

**MOAB CITY COUNCIL
REGULAR MEETING MINUTES
April 28, 2020**

The Moab City Council held its Regular Meeting on the above date. Per Executive Order 2020-5 issued by Governor Gary R. Herbert on March 18, 2020, this meeting was conducted electronically. An anchor location was not provided. An audio recording of the meeting is archived at www.utah.gov/pmn/index.html. A video recording is archived at www.youtube.com/watch?v=eWN5zGxSx-o.

Pre-Council Workshop: Mayor Emily Niehaus called the workshop to order at 6:05 p.m. Participating remotely were Mayor Emily Niehaus, Councilmembers Kalen Jones, Karen Guzman-Newton, Mike Duncan, Rani Derasary and Tawny Knuteson-Boyd. Staff participating remotely were City Manager Joel Linares, Assistant City Manager Carly Castle, City Attorney Laurie Simonson, Finance Director Klint York, City Engineer Chuck Williams, Water Superintendent Levi Jones, and City Recorder Sommar Johnson. Also participating remotely was Susie Becker with Zions Bank Public Finance.

City Manager Linares introduced the purpose of the workshop and explained that we have been working with Zions Bank Public Finance over the last several months to restructure our water rates. He explained that last year our water enterprise fund operated at a deficit. He said an enterprise fund for a city is allowed to make money because it provides an essential service. He stated water and sewer both fall under enterprise fund categories. Linares said rate studies allow us to ensure that the services we provide are sustainable outside our normal cash revenue flows and provide Council with information to properly maintain rates so the enterprise fund can self-sustain. He said the City has been working with Zions Bank Public Finance to develop a rate study so Council has the necessary information to make decisions to put that fund in the black.

City Engineer Chuck Williams provided a PowerPoint presentation giving background, history, and an overview of current water rates. Williams said the City tried to obtain funding from the State for a new water storage tank and was told that a water master plan and rate study were necessary to obtain funding. He said the State funded both the master plan and rate study. He said that similar to the water reclamation facility, the state was willing to loan the money as long as the rate structure could meet the debt service. Williams said rates have not kept up with inflation or the needs of the system and have not been adjusted within the last 10 years. He said the water enterprise fund is operating at a deficit this year and will continue to do so if rates are not adjusted.

Williams said the life expectancy for water pipes averages around 50 years but some in our system date to the World War II-era. Cast iron pipes have more breaks in highly corrosive soils such as the soil types found in Moab, he said, and the takeaway is that cast-iron pipes are not a good choice for our system. Williams said 62% of City pipes are cast iron, 36% are PVC or plastic, and 2% are other materials. He said pipes as old as 50 to 60 years make up 58% of our system. In the past 13 years, we have installed an average of 958 feet of pipe each year, he said, but a Utah State University Study shows we should be replacing an average of 4,300 feet per year for a system of our size.

Williams said the City system has four springs and three wells, two culinary wells, and one irrigation well at the golf course. He said we have three 1-million-gallon storage tanks and a total water use between 1,800- and 2,400-acre-feet per year. He noted inadequate fire suppression in some areas, failing pipes, and low water circulation in system extremities. Williams said the City

is operating at a \$54,000 deficit this year and future needs include additional source capacity, storage, and fire flow systems. Without a rate increase, he said, we will go from a \$54,000 deficit to a \$98,000 deficit, not including the state recommended 5% annual set-aside in the water budget.

Williams showed proposed future projects that need to be updated, repaired, or replaced and their projected expenses. He said Zions Bank Public Finance conducted an analysis of municipal residential water rates across the state and using that information he compared the rates from 30 different cities and found that Moab has the lowest rates. He explained that some places have a base rate and residents pay for all water they use, but Moab has a base rate which includes up to 2,000 gallons of water. He said the City Water Conservation and Drought Management Advisory Board asked that comparisons be with cities similar in size to Moab. He said some smaller cities had average water rates that are higher than larger cities. He presented a table that also included different usage rate tiers to show where City rates are in comparison to other communities. Williams said the draft rate study was sent out and the options created were based on Zions Bank recommendations. Staff, including management and finance, he said, tried to come up with a range of options for rate increases depending upon the goals of the Council. Those options range from paying for all capital needs to simply making up the deficit.

Option one increases the monthly residential base rate by 75% and the residential usage rate by 50% in 2021, but the base includes the first 3,000 gallons of water. The monthly commercial base rate and usage rate would increase by 100% in 2021 and then all rates would increase 3% annually starting in 2022. Williams said this option includes a \$5 million bond in 2020 and 2023 to help pay for needed capital projects.

Option two would raise the base and usage rates by 75% beginning in 2021, increase again by 15% in 2022, then increase 3% annually from 2023 until 2026. Williams said this option includes a \$5 million bond in 2020 and a \$3.5 million bond in 2023 to maintain financial stability.

Option three would increase base and usage rates by 100% and reduce capital project expenses by 14%. He said this option includes a \$4.5 million bond in 2020 and a \$2.75 million bond in 2023 to help pay for capital projects.

Option four would cut capital expenses by 50% and all base and usage rates would increase by 42% in 2021, 15% in 2022, with a final 10% increase in 2023. He said under this option the City would still need to issue a \$3 million bond in 2021 and a \$1.75 million bond in 2023.

The final option considers a rate increase to cover only operating costs, Williams said. Under this option base and usage rates would increase by 10% in 2021 and 3% annually thereafter but the City would not have the financial ability to complete any capital projects. He stated the Water Conservation and Drought Management Advisory Board recommended including the 3,000 gallons per month in the base rate, with a slight base rate increase, increasing commercial rates beyond residential increase, and increasing rates for highest volume users as a conservation incentive.

Councilmember Jones asked if there is a table that shows what residential customers would pay under the different options to give a sense of monthly cost to a typical residential customer. Susie Becker with Zions Bank Public Finance said that was not included within the scope of work, but it would be simple to put something together. City Engineer Williams said it would be the rate over the allowed 3,000 gallons included in the base rate.

Susie Becker with Zions Bank Public Finance presented interactive real-time spreadsheets for different water rate scenarios. She said there are two metrics to watch – debt coverage ratios and number of days cash on hand. She said any time there is debt outstanding, revenues must be 1.25 times as much as operating expenses plus the debt service. She said this is a requirement for bond rating companies and the details are written in the bond covenants. She explained that days cash on hand for most cities is targeted at 180 days but if it drops below 150 days the bond rating is negatively affected. She said the days cash on hand fluctuates significantly with capital projects. At the request of Councilmember Guzman-Newton, Becker made some changes to the rate sheet to show what impacts certain percentages would have on the rates for residential and commercial users.

Mayor Niehaus asked if there was a difference between commercial and agricultural rates. City Engineer Williams said the City only has two rates, residential and commercial.

Councilmember Duncan stated that, based on the information presented to the Water Board, most users were in tiers 2, 3 and 4 and said any rate increases to those tiers would raise a disproportionately high fraction of revenues. He said former Finance Director Rachel Stenta often explained that the city has a lot of money out for the water reclamation facility and the City is not in a precarious position to issue further bonds. He asked if, in the absence of a municipal property tax, Zions Bank would be comfortable issuing bonds if the City has the requisite amount of cash on hand. City Manager Linares clarified that Councilmember Duncan's question was about different lines of funding. Sewer rates, he said, are used to pay for the water reclamation facility. He clarified that this discussion is about water rates and it should not be confused with sewer rates and operations for sewer. Councilmember Duncan asked Ms. Becker which option she felt was best for the City. Ms. Becker stated they spent a lot of time developing the options and her purpose was to show the Council how those options were created.

Mayor Niehaus asked if it would be helpful for the Council to discuss the different options to provide direction to City Engineer Williams. She said she sits on the water quality board for the state of Utah and there has been a lot of talk encouraging cities to increase water rates for usage. She recognized that it is horrible timing, but said we have one of the lowest rates in the state, and it is important to take action, not just from a local perspective but from a state perspective as well.

Councilmember Derasary asked if it was easy to look at the area median income for the communities used to compare water rates with Moab. City Engineer Williams explained that it could be done and because the Utah demographic site was used to get the population numbers for the various communities, he believes that information may be there.

Councilmember Knuteson-Boyd asked why City Engineer Williams did not like option three. He explained that it was the biggest jump in rates at once. She asked if options one and two address the capital projects. He affirmed that options one and two address all the capital projects.

Councilmember Guzman-Newton asked why option one included commercial, but it is not included in the other options. City Engineer Williams explained that he received clear direction from the water board to increase commercial at a different percentage than residential, but the other options have consistent increases for residential and commercial. She expressed concern about COVID-19 impacts and businesses lacking funds and said that it would be difficult to increase commercial rates by 100%. Mayor Niehaus said she agreed.

Councilmember Duncan said he would not consider option five because he does not feel it

addresses the problems. He said due to current financial constraints he is reluctant to choose option one. He said he prefers options three or four as a compromise. Councilmember Guzman-Newton asked if options two, three, or four could have the conservation element added to them. City Engineer Williams said they could go back and look at other options based on input from Council. He said lending institutions prefer some level of financial stability reflected in the base rate as opposed to just usage rates. Ms. Becker explained that there is already a conservation rate built in because more is charged per thousand gallons at higher usage. She said the rate would depend on the extent they would want to penalize users for exceptionally high water use.

Councilmember Knuteson-Boyd said she does not want to penalize commercial users.

City Manager Linares said it is a difficult balance. He explained that we want to conserve water and provide an incentive for people to do that but we also need to balance the cost of operating the system and balance the ability to get bonding to go forward with the system.

Mayor Niehaus pointed out that options one and two account for 100% of the capital projects but options three, four, and five do not collect enough for our capital project spending needs.

Susie Becker said the City should be careful with base rates and usage rates. She understands the idea that those who use more should pay more but there is more volatility with wet and dry years, which will impact revenues.

Assistant City Manager Castle explained that some businesses are operating efficiently but still use a lot of water. She said they are not wasteful but there is a different consideration because when we are delivering the most water we can, that is our most expensive water. She said we have to size our systems for those peak days and when we charge higher water users a higher rate it is to make sure they are paying their way for the expanded capacity. She said we need to collect an appropriate amount of revenue for the capital and operational projects that must be maintained to provide that peak level of service.

Councilmember Derasary expressed concern for residents trying to conserve water and feels there should be some sort of reward for them.

Mayor Niehaus said next steps are really important. Councilmember Jones said he supports the differential for commercial and residential. He said would like to see the City help residents to conserve besides using rates and encourage them to monitor their time of day use. He stated he prefers the small annual percentage increase and would like to see the table of what residents pay under different tiers with different options.

City Manager Linares said Councilmembers made really good points and that shows just how complex the issue is. He said this is a balancing game and he thinks we should bring it back for one more workshop. He asked if Council would like to hold a public hearing on this before the workshop or after the workshop.

Councilmembers Derasary, Knuteson-Boyd, Guzman-Newton, and Jones indicated they would prefer another workshop prior to a public hearing.

Mayor Niehaus closed the workshop at 7 p.m.

REGULAR CITY COUNCIL MEETING 7:00 P.M.

Regular Meeting—Call to Order and Attendance: Mayor Niehaus called the Regular City Council Meeting to order at 7:07 p.m. Participating remotely were Councilmembers Karen Guzman-Newton, Tawny Knuteson-Boyd, Rani Derasary, Mike Duncan, and Kalen Jones. City Manager Joel Linares, Assistant City Manager Carly Castle, City Attorney Laurie Simonson, Finance Director Klint York, and City Recorder Sommar Johnson also participated remotely. Water Superintendent Levi Jones joined the meeting at 8:59 p.m. and Senior Projects Manager Kaitlin Myers joined the meeting at 9:25 p.m. A recording of the meeting is archived at www.utah.gov/pmn/index.html. A video recording is archived at: www.youtube.com/?v=zPISWh7tDuQ.

Covid-19 Update: Mayor Niehaus moved this agenda item to the beginning of the meeting with the approval of City Council. Participating remotely were Southeast Utah Health Department (SEUHD) Health Director Brady Bradford, Moab Regional Hospital Chief Executive Officer Jennifer Sadoff, and Dr. Dylan Cole with Moab Regional Hospital. Brady Bradford with Southeast Utah Health Department provided Covid-19 updates for Grand County. He said Grand County's case count has been relatively low and perplexingly low throughout rural Utah, particularly Eastern Utah. He explained he officially accepted Governor Herbert's statewide recommendations to go to orange (medium risk level) and plans to adopt that by executive order. He said elements of the order regarding face coverings are a little unclear, adding that many people are anxious to see face coverings as a mandatory requirement. He said variations from the guidance under the orange level must be approved by the Governor and the Economic and Public Health Commission. SEUHD submitted its proposed lodging guidance and expects to receive additional information April 15. He expects the State to accept part of those recommendations, otherwise, the businesses will be responsible to demonstrate their ability to meet social distancing guidelines. He said as of now the onus is on the business to prove they can meet the requirements of social distancing, face masks, and other preventive measures.

Jen Sadoff with Moab Regional Hospital (MRH) said the Health Department has done a good job with a soft reopening and hopes the governor will accept its proposals. She said a few key changes between now and six weeks ago are the availability of testing and the availability of antibody testing. She said MRH's wish around testing would be to have rapid onsite testing, but they have a very limited number of rapid onsite tests and those will be used strategically.

Dr. Dylan Cole said that MRH will be producing a document elaborating on testing strategy. He said as we move from widespread social distancing and economic shutdown into the next phase, widespread testing will be the main strategy to mitigate and contain the virus. That testing strategy has three aspects: widespread testing of community members experiencing symptoms, working closely with SEUHD to test contacts of exposed individuals, and screening those at high risk of exposure. He said as the volume of tourism increases, exposure to the virus increases.

Sadoff said there is good contact tracing through the Health Department and the hospital moved from 3 rooms to 23 rooms with negative pressure spaces. She said larger hospitals have expressed confidence that they can receive transferred patients and have ramped up their available facilities. She said they have also partnered with the University of Utah for tele-ICU services so Moab Regional can monitor more difficult patients and help medical staff with their decision-making. She said the County and community made a solid effort to put resources in place to assist high-risk individuals. During the period of reopening, high-risk individuals should stay home and continue to social distance. She hopes people will be mindful of not spreading the disease. She said the hospital would love to see masks mandated in the community and wearing a mask should be just as socially acceptable as wearing a seatbelt.

Dr. Cole explained that many cultures have a lot of practice wearing masks and have managed the virus fairly successfully. He believes widespread use of facial coverings is definitely part of the solution. He hopes people will wear masks voluntarily because it helps protect those around you and protect the community as a whole.

Mayor Niehaus said the City, County, and MRH have not mandated the use of face masks and asked if the Health Department could implement a mandate. Brady Bradford said SEUHD could implement the mandate, but it may also be part of the governor's executive order. He said if you cannot socially distance then you should wear a face covering. He said they are working with the County Attorney on potential language for Grand County for face coverings. He said if the mandate comes from the governor it would not take effect until May 1, but guidance says it should be happening right now.

Mayor Niehaus asked how they felt about the bandana face covering and if that was sufficient. Dr. Cole stated that medical masks are in a shortage and cloth alternatives are sufficient outside the medical environment.

Councilmember Derasary said she supports mandating people wearing face coverings. She said individuals can go to a website to obtain masks. She asked how much local control we have over decisions and what our plan is moving forward and if we have specific parameters that would require us to step back to more restrictive measures. Jen Sadoff said MRH is watching the numbers both in Utah and Colorado and meets weekly with the healthcare systems on the Western Slope regarding their capacity for transfer and monitoring trends on positive tests and hospitalizations to make sure the curve is staying flat or growing slowly.

Councilmember Derasary asked about a shortage for dialysis patients. Dr. Cole said most of the dialysis units are in the higher population centers in northern Utah, but he has not seen tracking metrics looking at dialysis units. He said as of right now both Utah and Colorado are not expecting to exceed capacity for critical care service items. Councilmember Derasary thanked the hospital for working with EMS special service district to get two ventilators but said they were intercepted and never received. She asked how these new lodging and camping regulations will be enforced. She explained that there have been advertisements and education telling people not to come here but they are coming anyway and wondered if we were ready for the inundation. Brady Bradford said that the enforcement part is a challenge and to expect hiccups along the way but added that most people showed compliance with the stricter order and he expects most will show compliance as we loosen restrictions. He said the Moab Travel Council is limiting advertising and aggressive outreach to other communities will not happen yet.

Jen Sadoff said the hospital provides masks and requires people to use them in the facility. She said she would hope businesses would mandate that patrons wear masks to protect employees and other customers. She said this is a community effort to mitigate spread and it is important for everyone to follow the guidelines to keep our community and economy moving forward.

Councilmember Knuteson-Boyd asked if there were plans to work with property management companies and/or the Travel Council to monitor reservations and how people are gathering together. Brady Bradford said SEUHD did not create the lodging proposal themselves. He said there were others involved so people are aware and starting to think about those guidelines. He said there is not a concrete plan in place yet but expect to have something going forward.

Councilmember Guzman-Newton asked how long it takes to get test results. Dr. Cole said it typically takes about three days, but it can take up to four to five days. She asked how many tests we have done in town and Brady Bradford said it was just over 400.

Councilmember Derasary had follow-up questions for staff regarding COVID-19. Mayor Niehaus explained that COVID-19 updates were included as an agenda item. She asked if it would be okay to finish all things COVID-19 and Council agreed to move the agenda item.

Old Business:

COVID-19 Updates

City Manager Linares explained that he was not aware that the Health Department and Hospital would be attending the meeting and said that the materials he prepared outlined the new orders. He asked if there were any questions or comments on anything that was not covered.

Councilmember Derasary asked when the City Offices will reopen. Linares said there are times when there are 25 or more people in the building, and we need to wait for the current restrictions to be lifted before opening the buildings. He said they are working on ways to open the MRAC, the MARC and the gym. He said they are preparing mitigation plans for the MRAC and it may be open for very limited use. He explained that the outdoor pool was constructed in a way that requires it to be filled to keep its shape and it is cheaper to fill and run in a very limited way than shut it down, so the outdoor pool is full, clean, and functioning on a minimum level.

Councilmember Derasary asked if there is a way to let people know that we are enforcing the requirements and let people know it is not a free-for-all virus vacation time. City Manager Linares said that the community needs to come together and report violations to the Sheriff's Office and the Police Department. He said that everyone is aware of the SEUHD requirements and if they want to comply, they will comply, and others will ignore the requirements. Councilmember Derasary asked if there were added protections for whistleblowers. City Manager Linares said anytime an employer is reported for those types of violations those protections are in place. He said individuals can also make an anonymous report.

Councilmember Derasary said the Governor changed the groups from 10 to 20 and asked if there would be local changes to follow. City Manager Linares said his understanding is that occupancy is currently based on square footages of buildings. He also said that masks were ordered for all city employees to wear.

Mayor Niehaus thanked Moab Regional Hospital, Southeast Utah Health Department, and City Manager Linares for the extensive updates on COVID-19.

Approval of Minutes: Councilmember Guzman-Newton moved to approve the minutes for February 25, 2020, March 24, 2020, April 1, 2020, April 10, 2020, and April 16, 2020.

Councilmember Duncan seconded the motion. The motion passed 5-0 with Councilmembers Jones, Guzman-Newton, Knuteson-Boyd, Duncan, and Derasary voting aye in a roll call vote.

Mayor and Council Reports:

Mayor Niehaus reported attending meetings every Thursday with Joel and Carly and said they have been very beneficial. She said she was asked by Senator Romney's Office and Congressman Curtis' Office to share a notice of grant award to Canyonlands Field Airport. The airport received \$1,057,048. She thanked Assistant City Treasurer Marcy Mason and City Manager Linares for putting together an email to all the licensed businesses in the City notifying them of an Office of Outdoor Recreation survey from the Governor's Office of Economic Development (GOED). She

said GOED is trying to understand how COVID-19 has uniquely impacted us as a recreation community. She said it is very important for the businesses in the community to complete the survey because the data will be used for potential allocations of additional stimulus funds for our community. She shared the link with the Moab Chamber of Commerce and the Downtown Business Alliance and encouraged businesses to complete the survey. Mayor Niehaus serves on GOED's state and local resources subcommittee and reported that GOED has disbursed \$12 million in stimulus loan money administered through the CARES act. Of the \$12 million, 30% was spent in rural communities. She also attended a water quality board meeting and its workshop on stormwater management. She said from a developer's perspective, having new stormwater management practices and policies in place saves a lot of money. She also attended a Governor's Rural Partnership Meeting and talked about housing, transportation, and rural broadband.

Councilmember Derasary reported attending two City Council meetings establishing the Arches Hotspot Regional Coordinating Committee (AHRCC) and stakeholder group. She asked if there was a way to post availability for others to be considered for stakeholder groups in the future. City Manager Linares explained the deadline for this was too late, but we can advertise in the future. She reported that EMS had its first two months with lower numbers than in previous years. She also mentioned they were trying to get two ventilators, but they were intercepted.

Councilmember Duncan reported attending the Arches Hotspot Region Coordinating Committee last week and tomorrow. He found the list of projects were varied. He has not seen any notices of USU meetings. He reported two residents have expressed interest in burning brush and weeds and would like to resurrect consideration of that under some circumstances in the future. City Manager Linares explained that the no burn ordinance has been in place since 2004 and amendments to the ordinance have been before the City Council twice and asked if he would like to see it a third time. Duncan reported residents expressed unhappiness with city staff not returning calls and said getting back to residents promptly is one of our most critical things to do.

Councilmember Knuteson-Boyd reported attending a Museum Board Meeting. She said they are trying to create a museum online and she encouraged everyone to look at the website. She said even though the museum is not open they are creating a virtual experience until they can be open. She said they are hoping to be physically open by the first week in July. She reported attending all her Care Center Board meetings prior to the last meeting.

Councilmember Guzman-Newton reported watching the Governor's address, Utah Leads 2.0, on April 17, as he introduced the plan to balance economic concerns with public health. She reported attending the Zoom ULCT Town Hall meeting with Ben McAdams where he spoke of the stimulus Cares Act part two. She said that he is dedicating his staff to help small businesses having difficulty with the SBA or any loan funding and can be reached at mcadams.house.gov. She said Natalie Gochnour, director of the Kem C. Gardiner Policy Institute, described the Utah Leads Together 2.0 version emphasizing local communities will be able to adjust between the different color-coded guidelines by utilizing data in conjunction with public health officials. She reported last week's unemployment rates in Utah were at 100,000 and 70% of those claimants are still tied to jobs. She said businesses are hanging on by a thread hoping to get funding through Paycheck Protection Plan (PPP) loans to keep their employees. She attended the special City Council meeting to choose the candidates for the Arches Hotspot Regional Coordinating Committee and regional transportation plan. She attended the Economic Task Force Town Hall about the PPP program with Romney and McAdams discussing what was happening in DC. She attended a Chamber Board Meeting and they are working to get information out to businesses as

soon as it is available. She attended the AHRCC meeting and the group is interested in Main Street improvements and dispersed parking and is not interested in revisiting the parking structure. She reported many businesses in town are waiting on the second round of stimulus funding. She talked about the Census response rate, stating the state of Utah is ranked number seven in the U.S. for responses; Grand County is ranked 16 among 29 counties, and the City is 124 among 247 Utah cities. She pleaded with everyone to fill out the census at 2020census.gov.

Councilmember Jones reported the Travel Council has not advertised since March 17 and said they offer a form where individuals can file complaints about non-compliant lodging. He said that can be done at the Do It Like a Moab Local website. He said even though they are not advertising, they are educating the public on their website about our current scene with COVID-19. He reported attending two Moab Dark Skies meetings. He said the County Building Inspector is now doing lighting inspections and enforcing the lighting code. He said they have been working on the Friends of the Milky Way which is a sort of business certification program. He said the Travel Council Sustainability Committee met with the Sedona Chamber president regarding their work on tourism sustainability efforts. He reported attending the AHRCC and reported that Solid Waste has reopened the recycling center two days per week. He said Moab is faced with an unprecedented proposal to lease over 110,000 acres for oil and gas development on lands north, west, and south of town. He shared a screen showing the location of SITLA's active oil and gas parcels and BLM's existing oil and gas parcels. A small Minnesota-based company is interested in leasing the remaining available oil and gas parcels in the Moab region. He said lease sales in Utah resulted in non-competitive auctions, with the majority of parcels going for the minimum bid of \$2 per acre. He said with one interested bidder during a time of record-low oil and gas demand these areas could be tied up in oil and gas leases for decades, impairing our outdoor recreation economy. Jones has been discussing possible strategies for responses including pursuing a cooperative agency agreement with the BLM to be in formal dialogue with them during their environmental assessment preparation. He said it is a massive lease and arguments can be made that Council should oppose it, but it may be annoying to some constituents and politicians upstate. He believes Council should respond quickly and encouraged other Councilmembers to talk with Mayor Niehaus and City Manager Linares about their concerns.

Mayor Niehaus said the parcels would be leased at the lowest amount of money and deferring the leases until the economy is at a place where more revenue could be made is part of the consideration.

Councilmember Jones said it could be a massive giveaway for the American taxpayer and for our recreation economy. He said the BLM is being steered by the energy policy coming out of D.C..

Assistant City Manager Castle said there needs to be a balancing act about the appropriate strategy and she thinks it would be best to start with a cooperating agency approach.

Mayor Niehaus reported a housing relief fund getting started in the community. She said it is a great opportunity for those who receive a stimulus check and do not need it to donate it to the fund to help the very vulnerable population.

Administrative Reports:

City Manager Linares reported receiving new drawings for the Lionsback development. He said they need to finalize some documents before a permit would be issued. He said the GOED survey went out to 528 recipients. The Highway 191 widening project is moving forward with curb, gutter, and sidewalk on the east side, which allows moving utilities as part of the project.

He said UDOT is currently on schedule and flexing their schedule a bit to accommodate for the 25% to 30% reduction in traffic this year. Bicycle and foot traffic is detoured down 500 West to 400 North then to 100 West to 200 North and back to Main Street. UDOT is currently on schedule to complete the project in a year or under. He reported the RAP tax resolution was approved by the County, allowing us to do it as a City. He said he will do a RAP Tax presentation on May 12. He said everything has to be finished up by October. He said we need to have another meeting on May 8 to extend the emergency order. He prepared a legislative update from the special session and outlined all the bills and provided highlights of joint resolution 301, which urges cities to be financially and fiscally responsible during this time, and stated we have already done those things including spending and hiring freezes. He said other bills include the pandemic emergency relief act which allows the governor to take action, HB 3006 which contains election amendments, HB 3007 created a presumption for first responders so that if they contract COVID-19 it falls under workers compensation, and other bills about unemployment benefits amendments. He said he was happy to provide a written update.

Citizens to Be Heard: Mayor Niehaus said that the six forms that were received and will be published in the minutes and on the City Council page on the City's website.

Seth Davis said, "Its my understanding that having folks in face masks when in close contact is effective for reducing the spread of the virus. I'm of the opinion this is a key measure for balancing strong mitigation and 'opening back up'. On one hand, I don't like seeing a legal requirement that folks wear a mask in public spaces (like stores etc.) but on the other hand it seems like this best practice isn't 'catching on'. Thanks!"

Nate Rydman said, "As we look ahead, ready or not, wise or not, to the inevitable opening up from the rules meant to minimize the spread of the Corvid-19 virus, I would like to suggest a coordinated advertising effort from the city, county, and travel councils to at least the Utah, and Colorado markets that would educate the potential tourists that – As much as we (the whole planet) want to return to a more normal life, the virus is governed by the laws of nature and biology, and those laws do not recognize our human desires to make a living, nor do they recognize that our community's medical resources are limited, therefore-

a) We, as a community, are asking that the tourists intent on visiting us have enough respect to NOT visit if they or anyone in their party have had any symptoms of the virus, or been exposed to anyone with the virus, or symptoms for the last couple weeks. Also, we expect them to follow our rules, social distancing, mask wearing, etc. This is not too much to ask, and it's about protecting ourselves in our community.

b) As a community, it appears we have done a good job in keeping the virus down. We do not wish to import it in, and we have a chance keep it that way. But we risk everything if tourists don't/won't cooperate.

This educational advertising should happen through as many avenues as possible. TV, newspapers, social media, and even billboards or road signs. And it should happen immediately. Thank you for your time."

Marc Horwitz said, "I want Moab city to enact an "In-Town mask" ordinance. A big electric highway sign 'it's the law'. Or 'virus-free Moab'. We could make them as a souvenir; a booth just outside City Market. You can make a mask for free. At City Market today, one in ten or less was wearing a mask. No one seems to care. We just heard on NPR that Moab is 'open for business'. Health is Wealth."

Liz Ballenger said, "I'm adding my voice to the many Moab residents concerned about the sudden notification that we are beginning to open Moab back up to tourism May 1. I'm

particularly uncomfortable since it seems like we don't have clear metrics that are driving this decision or a decision to close the doors or be more restrictive. For example, # of infections, # of deaths, hospital occupancy, etc.? With only 2 confirmed COVID19 cases so far, it seems to me that our community is still extremely vulnerable to widespread community transmission that will overwhelm our hospital— particularly since many of our tourists may be coming from COVID19 hotspots. I'm concerned that without clear markers – and instead vague or generalized statements about monitoring the situation – the decision-making process moving forward will be driven by political and economic pressures, both locally and at the state level. Please do what you can to keep this from happening! Here are a few ideas that I've heard from others and am in favor of:

- Since public land camping will still be prohibited for non-residents, local government should prioritize advertising this message. Otherwise we risk creating an enforcement nightmare. This is especially true for the first weekend (i.e., this coming weekend). We need to be out front in telling people they can't come to Grand Co. to camp. We also need aggressive enforcement of this restriction, especially over this coming weekend.
- Require general business customers to wear face coverings. Not only does it help reduce transmission, but it communicates to visitors that the "no cares in the world" vacation mindset isn't going to fly in Moab yet.
- Limit shopping groups to one person. This will avoid the entire family making a trip into City Market or elsewhere.
- Request that 'essential' businesses – especially groceries – offer resident-only hours in addition to senior hours.

Thank you, as always, for your work in leading our community – particularly during this challenging time!"

Heidi Rowan said, "Thank you to those who worked for us. To get town to begin to reopen. As a small business owner struggling to keep our business intact, we need town to be open and thrive! Many small businesses received zero government funding or aid. We also do not qualify for unemployment and the secondary unemployment benefits for self-employed people hasn't worked. We also haven't received our stimulus money either. I want to be heard that I applaud town opening and hope it continues! I know for many it is a bit scary but we as a town should band together and keep small businesses thriving and surviving!"

Sara Melnicoff said, "Humans aren't the only species on earth. We just act like it. Moab Solutions has worked with the city at various times since 2007 to try to encourage a transition from trapping and killing wildlife, to assessing and living with wildlife. We recently had Debbie Pappas of Second Chance Wildlife Rehabilitation do a presentation with us, to the city, regarding this topic.

If Animal Control could assess each situation for which they get a complaint and advise citizens on how to avoid interactions (like not leaving cat food out 24/7), we could live and let live.

Wildlife is beneficial to the environment in ways large and small.

I personally have a very difficult time thinking of babies left to starve in their nests when their parents are trapped and painfully executed for the crime of wanting to survive and care for their young. Other cities have successful models for compassion vis-a-vis living with wildlife. Please, can we actually do something about this as baby season hits? Thank you."

New Business:

Proposed Resolution 25-2020: A Resolution Amending the City of Moab Employee Handbook

Briefing and possible action

Discussion:

Human Resources Director Danielle Guerrero provided a PowerPoint presentation with an overview and summary of the major changes to the handbook.

Councilmember Jones asked about the thinking behind the appeal officer being appointed by the Mayor. He said it seems if it is an employment appeal it seems like we would want to hire an attorney with employment law experience. He questioned why the appeal officer is not hired by the City Manager. City Manager Linares explained that the appeal officer would have a background in employment law but if they are hired by the City Manager it creates a difficult dynamic if the City Manager must appear before the appeal officer. He explained that it improves the dynamic for staff to have the position appointed by the mayor and approved by council. Councilmember Derasary thanked staff for their hard work on the document

Motion and Vote: Councilmember Guzman-Newton moved to adopt Resolution 25-2020, approving the amended employee handbook. Councilmember Knuteson-Boyd seconded the motion. The motion passed 5-0 with Councilmembers Guzman-Newton, Derasary, Jones, Duncan, and Knuteson-Boyd voting aye in a roll call vote.

Proposed Resolution 28-2020 – Adopting the Tentative Fiscal Year 2020-2021 Budget

Briefing and Possible Action

Discussion: City Manager Linares explained that a presentation was provided at the last meeting when the tentative budget was presented so a new presentation was not created. He stated that staff is available for questions

Motion and Vote: Councilmember Derasary moved to approve Resolution 28-2020, a Resolution by the Moab City Council to adopt the City of Moab Tentative Budget for Fiscal Year 2020-2021 and set a public hearing for review of the final budget on May 12, at 7:15 p.m. Councilmember Duncan seconded the motion. The motion passed 5-0 with Councilmembers Derasary, Knuteson-Boyd, Guzman-Newton, Jones, and Duncan voting aye in a roll call vote.

Proposed Resolution 26-2020: A Resolution Approving the Golf Course Lease Agreement

Briefing and Possible Action

Discussion: City Manager Linares explained that he was approached by Golf Course representatives about needing a new lease agreement due to COVID-19 and the financial hit it has had on the golf course. He explained that when the Golf Course representatives solicited funding to get a loan, they were asked to produce a copy of the current lease agreement. He stated the current lease agreement expired in 2015. He explained that the City and the Golf Course entered into an agreement in 1959 that allowed them use of the property where the golf course is currently located. He said the not-for-profit would operate the golf course and essentially the same lease has been used over time since 1959. He explained the last lease agreement was approved on April 12, 2005, between the City and the Golf Course and the agreement was amended in December 2005, to remove paragraphs that required the Golf Course to pay the City a small portion of its revenues. He said he went back through the records including minutes and recordings but there was little information as to why those paragraphs were removed. He explained that this lease agreement was prepared and presented to Council to match what had historically been done for 60 years.

Councilmember Knuteson-Boyd wondered why clauses were removed to require them to pay money to the City if they were making a profit. She said she is concerned about entering into a 10-year agreement that encumbers the City, whether it be the City becomes responsible for the property or they begin to make a profit and the City does not reap any of the financial

benefits. City Manager Linares explained that historically, golf courses, unless they are private investments, do not generate an income. He said many public golf courses are operated through an enterprise fund, but they cannot charge fees that are high enough to self-regulate. He said most golf courses end up subsidized by the general fund. He said most publicly held golf courses in this situation do not generate revenue or a profit and he believes that is why those paragraphs were removed in 2005. He said the draft lease that was submitted is nearly identical to the last one approved but added a clause allowing the City or the Golf Course the right to terminate the lease agreement with proper notice. He explained that if the golf course financially folded the property would revert back to the City and the Golf Course would have the right to remove any of the improvements they installed over the last 60 years. He said his suggestion would be to continue the lease but have a termination clause allowing us the ability to get out of it if we have a different plan for the property.

Councilmember Derasary asked about the history of the golf course lease. She believes some of the information came up in administrative reports. She asked if, in the absence of an agreement, both parties operate in good faith. City Manager Linares said it falls under the standard business rule that both parties work under the rules that were historically in place. Councilmember Derasary asked about the termination provision and asked about the pros and cons of a 10-year contract versus a shorter contract time. City Manager Linares said it helps the Golf Course secure funding if they have a longer lease contract. Councilmember Derasary asked if there should be discussion about things that have changed since 2005 as far as the current financial situation, water, gray water, chemicals, and the role of our sustainability plan. Water Superintendent Jones said he has tested the water quarterly and annually for at least 20 years and there have been no changes in test results and no changes in the water quality.

Councilmember Derasary asked about the need for a new water system and wondered if that remained on a longer-term capital improvements list. City Manager Linares explained that the sprinkler system has been on the CIB list, but it is not a priority or obligation of the City. He said we are not required to provide funding for those improvements. Councilmember Derasary asked about how the water rate is computed for the golf course. City Manager Linares explained that his understanding is that their water is through Grand Water and Sewer Agency and they are not typically using City water. Water Superintendent Jones said that most of the time they do not use City water but when they do, they pay us for the usage. Councilmember Derasary asked if their water rate is something that should be updated in the rate study. City Manager Linares assumed the golf course would pay the commercial rate. Councilmember Derasary asked about the financial statement and asked if Council could review those financial statements. City Manager Linares explained they are required to produce those financial statements in January for Council review. Councilmember Derasary asked how and when the lease amount is arranged. City Manager Linares explained that they have not paid the city. He said the golf course maintains the property in exchange for money. Councilmember Derasary asked if Council should review the green fees once per year. City Manager Linares thinks the Golf Course should present to Council every January on their green fees, revenues, and operations. He explained that the previous contract had a provision to extend the lease, but it was never executed. Councilmember Derasary asked about the management of the greens and what chemicals, nitrates, or herbicides are used. She asked if the golf course lease was cross-checked with the sustainability plan. City Manager Linares said we could amend the agreement to require reports about what chemicals are being used on the property. He said Water Superintendent Jones has tested the water for 20 years. Councilmember Derasary asked if the water testing detects the chemicals, herbicides and pesticides and wondered if there were different standards on the watershed.

Councilmember Duncan said one phase of Ken Kolm's report was to establish new water protection source boundaries, but it would be very expensive to commission a special study for the golf course.

Councilmember Jones said his initial concern is that the person applying the pesticides and herbicides is properly trained and qualified. He asked about the possible photovoltaic solar array for the golf course.

Assistant City Manager Castle explained that under the Rocky Mountain Power (RMP) proposal we could not meet the statutory requirements for public benefit for them to lease that land. She said the value RMP was offering was not quite adequate to meet the value of the land. She said the golf course property is quite valuable so the consideration RMP would need to offer was substantial. She said they have looked for an alternative location, but RMP is limited in its ability to spend Blue Sky funds because of Public Service Commission regulations and RMP's own regulations. Mayor Niehaus added that it was not the right fit for the Blue Sky project. She said in the negotiations with Rocky Mountain Power, the City expressed the value of the golf course land and Rocky Mountain Power was not interested in paying for it and decided not to move forward with putting panels at the golf course.

Councilmember Jones requested the formatting of the legal description be cleaned up and match. He also said the property should be mapped so it is clear what property is included in the lease. City Attorney Simonson explained that the original 1959 lease included three parcels with an option for additional parcels. She said it appears the golf course exercised their option to lease the additional parcels and it was added in the 2005 agreement. Councilmember Jones felt it was important to have it mapped because the City owns a lot of land out there and some is in use by the golf course, but some is not. He said we may want to use the additional land for something else and it should not be encumbered by the lease. He said the legal description needs to be cleaned up and the property mapped before he would vote for it.

Mayor Niehaus said it appeared that Council was moving toward a list of revisions they would like to see with the lease and suggested approving the lease pending the changes. City Manager Linares said the changes could be made and the lease included on the agenda for the special meeting on May 8.

Councilmember Guzman-Newton hoped a financial review could be conducted by Finance Director York and include the 1.5% payment of golf course revenue to the City. City Manager Linares explained that the Golf Course is looking to renew the lease at this time to solicit funding due to COVID-19 and he believed if the 1.5% payment was included it would start negotiations over.

Councilmember Duncan asked which entity pays for the pumping of water. Water Superintendent Jones explained that the golf course pays for the water but not the pumping. City Manager Linares reiterated that they only use City water in years where they run out of their collective shares with Grand Water and Sewer Agency. Councilmember Duncan asked if the well for the golf course is from the same aquifer as the City's other two culinary wells. Water Superintendent Jones confirmed it is from the same aquifer and said well number 7 belongs to the City and, if necessary, he could put it back online for the culinary system. He said the well is physically disconnected from the culinary system, but his crew could reconnect it. City Manager Linares explained that the golf course only uses that well in cases of emergency and they are required to pay us for any water usage from that well. Finance Director York said he would review the rate the Golf Course was charged for usage of the well during the drought conditions

two years ago.

City Manager Linares reviewed the changes requested from Council, saying they include corrections to the legal description, chemical list provided annually, financial review annually, termination agreement or clause, payment of 1.5% if the Golf Course turns a profit, sustainability review, satellite map of which parcels are included with the lease, water rate, chemical list, full financial review, cleaner termination clause, clean up legal description,

Motion and Vote: Councilmember Knuteson-Boyd moved to table the Golf Course lease agreement until Friday until the items listed can be addressed. Councilmember Jones seconded the motion. The passed 5-0 with Councilmembers Derasary, Guzman-Newton, Knuteson-Boyd, Jones, and Duncan voting aye in a roll call vote.

Proposed Resolution 27-2020: A Resolution to Award the Contract for Site Planning, Architectural, and Engineering Services for Walnut Lane Apartments. Briefing and possible action

Discussion: Senior Projects Manager Myers provided an overview of the process to select an architect for the Walnut Lane Apartments. She explained that Architectural Squared, a local Moab firm, was selected and they have been working with them to finalize a contract.

Councilmember Derasary thanked Myers for answering questions Derasary had regarding this item.

Councilmember Duncan asked when they would get started. Senior Projects Manager Myers explained that she would discuss that with the firm tomorrow and clarified the schedule in the contract is a general timeline for spring, summer, and fall of this next year. She hoped they would get the contract signed within the next week and start working.

Councilmember Guzman-Newton asked about the description of the financial planner work that Shik Han Consulting is doing and wondered if that is more the purview and scope of work of Senior Projects Manager Myers and something she would be doing. Myers explained some items will be under her scope of work and that she will be working together Shik Han Consulting to complete some of those items. Myers said she worked to narrow the scope of some items from the bid proposal and requested a breakdown of Han's hours. Councilmember Guzman-Newton voiced concern because it was the third-highest amount in the contract and wondered if that was a firm fee we are paying for his work. Senior Projects Manager Myers explained that was a not-to-exceed amount for the project.

Councilmember Knuteson-Boyd thanked Senior Projects Manager Myers for her hard work on the project.

Mayor Niehaus stated that it is the City's project and property and it is a little complicated to also be the developer.

City Manager Linares thanked Myers and City Building Inspector Barry Ellison for their hard work, as well as the Facilities crew for working on the homes to fix air conditioner units and ADA ramps.

Motion and Vote: Councilmember Derasary moved to approve Resolution 27-2020, a resolution to award the contract for site planning, architectural, and engineering services for the Walnut Lane Apartments. Councilmember Knuteson-Boyd seconded the motion. The motion passed 5-0 with Councilmembers Derasary, Knuteson-Boyd, Jones, Duncan, and Guzman-Newton voting aye in a roll call vote.

Approval of Bills Against the City of Moab

Councilmember Knuteson-Boyd moved to approve the bills in the amount of \$169,642.15. Councilmember Duncan seconded the motion. The motion carried 5-0 with Councilmembers Knuteson-Boyd, Guzman-Newton, Duncan, Jones, and Derasary voting aye in a roll-call vote.

Adjournment

Councilmember Duncan moved to adjourn. Councilmember Guzman-Newton seconded the motion. The motion passed 5-0 with Councilmembers Knuteson-Boyd, Jones, Derasary, Duncan and Guzman-Newton voting aye. Mayor Niehaus adjourned the meeting at 9:37 PM.

APPROVED: _____
Emily S. Niehaus, Mayor

ATTEST: _____
Sommar Johnson, City Recorder