

Hurricane City Water
Board Meeting Minutes
April 25, 2023

Present: Ken Richins, Mac J Hall, Lea Thompson, Kelby Iverson, Troy Gubler, John Slack, Mike Vercimak, Angie Tripp, Stephen Nelson, Councilman David Hirschi, Council Doug Heideman

Guests: Russ Vernon, and Glen Carnahan with Alpha Engineering

Item #1 Call to Order, Prayer

Mac Hall called the meeting to order at 6:00 pm. Troy Gubler offered the prayer.

Item #2 Review of Minutes of February 28, 2023

Mac Hall asked for a motion to approve the minutes from February 28, 2023. Mike Vercimak motion to approve. Lea Thompson seconded the motion. Motion passed.

Item #3 Water surcharge funds and conservation program

Stephen Nelson explained the following attachment how the surcharge affects funds and conservation programs. He would like to know what water conservation looks like?

Mac Hall explained that right now our residents are not getting the lawn removal rebate. Mac asked about the surcharge fee going to be charged plus the tiered rate fee still in place. Ken Richins explained yes, the residents will still be charged the tiered rate with additional surcharge fee If they go over a 36, 000 threshold.

Stephen Nelson asked that once this money comes into the city what are some things the city could use those funds for. The City Council has approved that we can use it for water conservation. One of the thoughts was the grass rebate program, and to help fix leaks. The new surcharge fee will show up on the bills going out May 1st.

Item #4 Water use element in the general plan

Stephen Nelson gave a brief discussion about the attachment passed out that deals with water use element in the general plan. This is a project the building department has been working on and will continue for the next two years. Stephen explained what is required in the new State law that has been passed. This is a tricky since Hurricane is a large area and there are areas that haven't been developed or unable to be developed.

Stephen Nelson said that they are going to set down with Glen Carahan with Alpha Engineering to put a plan together. Stephen stated that he has to work with the State to make sure it will not affect the great Salt Lake.

Item #5 Discussion and possible recommendation to the city council to update culinary water impact fee.

Ken Richins introduced Russ Vernon and Glen Carnahan with Alpha Engineering. They have been working on the culinary impact fee. Glen Carnahan gave a brief discussion on the update of the impact fee in place now that needs to happen with the growth and changes happening in the area. It's been about 6 years since this has been looked at.

With the Utah impact law, we now had to prepare an impact study plan showing 5 years and 10 years forward. Zions Bank Finance has put together some numbers and put together impact fee analysis.

Russ Vernon gave a brief discussion and passed out attachment to go along with the discussion which will show 10-year growth estimates. This is based on the impact fee for new development and some of the existing development in the area. The spreadsheet shows unit cost analysis and impact fee based on meter size. The cost is shown for the planning period only. Russ explained each line of unit cost analysis and how it was figured out. At the end of the impact fee study the amount for 5/8 or 3/4 meter is \$2,156.99 which is for a single residential meter.

John Slack asked how the 10-year plan worked. Russ Vernon explained that it was a ratio on the connection. This is allocated to the connection process.

Ken Richins passed out an attachment showing a chart comparison within the county. This dollar amount is for new development which would be the impact fee for any construction coming into the area. A brief discussion about the culinary impact fee.

Mike Vercimak recommended the motion to take to the city council the impact fee study. Stephen Nelson motion to modify the recommendation to full analysis and impact fee study to the city council for recommendation and approval. David Hirschi seconded motion. Motion passed.

Item #6 Discussion and possible recommendation to the City Council to approve a new secondary water impact fee.

Glen Carnahan passed out attachment to go along with a brief discussion on the secondary water impact fee. He explained that Hurricane City currently doesn't have a set impact fee for secondary water. This secondary water impacts the whole city.

Russ Vernon gave a brief introduction explaining the secondary system. Russ gave a discussion explaining the unit cost analysis and how they came up with analysis. Russ explained how the water rights work in the area. This is figured out with an estimated irrigated area.

Stephen Nelson asked if there is an area where we can't provide secondary water are we going to charge an impact fee? Ken Richins explained that we will not charge a fee for those areas. Stephen Nelson had some questions on the Impact fee for new development. So, the question is those impact fee paying for additional services? Russ Vernon explained that there will be a benefit for existing development.

Stephen Nelson had some questions on the new ordinance that was passed for new development. Stephen asked if there is a map that the building department can use to know which areas are in the secondary system and those areas that are not in the secondary irrigation area. Ken Richins replied that yes, we can get a map to the building department showing those areas.

Ken Richins gave a brief discussion on how the impact fee study is for new development doesn't affect current developments already established. All new developments are required to put in a secondary water system even if they are using culinary water rather than irrigation water. Ken explained that if they are using culinary water then we will be charging a culinary water rate. The only way those individuals will be charged a secondary rate is if they are hooked up to the irrigation system.

Kelby Iverson had some questions on if he pays both fees and if he used only culinary water what rate fee he would pay.

Ken Richins explained there will be a tiered rate set up for the secondary Irrigation. The fee will be charged to use culinary water until we get the secondary water to in those area eligible.

There was a discussion in the group about the impact fee for secondary water and for those individuals that are unable to get secondary water and will have to still use culinary how does that impact fee affect them. Ken Richins explained how that works and why.

Mac Hall asked if you hook a secondary system up and you are using culinary water the district will still get the impact fee? Glen Carnahan explained for Hurricane to keep those impact fees the city will need an agreement with the district.

Ken Richins explained why Hurricane City went with the two-meter system. The city would be able to collect those fees and use them within the city.

Glen Carnahan explained moving forward we need to get Dayton Hall city attorney and Susie with Zions Bank which works with the impact fee analysis involved. The impact fee is passed on zoning areas.

Stephen Nelson motion to continue items #6 to the next board meeting for a further discussion and having more information on how the secondary impact fee study before taking it to the City Council. Mike Vercimak seconded the motion. Motion approved.

Item #7 Discussion on our water conservation tiered rate schedule. Data provided by Conserve Southwest Utah group.

Ken Richins went over the following attached power point showing the tired rate schedule that was brought in from the Conserve Southwest Utah group. Hurricane at this time is under where they should be.

Mike Vercimak explained the only way to conserve water is by rate structure. Stephen Nelson agreed if you raise the rate then generally individuals use less water.

Item #8 Report on water system

Ken Richins reported the water system is doing great.

Item #9 New Business

Ken Richins explained that the district passed 10 cent rate increase from \$1.54 to \$1.64 whole sale water and irrigation is about 40 cents less. The 10 cents per thousand gallons will continue to go up until the district reaches \$3.00 a gallon they will add an additional 10 cents every year. This went to the City Council in 2022 and was passed that Hurricane City water tiered rate schedule will follow the district 10 cents per thousand gallons every year and 2% base rate increase every year. This is something we won't have to worry about for 5 years.

Meeting adjourned at 8:00 pm