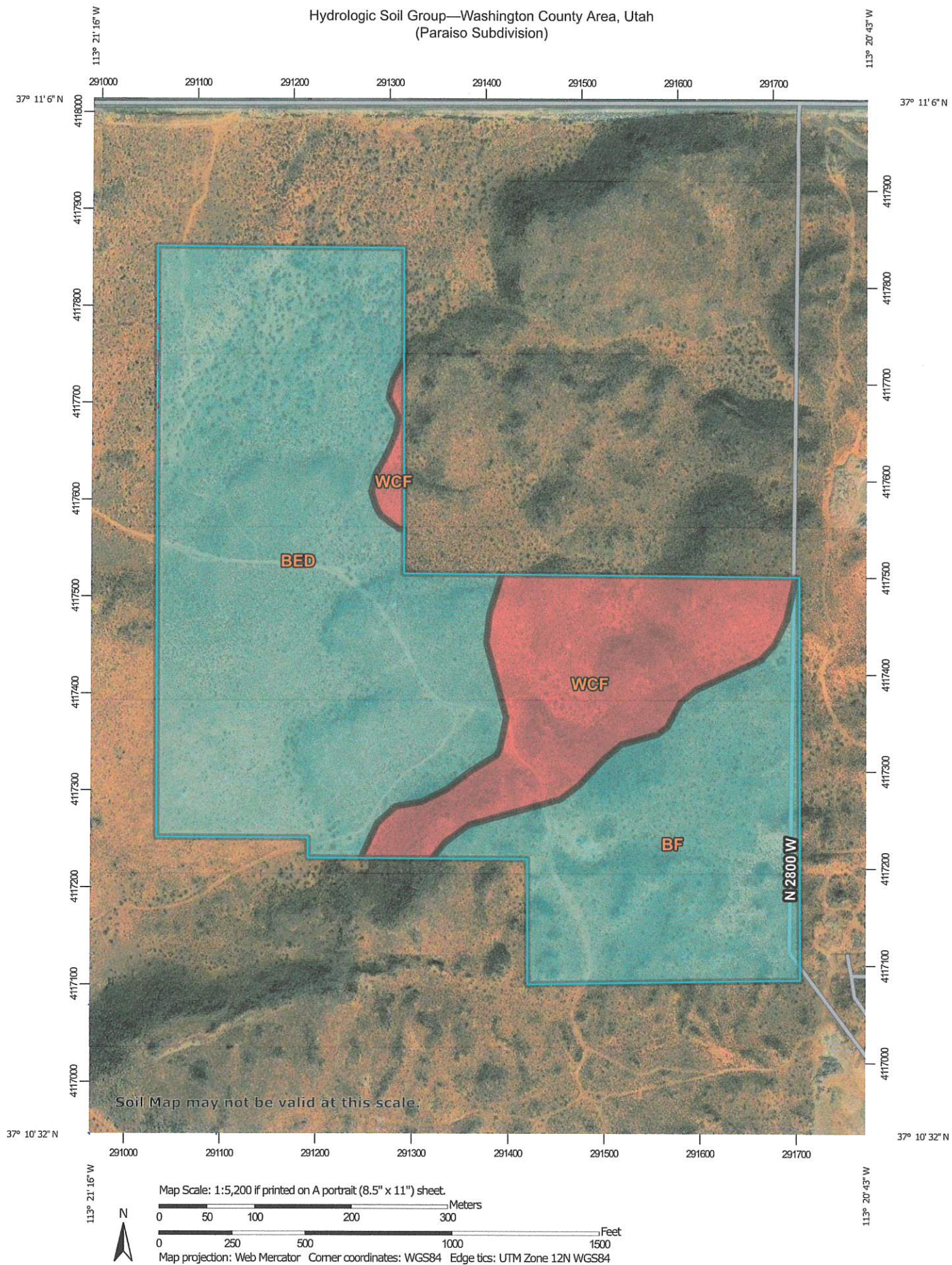
The orthophoto or other base map on which the soil lines were compiled and digitized, probably differs from the background imagery displayed on these maps. As a result, some minor shifting of map unit boundaries may be evident.

## Map Unit Legend

| Map Unit Symbol                    | Map Unit Name                                       | Acres in AOI | Percent of AOI |
|------------------------------------|-----------------------------------------------------|--------------|----------------|
| BED                                | Bermesa fine sandy loam, 1 to 10 percent slopes     | 43.4         | 55.6%          |
| BF                                 | Bermesa-Rock land association                       | 19.9         | 25.4%          |
| WCF                                | Winkel-Rock outcrop complex, 8 to 30 percent slopes | 14.9         | 19.0%          |
| <b>Totals for Area of Interest</b> |                                                     | <b>78.2</b>  | <b>100.0%</b>  |



# Hydrologic Soil Group—Washington County Area, Utah (Paraiso Subdivision)



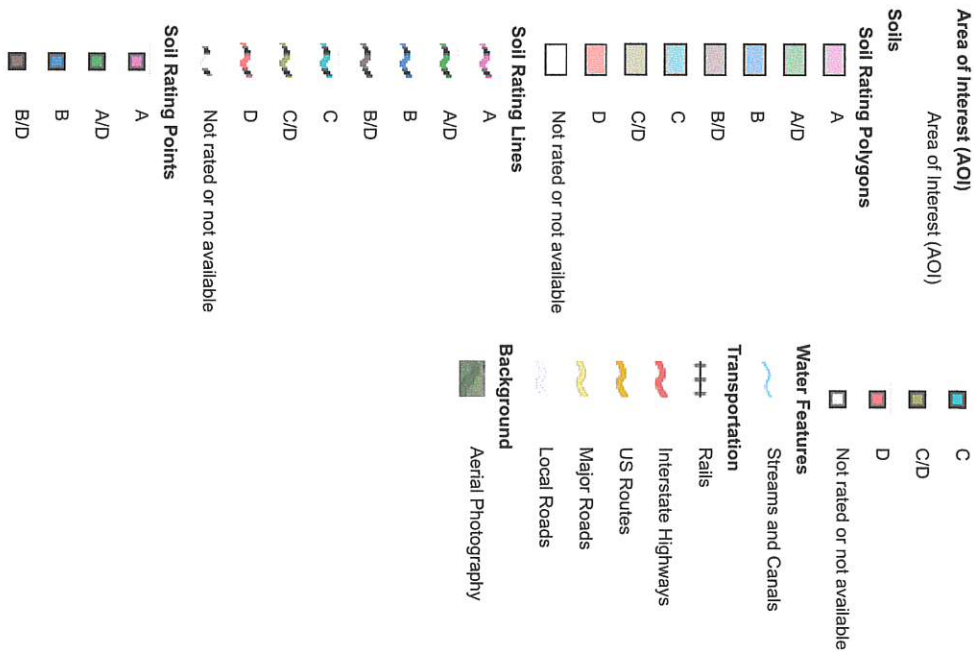
Natural Resources  
Conservation Service

Web Soil Survey  
National Cooperative Soil Survey

11/22/2021  
Page 1 of 4



## MAP LEGEND



## MAP INFORMATION

The soil surveys that comprise your AOI were mapped at 1:24,000.

Warning: Soil Map may not be valid at this scale.

Enlargement of maps beyond the scale of mapping can cause misunderstanding of the detail of mapping and accuracy of soil line placement. The maps do not show the small areas of contrasting soils that could have been shown at a more detailed scale.

Please rely on the bar scale on each map sheet for map measurements.

Source of Map: Natural Resources Conservation Service  
Web Soil Survey URL:

Coordinate System: Web Mercator (EPSG:3857)

Maps from the Web Soil Survey are based on the Web Mercator projection, which preserves direction and shape but distorts distance and area. A projection that preserves area, such as the Albers equal-area conic projection, should be used if more accurate calculations of distance or area are required.

This product is generated from the USDA-NRCS certified data as of the version date(s) listed below.

Soil Survey Area: Washington County Area, Utah  
Survey Area Data: Version 15, Sep 7, 2021

Soil map units are labeled (as space allows) for map scales 1:50,000 or larger.

Date(s) aerial images were photographed: Mar 7, 2015—Oct 22, 2017

The orthophoto or other base map on which the soil lines were compiled and digitized probably differs from the background imagery displayed on these maps. As a result, some minor shifting of map unit boundaries may be evident.

## Rating Options

*Aggregation Method:* Dominant Condition

*Component Percent Cutoff:* None Specified

*Tie-break Rule:* Higher

## **APPENDIX C: FEMA FLOODPLAIN MAP**



# National Flood Hazard Layer Rikmette



113°21'21"W 37°11'11"N



## Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

**SPECIAL FLOOD HAZARD AREAS**  
 Without Base Flood Elevation (BFE)  
 Zone A, X, Z, B  
 With BFE or Depth Zone AE, AH, AN, VE, AR  
 Regulatory Floodway

0.2% Annual Chance Flood Hazard, Area of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile, Zone X

Future Conditions 1% Annual Chance Flood Hazard Zone X

Area with Reduced Flood Risk due to Levee, See Notes, Zone X

**OTHER AREAS OF FLOOD HAZARD**  
 Area with Flood Risk due to Levee Zone X

No SCREEN Area of Minimal Flood Hazard Zone X

Effective LOMRS

**OTHER AREAS**  
 Area of Undetermined Flood Hazard Zone X

**GENERAL STRUCTURES**  
 Channel, Culvert, or Storm Sewer  
 Levee, Dike, or Floodwall

Cross Sections with 1% Annual Chance Water Surface Elevation

Coastal Transsect

Base Flood Elevation Line (BFE)

Limit of Study

Jurisdiction Boundary

Coastal Transsect Baseline

Profile Baseline

Hydrographic Feature

**OTHER FEATURES**  
 Digital Data Available  
 No Digital Data Available  
 Unmapped



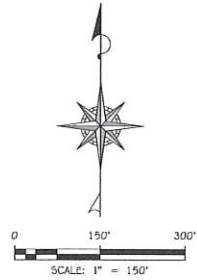
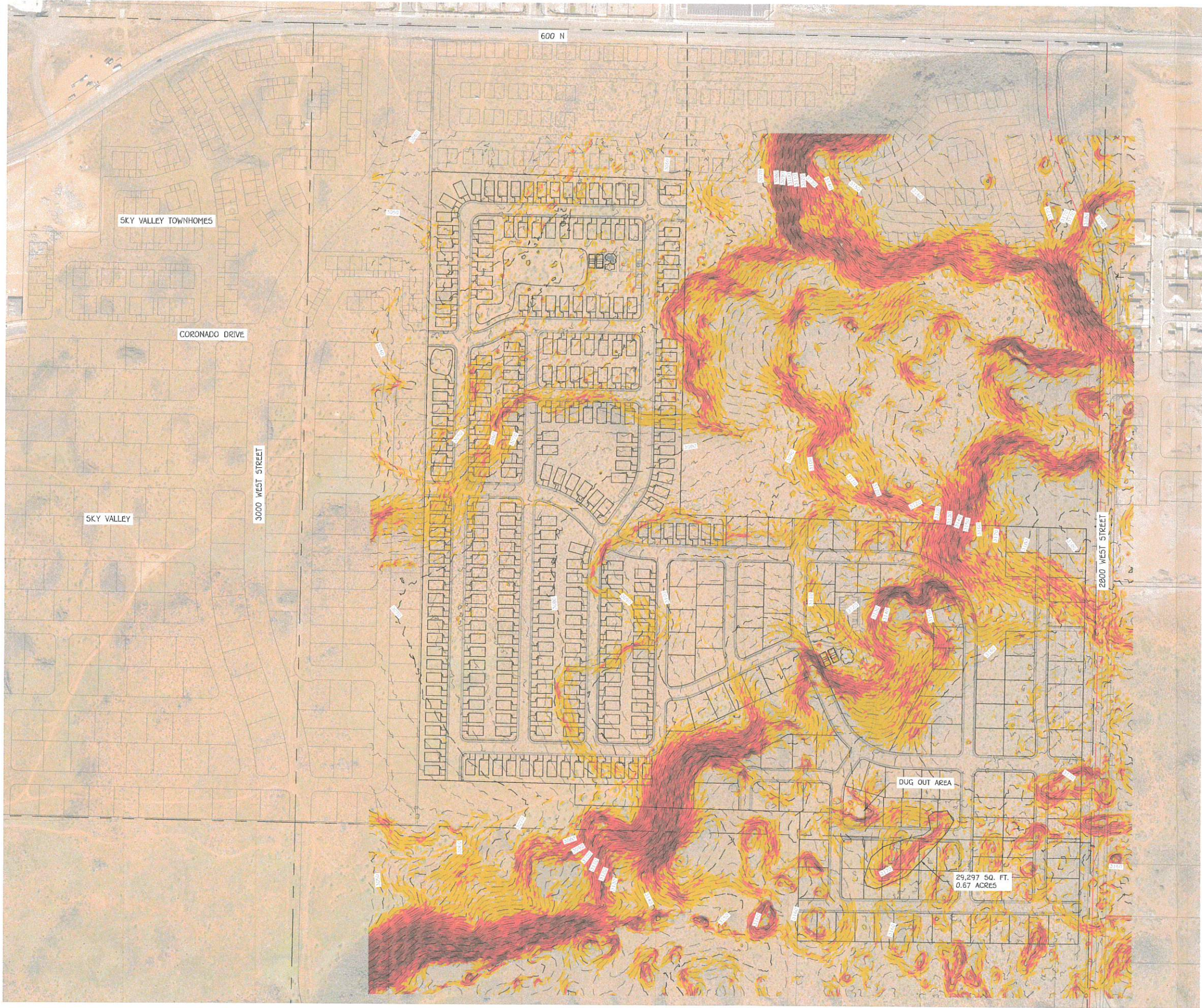
The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 11/19/2021 at 4:53 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: Basemap Imagery, Flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map imagers for unmapped and unmapped areas cannot be used for regulatory purposes.





| SLOPES TABLE |               |               |          |
|--------------|---------------|---------------|----------|
| NUMBER       | MINIMUM SLOPE | MAXIMUM SLOPE | COLOR    |
| 1            | 10.00%        | 20.00%        | Yellow   |
| 2            | 20.01%        | 30.00%        | Orange   |
| 3            | 30.01%        | 40.00%        | Red      |
| 4            | 40.01%        | 7512.73%      | Dark Red |

PRELIMINARY  
NOT FOR  
CONSTRUCTION



**AMERICAN**  
ENGINEERING & LAND SURVEYING  
1175 SOUTH 250 WEST, SUITE 502  
ST. GEORGE, UT 84770

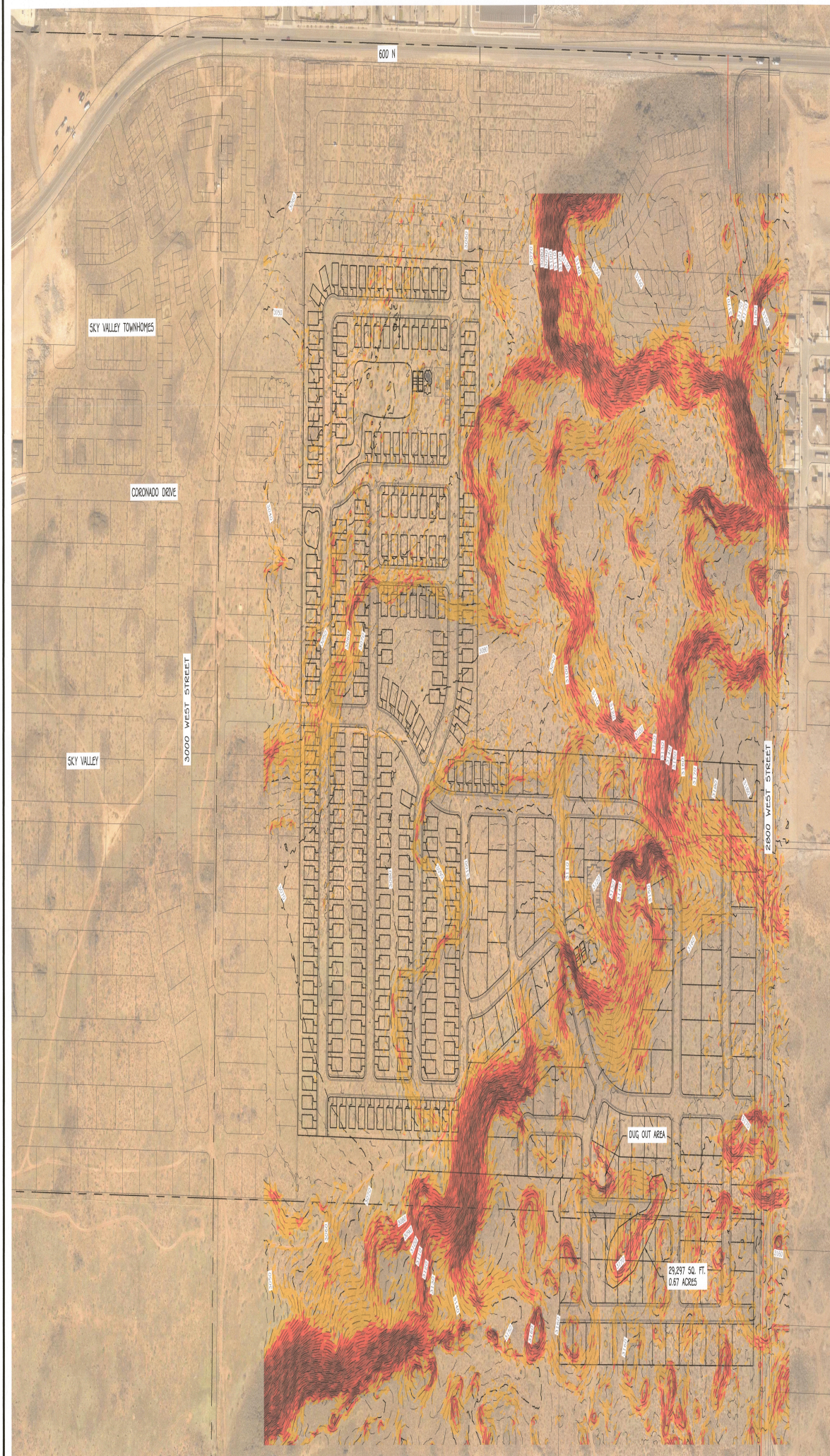
DATE: 11/23/2021  
JOB #: AES-21-009  
DRAWN BY: SSA  
CHECKED BY: ARC

**PARAISO SUBDIVISION**  
HURRICANE, UTAH  
**SLOPE MAP**  
EXISTING CONDITIONS

**SLP.1**

SHEET: 1 of 1





| REV. | DATE | REVISION |
|------|------|----------|
|      |      |          |
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**CONSTRUCTION**



DATE: 11/23/2021  
JOB #: ABS-21-009  
DRAWN BY: SSA  
CHECKED BY: ABC

**PARAISO SUBDIVISION**  
**HURRICANE, UTAH**  
**SLOPE MAP**  
**EXISTING CONDITIONS**

**SLP.1**

SHEET: 1 of 1

| SLOPES TABLE |               |               |          |
|--------------|---------------|---------------|----------|
| NUMBER       | MINIMUM SLOPE | MAXIMUM SLOPE | COLOR    |
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| 2            | 20.01%        | 30.00%        | Orange   |
| 3            | 30.01%        | 40.00%        | Red      |
| 4            | 40.01%        | 7512.73%      | Dark Red |





## STAFF COMMENTS

|                             |                                |
|-----------------------------|--------------------------------|
| <b>Agenda Date:</b>         | <b>1/6/2022</b>                |
| <b>Application Number:</b>  | 2021-PP-36 and 2021-HIL-07     |
| <b>Type of Application:</b> | Preliminary Plat Application   |
| <b>Action Type:</b>         | Administrative                 |
| <b>Applicant:</b>           | Middon LLC                     |
| <b>Agent:</b>               |                                |
| <b>Request:</b>             | Approval of a Preliminary Plat |
| <b>Location:</b>            | 2800 W 200 N                   |
| <b>Zoning:</b>              | R1-8 PDO                       |
| <b>General Plan Map:</b>    | Planned Community              |

### Planning Commission Recommendation

The Planning Commission gave a positive recommendation on the preliminary plat and sensitive lands application subject to staff and JUC comments.

### Discussion:

The applicant has filed a preliminary plat for the Paraiso subdivision. Earlier this year this property received a zone change to R1-8 PDO as the “Plumb subdivision.” They are proposing 390 lots on 79 acres for a density of about 4.98 units an acre. Plat includes open space amenities and street connections to neighboring planned developments. A phasing plan and utility plan have been provided as part of this preliminary plat.

### JUC Comments

The Joint Utility Committee had the following comments:

1. **Power:** Power on 600 N is all that’s available right now. Eventually will tie into the planned line on 2800 W but not clear how initial power will be provided
2. **Sewer:** Will serve letter has been issued
3. **Street:** No access currently. Need 2800 W to be extended
4. **Water:** Will need a full water model. No line on 2800 W currently. There is a pressure zone break within the property that will need to be addressed, possibly through PRV pits. A will serve letter has been issued

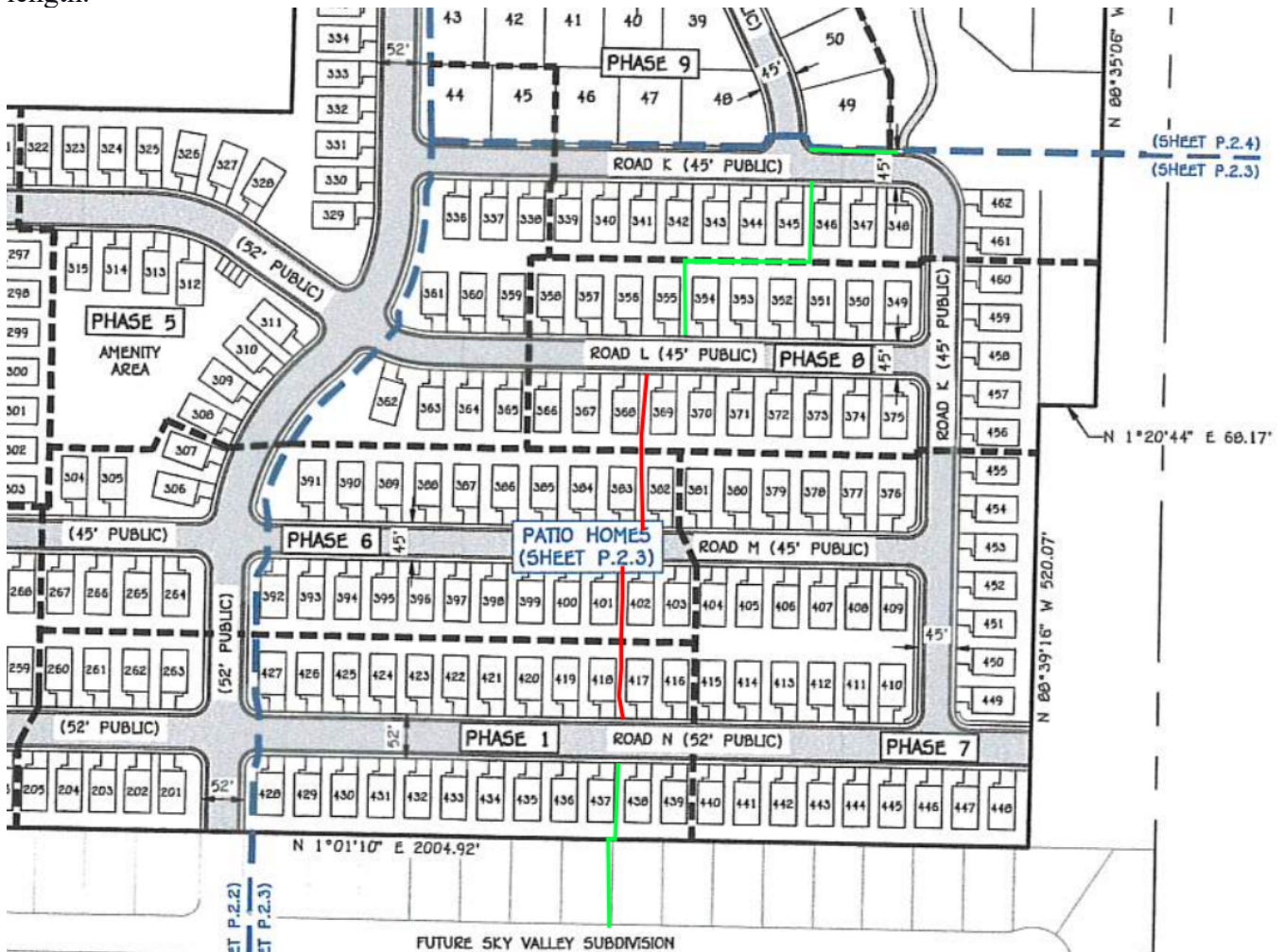
5. **Engineering:** Good access with neighboring properties. Plenty of infrastructures is needed for the property. Construction will need to start on the low end. A traffic study will probably be needed
6. **Fire:** Access will be needed throughout construction. Temporary turnarounds at connection points to other properties
7. **Cable:** No concerns.
8. **Gas:** No access currently

### Staff Comments: Preliminary Plat

*10-34-8: PARKING LOT DESIGN AND CONSTRUCTION:*

*B. Access To Public Street: Except for parking for a single-family or two-family dwelling and townhouses access to a parking space or parking lot shall be from a parking lot aisle and not directly from a public street. Every parking lot shall have access to a public street. Such access may be provided through platted or recorded easements, reciprocal arrangements, or other guaranteed means.*

4. A will serve letter has been provided by Hurricane City Water and Ash Creek Sewer District
5. Block lengths need to be limited to 800 ft max unless otherwise approved by the City Engineer. There are a couple of streets on the western side of the development that exceeds the maximum length.



**3.2.4.2 INTERSECTIONS (Hurricane Design Standards)**

*When designing local road networks, block lengths without an intervening connector street shall not exceed eight hundred feet (800') in length unless previous approval has been obtained from the City Engineer. Cul-de-sacs are not considered an intervening connecting street.*

The City Engineer and Planning staff has required that a trail connects through lanes Road N and L as shown above in red in order to comply. Staff would also recommend that these trails find a



connection to Hillside/Opens Space to the east and that the City work with Sky Valley and this development to provide a connection to the west, shown in green.

6. The property is isolated, with limited immediate utility access. Any approval of the project should be conditioned on the developer providing proper utility and fire access. The City is planning on constructing 2800 W within the next year which will allow access on the southeast section of the development. Development is limited to 29 units off a single fire and utility access. Connection drawings will need to show off-site improvements and be approved by the JUC.
7. Patio homes will need at least a 10' separation, which is noted on the preliminary plat. Driveways will need to be a minimum of 20' deep.
8. A sensitive lands application has been provided

## Sensitive Lands

1. The Sensitive Land Application requires the following items

### **10-24-5: HILLSIDES AND RIDGE AREAS:**

*A. Applicability: The following procedures, submittal requirements and standards shall apply to those projects located on lands identified as having at least one of the following characteristics:*

1. *Slopes over ten percent (10%) which are:*
  - a. Identified through computer generated programs capable of calculating slopes on topographic maps prepared with two foot (2') contour interval accuracy; or*
  - b. Established by profile lines drawn perpendicular to contour lines at intervals no greater than one hundred fifty feet (150') apart, when the slope, measured along any one hundred foot (100') segment of the profile line is ten percent (10%) or greater. (See section 10-24-9, appendix diagram A, of this chapter.)*
  - c. A slope shall be subject to this chapter only when a contiguous identified area of ten percent (10%) or greater exceeds two (2) acres, or if the site is less than one acre and the entire site is ten percent (10%) or greater.*
2. *Soils Investigation Report: A soils investigation report which contains the following information:*
  - a. Nature, distribution and classification (unified soil classification) of existing soils to the appropriate depth of influence by the proposed development, but not less than ten feet (10') deeper than the proposed excavations or to bedrock.*
  - b. Strength of existing soils, bearing capacity of supporting soils, settlement estimates, collapse and shrink-swell characteristics, lateral pressures and trench excavation limitations.*
  - c. Groundwater levels that may affect development and estimated elevation of high groundwater levels.*
  - d. Appropriate laboratory testing for classification, consistency, strength and consolidation conditions.*
  - e. Slope stability.*
  - f. A written statement by the geotechnical engineer, civil engineer, or geologist preparing the soils report describing the general suitability of the site for the owner's intended use. The report shall*

*identify soil constraints to development and shall state the professional opinion of the author as to whether the proposed development plan will mitigate and/or eliminate said constraints in a manner as to prevent hazard to life, hazard to property, and adverse effects. If the soil report prepared for a subdivision shows the presence of critically expansive soils, high water table, organic soils, liquefiable soils, collapsible soils, or other soil problems which, if not corrected, would lead to structural defects of the proposed buildings, damage to the building from the water, or premature deterioration of the public improvements, a soil investigation of each lot in the subdivision shall be required by the city.*

*3. Geotechnical Report: A geotechnical and geological report subject to the standards and requirements provided therein.*

*4. Grading And Drainage Plan: A grading and drainage plan report which includes stormwater management, erosion, and grading plans describing the methods by which surface water, natural drainage, erosion and sedimentation loss, and hydrologic hazards that will be controlled during and after construction. The plan shall include the following information:*

*a. The grading plan shall show present topography, including the location and depth of all proposed fills and cuts of finished earth surfaces, and/or use of retaining walls including height, using a contour interval of two feet (2') when grades are zero to twenty nine percent (0 - 29%) and five foot (5') contours when grades thirty percent (30%) and over.*

*b. The proposed area to be graded shall be clearly delineated on the plan.*

*c. All calculations and proposed details used for design and construction of debris basins, impoundments, diversions, dikes, waterways, drains, culverts and other water management or soil erosion control measures shall be shown. Drainage calculations shall determine runoff volume and peak discharge using the "rational method", "SCS curve number method", or appropriate equivalent. Data provided should include:*

*(1) Rainfall depth, duration and distribution;*

*(2) Watershed slope and drainage area delineation;*

*(3) Land condition of watershed surface;*

*(4) Topography of drainage area; and*

*(5) Soil descriptions in watershed. Erosion calculations shall employ predictions of soil loss sheet erosion using the universal soil loss equation or equivalent. Data to be provided should include factors of:*

*(A) Rainfall intensity and duration;*

*(B) Soil erodibility;*

*(C) Land slope and length of slope or topography;*

*(D) Condition of the soil surface and land management practices in use; and*

*(E) Surface cover, grass, pavements, etc.*

2. City staff has received a topographic map, a slope map, a grading plan, soil map, and drainage plan

3. There are a few small isolated areas of steep slope scattered through the project besides the large hillside. However, staff has toured these selections and believe they are minimal and should not affect the design of the project.

4. Lots 84 and 85 may have some remaining sloping issues that will need to be addressed in more detail during construction drawings.

5. Applicant has not provided a lot by lot breakdown of the slopes as usually provided. They have provided a slope map of the property. Because the lots are contained in the flatter areas of the project, staff does not have concerns. The applicant has provided draft grading plans for each lot.



**Recommendation:** Staff recommends the City Council review this application based on standards with Hurricane City Code. Staff recommends approval subject to staff and JUC comments. Staff main concerns are the following:

- Utility and fire access. Those items will need to be addressed during the construction drawing process and be approved by the JUC and Fire District.
- Make sure block lengths are 800 ft max and comply with staff recommendations.



PLANNING & ZONING  
**HURRICANE CITY**  
**UTAH**

Preliminary Plat Check List

|                   |                |
|-------------------|----------------|
| Application Name: | Paraiso        |
| Review Date:      | 12/1/2021      |
| Reviewed By:      | Fred Resch III |

| Complete | Requirement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Note |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|
| x        | Each Lot Complies with zoning lot size requirements                                                                                                                                                                                                                                                                                                                                                                                                                                              |      |
| x        | Each lot complies with zoning lot frontage                                                                                                                                                                                                                                                                                                                                                                                                                                                       |      |
| x        | A. Description: In a title block located in the lower right hand corner of the sheet the following is required:<br>1. The proposed name of the subdivision.<br>2. The location of the subdivision, including the address and the section, township and range.<br>3. The names and addresses of the owner or subdivider if other than the owner.<br>4. Date of preparation and north point.<br>5. Scale shall be of sufficient size to adequately describe in legible form all required elements. |      |

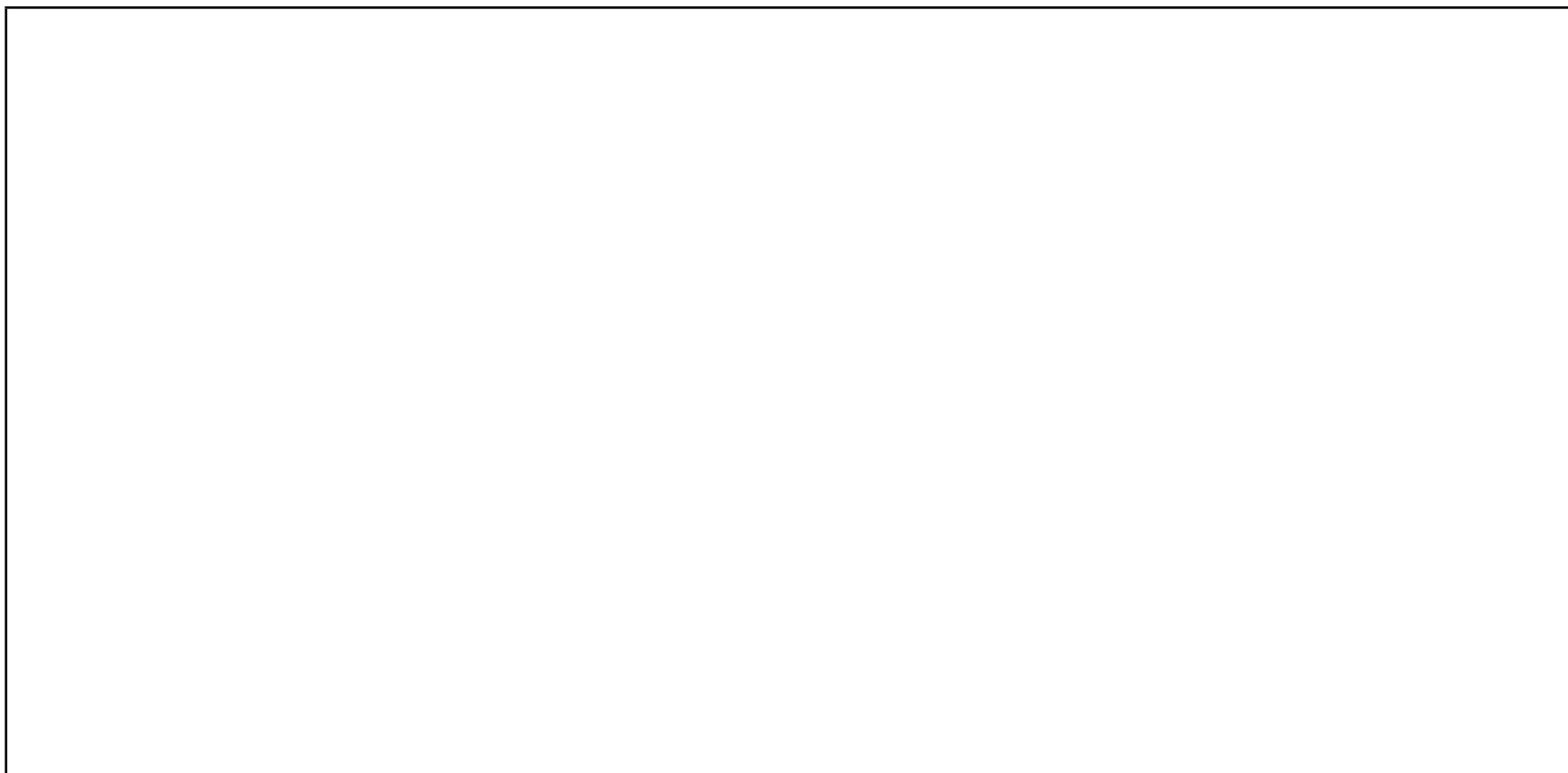
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| x | The location of the nearest monument.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |  |
| x | The boundary of the proposed subdivision and the acreage included.                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |  |
| x | All property contiguous to the property to be subdivided and under the control of the subdivider, even though only a portion is being subdivided. (Where the plat submitted covers only a part of the subdivider's tract, a sketch of the prospective street system of the unplatted parts of the subdivider's land shall be submitted, and the street system of the part submitted shall be considered in light of existing master street plan or other commission studies.) And all property contiguous to the proposed subdivision. |  |
| x | The location, width and names/numbers of all existing streets within two hundred feet (200') of the subdivision and of all prior streets or other public ways, easements, utility rights of way, parks and other public open spaces, within and adjacent to the tract.                                                                                                                                                                                                                                                                 |  |
| x | The location of all wells and springs or seeps, proposed, active and abandoned, and of all reservoirs or ponds within the tract and at a distance of at least one hundred feet (100') beyond the tract boundaries.                                                                                                                                                                                                                                                                                                                     |  |
| x | Existing ditches, canals, natural drainage channels and open waterways and proposed realignments.                                                                                                                                                                                                                                                                                                                                                                                                                                      |  |
| x | Contours at vertical intervals not greater than five feet (5').                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |  |
| x | Identification of potential geotechnical constraints on the project site (such as expansive rock and soil, collapsible soil, shallow bedrock and caliche, gypsiferous rock and soil, potentially unstable rock or soil units including fault lines, shallow ground water, and windblown sand) and recommendations for their mitigation.                                                                                                                                                                                                |  |
| x | The layout of streets, showing location, widths and other dimensions of proposed streets, crosswalks, alleys and easements.                                                                                                                                                                                                                                                                                                                                                                                                            |  |

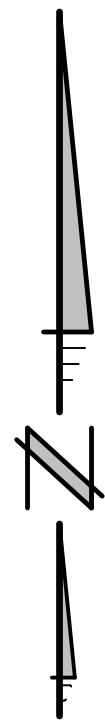
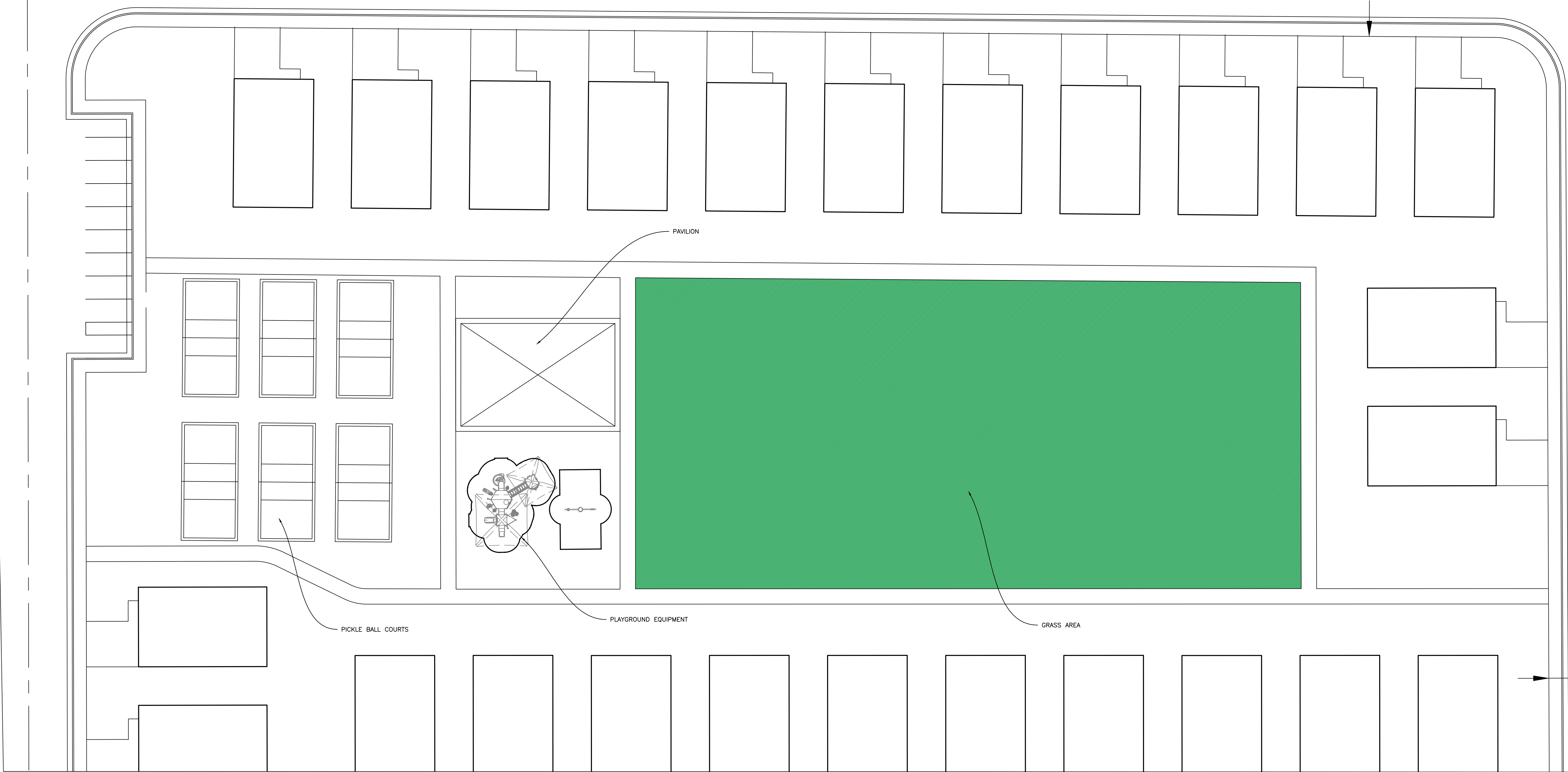
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| x | The layout, numbers and typical dimensions of lots. Designation of buildable area is required for each lot.                                                                                                       |  |
| x | Parcels of land intended to be dedicated or temporarily reserved for public use or set aside for use of property owners in the subdivision.                                                                       |  |
| x | Easements for water, sewers, drainage, utilities, lines and other purposes.                                                                                                                                       |  |
| x | Typical street cross sections and street grades where required by the planning commission.                                                                                                                        |  |
| x | A tentative plan or method by which the subdivider proposes to handle the stormwater drainage for the subdivision.                                                                                                |  |
| x | Approximate radius of all centerline curves on highways or streets.                                                                                                                                               |  |
| x | Each lot shall abut a street shown on the subdivision plat or on an existing publicly dedicated street. (Double frontage or flag lots shall be prohibited except where conditions make other design undesirable.) |  |
| x | All remnants of lots below minimum size left over after subdividing of a larger tract shall be added to adjacent lots or common areas, rather than allowed to remain as unusable parcels.                         |  |
| x | Where necessary, copies of any agreements with adjacent property owners relevant to the proposed subdivision shall be presented to the planning commission.                                                       |  |
| x | A letter from both the local sanitary sewer provider and culinary water provider indicating availability of service.                                                                                              |  |
| x | If the subdivision is to be built in phases, the plat shall show possible phasing lines.                                                                                                                          |  |

|   |                                                                                                                                                                                                           |  |
|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| x | A tentative plan or method for providing nondiscriminatory access to the subdivision for purposes of placement of communications infrastructure, and for purposes of placement of utility infrastructure. |  |
| x | The Plan complies with Master Transportation Plans                                                                                                                                                        |  |
| x | The Plan complies with the Master Active Transportation Plan                                                                                                                                              |  |
| x | The Plan provides proper transportation and utility connections to adjacent properties. No land locked lots are being created.                                                                            |  |
| x | The Plan has been reviewed by the JUC                                                                                                                                                                     |  |
| x | Engineering has had a chance to review the plat.                                                                                                                                                          |  |

Notes







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SCALE IN FEET

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**RAT ENGINEERING, P.C.**

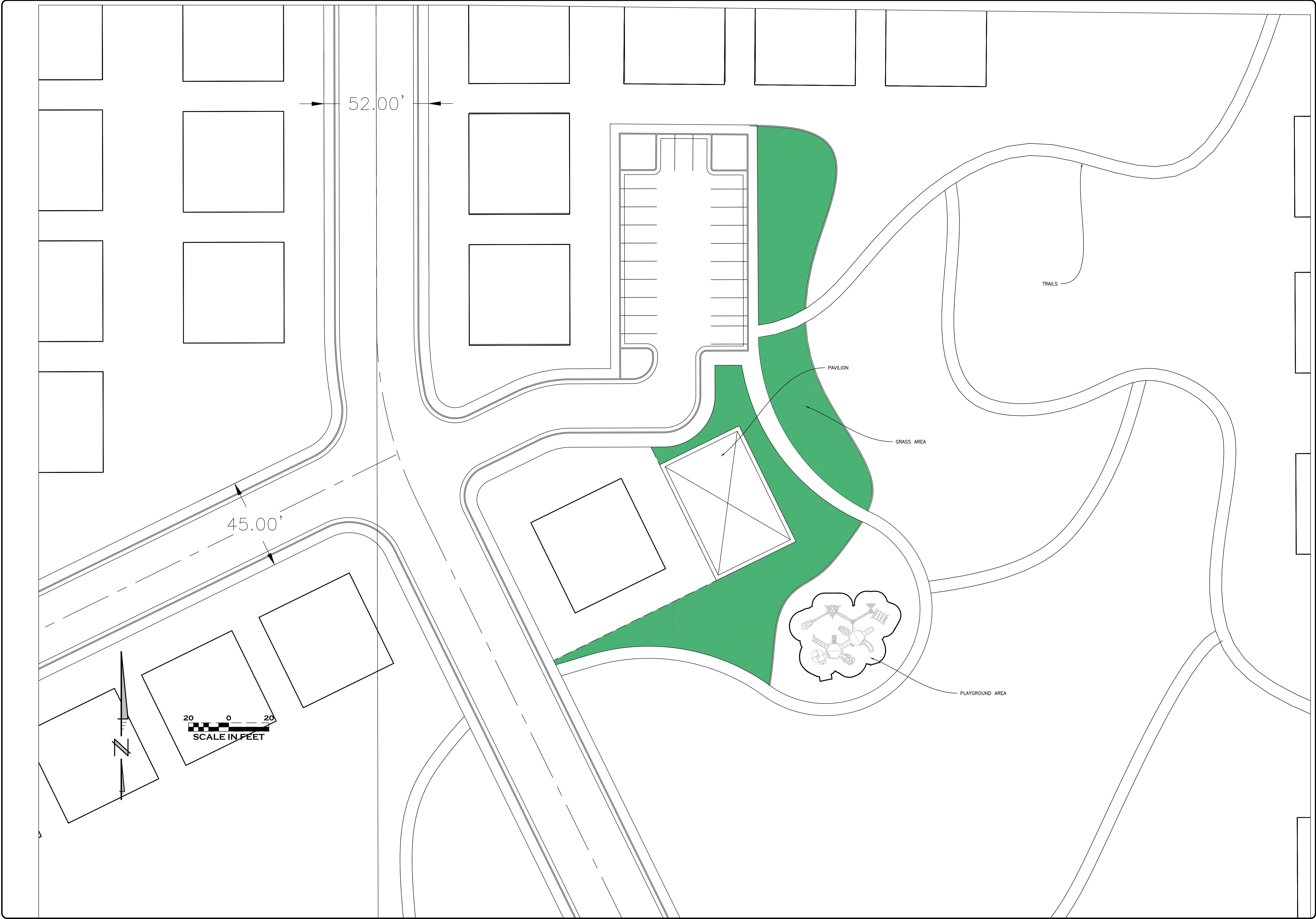
CIVIL ENGINEERING AND LAND SURVEYING  
51 NORTH 1000 WEST, SUITE 3 - HURRICANE, UTAH 84737  
FAX: (435) 635-5785 TEL: (435) 635-2529

PRELIMINARY PARK 1 PLAN  
FOR  
WALTER PLUMB SUBDIVISION  
WALTER PLUMB  
HURRICANE, UTAH

|                    |
|--------------------|
| JOB/CLIENT NO.:    |
| FILE NAME:         |
| DATE:<br>5-07-2021 |
| SCALE:<br>SHOWN    |

SHEET  
**1**  
OF 1





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**PRATT ENGINEERING, P.C.**  
CIVIL ENGINEERING AND LAND SURVEYING  
51 NORTH 1000 WEST, SUITE 3 - HURRICANE, UTAH 84737  
FAX: (435) 635-5785 TEL: (435) 635-2529

PRELIMINARY PARK 2 PLAN  
WALTER PLUMB SUBDIVISION  
FOR  
WALTER PLUMB  
HURRICANE, UTAH

|                           |
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| FILE NAME:                |
| DATE:<br>5-07-2021        |
| SCALE:<br>SHOWN           |
| SHEET<br><b>1</b><br>OF 1 |

## DEVELOPER GRADE-SEPARATED INTERCHANGE

### MEMORANDUM OF UNDERSTANDING

**THIS DEVELOPER GRADE-SEPARATED INTERCHANGE MEMORANDUM OF UNDERSTANDING** (the “**MOU**” or “**Agreement**”) is entered into as of \_\_\_\_\_ (the “**Effective Date**”), between the Utah Department of Transportation, an agency of the State of Utah (“**UDOT**”); Hurricane City, a Utah municipal corporation (the “**Local Government**”); and RG Sand Hollow, LLC, a Utah limited liability company (the “**Developer**”). UDOT, the Local Government and the Developer may be sometimes referred to herein as a “**Party**” or collectively as the “**Parties**”.

#### RECITALS

- A. UDOT has authority to plan, develop, construct, and maintain state transportation systems that are safe, reliable, and serve the needs of the traveling public, commerce, and industry pursuant to Utah Code Title 72.
- B. UDOT owns and maintains State Road 7, also known as The Southern Parkway, which is a limited access highway constructed on a right of way that UDOT owns or occupies and which is partially located within the jurisdictional boundaries of the Local Government (the “**Road**” or “**SR-7**”).
- C. The Developer desires to build an interchange on the Road in connection with a planned development at a location approved by UDOT and the Local Government in the vicinity of 3700 South.
- D. UDOT is willing to allow the Developer to construct the interchange at the Developer’s sole cost and risk, which will require the Developer to construct a grade-separated intersection (including all ramps, bridges and features as described in Section II below) at an approved access point in full compliance with all UDOT and Local Government requirements (the “**Interchange**”).
- E. The Developer understands that as further set forth in this MOU: the Developer’s work for the Interchange must strictly comply with applicable requirements (including, but not limited to, federal regulations); that applicable requirements may change from time to time; that prior to receiving a construction encroachment permit, the Developer must transfer to UDOT clear title to any real property outside of the Road right of way lines shown generally on Exhibit A (attached hereto and made a part hereof) that is necessary for the Interchange (or the Developer must cause such a transfer); and that the Developer must transfer clear title to the Interchange to UDOT upon its acceptance by UDOT.

#### AGREEMENT

**THEREFORE**, in consideration of the foregoing recitals (which by this reference are hereby incorporated into this MOU), the following terms and conditions, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, UDOT, the Local Government, and the Developer agree as follows:

- I. **Purpose of MOU.** The Parties are entering this MOU to establish their general understanding of the Interchange and its basic design, construction and approval process without limiting how the Interchange

and such process may adjust over time. UDOT's and the Local Government's requirements may change from time to time notwithstanding anything in this MOU to the contrary.

II. **The Proposed Interchange.**

- A. **Interchange.** The Interchange is generally described as follows: A structure spanning the Road sufficient to span the Road's four lanes with ramps, and constructed in accordance with the standards and procedures described in this MOU. The general location of the Interchange is depicted on Exhibit B attached hereto and made a part hereof.
- B. **Local Government Work.** This Interchange project will also include the following work, which the Developer will perform for the Local Government (the "**Local Government Work**"): the work required to establish connections to the local roads system in a manner that provides immediate access to and from the Interchange in accordance with applicable standards, which include but are not limited to standards applicable to the Interchange, access spacing, the local system, and as reasonably required by the Local Government in accordance with the agreement referenced in Section V.E.2. The general location of the Local Government Work is depicted on Exhibit B.

III. **Costs.**

- A. **Developer's Costs.** The Developer agrees that it will be responsible for all costs in connection with the Interchange unless UDOT expressly agrees in this MOU to bear a specific cost. As further set forth herein the Developer's costs include, but its costs are not limited to, all of the following: construction; design; the Developer's management costs; the cost of land conveyed to UDOT hereunder; the cost of utility relocations; the cost of any approved special features such as landscaping that the Developer constructs for its own benefit; the cost of any liabilities associated with the Interchange that arise before UDOT accepts a transfer of the Interchange or that relate to corrective or warranty work (within the two-year warranty period) or any failure to adequately perform the work (as further provided in Section V.D.2 below); and all costs that the Developer agrees to bear in connection with the Local Government Work.
- B. **UDOT's Costs.** UDOT agrees to be responsible for the following costs: UDOT's fees for issuing a conditional access permit to authorize the Developer's access to the Road (this MOU constitutes the conditional access permit); UDOT's fees for issuing encroachment permits for preconstruction work and to authorize the construction; the cost of UDOT staff assistance to support the Interchange work (which includes construction inspections and reviews); and, when the basis for a cost or claim arises after UDOT has accepted a transfer of the Interchange, expenses for the following: inspections, maintenance, repairs, reconstruction, operations, liabilities except as provided in Section V.D.2 below, and regulatory compliance for the Interchange.

IV. **Prevailing Conditions.** The Developer's work under this MOU must meet the following basic conditions at all times, which UDOT (for the Interchange) and the Local Government (for the Local Government Work) may modify from time to time (the "**Prevailing Conditions**"):

- A. **General Obligation.** UDOT's work is regulated by federal and state requirements, and as a result, the Developer's work for the Interchange must meet the same requirements that UDOT has to meet in order to be acceptable to UDOT and its regulators as a future part of UDOT's roads.



- B. Government Project Managers. UDOT and the Local Government will each identify a Project Manager to represent their interests in their dealings with the Developer and with each other, and they may change those individuals from time to time. Other UDOT and Local Government staff members will also be available to address various aspects of the work.
- C. Developer's Contracted Parties. The Developer must retain a designer, consultant engineer, contractor, and other parties as needed, and all of them must be approved by UDOT in writing in advance. UDOT will require the Developer to use designers, consultant engineers, and contractors who are listed on UDOT's preapproval or "pool" lists as identified by UDOT, and all firms must have a history of successfully completing similar work and otherwise be acceptable to UDOT. The Developer must retain a Project Manager to represent its interests under this MOU who is available at all times and has authority to make decisions for the Interchange and the Local Government Work. The Developer's procurement processes must comply with any applicable federal, state, or local law.
- D. Compliance with Laws, Requirements, and Plans. All work of the Developer must comply with all applicable federal, state and local laws, regulations, permits, plans, and other requirements which have the force and effect of law or which are required by UDOT or by the Local Government in connection with the work, including, but not limited to, all applicable requirements under Utah Code § 72-7-102, Utah Administrative Code §§ R930-6 and R930-7, and all requirements pertaining to the environment. Without limiting the foregoing requirements, the following shall apply:
1. Environmental Requirements. Environmental requirements may include, but are not limited to, all applicable state and federal environmental laws and related permits under the Clean Water Act, the Endangered Species Act, and Utah's cultural resource law under Utah Code Section 9-8-404. Compliance with the Endangered Species Act requires coordination with the Washington County Habitat Conservation Plan Administrator to evaluate potential impacts to the desert tortoise and its habitat and the Utah Division of Wildlife resources. Clean Water Act compliance requires evaluation of natural water conveyance features, wetlands, or water bodies to determine federal and/or state permitting requirements. Compliance with Utah Code Section 9-8-404 requires coordination with UDOT environmental staff, which will consult on behalf of the Developer with the State Historic Preservation Officer. In addition, coordination with UDOT's storm water coordinator will be required to ensure compliance with UPDES permit requirements.
  2. UDOT Standards and Form Contracts. All work for the Interchange must be performed in compliance with UDOT's standards as if the Developer was UDOT. Among other things, the Developer agrees that it will cause its designers, consultant engineers, and contractors to be subject to the same obligations as those found in UDOT's form contracts for similar work, including, but not limited to, all provisions of UDOT's most current version of its Standard Specifications. In case of an irreconcilable conflict between this Agreement and such standards and form contracts, this Agreement shall govern.
- E. Consultation with UDOT and the Local Government. The Developer and its designers, consultant engineers, and contractors may consult with UDOT and with the Local Government at any time during the design and construction process. All such consultation is informational only and does not supersede the work or authority of the Developer's designers, consultant engineers, and contractors. The Developer is responsible to obtain and provide to UDOT responses and approvals from its designers, consultant engineers, and contractors, which must take into account any information provided by UDOT or the Local Government.

- F. Safety. The Developer acknowledges that UDOT may take any actions necessary or desirable to address safety concerns, and that such actions do not supersede the Developer's responsibilities or relieve the Developer of its obligations.
- G. UDOT's Discretion. This MOU is without risk to UDOT. Notwithstanding any provision of this MOU, UDOT retains the right, in its sole discretion, to determine whether to issue any permit, give any approval or acceptance, or condition any matter in connection with this MOU and the matters that it contemplates, including, but not limited to, whether to issue a construction encroachment permit that would allow construction to commence.
- V. General Steps. At a minimum, the work process to construct the Interchange will require the following general steps, and all of the requirements associated with each step must be successfully completed before the Developer can proceed to the next step.
- A. Step One: Preconstruction. By performing the work, at a minimum the following will apply to the Developer.
1. Preconstruction Access. UDOT will only provide preconstruction access to the Road if the Developer meets the following conditions. The Developer must obtain an encroachment permit allowing access from UDOT's Region 4 permit office, and the permit may allow a single entry or multiple entries. The Developer must request this permit at least three weeks before it wants to enter on the Road right of way. The permit will contain additional requirements relevant to the access. To obtain the permit, the Developer must have insurance and a bond or letter of credit that addresses the work to be performed, covers the interests of those potentially affected, and that is acceptable to UDOT. The Developer also must obtain any necessary access authorization in connection with any Local Government Work.
  2. UDOT Design and Other Reviews. The Developer must accommodate plan and other reviews as requested by UDOT. Reviews will include, but are not limited to, a pre-MOU meeting, initial kickoff meetings as required by UDOT, and all reviews required according to the UDOT Structures Design and Detailing Manual ("**SDDM**"), and Roadway Design Manual ("**RDM**"). All reviews will be done in accordance with UDOT standard review times as detailed in the SDDM and RDM.
  3. UDOT Traffic Review. UDOT will review and approve all Maintenance of Traffic ("**MOT**") and construction plans before the Developer can advertise the Interchange project or obtain performance and payment bonds for the construction.
  4. UDOT Submission Standards. The Developer's consultant engineer must provide all required project documents in electronic form, and as directed by UDOT must upload them to UDOT's ProjectWise system for review. All documents transmitted to UDOT shall be the property of UDOT. All aspects of the design and construction shall conform to all UDOT standard drawings and specifications and current supplemental specifications and policies, including but not limited to the following:
    - SDDM
    - RDM
    - Structures Type Selection Report
    - UDOT Quality Control / Quality Assurance Procedures ("**QC/QA**")

- UDOT Geotechnical Manual of Instruction (“**GMOI**”)
  - UDOT Bridge Management Manual (“**BMM**”)
  - UDOT Drainage Manual of Instruction
  - AASHTO LRFD Bridge Design Specifications
  - AASHTO LRFD Bridge Construction Specifications
  - Any other standards applicable to the Road, including, but not limited to, the Southern Parkway Design Standards.
5. Project Design Criteria Document. The Developer will be required to submit a UDOT Project Design Criteria Document (“**PDC**”). Any design elements in the PDC not meeting UDOT standards must be approved in writing by UDOT on a Design Exception and/or Deviation from Standards form.
  6. Submissions to Local Government. The Developer will submit plans to the Local Government for the Local Government Work in a manner that allows for a timely review and assures that the project work complies with the transportation and land use master plans of the Local Government. The Local Government Work will also be subject to the Local Government’s approval of a traffic impact study, street and trail development plan, and any other approvals required by the Local Government.
  7. Developer’s Specialty Design Elements. UDOT will allow the Developer to incorporate specialty landscaping and aesthetic elements that complement the theme of the Developer’s project into the Interchange design as long as they meet all applicable UDOT design and safety criteria, and subject to entering a suitable agreement that provides for their long-term maintenance by the Developer (or a designee or successor of the Developer that is acceptable to UDOT). These elements may include items such as colored or stamped concrete, aesthetic form liners, lighting, plantings, fences, railings, signing, barriers, etc.
  8. Interchange Land. The Developer is responsible to transfer to UDOT good title to any real property outside of the UDOT right of way lines shown generally on Exhibit A that is necessary for the Interchange to operate in compliance with applicable standards. Such transfer must occur as further provided herein before UDOT will issue a construction encroachment permit. The Developer must hire a consultant from the UDOT right of way or engineering “pools” to produce the required documents needed to transfer title in a manner acceptable to UDOT. The Developer will not construct any improvements in UDOT’s right of way except as expressly authorized by UDOT, and UDOT’s right of way must be maintained exclusively for UDOT transportation purposes. The Developer must also transfer any real property as required by the Local Government for the Local Government Work.
  9. Utilities. The Developer is responsible to identify, relocate, and protect all utilities affected by the Interchange and the Local Government Work in the same manner that would be required of UDOT. “Utilities” are defined in state law, and under Utah Code Section 72-6-116 if relocation of utilities is required as part of a highway project, the cost of relocation must be reimbursed to the utility company as provided in that code section. The Developer must work with any impacted utility company and enter a signed agreement with the utility company in a manner acceptable to UDOT that details the estimated cost of work and reimbursement requirements. The Developer may hire a consultant from the UDOT right of way “pool” to produce the required documents needed to relocate utilities in a manner acceptable to UDOT.

B. Step Two: Preparing to Request a Construction Encroachment Permit. By requesting permission to construct, at a minimum the following will apply to the Developer.

1. **Timing.** The Developer must notify the UDOT Project Manager a minimum of three months before the Developer desires to obtain a construction encroachment permit in order to discuss the status of the Developer's work and the Developer's compliance with all Step One requirements. The Developer should be prepared to demonstrate its compliance with the matters stated in Sections V.A and V.B of this MOU during that discussion.
2. **Submissions.** Before the Developer can obtain a construction encroachment permit, it must submit all required construction documentation in a form acceptable to UDOT and acceptable to the Local Government. All documents submitted to UDOT shall be the property of UDOT. That documentation will include, but is not limited to, the following:
  - a. UDOT's final approval for all construction documents (including, but not limited to, all approved stamped construction drawings).
  - b. Submission of payment and performance bonds (or letters of credit) that are adequate to cover construction work and in a form and amount acceptable to UDOT.
  - c. Submission of proof of adequate insurance as required by UDOT that names UDOT and the Local Government as additional insureds.
  - d. Evidence of temporary access rights (such as a temporary construction easement) on any real property that is necessary to perform the construction work if the property lies outside of the right of way area shown generally on Exhibit A and outside of the land transferred to UDOT pursuant to Section V.B.3 below. The UDOT Project Manager must approve any proposed uses of property owned or controlled by UDOT.
  - e. Signed agreements with utility companies whose facilities must be relocated that include detail estimated costs, work descriptions, and reimbursement requirements.
  - f. Copies of the Developer's contracts with its designers, consultant engineers, contractors, and others performing the work.
  - g. Copies of all applicable permits and approvals relevant to the Interchange and to the Developer's ability to implement the development, including, but not limited to, any construction permits from the Local Government relating to the work and any documentation required by a regulatory agency that verifies all environmental obligations have been properly completed or addressed.
  - h. An amendment to this MOU that incorporates into this MOU as exhibits all approved, stamped construction drawings, and any other conditions required by UDOT including, but not limited to, the Developer's general release of any and all present and future claims against UDOT and the Local Government in connection with this MOU and the matters that it contemplates.

3. Title to Interchange Land and Improvements. Before UDOT issues a construction encroachment permit, the Developer must transfer or cause a transfer to UDOT of title to all real property located outside of UDOT's right of way lines for the Road (as shown generally on Exhibit A) that is necessary to operate the Interchange in compliance with applicable standards, and must make any other real property interest transfers as provided under Section V.E. The Developer's transfer agreement must convey clear title by warranty deed subject only to encumbrances of record, and documents otherwise must be in a form acceptable to UDOT. The Developer must also agree to transfer title to the Interchange improvements to UDOT upon UDOT's final acceptance of them. All transfers will be made without charge to UDOT (this MOU provides sufficient consideration for the transfers).
  4. Project Specific Work. Before construction begins, the Developer must take any additional actions that are specified in Section V.E below which provide that they are to be completed before construction.
  5. Submission. To request a construction encroachment permit, the Developer must submit to UDOT's Project Manager all approved plans, specifications, and other information as directed by UDOT's Project Manager (including but not limited to the matters described in sections V.A and V.B of this MOU). If requested by the Local Government, the Developer also must provide requested information to the Local Government. UDOT's construction encroachment permit, if issued, will contain additional terms and conditions.
- C. Step Three: Construction. By performing the work, at a minimum the following will apply to the Developer.
1. Developer's Work. The Developer is responsible to properly perform all construction work for the Interchange in accordance with all applicable laws and UDOT standards and requirements. Among other things, the Developer is responsible for all quality control and quality assurance testing and documentation, and for obtaining a certification that is acceptable to UDOT that all work has been completed in accordance with applicable standards and specifications. The Developer will be required to provide an approved Construction Engineer Management ("CEM") and provide all required documents in electronic form uploaded to UDOT's Masterworks and ProjectWise systems for approval prior to UDOT's final acceptance. All documents submitted to UDOT shall be the property of UDOT. UDOT reserves the right to perform independent assurance testing and inspections and take any other actions as UDOT deems necessary to verify project compliance to UDOT's standards before final acceptance of the project. UDOT must review all project documents and conduct all verification and approvals, as UDOT may determine, before UDOT will provide final acceptance.
  2. Developer's Maintenance. Until UDOT's final acceptance of the Interchange, and the Local Government's final acceptance of the Local Government Work, the Developer is responsible to maintain vehicle and pedestrian access in the vicinity of the Interchange in a manner acceptable to UDOT for the Road, and acceptable to the Local Government for other roadways. The Developer will also be responsible for maintenance of all specialty landscaping and aesthetic features included in the project that are installed within any UDOT right of way. The Developer (or its approved successors or assigns) will have final responsibility for specialty landscaping and aesthetic features and for other improvements as specified in Section V.E, and UDOT will require a separate maintenance agreement for them.



3. Interaction with UDOT. The Developer must meet all UDOT requirements and accommodate UDOT's coordination and review efforts. In UDOT's sole discretion, UDOT may require the work to meet certain milestones, may implement a review program, and may take other measures as UDOT may determine to review the work and verify compliance during construction.
4. Preparing for Final Acceptance. Before final acceptance, the Developer must complete all of the work for the Interchange, which includes, but is not limited to, all of the matters stated in this MOU. The Developer also must provide to UDOT all documents requested by UDOT (and they shall become the property of UDOT) and respond to other requests by UDOT (or by the Local Government for the Local Government Work). Requirements will include, but not be limited to, a final inspection that must be performed by UDOT's structural division before the Interchange can be opened to traffic.

D. Step Four: Acceptance Agreement.

1. Timing. The Developer must notify the UDOT Project Manager at least three months in advance of the time when it anticipates seeking UDOT's final acceptance of the Interchange so the Project Manager can prepare to review the work and the Developer's compliance with all of the steps in this MOU. All work must be successfully completed to UDOT's satisfaction before UDOT will provide final acceptance. Successful completion includes but is not limited to all work necessary to fully close out the Interchange project and perform this MOU, including but not limited to releases in favor of UDOT and the Local Government from the Developer and its designers, consultant engineers, contractors, subcontractors and other members of the project team.
2. Acceptance Agreement. If the Developer successfully completes all work for the Interchange as determined by UDOT, the Parties will conclude the work by entering into an Acceptance Agreement. The Acceptance Agreement may include, among other things: (a) UDOT's final acceptance of the work; (b) the Developer's transfer of title to all improvements for the Interchange; (c) an assignment (and any other commitments that UDOT requires) to assure proper corrective or warranty work (but the Developer shall remain liable to provide the same), and to assure that in general (whether or not related to corrective or warranty work), UDOT has authority to pursue remedies on the Developer's behalf in the event that the Developer breaches any of its obligations under this MOU or other contracts; (d) an agreement that UDOT may request further documentation or other cooperation from the Developer, or may audit the Developer's work as may be required by federal or state law; and (e) an amendment that incorporates into this MOU all as-built drawings and any required maintenance agreements. The Acceptance Agreement may also provide that UDOT will thereafter assume sole responsibility for the operation, maintenance, repair, inspection, reconstruction, and regulatory compliance of the Interchange. Notwithstanding anything herein to the contrary, the Developer will remain solely liable for all errors and defects in the work, breaches of this MOU and other contracts concerning the work, matters that might be subject to a remedy under the Developer's contracts (irrespective of when the matter arises), and all expense where the basis for a cost or claim arises prior to the Acceptance Agreement's effective date (including but not limited to matters involving the work's planning, design, construction, utility relocation, and real property acquisition).
3. Local Government's Role. The Local Government must be a party to the Acceptance Agreement. In connection with that agreement, the Local Government must agree to accept maintenance responsibilities for the Interchange that are consistent with the responsibilities stated under Utah

Administrative Code R918-6, and also must agree to any special conditions required by UDOT in connection with the Local Government Work.

E. Project-Specific Requirements. The following requirements are specific to the Developer and the Interchange:

1. Intentionally Omitted.
2. Local Government Agreement. The Developer agrees that it will provide to UDOT a copy of its agreement with the Local Government concerning the Local Government Work, which must include, among other things, the costs to be borne by each party and an explanation of any real property transfers. The Developer hereby agrees that it will faithfully perform its agreement with the Local Government.

VI. Miscellaneous Terms.

A. Termination or Expiration of MOU.

1. This MOU expires without further action three years from its Effective Date if the Developer has not commenced construction by that time.
2. The Parties may terminate this MOU as follows:
  - a. The Developer may terminate this MOU at any time for any reason before the Developer begins construction. The Developer will give UDOT and the Local Government thirty (30) days prior written notice.
  - b. After construction begins, UDOT may terminate this MOU by giving ninety (90) days prior written notice to the Developer if any of the following occur and are not remedied within such ninety (90) day cure period: (i) UDOT determines that the Developer is in breach of this MOU or of a permit requirement; (ii) the Developer abandons the work for a period of three (3) consecutive months; (iii) the Developer fails to obtain a construction encroachment permit from UDOT; or (iv) the Developer fails to obtain UDOT's final acceptance of the work in the manner provided in this MOU.
3. If UDOT terminates this MOU, the Developer agrees that UDOT may exercise any or all of the following remedies in UDOT's sole discretion without waiving any right to pursue damages: (a) UDOT may take over and complete the work or cause it to be completed, whether through the Developer's project team or otherwise; (b) UDOT may use any or all of the proceeds from the Developer's bonds (or letters of credit) to remedy any breach under this MOU by presenting a statement that the Developer's breach was not cured within ninety days (and remedies may include, among other things, using such proceeds to complete the work, correct problems, pay claims, and take other remedial or curative actions); (c) UDOT may accept and thereby acquire title to all or any portion of the work, or may reject all or any portion of the work and require the Developer to remove such rejected improvements; (d) UDOT may pursue any actions against the Developer and others to resolve any claims and damages arising in connection with the work; and (e) UDOT's remedies are cumulative, and this provision does not limit any other remedies that UDOT may have.

- B. Indemnification. To the fullest extent permitted by law, the Developer agrees to indemnify, defend, and hold harmless UDOT and the Local Government, and their officers, employees, agents, consultants, contractors, and affiliates, from and against any and all actions (whether administrative or at law or equity or otherwise), proceedings, claims, demands, damages, fines, losses of every kind and character, liens, costs, environmental claims, mitigation costs, judgments, settlements, liabilities, and expenses, including attorneys' fees, that in any way arise from or are related to: the Interchange work; this MOU (or a permit or other document related to the Interchange work); any use, occupation or operations at the real property related to the Interchange work by the Developer or its officers, employees, agents, consultants, contractors, affiliates, or assigns (collectively "Developer's Associates"); or any wrongful, reckless, or negligent act or omission of the Developer or Developer's Associates. This indemnity obligation includes, but is not limited to, matters related to work completed during the construction and prior to project acceptance; latent defects in the project work that are identified within two years of the project acceptance date; and claims arising out of any utility relocation. This indemnity obligation also includes, but is not limited to, the following: the Developer agrees that if it is not able to transfer or cause the transfer of real property to UDOT as required by section V.B.3 above, then the Developer shall be liable for all of UDOT's costs and expenses (including, but not limited to, charges by UDOT's consultants and contractors) that UDOT incurred in connection with supporting this MOU, such as UDOT's planning, analyzing, and engineering work for the Interchange. This indemnity obligation does not require the Developer to indemnify UDOT against UDOT's sole negligence or the Local Government against the Local Government's sole negligence. The Developer shall use attorneys, experts, and professionals that are reasonably acceptable to UDOT in carrying out this obligation. The obligations of this paragraph shall survive the expiration or other termination of this MOU, and these duties shall apply whether or not the allegations made are found to be true.
- C. Amendments and Waivers. The provisions of this MOU may not be waived or amended in any way (whether by partial performance or otherwise) without a written document signed by an authorized individual representing each of the respective Parties.
- D. No Assignment. This MOU is binding upon and inures to the benefit of the Parties, and no Party shall assign or transfer any rights or delegate any duties hereunder without the prior written consent of all Parties. Any such attempted assignment, transfer, or delegation is void.
- E. Disputes. Each Party agrees that as a condition precedent to filing any legal action against another Party in connection with this MOU or the matters that it contemplates, it shall first advise the other Parties of the dispute, and the Parties shall then meet within sixty (60) days to discuss the dispute in good faith in an effort to resolve it.
- F. Further Assurances. Each Party agrees to work cooperatively and take any further actions that may be necessary, including executing additional documents, to provide for compliance with applicable legal requirements and to give effect to the intent of this MOU.
- G. Governing Law, Jurisdiction and Venue. This MOU shall be governed by and enforced in accordance with the laws of the State of Utah (excluding conflict of law provisions). The Parties agree that any action in connection herewith shall be filed in the Third District Court of the State of Utah. EACH PARTY HEREBY INTENTIONALLY AND KNOWINGLY WAIVES ITS RIGHT TO TRIAL BY JURY IN ANY ACTION RELATING HERETO.

- H. Notices. Each Party has the following notice address for this MOU, and notices sent hereunder are effective the next day when sent by overnight carrier or hand delivered, or four calendar days after they are postmarked if sent by the U.S. mail:

UDOT: Kim Manwill  
Project Director, Region 4  
Utah Department of Transportation  
708 South 100 West  
Richfield, UT 84701

With a copy to:  
Jodi Howick  
Assistant Attorney General  
Counsel to Utah Department of Transportation  
4501 South 2700 West  
Salt Lake City, UT 84119

Local Government: Hurricane City  
Attn: Arthur Lebaron  
147 N 870 W  
Hurricane, UT 84737

Developer: RG Sand Hollow, LLC  
Attn: Anthon Stauffer  
2265 E. Murray Holladay Road  
Holladay, UT 84117

With a copy to:  
Cheney Law Group  
Attn: Brian Cheney  
2825 E. Cottonwood Pkwy, Suite 500  
Salt Lake City, UT 84121

- I. Generally. This MOU does not create any partnership, joint venture, or agency relationship between the Parties, or confer any right, benefit or remedy on a person or entity that is not a Party hereto. Time is of the essence of this MOU. This MOU shall supersede any other understanding or agreement of the Parties concerning the subject matter hereof. This MOU shall not be presumed to require interpreting it against the drafter. If any provision of this MOU is determined to be unenforceable, such provision shall be severed and the remaining provisions shall continue to apply to give effect to the intent of the Parties. The Developer understands that documents submitted to UDOT and to the Local Government may be subject to public disclosure pursuant to state law. This MOU may be executed in counterparts, and all such counterparts together constitute an original. A signed copy delivered by email or facsimile shall be the same as delivery of an original. The headings used in this MOU do not alter the meaning of its text.
- J. Execution. Each Party signing this MOU below represents and warrants that the individual(s) signing for such Party are all of the individuals who are authorized and necessary to execute this MOU and bind such Party hereto.

**IN WITNESS WHEREOF**, each Party hereby executes this MOU as of the Effective Date.

[Remainder of Page Intentionally Left Blank – Signature Pages Follow]

**DEVELOPER:**

RG Sand Hollow, LLC, a Utah limited liability company

By \_\_\_\_\_

Name: Josh Romney

Title: Manager

**LOCAL GOVERNMENT:**

Hurricane City

By \_\_\_\_\_

Name: John Bramall

Title: Mayor

**UDOT:**

Utah Department of Transportation, an agency of the State of Utah

By \_\_\_\_\_

Name: Rick Torgerson

Title: UDOT Region 4 Director



## Agreement for Approval Prior to Construction Permit Issuance

### Property Owner's Acknowledgement (and Reservation of Claims)

Toquerville Enterprises, LLC, ("Owner") hereby affirms that as of the date of its signature below, it is the owner of the real property that RG Sand Hollow (the "Developer") must transfer, or cause to be transferred, under section V.B.3 of the Developer Grade-Separated Interchange Memorandum of Understanding (the "MOU") to which this Acknowledgement is attached (such real property is referred to in this Property Owner's Acknowledgement as the "Augmented ROW Area"). Owner hereby affirms to and agrees with the Utah Department of Transportation ("UDOT") as follows:

1. Owner hereby gives its consent to the execution of the MOU by the parties to the MOU.
2. Owner hereby affirms that it has entered an agreement with the Developer in which Owner has agreed to facilitate the Developer's obligations that are contemplated by section V.B.3 of the MOU.
3. Owner agrees that after the MOU is fully executed, the parties to the MOU, together with their employees, agents, contractors, consultants, invitees, and other associates, may access the Augmented ROW Area at any time for the purposes set forth in the MOU without giving notice to Owner. If Owner transfers the Augmented ROW Area, Owner agrees that it shall require a transferee and its successors and assigns to fully comply with this obligation and with the obligations contemplated by the MOU.
4. Reservation of Claims and Defenses. Owner and UDOT acknowledge that Owner is the defendant and UDOT is the plaintiff in an eminent domain action concerning a section of UDOT right of way (a portion of which is shown generally at Exhibit A to the MOU) in a matter known as case number 190500220, UDOT v. Toquerville Enterprises, LLC, et al., pending in the Fifth Judicial District Court in and for Washington County, State of Utah (the "Action"). Owner and UDOT hereby reserve all of their respective claims and defenses related to the admissibility or inadmissibility of the MOU in the Action and any claim or defense that each may have, including, but not limited to, a claim or defense concerning just compensation, damages and special benefits and matters relating to the planning, design, and construction of the Interchange (as the term "Interchange" is defined in the MOU). However, any claim that relates to a refusal by Owner to transfer the Augmented ROW Area as contemplated in the MOU shall not be a part of the Action.

Owner and UDOT have executed this Property Owner's Acknowledgement as of the last date written below and hereby acknowledge their receipt of sufficient consideration in connection herewith.

#### OWNER

Toquerville Enterprises, LLC

\_\_\_\_\_  
By: \_\_\_\_\_ Date: \_\_\_\_\_

Its:

\_\_\_\_\_

Utah Department of Transportation

\_\_\_\_\_  
By: Rick Torgerson Date: \_\_\_\_\_

Its: UDOT Region 4 Director

\_\_\_\_\_

**EXHIBIT A**

**UDOT RIGHT OF WAY LINES (SHOWN GENERALLY)**

On the following map, the UDOT right of way lines are the black lines shown on both sides of the Road, and the general location of the Interchange is just south of the blue line segment that crosses the Road.

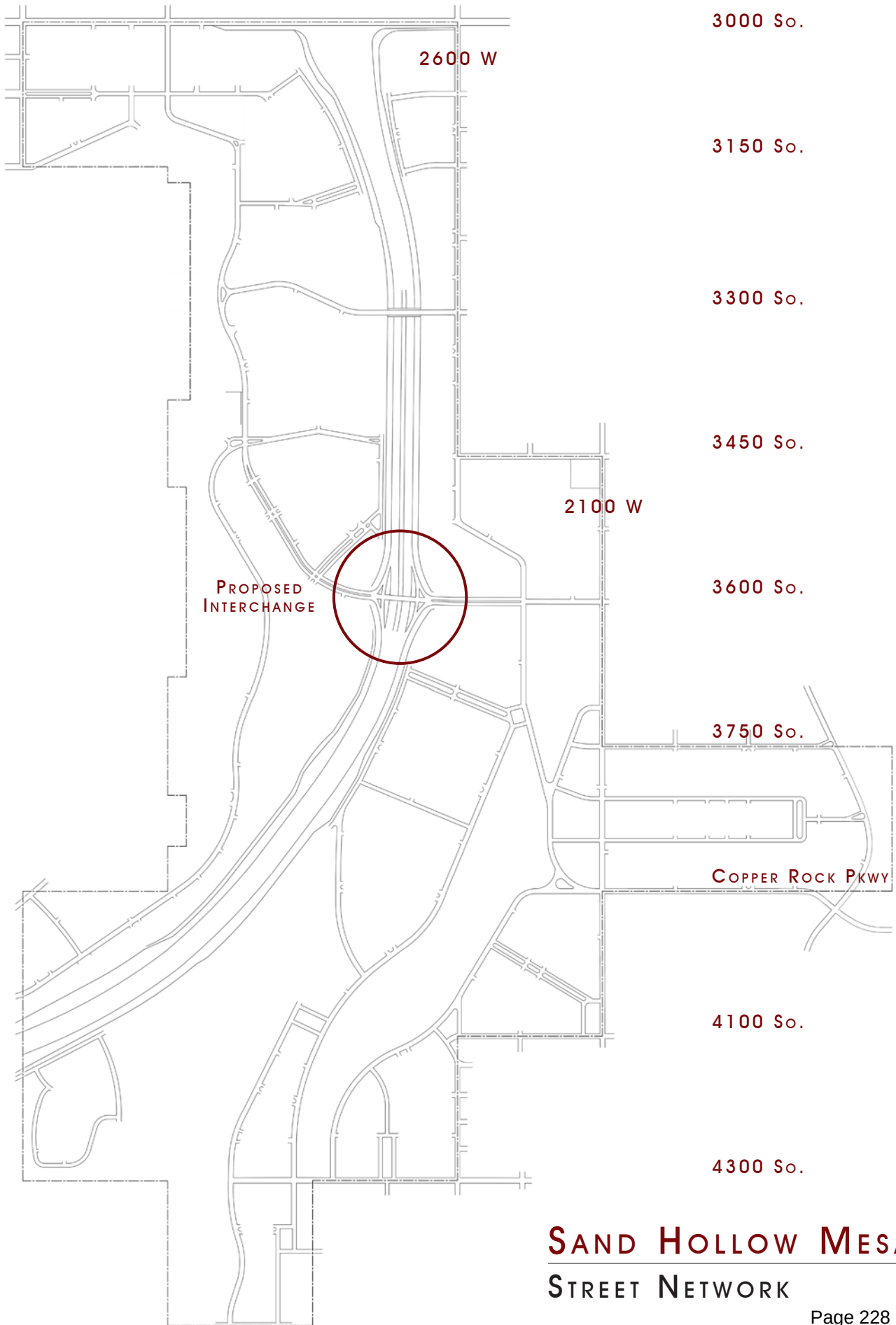


6-25  
TOQUERVILLE  
ENTERPRISES LLC  
TAX ID #H-3421-B  
INSTRUMENT  
#934164

6-24  
TOQUERVILLE  
ENTERPRISES LLC  
TAX ID #H-3399-C  
INSTRUMENT  
#934164

**EXHIBIT B**

**GENERAL LOCATION OF INTERCHANGE AND LOCAL GOVERNMENT WORK**



# SAND HOLLOW MESA

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## STREET NETWORK



**MEMORANDUM OF UNDERSTANDING**  
***(Bench Lake Water Line Easement)***

Effective [date], this Memorandum of Understanding (MOU) is made between Washington County Water Conservancy District (District), Hurricane City (City), and River Valley Development, LLC (Developer) (jointly referred to as the Parties, or separately as Party).

**I. BACKGROUND**

The District owns certain land in Washington County, Utah, on a portion of which the District agrees to grant to the City an underground water line easement (Easement). The Easement is described in the “Underground Water Line Easement Grant” attached hereto and incorporated herein as Exhibit A (Easement Grant).

**II. REQUEST**

The City has asked the District to grant Easement for the Developer to construct a retail water line on District property H-3375 and H-3376-A.

**III. ACTION STEPS**

To fulfill the Request described above, the Parties respectively agree to pursue in good faith the following action steps:

A. City and Developer (Requesters). In consideration for the fulfillment of the Request, the Requesters agree to:

1. Install the water line in accordance with City standards and at a depth of three (3) feet below the proposed grades as set forth in the approved Cordero Subdivision Offsite Waterline Plan Set on file with the City.
2. Ensure the water line is sufficiently designed and constructed for the site and soil conditions, including the presence of irrigated crops on and near the Easement and the District’s continued operation of heavy equipment on, over, or around the Easement, including excavating ten (10) feet from the water line and transporting materials.
3. Ensure that material removed from the Easement is replaced, compacted, and sloped pursuant to applicable laws and regulations and in accordance with a plan approved by the District.

B. District. Provided that the Requesters comply with all action steps listed above, pay the compensation required by this MOU, and comply fully with all other requirements of the MOU, the District agrees to:

1. Duly sign, with required notary acknowledgements, and deliver the Easement Grant to the City, with a copy to the Developer.

**IV. PAYMENT**

In further consideration for the District agreeing to grant the Request and to help cover the District’s costs in granting the Request, the Developer agrees to pay the District as follows:

1. \$61,302 upon execution of this MOU.

**Commented [MD1]:** The District is asking for 90% of the appraised value for the perpetual easement.

## V. GENERAL

1. Term. This MOU will terminate when each of the parties has fulfilled their respective commitments described above.
2. Integration, Amendment and Waiver. This MOU constitutes the entire understanding of the Parties relating to the subject matter of this MOU. This MOU may only be amended through written agreement of all parties. The waiver by any party to this MOU of a breach of any provision of this MOU shall not be deemed to be a continuing waiver or a waiver of any subsequent breach, whether of the same or any other provision of this MOU. Any waiver shall be in writing and signed by the waiving party.
3. Partial validity. If any portion of this Agreement shall be held invalid or inoperative, then insofar as is reasonable and possible:
  - a. The remainder of this Agreement shall be considered valid and operative, and,
  - b. Effect shall be given to the intent manifested by the portion held invalid or inoperative.
4. Indemnification. The Requesters agree to defend, indemnify, save harmless and release the District and all its officers, agents, volunteers, and employees from and against any and all loss, injury, damages, debts, obligations, claims, demands, encumbrances, deficiencies, costs, penalties, suits, proceedings, liability and expenses whether accrued, absolute, contingent or otherwise, including, without limitation, attorney fees and costs (whether or not suit is brought) and other liabilities of every kind, nature and description arising out of performance of this MOU which are caused in whole or in part by the negligence of the Requesters' officers, agents, volunteers, or employees, but not for claims arising from the District's sole negligence. This obligation shall survive any termination of this MOU. The right of indemnification provided herein shall be in addition to any rights to which the District may otherwise be entitled. The District shall give notice to the Requesters to provide indemnification promptly after receiving actual knowledge of any claim for which indemnity may be sought, provided that the failure of the District to give the required notice shall not relieve the Requesters of obligations under the Agreement unless the failure to give notice is materially prejudicial to the Requesters' ability to defend the action. The District shall be entitled to approve counsel who shall conduct the defense of the claim or litigation (whose approval shall not unreasonably be withheld), and may, at its own expense, participate in the defense. Notwithstanding the foregoing, however, (i) if the District reasonably determines that there may be a conflict between the positions of the Requesters and of the District in connection with the defense of an action, suit, investigation, inquiry or other proceeding, or that there may be legal defenses available to the District different from or in addition to those available to the Requesters, then counsel for the District shall be entitled to conduct a defense to the extent it reasonably determines necessary to protect the interest of the District and be reimbursed for expenses by the Requesters, and (ii) in any event, the District shall be entitled to have counsel of its choice participate in the defense. The

Requesters, in the defense of any claim or litigation, shall not, except with the consent of the District, consent to entry of any judgment or enter into any settlement that does not include as an unconditional term the giving by the claimant or plaintiff to the District a release from all liability in respect to the claim or litigation. The right of indemnification provided herein shall be in addition to any rights to which the District may otherwise be entitled.

5. No Third-Party Beneficiaries. Nothing in this MOU is intended to create any rights, duties, or obligations by the Parties to any person or entity not a party, and this MOU shall not be deemed to give rise to any right by any person or entity not a party against any Party to this MOU. Nothing in this MOU is intended to nor shall be deemed to relieve or discharge the obligation or liability of any person or entity not a party to this MOU.
6. District Authorities Not Altered. Nothing in this MOU alters, limits, or supersedes the authorities and responsibilities of the District on any matter within its jurisdiction. Nothing in this MOU shall require the District to perform beyond its respective authority.
7. Availability of Funds. Implementation of this Agreement shall be subject to the availability of appropriated funds. The District may cancel or suspend this Agreement without penalty if adequate funds are not appropriated or received.
8. Laws and Regulations. Any and all actions performed pursuant to this Agreement will comply fully with all applicable Federal, State, and local laws and regulations.
9. Utah Law to Govern. This MOU has been drawn and executed in the State of Utah. All questions concerning the meaning, intention, and enforcement of any of its terms, or its validity shall be determined in accordance with the laws of the State of Utah. In any dispute jurisdiction and venue shall be in Utah.
10. Sovereign Immunity. Nothing in this MOU shall be construed to waive the sovereign immunity of the District.
11. Counterparts. This MOU may be executed in counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.
12. Paragraph Headings. The paragraph and subparagraph headings used herein are for convenience only and shall not be considered in the interpretation of this MOU.
13. Points of Contact. Each Party designates below a primary point of contact ("POC") to coordinate all matters concerning the carrying out of activities under this MOU. Any modifications to the POC will be provided in writing to the other parties. The contacts for work related to the project are:

| Party                                        | Point of Contact | Address                                         | Telephone    | e-mail           |
|----------------------------------------------|------------------|-------------------------------------------------|--------------|------------------|
| Washington County Water Conservancy District | Morgan Drake     | 533 East Waterworks Dr.<br>St. George, UT 84770 | 435.673.3617 | morgan@wcwcd.org |
| Hurricane City                               |                  |                                                 |              |                  |
| River Valley Development, LLC                |                  |                                                 |              |                  |

**Commented [MD2]:** Please add the appropriate contact information.

14. Exhibits. The following exhibits attached hereto are incorporated herein by this reference. If there is any conflict or inconsistency between the terms of this Agreement and the Exhibits, this Agreement governs.

Exhibit A: Underground Water Line Easement Grant

Each individual signing this MOU represents and warrants that the individual has been duly authorized to sign this MOU in the capacity and for the party where the individual signs:

**Washington County Water Conservancy District**

\_\_\_\_\_  
Zachary Renstrom, General Manager

**Hurricane City**

\_\_\_\_\_  
John Bramall, Mayor

**River Valley Development, LLC**

\_\_\_\_\_  
L. Boyd Cook

**EXHIBIT A**  
**EASEMENT AGREEMENT**  
(Attached)



**WHEN RECORDED RETURN TO:**

Hurricane City  
147 N. 870 W.  
Hurricane, Utah 84737

---

Space Above This Line for Recorder's Use

Parcel No. H-3375 and H-3376-A

**UNDERGROUND WATER LINE EASEMENT GRANT**

SUBJECT TO easements, rights of way, restrictions, and reservations appearing of record or enforceable in law or equity, WASHINGTON COUNTY WATER CONSERVANCY DISTRICT, a political subdivision of the State of Utah, hereinafter "Grantor," hereby grants, bargains, sells, transfers and conveys to HURRICANE CITY, hereinafter "Grantee," for the sum of ten dollars (\$10.00) and other good and valuable consideration, receipt of which is hereby acknowledged, a perpetual underground water line easement for the purpose of installing an underground culinary water line and for ingress and egress, to erect, construct, maintain, and access the underground water line and ancillary facilities, at Grantee's expense, over, under, across, and through the following-described property:

See Exhibit A: Legal Description of Perpetual Waterline Easement, attached hereto and incorporated herein by this reference.

Together with a temporary construction easement for the initial construction of the water line, at Grantee's expense, over, under, across and through the following-described property:

See Exhibit B: Legal Description of Temporary Construction Easement, attached hereto and incorporated herein by this reference.

Maps of the location of the easements are included as Exhibit C for demonstrative purposes only.

The water line shall be installed in accordance with Hurricane City standards and at a depth of three (3) feet below the proposed grades as set forth in the approved Cordero Subdivision Offsite Waterline Plan Set on file with Hurricane City. Grantee shall notify Grantor prior to entering the easement for the purposes of initial construction.

Grantee warrants existing improvements in the location of the easements do not interfere with Grantee's easement rights. Grantor disclaims and Grantee assumes responsibility and liability for ensuring the pipeline is sufficiently designed and constructed for the site and soil conditions, including the presence of irrigated crops on and near the easement and Grantor's continued operation of heavy equipment on, over, or around the easement granted herein including for excavation ten (10) feet from the water line and transport of materials.

As a condition of the grant of the easements, Grantee shall ensure that material removed from the easement is replaced, compacted, and sloped pursuant to applicable laws and regulations and in accordance with a plan approved by the Grantor. As a further condition of the grant of the easements, Grantee shall, at Grantee's expense and to the satisfaction of the Grantor, ensure the restoration or replacement of any improvements currently existing in the location of the easements, including but not limited to fences, gates, access points, roads, ditches, or ponds in the event such is damaged by the Grantee's use of the easements, including but not limited to construction, maintenance, repair, replacement, or removal of the underground water line and ancillary facilities.

Grantor shall not install, build, place or cause or allow anything to be installed, built, or placed in the easement that interferes with Grantee's easement rights. If any improvement is installed, built, or placed within the easement, Grantor bears the risk of loss or damage to those improvements resulting from the exercise of the easement rights; and the Grantee is not responsible to repair, replace, maintain, indemnify or reimburse Grantor for any damage or loss. Grantor shall pay for any costs which Grantee incurs as a result of Grantor burdening the easement in any way.

The grant and other provisions of this easement shall constitute a covenant running with the land for the benefit of the Grantee, its successors and assigns.

WITNESS the hand of said Grantor, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

WASHINGTON COUNTY WATER  
CONSERVANCY DISTRICT

\_\_\_\_\_  
Zachary Renstrom, General Manager

STATE OF UTAH                     )  
                                              : ss.  
COUNTY OF WASHINGTON        )

On the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, personally appeared before me Zachary Renstrom who acknowledged to me that he is the General Manager of the Washington County Water Conservancy District, and that he executed the foregoing grant of easement on behalf of the Washington County Water Conservancy District by appropriate authority and that the grant of easement was the act of Washington County Water Conservancy District for its stated purpose.

\_\_\_\_\_  
NOTARY PUBLIC

GRANTEE'S ACCEPTANCE

ACCEPTED by Hurricane City, this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

HURRICANE CITY

\_\_\_\_\_  
Nanette Billings, Mayor

STATE OF UTAH                    )  
                                          : ss.  
COUNTY OF WASHINGTON       )

On the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_, personally appeared before me Nanette Billings who duly acknowledged to me that she is the Mayor of Hurricane City, and that she executed the foregoing acceptance on behalf of Hurricane City by appropriate authority and that the acceptance was the act of Hurricane City for its stated purpose.

Exhibit A  
Legal Description of Perpetual Waterline Easement

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER AND THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 42 SOUTH, RANGE 13 WEST, S.L.B.&M., HURRICANE, UTAH MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTH QUARTER CORNER OF SAID SECTION 17; THENCE N.01°04'44"E. A DISTANCE OF 1321.32 FEET ALONG THE QUARTER SECTION LINE TO THE SOUTH SIXTEENTH LINE OF SAID SECTION 17, SAID POINT ALSO BEING THE REAL POINT OF BEGINNING.

THENCE S.88°57'40"E. A DISTANCE OF 2631.86 FEET ALONG THE SOUTH SIXTEENTH LINE OF SAID SECTION 17 TO A POINT ON THE EAST SECTION LINE OF SAID SECTION 17; THENCE S.01°02'13"W. A DISTANCE OF 20.00 FEET ALONG SAID SECTION LINE; THENCE N.88°57'40"W. A DISTANCE OF 2611.87 FEET; THENCE S.01°04'44"W. A DISTANCE OF 726.99 FEET; THENCE S.23°39'36"W. A DISTANCE OF 52.08 FEET TO A POINT ON THE QUARTER SECTION LINE OF SAID SECTION 17; THENCE N.01°04'44"E. A DISTANCE OF 795.07 FEET ALONG SAID QUARTER SECTION LINE TO THE POINT OF BEGINNING.  
CONTAINING 67,573 SQ.FT. OR 1.55 ACRES.

Exhibit B  
Legal Description of Temporary Construction Easement

A PARCEL OF LAND LOCATED IN THE SOUTHEAST QUARTER AND THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 42 SOUTH, RANGE 13 WEST, S.L.B.&M., HURRICANE, UTAH MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTH QUARTER CORNER OF SAID SECTION 17; THENCE N.01°04'44"E. A DISTANCE OF 1321.32 FEET ALONG THE QUARTER SECTION LINE TO THE SOUTH SIXTEENTH LINE OF SAID SECTION 17, SAID POINT ALSO BEING THE REAL POINT OF BEGINNING.

THENCE S.88°57'40"E. A DISTANCE OF 2631.86 FEET ALONG THE SOUTH SIXTEENTH LINE OF SAID SECTION 17 TO A POINT ON THE EAST SECTION LINE OF SAID SECTION 17; THENCE S.01°02'13"W. A DISTANCE OF 30.00 FEET ALONG SAID SECTION LINE; THENCE N.88°57'40"W. A DISTANCE OF 2601.88 FEET; THENCE S.01°04'44"W. A DISTANCE OF 718.99 FEET; THENCE S.23°39'36"W. A DISTANCE OF 78.13 FEET TO A POINT ON THE QUARTER SECTION LINE OF SAID SECTION 17; THENCE N.01°04'44"E. A DISTANCE OF 821.11 FEET ALONG SAID QUARTER SECTION LINE TO THE POINT OF BEGINNING.  
CONTAINING 101,608 SQ.FT. OR 2.33 ACRES.



Exhibit C  
Maps of Location of Easements  
(Attached)



## STAFF COMMENTS

Discussion and Consideration of Approval of **Resolution 2022-01: Updating the Planning Commission Term Schedule and reappointment of Ralph Ballard and Penny James-Garcia to the 2022-2026 Terms.**

### Discussion:

As per Hurricane City Code 10-6-4:

1. *Planning Commission members shall be appointed by the Mayor with the advice and consent of the City Council.*
  - a. *The terms of Planning Commission members shall be staggered. Each member of the Planning Commission shall serve for a term of four (4) years and until a successor is appointed; provided, that the term of the first members shall be such that the terms of two (2) members shall expire each year.*
  - b. *Terms of Planning Commission members shall begin on or before the first Monday in February of each year.*
  - c. *Planning Commission members may be reappointed for successive terms.*
  - d. *The mayor, with the advice and consent of the city council, may remove any member of the planning commission for cause if written charges are filed against the member with the mayor; provided, that the member shall be afforded a public hearing if one is requested.*
  - e. *A vacancy occurring on the planning commission by reason of death, resignation, removal, disqualification or any other reason shall be promptly filled by a replacement appointed in the same manner as the original appointment for the remainder of the unexpired term of the replaced member.*

Thus on February 7th, 2022 two members of the Planning Commissions terms will end. Because of a series of resignations and delayed appointments stretching back over a decade there is little consensus on who those two members should be; it appears that for the most part in the past Planning Commissioners have served until they decided to quit. Ralph Ballard, having originally been appointed in February 2010, is almost certainly up for reappointment as he would have served three full terms now. Who exactly the other person is not clear. The main issue is that every Planning Commissioner, except Ralph, has either been appointed or reappointed in the past four years for the most part with the understanding they were for full terms.

Paul Farthing: Reappointed March 21th, 2019 up for reappointment in 2023

Rebecca Broneman: Reappointed March 4th, 2021 up for reappointment in 2025

Penny James Garcia: Appointed January 27th, 2021 up for reappointment in 2025

Michelle Cloud: Reappointed April 15th, 2021 up for reappointment in 2025

Shelley Goodfellow: Appointed March 2019 up for reappointment in 2023

Mark Sampson: Appointed March 21, 2019 to fill a term ending in 2020 up for reappointment

in 2024

Dayton Hall: Appointed as alternate March 21, 2019 appointed to full membership in 2021 up for reappointment in 2025

With the interest of coming into compliance with the city code here is our proposed moving around of reappointment dates.

Based on the review of the minutes and approval, staff believes that the recommended schedule is the most accurate. Staff has reviewed this updated schedule with the Planning Commission and there is general support for the update.

**Findings:**

**Recommendation:**

**Recommendation:** Staff recommends approval of the proposed schedule.

**Attachments:**

1. Resolution No 2022-01 Planning Commission Terms

A RESOLUTION OF THE CITY COUNCIL OF HURRICANE, UTAH, APPROVING  
THE PLANNING COMMISSION TERMS.

WHEREAS, Utah Law 10-9a-301 requires that each municipality “shall enact an ordinance establishing a planning commission”; and

WHEREAS, Hurricane City has adopted Hurricane City Code 10-6-4: Planning Commission; and

WHEREAS, Hurricane City code requires the City Council to appoint a Planning Commission “consisting of eight members”, and that each Planning Commissioner shall “serve for a term of four (4) years and until a successor is appointed; provided, that the term of the first members shall be such that the terms of two (2) members shall expire each year.” (10-6-4 (B)); and

WHEREAS, the terms “of Planning Commission members shall begin on or before the first Monday in February of each year”; and

WHEREAS, the current Planning Commission terms do not align with Hurricane City Code; and

WHEREAS, the Mayor, with advice and consent of the City Council, may reappoint current Planning Commission member to service for successive terms.

**BE IT HEREBY RESOLVED** by the Hurricane City Council that the following table shall be adopted as the terms of each Planning Commission member:

**Planning Commission Terms:**

| Name               | Term ends date     |
|--------------------|--------------------|
| Ralph Ballard      | February 7th, 2022 |
| Penny James-Garcia | February 7th, 2022 |
| Paul Farthing      | February 6th, 2023 |
| Shelley Goodfellow | February 6th, 2023 |
| Mark Sampson       | February 5th, 2024 |
| Dayton Hall        | February 5th, 2024 |
| Rebecca Broneman   | February 3rd, 2025 |

|                |                    |
|----------------|--------------------|
| Michelle Cloud | February 3rd, 2025 |
|----------------|--------------------|

**BE IT HEREBY RESOLVED** that Ralph Ballard and Penny James-Garcia shall be reappointed to fill the Planning Commission terms that expire on February 2, 2026.

PASSED AND APPROVED the 6th day of January 2022.

\_\_\_\_\_  
Nanette Billings, Mayor

Attest:

\_\_\_\_\_  
Cindy Beteag, City Recorder



## Cindy Beteag

---

**From:** Fay Reber <fayreber@infowest.com>  
**Sent:** Monday, December 27, 2021 10:59 AM  
**To:** Richard Foote  
**Cc:** Kaden DeMille; Cindy Beteag  
**Subject:** Re: Council meeting on the 6th

Mr. Foote,

Your email should be directed to the Hurricane City Manager, Kaden DeMille, who will help determine whether your request should be on the January 6 city council meeting agenda or maybe the meeting after that on January 20.

I am forwarding a copy of your email to him and suggest that you give him a call to see how he wants to handle it.

Thanks.

Fay Reber

On 27.12.2021 09:24, Richard Foote wrote:

My name is Richard and I would like to speak to the council members regarding House Bill 184.

This is the law that was passed a year and a half ago which allows municipalities to let golf carts be treated as bicycles.

Over the last couple months, I keep getting stopped by the police and told that I couldn't ride my cart to work.

I'm disabled and this is how I make it the 2 mi to my 3/nts a week work.

It's too far to walk it and it's too cold for a bike.

My cart at least has an enclosure.

At least I need to be granted an emergency exemption for poor weather.

Thank you for your consideration,

Richard Foote at 435-216-2968

---

Teach InfoWest Spam Trap if this mail is spam:

[Spam](#)

[Not spam](#)

[Forget previous vote](#)

**REMEMBER:** Never give out your account information, password, or other personal information over e-mail.

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**MUNICIPAL REGULATION OF GOLF CARTS**

2020 GENERAL SESSION

STATE OF UTAH

**Chief Sponsor: Marc K. Roberts**

Senate Sponsor: Deidre M. Henderson

Cosponsor:

Carol Spackman Moss

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**LONG TITLE**

**General Description:**

This bill authorizes a municipality to allow a golf cart to operate on a highway under certain circumstances.

**Highlighted Provisions:**

This bill:

- defines “golf cart”;
- authorizes a municipality to enact an ordinance to allow the operation of a golf cart on a highway in specified circumstances;
- exempts a golf cart from title, registration, and other requirements applicable to other motor vehicles;
- prohibits the drinking of alcohol while operating a golf cart on a highway;
- prohibits the possession of an open container of alcohol while operating a golf cart on a highway;
- requires that a golf cart adhere to traffic laws similar to a bicycle; and
- makes technical changes.

**Money Appropriated in this Bill:**

None

**Other Special Clauses:**

None

**Utah Code Sections Affected:**

AMENDS:

**41-6a-102**, as last amended by Laws of Utah 2019, Chapters 49, 391, 428, and 459

**41-6a-526**, as last amended by Laws of Utah 2019, Chapter 428

**41-6a-706.5**, as last amended by Laws of Utah 2019, Chapters 428 and 461

**63I-1-241**, as last amended by Laws of Utah 2019, Chapters 49, 55, and 246

ENACTS:

**41-6a-1510**, Utah Code Annotated 1953

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*Be it enacted by the Legislature of the state of Utah:*

Section 1. Section **41-6a-102** is amended to read:

**41-6a-102. Definitions.**

As used in this chapter:

(1) "Alley" means a street or highway intended to provide access to the rear or side of lots or buildings in urban districts and not intended for through vehicular traffic.

(2) "All-terrain type I vehicle" means the same as that term is defined in Section **41-22-2**.

(3) "Authorized emergency vehicle" includes:

(a) fire department vehicles;

(b) police vehicles;

(c) ambulances; and

(d) other publicly or privately owned vehicles as designated by the commissioner of the Department of Public Safety.

(4) "Autocycle" means the same as that term is defined in Section **53-3-102**.

(5) (a) "Bicycle" means a wheeled vehicle:

(i) propelled by human power by feet or hands acting upon pedals or cranks;

(ii) with a seat or saddle designed for the use of the operator;

(iii) designed to be operated on the ground; and

(iv) whose wheels are not less than 14 inches in diameter.

(b) "Bicycle" includes an electric assisted bicycle.

(c) "Bicycle" does not include scooters and similar devices.

(6) (a) "Bus" means a motor vehicle:

(i) designed for carrying more than 15 passengers and used for the transportation of persons; or

(ii) designed and used for the transportation of persons for compensation.

(b) "Bus" does not include a taxicab.

(7) (a) "Circular intersection" means an intersection that has an island, generally circular in design, located in the center of the intersection where traffic passes to the right of the island.

(b) "Circular intersection" includes:

(i) roundabouts;

(ii) rotaries; and

(iii) traffic circles.

(8) "Class 1 electric assisted bicycle" means an electric assisted bicycle described in Subsection (17)(d)(i).

(9) "Class 2 electric assisted bicycle" means an electric assisted bicycle described in Subsection (17)(d)(ii).

(10) "Class 3 electric assisted bicycle" means an electric assisted bicycle described in Subsection (17)(d)(iii).

(11) "Commissioner" means the commissioner of the Department of Public Safety.

(12) "Controlled-access highway" means a highway, street, or roadway:

(a) designed primarily for through traffic; and

(b) to or from which owners or occupants of abutting lands and other persons have no

82 legal right of access, except at points as determined by the highway authority having  
83 jurisdiction over the highway, street, or roadway.

84 (13) "Crosswalk" means:

85 (a) that part of a roadway at an intersection included within the connections of the  
86 lateral lines of the sidewalks on opposite sides of the highway measured from:

87 (i) (A) the curbs; or

88 (B) in the absence of curbs, from the edges of the traversable roadway; and

89 (ii) in the absence of a sidewalk on one side of the roadway, that part of a roadway  
90 included within the extension of the lateral lines of the existing sidewalk at right angles to the  
91 centerline; or

92 (b) any portion of a roadway at an intersection or elsewhere distinctly indicated for  
93 pedestrian crossing by lines or other markings on the surface.

94 (14) "Department" means the Department of Public Safety.

95 (15) "Direct supervision" means oversight at a distance within which:

96 (a) visual contact is maintained; and

97 (b) advice and assistance can be given and received.

98 (16) "Divided highway" means a highway divided into two or more roadways by:

99 (a) an unpaved intervening space;

100 (b) a physical barrier; or

101 (c) a clearly indicated dividing section constructed to impede vehicular traffic.

102 (17) "Electric assisted bicycle" means a bicycle with an electric motor that:

103 (a) has a power output of not more than 750 watts;

104 (b) has fully operable pedals on permanently affixed cranks;

105 (c) is fully operable as a bicycle without the use of the electric motor; and

106 (d) is one of the following:

107 (i) an electric assisted bicycle equipped with a motor or electronics that:

108 (A) provides assistance only when the rider is pedaling; and

(B) ceases to provide assistance when the bicycle reaches the speed of 20 miles per hour;

(ii) an electric assisted bicycle equipped with a motor or electronics that:

(A) may be used exclusively to propel the bicycle; and

(B) is not capable of providing assistance when the bicycle reaches the speed of 20 miles per hour; or

(iii) an electric assisted bicycle equipped with a motor or electronics that:

(A) provides assistance only when the rider is pedaling;

(B) ceases to provide assistance when the bicycle reaches the speed of 28 miles per hour; and

(C) is equipped with a speedometer.

(18) (a) "Electric personal assistive mobility device" means a self-balancing device with:

(i) two nontandem wheels in contact with the ground;

(ii) a system capable of steering and stopping the unit under typical operating conditions;

(iii) an electric propulsion system with average power of one horsepower or 750 watts;

(iv) a maximum speed capacity on a paved, level surface of 12.5 miles per hour; and

(v) a deck design for a person to stand while operating the device.

(b) "Electric personal assistive mobility device" does not include a wheelchair.

(19) "Explosives" means a chemical compound or mechanical mixture commonly used or intended for the purpose of producing an explosion and that contains any oxidizing and combustive units or other ingredients in proportions, quantities, or packing so that an ignition by fire, friction, concussion, percussion, or detonator of any part of the compound or mixture may cause a sudden generation of highly heated gases, and the resultant gaseous pressures are capable of producing destructive effects on contiguous objects or of causing death or serious bodily injury.



(20) "Farm tractor" means a motor vehicle designed and used primarily as a farm implement, for drawing plows, mowing machines, and other implements of husbandry.

(21) "Flammable liquid" means a liquid that has a flashpoint of 100 degrees F. or less, as determined by a tagliabue or equivalent closed-cup test device.

(22) "Freeway" means a controlled-access highway that is part of the interstate system as defined in Section [72-1-102](#).

(23) (a) "Golf cart" means a device that:

(i) is designed for transportation by players on a golf course;

(ii) has not less than three wheels in contact with the ground;

(iii) has an unladen weight of less than 1,800 pounds;

(iv) is designed to operate at low speeds; and

(v) is designed to carry not more than six persons including the driver.

(b) "Golf cart" does not include:

(i) a low-speed vehicle or an off-highway vehicle;

(ii) a motorized wheelchair;

(iii) an electric personal assistive mobility device;

(iv) an electric assisted bicycle;

(v) a motor assisted scooter;

(vi) a personal delivery device, as defined in Section [41-6a-1119](#); or

(vii) a mobile carrier, as defined in Section [41-6a-1120](#).

~~[(23)]~~ (24) "Gore area" means the area delineated by two solid white lines that is between a continuing lane of a through roadway and a lane used to enter or exit the continuing lane including similar areas between merging or splitting highways.

~~[(24)]~~ (25) "Gross weight" means the weight of a vehicle without a load plus the weight of any load on the vehicle.

~~[(25)]~~ (26) "Highway" means the entire width between property lines of every way or place of any nature when any part of it is open to the use of the public as a matter of right for

vehicular travel.

~~[(26)]~~ (27) "Highway authority" means the same as that term is defined in Section 72-1-102.

~~[(27)]~~ (28) (a) "Intersection" means the area embraced within the prolongation or connection of the lateral curblines, or, if none, then the lateral boundary lines of the roadways of two or more highways that join one another.

(b) Where a highway includes two roadways 30 feet or more apart:

(i) every crossing of each roadway of the divided highway by an intersecting highway is a separate intersection; and

(ii) if the intersecting highway also includes two roadways 30 feet or more apart, then every crossing of two roadways of the highways is a separate intersection.

(c) "Intersection" does not include the junction of an alley with a street or highway.

~~[(28)]~~ (29) "Island" means an area between traffic lanes or at an intersection for control of vehicle movements or for pedestrian refuge designated by:

(a) pavement markings, which may include an area designated by two solid yellow lines surrounding the perimeter of the area;

(b) channelizing devices;

(c) curbs;

(d) pavement edges; or

(e) other devices.

~~[(29)]~~ (30) "Lane filtering" means, when operating a motorcycle other than an autocycle, the act of overtaking and passing another vehicle that is stopped in the same direction of travel in the same lane.

~~[(30)]~~ (31) "Law enforcement agency" means the same as that term is as defined in Section 53-1-102.

~~[(31)]~~ (32) "Limited access highway" means a highway:

(a) that is designated specifically for through traffic; and

(b) over, from, or to which neither owners nor occupants of abutting lands nor other persons have any right or easement, or have only a limited right or easement of access, light, air, or view.

~~[(32)]~~ (33) "Local highway authority" means the legislative, executive, or governing body of a county, municipal, or other local board or body having authority to enact laws relating to traffic under the constitution and laws of the state.

~~[(33)]~~ (34) (a) "Low-speed vehicle" means a four wheeled electric motor vehicle that:

- (i) is designed to be operated at speeds of not more than 25 miles per hour; and
- (ii) has a capacity of not more than six passengers, including a conventional driver or fallback-ready user if on board the vehicle, as those terms are defined in Section 41-26-102.1.

(b) "Low-speed vehicle" does not include a golfcart or an off-highway vehicle.

~~[(34)]~~ (35) "Metal tire" means a tire, the surface of which in contact with the highway is wholly or partly of metal or other hard nonresilient material.

~~[(35)]~~ (36) (a) "Mini-motorcycle" means a motorcycle or motor-driven cycle that has a seat or saddle that is less than 24 inches from the ground as measured on a level surface with properly inflated tires.

(b) "Mini-motorcycle" does not include a moped or a motor assisted scooter.

(c) "Mini-motorcycle" does not include a motorcycle that is:

- (i) designed for off-highway use; and
- (ii) registered as an off-highway vehicle under Section 41-22-3.

~~[(36)]~~ (37) "Mobile home" means:

(a) a trailer or semitrailer that is:

(i) designed, constructed, and equipped as a dwelling place, living abode, or sleeping place either permanently or temporarily; and

(ii) equipped for use as a conveyance on streets and highways; or

(b) a trailer or a semitrailer whose chassis and exterior shell is designed and constructed for use as a mobile home, as defined in Subsection ~~[(36)(a)]~~ (37)(a), but that is

instead used permanently or temporarily for:

- (i) the advertising, sale, display, or promotion of merchandise or services; or
- (ii) any other commercial purpose except the transportation of property for hire or the

transportation of property for distribution by a private carrier.

~~[(37)]~~ (38) (a) "Moped" means a motor-driven cycle having:

- (i) pedals to permit propulsion by human power; and
- (ii) a motor that:
  - (A) produces not more than two brake horsepower; and
  - (B) is not capable of propelling the cycle at a speed in excess of 30 miles per hour on level ground.

(b) If an internal combustion engine is used, the displacement may not exceed 50 cubic centimeters and the moped shall have a power drive system that functions directly or automatically without clutching or shifting by the operator after the drive system is engaged.

(c) "Moped" does not include:

- (i) an electric assisted bicycle; or
- (ii) a motor assisted scooter.

~~[(38)]~~ (39) (a) "Motor assisted scooter" means a self-propelled device with:

- (i) at least two wheels in contact with the ground;
- (ii) a braking system capable of stopping the unit under typical operating conditions;
- (iii) an electric motor not exceeding 2,000 watts;
- (iv) either:
  - (A) handlebars and a deck design for a person to stand while operating the device; or
  - (B) handlebars and a seat designed for a person to sit, straddle, or stand while operating the device; ~~and~~

(v) a design for the ability to be propelled by human power alone; and

(vi) a maximum speed of 20 miles per hour on a paved level surface.

(b) "Motor assisted scooter" does not include:

244 (i) an electric assisted bicycle; or  
 245 (ii) a motor-driven cycle.

246 ~~[(39)]~~ (40) (a) "Motor vehicle" means a vehicle that is self-propelled and a vehicle that  
 247 is propelled by electric power obtained from overhead trolley wires, but not operated upon  
 248 rails.

249 (b) "Motor vehicle" does not include:  
 250 (i) vehicles moved solely by human power;  
 251 (ii) motorized wheelchairs;  
 252 (iii) an electric personal assistive mobility device;  
 253 (iv) an electric assisted bicycle;  
 254 (v) a motor assisted scooter;  
 255 (vi) a personal delivery device, as defined in Section 41-6a-1119; or  
 256 (vii) a mobile carrier, as defined in Section 41-6a-1120.

257 ~~[(40)]~~ (41) "Motorcycle" means:  
 258 (a) a motor vehicle, other than a tractor, having a seat or saddle for the use of the rider  
 259 and designed to travel with not more than three wheels in contact with the ground; or  
 260 (b) an auticycle.

261 ~~[(41)]~~ (42) (a) "Motor-driven cycle" means a motorcycle, moped, and a motorized  
 262 bicycle having:  
 263 (i) an engine with less than 150 cubic centimeters displacement; or  
 264 (ii) a motor that produces not more than five horsepower.

265 (b) "Motor-driven cycle" does not include:  
 266 (i) an electric personal assistive mobility device;  
 267 (ii) a motor assisted scooter; or  
 268 (iii) an electric assisted bicycle.

269 ~~[(42)]~~ (43) "Off-highway implement of husbandry" means the same as that term is  
 270 defined under Section 41-22-2.

271           ~~[(43)]~~ (44) "Off-highway vehicle" means the same as that term is defined under Section  
272 41-22-2.

273           ~~[(44)]~~ (45) "Operate" means the same as that term is defined in Section 41-1a-102.

274           ~~[(45)]~~ (46) "Operator" means:

275           (a) a human driver, as defined in Section 41-26-102.1, that operates a vehicle; or

276           (b) an automated driving system, as defined in Section 41-26-102.1, that operates a  
277 vehicle.

278           ~~[(46)]~~ (47) (a) "Park" or "parking" means the standing of a vehicle, whether the vehicle  
279 is occupied or not.

280           (b) "Park" or "parking" does not include:

281           (i) the standing of a vehicle temporarily for the purpose of and while actually engaged  
282 in loading or unloading property or passengers; or

283           (ii) a motor vehicle with an engaged automated driving system that has achieved a  
284 minimal risk condition, as those terms are defined in Section 41-26-102.1.

285           ~~[(47)]~~ (48) "Peace officer" means a peace officer authorized under Title 53, Chapter 13,  
286 Peace Officer Classifications, to direct or regulate traffic or to make arrests for violations of  
287 traffic laws.

288           ~~[(48)]~~ (49) "Pedestrian" means a person traveling:

289           (a) on foot; or

290           (b) in a wheelchair.

291           ~~[(49)]~~ (50) "Pedestrian traffic-control signal" means a traffic-control signal used to  
292 regulate pedestrians.

293           ~~[(50)]~~ (51) "Person" means a natural person, firm, copartnership, association,  
294 corporation, business trust, estate, trust, partnership, limited liability company, association,  
295 joint venture, governmental agency, public corporation, or any other legal or commercial entity.

296           ~~[(51)]~~ (52) "Pole trailer" means a vehicle without motive power:

297           (a) designed to be drawn by another vehicle and attached to the towing vehicle by



means of a reach, or pole, or by being boomed or otherwise secured to the towing vehicle; and

(b) that is ordinarily used for transporting long or irregular shaped loads including poles, pipes, or structural members generally capable of sustaining themselves as beams between the supporting connections.

~~[(52)]~~ (53) "Private road or driveway" means every way or place in private ownership and used for vehicular travel by the owner and those having express or implied permission from the owner, but not by other persons.

~~[(53)]~~ (54) "Railroad" means a carrier of persons or property upon cars operated on stationary rails.

~~[(54)]~~ (55) "Railroad sign or signal" means a sign, signal, or device erected by authority of a public body or official or by a railroad and intended to give notice of the presence of railroad tracks or the approach of a railroad train.

~~[(55)]~~ (56) "Railroad train" means a locomotive propelled by any form of energy, coupled with or operated without cars, and operated upon rails.

~~[(56)]~~ (57) "Right-of-way" means the right of one vehicle or pedestrian to proceed in a lawful manner in preference to another vehicle or pedestrian approaching under circumstances of direction, speed, and proximity that give rise to danger of collision unless one grants precedence to the other.

~~[(57)]~~ (58) (a) "Roadway" means that portion of highway improved, designed, or ordinarily used for vehicular travel.

(b) "Roadway" does not include the sidewalk, berm, or shoulder, even though any of them are used by persons riding bicycles or other human-powered vehicles.

(c) "Roadway" refers to any roadway separately but not to all roadways collectively, if a highway includes two or more separate roadways.

~~[(58)]~~ (59) "Safety zone" means the area or space officially set apart within a roadway for the exclusive use of pedestrians and that is protected, marked, or indicated by adequate signs as to be plainly visible at all times while set apart as a safety zone.

325           ~~[(59)]~~ (60) (a) "School bus" means a motor vehicle that:

326           (i) complies with the color and identification requirements of the most recent edition of  
327 "Minimum Standards for School Buses"; and

328           (ii) is used to transport school children to or from school or school activities.

329           (b) "School bus" does not include a vehicle operated by a common carrier in  
330 transportation of school children to or from school or school activities.

331           ~~[(60)]~~ (61) (a) "Semitrailer" means a vehicle with or without motive power:

332           (i) designed for carrying persons or property and for being drawn by a motor vehicle;  
333 and

334           (ii) constructed so that some part of its weight and that of its load rests on or is carried  
335 by another vehicle.

336           (b) "Semitrailer" does not include a pole trailer.

337           ~~[(61)]~~ (62) "Shoulder area" means:

338           (a) that area of the hard-surfaced highway separated from the roadway by a pavement  
339 edge line as established in the current approved "Manual on Uniform Traffic Control Devices";  
340 or

341           (b) that portion of the road contiguous to the roadway for accommodation of stopped  
342 vehicles, for emergency use, and for lateral support.

343           ~~[(62)]~~ (63) "Sidewalk" means that portion of a street between the curb lines, or the  
344 lateral lines of a roadway, and the adjacent property lines intended for the use of pedestrians.

345           ~~[(63)]~~ (64) "Solid rubber tire" means a tire of rubber or other resilient material that  
346 does not depend on compressed air for the support of the load.

347           ~~[(64)]~~ (65) "Stand" or "standing" means the temporary halting of a vehicle, whether  
348 occupied or not, for the purpose of and while actually engaged in receiving or discharging  
349 passengers.

350           ~~[(65)]~~ (66) "Stop" when required means complete cessation from movement.

351           ~~[(66)]~~ (67) "Stop" or "stopping" when prohibited means any halting even momentarily

of a vehicle, whether occupied or not, except when:

(a) necessary to avoid conflict with other traffic; or

(b) in compliance with the directions of a peace officer or traffic-control device.

~~[(67)]~~ (68) "Street-legal all-terrain vehicle" or "street-legal ATV" means an all-terrain type I vehicle, all-terrain type II vehicle, or all-terrain type III vehicle, that is modified to meet the requirements of Section 41-6a-1509 to operate on highways in the state in accordance with Section 41-6a-1509.

~~[(68)]~~ (69) "Traffic" means pedestrians, ridden or herded animals, vehicles, and other conveyances either singly or together while using any highway for the purpose of travel.

~~[(69)]~~ (70) "Traffic signal preemption device" means an instrument or mechanism designed, intended, or used to interfere with the operation or cycle of a traffic-control signal.

~~[(70)]~~ (71) "Traffic-control device" means a sign, signal, marking, or device not inconsistent with this chapter placed or erected by a highway authority for the purpose of regulating, warning, or guiding traffic.

~~[(71)]~~ (72) "Traffic-control signal" means a device, whether manually, electrically, or mechanically operated, by which traffic is alternately directed to stop and permitted to proceed.

~~[(72)]~~ (73) (a) "Trailer" means a vehicle with or without motive power designed for carrying persons or property and for being drawn by a motor vehicle and constructed so that no part of its weight rests upon the towing vehicle.

(b) "Trailer" does not include a pole trailer.

~~[(73)]~~ (74) "Truck" means a motor vehicle designed, used, or maintained primarily for the transportation of property.

~~[(74)]~~ (75) "Truck tractor" means a motor vehicle:

(a) designed and used primarily for drawing other vehicles; and

(b) constructed to carry a part of the weight of the vehicle and load drawn by the truck tractor.

~~[(75)]~~ (76) "Two-way left turn lane" means a lane:

- 379 (a) provided for vehicle operators making left turns in either direction;  
380 (b) that is not used for passing, overtaking, or through travel; and  
381 (c) that has been indicated by a lane traffic-control device that may include lane  
382 markings.

383 ~~[(76)]~~ (77) "Urban district" means the territory contiguous to and including any street,  
384 in which structures devoted to business, industry, or dwelling houses are situated at intervals of  
385 less than 100 feet, for a distance of a quarter of a mile or more.

386 ~~[(77)]~~ (78) "Vehicle" means a device in, on, or by which a person or property is or may  
387 be transported or drawn on a highway, except a mobile carrier, as defined in Section  
388 41-6a-1120, or a device used exclusively on stationary rails or tracks.

389 Section 2. Section 41-6a-526 is amended to read:

390 **41-6a-526. Drinking alcoholic beverage and open containers in motor vehicle**  
391 **prohibited -- Definitions -- Exceptions.**

392 (1) As used in this section:

393 (a) "Alcoholic beverage" has the same meaning as defined in Section 32B-1-102.

394 (b) "Chartered bus" has the same meaning as defined in Section 32B-1-102.

395 (c) "Limousine" has the same meaning as defined in Section 32B-1-102.

396 (d) (i) "Passenger compartment" means the area of the vehicle normally occupied by  
397 the operator and passengers.

398 (ii) "Passenger compartment" includes areas accessible to the operator and passengers  
399 while traveling, including a utility or glove compartment.

400 (iii) "Passenger compartment" does not include a separate front or rear trunk  
401 compartment or other area of the vehicle not accessible to the operator or passengers while  
402 inside the vehicle.

403 (e) "Waters of the state" has the same meaning as defined in Section 73-18-2.

404 (2) A person may not drink an alcoholic beverage while operating a golf cart, a motor  
405 vehicle, a motor assisted scooter, or a class 2 electric assisted bicycle, or while a passenger in a

motor vehicle, whether the vehicle is moving, stopped, or parked on any highway or waters of the state.

(3) A person may not keep, carry, possess, transport, or allow another to keep, carry, possess, or transport in the passenger compartment of a motor vehicle, on a golf cart, on a motor assisted scooter, or on a class 2 electric assisted bicycle, when the vehicle is on any highway or waters of the state, any container that contains an alcoholic beverage if the container has been opened, its seal broken, or the contents of the container partially consumed.

(4) Subsections (2) and (3) do not apply to a passenger:

(a) in the living quarters of a motor home or camper;

(b) who has carried an alcoholic beverage onto a limousine or chartered bus that is in compliance with Subsections 32B-4-415(4)(b) and (c); or

(c) in a motorboat on the waters of the state.

(5) Subsection (3) does not apply to passengers traveling in any licensed taxicab or bus.

(6) A violation of Subsection (2) or (3) is a class C misdemeanor.

Section 3. Section 41-6a-706.5 is amended to read:

**41-6a-706.5. Definitions -- Operation of motor vehicle near a vulnerable user of a highway prohibited -- Endangering a vulnerable user of a highway prohibited.**

(1) As used in this section, "vulnerable user of a highway" means:

(a) a pedestrian, including a person engaged in work upon a highway or upon utilities facilities along a highway or providing emergency services within the right-of-way of a highway;

(b) a person riding an animal; or

(c) a person operating any of the following on a highway:

(i) a farm tractor or implement of husbandry, without an enclosed shell;

(ii) a skateboard;

(iii) roller skates;

(iv) in-line skates;

- (v) a bicycle;
- (vi) an electric-assisted bicycle;
- (vii) an electric personal assistive mobility device;
- (viii) a moped;
- (ix) a motor assisted scooter;
- (x) a motor-driven cycle;
- (xi) a motorcycle; [~~or~~]
- (xii) a manual wheelchair[:]; or
- (xiii) a golf cart.

(2) An operator of a motor vehicle may not knowingly, intentionally, or recklessly:

- (a) operate a motor vehicle within three feet of a vulnerable user of a highway;
- (b) distract or attempt to distract a vulnerable user of a highway for the purpose of causing violence or injury to the vulnerable user of a highway;
- (c) force or attempt to force a vulnerable user of a highway off of the roadway for a purpose unrelated to public safety; or
- (d) cause a motor vehicle to emit an excessive amount of exhaust in a manner that distracts or endangers a vulnerable user of a highway.

(3) (a) Except as provided in Subsection (3)(b), a violation of Subsection (2) is an infraction.

(b) A violation of Subsection (2) that results in bodily injury to the vulnerable user of a highway is a class C misdemeanor.

Section 4. Section **41-6a-1510** is enacted to read:

**41-6a-1510. Golf carts -- Operation on highways -- Registration, licensing requirements, titling, and taxes.**

(1) (a) In accordance with this section and Section 10-8-30, a municipality may, by ordinance, allow a person to operate a golf cart on specified highways under the jurisdiction of the municipality.



(b) A person may not operate a golf cart on a highway unless authorized by the municipality in which the highway is located.

(c) If a municipality allows the operation of a golf cart on a highway in the municipality's jurisdiction, the municipality shall provide sufficient parameters regarding the operation of a golf cart on a highway to ensure public safety, including specifying:

(i) on which highways a person may operate a golf cart;

(ii) who may operate a golf cart on a highway; and

(iii) hours during which a golf cart may operate on a highway.

(2) Subject to Subsection (4), a person operating a golf cart has all the rights and is subject to the provisions of this chapter applicable to the operator of any other vehicle.

(3) A golf cart is exempt from the requirements of:

(a) titling, odometer statement, vehicle identification, license plates, and registration under Title 41, Chapter 1a, Motor Vehicle Act;

(b) the county motor vehicle emissions inspection and maintenance programs under Section [41-6a-1642](#);

(c) motor vehicle insurance under Title 41, Chapter 12a, Financial Responsibility of Motor Vehicle Owners and Operators Act;

(d) driver licensing under Title 53, Chapter 3, Uniform Driver License Act; and

(e) the uniform statewide fee described in Section [59-2-405.2](#).

(4) Except as described in Subsections [41-6a-526](#)(2) and (3), a golf cart shall comply with the same requirements as a bicycle for traffic rules under Title 41, Chapter 6a, Traffic Code.

Section 5. Section **63I-1-241** is amended to read:

**63I-1-241. Repeal dates, Title 41.**

(1) Subsection [41-1a-1201](#)(9), related to the Spinal Cord and Brain Injury Rehabilitation Fund, is repealed January 1, 2023.

(2) The following subsections addressing lane filtering are repealed on July 1, 2022:

- 487 (a) Subsection [41-6a-102](#)~~[(29)]~~(30) that defines "lane filtering";
- 488 (b) Subsection [41-6a-704](#)(5); and
- 489 (c) Subsection [41-6a-710](#)(1)(c).
- 490 (3) Subsection [41-6a-1406](#)(6)(b)(iii), related to the Spinal Cord and Brain Injury
- 491 Rehabilitation Fund, is repealed January 1, 2023.
- 492 (4) Subsection [41-22-8](#)(3), related to the Spinal Cord and Brain Injury Rehabilitation
- 493 Fund, is repealed January 1, 2023.

## 2022 Hurricane City Annual Meeting Notice

The **City Council** is scheduled to meet on the following dates:

January 6 & 20, February 3 & 17, March 3 & 17, April 7 & 21, May 5 & 19, June 2 & 16, July 7 & 21, August 4 & 18, September 1 & 15, October 6 & 20, November 3 & 17, and December 1 & 15. Meetings are held at 5:00 p.m. at 147 North 870 West.

The **Planning Commission** is scheduled to meet on the following dates:

January 9 & 22, February 13 & 26, March 10 & 23, April 14 & 27, May 12 & 25, June 9 & 22, July 14 & 27, August 11 & 24, September 8 & 28, October 13 & 26, November 10, and December 8. Meetings are held at 6:00 p.m. at 147 North 870 West.

The **Power Board** is scheduled to meet on the following dates:

January 25, February 22, March 22, April 26, May 24, June 28, July 26, August 30, September 27, October 25 and November 29 and December 27. Meetings are held at 3:00 p.m. at 526 West 600 North.

The **Water Board** meetings are scheduled for the following dates:

January 25, February 22, March 22, April 26, May 24, June 28, July 26, August 30, September 27, October 25 and November 29 and December 27. Meetings are held at 6:00 p.m. at 646 West 600 North.

The **Airport Board** meetings are scheduled for the following dates:

January 18, February 15, March 15, April 19, May 17, June 21, July 19, August 16, September 20, October 18, November 15, and December 20. Meetings are held at 9:00 a.m. at 147 North 870 West.

*All meetings are open to the public. Agendas are posted on the city website: [cityofhurricane.com](http://cityofhurricane.com) and on the Utah Public Notice website: [pmn.utah.gov](http://pmn.utah.gov)  
Any meeting schedule changes will be posted at these same sites.*

### **Settlement Participation Form**

|                                     |           |
|-------------------------------------|-----------|
| Governmental Entity: Hurricane city | State: UT |
| Authorized Signatory:               |           |
| Address 1:                          |           |
| Address 2:                          |           |
| City, State, Zip:                   |           |
| Phone:                              |           |
| Email:                              |           |

The governmental entity identified above (“Governmental Entity”), in order to obtain and in consideration for the benefits provided to the Governmental Entity pursuant to the Settlement Agreement dated July 21, 2021 (“Janssen Settlement”), and acting through the undersigned authorized official, hereby elects to participate in the Janssen Settlement, release all Released Claims against all Released Entities, and agrees as follows.

1. The Governmental Entity is aware of and has reviewed the Janssen Settlement, understands that all terms in this Election and Release have the meanings defined therein, and agrees that by this Election, the Governmental Entity elects to participate in the Janssen Settlement and become a Participating Subdivision as provided therein.
2. The Governmental Entity shall, within 14 days of the Reference Date and prior to the filing of the Consent Judgment, dismiss with prejudice any Released Claims that it has filed.
3. The Governmental Entity agrees to the terms of the Janssen Settlement pertaining to Subdivisions as defined therein.
4. By agreeing to the terms of the Janssen Settlement and becoming a Releasor, the Governmental Entity is entitled to the benefits provided therein, including, if applicable, monetary payments beginning after the Effective Date.
5. The Governmental Entity agrees to use any monies it receives through the Janssen Settlement solely for the purposes provided therein.
6. The Governmental Entity submits to the jurisdiction of the court in the Governmental Entity’s state where the Consent Judgment is filed for purposes limited to that court’s role as provided in, and for resolving disputes to the extent provided in, the Janssen Settlement.
7. The Governmental Entity has the right to enforce the Janssen Settlement as provided therein.



8. The Governmental Entity, as a Participating Subdivision, hereby becomes a Releasor for all purposes in the Janssen Settlement, including but not limited to all provisions of Section IV (Release), and along with all departments, agencies, divisions, boards, commissions, districts, instrumentalities of any kind and attorneys, and any person in their official capacity elected or appointed to serve any of the foregoing and any agency, person, or other entity claiming by or through any of the foregoing, and any other entity identified in the definition of Releasor, provides for a release to the fullest extent of its authority. As a Releasor, the Governmental Entity hereby absolutely, unconditionally, and irrevocably covenants not to bring, file, or claim, or to cause, assist or permit to be brought, filed, or claimed, or to otherwise seek to establish liability for any Released Claims against any Released Entity in any forum whatsoever. The releases provided for in the Janssen Settlement are intended by the Parties to be broad and shall be interpreted so as to give the Released Entities the broadest possible bar against any liability relating in any way to Released Claims and extend to the full extent of the power of the Governmental Entity to release claims. The Janssen Settlement shall be a complete bar to any Released Claim.
9. In connection with the releases provided for in the Janssen Settlement, each Governmental Entity expressly waives, releases, and forever discharges any and all provisions, rights, and benefits conferred by any law of any state or territory of the United States or other jurisdiction, or principle of common law, which is similar, comparable, or equivalent to § 1542 of the California Civil Code, which reads:

**General Release; extent.** A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

A Releasor may hereafter discover facts other than or different from those which it knows, believes, or assumes to be true with respect to the Released Claims, but each Governmental Entity hereby expressly waives and fully, finally, and forever settles, releases and discharges, upon the Effective Date, any and all Released Claims that may exist as of such date but which Releasors do not know or suspect to exist, whether through ignorance, oversight, error, negligence or through no fault whatsoever, and which, if known, would materially affect the Governmental Entities' decision to participate in the Janssen Settlement.

10. Nothing herein is intended to modify in any way the terms of the Janssen Settlement, to which Governmental Entity hereby agrees. To the extent this Election and Release is interpreted differently from the Janssen Settlement in any respect, the Janssen Settlement controls.



I swear under penalty of perjury that I have all necessary power and authorization to execute this Election and Release on behalf of the Governmental Entity.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_





A RESOLUTION OF CITY COUNCIL OF HURRICANE, UTAH APPROVING THE CITY'S PARTICIPATION IN THE SETTLEMENT AGREEMENT WITH JOHNSON & JOHNSON, JANSSEN PHARMACEUTICALS, INC., ORTHO-MCNEIL-JANSSEN PHARMACEUTICALS, INC., AND JANSSEN PHARMACEUTICAL, INC., (COLLECTIVELY "JANSSEN"), AND AUTHORIZING THE EXECUTION OF THE SETTLEMENT PARTICIPATION FORM AND ALL OTHER NECESSARY DOCUMENTS ON BEHALF OF THE CITY TO PARTICIPATE IN THE SETTLEMENT AGREEMENT DATED JULY 21, 2021.

**WHEREAS**, the opioid epidemic that has cost thousands of human lives across the country has also impacted Utah and its cities and counties by adversely affecting, among other things, the delivery of emergency medical, law enforcement, criminal justice, mental health and substance abuse services, and other services; and

**WHEREAS**, the State of Utah and its cities and counties have been required and will continue to be required to allocate substantial taxpayer dollars, resources, staff energy and time to address the damage the opioid epidemic has caused and continues to cause the citizens of Utah; and

**WHEREAS**, in order to advance their common interests, the State of Utah and its representatives have participated in extensive negotiations which have resulted in a Settlement Agreement dated July 21, 2021 relating to the allocation and use of litigation recoveries relating to the opioid epidemic; and

WHEREAS, the City of Hurricane desires to participate in said Settlement Agreement,

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of Hurricane, Utah hereby authorizes and approves the execution and delivery of the Settlement Participation Form attached hereto and incorporated herein as if fully set forth, as well as any other documents required for participation in the Settlement Agreement of July 21, 2021.

DATED this \_\_\_\_ day of January 2022.

\_\_\_\_\_  
Nanette Billings, Mayor

Attest:

\_\_\_\_\_  
Cindy Beteag, City Recorder



# Recommended Ordinances to Extend Limited Water Supplies

Zach Renstrom | City Council Meetings | September 2021

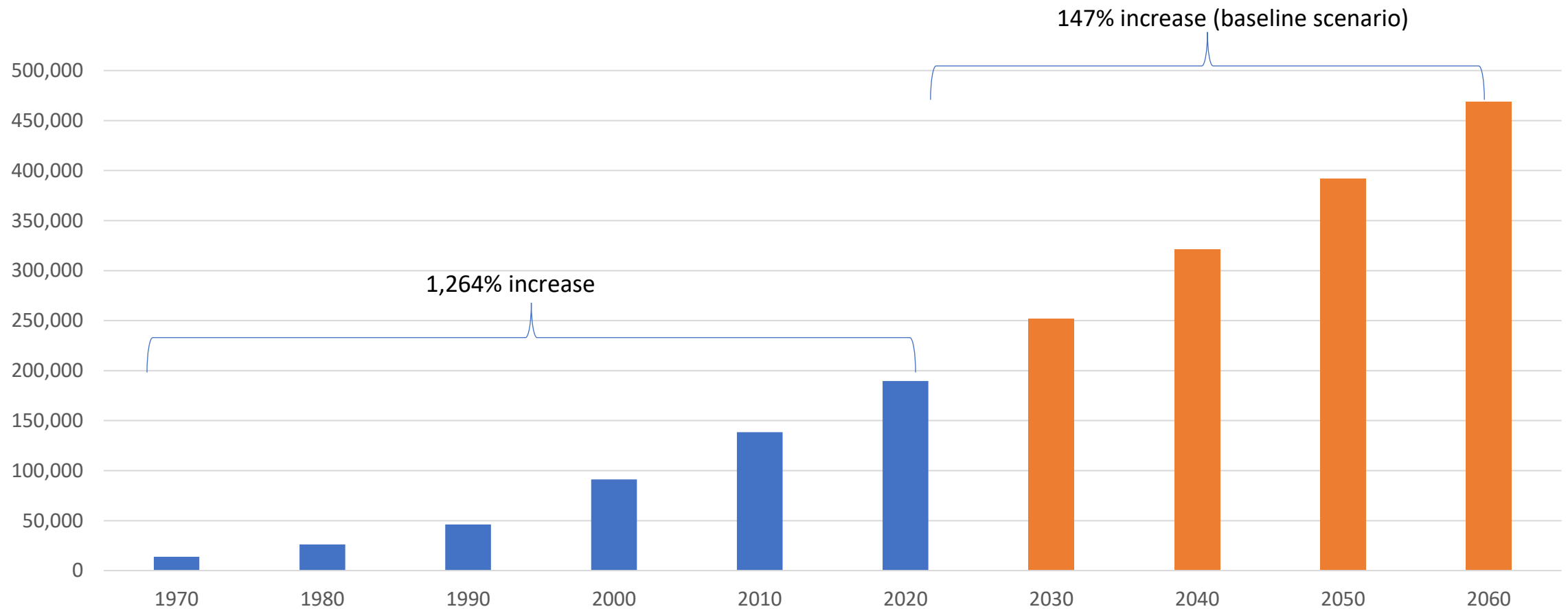
# Water Supply

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Washington County's major population centers are 100% dependent on the Virgin River basin, which is closed to further appropriations.



# Population Growth







# Water Conservation

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- Washington County has decreased its water use by more than 30% since 2000
- First county to meet the statewide water conservation goal
- More than \$70 million invested in recent conservation efforts





# District Recommendations

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- Time-of-day watering ordinance
- Water waste ordinance
- Water efficiency standards for all new construction





# Water Efficiency Standards

- Ongoing collaboration with all our municipal partners to ensure standards are consistent throughout the county
- Standards would apply to all **new** construction, including all homeowner association areas and those served by secondary irrigation water



# Residential Standards

Applies to all new residential construction, including single and multi-family housing



Two options:

Traditional  
Conservation

WaterSense  
Certified

# Residential Standards: Traditional

---

- Indoor requirements
  - Hot water recirculation system
  - WaterSense labeled fixtures
  - Energy Star appliances
  - Multi-family housing individually metered with the capability of tracking/reporting unit specific use





# Residential Standards: Traditional

- Outdoor requirements
  - Limit irrigated landscape area to 2,500 square feet, lawn to 750 square feet
    - Pools, spas and other water features count toward 750 square feet unless covered
  - Install landscape specific meters at each property
  - Use a minimum number of approved water-efficient trees and shrubs; irrigate with a drip system
  - Install water-smart irrigation controllers
  - Avoid lawn on park strips, slopes greater than 25% and areas less than 8 ft wide
  - Require pool covers
  - Secure city verification

# Residential Standards: Traditional Cost

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| Conservation Measure                                                                                              | Average Cost | Anticipated Water Savings<br>(per gallon/year/home) |
|-------------------------------------------------------------------------------------------------------------------|--------------|-----------------------------------------------------|
| Hot water recirculation system                                                                                    | \$550        | 10,600                                              |
| WaterSense toilet                                                                                                 | \$0          | 1,900                                               |
| WaterSense faucet                                                                                                 | \$0          | 3,700                                               |
| WaterSense showerhead                                                                                             | \$0          | 2,800                                               |
| Energy Star dishwasher                                                                                            | \$100        | 400                                                 |
| Landscape modifications<br>(separate meter, smart controller and more efficient<br>landscape on 10,000 sq ft lot) | \$3,250      | 28,700                                              |
| Pool cover                                                                                                        | \$10,000     | 10,000                                              |

# Residential Standards: Traditional Concept





# Examples



10,300 sf lot



9,040 sf lot



# Large Lot Examples



18,500 sq ft lot



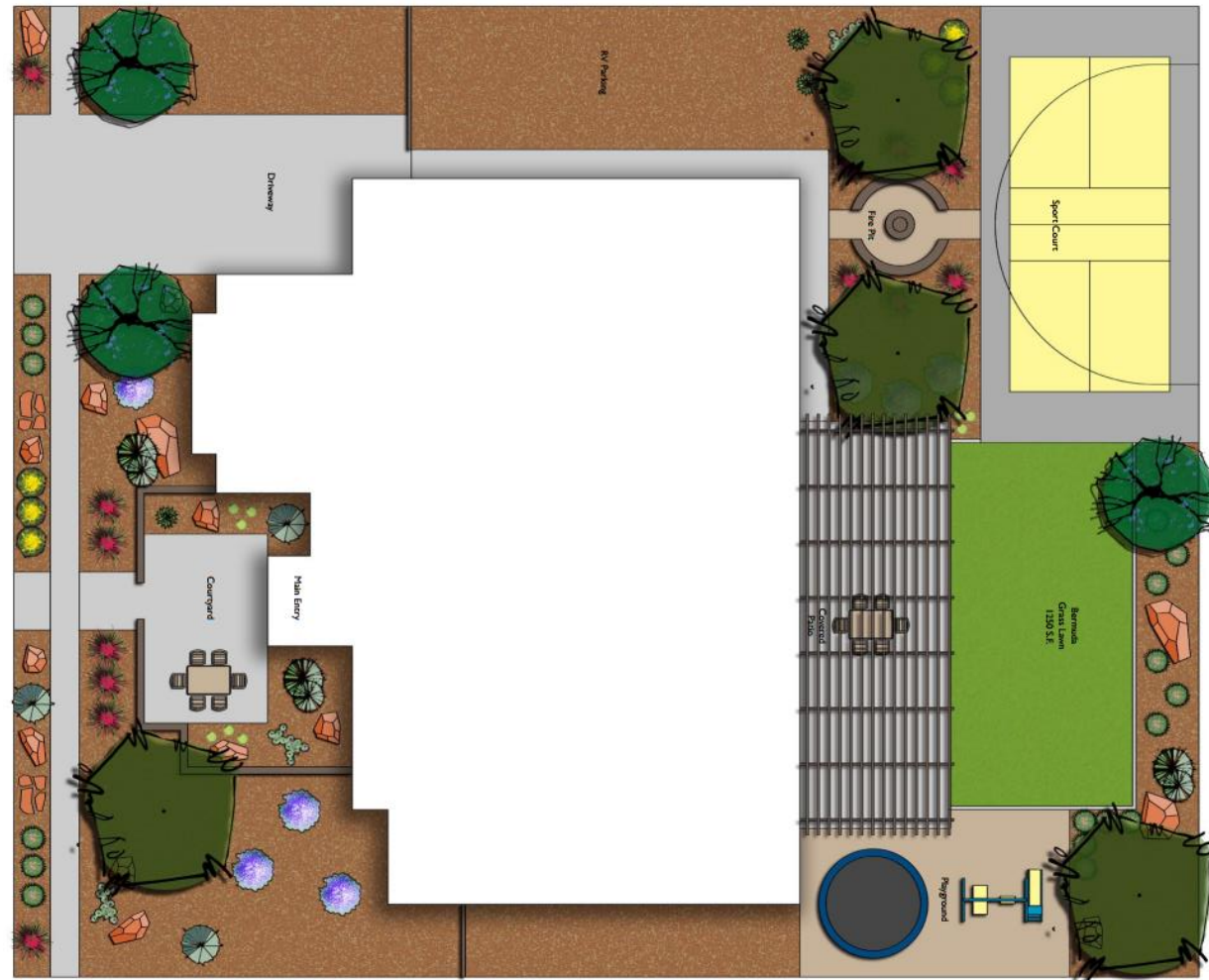
18,700 sq ft lot



# Residential Standards: Certified

- Allows for greater flexibility
- Certification by approved verifier
- Additional costs

# Residential Standards: Certified Concept



22,000 sq ft lot



# Examples Requiring Certification



10,900 sq ft lot



18,200 sq ft lot



# Commercial, Institutional and Industrial Standards

- Indoor requirements
  - Hot water recirculation system
  - WaterSense labeled fixtures
  - Energy Star appliances
  - Submeter all units
  - Recycle pumps at carwash facilities



# Commercial, Institutional and Industrial Standards

- Outdoor requirements
  - Lawn prohibited unless a waiver is granted demonstrating a functional purpose
  - Install landscape specific meters at each property
  - Use only approved water-efficient trees and shrubs; irrigate via drip system
  - Install water-smart irrigation controllers
  - Enforce water budget and require use of secondary irrigation at golf courses
  - Prohibit decorative water features
  - Limit commercial misting systems for use from May – August
  - Secure city verification

# Feedback, Q&A

wcwcd.org  
info@wcwcd.org

| Conservation Measure                                                                                              | Average Cost | Anticipated Water Savings<br>(per gallon/year/home) |
|-------------------------------------------------------------------------------------------------------------------|--------------|-----------------------------------------------------|
| Hot water recirculation system                                                                                    | \$550        | 10,600                                              |
| WaterSense toilet                                                                                                 | \$0          | 1,900                                               |
| WaterSense faucet                                                                                                 | \$0          | 3,700                                               |
| WaterSense showerhead                                                                                             | \$0          | 2,800                                               |
| Energy Star dishwasher                                                                                            | \$100        | 400                                                 |
| Landscape modifications<br>(separate meter, smart controller and more efficient<br>landscape on 10,000 sq ft lot) | \$3,250      | 28,700                                              |
| Pool cover                                                                                                        | \$10,000     | 10,000                                              |