

RICHMOND CITY COUNCIL

December 13, 2011

The regular meeting of the Richmond City Council was held at the Richmond City Office Building located at 6 West Main, Richmond, Utah on Tuesday, December 13, 2011. The meeting began at 7:00 P.M.; Mayor Michael Hall was in the Chair. The opening remarks were made by Paul Erickson.

The following Council members were in attendance: Brad Jensen, Paul Erickson, Allen Lundgreen and Jeff Young. Terrie Wierenga was excused.

ORDINANCE 2011-7 NUMBER CHANGE

MAYOR: Terrie discovered there was a numbering error in Ordinance 2011-7. It was adopted as Chapter 9-700 but that number has already been used so we need to change it to Chapter 9-800; everything else in the ordinance is correct.

A motion to amend Ordinance 2011-7 wording from Chapter 9-700 to Chapter 9-800 was made by Jeff, seconded by Allen and the vote was unanimous.

COUNCIL MEETING MINUTES

A motion to approve the November 15, 2011 City Council meeting minutes was made by Paul, seconded by Jeff and the vote was unanimous.

DEPUTY REPORT

DEPUTY HATCH: No issues or concerns have been passed along to me. There have been a couple of burglaries lately so please advise the citizens to keep their doors locked.

PAUL: Residential or commercial burglaries?

DEPUTY HATCH: Vehicles usually.

PAUL: No homes have been burglarized?

DEPUTY HATCH: No. Nothing big; just stuff taken from vehicles.

JEFF: I know that four people that were responsible for over 200 burglaries were recently arrested. Did this have anything to do with our local issues?

DEPUTY HATCH: No, they hit places in Lewiston, Preston and southern Idaho.

PAUL: Do you know of any new plans in your department for next year?

DEPUTY HATCH: They are going to be hiring more deputies for next year. There are issues retaining deputies due to low pay issues. It is hard for us to keep at full staff. I will let you know if I hear of any other information.

PAUL: I was just curious. Thank you.

DEPUTY HATCH: Please contact me at anytime if you need anything.

MAYOR: Thank you for your service.

COUNCIL MEMBER PLAQUE PRESENTATION

MAYOR: I would like to present this plaque this evening to Allen for his time served on the Council. He served from January 1, 2000 through December 31, 2011. I certainly appreciate his service to the community over three terms in office.

AUDIT PRESENTATION FOR THE PERIOD OF JULY 1, 2010 THROUGH JUNE 30, 2011

JUSTIN: This is our sixth year to work with Diana Cannell and the firm of Allred-Jackson. I appreciate the support offered by Diana and her staff throughout the year in working with us and answering any questions that we may have or come up. Diana, Terrie and the other new staff members were very easy to work with and I appreciate their help.

DIANA CANNELL: It was a great job done by your staff and we appreciate being able to work with the City. The most exciting part is that there are no findings this year and that takes an extraordinary effort. I will be going through things quickly this evening so after you have had a chance to review things please feel free to contact me at anytime. Let's start on Page 18. The total assets of the City are \$12,459,885. This is about \$540,000 less than last year but a lot of that is due to depreciation. That is not something I would be worried about. You can also see there was a decrease in liabilities of almost \$260,000. On Page 19 you will see the expenses that were incurred to run the City and then the revenues listed below them. For example, you can see that it cost \$214,088 to run your Street Department last year and the revenues that are used to pay for that are property tax, sales tax, Class C road funds, etc. You can see we had a decrease of \$7,717 in net assets for the year. On Page 22, these numbers do not include depreciation. Instead of about a \$7,000 loss we show a gain of \$77,009. Revenues were up about \$12,000 compared to the last budget year. On Page 24, you can see the budget numbers versus the actual numbers. All departments ended up within budget. On Page 26, this shows the Water and Sewer Enterprise Funds. The Water Fund showed a net income of \$54,264 and the Sewer Fund a loss of \$328,669 and that is because of depreciation. This helps you to review if your utility rates are where they need to be and if they need to be adjusted. I am not suggesting they need to be adjusted I am just reminding you that they should be analyzed on a yearly basis.

PAUL: How is depreciation calculated?

DIANA: The straight line method is used. Just keep in mind to analyze your rates as needed. There were no findings for this year and the three findings from last year were all resolved.

MAYOR: I appreciate the help of you, your firm and the City employees. Thank you.

RICHMOND CITY CACHE VALLEY TRANSIT DISTRICT REPRESENTATIVE

MAYOR: Larry Dunkley has served two full terms as the City representative on the CVTD Board. Todd Beutler has always raved about Larry. He has been very diligent in his service. We did find out that he could serve a third term on the Board but Larry would prefer we make a change. I need some names of people we can approach to serve on the board. Terrie (Wierenga) had mentioned possibly Kenlee Brown. His time on the CERT board has come and gone. I want someone to serve that uses the transit service on a regular basis.

JUSTIN: I know that Terrie mentioned Kenlee's wife as well.

PAUL: What about Diane Bush? She rides regularly.

MAYOR: I will contact them and see if any of them have an interest.

FINANCIAL REPORT

JUSTIN: On page 1, notice line item 3380 (Fire Dept – Wild land Grant), this is \$21,774 that we received from a Wild Land Grant and will be used to purchase equipment for the fire truck. Item 3682 (Fire Department Activities), of the total amount of \$38,252; \$36,433 was received from our fire truck being sent to help fight the Red Rock fire in Wyoming. We sent our fire truck and Cache County and North Logan City sent their fire fighters. We received the entire amount from the fire and then had to pay North Logan and Cache County for their labor which I will point out later. We received the last RAPZ tax reimbursement request so all of the projects we have applied for have been paid-in-full. On page 3, note line item 4367 (Public Safety – Dog Catcher), the \$8,400 is what we contracted to pay Cache County for our yearly dog catcher service. Line item 4380 (Public Safety – Police Protection) in the amount of \$21,093.00 is what we paid Cache County for our deputy service. This is a tremendous savings to the City compared to other communities. We could not even hire one employee for that cost; very well pay for vehicles and other necessary equipment that would be needed. Line item 4471 (Streets – Class C Road Funds), Paul we have spent \$43,306 in Class C road funds so far this year. I would expect we will have about \$57,000 to spend over the balance of the budget year. The Fire Department and EMT Department have been paid for their calls and service for the year at their annual Christmas party. On page 4, note line item 4658 which is called “Fire Dept – Interlocal Fire” this is the labor that was paid to North Logan City and Cache County for the Red Rock Fire. The total was \$26,728.03. So the net benefit for the City allowing our truck to respond to that fire was approximately \$9,700. As Terrie has previously mentioned the Library is in the process of completing the bar-coding grant and we have been paying out funds in that regard. On page 6, you can see that Cub River is a little bit upside down right now but that is due to some extra maintenance costs that were incurred out there this Fall to make it look better. We had our annual Cemetery Board meeting the last week of November. Jeff (Young) was in attendance and I appreciate that where he is the City representative to the Cemetery that he was able to attend. The chairman is Kip Panter and the other Board members are Denise Allen from Cove and Albert Purser from Richmond. There were some issues discussed that I will sit down with Jeff and the Mayor to discuss. The Cemetery Board asked that I pass on how much they appreciate the service of the City and its employees. There are a few hurdles to overcome but overall they are very happy with the current relationship we have with them. They wanted me to thank you for taking the calls and concerns about the cemetery as they are well aware that most citizens think the cemetery is part of the City and not its own district. If you have any questions I have their contact information.

COUNCIL MEMBER REPORT

ALLEN: Monica Merrill’s term on the Planning & Zoning Commission is coming to an end and I have asked her if she would be willing to serve another term and she said that she would be willing to serve again for a second term.

A motion to approve a second term on the Richmond City Planning & Zoning Commission for Monica Merrill was made by Allen, seconded by Jeff and the vote was unanimous.

ALLEN: I would like to thank the Council for their dedicated service to the community. I have very mixed emotions as my time on the Council comes to an end. I appreciate the Council and the friendships that have been made even though we may not have agreed on everything. I have many close friendships that I value. I would like to thank all of the City employees for their dedicated service to the community. It means a lot to me that we have such dedicated people in the City and they are all doing what they think is in the best interest of the City and this goes back to many people over the years. I have deep roots in the City as my ancestors helped to settle Richmond. As I was riding through town and reminiscing about when I was growing up there have been lots of changes in Richmond. I remember when almost everyone had some type of farm; now there are only a hand full remaining. Those dairy men that still exist are what Richmond was founded on. It was founded on farming and agriculture. I just want to say thanks. I appreciate it.

MAYOR: Your ancestors would be very proud of what you have done to help the community. I would like to thank you and your family. It is a big sacrifice to spend all that time away from your family and miss family commitments to help do what is the best for the community over the last twelve years.

2011 CULINARY WATER PROJECT BID OPENING

MAYOR: We will now have the bid openings for the culinary water system upgrade project. Darek Kimball of J-U-B Engineers will open the sealed bids and read them. This is just a presentation of the numbers this evening and no formal bid will be approved this evening. Darek will read the numbers so they can be officially recorded in the minutes. After this evening the engineering firm will then review each bid and grade them out for compliance to make sure everything is included. The bids must be complete and accurate. The engineering firm will then come back to the Council with any questions or concerns. If a bid is not complete it will be rejected. We will need to get back together as a Council in an executive session to review the bids to make sure the contract is being awarded properly. The formal announcement of who has been selected will be made at the regular January 2012 Council meeting.

DAREK: I have printed out some papers for all of you so you can keep track of the numbers as the bids are opened. None of the bids will be checked for conformance this evening; just the numbers will be read. We will check for conformance on Wednesday and Thursday.

RON BATT: I am here this evening representing COP Construction. If we are not the low bidder I would like to be able to review the low bid if possible.

DAREK: What is your question?

RON: If I am not the low bid I want to be able to examine the low bid. I want to review the low bid. I have done this many times.

MAYOR: We would not do that until Darek can grade the bids.

DAREK: There could be math errors and things like that and we can let you see anything you want after they have been evaluated.

RON: I just want to look through it. Is this not public information? Why cannot I have ten seconds or so? I have done this for twenty years. I can understand what you are saying but I want to review the low bid.

DAREK: We can go outside and you can review the bid after this portion of the meeting is completed. On behalf of the mayor and City Council I would like to thank everyone that has expressed interest in this project. After the bid opening we will then go back and tabulate the bids and make sure what I read this evening is correct and put in a bid tab.

The bids were now opened by Darek Kimball of J-U-B Engineers and are as follows:

1. Conventional Tank & Transmission Line
2. Mobilization Deduction if Awarded Both Projects
3. Post Tensioned Tank & Transmission Line
4. Mobilization Deduction if Awarded Both Projects

Company Name Tensioned Tank	(1) Conventional Tank (4) Deduct	(2) Deduct	(3) Post
Spindler Construction	\$1,836,939.68	0.00	\$1,964,039.68
COP Construction	\$2,126,715.00	0.00	N/A
Associated Brigham \$5,500.00 Contractors	\$1,696,181.00	\$5,500.00	\$1,696,181.00
Whitaker Construction	\$2,197,655.00	\$15,000.00	N/A
Reynolds Excavating	\$2,228,740.00	0.00	\$2,276,740.00
Gerber Construction	\$2,172,734.44	0.00	N/A
Fox Construction	\$2,361,920.00	0.00	N/A
Dale Cox Construction 0.00	\$2,105,190.00	0.00	\$2,205,190.00
Raymond Construction	\$1,763,834.00	0.00	\$1,855,144.00
Stapp Construction	\$2,148,945.00	0.00	N/A
Company Name Deduction if Awarded Both Projects	Water Distribution Improvements Bid		Mobilization
Cameron’s Excavating	\$398,491.50		N/A

Associated Brigham Contractors	\$411,573.41	\$3,500.00
Rupp Trucking	\$457,565.88	N/A
Whitaker Construction	\$485,360.50	N/A
Geneva Rock	\$473,350.80	N/A
Grover Excavating	\$467,560.30	N/A
AAA Excavating	\$434,394.35	N/A

MAYOR: We will meet next Tuesday at 6:00 P.M. in an Executive Session to discuss the bids on this project.

A motion to approve an Executive Session meeting on Tuesday, December 20th at 6:00 P.M. to discuss the contractors and bid applications for the culinary water system upgrade project was made by Paul, seconded by Brad and the vote was unanimous.

MAYOR: Darek we appreciate all of your time and effort over the last several years. Keep in mind that we do have the option to only select one contractor rather than two even if one of the two bids is not the lowest but overall it is in the best interests of the City.

DAREK: I hope I read everything correctly. I will review the information and send to you for review. There are lots of items in the bid.

COUNCIL MEMBER REPORTS

JEFF: Over the last week we did an official upgrade to Chris's computer and some maintenance on Marlowe's computer. We got the two machines at the MBR plant up and running as well. We moved everything over to the new computer in Scott's office that will be used for internet and email only. The other machine will be for Scott to access the operations of the plant so he can monitor them. There was a concern by some other cities that a virus had hit their MBR plant and shut it down. As a follow up on that item. They were positive it was a security risk and it ended up being a code error. They were so concerned that the FBI was even investigating it. It would take a very sophisticated effort to crack our system. We have many alarms in our system that would tell us quite quickly if something was happening. Having one computer just to monitor the plant is much cheaper than the man hours it would take to monitor the system as it was previously set up. I know there was quite a bit of confusion on the agenda and the minutes that were emailed to the Council this week. I would like to request that we have a technology meeting before Council or on a given day. I would like to go over a digital plan for the Council. It would help for the City to move forward and to keep synchronized. We would have a server that would store all of our files. A year's worth of information would be kept as a backup on that server.

MAYOR: I would propose that we have a workshop before or after the January Planning & Zoning Commission meeting to discuss this and what needs to be done.

JEFF: It is quite a project and I need a projector and some time to explain it. It will be a mobile platform that would work for an iPad or laptop.

MAYOR: Let's do it after the January Planning & Zoning Commission meeting at approximately 7:30 P.M. so that CJ (Sorenson) can attend as well.

BRAD: In previous Council meetings we decided which culinary water system upgrade projects we wanted to pursue and they were labeled U1 through U12. We planned on doing some of them now and not doing others. There is an issue with project U12 which is the booster system upgrade. The design fees were getting quite high and it kicked it into a review phase. Darek reviewed and the project would far exceed the initial cost estimate. We can operate without project U12 as this time. It is just not within our budget right now. It will eventually need to be done but not now due to budgetary constraints. We expected costs to be in the \$120,000 range and they are actually going to be over \$300,000. I would propose we remove project U12 from our upgrade list.

A motion to remove project U12 from the Richmond City culinary water system upgrade projects was made by Brad, seconded by Jeff and the vote was unanimous.

MAYOR: I have met with Darek and J-U-B about this project (U12) and our fire department truck can cover this issue if needed and there are no safety concerns in regards to it. It would be nice to resolve if we could but it won't happen at this point. It was not included in the bid projects for this evening as well. This project is actually right on the edge of the City and the County and the County has not indicated they are going to do anything at this time. As development occurs in that area that is an issue that will need to be discussed and paid for by the contractor/developer. We will eventually need proper fire flow in that area.

BRAD: Darek forwarded us the estimates of the engineering fees for the water system upgrade project. This is a formal contract presented to the City by J-U-B. All of you have received the proposed contract via email so you could review. Everything is falling in line with our estimates.

A motion to approve the design, engineering and construction services contract between Richmond City and J-U-B Engineers for the Richmond City culinary water system upgrade project was made by Brad, seconded by Jeff and the vote was unanimous.

MAYOR: The J-U-B contract is a worst case estimate. It was required by the CIB for our funding. It will decrease as we do our own labor and ask our employees to oversee certain projects rather than having J-U-B oversee them.

DAREK: The contract is for construction services as well as design engineering. Hopefully the City will be able to help reduce the construction services portion. We had to provide the contract as it is written for the CIB. This is the worst case scenario and includes the future work on the new well.

BRAD: In regards to sewer; the flows have decreased since the spring and summer. We do have some infiltration issues that will need to be resolved like manholes and sump pumps. We will give our best effort to neutralize these issues. The agreements between Lower's and Pepperidge Farms are proceeding. There is a new monitoring building on the west side of the road by Lower's. It was built so that a flow meter could be installed as well as a sampler and data recorder. It will record flows and we can pull the necessary flows from there as needed. They have been paying fees on what was going into the system not what was coming out since there was not a flow meter in the past. This will be very beneficial to both parties. Pepperidge Farms is in the same type of situation and it is currently in the design phase. The Fire Department Building upgrade is about 95% completed. Basically we just need to install a sink and wash the floors. It was a good project to get completed. Jeff, I need you to get with Chief Bair and get the computers hooked up over there for training purposes. Please contact him and make arrangements to get it done. Everything is hooked up in the building we just needed the computers hooked up to the system. I appreciate the help from the members of the department as well as others that donated time. There are no new nuisance complaints at this time.

MAYOR: Brad and myself attended their Christmas social and toured the building and it turned out amazing. Maybe after our Executive Session next Tuesday we can take a quick tour. It is totally different than before and turned out incredibly well. A lot of it was completed with grant funds and labor in kind. Lots and lots of free labor. It looks great. Definitely not the same as before. Everyone should take pride in it and what they accomplished. Maybe we could have it open during Black & White Days for people to tour. I would like to thank Brad and all of the volunteers that helped out there.

MAYOR'S REPORT

MAYOR: Our next Council meeting will be on January 17, 2012. The annual City employee party will be on Friday, January 6th. You should all be receiving your official invites very soon. The employee Christmas bonuses were handed out and I received many thank you's and the employees wanted me to pass that along to the Council as well. In about February 2012, we will need to get our new RAPZ tax applications filled out and submitted. I will write the proposals. Get the projects and bid information to me and I can get it submitted. We always want to send in at least a couple of projects for them to consider. The County has always been very complimentary in the past of what we have got accomplished with the funding that was provided. We have got a lot accomplished with free labor. We get a lot out of the dollars we receive.

JEFF: Is Cub River separate in regards to RAPZ tax applications?

MAYOR: Yes. It is a joint application with Lewiston City and not a Richmond City project. Projects submitted for out there have no bearing on what we can apply for or how many for the City. Paul will be helping to oversee the Cub River application.

JEFF: The land swap out there has been completed, correct?

MAYOR: Yes. That is another several year project that has finally been completed. It was a joint project with Lewiston City and some landowners. Marlowe walked the area with the surveyor and knows exactly where we own now. All of the legal bills and surveying have been paid to the best of my knowledge. The water issues out there were resolved as well.

PAUL: We are lucky that we only spent what we did on that project as all of the landowners were motivated to get it done and on the same page.

MARLOWE: When would you like the oath of office to be taken for the Council members for the new year?

MAYOR: Let's go January 10th before or after the Planning & Zoning Commission meeting.

CJ SORENSON: It would be better for me if it was after the meeting.

MAYOR: I will contact Judge Funk about administering the oath and if he cannot then we can have Justin do it. I am going to give an update on the proposed ski resort. I received an email of concern in this regard from Dan Miller and Diane Bush and forwarded it to each of you for review as well. I am going to give a synopsis of where we are at. If I was to guess I think the County will approve it based on certain conditions being met. We would step in at that point to make sure we are covered; if needed. It is outside of our City limits so it is not our vote. With the help of J-U-B we sent in letters to the Cache County Council when this was first mentioned about our concerns and a letter from our engineering firm about their concerns as well. When the issue resurfaced again we sent in a round of second letters from the Council and engineering firm as well. Myself and other members of the Council and Darek have all attended Cache County Council meetings and they know exactly where we stand and what our concerns are. It is not an asset to the City; it would be a liability. I would like to point out that Logan Checketts, the person asking for the permit, has been very good to work with and address our concerns. The County is very aware that the proposed resort is in a Culinary Water Source Protection Zone 2 area which means it is in an area where our culinary water source is located. We have made it very clear that this would not be our issue if it was not for our springs being directly in that area. We have also voiced a big concern that if the project is approved that the sewage needs to come and enter our system not go into the ground by our culinary water sources. We absolutely need to be able to protect our culinary water source. Once a source like that is damaged it is very hard to fix. Darek has met with Logan Checketts and asked him to generate some numbers of the waste that would be entering our system. It would need to be piped down to enter our system and then show the effects of it entering our system. We have also made it clear that we would not be responsible in any way for that sewer line if it was installed. They (developer) would be responsible all the way from the ski resort to where it attaches to the City line. There would also be clean outs and meters that would be required. This would all be at a 100% cost to the developer. We need to know exactly what is going on in this regard.

BRAD: To be clear; there will be zero cost to the citizens' if the developer attaches to our system. We need to have an interest in this to protect our water sources.

MAYOR: We will have to determine a cost of the waste, the impact on the system and then come up with an appropriate fee to charge them. We won't bear any costs associated with this project.

BRAD: All of the associated engineering fees for this project will be paid by Logan (Checketts) as well.

JEFF: Do we have any recourse if this project is approved? It appears to me that it can be approved by the County and then become a Richmond City issue. I think there will be some tug and pull if that happens. Can we make anything happen?

MAYOR: No. We cannot require anything as it is a project outside of the City limits. Cache County is being very good to work with and hear our concerns. They have asked us what the impact on the City will be. They have not run over us on this project. It is zoned as such that

there are rules in place that will allow for it to be approved with or without conditions. If based on conditions then the developer must decide how or if they want to proceed.

MARLOWE: The geological survey that was completed shows that the proposed resort is located in a Zone 2. The County has an ordinance in place that will not allow for septic in Zone 2 areas. It requires either a sealed tank or to be attached to an existing system. Septic is not allowed in Zone 2 and the State of Utah has declared it a Zone 2.

JEFF: Would they be responsible for the water line under the road?

MAYOR: Yes.

MARLOWE: Also because of the zoning that is protecting all of the private wells in that area as well. We are helping to protect the private wells that are located in the County in that area.

MAYOR: The geological survey that Dan and Joel helped us to get gave us some teeth in this fight. If the project is approved we need to be in the loop. Some issues with a sealed tank are: Who checks it? What if it leaks? Where will they dump the sewage? If it is in a line that attaches to our system we can inspect it and make sure it is in compliance. Just because it could be approved does not mean it will happen. There will be conditions that need to be met to be able to proceed. Right now the issue has been tabled for ninety days. We have told the County it will most likely be February at the soonest before we have them the information on the sewer and effect on our system. The cost of the engineering to review this is being billed to the City and then in turn we will bill Logan Checketts. I know this is a big concern to many citizens. We don't get the final say, unfortunately.

DAN MILLER: Does the County have any concerns regarding traffic mitigation?

MAYOR: Not really. That was one of our biggest concerns from the start. We would like to see some improvements done and sidewalks installed. The County has asked for road widths and other various items in that regard and we have submitted all that information.

JEFF: Does the County know about our general plan?

MAYOR: Yes. This has been a very big topic the last month to deal with. Don't hesitate to contact myself or anyone on the Council with concerns. We are appreciative of Dan Miller and his local group that are keeping people informed on this project. There has been very good attendance at some county meetings on this subject and many concerns have been mentioned.

A motion to pay the following bills was made by Jeff, seconded by Paul, and the vote was unanimous.

Advanced Heating	70.00
Aflac	178.38
Altius	1826.68
Angela Fannesbeck	210.00
Assoc of Public Treasurers	140.00
Bear River Health	40.00
Beazer Lock & Key	16.00
Brad Deffinger	250.00
Brent Webb Excavating	10497.68
Cache Chemical	83.90
Cache County Corp	18.64

Cache County Road Dept	4300.08
Cache Service Area	16184.60
Carpenter Paper	100.86
Carr Printing	611.88
Coca Cola	153.90
Cox Data	2973.50
Fleet Services	61.20
Follett Software	10699.00
Industrial Tool & Supply	148.46
Jeff	400.00
Young	
JUB	4647.06
Kids Discover	19.95
Lasting Engraving	161.50
Legrand Johnson	251.38
Lyle Bair	338.00
North Cache Vet	63.00
Oldcastle	633.52
Olson & Hoggan	1890.00
PEHP	160.68
Pitcher Propane	2778.61
Questar	1198.63
Rocky Mountain Power	9756.81
Rod Johnson	475.00
Skeleton Key	56.00
Speed Tech Lights	292.45
Symbiotics	279.00
Tamara Hardy	27.00
Thatcher	1885.50
The Book Table	225.35
The Logo Shop	1269.32
Utah Local Gov Trust	99.57
Utah State Division of Finance	100801.26
Valley Office Systems	77.92
Ward Plumbing	225.85
Western Construction	4463.19

A motion to adjourn was made by Jeff, seconded by Paul, and the vote was unanimous.

Adjournment at 8:50 P.M.

Michael E. Hall, Mayor

Justin B. Lewis, Recorder