

Minutes of the Salem City Council Meeting held on April 7, 2021 in the Salem City Council Chambers.

Work Session: 6:00 p.m.

1. AGENDA ITEM DISCUSSION

#6

Sterling Brown the General Manager with Strawberry Water Association is here to discuss the agreement on the Strawberry Valley Project Power Plant. In 1905 the Strawberry Valley Project was completed costing 3.5 million dollars. In 1908 the United States Bureau of Reclamation entered in a contract with Salem Irrigation Canal Company in that contract the United States acquired the rights to divert all of Salem Irrigation and Canal Company natural flow rights of the Spanish Fork River through the generator. Not mentioned was a those who signed off didn't envision that they would take the water above stream and divert it somewhere else. They did not envision that in 2008 Salem City would install two regulating ponds adjacent to the Strawberry High Line Canal Company to pressurize its secondary irrigation system. Salem City entered into an agreement with the High Line Canal Company that The Salem City regulating ponds could receive water from the Spanish Fork River each year through the High Line Canal which is located just downstream from the Strawberry Valley Project Power Plant Inlet Structure. This interferes with the Strawberry Valley Project Power generation. The 1908 contract directs water through the generator and does adjust for lost generation to Strawberry Water. Sterling Brown is seeking lost revenue. Sterling Brown stated he didn't have records from 2008- 2012 but had a record in 2013 that Salem City paid just over \$19,000 and in 2014, 2015, 2016 and 2017 on average paid \$9000.00 for lost generation. 2018 & 2019 no payment and then in 2020 Sterling Brown was hired. Sterling Brown commented the 1908 contract directs the water through the generator, but it doesn't address the negative impacts if it doesn't go through the generator. Sterling is seeking payment for the lost generation. Councilperson Chuntz asked if Salem City is taking more than 25%? Bruce Ward said we shouldn't be. Councilperson De Graw asked why we should compensate if we are only taking what shares we own. Bruce Ward said there has always be a confusion with the that. Sterling Brown said in the contract it is clear that the water must go through the generator. Soren Christensen asked how many other entities have lost generation. Sterling Brown said Strawberry Water Users has a contract with Spanish Fork City and Payson City on lost generation and stated they are paying. Mayor Christensen asked if they are paying the \$6.78? Sterling didn't know the amount. Attorney Pickell said if we were obligated to send water through the power generator than we may have issues. John Bowcutt asked if the water amount has increased compared to 1908 and asked why we would be responsible to run an increase of water through the generator as long as we are sending them the same amount of water in the 1908 contract. Mayor Christensen asked if our right increased after 2008. Bruce Ward said we continually get Salem Canal water turned in and we are a 25% shareholder in Salem Canal. Mayor Christensen asked why everybody wouldn't pay that \$6.78. Sterling Brown said he can't confirm that and didn't draft those agreements. Sterling Brown said Strawberry Water Users priority is to 1st distribute water and second is power generation. Sterling Brown said in the negotiation as the valley changes there has been some reluctance to enter into a contract and they would prefer to do it for 9 more years and revisit it again in 2030. Councilperson

Chuntz asked what kind of net profit they have on a good year. Sterling Brown shared with us the numbers based on the three generators plus the Payson Generators \$700,000 revenue and spent about 775,000 giving them a loss. Councilperson Chuntz asked who they sell power to and Sterling Brown stated SED. Councilperson De Graw said we haven't done enough to understand the financial impact associated with this and we need to compare to other cities. Mayor Christensen said we need to come to an agreement and asked if \$6.78 per acre foot is comparable to the neighboring cities. Sterling Brown will check into that number. Councilperson Snyder said we need to be fair and equitable for all cities and Strawberry Water. Councilperson Chuntz asked if they could do other things to minimize the loss, and if they conclude that there isn't enough water to generate the power and if you decide to not generate the power then the cities wouldn't have to pay the loss generation. Councilperson Chuntz said the contract needs to be revised. Councilperson De Graw asked what are your fixed cost? Sterling Brown was unable to give those numbers. Councilperson Chuntz asked what's the point of generating? Soren Christensen said maybe SED relies on it. Sterling Brown wants to reconcile the original contract. Councilperson Snyder said maybe we could share the loss. The Strawberry Water board is working to make some financial decisions. Bruce Ward commented we could also add a provision if the canal doesn't turn the generators on.

#5

Bruce Ward talked about the Water Master Plan that Hansen Allan Luce has been working on updated impact fees. Over the course of that discussions we have had them do additional services. We haven't done a single change order on this contract until now. They shall be reimbursed \$11,340 for additional services. They have worked on our meters and remaining capacity of water. Bruce asked the council to approve the addendum to the contract.

MEETING CONVENED AT: 7:00 p.m.

CONDUCTING: Mayor Kurt L Christensen

COUNCIL PRESENT:

Mayor Kurt L Christensen
Councilperson Sterling Rees-excused
Councilperson Seth Sorensen-excused
Councilperson Howard Chuntz
Councilperson Delys Snyder
Councilperson Tim De Graw

STAFF PRESENT:

Jeffrey Nielson, Finance/Recorder-excused
Vaughn Pickell, City Attorney
Chief Brad James, Police Chief
Ted Barnett, Power
Matt Marziale, PW/Recreation
Bruce Ward, City Engineer
Steve Cox, Building Dept. excused
Robyn Mortensen

OTHERS PRESENT

Andy Ottesen, Sterling Brown, Soren Christensen

1. VOLUNTEER MOTIVATIONAL/INSPIRATIONAL MESSAGE

Mayor Christensen asked if anyone would like to give a motivational or inspirational message. Councilperson De Graw stated he would like to offer a motivational message in the form of a prayer.

2. INVITATION TO SAY PLEDGE OF ALLEGIANCE

Robyn Mortensen invited those who wish to participate, to stand and say the pledge of allegiance with her. She then led the pledge of allegiance for those who wanted to participate.

3. YOUTH COUNCIL

There was not a member from the Youth Council present tonight.

4. SF/SALEM CHAMBER OF COMMERCE

There was not a member from the SF/Salem Chamber of Commerce present tonight.

5. APPROVE HANSEN ALLAN LUCE AGREEMENT FOR ADDITIONAL SERVICES FOR WATER MASTER PLANS

This an addendum to the Engineering Services Agreement for the Salem City Culinary and Secondary water master plan. Salem City has requested services additional to the scope of the original contact and this was added to the original contract. Bruce Ward is requesting approval for \$11,340.00 to finish the original scope of work.

MOTION BY: Councilperson Chuntz motion to approve the Hansen Allan Luce agreement for additional services for Water Master plans for \$11,340.00

SECONDED BY: Councilperson Snyder

VOTE: Councilperson Tim De Graw; Aye, Councilperson Howard Chuntz; Aye, Councilperson Delys Snyder; Aye, (3 Ayes)

6. APPROVE AGREEMENT WITH STRAWBERRY WATER USERS ASSOCIATION

MOTION BY: Councilperson De Graw motion to table discussion until next council

SECONDED BY: Councilperson Snyder

VOTE: Councilperson Tim De Graw; Aye, Councilperson Howard Chuntz; Aye, Councilperson Delys Snyder; Aye, (3 Ayes)

7. APPROVE MUNICIPAL WASTEWATER PLANNING PROGRAM FOR YEAR ENDING 2020

Matt Marziale stated that this is a self-evaluation report between James Thomas and Mike Pritchett and Jeff Nielson it is done each year. He stated everything is in order and Vaughan has made a resolution for the approval of Wastewater Planning Program

MOTION BY: Councilperson Snyder motion to approve the Municipal Planning Program for year ending 2020.

SECONDED BY: Councilperson De Graw

VOTE: Councilperson Tim De Graw; Aye, Councilperson Howard Chuntz; Aye, Councilperson Delys Snyder; Aye, (3 Ayes)

8. APPROVE COLE PARK – PARKING LOT AND TRAIL LIGHTING

Matt Marziale is requesting to purchase 19 Spec Lights and package for Cole Park for \$64,970.75. The 19 lights would be installed throughout the park. The purchase would be through Anixter and they are the current approved provider for the type of lights we are asking for and this is why you're only seeing one price verses getting three bids. The lights will shoot straight down to the ground and they have a capability to dim. Soren Christensen asked about the type of lighting on the pickle ball courts and how long the lights will stay on. Matt Marziale said the lights will be the LSI court blade light and they will be on an 18-20ft

pole and the light will concentrate straight down. The Plan to turn them off at night was 10:30pm but there is room to negotiate the time. Soren Christensen asked how they will lessen the sound coming from the park. Matt Marziale said he is working on that and is looking to install Panels on west side will help to knock down the sound.

MOTION BY: Councilperson Snyder motion to approve lighting for Cole Park Parking lot and trail for the amount of \$64,970.75 from Anixter

SECONDED BY: Councilperson Chuntz

VOTE: Councilperson Tim De Graw; Aye, Councilperson Howard Chuntz; Aye, Councilperson Delys Snyder; Aye, (3 Ayes)

9. APPROVE ROAD IMPROVEMENTS ON 250 EAST (PUBLIC SAFETY PROPERTY)

Bruce Ward stated this is the road improvements on the west side of Stokes. Salem City purchased this property a few years ago to be a future site of the Public Safety building. Bruce said about a year ago, in preliminary plat phase we had discussions to put most of 250 East improvements in completely. As we have been building that we have run into to some poor soil condition. Bruce said the cost of that road has gone up. Bruce stated we haven't got a final cost, but our best estimate would be half a million for that section of road. Bruce said the cities portion would be around \$250,000-\$300,000 for the road. Jeff Nielson felt it was best to use the public safety impact fees. Councilperson De Graw asked what the public safety impact fee is, and Bruce Ward said around 2,000 per new house and we have 6 years to spend. Chief James said the funds we have are to be used in that area.

MOTION BY: Councilperson De Graw approve road improvements on 250 East pending a final cost.

SECONDED BY: Councilperson Snyder

VOTE: Councilperson Tim De Graw; Aye, Councilperson Howard Chuntz; Aye, Councilperson Delys Snyder; Aye, (3 Ayes)

10. APPROVE PURCHASE OF TRUCKS

A. ROADS DEPARTMENT

B. WATER DEPARTMENT

C. POLICE DEPARTMENT

D. POLICE TRUCK FOR FY 2022

Matt Marziale said we have inherited trucks from the police department in the past and the Police department currently has the opportunity to rotate two trucks out of their fleet. Public works will plan on receiving the two trucks and placing them in our needed departments. Matt Marziale stated the water department had a truck that the motor went out this week and they're in need of a truck. Matt stated we will be adding more crew to the water department and we will need more vehicles to move them around. The water department is in need of two vehicles.

- a. James Thomas with Roads Department has \$15,000 in budget to purchase truck. They have been using the 1-ton dump truck as a travel vehicle. In the process of looking for a truck Matt found a 2006 Toyota Tacoma with 161,000 miles and James felt it fit their needs. The cost is \$13,950.00 which come in under the budget of \$15,000.
- b. Wade Reynolds with Water Department has 15k to purchase a truck for future hiring of staff. We will leave the money in the budget and we have stopped looking for a truck. We are planning to receive trucks from the police department. The second truck we will hold for future needs.
- c. The Police department currently has the opportunity to purchase two 2021 F-150 trucks off of the State bid that can be delivered immediately. If the police department is allowed to purchase these new trucks, two older police trucks can be rotated into public works departments that are in dire need of work trucks. Cost of a 2021 F-150 is \$39,880.44 X 2 for a total cost of \$79,760.88. These were not budgeted item in this year's budget. But seeing the need to replace a couple of police trucks and giving public works the replaced trucks (especially since the water department is in need of one now). This option of replacing Police Trucks and giving the used ones to public works has been great. It gives our public safety new reliable trucks, and at the same time gives our Public Works trucks with low miles and still in great condition. Jeff Nielson indicated our Sales Tax for FY 2021 is up from what was budgeted. He feels we would use that money to purchase the new police trucks. Councilperson Snyder asked how often we replace the police trucks and Chief James we typical keep them 5-7 years and rotate them into public works. Chief James says we will replace one ever year. Councilperson De Graw asked what happens to the funds once a vehicle is sold? Matt Marziale stated it goes back to general fund.
- d. The Police Department has requested one new truck in the upcoming projected budget year of 2021-2022 to replace an older vehicle currently in the police fleet. In order to secure a 2021 F-150 with the State of Utah Government Discount the dealership needs a commitment ASAP. The City would not take delivery of this truck until at least July 2021, which would be in the FY 22 Budget Year.

MOTION BY: Councilperson De Graw motion to approve the purchase of 2006 Toyota Tacoma for public works for \$13,950.00 also the purchase of two 2021 F-150 trucks for \$39,880.44 each for total \$79,760.88 and the purchase of 2021 F-150 for \$37,809.29 out of next Fiscal Year Budget

SECONDED BY: Councilperson Snyder

VOTE: Councilperson Tim De Graw; Aye, Councilperson Howard Chuntz; Aye, Councilperson Delys Snyder; Aye, (3 Ayes)

11. APPROVE MINUTES OF MARCH 17, 2021

MOTION BY: Councilperson Snyder motion to approve the minutes of March 17, 2021

SECONDED BY: Councilperson Chuntz

VOTE: Councilperson Tim De Graw; Aye, Councilperson Howard Chuntz; Aye, Councilperson Delys Snyder; Aye, (3 Ayes)

12. APPROVE BILLS FOR PAYMENT

AMOUNT: \$1,107,141.62

MOTION BY: Councilperson Snyder motion to approve the bills for payment in the sum of \$1,107,141.62

SECONDED BY: Councilperson Chuntz

VOTE: Councilperson Tim De Graw; Aye, Councilperson Howard Chuntz; Aye, Councilperson Delys Snyder; Aye, (3 Ayes)

13. CHIEF BRAD JAMES, PUBLIC SAFETY DIRECTOR

Chief James asked the Mayor and Council if they have seen the Year End Report. Chief James stated he would have Jeff Nielson send it out. Chief James stated Officer Reynolds has resigned from the police department and we have offered the position to Jamie Wood she is currently in the academy and will graduate on April 15th. She has 5-years of experience in dispatch and her desire was to come to Salem City and she turned down multiple position with other cities.

Chief James spoke about the Public safety impact fee. Chief James stated we need to spend impact fees and asked for direction to move forward with cost and architecture design for the public safety building. Bruce Ward stated the city office is full and we need more room. In the next 20 years we will need to make sure we meet the needs as the city continues to grow. Bruce Ward said we should consider putting out a request for bid for architecture and what's possible for the building. The land has already been purchased. Chief James stated fire and ambulance are in need of more room. Mayor Christensen said we need to decide what kind of building we want and who will be utilizing the building and we should discuss the concept with the city. Councilperson De Graw said we need to look at current and future needs and to best utilize all our current buildings.

14. STEVE COX, BUILDING OFFICIAL DIRECTOR

Steve Cox was excused from tonight's meeting

15. ATTORNEY VAUGHN PICKELL

Attorney Pickell stated he has made it to his 1-year anniversary with Salem City and he commented it has been a great year. Attorney Pickell thanked the Mayor and Council. Mayor Christensen said Attorney Pickell he is doing a great job.

16. JEFFREY NIELSON, CITY FINANCE DIRECTOR/CITY RECORDER

Jeff Nielson was excused from tonight's meeting

17. MATT MARZIALE, RECREATION/PUBLIC WORKS DIRECTOR

Matt Marziale stated the green waste is set to open April 10th through April 24th. Matt said the he has been talking to the water master of Strawberry Water about the pressurized irrigation start date and it may be prior to the first of May but May 1st is the date they're looking to have it available. Running our wells is not a feasible plan to keep the ponds full but we have the possibility with river water. Matt Marziale suggested to discuss the restrictions at next council and suggested we should put some different restrictions on this year. Councilperson Chuntz stated we are asking our citizens to cut back, so we need to let the citizens know this is a serious issue and we need show them that the city is doing their part to help conserve and in order to do that the citizens want to see something visually. Mayor Christensen said we should offer some incentive to do xeriscape option. Outdoor water is weather related, and we need to come up with some guidance with odd or even days or other options of a watering schedule. Mayor Christensen asked Council and staff to come up with some ideas to help conserve. Andy Ottesen gave an example of how he planted 20 acres last year and he ended up getting nothing off the field last and it was a total loss. That product didn't enter the food chain. Andy said farmers don't take the food chain lightly and said we should be careful with the water.

18. TED BARNETT, ELECTRICAL DIRECTOR

Ted Barnett stated his building is moving along and they had half a footing done and hoping to get the other part done next week.

19. BRUCE WARD, ENGINEERING

Bruce would like to schedule and publish a Public Hearing on the Wastewater Impact Fee update. The current impact fee is \$3500, and the proposal is a little over \$5000.

Traffic master plans is a little bit similar to the discussion with the police and as we continue to grow and collect impact fees, part of the planning and part of capital facility planning for the traffic is to update the traffic impact fee as well as the capital facility plan. Bruce Ward would like to send out a request for bid to get proposals. He would like to bring back a proposal to Council. We need to get a better value on our bids to get a better product.

The Development at Woodland View. The City Storm drain ordinance requires them to retain the water on site at a certain percentage. Unfortunately, the ground water is close to the surface. The Engineer on the project said the storm drain the had planned on isn't going to work and he said they are working on an alternate to the storm water. They asked if the city was willing to make some adjustments to the regional storm water changes. They have offered to put in a piece of our master plan storm drain from 300 North to 400 North on 1st East. They have offered to put that in and there is a \$46,000 savings on storm bricks and 56,000 on storm drain improvements. Bruce Ward is asking the city to shift the \$13,000 to

something that has more long-term benefits. This is to help with a second option down 100 East. Mayor Christensen asked if it's our responsibility to we pay the \$13,000. Bruce Ward said the developer has looked at their cost and if they pulled it all out then what will we save and what else can we do. Worst case scenario the developer will have to pay the \$13,000. This would need to be put in next year's budget. Mayor Christensen asked if we pay half and Bruce Ward, he thinks it's fair to pay the \$13,000 and Attorney Pickell thinks we should participate. Matt Marziale thinks \$10,000 is a fair offer. Mayor Christensen asked the Council if they are fine with offering \$10,000. Councilperson Snyder and Councilperson Chuntz agreed it is a fair offer. Councilperson Chuntz said if we are accepting the storm drain into the pond near his home, then the developers need to dredge it because it is collecting too much silt.

20. JOHN BOWCUTT-FIBER

John Bowcutt commented Fiber is to Spanish Fork and we are currently moving Fiber down Beet Road.

COUNCIL REPORTS

21. MAYOR KURT CHRISTENSEN

Mayor Christensen had nothing to add to tonight's meeting

22. COUNCILPERSON STERLING REES

Councilperson Rees was excused from tonight's meeting

23. COUNCILPERSON SETH SORENSEN

Councilperson Sorensen was excused from tonight's meeting

24. COUNCILPERSON HOWARD CHUNTZ

Councilperson Chuntz states that Matt Marziale is working on getting enough crew to help with the PI meters.

25. COUNCILPERSON DELYS SNYDER

Councilperson Snyder commented that the Solid Waste district is in the design process for the transfer station building and getting ready for the bond

26. COUNCILPERSON TIM DEGRAW

Councilperson De Graw commented he has met with Mike and Marcie Mckee about budget.

ADJOURN CITY COUNCIL MEETING

MOTION BY: Councilperson Chuntz

SECONDED BY: Councilperson De Graw

VOTE: Councilperson Tim De Graw; Aye, Councilperson Howard Chuntz; Aye,
Councilperson Delys Snyder; Aye, (3 Ayes)

MEETING ADJOURNED AT: 9:02pm

Jeffrey Nielson, City Recorder