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City Council Agenda Information

To: Mayor Steve Miller and City Council
From: Stephanie Fricke, City Recorder
Date: December 31, 2025
Subject: Discussion on future annexation.

Summary: Discussion and guidance on future annexations.

With the recent election of a new Mayor and two new City Council members, City Recorder Stephanie Fricke is requesting guidance from the City Council regarding future annexations within Hyrum City.

Hyrum City is currently engaged in several major long-range planning efforts, including updates to the General Plan, the 40-Year Water Master Plan, the Wastewater Treatment and Collections Plan, and the Master Transportation Plan. These studies are intended to guide growth, infrastructure capacity, and the extension of municipal services.

Under direction from the previous Mayor and City Council, the City Recorder was authorized to advise potential annexation petitioners that although state law allows a landowner to submit an annexation petition, any such petition would be denied by the City Council until the City's planning efforts were completed and implementing ordinances adopted. Petitioners were further advised that submitting an annexation petition under those circumstances would result in the loss of all application fees. The City's position was that no annexations would occur until the planning documents were finalized and ordinances were in place that reflected the recommendations of those studies.

Two years ago, state law changed regarding water requirements for annexations. As a result, Hyrum City can no longer require water shares or water rights to be conveyed to the City upon annexation unless the City has an approved 40-Year Water Master Plan that identifies the need for additional water supplies.

Since July 17, 2003, under Ordinance 03-16, Hyrum City has required property annexed into the City to provide a minimum of three acre-feet of water per acre of ground for new development. In anticipation of future annexations, Hyrum City purchased water rights in 2007 to supplement situations where landowners did not possess sufficient water rights. To recoup those costs, the City currently charges an annexation petitioner needing water \$7,000 per acre-foot of water, as established by the 2025 resolution setting the current rate.

Given the change in City leadership, ongoing planning efforts, and changes in state law, City Recorder Stephanie Fricke if the current Mayor and City Council would like her to continue to advise potential annexation petitioners with the same advise she has been giving or if she should be advising them differently.

Included for your information is Resolution 03-02 which approved Hyrum City's Annexation Policy Plan (Declaration Area), which identifies projected growth areas and locations where the City intended to expand municipal services; and Ordinance 03-16 which set the requirement of three acre-feet of water per acre of ground be turned into the City upon annexation.

ORDINANCE 03-16

WHEREAS, on January 6, 1994, the Hyrum City Council passed and posted an ordinance adopting the "Hyrum City Municipal Code", a recodification of municipal ordinances encompassing the "Revised Ordinances of Hyrum City" and ordinances adopted through July 15, 1993; and

WHEREAS, Title 16 of the Hyrum City Municipal Code is known as the Subdivision Ordinance of Hyrum City and sets forth those regulations governing the division, subdivision, and development of land within Hyrum City; and

WHEREAS, prior to amendment, Section 16.20.070 stated the City should have the first right to purchase water shares appurtenant to land being subdivided but imposed no requirements for subdividers or owners/developers to provide water with land considered for development; and

WHEREAS, the City Council adopted Ordinance 02-05, July 18, 2002, amending Section 16.20.070 by imposing requirements for owners/developers to surrender sufficient shares of water stock to the City to meet the needs of the proposed subdivision for secondary water service but did not quantify the amount of water stock required nor did it define alternatives to address land developed without sufficient water stock; and

WHEREAS, Hyrum City is located in a desert area in the fifth year of a serious drought and the City Council desires to ensure adequate water supplies for both culinary and outside watering purposes and to establish water use patterns and habits which will help current and future culinary and secondary water supplies last as long as possible while protecting existing water sources from demands exceeding production capacity; and

WHEREAS, the present secondary system was designed to provide secondary water to a specific area of the City and allowing annexed property and property outside the designated service area for the secondary system to connect to the system will only dilute the amount of water available for the property originally designated to be watered by the secondary system; and

WHEREAS, the amendments proposed herein have been considered and approved by the Planning Commission.

NOW, THEREFORE, following two public hearings as required by Section 10-9-802, Utah Code Annotated, 1953, as amended, the Hyrum City Council hereby adopts, passes, and publishes the following:

AN ORDINANCE AMENDING SECTION 16.20.070 OF TITLE 16 (THE SUBDIVISION ORDINANCE) OF THE HYRUM CITY MUNICIPAL CODE REGARDING SUBMISSION OF WATER RIGHTS OR SHARES FOR NEW DEVELOPMENT IN HYRUM CITY.

1. Section 16.20.070 of Title 16 of the Hyrum City Municipal Code is hereby amended to read as follows:

16.20.070 Water rights.

The intent of this section is to ensure that adequate irrigation water represented by water shares in an irrigation company, canal company, or other company that has appropriated or otherwise controls irrigation water or water rights, accompany, and are maintained with, property proposed for development. Such water shares or water rights required of owners/developers or subdividers shall be provided in accordance with the provisions of this section, thereby enabling the City to meet additional demands for both culinary and secondary water, created by a proposed development, without diminishing the quality, quantity, or level of service to existing users.

A. The City reserves the right to refuse development of property where adequate water represented by water shares or water rights for either irrigation or culinary water are not available for transfer to the City.

B. Each owner/developer of real property, unless included within the original service area of the municipal piped irrigation system as defined on the map attached hereto as Exhibit A, shall be required to provide water rights, shares, or stock representing three acre-feet of water per acre if such property is to be served by the municipal piped irrigation system.

1. For property located within the original service area of the municipal piped irrigation system or located within City limits as of the date of original adoption of this ordinance as shown on the official zoning map as amended March 17, 2003, and attached hereto as Exhibit B, the City will accept whatever rights or shares or stock traditionally associated with the land, even if it totals less than three acre-feet per acre. This exemption does not extend to property under consideration for annexation, specifically 995.20 acres known as the "Richard Miller Annexation"

or any other property outside City limits as of the date of adoption of this ordinance.

C. If the owners/developers of a proposed development located outside the bounds of the original service area of the municipal piped irrigation system or located within City limits as of the date of original adoption of this ordinance as shown on the official zoning map as amended March 17, 2003, and attached hereto as Exhibit B, choose to exclude such property from service by the municipal piped irrigation system and choose not to pay the amount set by the City per share of water or water rights that would otherwise be required to be paid in lieu of transferring the required shares of water or water rights upon development, the City may limit the area per lot allowed for landscaping that requires watering or otherwise impose controls or restrictions on use of culinary water for outside watering. In addition, even if the owners/developers choose to pay the amount currently established by the City Council per share of water or water rights, but no such rights exist for purchase, or the purchase price exceeds the rights/share cost component of the impact fee established for development of land lacking or bearing insufficient water, or the amount of money the City has available for this purpose, the City may 1) refuse the proffered payment; 2) limit the area per lot or otherwise allowed for landscaping requiring watering; or 3) impose other controls or restrictions on the use of culinary water for outside watering.

D. The amount to be paid by the owners/developers in lieu of a transfer to the City of the stated amount of water and/or water rights shall be fixed from time to time by resolution enacted by the City Council and may be changed where deemed appropriate by the City Council.

E. The City Council, at its discretion, may request an independent study funded by the owners/developers to determine the amount of culinary water required to serve property proposed for development and obligate the owners/ developers to provide sufficient water shares or rights to meet said water requirement and, if the owners/developers are unable to provide the necessary water, the City may impose the same type of restrictions referred to in subsection C above and in appropriate cases may refuse to allow development of the property in question.

F. In lieu of transfer of water shares or rights, the City may assess impact fees sufficient to procure water for development, in addition to limiting landscaping or imposing other controls over use of water. In appropriate cases, the City reserves the right

to refuse development of property where adequate water transfers cannot be made. In addition, in appropriate cases, the City Council may allow a credit against the amount of impact fees due as a means for paying some or all of the purchase price for shares, or rights purchased pursuant to Subsection G, below.

G. The City shall be given first option to purchase any water shares or rights appurtenant to or historically used with the property proposed for development beyond those needed to meet the requirements for adequate water for the development as set forth herein. The purchase price for said shares or rights shall be the current market price as determined by independent appraisal.

H. Where water shares or rights are associated with property, but said property cannot be served by the municipal piped irrigation system, the water shares/rights shall be transferred to the City, if the City can beneficially use them, and the City shall provide culinary water for irrigation purposes under predetermined restrictions for outside watering in the development and in the amounts equivalent to the water represented by the water shares or water rights transferred to the City.

I. Where a water conservation plan or other approved study funded by the owners/developers shows the development will require less water than three acre-feet per acre per year, an exception may be granted by the City Council. Such exception shall include an evaluation of the water shares or water rights, and the amount of water they represent, as it relates to the area of landscaping to determine the amount of water needed to support the landscaping proposed for the development. Xeriscape or open space that is to be left in an undisturbed, native vegetative state, and without irrigation, may be considered as part of such a plan and, therefore, may reduce the amount of water needed for the development. Such xeriscape or open space shall be marked on the plat and accompanied by conditions, covenants, and restrictions (CC&R's) requiring perpetual maintenance of such xeriscape and open space. The analysis and recommendations for a requirement for less than three acre-feet of water shall be provided to the City. The City may seek an independent review of said study or analysis to determine the adequacy of the plan. Where supported by independent study, the City Council may waive a portion of the standard requirement for the transfer of water shares or water rights and/or reduce the amount of fees to be paid, as required herein and accept, as a condition of development, the adoption and implementation of a water conservation plan.

J. The owners/developers of all newly-annexed property must be able to transfer the required water or water rights to the City or no connection to the City's secondary system will be allowed and the City may limit the area per lot or otherwise allowed for landscaping requiring water or impose other controls or restrictions on use of culinary water for outside water. Such restrictions and regulations may, however, under this section or any other, be made applicable to both the use of culinary and secondary watering for outside purposes, in order to work towards the goal of having available culinary and secondary water for as long as possible.

2. REPEALER. All ordinances, resolutions, and zoning maps of the City, or parts thereof inconsistent herewith, are hereby repealed, but only to the extent of such inconsistency. This repealer shall not be construed as reviving any law, order, resolution or ordinance or part thereof.

3. DECLARATION OF SEVERABILITY. Should any provision, clause, or paragraph of this ordinance or the application thereof to any person or circumstance be declared by a court of competent jurisdiction to be invalid, in whole or in part, such invalidity shall not affect the other provisions or applications of this ordinance, the zoning map, or the Hyrum City Municipal Code to which these amendments apply. The valid part of any provision, clause, or paragraph of this ordinance shall be given independence from the invalid provisions or applications and to this end the parts, sections, and subsections of this ordinance, together with the regulations contained therein, are hereby declared to be severable.

4. EFFECTIVE DATE. This ordinance shall become effective upon posting three (3) copies in three (3) public places within Hyrum City.

5. ADOPTION. This ordinance is hereby adopted and passed by the Hyrum City Council this 17th day of July, 2003.

HYRUM CITY

BY: Gordon M. Olson
Gordon M. Olson
Mayor

ATTEST:

Stephanie Fricke

Stephanie Fricke
City Recorder

Posted: July 22, 2003

CERTIFICATE OF POSTING

STATE OF UTAH)
 : ss
COUNTY OF CACHE)

I, Stephanie Fricke, duly appointed and acting City Recorder for Hyrum City, Cache County, State of Utah, do hereby certify that a copy of the foregoing is a true, complete, and correct copy of an Ordinance adopted and passed by the City Council of Hyrum City, Utah, at a regular meeting thereof, held the 17th day of July, 2003, which appears of record in the City Recorder's office. A quorum was present and acting throughout said meeting and this Ordinance is in full force and effect in the form so adopted and has not been subsequently modified, amended or rescinded. I further certify that I, on the 22nd day of July, 2003 in Hyrum City, did post the attached Ordinance in a likely manner in each of three public places as follows:

Hyrum Civic Center	83 W. Main	Hyrum, Utah
Hyrum Thriftway	780 E. Main	Hyrum, Utah
First Security Bank	10 W. Main	Hyrum, Utah

In witness whereof, I have hereto set my hand this
22nd day of July, 2003.


Stephanie Fricke
City Recorder

(SEAL)

Ordinance 03-16

Amending Section 16.20.070 regarding
submission of water rights or shares
for new development in Hyrum City.

RESOLUTION 03-02

A RESOLUTION ADOPTING THE HYRUM CITY ANNEXATION POLICY PLAN.

WHEREAS, provisions of 10-2-400 of the Utah State Code require municipalities to adopt an Annexation Policy Plan which sets forth guidelines and criteria for future annexations; and

WHEREAS, the Hyrum City Planning Commission has prepared Hyrum City's Annexation Policy Plan taking into consideration population growth projections, expansion of municipal services and how they will be financed, the interests of neighboring political entities, and the City's General Plan; and

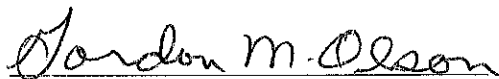
WHEREAS, the Hyrum City Council held a public hearing on January 2, 2003 to consider the proposed Annexation Policy Plan and has considered all written and oral statements made at the public hearing objecting to or supporting the City's Annexation Policy Plan.

NOW, THEREFORE, be it resolved that the Hyrum City Council hereby approves and adopts the Hyrum City Annexation Policy Plan attached hereto as Exhibit A.

BE IT FURTHER RESOLVED, that this resolution shall become effective upon adoption.

ADOPTED AND PASSED by the City Council this 16th day of January, 2003.

HYRUM CITY


Gordon M. Olson
Mayor

ATTEST:


Stephanie Fricke
City Recorder

HYRUM CITY

ANNEXATION DECLARATION POLICY PLAN

The Character of the Community

Retain much of the rural character of today's community. Maintain a balance of rural, agricultural, recreational, commercial, and light manufacturing. Maintain open agricultural areas around the City. Consider transfer of development rights and other methods of ensuring these green belts.

The Need of Municipal Services

Areas to be annexed will need to be provided with electrical, water, fire protection, police protection, sewer and possibly irrigation water services.

The Municipalities Plan for Extension of Services

A condition of annexation may be to require the owner(s) of the property being annexed to provide a plan showing how initial water, sewer, and electrical lines will be extended to their property and an agreement to pay for the extensions

The City Engineer should approve any extension plans and provide inspections during construction.

Long term effects on the infrastructure should be considered, including the potential for increasing the capacity of water, sewer, etc.

How the Services Will be Financed

The City may pay a percentage of costs depending on potential benefits or liabilities the development brings to the City.

An Estimate of the Tax Consequences to Residents Both Current and Within the Expansion Area

This will vary widely with the size and location of the proposed annexation.

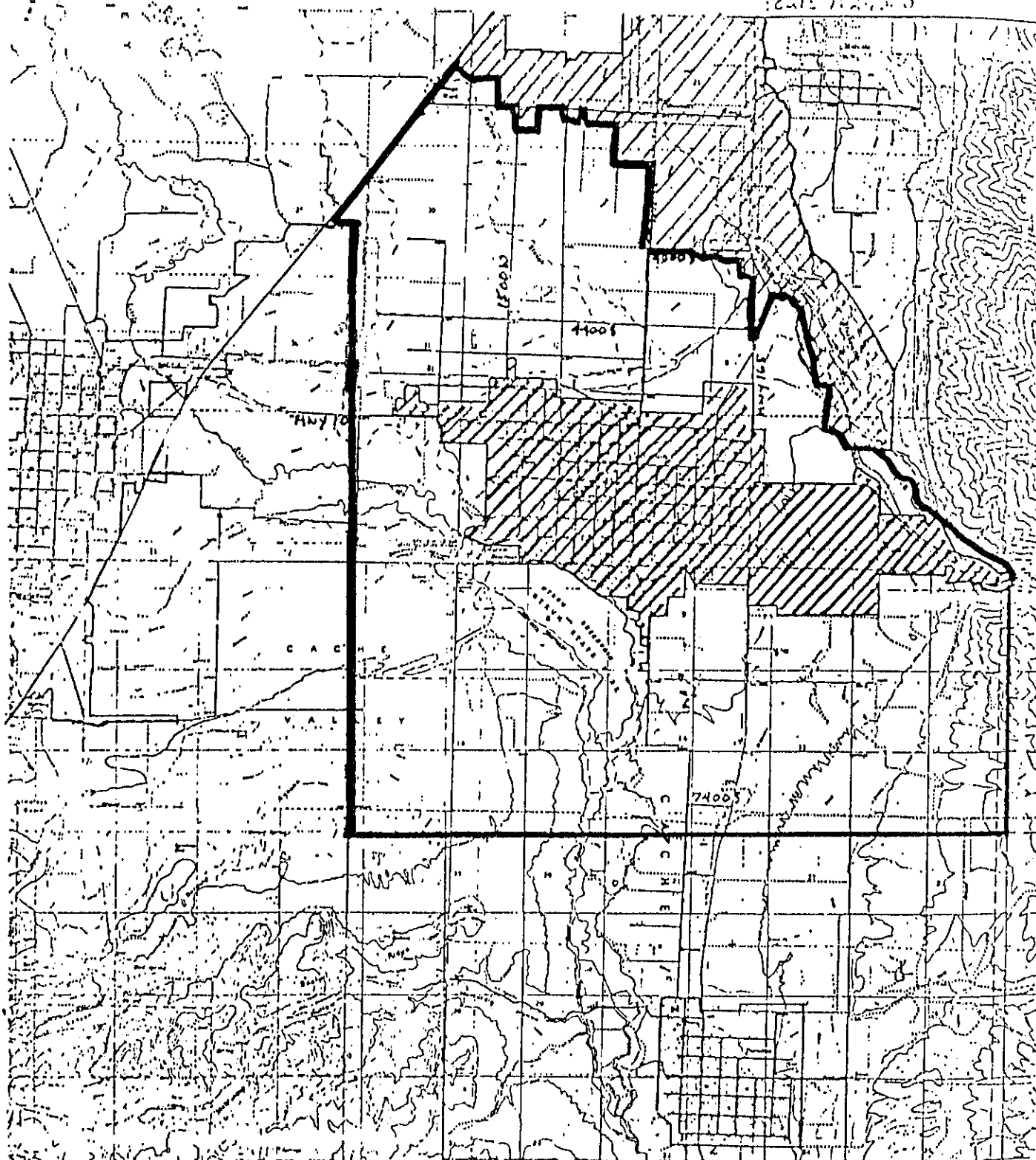
Current Residents: Though impact on current residents should be kept to a minimum, they may face future tax increase to pay for maintenance of the enlarged infrastructure.

Expansion Area Residents: Will have City taxes added to their tax bill. Special tax consideration may be given to agricultural activities.

The Interests of All "Affected Entities"

Hyrum City will consider all affected entities interests when evaluating proposed annexations.

Scale 1:25,000



CERTIFICATE

STATE OF UTAH)
 :SS
COUNTY OF CACHE)

I, Stephanie Fricke duly appointed and acting City Recorder for Hyrum City, Cache County, State of Utah, do hereby certify that the foregoing is a true copy of a Resolution duly adopted and passed by the City Council of Hyrum City, Utah, at a regular meeting thereof, held the 16th day of January, 2003 which appears of record in the City Recorder's office. I further certify that a quorum was present and acting throughout said meeting and that this Resolution is in full force and effect in the form so adopted and that it has not been subsequently modified, amended or rescinded.

In witness whereof, I have hereto set my hand this 23rd day of January, 2003.


Stephanie Fricke
City Recorder

(SEAL)

Resolution 03-02

Annexation Policy Plan

RESOLUTION 25-03

A RESOLUTION AMENDING THE HYRUM CITY WATER RIGHTS PER ACRE FOOT OF WATER FEE IN LIEU OF DEDICATION OF WATER UPON APPROVAL BY THE CITY COUNCIL FOR PROPERTY ANNEXED INTO HYRUM CITY AFTER JULY 17, 2003.

WHEREAS, Hyrum City own and operates a municipal culinary water utility and a pressurized irrigation utility that is solely responsible for delivering water to all residents within Hyrum City limits; and

WHEREAS, Section 16.20.070 Water Rights of the Hyrum City Municipal Code ensures that adequate culinary and irrigation water accompany property proposed for annexation and development; and

WHEREAS, such water rights and/or shares required of owners/developers shall be provided and dedicated to the City in accordance with Section 16.20.070 to enable the City to meet additional demands for both culinary and secondary water created by proposed development and property without diminishing the quality, quantity, or level of service of existing water users; and

WHEREAS, in planning for growth, Hyrum City has purchased certain water rights that, upon the City Council's discretion and approval, a property owner/developer that does not currently have nor historically had the required water or water rights may pay a fee to the City in lieu of dedicating the water needed to meet the requirements of Section 16.20.070; and

WHEREAS, on May 24, 2007 the Hyrum City Council set the water rights per acre foot of water fee for property annexed into Hyrum City at \$3,500 per acre foot; and

WHEREAS, after careful consideration and considering the market value of water per acre in Cache County, the Hyrum City Council has determined that it is appropriate to increase the water rights per acre foot of water for property annexed into Hyrum City.

NOW, THEREFORE, be it resolved that the Hyrum City Council hereby approves and adopts the Hyrum City Water Rights Per Acre Foot of Water Fee for property annexed into Hyrum City after the date of adoption of this Resolution in lieu of dedication of water upon approval by the City Council to be \$7,000 per acre foot of water. This fee may be revised from time to time by resolution.

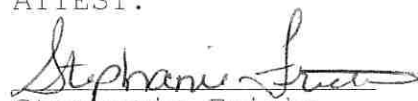
BE IT FURTHER RESOLVED, that this resolution shall become effective upon adoption.

ADOPTED AND PASSED by the City Council this 16th day of January, 2025.

HYRUM CITY


Stephanie Miller
Mayor

ATTEST:


Stephanie Fricke
City Recorder

CERTIFICATE

STATE OF UTAH)
 : ss
COUNTY OF CACHE)

I, Hailey Brown duly appointed and acting Deputy Recorder for Hyrum City, Cache County, State of Utah, do hereby certify that the foregoing is a true copy of a Resolution duly adopted and passed by the City Council of Hyrum City, Utah, at a regular meeting thereof, held the 16th day of January 2025 which appears of record in the City Recorder's office. I further certify that a quorum was present and acting throughout said meeting and that this Resolution is in full force and effect in the form so adopted and that it has not been subsequently modified, amended, or rescinded.

In witness whereof, I have hereto set my hand this 17th day of January 2025.

Hailey Brown
Hailey Brown
Deputy Recorder

(SEAL)

Resolution 25-03

A resolution amending the Hyrum City water rights per acre foot of water fee in lieu of dedication of water upon approval by the City Council for property annexed into Hyrum City after July 17, 2003.