

**MINUTES OF TOWN COUNCIL MEETING
TOWN OF EAGLE MOUNTAIN, UTAH
1680 E. Heritage Dr.
Eagle Mountain, UT 840433
February 16, 1999**

1. Roll Call:

The meeting was called to order at 7:10 p.m. by Mayor Robert E. Bateman.

Councilmembers present: Mayor Robert E. Bateman
Dan Valentine
Bill Chipman
Diane Bradshaw
Cyril Watt

Town Staff:

Town Attorney: Jerry Kinghorn
Town Engineer: Korey Walker
Town Recorder: Janet Valentine
Recording Secretary: Vada Hunter (arrived at 9:00 pm)

Others present: Mark Sovine, resident; Bob Lynds, The Ranches; Gary Tassainer, Tasco Engineering; Nick Berg, resident; Brad Cannon, Murray; Mike Wren, MCM Engineering; Jim Peterson, Eagle Mountain Properties; Eric Jones, Eagle Mountain Properties; Rick Morley, resident; Joshuan and Jenny Elledge, resident; Randy Oakley, resident; Paul Mayes, resident; LeAnn Hunt, Spanish Fork; David Lifferth, resident; Greg Nash, resident; Steve & Roxanne Clark, resident; Thomas Anderton, resident; Glen Zaugg, resident; Vaughn Shosted, Questar; Dan Dent, Questar; Carl Balbraith, Questar; Paul Bond, resident

2. Pledge of Allegiance:

Mark Sovine led the Town in the Pledge of Allegiance.

3. Approval of Agenda:

Mayor Bateman proposed to move item 14 up to item 8 after Public Comment. There were also a couple of clarifications to the item. John Newman said item 14 and 15 would be together.

Mayor Bateman announced there would be a special Work Session before each Town Council Meeting to try and shorten the regular Town Council meeting.

Mayor Bateman proposed to table item 9 under the Impact Fee.

MOTION

Bill Chipman moved to approve the agenda for February 16, 1999, as amended. Cyril Watt seconded. Ayes: 5, Nays: 0. Motion passed.

4. Approval of Minutes (February 2, 1999):

MOTION

Diane Bradshaw moved to approve the minutes of February 2, 1999, as amended. Bill Chipman seconded. Ayes: 5, Nays: 0. Motion passed.

5. General Discussion/Questions/Announcements & Public Notice:

Jim Peterson, Eagle Mountain Properties, discussed the Open House which was held on February 13th, 14th, and 15th. He felt like it was a tremendous success.

Cyril Watt mentioned that the "Eagle Mountain" sign was stolen off of Highway 73.

6. Appointments:

Mayor Bateman announced that Korey Walker is doing a study of the culinary water rate structure, and the Mayor said he would like to have a committee formed to work with Korey. The Mayor wants people from in Town as well as out in the Ranches to be on this committee. He said that if he is not available to sign any papers that require his signature, he appointed Diane Bradshaw to be Mayor Pro-Tem in his place.

7. Public Comment:

Nick Berg, Lake Mountain Road, had questions about water issues related to the pig farm. John Newman said he would follow up on this.

Mike Wren, MCM Engineering, wants to comment on item 19.

Joshua Elledge, thanked Eagle Mountain Properties for the use of the Community Center for the dance on Friday, February 12th. He felt like it was a very successful evening.

8. Consideration of Proposal by Questar to purchase the Town natural gas system:

Vaughn Shosted represented Questar and gave a summary of what had happened so far regarding the proposal. He said they had proposed \$1,300,000.00. He said that customers with existing natural gas could come onto Questar at no additional cost. He said those fees would be waved. He said they would also service the existing platted lots. It would be approximately 800-1700 lots. He said there would be no additional cost to them. He said for future homes sites in the north and other sites in the town would be determined according to the footage.

David Lifferth, Cedar Pass Ranches, asked questions. Carl Galbraith answered questions.

Mark Sovine had comments.

Roxanne Clark had comments.

Questar said there would be no cost on the service lateral and to any current residents of Cedar Pass Ranch and North Ranch. Residents in the Town center would be exempt accordingly.

Nick Berg asked Mayor Bateman how much had been spent so far on the natural gas line. Mayor Bateman responded that \$2,100,000 was authorized in the RBANS 97-98. He said the Town has spent or will spend \$1,800,000.

Bob Lynds, The Ranches, asked if the difference of the cost was transferred to electric portion of the RBAN, would it up the electrical rates for the town?

Jerry Kinghorn, Town Attorney, said that if the Town should sell the gas system, it would need the consent of the note holders, etc. This would be a 3 to 6 month timeline process.

Nick Berg, resident, talked about the future income stream for the Town.

Debbie Hooge, The Ranches L.C., wanted to know what guarantee Questar would give.

David Lifferth, resident, wanted to know the differences in money for gas.

Carl Galbraith, Questar, said the major differences are the LNG tank, the site plan preparation, the engineering fees, and the issuance of the bond finance charges.

Glen Zaugg, resident, had questions on gas improvements cost.

Bob Lynds, The Ranches L.C., recommended to keep it within the Town.

Eric Jones, Eagle Mountain Properties, voiced his concerns about the RBANS and guarantors of the bonds.

Roxanne Clark, Cedar Pass, asked if the developers wanted the Town system or do the residents of Eagle Mountain have a voice in this. She said that at the Public Hearing Meeting, the people indicated by applause that they wanted Questar to run the gas system.

Dan Valentine responded that Eagle Mountain Properties is indebted because of the land and monies they have guaranteed.

Debbie Hooge, The Ranches, expressed her view of the natural gas situation.

Dan Valentine gave an explanation about Eagle Mountain Properties being a guarantor of the notes.

Rich Morley, resident, spoke regarding Public Hearing where residents applauded Questar. He said not everyone is in favor of Questar.

Glen Zaugg, resident, had some questions about the residents taking over the bids on the SID. He asked Questar if the Cedar Pass Ranch and North Ranch could hook up to Questar.

Carl Galbraith, Questar, said they would be willing to service just the Ranches area but would need a franchise contract with the Town.

The Mayor said that when the RBANS were issued, it was required for everyone to hook up to the Town system.

Mark Sovine, Cedar Pass Ranch, had some comments.

David Lifferth, resident, does not want to pay the extra cost to make up the difference of cost that Questar will pay.

The Mayor opened it up to the Town Council.

Bill Chipman agrees with the Town owning the gas system and explained why.

Diane Bradshaw said she agreed with Bill Chipman. She said that if the Town does go with Questar, it needs to go to a vote by the residents. She is concerned about the integrity of the bonds.

Jerry Kinghorn responded.

Dan Valentine said he cannot see any way to go with Questar unless the RBAN is retired.

Mayor Bateman asked Jerry Kinghorn about the payment of the notes.

Jerry Kinghorn said that there cannot be a default on the notes. If the system is sold out, it needs to be a total pay off. There will be additional costs to do this. However, if it is not a pay off of the total amount, it will cost a lot more to change bond documents.

Paul Mayes, resident, had some comments about the consideration of the SID. He wanted to know if the residents could administer the Sid. Mayor Bateman responded that there is a state statute that prevents this. It must be run by the Town.

Mark Lofgren, resident, asked about the quality of customer service and good billings in regarding the Town utilities.

MOTION

Bill Chipman moved to turn down Questar's proposal at this time as it is not economically feasible at this time. Dan Valentine seconded. Ayes 5, Nays: 0. Motion passed.

9. Consent Agenda:

MOTION

Diane Bradshaw moved to approve the Consent Agenda items B – C – E – F. There was nothing for item D. Dan Valentine seconded. Ayes: 5, Nays: 0. Motion passed.

MOTION

Diane Bradshaw moved to approve the Warrant Register except for the following changes:

*10-56-240-355 should go from \$15.00 to \$125.00.
53-40-570-200 – hold in the amount of \$81,672.00.
53-40-302-324 – hold in the amount of \$1,361.67 and \$508.34.
56-40-302-324 – hold in the amount of \$1,361.66 and \$508.33.
55-40-302-324 – hold in the amount of \$1,361.67 and \$508.33.
10-56-235 – add to Warrant Register: \$396.80 Travel Expense.*

Dan Valentine seconded. Ayes: 5, Nays: 0. Motion passed.

10. Report on White Ranch Addition Annexation Proposal:

Janet Valentine, Town Recorder, reported there has been four protests for this annexation. There was one within the annexation boundary. She stated she had to mail more material out to some people that had been left off the original mailing list. The protest ends on April 5th.

11. The Ranches Update/Debbie Hooge:

Debbie reported there are three homes in Sundance Ranch being constructed. She reported that they had a buyer for the SID bonds and they want to go forward. John Newman said to have a written proposal from the underwriters sent to him.

12. Eagle Mountain Properties Update/Jim Peterson:

Jim apologized for the celebration over the President's Day weekend being turned into a Town participation instead of a real estate idea.

He handed out a copy of a newspaper article.

He handed out an envelope with information on the Harry Pressler Golf Foundation.

He said the last two items he handed out were dated and could become valuable in the years to come.

13. Presentation on Geographic Information Systems/Greg Nash:

Professor Greg Nash will meet with the Public Works Board first.

14. Transmission Line and sub-station proposal from PacifiCorp:

John Newman explained that this proposal will go to the Public Works Board on Wednesday. This was on the agenda as a matter of public record.

This will deal with two issues: bring in additional power and interim generation contract.

15. PacifiCorp Proposal – Generation Contract:

This is a continuation of item 14.

Mayor Bateman asked John Newman how this project cost compares with the Town situation. Korey Walker said it is slightly higher.

Bill Chipman commented there were some other income benefits.

Jerry Kinghorn said he needs to see a review of the technical aspects from the Public Works Board.

John Newman said there was no action to be taken from the Town Council. It was noted that PacifiCorp was purchased by Scottish Power.

16. Class II Final Plat Approval for “Chimney Rock at Red Hawk Ranch (R-1 N-12) Bob Lynds Applicant:

Debbie Hooge represented The Ranches L.C.

Dan Valentine had a question about the 72 lots.

Korey said the 72 lots would be building lots and the remaining lots are open space.

Mayor Bateman asked about the roundabout. Korey Walker gave the explanation.

Dan Valentine asked about Korey’s letter of February 4, 1999. Dan Valentine wanted to know about the storm water drain. Korey said the storm water was taken care of and the electronic file had not been received. He said he would not sign the plat until it is received.

MOTION

Diane Bradshaw moved to approve the Class II Final Plat Approval for Chimney Rock at Red Hawk Ranch Development (R-1 N-12) contingent upon the engineering and Planning Commission recommendations and the provision of an electronic file of Utility Plan to the Town, and the Development Agreement. Bill Chipman seconded. Ayes: 5, Nays: 0. Motion passed.

17. Consideration of an Ordinance Enacting Changes in Water Right Requirements for Developments:

AN ORDINANCE ENACTING CHANGES IN WATER RIGHT REQUIREMENTS FOR DEVELOPMENTS WITHIN THE TOWN OF EAGLE MOUNTAIN, UTAH

PREAMBLE

It is in the best interest of the Town of Eagle Mountain to revise the water right requirements for the north service area of the Town to reflect the actual amount required by the Town to service developments which rely on the Town water system. The Town Council understands and finds that water users in the north service area are serviced by individual subsurface disposal systems or by a sewer system which collects wastewater and treats that wastewater at the treatment plant at the Utah Lake. The subsurface flow of water from irrigation and storm water flows also returns directly to Utah Lake without passing through Cedar Valley. Water delivered through the Town system in the north area therefore returns to Utah Lake in about the same quantity as water formerly used for irrigation purposes.

MOTION

Bill Chipman moved that Ordinance 99-03, AN ORDINANCE ENACTING CHANGES IN WATER RIGHT REQUIREMENTS FOR DEVELOPMENTS WITHIN THE TOWN OF EAGLE MOUNTAIN, UTAH, be approved. Cyril Watt seconded. Ayes: 5, Nays: 0. Motion passed.

18. Consideration of bids submitted to lease or purchase a Modular Building for Temporary Town Offices:

John Newman gave a brief presentation. He recommended that the Town Council accept the Alternate Bid Form #1 and give the bid to South Valley. The calculation showed this to be the best bid for the Town.

There was a short discussion.

Bill Chipman asked that there be some landscaping plans.

There was some question about the location.

John Newman explained about the offices to be in the building. The questions was brought up as to how many people were on the staff at the present time as full time employees.

Rich Morley wanted to know what the code was for temporary buildings. John Newman gave a brief explanation.

MOTION

Dan Valentine moved to approve the purchase a modular building for temporary Town offices going with the bid from South Valley in the amount of \$82,995 plus the additional delivery and setup charges for a total of \$89,360, and a 5% contingency to cover any charges that may occur. Diane seconded the motion.

Diane Bradshaw amended the motion to add a landscaping plan for around the building. Dan Valentine accepted the amendment. Ayes: 5, Nays: 0. Motion passed.

19. Motion to reconsider Ordinance No. 99-02, "An Ordinance Enacting Temporary Use Provisions for Properties During Completion of Improvements."

Copies of the Ordinance were needed. Item delayed until further in the meeting while copies were obtained.

20. Proposed Ordinance for Contractor Licensing & Bonding:

John Newman gave an explanation of this proposed ordinance. This is an ordinance that would offer some protection to the Town to cover costs incurred when there is a problem with a contractor, such as cutting of utility lines.

The contractor would put up one bond, \$1,000, and then when the contractor leaves, the bond would be returned. This bond would serve as a license while they are performing their contract in the Town.

Mayor Bateman asked is everyone who comes in to do some work is required to do this bond.

Jerry Kinghorn said it is everyone who holds a contractors license with the State.

Korey Walker talked about what would have to happen if a contractor hit a gas line.

John Newman said that if the Town passed this ordinance, then the Town would send a letter to all contractors doing business in the Town and give them 30 days to reply. Jerry Kinghorn said this would be effective from the signing date of the ordinance and is not retroactive.

Several people had questions about whether or not this would affect sub-contractors.

MOTION *Diane Bradshaw moved to table item 20, Proposed Ordinance for Contractor License and Bonding, until the Town Council Meeting on March 16, 1999. Cyril Watt seconded. Ayes: 5, Nays: 0. Motion passed.*

MOTION *Diane Bradshaw moved to re-consider Ordinance 99-02, An Ordinance Enacting Temporary Use Provisions for Properties During Completion of Improvements. Bill Chipman seconded. Ayes: 5, Nays: 0. Motion passed.*

Mike Wren, MCM Engineering, explained a situation of a homeowner in Eagle Park. He said that the only thing that is not completed is the sidewalk. The house has been completed and passes inspection. The bank will not let them close because of the temporary occupancy.

There was some discussion about this situation. Korey Walker talked about sidewalks. He said you could pour cold weather cement. It becomes a safety issue when there isn't a sidewalk.

Jerry Kinghorn said he could re-draft the ordinance in order to accommodate this issue.

John Newman recommended this be tabled until the next Town Council Meeting.

21. Department Reports:

Cyril Watt – He said he had talked to Joanne Murphy about the Neighborhood Watch Program and she said that 9 people who volunteered to be block homes. Mayor Bateman asked Cyril to get information about creating an Emergency Action Plan.

Bill Chipman – He said the Planning Commission started meeting as scheduled. He said there could be an opening on the Commission.

Diane Bradshaw – Diane said she met with Korey Walker to start working on the Impact Fees for the parks. She said she put the information on the Web about the Pony Express Days. She asked about doing a Town logo. Jim Peterson, Eagle Mountain Properties, suggested they use the eagle logo they have and then they will come up with a new logo for them.

Dan Valentine – He said the Public Works Board had not met for a while but would be meeting the following night.

22. Motion to adjourn into a Closed Executive Session to discuss personnel issues and potential litigation:

MOTION

Diane Bradshaw moved to adjourn to discuss personnel issues. Dan Valentine seconded. Ayes: 5, Nays: 0. Motion passed.

Those in attendance of the Closed Executive Session:

John Newman, Cyril Watt, Bill Chipman, Mayor Bateman, Diane Bradshaw, Dan Valentine, Vada Hunter, Janet Valentine

23. Motion to hire additional personnel for the Town of Eagle Mountain:

MOTION

Dan Valentine moved to hire a Billing Clerk, Telecommunications Technician, Telecommunications laborer, Natural Gas Technician, Natural Gas Laborer. Bill Chipman seconded. Ayes: 5, Nays: 0. Motion passed.

24. Other actions from the Closed Executive Session:

No other actions were taken.

25. Adjournment:

Diane Bradshaw moved to adjourn the Town Council Meeting of February 16, 1999, at 10:25 pm.

Approved: _____

Mayor Robert E. Batemaan

Date: _____

3/9/99