

SOUTH JORDAN CITY  
CITY COUNCIL STUDY MEETING

September 6, 2022

**Present:** Mayor Dawn Ramsey, Council Member Tamara Zander, Council Member Patrick Harris, Council Member Brad Marlor, Council Member Don Shelton, Council Member Jason McGuire, City Manager Gary Whatcott, Deputy City Manager Dustin Lewis, Director of Public Works Jason Rasmussen, City Recorder Anna Crookston, CFO Sunil Naidu, Director of City Commerce Brian Preece, Director of Strategy & Budget Don Tingey, Director of Administrative Services Melinda Seager, City Attorney Ryan Loose, Chief Technology Director Jon Day, GIS Coordinator Matt Jarman, Senior IS Tech Phill Brown, Director of Planning Steven Schaefermeyer, Director of Engineering Brad Klavano, Fire Chief Chris Dawson, Police Chief Jeff Carr, Director of Recreation Janell Payne, Director of Communications Rachael Van Cleave

**Others:** David Halling, Tonya Cowart, Jill Lash, Emma Shaver, Cristy Smith, Assignment Desk, Tina Falk, Fred Philpot, Tayler Cook, Jason Wouden, Jen Mecham, Raina, Carol's iPhone, Jeremy, Matt Coleman's iPhone, Annmarie, iPhone, Tricia, Scott Howell, Jeff Seaman, Tomas Langholtz, Youth Council Members: Skyler Pedroza, Bridger Pedroza, Nethra Suresh, Rohan Siddamsettimar, Ella Krerfeldt, Andrew Schckelford

4:54 PM  
STUDY MEETING

**A. Welcome**

**B. Roll Call and Introduction:** *By Mayor Dawn R. Ramsey*

Mayor Ramsey welcomed everyone present and introduced the meeting.

**C. Invocation:** *By Council Member Brad Marlor*

Council Member Marlor offered the invocation.

**D. Mayor and Council Coordination**

The council agreed to move this discussion to the regular council meeting in the interest of time.

**E. Review of Regular Meeting Agenda**

- Presentation: Proclamation Constitutional Convention and Constitution Week 2022
- Action Item: Resolution R2022-36, Appoint Patrick Harris to the South Valley Sewer Board

- Action Item: Resolution R2022-37, SRO Interlocal Agreement
- Public Hearing: Resolution R2022-35, CAPER

## **F. Discussion/Presentation Items**

### **F.1. Water Utility Rate Study** *(By Director of Public Works Jason Rasmussen & LYRB, Fred Philpot).*

Director of Public Works Jason Rasmussen gave a brief overview of water conservation and maintenance efforts over the last year in the city.

Fred Philpot reviewed his prepared presentation (Attachment A).

Council Member Shelton asked if the study assumed lower water usage per household over time.

Director Rasmussen said they did account for some of that, but he's not sure if the full effect has been seen as they are monitoring usage during this current irrigation season. After this season, and we see what kind of winter we have, there may need to be some additional changes to the recommendations.

Mr. Philpot said they were also assuming that, on a per connection basis, we were going to still see efficiencies observed even with all the growth.

Mayor Ramsey asked if they had a dollar figure with the 3.5% to give everyone a better understanding of how much this rate increase would be.

Mr. Philpot responded that the Tier 1 rate would go from \$2.00 to \$2.07 per thousand gallons.

Director Rasmussen explained that for a quarter acre lot, in the summertime you are using 25,000-30,000 gallons of water. That would work out to about \$3.00 to \$5.00 more per month during the peak season.

Council Member Zander asked for more information on the tier system.

Director Rasmussen said the first tier is up to 6,000 gallons, and that is currently \$2.00 per 1,000 gallons; the rate then goes up when you move to Tier 2 which is 6,000-12,000 gallons, and each tier has a higher rate per thousand gallons. We have an inverted block structure for our water pricing model, and we have been doing it for years to promote conservation. The state legislature passed a law a few years ago that all Utah water utilities have to have this rate structure. This rate increase currently only applies to our culinary water, our irrigation water is staying at the same rate.

Council Member Harris asked if our capital goes down, and we suddenly have a big expense with no money to draw on in the water funds, would we then go to the general fund.

Manager Whatcott said they would then have to bond for whatever is needed.

CFO Naidu said the graph shown in Attachment A indicating the results of no bonding, is due to capital projects. If you are not doing any capital projects the graph would stay level and not go down, enabling us to cover maintenance. If capital projects were desired however, they would have to be bonded for, or just not done at all.

Director Rasmussen said we have a growing city, a facility that needs to be built, and old piping that needs to be replaced. The positive side to the scenario shared by Mr. Philpot is that if we bond in a few years when our existing bond comes off, future residents will help contribute towards those costs. It could be argued that this would be a more equitable way to spread out the costs of the water system because future residents will be participating in those costs as well.

Council Member Harris said he knows we have the future needs, including improvement projects and maintenance. However, he asked to confirm that based on our current structure it seems like both can't be done at the same time in the long run without completely depleting our current capital.

Director Rasmussen confirmed that is correct.

Council Member Shelton asked about new residents and impact fees, and whether those include water impact fees.

Director Rasmussen said they do include water fees outside of Daybreak, and that can go towards impact fee eligible projects. Daybreak pays for their infrastructure themselves, so we don't collect the water impact fee for homes there.

Mr. Philpot said in the model they accounted for impact fee revenues, and South Jordan proper is approaching a perceived buildout. There is always redevelopment, infill, and changes to densities, but they did account for the estimated growth within the impact fee service area that would flow through into the impact fee fund.

Council Member Marlор noted that the bonding being proposed was \$28 million, and asked to confirm that included all the CIP projects. He also asked to confirm that the 3.5% is enough to keep up with all of the other maintenance, rising costs, and inflation.

Director Rasmussen said that is all correct.

Council Member Marlор asked when that bonding would take place.

CFO Naidu said the old bond would expire in 2024, and if the new bond was issued around that time, the first payment would be due in 2025.

Mr. Philpot noted some of that would be subject to change. As CFO Naidu mentioned, the old bond expires in 2024, so the city could engage in that process at the beginning of the 2024 fiscal

year and structure the first debt payment service to happen in fiscal year 2025. That way, the debt is not being overlaid and they could try to maximize the city's access to capital to begin funding infrastructure as soon as possible.

Council Member Marlors believes that these kinds of projects need to be done now, and he is not willing to pass those projects down and let the next council deal with them. They did that in the early 2000s, and that was terrible in terms of costs. Many of the projects finishing right now were done back then and they were in a world of hurt. He supports stepping up as a council and doing what needs to be done now.

Manager Whatcott added that a few years ago, in one of their budget discussions, they discussed being more proactive on the front end of these kinds of studies to visualize what's happening in the future, sooner than later, so they can react in a timely manner and at a lower cost to the residents. The concern they are seeing now is the construction of projects and costs of supplies are so out of control that they felt like this needed to be discussed with the council now so they could start timing it all efficiently.

Council Member Harris stated that he is supportive of the recommendation here.

Director Rasmussen said that if the council is okay with what has been presented, they would propose in the 2023-2024 budget a 3.5% rate increase to the usage rates in the water fee schedule.

Council Member Zander asked how this information is presented to the public, if it will come back in the budget.

Manager Whatcott said yes, it would be done through the budget process. If it is approved in next year's budget, the customers will be informed of the changes.

Council Member Zander asked the last time a water budget increase was done.

Director Rasmussen said the last rate study was done in 2018, which resulted in a water rate increase of 1% in the 2018-2019 year; there has not been an increase since then.

Council Member Shelton suggested some public education be done, like we did with the property taxes.

Manager Whatcott said if everyone were to see Jordan Valley's increases to the city over the same time period, where we have tried not to pass on those increases every year, they would see that we have been fairly conservative in our approach. The gap has gotten so wide now that we can't keep eating those costs when they go up.

Council Member Zander agrees with the idea of getting public education out there, showing the residents how many years it has been since the last increase, and that the infrastructure needs are a big deal.

Director Rasmussen said there is a very detailed story to tell regarding our water system and what our goals are, so that would be something very simple and straight forward to share.

Council Member Marlors noted that given the drought situation and the uncertainty of winter, his suggestion is to narrow the timeframe of the rate study to maybe three years, instead of four or five years.

Director Rasmussen said he and CFO Naidu will be looking every year to see where they are at, and then bringing in professionals like Mr. Philpot to do the bigger analysis. It has been four years, and they will probably get tighter with the schedule to make sure they are on track and where they need to be.

Council Member Zander noted she appreciated the introductory education piece Director Rasmussen shared, noting that we asked everyone in the city to cut back 10% and the results were that we cut back 9%. That's the kind of information we should be sharing with the public constantly.

Director Rasmussen said there was a social media post on how many gallons of water the South Jordan water users had saved maybe two weeks ago, and thanking everyone for their efforts.

Mayor Ramsey said that our residents saved more water than any other user in the entire Jordan Valley Water system.

Director Rasmussen added that we are within a couple of years of having all our old pipes replaced, so that will drop off and there are new projects ready to be picked up in its place. Staff has been very proactive about keeping our system modern and reliable.

Mayor Ramsey said we need to make sure people understand that we know of many other communities dealing with 100 year old water pipes that are a disaster, breaking and causing all sorts of problems; resulting in them having to bond for maintenance and not knowing how to deal with it. That is something our city does so well, as it saves our residents so much money in the long run by making sure we are on top of our water system.

Council Member Marlors said he did the flip the strip program in a few areas of his yard, but he also decided he was going to switch to watering every other day on all his sprinklers. He has been surprised, with as hot as the summer has been, that it didn't look amazing but he used half the water this summer he has used in the past and it was relatively okay. He thinks his lawn did just fine, and it only got half the water it normally gets. For him, it was a good case study to show that if he manages things just right, and go every other day, it's just fine.

Council Member Shelton asked if Jordan Valley has changed their rate structuring so we are not penalized for buying more water than we use.

Director Rasmussen said they came back to us and said they were willing to change the contract and lower the minimum amount, so we executed that agreement and Manager Whatcott approved

it. That lowered the amount and it's more in line with our reality here, with what we're facing in the way of water conservation.

Council Member Marlor asked if staff was aware of any other cities that had successfully reduced their water usage similar to ours.

Mayor Ramsey said that she knew the Kearns Improvement District was able to cut back on theirs, and there was one other she couldn't remember, but it wasn't to the point where they bought more water than they had used and required change on the water district's behalf to avoid penalizing South Jordan because so much was conserved.

Director Rasmussen said it's safe to say that all member agencies have seen some cutbacks.

Council Member McGuire noted that he supports what has been proposed.

**F.2. Dowdle Puzzle Opportunity (*By Tanya Cowart*).**

David Halling is the Director of Operations for Dowdle Puzzle Studios and has come to present an opportunity for a Legacy piece of art for the city. They shared a video of Eric Dowdle, President and CEO of Dowdle Puzzle Studios (Attachment C). He then reviewed his prepared presentation (Attachment B), explaining the company's exclusive contract with Costco for their puzzles and Eric's unique art.

Council Member Zander asked for details on the treasure hunt and puzzle wall idea.

Mr. Halling explained it would be like a mural, but it's not painted. The community would come together and build a puzzle that is the city's painting, which would be the location that people come to take a picture and send in to enter the contest and get a clue for the next part of the treasure hunt.

Council Member Zander asked how soon the city needs to make a decision on this.

Mr. Halling said they have about four spaces left for Utah, they'd like to know within the next 2-3 months if the city is interested in it so they could schedule for next year. If the city wants this done in conjunction with a specific event, they need to see if they have the space to make that work in their current schedule.

Tanya Cowart added that if the city wants this done in a specific month, they need to know as soon as possible before they are already fully booked for that month.

Council Member Zander asked what other cities they have done in Utah.

Mr. Haller said they have already done Davis County and Discover Davis, American Fork and the Harrington Center for the Performing Arts, Orem, Provo and Spanish Fork. Currently signed up and waiting to be done are Payson, Herriman, Beaver and Tooele.

**F.3. Peterson Development at Rushton Meadows (*By Peterson Development*).**

Jeff Seaman gave a brief history of this project's proposals to the council, and then reviewed his prepared presentation (Attachment D). He added this would tie into the commercial center with commercial parking right in front of the existing and new proposed commercial space, as opposed to having it in a different location behind the Mountain Mike's Pizza. There were also concerns about delineating the residential from the commercial, and he noted there will be a masonry fence separating the spaces. Their planners have told them the space is large enough for a semi-truck to pull all the way through, so there is no backing up. Even if there is backing up, the masonry fence is there for safety. He discussed options for traffic flow with the council, expressing the plan for a one way street and a possible masonry wall to block traffic from going through a certain area if desired.

Council Member McGuire asked about the height of the proposed townhomes.

Mr. Seaman said they are the same as was presented previously, three stories.

Council Member McGuire asked if the two access points to Harvest Pointe were necessary, or if all residents could be funneled to the northern access point. He also asked if they are maintaining the same setbacks from the property lines.

Mr. Seaman said they need fire access or turnaround there, so the second access satisfies that. Also, from the fence line to the homes is 25 feet, which is consistent with that neighborhood to the south.

Council Member Zander asked if the landscaping would be in some kind of contract, requiring there be trees.

Mr. Seaman said that would be in the development agreement, and would be water wise.

Council Member Zander noted she loved the tree line there and she would want that in the development agreement that there are certain required trees, so the coverage isn't sparse.

Director Schaefermeyer said they have discussed specific types of trees in previous iterations, and they can certainly address that. He will have to pull up the agreement to see what was agreed upon last time, and they will discuss that.

Mr. Seaman said they are open to working with the city on the tree types.

Director Schaefermeyer said unless the development agreement for this zone modifies underlying ordinances, they fall back on whatever the underlying ordinance is. However, for things like that, they would expect more details in the agreement.

Mr. Seaman said they would work with staff and neighbors to make sure the trees are thoughtfully placed.

Scott Howell added that they are planning to be very water-wise, as there will be more from the legislation coming down this year in regards to that, and that's what they want to promote is a conservative plan.

Council Member Zander asked if the green areas on the concept plan are going to be grass.

Mr. Howell said that will depend on what the city and state decide, as grass might be a thing of the past.

Director Schaefermeyer said the city ordinance doesn't allow grass unless it's "usable," so a grassy area with trees isn't considered usable. That means that if they are putting trees along the property line in that area, the city ordinance already would not allow grass there, unless there is roughly an 8x8 area that is "usable."

Council Member Zander said it would make sense between the driveways to not waste water on grass. However, she would like to see if the frontage of the townhomes that face the road could have some green for people to see driving by. Also, everyone has a dog, and the dogs need somewhere to go to the bathroom. If they don't have some grass somewhere, and there's too much water wise stuff, everyone will take their dogs across the street to the city park and no one wants that. She'd like to see the units facing the street with grass in the front.

Council Member Marlbor asked about density, and what's being used for that calculation.

Mr. Seaman said the whole parcel is 3.16 acres, but he doesn't know the acreage of just the residential area.

Director Schaefermeyer said it is eight units per acre, and there is roughly 2.5 acres of dirt that hasn't been developed. If they included the entire parcel the density would be less, and the eight units per acre does include the new proposed commercial area.

Council Member Zander loves how this has developed.

Mr. Seaman attributed this new plan to their working with staff.

Director Schaefermeyer added that Peterson was responsive to everything staff brought to them. There are always things to change, but at some point we have to realize this is a small parcel, and if we are going to build housing on it we need to decide what that will look like and how it will function. Adding the commercial and bringing the density down, along with eliminating some of the conflict between the commercial and proposed residential areas were the three biggest things staff heard from the city council.

Council Member Zander loves the safety measures added behind the commercial building.

Council Member Harris thanked Peterson for working with staff, and it sounds like Director Schaefermeyer recommends the plan; Council Member Harris can support it as well.



Council Member Marlor said he is fine with this new proposal.

Council Member McGuire appreciates Peterson working with staff, and getting things to this point where we have a solution that keeps the commercial traffic separated from the residential and grateful we will continue to maintain the street presence with the townhomes facing the street. He thinks that overall, this is the best proposal he has seen.

Director Schaefermeyer said the public hearing closed on May 17, but there have been some internal discussions about the next meeting. This is currently scheduled for the September 20, 2022 City Council meeting.

Council Member Marlor asked if they will reopen the public hearing, as this is a totally different plan.

Director Schaefermeyer noted that in the past, whether required or not, the mayor has opened up public hearings if people attend.

Mr. Seaman said that Peterson is fine with the public hearing being reopened, and acknowledged that there were some residents participating in this meeting via Zoom.

Attorney Loose noted whether or not they have a specific public hearing, those residents would just come and talk during the public comment period.

Council Member Zander asked if the public will be notified that this will be on the agenda that night.

Attorney Loose said if this is noticed as a public hearing, then yes, those notices would be sent out.

Director Schaefermeyer said when an item is tabled they don't always send out the new notices since it's not legally required, but that depends on direction from council.

The council agreed that this should be noticed as a public hearing.

Council Member McGuire asked if Peterson was going to help put in the parking shown on the concept plan on the street near the park, or if that was leftover from a previous site plan.

Mr. Seaman said it was leftover from a previous site plan, but that is something that can be looked at and discussed internally. They are going to do the flashing crosswalk, but they will get back to the city regarding the parking spots since the dynamic has changed and they had to lower their number of units.

Mayor Ramsey thanked Peterson for their great work. The council and staff agreed with the efforts and support this idea.

Council Member Harris suggested discussing the Dowdle puzzle opportunity.

Mayor Ramsey said she and Manager Whatcott had a great meeting with the Dowdle company, and the city has been looking for a mural piece to be a photo spot for a long time. She likes this idea, and she has only spoken to a few other places that did this in the state and they all made their money back very quickly, plus a profit.

Council Member Marlor asked if they could sell them at Summerfest?

Council Member Zander noted they would have to book June now if they wanted to sell these at Summerfest.

Council Member Shelton wants to see the math on this, as they just raised taxes.

Mayor Ramsey said she and Manager Whatcott were comfortable doing this, because there would be a return on the investment.

Manager Whatcott said that they have proven not one city doing this has lost money. His recommendation, because of the higher amount, was to discuss this during their budget/strategic planning process.

Council Member Zander noted if they are doing it, they should be intentional about it and possibly wait.

Manager Whatcott said if they wait a year they won't be in the 250 year anniversary. He is not overly worried about finding the funds, and it could be a great art project from the city's standpoint with the big mural.

Council Member Zander said if they allow businesses to sponsor this, they could pay to be in the puzzle and cover some of the costs.

Manager Whatcott said they do have some advertising dollars in the RDA fund, and some of that could be used to help with this. There is also an a la carte menu for items, so they can look through everything and see what they really want.

Mayor Ramsey said people who live in the west section of South Jordan love the history, and those in Daybreak love where they are.

Council Member McGuire said the Arts Council could probably help with the puzzle, especially if they are a part of the committee to decide what gets featured.

Council Member Marlor suggested part of the profits going to the Arts Council for their efforts.

Manager Whatcott believes we still collect some art money from the public, but wasn't sure how much.

CFO Naidu said that fund has about \$23,000.

Manager Whatcott said they could use that fund, along with some RDA funds, to help enough with the costs that very little would be needed from the general fund.

Mayor Ramsey suggested keeping the large original painting in city hall, and getting the framed large puzzle to hang as well.

The council agreed to move ahead with the puzzle, so long as the marketing is planned out well and they will make a profit.

### **ADJOURNMENT**

**Council Member Zander motioned to adjourn the September 6, 2022 City Council Study Meeting. Council Member Marlor seconded the motion; vote was unanimous in favor.**

The September 6, 2022 City Council Study meeting adjourned at 6:20 p.m.