
Minutes
Regular Meeting
December 14, 2011

Present: Mayor Kenneth F. Neilson, Councilmen Roger Bundy, Micheal Heaton, Bill Hudson, Thad Seegmiller, Jeff Turek, City Attorney Jeff Starkey, City Manager Roger Carter, Public Works Director Mike Shaw, Public Safety Director Jim Keith, Power Director Kelly Carlson, Treasurer Kerry Wheelwright, Operations Manager Aaron Olsen, Audience: Lou Balioni, Gerald Bowers

Meeting called to order at 6:00 P.M.

Invocation: Councilman Heaton

Pledge of Allegiance: Councilman Bundy

1. **APPROVAL OF THE AGENDA**

Councilman Hudson made a motion to approve the agenda for December 14, 2011. Councilman Bundy seconded the motion; which passed unanimously.

2. **ANNOUNCEMENTS**

Councilman Seegmiller expressed his gratitude to Councilman Roger Bundy and Micheal Heaton for their years of service. They will be missed.

Mayor Neilson stated there would be an Open House on December 29th from 4:00 to 6:00 P.M. to thank them and wish them well.

Councilman Turek stated they have done great thing for their community and they will both be missed.

3. **DECLARATION OF ABSTENTIONS & CONFLICTS**

None

4. **CONSENT AGENDA**

PAYMENT APPROVAL REPORT: Consideration to approve the Payment Approval Report dated 12/09/2011.

Councilman Bundy made a motion to approve the Consent Agenda. Councilman Seegmiller seconded the motion; which passed unanimously.

5. INVESTMENT COMMITTEE

A. Discussion and consideration for approval of the proposed Investment Recommendation. Kerry Wheelwright, City Treasurer

Mr. Kerry Wheelwright reviewed the proposed Investment Recommendation. He would recommend the \$12,000,000 be invested with Wells Fargo.

Councilman Seegmiller asked if we are confident there is enough cash flow while the money is invested.

Mr. Wheelwright stated we are more than confident there is enough money to cover expenses.

Councilman Hudson asked where the 12 million dollars would come from.

Mr. Wheelwright explained Washington City has 29 different accounts, and there has not been a determination of which money will be moved over. The money may come from several different accounts.

Councilman Hudson asked where the income would go.

Mr. Wheelwright explained it would be placed the accounts as per the amount being invested from the fund. This is something Wells Fargo included in their proposal for tracking, and this was very favorable to the Committee.

Councilman Hudson made a motion to approve the proposed Investment recommendation of Wells Fargo Securities not to exceed 12 Million Dollars. Councilman Bundy seconded the motion; which passed unanimously.

6. PUBLIC WORKS DEPARTMENT

A. Discussion and consideration to impose fees associated with the various Lift Stations within Washington City. Mike Shaw, Public Works Director

Mr. Shaw reviewed the proposed fees and how they are associated with the lift stations. This fee includes the treatment to the lift stations for odor control.

Councilman Seegmiller asked if the odor control was a benefit to the other residents and not only Coral Canyon residents.

Mr. Shaw explained the smells are created because we have the lift station at Coral Canyon. If this lift station were not here, the odor would not be there.

Councilman Bundy asked if over time the odor would be reduced.

Mr. Shaw confirmed once Coral Canyon is at full build out the lift station would be running most of the day, which would help eliminate the odor.

Councilman Turek commented he is in agreement the fee should be equal for all residents.

Councilman Hudson asked if there are other lift stations planned for the future.

Mr. Shaw stated they have planned a lift station at 1900 East on Washington Dam Road. A pressure line has already been installed for this area. The Sunrise Valley and landfill area could have one as well.

Councilman Bundy made a motion to approve imposing fees associated with the various Lift Stations within Washington City. Councilman Turek seconded the motion; which passed unanimously.

7. ORDINANCES

A. Consideration to adopt an Ordinance amending the City Code, Title 7, Chapter 2 Backflow and Cross Connections, by adopting Section 7-2-1A Commercial Chemical Applicators. Mike Shaw, Public Works Director

Mr. Shaw reviewed the changes to the Ordinance, which was presented in a previous Workshop Session.

Councilman Seegmiller asked where the provider would acquire the user tags noted in the Ordinance.

Mr. Shaw stated the tags would be provided by Washington County Water Conservancy District and then issued by Washington City.

Councilman Seegmiller clarified the document notes culinary water. He would like to know if they applicator has the ability to use another type of water.

Mr. Shaw stated they could use irrigation water.

Councilman Hudson asked who enforces this and if there is a Federal Regulation.

Mr. Shaw stated Washington City Employees would enforce the Ordinance.

Councilman Hudson commend this is going to be extra work for the employees.

City Manager Carter stated if the city water gets contaminated due to chemicals, Washington City would then be fined.

Councilman Bundy stated once individuals are aware of the Ordinance and receive their tags, there would be very little policing for the Ordinance.

Councilman Seegmiller asked if there are sufficient employees to enforce the Ordinance.

Mr. Shaw explained all Public Works Employees would be watching for the tags on tanks as are going through the City.

Councilman Seegmiller asked if the Staff has been adequately trained to sign off.

Mr. Shaw stated they do. He himself is certified, and there would be someone available at the Public Works Department at all times, or within 5 minutes of there.

Councilman Heaton asked if their will approved dumping locations.

Mr. Shaw stated there are requirements for cleanout, which is part of our Storm Water Ordinance. It is very doubtful there would be anyone dumping the product, as it would be very costly.

City Manager Carter asked if this qualifies for our Storm Water Continuing Education.

Mr. Shaw stated he does hope this will qualify for points toward the Certifications.

Councilman Seegmiller made a motion to adopt an Ordinance amending the City Code, Title 7, Chapter 2 Backflow and Cross Connections, by adopting Section 7-2-1A Commercial Chemical Applicators. Councilman Hudson seconded the motion; which passed unanimously.

8. NEW BUSINESS

A. Discussion and consideration to approve the Letter of Intent to move forward with the Siemens Audit. Roger Carter, City Manager

City Manager Carter reviewed the Letter of Intent to move forward with the Siemens Audit as well as responses to the letter.

Councilman Hudson asked why Siemens.

City Manager Carter stated they have done work in this area, and they approached Staff. If Washington City were to do any type of energy saving work it would have to involve an engineering company who is certified. Siemens has this certification. There are only a handful of businesses who know what they are talking about when it come to this type of audit.

Councilman Seegmiller stated he us uncomfortable the number, which is on the proposed final contract. He would like to know if the number is in the millions.

City Manager Carter stated he does not have an answer to the number. However, this particular building with the HVAC alone could be in the hundreds of thousands. The purpose of the audit is to see where the saving would be and the amount of the savings. This does not mean we are required to do the improvements.

Councilman Turek stated he is much more comfortable with the proposal knowing the number given is the worst-case scenario, and not a hard figure.

City Manager Carter stated \$50,000 is a sunk cost.

Councilman Turek asked if the \$50,000 is the hard figure, because he was under the impression this was the number, which was negotiable.

City Manager Carter stated the initial cost is going to be \$50,000 for the audit. If we are not comfortable with this fee, then maybe Council should consider going a different direction, and possibly not participate in the House Bill.

Councilman Hudson commented an audit would be a good thing. However, he is not comfortable with the amount of money being asked. This is something, which has not been a high priority at the present time, and he would not be willing to spend this amount at the present time.

City Manager Carter explained an example would be the utility bill in the Community Center is one of the highest expenses, and an outside company would be needed to make appropriate decisions to bring down the costs.

Councilman Heaton commented he does not feel it is that much money compared to the amount of money we spend each month.

Councilman Turek asked what this would do to our long-term finances. The savings will continue well into the future past the time frame of the repayment for any equipment purchased.

Councilman Hudson stated he does not feel it would be appropriate at this time to go through every facility in Washington City and pay huge amounts of money.

Councilman Seegmiller commented the disadvantage is we do not have a cost until they go through all of the facilities, and at that time they give a cost.

City Manager Carter stated this is a discussion of timing. If any time in the near future Washington City would borrow money to improve efficiency, then this would be a good time to do this. If we do not plan to borrow money, then we would not need to worry about this now, and we can address the issues in the future.

Councilman Turek stated this is a guarantee for how much it would cost. He feels this would be a good thing to have.

Councilman Seegmiller stated this is not different than any salesman giving a guarantee.

City Manager Carter stated this should be addressed the same as a Capital Facility Plan. Those plans are always sunk costs, and have to be done.

Councilman Turek asked if we should not take into account the guarantee.

City Manager Carter stated we do not want to get hung up on the guarantee, but to decide if we

want a Capital Facilities Plan for energy efficiency.

Councilman Seegmiller stated he feels energy efficiency is very important. However, the State funding is going to be there, and we should not be hung up on moving forward immediately. This is a time issue, and he does not feel Washington City should be spending this type of money at this time.

City Manager Carter stated this is a decision to be made by Council, and if time is an issue, we can definitely hold off until the timing would be better.

Councilman Hudson asked when the legislation was passed.

City Manager Carter stated the House Bill was passed last year.

Councilman Seegmiller commented he would be interested in talking with one of the entity, which are similar to Washington, and looking at there costs.

City Manager Carter stated he does not believe anyone has gotten to the point where they have cost numbers available. He would like to have Council make a decision on the \$50,000 letter of intent, or if there is not desire to move forward, then Staff does need some type of direction.

Councilman Turek made a motion not to move forward at the current cost. Councilman Hudson seconded the motion; which passed unanimously.

9. POWER DEPARTMENT

A. Discussion of the San Juan project. Kelly Carlson, Power Director

Kelly Carlson reviewed the San Juan Project Power Point presentation.

City Manager Carter commented natural gas is a good option for Washington City. However, we are not planning on the natural gas prices staying low. The Morgan Stanley is also a very good option for Washington City.

Councilman Heaton thanked Kelly Carlson. He has done an excellent job as the Power Director, and Washington City has the best-maintained system in the State.

Mr. Carlson stated it has been a pleasure working with Councilman Bundy and Heaton. They have been a wonderful support to Washington City, and he is happy he had the opportunity to work with them.

10. REPORT OF OFFICERS FROM ASSIGNED COMMITTEE

Councilman Heaton stated he attended the Legislative Policy Committee Meeting. They are working on transportation within the State. There was a review on everything used to keep the transportation system going. Over the next 20 years there will be a shortage of 21 billion dollars in maintenance fees. They are trying to determine how this money is going to be raised. Gas tax

is not paid for maintenance on highways in the State of Utah. Fuel tax and other taxes would most likely be raised to cover the costs.

City Attorney Starkey announced the Elected Officials Day at the Legislative Session would be held in February.

11. CITY MANAGER REPORT

City Manager Carter stated the MPO awarded Washington City one million dollars to improve Washington Fields Road from Lost Ridge Drive to 3650 South, which is great news. The Bell Tower has been inspected and it has been brought to our attention two of the new speakers are not working. The contractor will be back soon to get them replaced.

12. CLOSED SESSION

- A. The character or professional competence of an individual;**
- B. To discuss pending or potential litigation; and/or**
- C. Discuss purchase, exchange or lease of property.**

Councilman Seegmiller made a motion to leave the Regular Meeting and move into a closed session to discuss pending or potential litigation and the purchase, exchange or lease of property. Councilman Hudson seconded the motion; which passed with the following roll call vote:

<i>Councilman Bundy</i>	<i>Aye</i>
<i>Councilman Heaton</i>	<i>Aye</i>
<i>Councilman Hudson</i>	<i>Aye</i>
<i>Councilman Seegmiller</i>	<i>Aye</i>
<i>Councilman Turek</i>	<i>Aye</i>

Council moved into Closed Session at 8:11 P.M.

Council left the Closed Session and returned to adjourn the Regular Meeting at 8:40 P.M.

Passed and approved this 11th day of January 2012.

Washington City



Kenneth F. Neilson

 Kenneth F. Neilson, Mayor

Attest:

Danice B. Bulloch

 Danice B. Bulloch, CMC
 City Recorder