

MINUTES  
EAGLE MOUNTAIN CITY COUNCIL MEETING

September 22, 2009

Policy Session at 5:00 p.m.

Eagle Mountain City Council Chambers, 1650 East Stagecoach Run, Eagle Mountain, Utah 84005

*\*\* This meeting may be held telephonically to allow a member of the City Council to participate \*\**

***NO WORK SESSION WAS SCHEDULED.***

**5:00 P.M. POLICY SESSION – CITY COUNCIL CHAMBERS**

ELECTED OFFICIALS PRESENT: Councilmembers Eric Cieslak (by telephone until arrival at 5:30), Donna Burnham, Ryan Ireland, David Lifferth and Nathan Ochsenhirt.

CITY STAFF PRESENT: John Hendrickson, City Administrator; Ifo Pili, Assistant City Administrator; Fionnuala Kofoed, City Recorder; Linda Peterson, Community Information Coordinator; John Mulder, Deputy.

1. CALL TO ORDER

Mayor Jackson called the meeting to order at 5:07 p.m.

2. PLEDGE OF ALLEGIANCE

Nate Shipp led the Pledge of Allegiance.

3. INFORMATION ITEMS/UPCOMING EVENTS

- Mayor Jackson announced that S.R. 73 will be expanded to five lanes from 800 West in Saratoga Springs to the intersection with Redwood Road. The project is scheduled to be completed by November 1.
- The widening of S.R. 73 from 800 West to Ranches Parkway has been put on the State Transportation Improvement Plan and will be voted on by the Transportation Commission in October. The project will probably be completed in 2012. She encouraged residents to contact their state representatives to request that the project be accelerated.
- The Senior Advisory Board will hold a health fair for residents 55 and older on Monday, Sept. 28, at 6:00 p.m. in the Council chambers.
- The annual Public Safety Fair will be held on Monday, October 5, at Nolan Park from 4:30-8:00 p.m.
- MAG will host a transportation and community planning open house at the American Fork Senior Center on Wednesday, October 14, from 4:30-6:30 p.m.

4. PUBLIC COMMENTS – Time has been set aside for the public to express their ideas, concerns and comments. *(Please limit your comments to three minutes each.)*

Nathan Shipp, DAI, spoke on the Central Water Project (CWP) water purchase agreement to be discussed this evening. The SilverLake project is prepared to immediately contract for at least 1,000 acre-feet of water and the proposed Pole Canyon annexation is prepared to contract for at

least 5,500 acre-feet. This request will increase if specific companies commit to locating in the Pole Canyon area.

5. CITY COUNCIL/MAYOR'S ITEMS – Time has been set aside for the City Council and Mayor to make comments. (*Comments are limited to three minutes each.*)

Councilmember Lifferth

Councilmember Lifferth was excited about the extra road lane in Saratoga Springs and appreciated everyone who was involved, especially Nikki Wickman. He received a letter from resident Phil Case about Wi-Fi access in the library and said he would like to find a public/private partnership to provide that. The monthly Utah Lake Commission board meeting will be held on Thursday morning at 7:30. Utah Lake Crossing and the State of Utah will make presentations on the proposed toll bridge across Utah Lake. Mayor Parker came out against it, so it needs as much support as possible. He appreciated the town hall meeting with White Hills residents and asked when the Pole Canyon annexation will come before the Council. Mayor Jackson responded that the earliest will be the second meeting in October. He also said that now that Saratoga Springs has asked for 10,000 acre-feet of CWP water, Eagle Mountain needs to request its allocation as soon as possible.

Councilmember Burnham

Councilmember Burnham was excited about the library expansion, which has just started construction. She would like the Council to reconsider the sign ordinance to allow more political and commercial signage and some temporary signage for residents. She would also like to allow residents to legally use or maintain City open space adjacent to their property.

Councilmember Cieslak

Councilmember Cieslak cheered the announcement on the highway widening. He said that when the community makes itself heard, amazing things happen, and appreciated the Mayor's willingness to go to bat for Eagle Mountain. There still needs to be an alternate route out of the city and a push to finish the Pony Express Parkway extension. He asked residents to find out about the candidates for election and encouraged candidates to stick to the issues and avoid personal attacks.

Councilmember Ochsenhirt

Councilmember Ochsenhirt applauded the road widening project along SR-73. He was excited about Mt. Airey Park and said there is a sod party coming soon which needs volunteers. He was excited to see the way the community rallies. Working together and exercising patience can accomplish great things.

Councilmember Ireland

Councilmember Ireland appreciated the energy and professionalism of residents working together to get things done, such as Lee Morrison, who was one of the first residents to talk to the Council in a polite, professional way about the need for Bobby Wren Blvd. Transportation issues are accomplished by both elected officials and residents communicating in a positive, respectful manner. He appreciated the candidates avoiding negativity so far in their campaigns, encouraging them to talk about their own strengths and what they can offer while being respectful towards others. He fully supported Councilmember Burnham's comment about the sign ordinance, with the caveat that the fee charged to residents needs to be nominal.

## Mayor Jackson

Mayor Jackson said an public open space use plan is being worked on by the Parks Dept. and will be brought to the Council in October. She said she was rear-ended on S.R. 73 last week – work really still needs to be done on improving that road. Public comment: site visit was this morning. Work continues on economic development. There was a site visit this morning. Four Fortune 500 companies have visited Eagle Mountain so far. None has made an announcement yet. The Mayor visited the Governor's Office with Ranches Academy 6<sup>th</sup> graders last week. She'll be speaking at the Provo/Orem Chamber of Commerce economic development conference on Thursday. Mr. Hendrickson will attend the Utah Lake Commission board meeting on Thursday.

## **SCHEDULED ITEMS**

### **CONSENT AGENDA**

#### 6. CHANGE ORDER

##### A. Bobby Wren Boulevard Change Order 3 – Staker Parson

Mayor Jackson explained that paving on Bobby Wren Blvd. was delayed after a private party made an offer to extend the road. The offer was later withdrawn. The change order tonight adds curb and gutter, extends a median and increases the quantity of road base and sub-base.

**MOTION:** *Councilmember Ireland moved to approve the Consent Agenda. Councilmember Cieslak seconded the motion. Those voting yes: Donna Burnham, Eric Cieslak, Ryan Ireland, David Lifferth and Nathan Ochsenhirt. The motion passed with a unanimous vote.*

### **POLICY SESSION**

#### 7. AGREEMENT – Consideration and Approval of a Water Supply Agreement between Eagle Mountain City and the Central Utah Water Conservancy District.

Mayor Jackson said that Saratoga Springs took down an additional 10,000 acre-feet of water on Friday. Eagle Mountain has a contract with the Central Utah Water Conservancy District (CUWCD) for 3,500 acre-feet of water, including 1,000 acre-feet purchased by SITLA. To purchase additional water at the current price, the City has to do so by September 24.

Mr. Hendrickson said that all of the City's water at this point comes from wells. 6,610 acre-feet is owned or placed in use. An additional 4,435 acre-feet is banked for future development. The City has contracted for 3,500 acre-feet with the Central Water Project. To supply the City's expected build-out, an additional 11,500 acre-feet will be required:

After September 24, the price will rise from \$6,200 per acre-foot to approx. \$7,000 per acre-foot. Actual payment is not required until 2020, unless the City chooses to take down the water prior to that. Developers who wish to contract with the City for CWP water can pay in cash or provide collateral for the contract and the City can work out a take-down date. The City could also bond for the take-down and make the payments over the life of the bond.

By contracting for the water now, the City can take advantage of the lower price and prevent others from taking down the water before the City can use it. Developers in Eagle Mountain have indicated that they may use as much as 15,000 acre-feet.

If the City doesn't sell all of the water before the take-down date, rate-payers could be responsible to pay for the unsold water.

Councilmember Ireland asked if the City knows how much water each developer is interested in purchasing. Mr. Hendrickson said City Attorney Jerry Kinghorn sent a letter requesting that information. About 8 – 12 developers responded.

Councilmember Ochsenhirt asked if the 5,500 acre-feet requested by DAI included commercial development in Pole Canyon, as well as residential. Mayor Jackson responded that the 5,500 acre-feet only includes residential.

Councilmember Burnham stated that until DAI actually annexes Pole Canyon into the City, they can't contract for the water. Nate Shipp said that DAI has created a local area district which could contract with CWP, but would prefer to purchase the water from the City. If necessary, the City could transfer the rights to use of the water to the local area district or the district could transfer those rights to the City, subject to CWP's approval.

Mayor Jackson clarified to Mr. Shipp that if the City contracts for the additional water, it does not mean that it's committing to annex Pole Canyon. Mr. Shipp asked if the City would contract with Pole Canyon to sell them the water whether or not they are annexed. Mr. Hendrickson responded that it's not on the agenda for tonight.

Councilmember Lifferth asked if Fairfield or Cedar Fort is interested in buying this water and whether Saratoga's take-down is tied to the LDS Church? Mayor Jackson responded that it is, just as Eagle Mountain contracted with SITLA for 1,000 acre-feet. He asked how long-term the bond could be. Mr. Hendrickson said probably 25 years. That's one of the unknowns, which may be a possible risk. One way to handle that would be to contract for the water with the understanding that any water unsold by 2020 would be paid for by debt service.

Councilmember Lifferth said that it's not legal for a Council to bind a future Council. Mayor Jackson said this transaction is legal because the Council is not determining how the future Council will pay for it. Councilmember Lifferth asked if the City can sell it for a profit. Mr. Hendrickson said no, because the City only owns the right to use the water, not the water itself. The water can be sold for the price of the water plus enough to offset the City's costs.

Councilmember Lifferth asked how the water pressure is fed through the pipe. Mr. Hendrickson said it's a series of pumps leading to the 40 mgd tank, the City will pump it from there. Councilmember Lifferth asked if the tank is high enough to pressure-feed the water to the City. Mayor Jackson said it's not. Councilmember Lifferth was concerned that, since pumps run on electricity, what guarantee has CWP made that the water will flow even if the pumps fail? Mr. Hendrickson said there is a back-up plan other than taking the water from the tank, which will be presented to the Council as projects are approved.

Councilmember Lifferth asked if there are up-front costs to Eagle Mountain's signing on to the project. Mayor Jackson said there are none.

Councilmember Ireland asked how many water rights are there in Cedar Valley that are owned by developers or anyone else that potentially could be transferred to the City. Mr. Hendrickson didn't know, but what exists and what the State Engineer allows to be used are two different amounts. Mr. Hendrickson asked someone in the audience, who said that over 1,400 acre-feet will come with the Pole Canyon annexation. He wasn't sure exactly what types or amounts of water rights existed in Cedar Fort and Fairfield, but they are considerable – mostly in irrigation water.

Mr. Hendrickson said the State is studying whether the aquifers are adequate to serve the amount of water rights existing in the valley.

Scot Hazard said that approximately 21,000 acre-feet is appropriated in the valley. About 3,000 acre-feet are held in Fairfield and Cedar Fort, with other rights held by various landowners.

Councilmember Ireland asked how developers will have enough water to develop their land if the City doesn't sign this CWP agreement. Scot Hazard said if water doesn't come into the valley from somewhere, the cost of existing water rights would skyrocket and development would become cost-prohibitive.

Mr. Hendrickson said that some developers have asked the City to consider requiring less water per ERU, which could be considered, but won't create enough leeway to allow full development without bringing in outside water. The CWP is the best, most cost-effective solution the City has identified.

**MOTION:**        *Councilmember Ochsenhirt moved to approve a water supply agreement with the Central Utah Water Conservancy District for up to 16,500 acre-feet. Councilmember Lifferth seconded the motion.*

Councilmember Ochsenhirt explained his motion, saying that water is the "lifeblood of everything." The City has commitments for nearly half the water from two developers, with several others having shown significant interest. If the City doesn't commit to this water now, it will be gone.

Councilmember Ireland stated that this water isn't essential to the City's development. With the water currently allocated in the City, the population can go to 85,000 plus commercial development. We can't go to full build-out. And some other water is likely to become available some time in the future to allow additional build-out. Right now, we have enough to make the city four times bigger than it is now. He was in favor of agreements like the one with SITLA, which was a pass-through where another entity will pay for the water. It would be OK to get as much of this water as possible under those terms. He asked Mr. Hendrickson what right the State has given cities to become water brokers. Mayor Jackson says cities have that right. Most cities own water and sell it to developers. Eagle Mountain is unusual in not owning water and having to receive it from developers.

Mayor Jackson said that if private parties own the water, they can choose not to sell it and hold up all other development.

Councilmember Cieslak said he thinks the City should avail itself of as much opportunity as possible. He understood the risk of owning water that others haven't committed to buy, but there is enough interest to minimize that risk.

Councilmember Cieslak called the question.

*Those voting yes: Donna Burnham, Eric Cieslak, David Lifferth and Nathan Ochsenhirt. Those voting no: Ryan Ireland. The motion passed with a vote of 4:1.*

Councilmember Ireland felt that he had to vote no unless he could be sure that the residents would not be required to pay for unpaid water in the future. So far, he has only heard commitments for about 1/3 of the amount stated in the motion.

Councilmember Ochsenhirt wanted clarification of whether the City would have to pay for unsold water. Mr. Hendrickson explained that the CWP could sell any unsold water to others.

Councilmember Burnham said that she wished the amount was lower so that Eagle Mountain could be a good neighbor rather than taking it all.

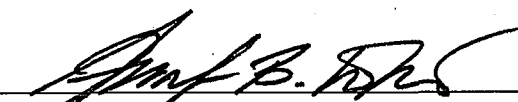
Councilmember Lifferth said he would have voted for the amount on the agenda, but he applauded Councilmember Ochsenhirt for being forward-thinking enough to propose buying more.

Councilmember Ochsenhirt said he didn't want to exclude other entities, but wanted the City to plan for its future. He emphasized that this is an opportunity that allows the City to release the water back to CWP if it can't sell the water, but makes it available to the City if needed.

8. ADJOURNMENT

The meeting was adjourned at 7:10 p.m.

APPROVED BY THE CITY COUNCIL ON OCTOBER 6, 2009

  
Fiona B. Kofoed, City Recorder