



MURRAY
CITY COUNCIL

Committee of the Whole Meeting August 1, 2023



Murray City Municipal Council Committee of the Whole Meeting Notice August 1, 2023

PUBLIC NOTICE IS HEREBY GIVEN that the Murray City Municipal Council will hold a Committee of the Whole meeting beginning at 5:30 p.m. on Tuesday, August 1, 2023 in the Poplar Meeting Room #151 located at Murray City Hall, 10 East 4800 South, Murray, UT.

Meeting Agenda

5:30 p.m. **Committee of the Whole** – Poplar Meeting Room #151
Garry Hrechkosy conducting.

Approval of Minutes

Committee of the Whole – June 6, 2023
Committee of the Whole – July 11, 2023

Discussion Items

1. UAMPS presentation on the current status of SMR (Small Modular Reactors) – Rich Walje, Carbon Free Power Project Sr. VP of Business Development (45 minutes)

Adjournment

NOTICE

Supporting materials are available for inspection on the Murray City website at www.murray.utah.gov.

Special accommodations for the hearing or visually impaired will be made upon a request to the office of the Murray City Recorder (801-264-2663). We would appreciate notification two working days prior to the meeting. TTY is Relay Utah at #711.

Council Members may participate in the meeting via telephonic communication. If a Council Member does participate via telephonic communication, the Council Member will be on speaker phone. The speaker phone will be amplified so that the other Council Members and all other persons present in the Poplar Meeting Room will be able to hear all discussions.

On Friday, July 28, 2023, at 9:00 a.m., a copy of the foregoing notice was posted in conspicuous view in the front foyer of the Murray City Hall, Murray, Utah. Copies of this notice were provided for the news media in the Office of the City Recorder. A copy of this notice was posted on Murray City's internet website www.murray.utah.gov and the state noticing website at <http://pmn.utah.gov>.

Jennifer Kennedy
Council Executive Director
Murray City Municipal Council



MURRAY
CITY COUNCIL

Committee of the Whole Minutes

**MURRAY MUNICIPAL COUNCIL
COMMITTEE OF THE WHOLE**

Meeting Minutes

Tuesday, June 6, 2023

Murray City Center - 5025 South State Street, Conference Room, Murray, Utah 84107

Attendance:

Council Members and others:

Garry Hrechkosy – Chair	District #5 – Via Telecom
Phil Markham – Vice Chair	District #1
Pam Cotter	District #2
Rosalba Dominguez	District #3
Diane Turner	District #4 - Excused

Brett Hales	Mayor	Jennifer Kennedy	City Council Executive Director
Doug Hill	Chief Administrative Officer	Pattie Johnson	City Council Administration
Greg Bellon	Power Director	Crystal Brown	City Council Administration
Matt Youngs	Assistant Power Director	Joey Mittelman	Fire Chief
G.L. Critchfield	City Attorney	Russ Kakala	Public Works Director
Anthony Semone	NeighborWorks	Brenda Moore	Finance Director
Rob White	IT Director	Loran Pasalich	Chamber of Commerce
Citizens			

Conducting: Mr. Hrechkosy called the meeting to order at 4:30 pm.

Approval of Minutes: Committee of the Whole, May 2, 2023 and Committee of the Whole, May 16, 2023. Ms. Cotter moved to approve, and Mr. Markham seconded the motion. All in favor 4-0.

Discussion Items:

- Attorney's Office Report.

City Attorney G.L. Critchfield explained how his department works to advise and serve two separate forms of government within Murray, which are the executive branch and the legislative branch. Mr. Critchfield discussed how the attorneys in his office are familiar with the City's internal politics and culture. This results in excellent legal counsel and services provided to the City Council, Redevelopment Agency, Municipal Building Authority, the Mayor, department directors, and employees all pertaining to the legal rights, obligations, and responsibilities of Murray City. He shared three main functions of his office, which are advising, monitoring the legal landscape, and helping to manage transactions. He said with two forms of government there is sometimes overlap but that is how a healthy city government should operate. He explained how City attorneys also attend planning commission meetings; and advise arts, history, and library board members as well and work closely with the ethics commission. Mr. Critchfield supervises risk management related to small claims, but he oversees large claims, manages financial transactions, prepares for execution agreements, and supervises the prosecution team. Every misdemeanor is under his jurisdiction, and attorneys visit the City's Justice Courthouse daily. He reported two open attorney positions and noted that due to competitive salary packages, it was difficult for Murray to replace the attorneys who have moved on. He spoke about professional conduct rules, ethical rules and how he and his department abide by those rules for the client of the City, which is the corporate body where it is his priority to keep separate two forms of government in a professional and unbiased manner.

- Fiscal Year 2022-2023 Budget Amendment.

Finance Director Brenda Moore said most allocations in the year-end budget amendment were cleanup to ensure that the City did not end over-budget. She discussed transfers that would fund

capital projects related to relocating the City's museum to the Murray Mansion and flood mitigation efforts. She noted interest revenue allocations for various needs from the GF (General Fund), transfers to the GF, as well as allocations related to the fire department for overtime, the building division for professional services, the Solid Waste Fund's roll off dumpster program, and the Power Fund for the increased cost of purchased power. The Council would consider the budget amendment in a future public hearing.

- An ordinance amending Section 15.20.250 of the Murray City Municipal Code relating to Electrical Service Schedule 35 for Solar Rates.

Power Director Greg Bellon discussed the proposed change to the existing ordinance that would increase the permitted commercial solar size rate from 10 kilowatts to 500 kilowatts. Mr. Bellon confirmed the change would not affect the current rate of any existing residential solar customer. Assistant Power Director Mr. Youngs gave a brief review about the proposal which was discussed with the Council in a previous work session. He reported no changes to that proposal where they hope to accommodate commercial solar customers who want to have larger systems. Mr. Bellon felt capping the load at 500 kilowatts was very generous and it would be interesting to see how many customers would participate.

- An ordinance relating to the financial standards of the Solid Waste, Water, Wastewater, Stormwater, and Power Enterprise Funds.

Mr. Markham said the proposed ordinance was basically textual cleanup to better align all enterprise funds that produce revenue. He explained that in the past, the Power Fund had what seemed to be separate standards, but with approval of the proposed ordinance all enterprise funds would be treated the same. From now on they would all have a required reserve balance of 30%; all have a required master plan that is updated every five years, and all required to have a rate study completed prior to any rate increase proposal. Mr. Markham noted all language was standardized to the approval of all related department directors. Mayor Hales confirmed. There was consensus to move the proposal forward to a council meeting for consideration.

- New City Hall Policies.

City Council Executive Director Jennifer Kennedy shared the Executive Order implemented by the administration for the new city hall building. She asked the Council, as a separate legislative branch, whether they would like to adopt the same policies or create their own. Mr. Hrechkosy felt it made sense to be consistent with what Mayor Hales established for his administration and saw no problem with the City Council abiding by the same policies. Ms. Dominguez proposed a change regarding the policy, where anything modified, purchased, or installed must go through Ms. Kennedy who will work with the facilities manager. All agreed. Ms. Kennedy would coordinate with Mr. Critchfield to draft an ordinance for consideration in a future council meeting.

- City Council Travel Policy updates.

Mr. Hrechkosy said due to the absence of Ms. Turner, the discussion would be tabled until the June 27, 2023 Committee of the Whole meeting. A final vote on the new travel policy would occur during the June 27, 2023 Council Meeting. There was consensus to delay the discussion.

Adjournment: 5:28 p.m.

Pattie Johnson
Council Office Administrator III

**MURRAY MUNICIPAL COUNCIL
COMMITTEE OF THE WHOLE**

Meeting Minutes

Tuesday, July 11, 2023

Murray City Hall, 10 East 4800 South, Poplar Conference Room, Murray, Utah 84107

Attendance:

Council Members and others:

Garry Hrechkosy – Chair	District #5
Phil Markham – Vice Chair	District #1
Pam Cotter	District #2
Rosalba Dominguez	District #3
Diane Turner	District #4 - Excused

Brett Hales	Mayor	Jennifer Kennedy	City Council Executive Director
Doug Hill	CAO (Chief Administrative Officer)	Pattie Johnson	Council Administration
Susan Nixon	CED Senior Planner	Tammy Kikuchi	Chief Communications Officer
Brenda Moore	Finance Director	Ben Gray	IT
Craig Burnett	Police Chief	Brooke Smith	City Recorder
Mark Richardson	City Attorney	Joey Mittelman	Fire Chief
Russ Kakala	Public Works Director	Steve Roberson	Deputy Fire Marshal
Ben Ford	Wastewater Superintendent	Anthony Semone	NeighborWorks
Citizens			

Conducting: Council Chair Garry Hrechkosy called the meeting to order at 4:30 pm.

Approval of Minutes: Committee of the Whole – June 6, 2023. Ms. Dominguez requested one update to the minutes. Edited minutes would be reconsidered at a future meeting.

Discussion Items:

- **Murray Power Rate Study.**

Power Director Greg Bellon explained that an emergency power rate increase was requested a few months ago to address soaring energy prices, but Council Members asked that a rate study be completed first. As a result, Mr. Bellon collaborated with Dave Berg Consulting to get the rate study conducted. Mr. Berg presented the final Electric Cost of Service Rate Design Study to discuss options for moving a power rate increase forward.

Mr. Berg explained that normally the power rate generates funding to make the utility function, but due to significant cost increases in energy over the last year, a negative financial impact occurred. This was why he determined that more revenue was needed to turn things around as he calculated the new rate design which included a cost of service for different types of customers. The recommendations included two possible options for raising power rates and a suggested update to the existing SCA (Supply Cost Adjustment) formula.

Mr. Berg confirmed the City had not implemented a power rate increase in 11 years, so keeping the existing rate was not an option. He explained that currently operations at the existing rate resulted in a \$10 million loss, so without a rate increase a deficit would continue to grow annually. He said because cash reserves beginning at \$24 million, would soon fall to just below \$15 million, capital improvements were minimized as much as possible. Mr. Bellon agreed and reported that a new master plan was underway which would provide a five-year plan for completing capital improvements.

Mr. Berg analyzed the expenses of the utility to understand the cost of service for various types of customers, which was compared to the percentage of revenue. As a result, the following options were analyzed for raising the current power rate:

- Set a goal of \$10 million in reserves at the end of FY 2026.
- Option #1: An immediate onetime increase, which would be 13% for general service small customers and 27% for all other classes.
- Option #2: Three annual increases, which would be 7% each year for general service small customers, and 14% each year for all other classes. It was noted that after three years, Option #2 rates are 15% higher than Option #1 rates.
- Implement a new SCA formula.

Discussions related to existing conditions continued, as well as, for both options regarding capital projects, peak and off-peak seasonal use, low-income customers, small commercial users, and large and ultra large commercial customers. Mr. Berg pointed out that Option #1 provided a slower way of reaching the 2026 goal of \$10 million in reserves. He provided a chart to examine a monthly residential customer by comparing Murray's current monthly base rate of \$3.35 to other Utah city rates. He pointed out that Murray's current \$3.35 rate was not enough to cover operating expenses, and the \$10 range was where most Utah cities were headed, which was comparable to Rocky Mountain power rates. Mr. Berg explained in detail projected operating results and proposed rates for both Option #1 and #2 and the projected cash reserves for each option.

A review of the City's current SCA policy occurred and new SCA recommendations were outlined as:

- Implement automatic SCA to adjust bills up or down if actual power costs are different.
- Make adjustments monthly.
- Remove need to proactively change rates for conditions outside utility's control.
- Projections would be based on \$0.0608 per kilowatt hour for wholesale costs (which is the proposed new SCA formula).

Mr. Berg said Murray's current power rates have been the lowest in the State, lower than other Utah Associated Municipal Power System members and lower than Rocky Mountain Power customers, because market pricing was favorable for Murray, until now. That is why with substantial changes to the power industry and significant power cost increases, adjustments to the Murray Power rate would come at a great cost regardless.

Mr. Markham was impressed with the fairness that was built into the rate structures presented. Council Members agreed and a study of rate structures and utility bill examples continued to understand precise increases. Option #1 and Option #2 seasonal peak usage costs were compared in detail. Demand charges were analyzed, and high energy users were compared with low-income users. He personally favored Option #2 and pointed out that Option #1 would most assuredly guarantee that another significant rate increase would eventually be needed again. Ms. Moore commented that Council Members recently approved an ordinance requiring all enterprise funds to maintain reserves of 30% of revenue, and Option #1 would not provide that savings. Mr. Hrechkosy agreed Option #2 provided a better pathway to ensure reserve requirements. Ms. Dominguez said impact fees would help with coming growth. Mr. Bellon confirmed existing impact fees are in place, but they would review them again in the next year to ensure good coverage.

After more discussion Mr. Hrechkosy asked each Council Member for direction in moving forward:

- Mr. Markham: Option #2 with the new SCA formula.

- Ms. Cotter: Option #1 with the new SCA formula.
- Ms. Dominguez: Option #1 with the new SCA formula.
- Mr. Hrechkosy: Option #2 with the SCA formula.
- Ms. Turner: Option #2 by text.

The consensus was to move Option #2 forward that would include consideration of the new SCA formula. A final decision would be made during the July 18, 2023 council meeting.

- **Power Department Report.**

Mr. Bellon oversees 45 employees in his department. Recently crews worked to replace and fix 116 nonworking street lights throughout the City. Unit number two at the hydro power plant is now up and working with a few minor problems, unit one is still not working due to programing issues. With half of the resource operating, the plant is generating 2.5 megawatts of energy. Public Power festivities will be held on September 15, 2023.

- **Reports from Boards and Commissions representatives:**

- UIA (Utah Infrastructure Agency) – Finance Director Brenda Moore reported that the City would receive \$540,000 in dividends from UIA, due to a 1.9% rate adjustment. The net bond payment is now \$1.4 million which is less than the original debt payment. Ms. Moore would adjust the budget to reflect the increase.
- UTOPIA (Utah Telecommunication Open Infrastructure Agency), COG (Council of Governments), Salt Lake VECC (Valley Emergency Communications Center) and Metro Fire – CAO Doug Hill gave the following reports:
 - UTOPIA: Total availability in the City is now just over 16,000 properties which is about 100% of the City. Total subscribers have increased to 4,500 customers which equates to a little over 30% take rate. Overall the network has over 178,000 addresses with about 55,000 active members. This is growth of about 1,500 homes per month with approximately 600 new subscribers per month. All of the original member cities are completely built out. Construction is projected for Pleasant Grove, Syracuse, Santa Clara and Cedar Hills by this summer and a contract was executed to complete the city of Bountiful. Mr. Hill said there is a benefit to Murray when more cities join the service.
 - COG: – Over the last two months presentations were given about a federal grant program related to climate pollution reduction, plans for corridor preservation throughout Salt Lake County, and the biggest issue was the Winter Response Plan, where Murray is legally required to participate. The plan intends to provide temporary homeless shelters during the winter by August 1, 2023. Currently a location has not been identified in Murray to provide 600 beds, so \$120,000 would be contributed to the Homeless Coalition. Other items of discussion included a transit study for the Cottonwood Canyons, various advisory board appointments and COG election appointments.
 - VECC: The call center continues to meet all of their performance call standards. Mr. Hill said budgetarily he voted against a proposed 5% COLA for VECC, because he did not feel it was right to approve a higher COLA than what was approved for Murray City employees. The 5% COLA was approved.
 - Metro Fire: Nothing to report.
- CVW (Central Valley Water) – Wastewater Superintendent Ben Ford said the CVW budget would be presented to the board this coming September, with final consideration in October. As part of

the budget one more bond is requested to complete the rebuild project. The estimated amount is \$50 million for a last phase of construction that will occur this fall. A federal grant was approved for \$5 million that would go towards that need. Mr. Ford did not expect the bond to require another Murray City wastewater rate increase. Mr. Markham asked what the total bonding amount for the entire CVW expansion project was. Mr. Ford said approximately \$370 million; construction is ongoing and due to the pandemic; the completion date was moved to 2026 instead of the original 2024 deadline. He reported that an ammonia violation occurred in the discharge permit, but there would be no penalty issued. In addition, CVW was able to lock in natural gas pricing for the next year and a half at a very low rate of \$4.58 per unit.

- **Discussion on an ordinance amending Section 17.16.010 of the Murray City Municipal Code relating to the appointment of hearing officers for land use appeals and variances.**

Senior Planner Susan Nixon explained the proposed text amendment to reduce the minimum number of hearing officers from three officers to two; and also increase the number of consecutive terms hearing officers may serve, from three to five years. Ms. Nixon said currently the City only has two officers, which puts the City in Code violation so the text amendment would put the City in compliance. There was a brief discussion about the volunteer program that is very helpful to the City.

Mr. Hrechkosy announced that District #1 Council Member Phil Markham would accept a full-time appointment by Mayor Hales. Effective July 18, 2023, Mr. Markham is resigned from the Murray City Council, and would be sworn into office during the July 18, 2023 Council Meeting as Murray City's new Community and Economic Development Director. The application process to fill the District #1 council position begins Wednesday, July 19, 2023 and all applications must be submitted by 5:00 p.m. on Thursday, August 3, 2023. A Special Council meeting to hire the interim council member is scheduled for 5:00 p.m. on Tuesday, August 8, 2023. Council voting to replace vice-chair and board positions currently held by Mr. Markham will occur during the August 1, 2023 council meeting.

Adjournment: 6:23 p.m.

Pattie Johnson
Council Office Administrator III



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Discussion Item

Continued from Page 1:

Prior to his current position, Mr. Walje established his professional skills in a variety of leadership positions, having served as CIO of Scottish Power, Senior Vice President of PacifiCorp's Shared Service business unit, President and CEO of Rocky Mountain Power, and President of the Gateway Transmission Projects.



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Adjournment