

# River Heights City

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## SPECIAL COUNCIL MEETING

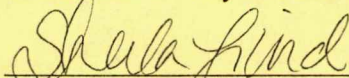
### AGENDA

**Tuesday, June 7, 2016**

Notice is hereby given that the River Heights City Council will hold a special council meeting beginning at 6:30 p.m. in the River Heights City Office Building at 520 S 500 E.

- 6:30 p.m.      Opening Remarks and Pledge of Allegiance
  
- 6:35 p.m.      Adoption of A Resolution to Initiate the Creation of the Cache Water District
  
- 6:45 p.m.      Mayor and Council Reports
  
- 7:00 p.m.      Adjourn

Posted this 2<sup>nd</sup> day of June 2016



Sheila Lind, Recorder

In compliance with the American Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during this meeting should notify Sheila Lind, (435) 770-2061 at least 24 hours before the meeting.

# River Heights City

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## Council Meeting

June 7, 2016

Present were: Mayor James Brackner  
Council members: Doug Clausen  
Robert "K" Scott  
Geoff Smith  
Dixie Wilson  
Blake Wright

Recorder Sheila Lind

Others Present: Gordon Zilles, Bob Fotheringham, Gayle Brackner,  
Nichole Wood, Cindy Schaub

The following motions were made during the meeting:

### Motion #1

Councilmember Clausen moved to "Adopt the City of River Heights Resolution #8-2016, A Resolution to Initiate the Creation of the Cache Water District." Councilmember Scott seconded the motion, which passed with Clausen, Scott, Smith and Wright in favor. Wilson opposed.

### Proceedings of the Meeting:

The River Heights City Council met at 6:30 p.m. in the Ervin R. Crosbie Council Chambers in the River Heights City Building on Tuesday, June 7, 2016.

Opening Remarks and Pledge of Allegiance: Mayor Brackner opened the meeting with a prayer and led the group in the Pledge of Allegiance.

Adoption of A Resolution to Initiate the Creation of the Cache Water District: Mayor Brackner pointed out the addition of the final whereas in the resolution: "Whereas, the River Heights City Council neither approves nor rejects the creation of the Cache Water District."

Councilmember Wilson asked how much the \$33.20 (tax rate of 0.0003) per year adds up to. Bob Fotherinham explained that in the first 4 years of creation, the District will be funded by the County. After that, when there is a full elected body, they can decide to levy a higher tax. Gordon Zilles informed that currently the County has a budget for the District, included in their water fund. It averages about \$200,000 to operate on, which is what it will be each year for four years.

Councilmember Wilson asked what 'ad valorem' means. Councilmember Wright said it means 'in relation to the value.' Ms. Wilson asked if it would be possible for the Board to charge all of the proposed rates, at the same time. Mr. Fotheringham answered that it is possible, but they won't be charging unless there is a service/project provided. If the levy doesn't cover the expense of the project, the Board can charge a fee to those who benefit from the project.

46 Mr. Zilles informed that years ago citizens were concerned about the formation of a water  
47 district because the board members would all be appointed, rather than elected. This new resolution  
48 states the Board would start off being one member from each of the city councils in the valley. After  
49 two years, five members will be replaced by vote of the citizens. After another two years the other five  
50 will be replaced the same way. Board members will serve four year terms.

51 Councilmember Wright asked for clarification on the wording of the resolution. He feels it  
52 sounds like the Council is endorsing the District. Mr. Fotheringham said the wording can't be  
53 changed. Mayor Brackner explained that if there is no proposal, then the citizens won't have anything  
54 to vote on.

55 Mr. Zilles reminded that they came to the Council a few months ago to invite interested persons  
56 to be part of a study group that would collect input for the formation of a district. They also invited  
57 people who were against it, to get their opinions, as well.

58 Councilmember Wilson said her concern is always the taxing issue. She feels this will be  
59 another tax that we don't have a say about. Mr. Zilles assured that they know the future will call for  
60 more water, because of growth. The idea of the District is that they will start getting money saved up  
61 for the future projects. After people know what the projects are they may feel better about where their  
62 taxes are going.

63 Mr. Fotheringham said they brought the environmental community, as well as others to voice  
64 their concerns. Based on the ideas they received, changes were made to incorporate them. He said  
65 there are no projects on the horizon right now. They will probably use their money for studies, to  
66 gather data to make good decisions.

67 Mr. Fotheringham informed there are 10 political entities that have had their public hearings  
68 and adopted the resolution. Mayor Brackner asked what concerns were brought up at the hearings. He  
69 was told people were concerned about taxing and who would choose the original board.

70 Councilmember Scott asked, if the voters want the District, would we be protected from Salt  
71 Lake taking our water. Mr. Fotheringham said this is true. The most important thing is to protect the  
72 water rights we still have. The shares that have been filed won't be affected. The shares that are not  
73 currently being used need to be protected.

74 **Councilmember Clausen moved to "Adopt the City of River Heights Resolution #8-2016,**  
75 **A Resolution to Initiate the Creation of the Cache Water District." Councilmember Scott**  
76 **seconded the motion, which passed with Clausen, Scott, Smith and Wright in favor. Wilson**  
77 **opposed.**

78 The Council will hold a hearing to gather comments and answer questions about the formation  
79 of a water district on July 12, at 6:45 p.m. There is an agenda that needs to be followed for this  
80 hearing. Mr. Fotheringham agreed to make the presentation and answer questions. Councilmembers  
81 Smith and Wright won't be able to attend. The gentlemen were grateful for the Council and their  
82 support. Nichole Wood suggested adding a notice to the upcoming newsletter.

83 Mayor and Council Reports: Councilmember Wright said the northwest tennis light hasn't  
84 been working properly for four years. Recorder Lind had talked to PWD Nelson about this earlier in  
85 the day, who said it's a fuse problem. He will get more fuses and get it fixed.

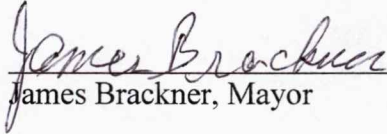
86 Councilmember Wilson said the Summerwild street sign needs to be more specific so it doesn't  
87 include around the curve where it is actually 600 South. T-ball is underway and the kids are having a  
88 ball.

89 Mayor Brackner informed that Brody Craney (and some others) have been asked to perform at  
90 the Tabernacle this summer. They would like a public presentation and feedback before they go and  
91 wondered if they could have a rehearsal in the City Building at no charge. Councilmember Smith

92 suggested the city could sponsor them as a community event. It will be scheduled for August 1.  
93 Mayor Brackner will check to make sure they still need the City Building.

94 The meeting adjourned at 7:10 p.m.

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James Brackner, Mayor

  
Sheila Lind, Recorder

CITY OF RIVER HEIGHTS RESOLUTION NO. 8-2016

A RESOLUTION TO INITIATE THE CREATION OF THE CACHE WATER DISTRICT

WHEREAS, Cache County is referred to herein as the "County"; and

WHEREAS, Amalga Town, Clarkston Town, Cornish Town, Hyde Park City, Hyrum City, Lewiston City, Logan City, Mendon City, Millville City, Newton Town, Nibley City, North Logan City, Paradise Town, Providence City, Richmond City, River Heights City, Smithfield City, Trenton Town, and Wellsville City are referred to herein collectively as the "Municipalities"; and

WHEREAS, the County and some or all of the Municipalities desire to place before their voters the creation of a local district under the Water Conservancy District Act, Utah Code Ann. § 17B-2a-1001 *et seq.*, as provided in this Resolution, to plan for and facilitate the long-term conservation, development protection, distribution, management and stabilization of water sources for domestic, irrigation, power, manufacturing, municipal, recreation and other beneficial uses at a reasonable cost to meet the needs of the residents and growing population of Cache County; and

WHEREAS, the Cache County Council intends to reduce the portion of the County-wide property tax that is utilized for water development by an amount equal to any property tax imposed by the new local district, which will result in a combined county and local district property tax rate that is revenue neutral and will not increase the property tax burden on any property for at least four (4) years; and

WHEREAS, Utah Code Ann. § 17B-1-203 provides that the process to create a local district may be initiated by a resolution adopted by the legislative body of each county whose unincorporated area includes, and each municipality whose boundaries include, any of the proposed local district; and

WHEREAS, the proposed local district will be created only after its creation has been approved by the voters residing within the district; and

WHEREAS, River Heights City, being one of the Municipalities located within the boundaries of the proposed local district, desires to join with the County and other Municipalities in presenting the question of creating the proposed local district before their voters; and

WHEREAS, the River Heights City Council neither approves nor rejects the creation of the Cache Water District.

NOW THEREFORE, be it resolved and enacted by the River Heights City Council as follows:

1. In order to allow the citizens of River Heights City to vote on the creation of a water conservancy district, River Heights City, concurrently with the County and other Municipalities, proposes the creation of a local district under the Water Conservancy District Act, Utah Code Ann. § 17B-2a-1001 *et seq.*, which may include all of the incorporated and unincorporated areas within the boundary of Cache County, Utah, as depicted in the map which

is attached as Exhibit "A" to and incorporated as part of this Resolution, conditioned upon each Municipality located within the proposed boundary of the district passing a similar Resolution. If the legislative body of any Municipality fails to adopt a similar Resolution, that Municipality may be excluded from the district.

2. The district that is proposed to be created will be known as the "Cache Water District," a water conservancy district located in a county of the third class.

3. The service proposed to be provided by the Cache Water District is the operation of a system, or one or more components of a system, for the collection, storage, retention, control, conservation, treatment, supplying, distribution, or reclamation of water, including storm, flood, irrigation, and culinary water, whether the system is operated on a wholesale or retail level or both, as provided in Utah Code Ann. § 17B-1-202(1)(a)(xii).

4. The type of specialized local district that is proposed to be created is a water conservancy district, as provided in the Water Conservancy District Act, Utah Code Ann. § 17B-2a-1001 *et seq.*

5. The anticipated method of paying the costs of providing the proposed service is through the collection of ad valorem property taxes, service fees and charges, and/or levied assessments. It may be some time before the district will be able to provide water service and collect fees and charges for that service. Consequently, the district initially will be funded through Cache County, until the district establishes its own property tax assessment, at which time Cache County is to reduce its property tax rate by an equivalent amount as stated in the foregoing recitals.

6. The maximum property tax levy a water conservancy district can impose is 0.0001 per dollar before certain activities are commenced, 0.0002 per dollar after certain activities are commenced, and 0.0003 per dollar if an additional levy is necessary to pay maturing bonds or debts. The average home value in Cache County is \$201,182, but the fair market value of residential property is allowed an exemption equal to a 45% reduction in the value of the property for property tax purposes. Taking these factors into consideration, the estimated average annual financial impact on a household within the proposed district will be as follows: the tax on a \$201,182 residence would be \$11.07 using a tax rate of 0.0001, \$22.13 using a tax rate of 0.0002, and \$33.20 using a tax rate of 0.0003. However, for at least the first four (4) years after the creation of the District, the net financial impact on a household may be zero if Cache County reduces its property tax rate by an amount equal to the new rate assessed by the district. Service fees and levied assessments cannot be estimated, and will be charged based upon actual water deliveries or contractually agreed upon amounts.

7. The number of members of the board of trustees of the proposed water conservancy district, consistent with Utah Code Ann. § 17B-1-302(2), will be eleven. The board of trustees will consist of ten elected trustees and one appointed trustee who will be elected or appointed, respectively, pursuant to the procedures set forth in Utah Code Ann. Title 17B, Chapter 1, Part 3 and § 17B-2a-1005. Seven of the elected Trustees will be elected from districts, with one trustee to be elected to represent each of the seven Cache County Council districts, as those districts may be established and modified from time-to-time pursuant to applicable law. The three remaining elected trustees will be elected County-wide. The one Trustee who is appointed by the Cache County Council will, pursuant to Utah Code Ann. § 17B-2a-1005(2)(d), be a person who owns irrigation rights and uses those rights as part of that

person's livelihood. Regarding the ten elected trustee positions, the initial trustees will be appointed by the Cache County Council pursuant to Utah Code Ann. §§ 17B-1-303 and 20A-1-512, with staggered terms and subsequent trustees to otherwise be elected as provided herein.

Approved and passed as of the date set forth below.

CITY OF RIVER HEIGHTS

Dated: \_\_\_\_\_

By: \_\_\_\_\_  
James Brackner, Mayor

Attest:

\_\_\_\_\_  
Sheila Lind, City Recorder

**EXHIBIT "A"**  
**Map Depicting the Boundaries of the**  
**Cache Water District**

