



MURRAY CITY MUNICIPAL COUNCIL COMMITTEE OF THE WHOLE

The Murray City Municipal Council met as a Committee of the Whole on Tuesday, May 21, 2019 in the Murray City Center, Conference Room #107, 5025 South State Street, Murray Utah.

Council Members in Attendance:

Dale Cox – Vice Chair	District #2
Diane Turner	District #4
Brett Hales	District #5

Council Members Excused:

Dave Nicponski - Chair	District #1
Jim Brass	District #3

Others in Attendance:

Doug Hill	Chief Administrative Officer	Jan Lopez	Council Director
G.L. Critchfield	City Attorney	Jennifer Kennedy	City Recorder
Jackie Coombs	UAMPS	Kim Sorensen	Parks & Rec. Director
Jennifer Heaps	Comm. & PR Director	Pattie Johnson	Council Office
Rob White	IT Director	Danny Astill	Public Works Director
Bruce Turner	Power – Operations Manager	Danny Hansen	IT
Jon Harris	Fire Chief	Greg Bellon	Power – Asst. Gen. Mgr.
Lori Edmunds	Cultural Arts Director	Jordan Knight	Risk Manager
Teresa Brunt	Int. Mountain Medical Center	Kat Martinez	Resident

Mr. Cox called the Committee of the Whole meeting to order at 5:15 p.m. He noted Mr. Brass, Mr. Nicponski, and Mayor Camp as excused, due to out of town city business. Mr. Hill would sit in for Mayor Camp.

Approval of Minutes - Mr. Cox asked for comments or a motion on the minutes from:

- Committee of the Whole – February 19, 2019

Ms. Turner moved approval. Mr. Hales seconded the motion. (Approved 3-0)

Discussion Items

Murray City Power Department Quarterly Report – Blaine Haacke

UAMPS (Utah Associated Municipal Power Systems) representatives provided a status update and timetable review about the short- and long-term project, known as the UAMPS Carbon Free Power Project, or SNRs (small nuclear reactors). Mr. Haacke confirmed council members were previously aware of Murray's token of interest in the exploratory and investigative process of licensing of the resource located in Idaho; however, a decision was now required, as to whether the city would increase interest and involvement – or back out. In addition, city staff considered the resource a positive addition to the city's portfolio, with well-suited cost-effective numbers, and dispatchability. The plant is considered a quick-to-react plant; when resources like solar and wind cannot function, due to thick cloud cover or lack of wind, SNR access provides fast moving power generation– unlike other power plants.

As UAMPS members, Murray was allowed access to the new energy during Phase One, along with specific criteria for attaining funding from the DOE (Department of Energy). Initially, the city looked to attain 1MW (megawatt) of the renewable energy; however, if subsidies and grants are to be obtained, an increase is required. Mr. Haacke noted 1MW was about 2% of the city's required energy load; very little. By increasing that amount to 5MW, the city could take full advantage of government and grant funding, and when necessary attain 7% of the city's energy requirement.

Council members were encouraged to ask questions regarding the new resource, as UAMPS representatives discussed and reviewed the project using a power point. (See Attachment #1) The following key aspects were noted:

- NuScale's groundbreaking work for developing the new technology started with support from the DOE that included a \$226 million, 50/50 cost share agreement, with continued support for getting the site developed. The plant consists of 12, 60MW electric reactors, independently generated inside one facility. The project would be located on 40 acres of land, would produce a total number of 720MW, avoids carbon-based fuel, and federal government regulations; the high dense energy, leaves a small environmental footprint.
- NuScale's design certification process occurred with the help of the NRC (Nuclear Regulatory Commission). Tremendous progress was made last year, after years of discussion between the NRC and NuScale, before an application for certification was submitted. Due to revolutionary technology, confirmed by the NRC, no backup power would be required. For example, power grid access is typically necessary for most power plants, to safely shutdown and start-up. However, this new technology does not require it, because of the quick ability to ramp modules up, and down, when other resources fail.
- The emergency planning zone is an evacuation zone required for all NR's in the country. It is usually a mandatory 10-mile radius. However, given the inherent safety of the technology, a fence line around the facility is considered efficient. It was stressed that this was a testimony of safe technology. The resource has little impact on the environment and surrounding community, which is comparatively not a huge population.
- The price target was initially \$65 per MWh (megawatt hour); however, the current price looks to be \$55 per MWh, which would be competitive with natural gas pricing. Colorado, California, Washington State, and New Mexico are other states that recently passed legislation for clean renewable targets and favor nuclear energy

as a role in de-carbonization. The UAMPS project caused utility interest from other states that might consider participating in the project also. The resource option would not be exposed to future government regulations, CO2 compliance costs, and would be monitored for fitting-in-with the potential western fuel markets.

- The development of Phase One with a \$6 million budget, is still under a 100% reimbursement agreement if participants decide not to move forward, by terminating the project. Therefore, another key decision would be required in September of 2019. All remaining phases are unchanged until August of 2021, after NRC licensing, and prior to construction. Cost estimates for the SNR would be revised by NuScale throughout all phases of the project, which would be complete in 2027.
- The city currently participates and utilizes energy from two coal fired power plants; the San Juan project, which is scheduled to close by 2022 leaving a void of approximately 8MW; and the Hunter plant, most likely scheduled to close by 2030, bringing the total megawatt shortage to 25. Since the SNR plant is not ready until 2027, energy must be replaced to meet city loads. To hedge against future load needs, UAMPS representatives suggested a total of 15MW as a good starting spot for the city. It was noted that Murray was one of the first members in the Hunter project in the 80's, with foresight to cover community needs and low cost energy pricing, therefore, the same outlook for the SNR and its benefits should be considered as long-term stability for Murray, for the next 40 years.
- In summary, the SNR is not a provision for new growth but considered a replacement project with plenty of room for additional renewable resources, with an overall balanced portfolio of non-carbon base generation. The city would still have emergency back up with gas turbines located in the city for fail safe energy should the grid be lost, and as coal resources are vanishing.

Ms. Turner noted the emergency planning zone and asked how far the distance was from the facility to the fence line. UAMPS representatives confirmed the fence line borders 40 acres of land, which constituted the emergency planning zone that did not extend out from the site location itself.

Mr. Cox asked if reactors would be centered in the middle of 40 acres. UAMPS confirmed the siting process was still underway for future core facilities, but all associated buildings would be located somewhere within the fence line; an administrative building would be located outside the fence line. The entire site is 880 square miles, so several locations would be considered for siting several facilities. In addition, UAMPS reported they are working sensitively as good neighbors, with the Shoshone-Bannock Tribe, who see the land as their ancestral hunting grounds. A positive relationship was reported so far.

Mr. Hales noted the site area west of Idaho Falls. UAMPS representatives confirmed the location 60 miles in-between Idaho Falls and Blackfoot, north of Pocatello; also, nearby are Army, Navy and other top-secret military properties.

Ms. Turner asked about cooling procedures using water. It was explained that independent engineers analyzed three possible principal-types of cooling that could be deployed at the site: wet cooling, which is the most water intensive and a traditional method; hybrid, which is less water; and dry cooling, which utilizes the least amount of water. Various costs and benefit analysis were considered for all three technologies, as related to operations and water acquisition, for the 40-year life span of the project; it was determined that dry cooling would most likely be used at the project. Fine tuning all associated costs for dry cooling would be completed in 60 days.

Mr. Haacke reported as UAMPS members, the city was presently looking at energy from a large-scale solar project as well. UAMPS representatives confirmed a 60MW solar utility grid resource located in southeastern Utah, where preliminary plans are for Murray to attain 5MW.

Ms. Turner expressed concern about hidden costs associated with the SNR project; she appreciated careful monitoring to ensure costs would be exactly as conveyed, and affirmed if costs became exceedingly high, she recommended terminating the agreement. Ms. Coombs confirmed off-ramp opportunities for that reason.

Mr. Haacke provided a brief update on the recent Navajo project to supply power to a reservation in the four-corners area. Four Murray power crewmembers participated in the nation-wide, six-week effort. After two days, Murray employees installed four half-mile transmission lines to power four homes that previously had no power; they also installed 110 power poles and power lines extending a total of 10 miles. Mr. Turner appreciated the opportunity to participate in the much-needed project and confirmed residents were overjoyed with the results, which took four, 20-hour days to complete.

Murray City Risk Management Report – G.L. Critchfield and Jordan Knight

Mr. Knight provided an overview regarding his responsibilities as risk manager, shared a power point explaining the Murray Risk Management Program that included pie and bar charts, various graphs and information to explain nationwide trend comparison, and increasing trends in the city. (See Attachment #2 for details.) The following outlines his review:

- Mission of the Risk Department.
- Murray City insurance summary and total cost.
- Accountability.
- Data.
- Liability claims – Including associated count and cost.
- Subrogation recoveries.
- Workers Compensation claims – Including associated count and cost.
- Program Foundation – Including city policy and procedure organization.
- Risk Fund.

Mr. Knight explained the risk program is built upon data; since data drives the direction of program actions, incident reporting procedures, and natural data tracking is most significant. In addition, a proper risk tolerance is the foundation of the program, where the city's assumed risk is based on certain factors, such as, knowing what action to take, and how much risk and exposure should be taken, as opposed to, how much money should be spent on insurance premiums. All key elements come from management support, and accountability, as well as, having a strong Risk Committee in place that includes continued policy training, which uphold the risk program.

He said currently, the Risk program is doing well, however, goals are important, and much work is still needed; there is a push to get the Risk Committee up and running to create additional policies and schedule more trainings.

Ms. Turner wondered what was meant by creating more policies, and asked what policies were needed. Mr. Knight explained he and city attorneys worked closely with Mayor Camp's office to come up with new policies; drafted upon what is unique to Murray City, services the city offers, and exposures that would help control risk.

Mr. Hales wondered if it was procedures that were needed, as opposed to 'more policies' - because it was the overall duty of the council to approve city policies recommended by the Mayor and staff.

Mr. Critchfield clarified, for example, in the area of safety, procedures are to be established; however, policies referred to in the Risk Program apply to certain administrative departments, and general policies that apply to specific city employees. For example, the vehicle policy.

Ms. Turner asked whether the program ensured policies were enforced or created. Mr. Critchfield confirmed some policies were not in place that needed to be established. And, through a Risk Committee, he expected policies to filter down and be enforced with accountability.

Mr. Hill noted a past conversation about the travel policy for city employees. He confirmed a policy clarifying what would happen when an employee rented a vehicle for traveling on city business. A policy of this nature would address questions about whether car insurance was required on behalf of the employee, in case of an accident, to protect the city's interest.

Mr. Hales requested a quarterly update in the future from the Murray Risk Management Program. All council members agreed the information was insightful. Mr. Knight appreciated his staff and credited them for good accomplishments.

County TRCC Funds Contribution – Kim Sorensen and Lori Edmunds.

Mr. Hill explained the city submitted a TRCC (tourism, recreation, culture and convention) grant request for attaining cultural facilities financial assistance to remodel the Murray Theater. The city owns the theater and desires to restore the building for public use. As a result, the city received the grant. The council would consider the resolution during tonight's council meeting related to the contract agreement with Salt Lake County to receive grant funds and raise matching dollars according to grant fund provisions. Mr. Sorensen and Ms. Edmunds noted the following grant information:

- Grant type – Reimbursement.
- Total grant funding = \$3.6 million.
- What the city budgeted for the project this year = \$1 million.
- Estimated cost to refurbish = \$7.3 million.
- Matching amount needed = \$2.7 million.

Mr. Sorensen confirmed the city would begin fund raising to meet required matching funds. An RFP is currently out to hire a design architect, and he anticipated the hiring process would take approximately 6 months. An update would be given once proposals were reviewed.

Ms. Edmunds added once the overall cost for the architect was known, the city would approach various private donors for contributions. Involving the community to donate would provide a personal level of giving for the future venue, as well.

Announcements: Ms. Lopez made several announcements related to coming events for the council members.

Adjournment: 6:15 p.m.

**Pattie Johnson
Council Office Administrator II**

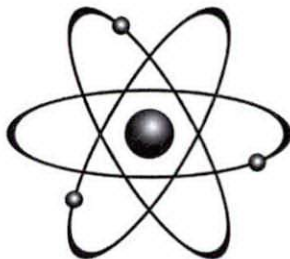
ATTACHMENT #1

PLANNING FOR THE FUTURE

**MURRAY CITY COUNCIL
WORK SESSION
MAY 21, 2019**

1

WHAT IS THE CFPP?



- NuScale Technology
 - Pressurized Light Water Reactor
 - 12 - 60 MW NuScale Power Modules (NPM)
 - 720 MW Gross
- Location
 - 40 acres
 - Idaho National Laboratory in Southeastern Idaho
- Transmission Access
 - PacifiCorp
 - Bonneville Power
 - Idaho Power Company



2

DOE FINANCIAL SUPPORT

- **UAMPS finalizing renewal of existing 50/50 cost sharing arrangement with DOE**
 - 5 year term through 2024
 - \$59.5 M UAMPS and \$59.5M DOE
- **Joint Use Modular Plant**
 - Memorandum of Understanding between DOE/BEA/UAMPS
- **Power Purchase Agreement**
 - 40 year PPA between UAMPS/WAPA or BPA/IPC/DOE for output of NPM
- **NuScale Support**
 - \$226M under original DOE award
- **Site Support**
 - Site Agreement
 - Seismic Study (SSHAC)



3

CFPP ATTRIBUTES

- NRC finding that NuScale Plant will not require **Back-Up Power** from either on-site sources or grid for safe shut-down
- **Fast Dispatch** from 33% to 100% of capacity
- NRC finding that NuScale plant will only be required to have **Emergency Planning Zone** to its fence line

4

ON-GOING ANALYSES

DOE Site Lease

- Site characteristics pursuant to NRC guidelines

Sho-Ban Consultation

- UAMPS has briefed the Tribes on its site selection process and has received feedback based on the Tribes' interest

Steam Cycle Cooling

- Wet, evaporative cooling; 21,000 acre-feet
- Dry, air cooled condensers; 2,000 acre-feet
- BOD is evaluating the economics of each, decision expected this summer

Economic Impact Report (REDI)

- Estimated 3,356 construction jobs
- Estimated 300 + direct operational jobs
- 80% of workforce can be trained from existing workforce



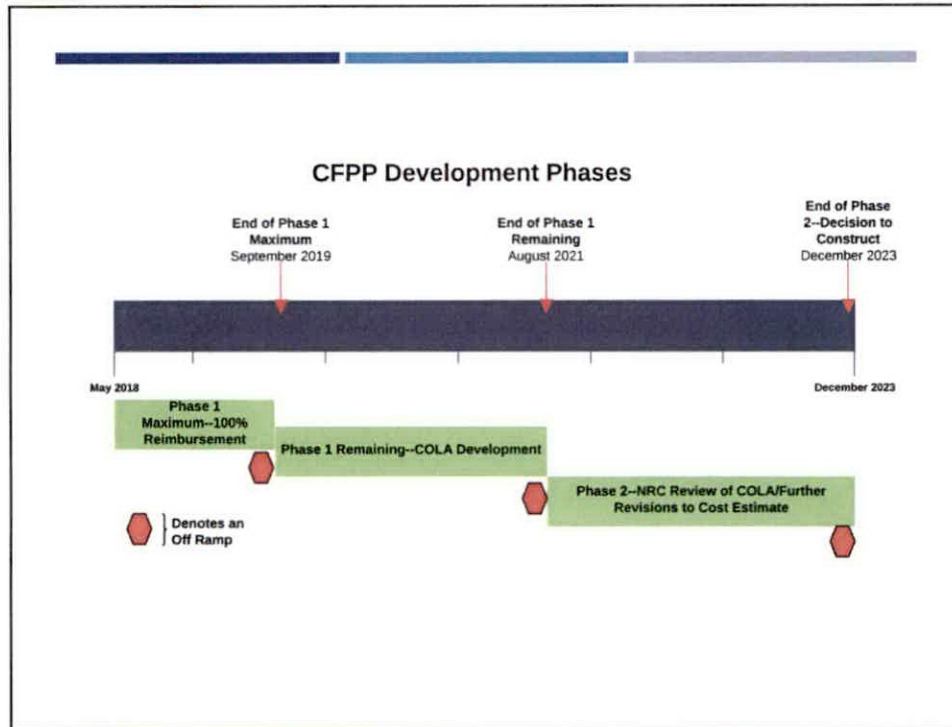
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COST AND VALUE PROPOSITION

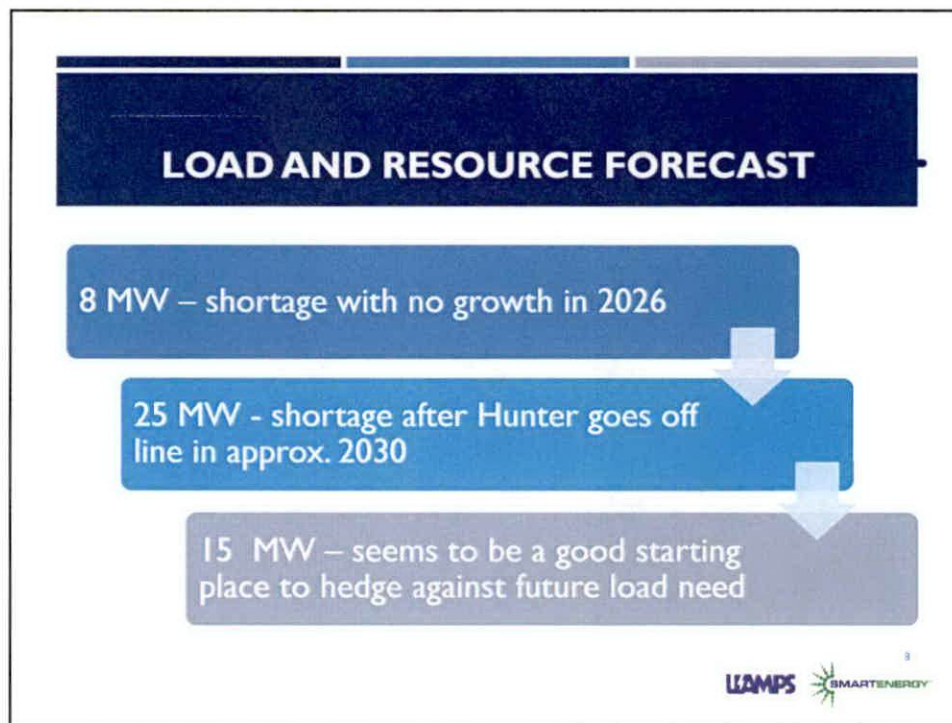
- Contractual not-to-exceed \$55 per MWh (\$2018\$)
 - Competitive with NGCC at current natural gas prices
 - Fits within the 100% clean power generation bills passed by California, Washington, and New Mexico
 - Market based response to GHG, eliminates need for Federal Regulation
 - Complements Electric Market Regulation (ISO/RTO)

6

6



7



8

ATTACHMENT #2

MURRAY CITY

Risk Management



Risk Management Program



"The Discipline That Allows An Entity To Succeed."

MISSION

Create a safe working environment for all employees.

Cultivate and promote a safe atmosphere for the surrounding community.

Protect the assets and financial interests of the City from potential loss and liability.



Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
March 2019 <i>(22 Incidents / 31 Days)</i>					1	2
3	4 Property Subrogation (Cemetery)	5	6 WC Injury (Fire)	7 General Liability (Water) Property Subrogation (Water)	8 WC Injury (Police) General Liability (Water)	9
10 Property Subrogation (Power)	11 Property Subrogation (Power) Property Subrogation (Power)	12	13	14 Property Subrogation (Power) Property Subrogation (Power) WC Injury (Fleet)	15 General Liability (Power)	16
17	18	19	20 Auto Liability (Fire) General Liability (Heritage Center)	21	22	23
24 Property Subrogation (Power) WC Injury (Fire)	25 Auto Liability (Police) WC Injury (Police)	26 Auto Liability (Fire) WC Injury (Water)	27 General Liability (Engineering)	28	29	30
31						

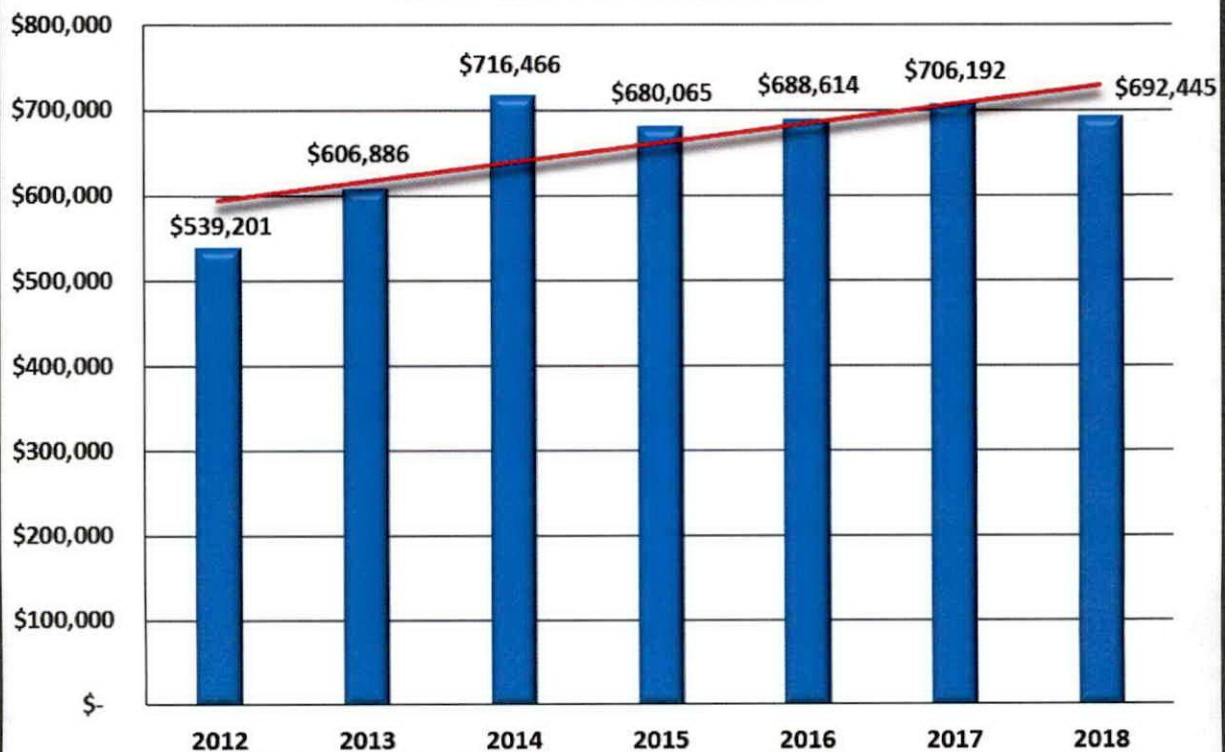
Murray City Insurance Summary

(8 Insurance Policies / 1 Bond)

#	Policy	Carrier	Premium	Limit	Deductible
1)	Workers Comp	WCF	\$ 294,137	Statutory	\$ -
2)	General Liability	States RRG	\$ 182,791	\$10M	\$ 250,000
3)	Property	AFM	\$ 169,414	\$202M	\$ 25,000
4)	Crime	Travelers	\$ 4,000	\$1M	\$ 50,000
5)	Auto - Physical Damage	Great American	\$ 14,160	\$9M	\$ 25,000
6)	Auto - Overnight Parked	Great American	\$ 8,755	\$8M	\$ 25,000
7)	Cyber	Travelers	\$ 15,547	\$2M	\$ 25,000
8)	Pollution	Homeland	\$ 2,184	\$1M	\$ 1,000
9)	Treasurer's Bond	Travelers	\$ 1,457	\$2M	\$ -

\$692,445

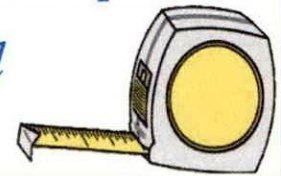
Total Cost of Insurance



DATA

- ❖ The Foundation Of The Risk Program.
- ❖ Determines The Program's Direction & Actions.

A Program Is Only As Good As The Data It's Built Upon
What Gets Measured, Gets Improved

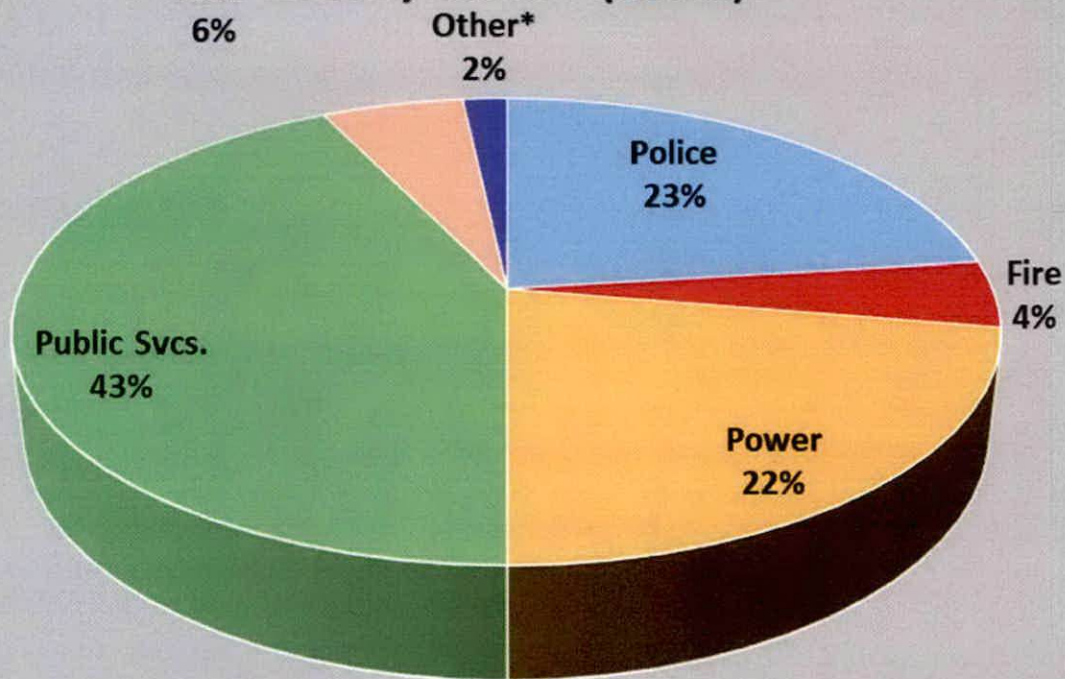


Liability Claims (Count)

Year	Citywide	Police	Fire	Power	Public Svcs.	Golf	Other*
2014	124	25	8	27	56	6	2
2015	108	22	5	23	50	4	4
2016	101	21	0	34	39	6	1
2017	117	34	8	19	42	9	5
2018	128	31	5	26	59	7	0
Total	578	133	26	129	246	32	12
Avg.	116	27	5	26	49	6	2

*Other = Library; Court; CED; ADS

Liability Claims - (Count)

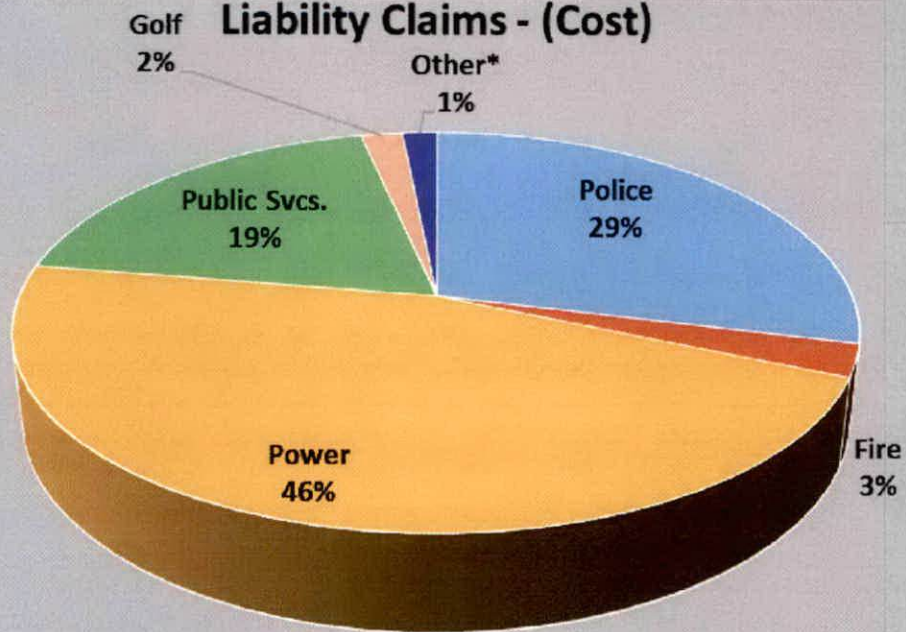


Liability Claims (Cost)

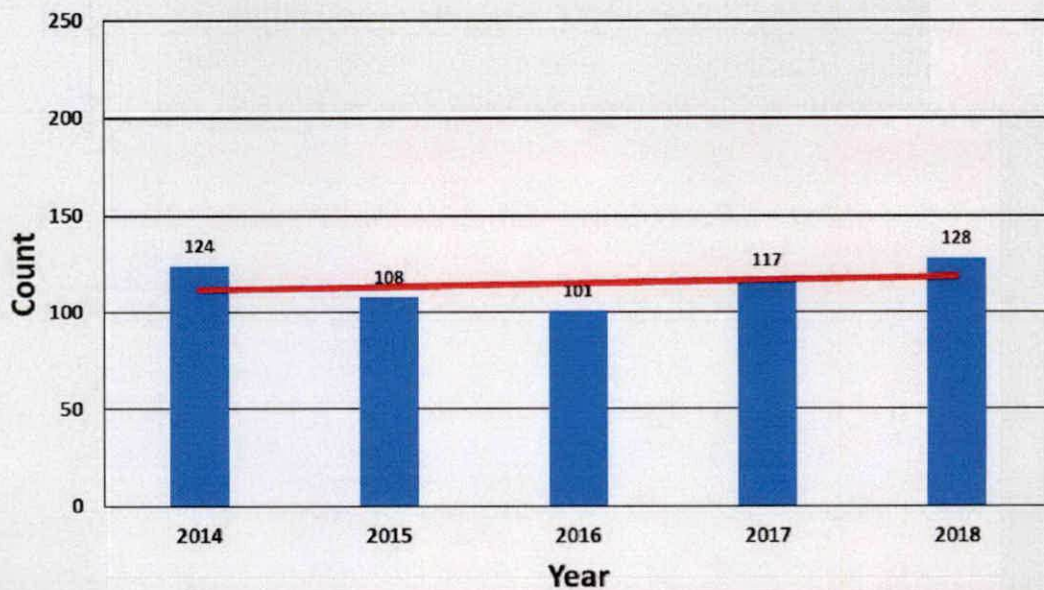
Year	Citywide	Police	Fire	Power	Public Svcs.	Golf	Other*
2014	\$ 211,736.00	\$ 60,842.00	\$ 13,195.00	\$ 116,927.00	\$ 18,442.00	\$ 1,847.00	\$ 483.00
2015	\$ 236,948.96	\$ 54,667.00	\$ 2,285.96	\$ 127,209.00	\$ 50,877.00	\$ 1,307.00	\$ 603.00
2016	\$ 163,307.00	\$ 30,744.00	\$ -	\$ 100,174.00	\$ 22,518.00	\$ 3,271.00	\$ 6,600.00
2017	\$ 131,014.00	\$ 55,378.00	\$ 3,400.00	\$ 22,467.00	\$ 38,009.00	\$ 5,011.00	\$ 6,749.00
2018	\$ 172,163.00	\$ 61,113.00	\$ 5,155.00	\$ 55,436.00	\$ 44,532.00	\$ 5,927.00	\$ -
Total	\$ 915,168.96	\$ 262,744.00	\$ 24,035.96	\$ 422,213.00	\$ 174,378.00	\$ 17,363.00	\$ 14,435.00
Average	\$183,033.79	\$52,549	\$4,807	\$84,443	\$34,876	\$3,473	\$2,887.00

*Other = Library; Court; CED; ADS

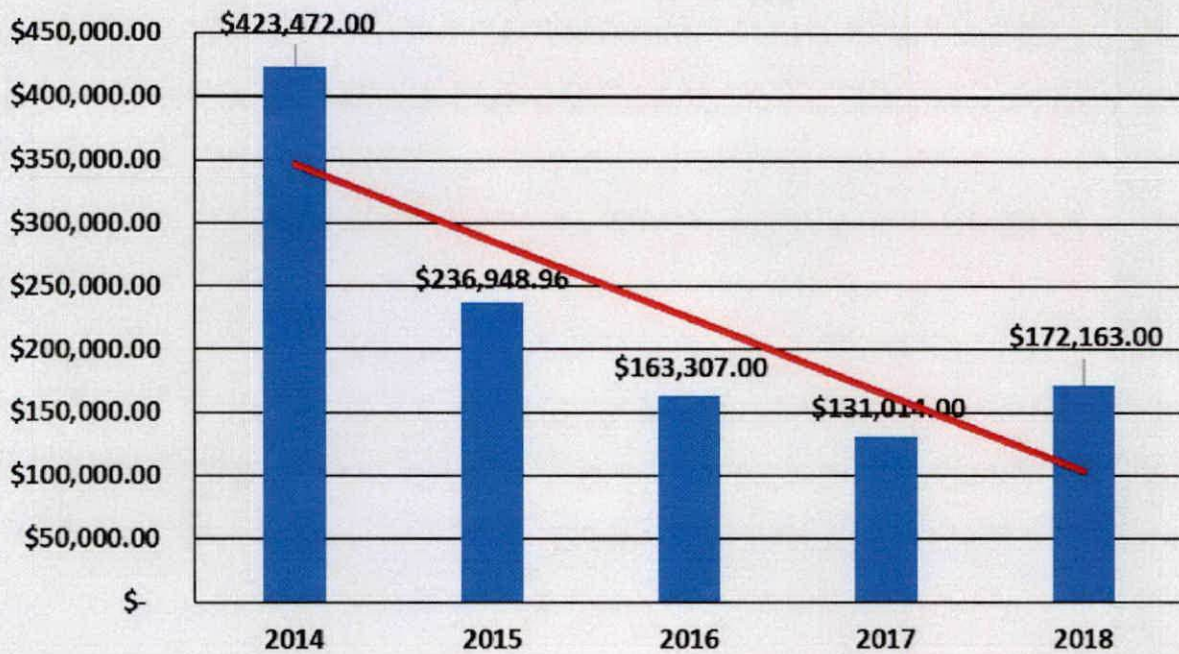
Liability Claims - (Cost)



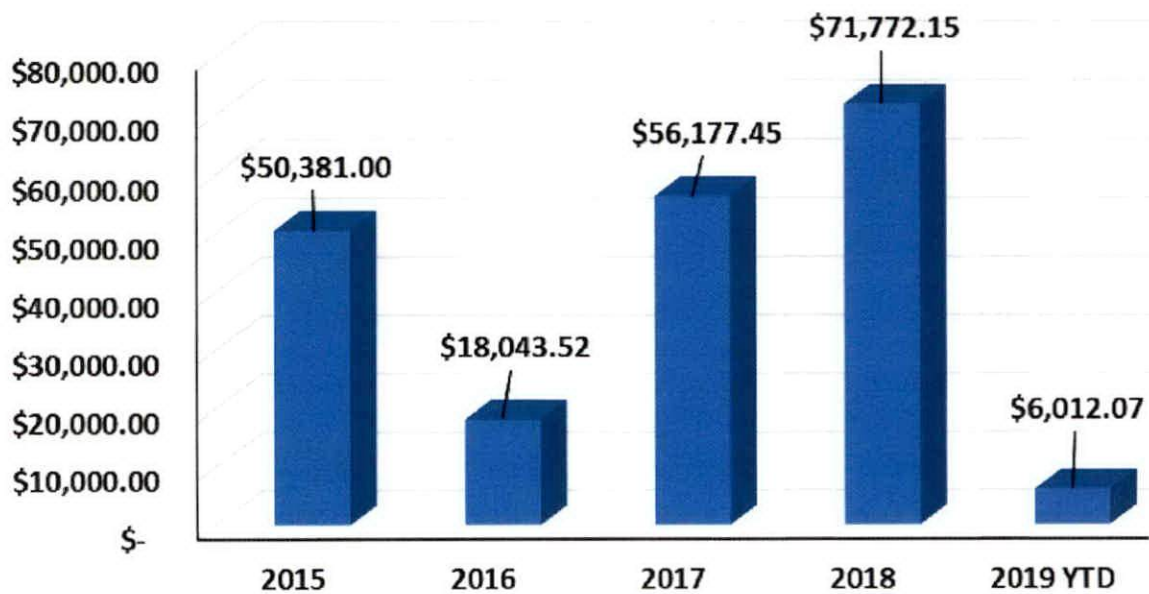
Liability Claims - Citywide (Count)



Liability Claim Cost (\$)



Subrogation Recoveries

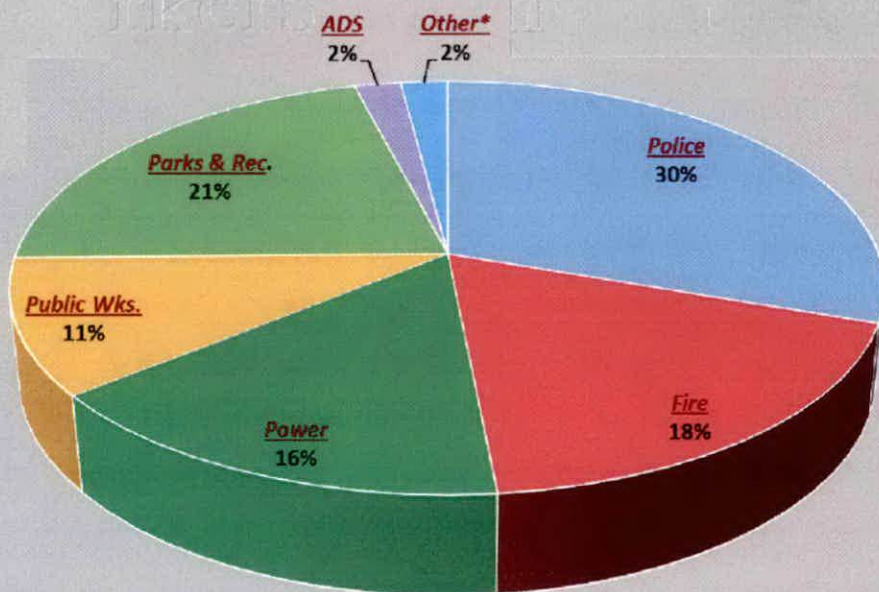


Workers Comp Claims (Count)

NUMBER OF WORKERS COMPENSATION CLAIMS								
	City	Police	Fire	Power	Public Wks.	Parks & Rec.	ADS	Other*
2014	39	14	6	7	2	8	1	1
2015	40	12	5	5	5	12	0	1
2016	41	12	12	3	4	9	1	0
2017	46	12	7	11	7	7	0	2
2018	32	10	6	5	3	6	2	0
Total	198	60	36	31	21	42	4	4
Avg.	40	12	7	6	4	8	1	1

* "Other" = HR; Finance; Attorney; Court; Library

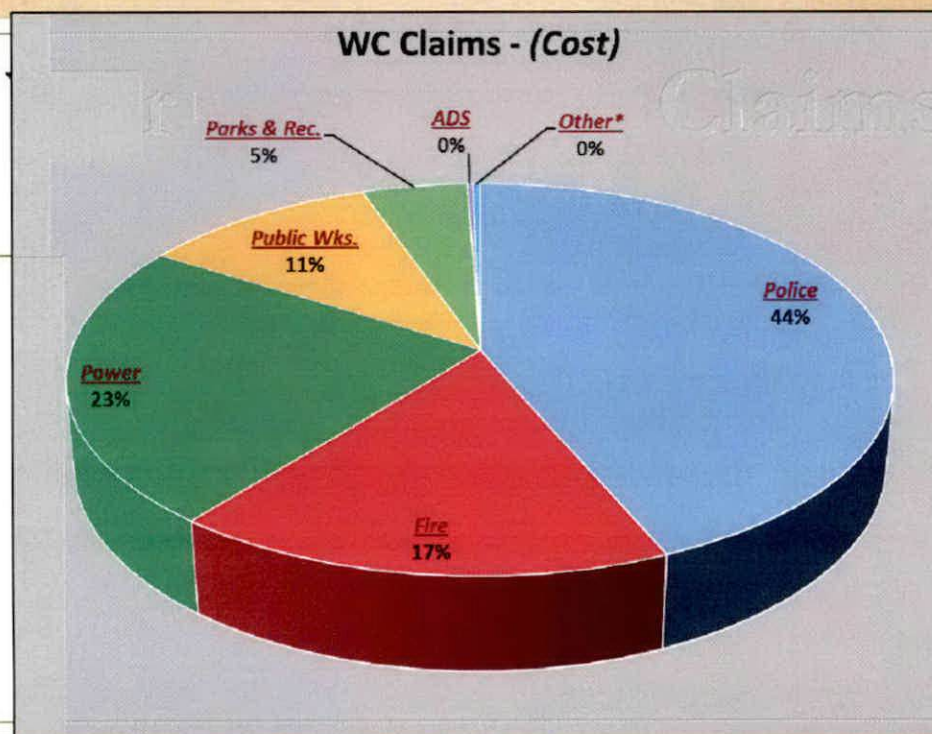
WC Claims - (Count)



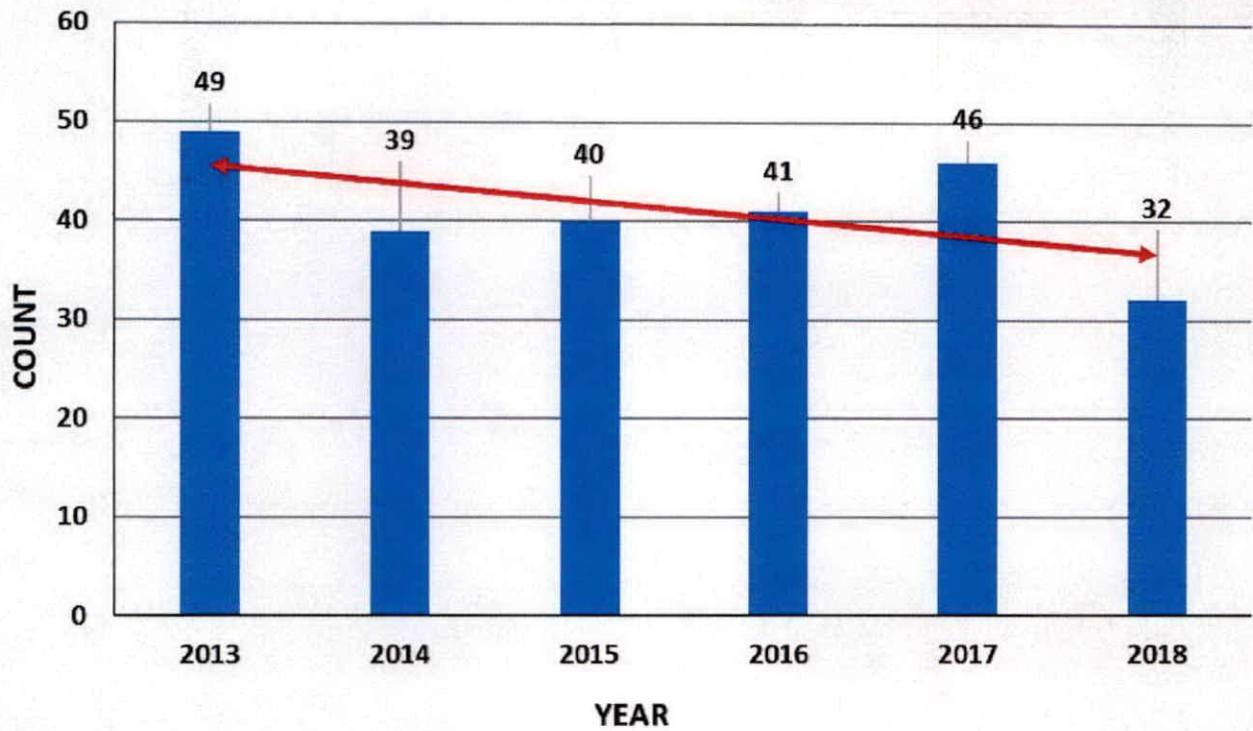
Workers Comp Claims (Cost)

TOTAL INCURRED COST OF WORKERS COMPENSATION CLAIMS								
	City	Police	Fire	Power	Public Wks.	Parks & Rec.	ADS	Other*
2014	\$258,415.23	\$ 112,079.00	\$ 20,211.33	\$ 105,958.00	\$ 1,522.10	\$ 18,497.32	\$ 147.48	\$ -
2015	\$ 69,196.98	\$ 35,549.00	\$ 19,488.00	\$ 2,745.46	\$ 3,316.97	\$ 6,636.73	\$ -	\$ 1,460.82
2016	\$179,482.85	\$ 90,833.00	\$ 65,539.00	\$ 13,711.80	\$ 6,313.21	\$ 2,780.84	\$ 305.00	\$ -
2017	\$177,891.67	\$ 63,844.30	\$ 11,844.80	\$ 36,623.36	\$ 63,558.65	\$ 1,179.56	\$ -	\$ 841.00
2018	\$ 21,259.00	\$ 5,779.00	\$ 3,445.00	\$ 5,374.00	\$ 690.00	\$ 4,633.00	\$ 1,338.00	\$ -
Total	\$ 706,246	\$ 308,084	\$ 120,528	\$ 164,413	\$ 75,401	\$ 33,727	\$ 1,790	\$ 2,302
Avg.	\$ 141,249	\$ 61,617	\$ 24,106	\$ 32,883	\$ 15,080	\$ 6,745	\$ 358	\$ 460

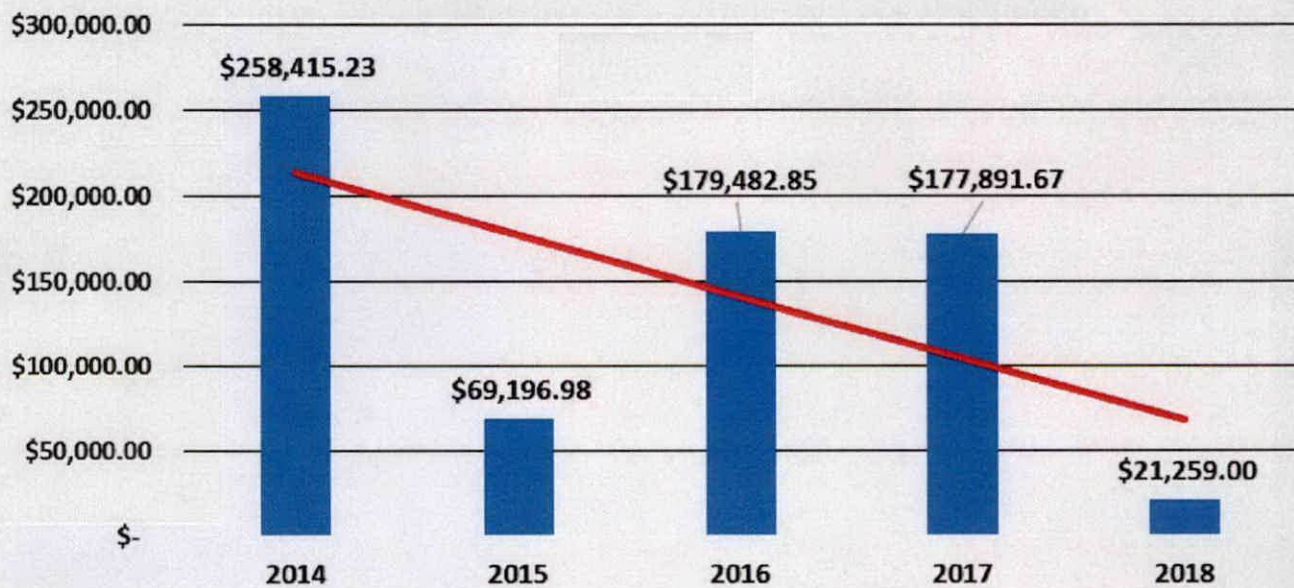
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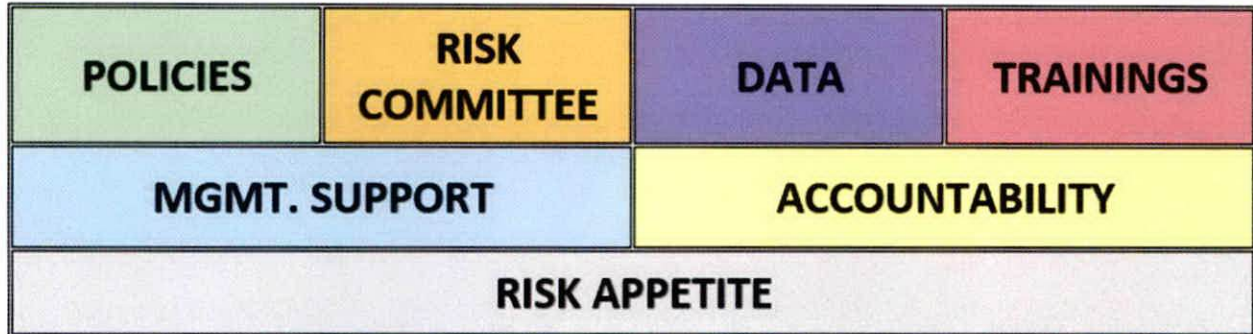
Workers Comp Claims



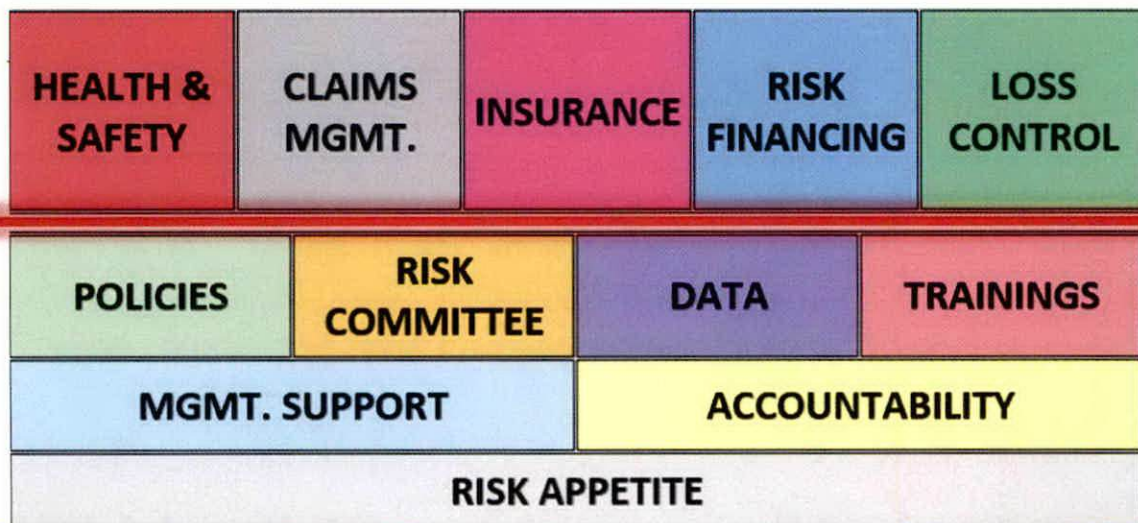
Workers Comp. Cost (\$)



Program Foundation



Program Foundation



Risk Program

**HEALTH &
SAFETY**

**CLAIMS
MGMT.**

INSURANCE

**RISK
FINANCING**

**LOSS
CONTROL**

POLICIES

**RISK
COMMITTEE**

DATA

TRAININGS

MGMT. SUPPORT

ACCOUNTABILITY

RISK APPETITE

Questions

?