

NOTICE AND AGENDA

Notice is hereby given that the City Council of the City of Santaquin will hold a City Council Meeting on Wednesday, March 21, 2007, in the Council Chambers, 45 West 100 South, at 7:00 pm.

AGENDA

1. **ROLL CALL**
2. **PLEDGE OF ALLEGIANCE**
3. **INVOCATION/INSPIRATIONAL THOUGHT**
4. **CONSENT AGENDA**
 - a. Minutes
 1. March 7, 2007
 - b. Bills
 1. \$105,411.66
5. **PUBLIC FORUM, BID OPENINGS, AWARDS, AND APPOINTMENTS**

Public Forum will be held to a 30 minute maximum with each speaker given no more than 5 minutes each. If more than 6 Speakers, time will be adjusted accordingly to meet the 30 minute requirement

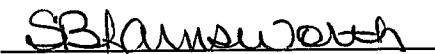
 - a. Appointment of Board of Adjustment Members
6. **FORMAL PUBLIC HEARINGS**
 - a. Vacation of 500 W between 700 North and 11000 North
7. **UNFINISHED BUSINESS**
8. **NEW BUSINESS**
 - a. Miss Santaquin Presentation
 - b. Lynette Davis – Miss Santaquin Update
 - c. Discussion and possible action with regard for acceptance of cash in lieu of water shares for the "Orchards" Subvisions.
 - d. Discussion and possible final plat approve of The Orchards Plats "A" and "B"
 - e. Discussion and possible final plat approve of The Orchards Plats "C" and "D"
 - f. Discussion and possible final plat approve of The Orchards Plat "E"
 - g. Discussion and possible action with regard to the Allied Waste Services
 - h. Discussion and possible action with regard to the creation of a Recreation Director Position
9. **BUSINESS LICENSES**
10. **INTRODUCTIONS AND ADOPTION OF ORDINANCES AND RESOLUTIONS**
 - a. Resolution 03-01-2007 "A Resolution Approving and entering into an amended and restated agreement creating the Utah Local Governments Trust"
11. **PETITIONS AND COMMUNICATIONS**
12. **REPORTS OF OFFICERS, STAFF, BOARDS, AND COMMITTEES**
 - a. Planning Commission
 1. General Update
13. **REPORTS BY MAYOR AND COUNCIL MEMBERS**
 - a. Mayor DeGraffenried
 - b. City Manager Chatwin
14. **EXECUTIVE SESSION** (May be called to discuss the character, professional competence, or physical or mental health of an individual)
15. **EXECUTIVE SESSION** (May be called to discuss the pending or reasonably imminent litigation, and/or purchase, exchange, or lease of real property)
16. **ADJOURNMENT**

If you are planning to attend this Public Meeting and, due to a disability, need assistance in understanding or participating in the meeting, please notify the City ten or more hours in advance and we will, within reason, provide what assistance may be required.

CERTIFICATE OF MAILING

The undersigned duly appointed City Recorder for the municipality of Santaquin City hereby certifies that a copy of the foregoing Notice and Agenda was faxed to the Payson Chronicle, Payson, UT, 84651.

BY:


Susan B. Farnsworth, City Recorder

POSTED:

CITY CENTER
POST OFFICE
ZIONS BANK
® Amendment to Agenda

**MINUTES OF A COUNCIL MEETING
HELD IN THE COUNCIL CHAMBERS
MARCH 21, 2007**

Mayor James E. DeGraffenried called the meeting to order at 7:08 pm. Council Members attending: Filip Askerlund, Tracy Roberts, Arthur Adcock, Martin Green, and James Linford.

Others attending: City Manager Stefan Chatwin, City Planner Dennis Marker, planning Commission Representative John Chatterley, Lynette Davis, Miss Santaquin Ashley Mortensen, Garrett Sealey, Greg Smith, Matt McMullin, Austin Ercanbrack, Hayden Callaway, Keith Richardson, Dustin Sorenson, Chance Tromble, Dale Sorenson, Jared Stubbs, Greg Hunt, Josh Cloward and other unidentified individuals.

PLEDGE OF ALLEGIANCE

Mr. Hayden Callaway led the Pledge of Allegiance.

INVOCATION/INSPIRATIONAL THOUGHT

Council Member Adcock offered an Invocation.

CONSENT AGENDA

Minutes

March 7, 2007

Bills

\$105,411.66

Council Member Roberts moved to approve the Consent Agenda. Council Member Askerlund seconded the motion. Council Members Askerlund, Green, Adcock, Roberts and Linford voted in the affirmative.

PUBLIC FORUM, BID OPENINGS, AWARDS, AND APPOINTMENTS

Council Member Green indicated he wanted to publicly recognize and thank the Police Department and especially Sgt. Johnson. He reported Sgt. Johnson, due to the Police Chief being out of town, was required to step into a supervisory position with regard to the past evening "Genola" incident. He expressed his appreciation to each of the Police Officers who continually represent the City in such a positive manner.

Appointment of Board of Adjustment Members

Council Member Green moved to table the appointment of members for the Board of Adjustments. Council Member Roberts seconded the motion. Council Members Askerlund, Green, Adcock, Roberts and Linford voted in the affirmative.

FORMAL PUBLIC HEARINGS

Vacation of 500 W between 700 North and 11000 North

Council Member Askerlund moved to enter into a Public Hearing pertaining to the vacation of 500 West between 700 North and 11000 North. Council Member Green seconded the motion. The vote was unanimous.

City Planner Marker reported that a Representative of Double G Investments has petitioned the City for the vacation of a portion of 5600 West between approximately 700 North and 1100 North. This petition relates to the development of the Orchards Subdivision and the realigning of 5600 West to better connect with Santaquin's Center Street (see attachment "A" for Staff recommendations).

There were not Public questions or comments.

Council Member Linford moved to close the Public Hearing. Council Member Askerlund seconded the motion. Council Members Askerlund, Green, Adcock, Roberts and Linford voted in the affirmative.

UNFINISHED BUSINESS

Nothing

NEW BUSINESS

Miss Santaquin Presentation

Miss Santaquin Ashley Mortensen thanked the Mayor and Council Members for their support through out her reign of Miss Santaquin. She indicated the opportunity has increased her self-confidence as well as increased her ability to speak in public. Mayor DeGraffenried thanked Miss Mortensen for all of her hard work.

Discussion and possible action with regard for acceptance of cash in lieu of water shares for the "Orchards" Subvisions

Mr. Sealy reported they, as developers, currently have control of 153 shares of Summit Creek Irrigation. The development would require an additional 178 shares to complete the construction. Mr. Sealy indicated there are enough water shares to "cover" approximately 5 phases of development. He reported a Representative of J-U-B Engineering is currently reviewing the "worth" of a well that is located within the project area. Council Member Green was told that approval of the project could wait until the well issue is reviewed. Council Member Askerlund was told that the developers had purchased all but 4 of the irrigation shares, which were used, in the past, to irrigate this particular property. Council Member Green was told the cash pertaining to the remaining required water would be paid as soon as the Council gives approval. Council Member Roberts suggested tabling the "in lieu" approval until the well review is complete. It was reported that the developers have sufficient water to cover the current agenda "plats"; therefore Mayor DeGraffenried recommended approving the plats and review the Engineer's Well Report before any approval is given to pay money in lieu of water. Council Member Linford indicated he was not in favor of accepting money in lieu of water for over half of the water needed for the project. Council Members Green and Askerlund indicated he, as well, would like to accept the 133.5 shares of Summit Creek Irrigation Shares and hold off on the money in lieu of.

Council Member Green moved to table item 8C "acceptance of cash in lieu of water shares for the "Orchards" Subdivisions" until the well report is available to review. Council Member Roberts seconded the motion. Council Members Askerlund, Green, Adcock, Roberts and Linford voted in the affirmative.

Lynette Davis – Miss Santaquin Update

Mrs. Davis reported she has spoken with Sunny Howard with regard to the Miss Santaquin Float. She reported that Mrs. Howard has received permission for Miss Santaquin to attend the Provo Parade without having a self-propelled float. She reported there are 6 very talented girls participating in the pageant. She indicated the pageant will be held on April 28th at Payson High School. Miss Utah will be attending and participating in the pageant. Mrs. Davis praised Miss Santaquin for her contributions to the Community as well as thanked the Mayor and Council for

their support. Council Member Green thanked Mrs. Davis and her committee for all of their dedication to the Miss Santaquin Pageant.

Discussion and possible final plat approve of The Orchards Plats "A" and "B"

City Planner Marker reviewed the plats associated with The Orchards Subdivision (see attachment "B" for Staff's recommendations). Council Member Askerlund reported that during the pre-meeting discussion, it was determined the proposed homes would not fit on the lots. He reported the developers have chosen to make the homes fit the lots instead of the lots fit the homes. Mr. Seeley indicated they currently have all the lots under contract therefore could not revise the frontages of the lots. Council Member Adcock voiced his concern with regard to the side yard setbacks. Council Member Green commented on the angle of 730 North where it connects with Center Street. Those in attendance were told the collector roads would have a 35 mph speed. Council Member Linford was told, due to the size of the development, the North end of Center Street would not require widening of the canal bridge or the railroad tracks.

Council Member Roberts moved to approve The Orchards Plats "A", "B", "C", "D", and "E" as designated on the plats the Council Members have reviewed. Council Member Linford seconded the motion. Council Member Adcock wanted to assure all the available water shares are given to the city in a timely manner. Council Member Askerlund reported he has "heartburn" with allowing the "squeezing" of homes on the lots. He indicated the community would be better served by having larger lots. Council Member Adcock was told the smaller lots would be larger than the homes located on West Center Street, West of the High School Football Field, in Spanish Fork. Council Member Linford indicated he would like to see larger lots, but the Development Agreement allowed a much less favorable home and lot configuration that what was presented; which he appreciated. Council Members Linford, Roberts, Adcock, and Green voted in favor of the motion. Council Member Askerlund voted against the motion.

Discussion and possible final plat approve of The Orchards Plats "C" and "D"

See above.

Discussion and possible final plat approve of The Orchards Plat "E"

See above.

Discussion and possible action with regard to the Allied Waste Services

City Manager Chatwin presented the Mayor and Council Members with a memo pertaining to the Allied Waste Service Contract. It was reported that Allied Waste Services has expressed some concern that under current conditions, providing waste management to some areas outside of their more heavily concentrated service area is not favorable to their business model (see attachment "C" for the memo). City Manager Chatwin recommended accepting the proposed adjustments to the contract.

Council Member Linford was told that the cost of the contract would decrease with a scheduled two-day pickup.

Council Member Adcock was told the pickup dates have not been set but Allied Waste would help in the transition period.

Council Member Linford moved to authorize the Staff to negotiate an addendum to the Allied Waste Contract and authorize the Mayor to sign the contract. Council Member Green seconded the motion. Council Members Askerlund, Green, Adcock, Roberts and Linford voted in the affirmative.

Discussion and possible action with regard to the creation of a Recreation Director Position

The Mayor and Council Members were told that Jason Callaway has submitted his Letter of Resignation with regard to acting as the Recreation Director. Due to the growth of the Recreation Program within the City, it is the recommendation of the Staff, the position be made a full-time position. Council Member Green questioned if the current director is interested in the position. City Manager Chatwin indicated Mr. Callaway has requested to be "kept out of the equation". Council Member Linford was told the Recreation Department would require funding from the General Fund. Council Member Roberts was told that this position has been included in the fiscal year 2007/2008 budget process.

Council Member Green moved to approve the creation of a Recreation Director position. Council Member Askerlund seconded the motion. Council Member Adcock indicated he wouldn't want to offend Council Member Askerlund by requesting the newly hired Director be responsible for Santaquin Days. Council Member Askerlund indicated he would not be offended.

Council Member Roberts indicated the creation of this position falls within the boundaries of the proposed Master Plan. He indicated it hurt him to spend money but He would be in favor of accomplishing this task. Council Member Askerlund recommended the Council require parks be dedicated at the first phase of development instead of during the last phases. Council Member Linford requested a plaque showing the City's thanks be obtained for Mr. Callaway.

After the Discussion, Council Members Askerlund, Green, Adcock, Roberts and Linford voted in the affirmative.

BUSINESS LICENSES

Nothing

INTRODUCTIONS AND ADOPTION OF ORDINANCES AND RESOLUTIONS

Resolution 03-01-2007 "A Resolution Approving and entering into an amended and restated agreement creating the Utah Local Governments Trust"

A discussion was held with regard to the proposed Resolution. Those in attendance were told the "Trust" provided a number of services with the agreement requiring amendments from time to time.

Council Member Green moved to approve Resolution 03-01-2007 "A Resolution approving and entering into an amended and restated agreement creating the Utah Local Governments Trust". Council Member Linford seconded the motion. Council Members Askerlund, Green, Adcock, Roberts, and Linford voted in favor of the motion.

PETITIONS AND COMMUNICATIONS

Nothing

REPORTS OF OFFICERS, STAFF, BOARDS, AND COMMITTEES

***Planning Commission
General Update***

Nothing

REPORTS BY MAYOR AND COUNCIL MEMBERS

Mayor DeGraffenried

Mayor DeGraffenried reported he has met with Larry Ellertson with regard to the Utah Lake Issue. He requested City Manager Chatwin draft a letter of support of the project.

City Manager Chatwin

Nothing

City Council Member Linford was told Kriser Excavation has begun work on the 450 East project. Council Member Linford also reported that the Durney's have, on a daily bases, a number of school age children that are using their property as a short cut to the school. Council Member Linford has agreed to contact the adjacent property owners about allowing a trail easement between properties.

Council Member Roberts requested additional compensation for the Mayor, City Council, and Planning Commission Members be included in the proposed budget. Council Member Roberts was told the Planning Commission, by State Law, could not receive compensation. He recommended serving dinner to the Commission from time to time as they are all volunteers and spend a "serious" amount of time working for the City.

Council Member Adcock reported the Pressurized Irrigation trenches are settling and need to be filled. He also reported that the Operator of the trench digger stopped and asked him if he needed to move his vehicle before he dug the trench; which Council Member Adcock felt was very considerate.

Council Member Green reported he met with the Chamber of Commerce who expressed their appreciation for having "their own home". He also requested the City's web page receive an update as there is an abundance of "needs".

Council Member Green reported he had a concern with the continuation of a closed-door swimsuit competition. Council Member Roberts indicated if we would like to play the game we should play by the rules of the game.

Council Member Askerlund reported each business owner within the City has received a "packet" outlining the package options with regard to the City Celebration. At this time, he has 3 commitments for the \$1000 package. Additional information will be available at the next Council Meeting.

EXECUTIVE SESSION (May be called to discuss the character, professional competence, or physical or mental health of an individual)

Nothing

EXECUTIVE SESSION (May be called to discuss the pending or reasonably imminent litigation, and/or purchase, exchange, or lease of real property)
Nothing

ADJOURNMENT

At 9:25 pm Council Member Green moved to adjourn. Council Member Linford seconded the motion. Council Members Askerlund, Green, Adcock, Roberts and Linford voted in the affirmative.

Approved on April 4, 2007.


James E. DeGraffenried, Mayor


Susan B. Farnsworth, City Recorder



MEMORANDUM

March 2, 2007

To: Mayor DeGraffenried and City Council
From: Dennis Marker, City Planner
RE: Vacation of a Portion of 5600 West (Center Street)
Located between approximately 700 North and 1100 North MISC#07-01

Note: This item was noticed for public hearing.

Background:

Mr. Garrett Seely, who represents Double G Investments, has petitioned the City for the vacation of a portion of 5600 West between approximately 800 North and 1000 North (**See attached map**). This petition relates to the development of the Orchards Subdivision and the realigning of 5600 West to better connect with Santaquin's Center Street. The Planning Commission and City Council have granted preliminary approvals of The Orchards Subdivision with condition that this proposed street vacation be reviewed through the appropriate processes. State law, §10-9a-608 and the Santaquin City Code (S.C.C.) requires that any proposed vacation, amendment, or change of a public street be reviewed during a public hearing before the Land Use Authority after recommendation from the Planning Commission.

Analysis:

City Ordinances. The S.C.C., §11-5-12.B., provides three criteria to be met when evaluating whether or not to vacate a street. They are as listed below with staff narrative based on facts concerning the proposal.

1. *Neither the public nor any person can demonstrate that a material injury will occur by the proposed vacation, alteration, or amendment, or*
2. *Such action is necessary for the health, safety, or welfare of the residents of Santaquin City, and,*
3. *That there is good cause for the vacation, alteration, or amendment*

No person to date has provided the City with evidence of possible material injury due to the proposed vacation. The applicant is the developer and contracted owner of those properties on both sides of the proposed vacation.

The proposed realignment of 5600 West is to better connect Center Street and improve the mobility of traffic to and from the City core. As the City's population increases and there is higher demand on this section of 5600 West, the realigned road will enable better traffic movement between the two streets and reduce traffic impacts on existing and future homes in the area.

The land to be vacated is roughly 0.3 acres of a 2-lane asphalted road with no curb, gutter or sidewalks. The land being dedicated to the City includes approximately 2.5 acres. This area will include a new 3-lane asphalt surfaced road, 10 feet wide trail on the east side and a 6 feet wide sidewalk on the other, with landscaped drainage swells and runoff channels to handle storm drainage.

Based on the improvements listed above and the benefits to be derived by their installation, the vacation is a benefit and necessary for the health, safety, or welfare of the residents of Santaquin City. There is good cause for vacation since the City is receiving more land and a better improved street system for the vacation.

Public Notice:

Since public notification, staff has received no comments relative to this item. Public comment during preliminary review of the Orchards Subdivision did include concerns about adequate traffic routes and access for the current and future residents. This proposal should address many of the concerns about access to the area.

Staff Concerns

Staff's primary concern is the ability of maintaining access to and from the north along 5600 West until the new alignment is finished and dedicated to the City. The developers need to install infrastructure and improvements along the proposed 50 West and Center Street will require periods of traffic impediment. The duration of the impediment should be kept to a minimum and any travel lane or street closures should be coordinated with the City public safety officials.

Recommendation:

The Planning Commission, during their March 8, 2007 meeting, forwarded a positive recommendation to the Council for the street vacation with one condition: That the right-of-way not be vacated until the new Center Street alignment is completed and dedicated to the City.

Staff also recommends the City Council vacate the proposed area of 5600 West, based on the following findings and condition.

Findings

1. Neither the public nor any person has demonstrated that a material injury will occur by the proposed vacation, alteration, or amendment taking place.
2. Such vacation is necessary for the health, safety, or welfare of the residents of Santaquin City, and
3. That there is good cause for the vacation.

Conditions

1. That traffic impediments be kept to a minimum and any travel lane or street closures should be coordinated on a daily basis with the City public safety officials, and
2. That no Certificate of Occupancy permits be given to those lots within the City's current 5600 West right-of-way until the new Center Street alignment is dedicated and accepted by the City.



Dennis L. Marker
City Planner



MEMORANDUM

March 16, 2007

To: Mayor DeGraffenried and City Council
From: Dennis Marker, City Planner
RE: The Orchards Subdivision (Final Review)
800 North Center Street

Zone: R-10 with PUD Overlay
Acres: 139+/-
Buildable Lots: 359

Background:

Mr. Garrett Seely, representing Double G Investments, LLC, is seeking final approvals of a 359 lot subdivision at approximately 800 North Center Street (**See attached map and subdivision plans**). The Development Review Committee (DRC) has reviewed the proposal and found that all required information and details has been provided and that the proposed developments comply with the City's standards for development.

The Orchards phases are as follows

Phase	Acres	Buildable Lots	Open Space*	Road Area*
The Orchards Plat A	25.04	111	0.0	7.57
The Orchards Plat B	19.40	88	0.0	6.4
The Orchards Plat C	21.60	92	0.0	6.01
The Orchards Plat D	16.07	68	0.0	5.67
The Orchards Plat E	11.02	0	3.82	7.20
Totals	93.13	359	3.82 acres	32.85 acres

* Acres. Road areas do include City Master Planned trails.

Analysis:

Lot Standards.

Required Lot size =	5,000 sq.ft.	Minimum Lot size =	5,040 (lot 205)
Required Lot size (Corner) =	6,000 sq.ft.	Minimum Corner Lot size =	6,336 (lot 236)
Required Lot Frontage (Interior) =	55 ft	Minimum Lot Frontage =	55.02 (lot 259)
Required Lot Frontage (Corner) =	65/65 ft	Minimum Lot Frontages =	65/85 (lot 236)

Concerns were expressed by the Planning Commission and City Council about the ability of the developer to construct homes and narrow lots or lots having little buildable area. The applicant has provided the floor plans and possible building locations on lots of concern for the Council to review (See Exhibit A).

The developer has prepared Code Covenants and Restrictions (CC&Rs) which would apply to all properties within the proposed subdivisions (See Exhibit B).

Access.

The subdivision will have direct access off Center Street, 100 East, 200 East, 100 West, 210 West. Roads in the development will be stubbed to the west and east to tie in to future developments and be in accordance with the City's Master Circulation Plan. All proposed lots would have direct access off of public streets. No private streets are proposed within this phase of the development. All improvements will comply with the City approved street cross-sections.

A portion of the public right-of-way along 5600 West will need to be vacated to accommodate 5 lots in Plat C. **The Planning Commission has forwarded a positive recommendation for the vacation of this portion of 5600 West right-of-way on the condition that the vacation process not be completed until the proposed Center Street alignment is completed.** The primary concern is the ability of maintaining access to and from the north along 5600 West until the new alignment is finished and dedicated to the City. Staff's concern about the vacation is the timing of construction of the future alignment with the developers need to install infrastructure and improvements along 50 West in Plat C.

Impact on Adjacent Properties.

Traffic. The largest impact on the adjacent properties will be the increased amounts of construction traffic in the area during construction and the increased traffic brought to the area by future residents. The North Orchards Development agreement requires the developer to provide a construction routing plan to limit impacts on existing neighborhoods. This plan is a requirement to be prepared before construction begins. It typically obtained during a pre-construction meeting with City staff.

The impact of future residents on the City's streets has been addressed in a traffic impact study prepared by Hales Engineering. In addition to those roads being improved with these subdivisions, it states,

"Currently, no mitigation measures are needed to accommodate the existing or plus project traffic conditions, however, Main Street should be monitored occasionally to identify when future capacity enhancing project are necessary."

Additional traffic impact studies (TIS) will be performed for each future phase of the north orchards development.

Dust. With the large amount of earth movement that will occur during construction of these subdivisions, adjacent residents will be subjected to increased amount of airborne particulates. The applicant is required to provide a staging and materials stockpiling and recycling plan to address dust and airborne particulate mitigation. This information is also requirement before construction can begin and is obtained during pre-construction meetings with staff.

Agricultural Operations. The orchards surrounding the development are part of functioning agricultural operations, which utilize pesticides, burning of woody materials, irrigation, and working hours not always consistent with residential neighborhoods. Persons moving into the subject

development should be made aware of these and other possible impacts associated with orchard farming. The applicant has incorporated language into development's Code Covenants and Restrictions (CC&Rs) which make future home owners aware of the adjacent uses. The developer will also be installing a 6 foot vinyl fence along agricultural properties adjacent to this development, which will help to shield them from residential impacts.

Sensitive Lands.

There are no areas with 30% or greater slopes within this development.

Recreation Amenities.

Although no park space (ball fields, gazebos, soccer fields, etc) are being proposed in these phases, they are still required in order for the developer to utilize high density housing within the "increased density area" master pads. The applicant will be installing the Center Street trail and a large segment of trail between 350 West and 200 East. These trails will be flanked by parkstrips and landscape areas.

Recommendation:

The Development Review Committee has forwarded a positive recommendation to the City Council for the final approval of The Orchards Plats A through E located at approximately 800 north Center Street, based on the following findings and subject to the following conditions:

Findings

1. The development is eligible for PUD status and increased densities based on the amenities being provided in accordance with the North Orchards Annexation and Development Agreement of which the proposed development is under.
2. The development complies with the standards for development which have been adopted and approved as part of the North Orchards Annexation and Development Agreement of which the proposed development is under.

Conditions

1. That the developer **dedicates adequate water shares** to the City or receive approval from the City Council for money in lieu of water shares prior to recordation of the subdivision plats or construction begins.
2. That prior to construction the following information is provided to staff for review and approval:
 - a. A **construction routing plan** to address impacts on existing streets
 - b. A **staging and materials stockpiling and recycling plan** which includes dust and airborne particulate mitigation.
3. That all required **bonding and inspection fees** be paid prior to construction beginning.

Dennis L. Marker



SANTAQUIN CITY CORPORATION

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www.santaquin.org

MEMO

TO: Mayor and City Council

FROM: Stefan Thomas Chatwin, City Manager

DATE: 03/21/2007

RE: Allied Waste Services Contract

Allied Waste Services has expressed some concern this past year that, under current conditions, providing waste management to some areas outside of their more heavily concentrated service area is not favorable to their business model. They have examined the possibility, at the discretion of the city, of selling the remainder of their contract to another provider. However, other more localized and smaller providers interested in assuming the waste management contract can not meet all of the requirements of said contract (such as bonding and equipment). They have since abandoned the idea of selling off the remainder of the contract and have expressed their intent to continue honoring the terms of the current contract through its end (approximately 4 more years).

My concerns with continuing the contract with Allied under the current conditions are:

Losing a good partner and provider at contract's end

Struggling to find similar value, price and service in new bid at end of contract

Creating a "reason" for current provider to list Santaquin as a "lower" priority due to dissatisfaction and deteriorated relationships

After several meetings with representatives from Allied Waste Services at our invitation, Allied Waste has proposed a possible change to the current contract for solid waste management (again this proposal was initiated and invited by the city). Based on their proposal, the increase in revenues paid to Allied Waste would increase by approximately \$1.40 per can or approximately \$2,879.00 per month. This includes the responsibility of Santaquin to pay landfill/transfer fees rather than building that cost into the contract (lower per can fees paid to Allied but city assumes landfill/transfer costs of approximately \$6,439 per month). Allied Waste would be able to reduce the city's

landfill costs by increasing service days from one day per week to two days per week (new schedule with half the city's garbage picked up on one day and the other half picked up the next day). The Goshen Transfer Station where we take most of our waste can not accommodate all of it in a single day so we are forced to take the rest to other sites costing between 3 and 13 dollars more per ton.

The increase in revenues paid to Allied Waste can easily be absorbed into the current rates we charge our citizens (we would not need to increase user fees).

My recommendation is that we accept this proposal in good faith with the condition that Allied Waste extend the revised contract an additional 2 years. By so doing, I believe that Allied will continue providing the excellent service we've received thus far and will more likely be interested in partnering with Santaquin throughout these exciting growth and development years ahead. I believe this is in both Allied Waste's and Santaquin City's best interest.

Stefan Thomas Chatwin



March 14, 2007

Mr. Stephan Chatwin
Santaquin City
45 West 100 South
Santaquin, Utah 84655

Dear Stephan,

Following is our proposal for the continuation of waste collection services for Santaquin. We appreciate you taking the time to meet with us and discuss our current situation.

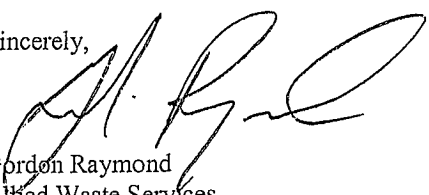
Allied Waste proposes the following:

- Santaquin City to directly pay all landfill / transfer station fees associated with the disposal of Santaquin residential waste. Anticipated cost to Santaquin is between \$4,600 and \$6,400 per month.
 - The following shows disposal volumes and cost over 3 sample months.

▪ July '06	253.79 tons	\$7,213
▪ September '06	228.94 tons	\$6,670
▪ December '06	<u>180.09 tons</u>	<u>\$5,433</u>
▪ 3 month average	220.94 tons	\$6,439
 - All future wastes to be disposed of at Goshen Transfer Station for \$25 per ton. The three-month sample period included 40% of all tonnage being disposed of at other sites charging between \$28 and \$38 per ton.
- Allied Waste will reduce the current rate on 1st containers to \$5.75 producing a current savings of \$3,560 monthly. The charge for additional containers will remain unchanged at \$5.25.
- Allied Waste will need to change service days from one time per week to two times per week. This day change will allow for disposal of almost all, if not all, waste at the Goshen Transfer providing the savings described above. It will also allow us the ability to continue to meet Santaquin City's needs due to the continued growth. Proper notice will be given to residences through help of City communications. Allied Waste will also tag containers that fail to understand the day change.

These changes should allow us the ability to maintain the quality service that Santaquin has become accustomed to. If you have any questions please feel free to contact me at your convenience.

Sincerely,


Gordon Raymond
Allied Waste Services