IVINS
CITY COUNCIL WORK MEETING
MINUTES
January 10, 2019

1) WELCOME AND CALL TO ORDER

MAYOR AND COUNCIL: The meeting was called to order at 4:10 p.m. and announced there was a quorum present.
All present included Mayor Hart, Council Member McDonald, Council Member Elliott, and Council Member Densley.
STAFF: City Manager/Attorney Dale Coulam, Public Works Director/City Engineer Chuck Gillette, and City Recorder Kari Jimenez.
EXCUSED: Council Member Densley and Council Member Johnson
Audience: Pam Becher and those who did not sign in.
Mayor Hart called the meeting to order at 4:10 p.m. after there was a quorum present.

A. Acknowledgement of Quorum

Mayor Hart acknowledged there was a quorum present. Council Member Densley and Council Member Johnson were excused.

B. Disclosures

There were no disclosures or conflicts of interest with items on this meeting's agenda.

2) WORK MEETING

A. Discuss recommendations for Water Rates and Water Impact Fees and Sewer Rates

Chuck Gillette referred to a presentation by Bowen Collins & Associates, a copy of which is available on Ivins website or by request through Ivins City Hall. He would like the City Council's feedback as they go through the presentation. **Aaron Anderson** with Bowen Collins and Associates provided a presentation to the Mayor and City Council regarding Water and Sewer Impact Fees and Rates. The maximum allowable impact fee that Ivins City could charge is $3,345.67. The current impact fees being charged by Ivins City are $2,318.92 without irrigation and $1,732.37 with irrigation. **Mayor Hart** requested clarification on "without irrigation" and "with irrigation". **Chuck Gillette** clarified that "without irrigation" means a home that is out of the defined irrigation service area and "with irrigation" is a home that is within the defined irrigation service area and will eventually be connected to irrigation water. **Council Member Elliott** commented that she thought everyone was using culinary water currently. **Chuck Gillette** clarified that they are, unless they own irrigation shares. **Aaron Anderson** stated that they approached the water rates based on increasing the block rates, cost of service evaluation and lower base rate and higher volume rate. It's recommended that the water rates increase by 6% in 2019 and 2020, 5% in 2021, 2022 and 2023, 4% in years 2024 and 2025 and 3% in years 2026 and 2027. The City Council had questions regarding how the recommended impact fees were calculated for different users like single family, multi-family, commercial and similar and Aaron Anderson provided an explanation of how these studies are done. **Mayor Hart** commented that the study is either accurate or it's not. If the numbers provided are what it's going to cost to provide services to existing and new residents and the study is accurate, those are the numbers the City Council is looking at. If the City Council would like to question the study, then that's where they need to begin. **Council Member Mehr** inquired of Chuck Gillette as to his opinion regarding the accuracy of the study. **Chuck**

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Gillette stated that he has looked at the study and indicated that it is accurate and the numbers are what are needed to continue to provide services in Ivins. **Mayor Hart** indicated that that leaves the question of whether or not the City is going absorb some of that cost of the increase or transfer that to the residents and developers. He commented that what the individuals conducting the studies do now is a far more sophisticated process. **Aaron Anderson** agreed. **Council Member Elliott** didn't question the professionalism or expertise of the study and commented that there's some sense that this isn't a perfect science and there are some different ways to analyze the fees. The City has an ambitious water conservation plan but the study isn't based that. She was looking at balancing between what's included in the rates and the impact fees. **Aaron Anderson** stated that he was confident in his report because he specializes in impact fees and understands the law. Impact fee rates assume growth rates. They estimate a certain number of ERU's (Equivalent Residential Units) per year and project costs. They aren't able to estimate the exact amount because the projected revenue is never going to match exactly. **Mayor Hart** commented that a major assumption to the impact fees is the population at build out. **Aaron Anderson** stated that was the case when it comes to impact fees but indicated that the larger factor is looking at a 10 year period. **Mayor Hart** indicated that it's clear to him when looking at the zoning ordinance that the population projections are based on the current land use plan and zoning and in reality, they are going to be far over what the eventual build out population will be. The greater risk is that as the City goes through the rezoning process, the City is likely going to see the need for greater capacities, not less. **Aaron Anderson** stated that is why it's important to update the City's Land Use Plan every five (5) years. **Council Member Elliott** indicated that when it comes to water rates, she would like there be a system that incentivizes the use of irrigation and doesn't lump everyone together. On the impact fees, she suggested that internally the City could decide if the general use is primarily outdoor or indoor use and if they City knows that a multi-family development is going to use less irrigation, she'd like to see the City try internally or through a study, have an impact fee breakdown that accounts for that. **Aaron Anderson** commented that they could break that out and gave an example of an apartment complex and per door number. The City could have a fixed schedule or look at the plans internally and look at how many fixtures are in the building and then assess it internally. That's a decision the City Council can make but currently the fees are charged per meter size. **Mayor Hart** stated that assessing by a meter size does not incentivize having less turf. There will ultimately be data available because the Water Conservancy District is working on this and there is some data now in place. The data will show what the water use is on a given size lot with certain landscape specifications. He thought that at some point there will be incentives for certain landscapes because there will be data that translates into water budgets. **Council Member Mehr** indicated that what is relevant today is the infrastructure and who bears this cost - the current Ivins City residents or the developers. **Council Member Elliott** agreed that it's infrastructure but her concern was the impact of the higher fees on people who are already trying to attain affordable housing and how the City can be fair and mitigate the negative implications on those who are not as impactful on the infrastructure. **Mayor Hart** inquired if there's the capability to analyze that at this time because the data isn't there. **Aaron Anderson** stated that is a slippery slope if they were to go into that level of detail because of the manpower on the City side and trying to determine the exact amount isn't feasible. **Tom Jorgensen** indicated that the current homeowner may not always own that home, there may be additions to homes and landscapes change. **Chuck Gillette** stated that the Water Conservancy District is trying to move away from the meter size as

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the only way to calculate impact fees but for commercial users, it gets tricky. He suggested that the City leave the commercial impact fees as they are so there is flexibility to use ERU counts instead of a meter size. **Mayor Hart** referred to metering multi-family units and there being a mechanism to assume internal use. **Aaron Anderson** indicated that he can put together a schedule of what other districts have used and commented that the only truly fair way is assess an impact fee is one year after the use and then tell the user to not change their water use. **Mayor Hart** stated that moderate income housing will be clustered developments and inquired if they could have separate rates for townhouses and if they did that, he inquired if that would drive the impact fee number higher. **Chuck Gillette** and **Aaron Anderson** indicated that it would because they would be assuming that the townhomes are using less and that would increase the fees for other users. **Council Member Elliott** stated that currently townhomes/condos are charged less and he didn't know how that decision was made. **Aaron Anderson** clarified that it is per ERU. A single family home is 1 ERU and a townhome could be .5 or .8 ERU and that all balances out in the projection. **Mayor Hart** indicated that they're not dealing with just impact fees, they're dealing with affordable housing and how the City could not charge the full impact fee for moderate or workforce housing. The City doesn't want to put it on the other residents but if there's a reasonable way to reduce that, they should analyze that. **Council Member McDonald** stated that when a development is clustered, the demand on a potential fire system is higher. **Tom Jorgensen** indicated that it depends on the size of the structure. **Wally Ritchie** suggested that with moderate income or affordable housing projects, cities could set certain criteria for affordable housing or similar and then offer incentives and the impact fees could be reduced based on the criteria that is met. It could be similar to what the City currently offers with a subdivision enhancement overlay. **Mayor Hart** inquired if it would be the developers' responsibility to demonstrate that the impact was less. **Wally Ritchie** stated yes. **Chuck Gillette** indicated that the City could discourage landscaping and encourage hardscapes and impervious areas. **Mayor Hart** stated that the City either has to impose on existing residents or adopt the recommended impact fee number. **Council Member Elliott** indicated that she would like to hear more about what Wally Ritchie suggested regarding affordable housing criteria and incentives for developers. **Council Member McDonald** stated that should be analyzed at some point. **Aaron Anderson** inquired if the City Council bought off on the proposed impact fees. The **Mayor and City Council** indicated yes. **Chuck Gillette** stated they will include language that says multi-family developments will be treated differently on a case-by-case basis. The **Mayor and City Council** discussed how to structure the irrigation rates so there is an incentive to use irrigation water rather than culinary water. Currently the way it's structured, irrigation use would save a person $30 per year compared to culinary use. **Chuck Gillette** clarified that the point isn't to say they're going to save a lot of money using irrigation water. The point is that by using irrigation water, they're saving culinary water for future use. **Aaron Anderson** suggested that if someone is on the irrigation system and not using it but is using culinary water instead, the City could assess a penalty for not using the irrigation water and that may encourage irrigation water use. **Mayor Hart** inquired if a penalty is common. **Aaron Anderson** indicated that it isn't common but the City should assess a penalty to encourage use of the irrigation connection. **Tom Jorgensen** stated that in most transitions throughout the State, residents are offered to switch over from culinary to irrigation at no cost. **Aaron Anderson** indicated that the impact fee includes the meter installation of the secondary installation. **Mayor Hart** referred to incentivizing irrigation use. **Aaron Anderson** stated that the reality of using secondary water is

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it is lower quality water and individuals may need to replace the sprinklers more. **Council Member Elliott** indicated that she'd still like to see water conservation regardless of culinary or irrigation system use. **Mayor Hart** suggested a savings of $50 per year be offered rather than $30 per year. **Council Member Mehr** inquired if the City has taken five (5) water bills that represent residents and looked at those usages. **Aaron Anderson** stated that they took an average resident but they could look at a low water user, a mid water user and high water user if that would be helpful. The **Mayor and City Council** agreed. Aaron Anderson referred to the sewer rates approach where they took the semi cost of service approach to maintain the same ERU rate that is currently established, modify the volume rates for non-residential and decrease the ERU rate for non-residential. The **Mayor and City Council** agreed. The City will notice this for a Public Hearing on the near future.

3) <u>ADJOURNMENT</u>

MOTION: Council Member Mehr moved to adjourn
SECOND: Council Member McDonald
VOTE: The motion carried.

Council Member Mehr	AYE
Council Member McDonald	AYE
Council Member Elliott	AYE
Council Member Johnson	ABSENT
Council Member Densley	ABSENT

The meeting adjourned at 5:45 p.m.

Respectfully,

Kari Jimenez
Ivins City Recorder

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