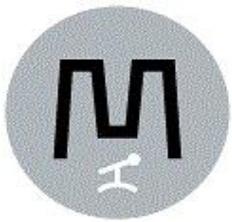




MURRAY
CITY COUNCIL

Committee of the Whole Meeting

May 7, 2024



Murray City Municipal Council

Committee of the Whole

Meeting Notice

May 7, 2024

PUBLIC NOTICE IS HEREBY GIVEN that the Murray City Municipal Council will hold a Committee of the Whole meeting beginning at 5:45 p.m. on Tuesday, May 7, 2024 in the Poplar Meeting Room #151 located at Murray City Hall, 10 East 4800 South, Murray, Utah.

The public may view the Committee of the Whole Meeting via the live stream at www.murraycitylive.com or <https://www.facebook.com/Murraycityutah/>.

Meeting Agenda

5:45 p.m. **Committee of the Whole** – Poplar Meeting Room #151
Pam Cotter conducting.

Approval of Minutes

Committee of the Whole – April 2, 2024

Discussion Items

1. Discussion on a prepayment for Red Mesa Solar. Greg Bellon and Matt Youngs. (20 minutes)
2. Discussion on an extension for the Trans-Jordan Landfill Contract. Greg Bellon. (10 minutes)
3. Reports from the ULCT Midyear Conference. Pam Cotter, Paul Pickett and Jennifer Kennedy. (10 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, May 3, 2024, 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 CITY MUNICIPAL COUNCIL
COMMITTEE OF THE WHOLE**

Work Session Minutes of Tuesday, April 2, 2024

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

Attendance:

Council Members:

Paul Pickett	District #1
Pam Cotter	District #2 – Council Chair
Rosalba Dominguez	District #3
Diane Turner	District #4
Adam Hock	District #5 – Council Vice-Chair

Others:

Brett Hales	Mayor	Pattie Johnson	Council Administration
Mark Richardson	Senior City Attorney	Crystal Brown	Council Administration
Brenda Moore	Finance Director	Doug Hill	Chief Administrative Officer
Greg Bellon	Power Director	Matt Youngs	Assist. Power Director
Craig Burnett	Police Chief	Laura Bown	Recorder
Stephen Olsen	Fire Department	Rob White	IT Director
Ben Gray	IT	Kim Sorensen	Parks & Recreation Director
Ella Olsen	City Journals	Phil Markham	CED Director
Citizens		Mark Bennett	Center Court

Conducting: Council Chair Ms. Cotter called the meeting to order at 6:00 pm.

Approval of Minutes: Committee of the Whole – March 5, 2024

Mr. Hock moved to approve, and Ms. Dominguez seconded the motion. All in favor 5-0.

Discussion Items:

• Power Department Quarterly Report.

Power Director Greg Bellon gave a history and overview of UAMPS (Utah Associated Municipal Power Systems) and shared the UAMPS vision to explain the working relationship UAMPS has with Murray and other member cities and states. An outline of UAMPS energy resources was provided to show that coal, waste coal, natural gas, hydro, wind, solar and other service projects are available to member cities. Mr. Bellon explained what resources Murray Power relies on most and how much of each type is utilized. He said the City's hydro plant that was inactive for a while, underwent repairs. One unit has now been working for three weeks, the second unit will be repaired once parts arrive, and he expected the entire plant to be in full operation for the spring runoff.

Mr. Bellon discussed energy transition challenges like finding enough low carbon resources, providing effective transmission which includes installing power lines, balancing all resources effectively to meet base load requirements, and supply chain issues for central substation transformers, that have now been delayed for 80 weeks. He reviewed future resources they hope to consider in the future like the Fremont Solar and Storage project, two geothermal energy plants, and entitlement of a new solar/natural gas plant that is currently in the investigative phase. Mr. Bellon expressed hope that Murray Power would once again participate in the Light Up Navajo Initiative Project.

- **Reports from the 2024 NLC (National League of Cities) Congressional Conference.** – Council Member Adam Hock said much of the 2024 NLC Conference was focused on President Biden’s infrastructure plan. Mr. Hock said there was great emphasis on available money that could be allocated to municipalities for various infrastructure projects. He felt this was a reminder that the City should act soon to receive federal grant funding. Council Member Rosalba Dominguez shared many key takeaways from various meetings she attended which were Youth Delegates Workshop, Building a Community-Centric Approach to Emergency Response Services, Small Cities, Hispanic Elected Local Officials and LGBTQ+. On the last of the conference both Mr. Hock and Ms. Dominguez met with various congressional leaders.

Adjournment: 6:30 p.m.

Pattie Johnson
Council Office Administrator III

DRAFT



MURRAY
CITY COUNCIL

Discussion Items



MURRAY
CITY COUNCIL

Discussion Item #1



MURRAY

Council Action Request

Power Department

Resolution for Red Mesa Solar Prepayment

Committee of the Whole

Meeting Date: May 7, 2024

Department Director Greg Bellon	Purpose of Proposal The resolution will allow for cost savings by prepaying for Red Mesa Solar.
Phone # 801-264-2730	Action Requested Discussion of the resolution. Resolution to be put to a vote at the City Council meeting on May 21, 2024.
Presenters Greg Bellon & Matt Youngs	Attachments
Budget Impact N/A	
Required Time for Presentation 20 Minutes	Description of this Item The Internal Revenue Code and US Treasury Regulations (Tax Code and Regulations) contain special provisions that allow tax-exempt bonds to be issued to finance prepayments for natural gas and electricity. The prepay transactions are structured to convert the difference between the issuer's lower (tax-exempt) cost of funds and the prepaid energy supplier's higher (taxable) cost of funds into a discounted price for prepaid energy.
Is This Time Sensitive No	
Mayor's Approval 	UAMPS will assign existing gas or electricity purchase agreements into the prepay transaction and the discount will be applied to the contract prices under these agreements.
Date April 23, 2024	

Continued from Page 1:

The date of closing has not yet been determined but will likely take place in Q2 2024. The term of the transaction is thirty years.

A RESOLUTION AUTHORIZING A TAX CERTIFICATE AND AGREEMENT
FOR UAMPS' FIRM POWER SUPPLY PROJECT; AND RELATED
MATTERS.

*** *** ***

WHEREAS, Murray City, Utah (the “*Participant*”) is a member of Utah Associated Municipal Power Systems (“*UAMPS*”) and has previously entered into the Master Firm Power Supply Agreement with UAMPS that enables the parties to enter into firm transactions for the purchase and sale of electricity from specified power supply resources;

WHEREAS, pursuant to the Master Firm Power Supply Agreement (a) UAMPS has entered into the Amended and Restated Solar Power Purchase Agreement (as such agreement may be amended and restated from time to time, the “*Red Mesa PPA*”) with NTUA Generation—Utah, LLC and (b) the Participant has elected to participate in the Red Mesa PPA pursuant to the Red Mesa Tapaha Solar Firm Power Supply Agreement Amended and Restated Transaction Schedule (such Transaction Schedule and the Master Firm Power Supply Agreement are referred to collectively herein as the “*Firm PSA*”) between the Participant and UAMPS;*

WHEREAS, the Participant understands that in order to provide a discounted price for a portion of the electricity sold to the Participant under the Firm PSA (such portion is referred to herein as the “*Prepaid Portion*”), UAMPS will participate in a prepayment transaction being undertaken by Southeast Energy Authority, a Cooperative District (“*SEA*”) by (a) assigning its rights to a portion of the electricity to be delivered under the Red Mesa PPA to the commodity supplier under the prepayment transaction and (b) entering into a Commodity Supply Contract (the “*Supply Contract*”) with SEA under which it will purchase the assigned electricity from SEA at a price that reflects a discount from the contract price under the Red Mesa PPA, and the savings from such discount will be applied by UAMPS for the benefit of the Participant and the other Participants in the Red Mesa PPA;

WHEREAS, the Participant has been advised that SEA will issue bonds to finance a prepayment for the electricity that it sells to UAMPS under the Supply Contract (the “*Prepay Bonds*”) with the intention that the interest on the Prepay Bonds will qualify for tax exemption under Section 103 of the Internal Revenue Code of 1986, as amended (the “*Code*”); and

WHEREAS, the Participant acknowledges that its use of the Prepaid Portion of the electricity it purchases under the Firm PSA will be subject to certain restrictions that are necessary to establish and maintain the tax-exempt status of interest on the Prepay Bonds, and desires to adopt this resolution to authorize a Tax Certificate and Agreement that sets forth the Participant’s agreement to comply with such restrictions;

* Capitalized terms used and not otherwise defined herein have the meanings assigned to them in the Firm PSA and the Tax Certificate and Agreement.

Now, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF MURRAY CITY, UTAH, AS FOLLOWS:

Section 1. Approval of Tax Certificate and Agreement. The Tax Certificate and Agreement, in substantially the form attached hereto as *Exhibit A*, is hereby authorized and approved.

Section 2. Authorized Officers; Final Changes and Dating. The Participant's Representative and Alternate Representative to UAMPS (the "Authorized Officers") are each hereby authorized to execute and deliver the Tax Certificate and Agreement and to deliver the same to UAMPS on behalf of the Participant. Each of the Authorized Officers is hereby delegated authority to approve such changes to the Tax Certificate and Agreement as are necessary to complete the form thereof, together with any minor or non-substantive changes, and his or her execution of the Tax Certificate and Agreement shall be conclusive evidence of such approval. The Authorized Officers shall deliver an executed and undated copy of the Tax Certificate and Agreement on or prior to the date requested by UAMPS, and UAMPS is hereby be authorized to deliver the Tax Certificate and Agreement, dated the issue date of the Prepay Bonds, to SEA on behalf of the Participant.

Section 3. Other Actions With Respect to the Tax Certificate and Agreement. The Authorized Officers shall take all action necessary or reasonably required to carry out and give effect to the Tax Certificate and Agreement including adjusting the priority of the Participant's resources within the UAMPS Power Pool to ensure the Qualified Use of the electricity from the Participant's Entitlement Share in the Project.

Section 4. Severability. If any section, paragraph, clause, or provision of this resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this resolution.

Section 5. Effective Date. This resolution shall be effective immediately upon its approval and adoption.

ADOPTED AND APPROVED by the City Council of Murray City, Utah, this day,

_____.

MURRAY CITY, UTAH

By _____
Mayor

[SEAL]

ATTEST:

City Recorder

EXHIBIT A

[TAX CERTIFICATE AND AGREEMENT]

TAX CERTIFICATE AND AGREEMENT

This Tax Certificate and Agreement is executed in connection with the Commodity Supply Contract (the “*Supply Contract*”) between Southeast Energy Authority, a Cooperative District (“SEA”) and Utah Associated Municipal Power Systems (“UAMPS”).

WHEREAS, _____ (the “*Participant*”) is a member of UAMPS and has entered into the Master Firm Power Supply Agreement dated as of _____, and [describe Red Mesa, Steel Solar 1A and Steel Solar 1B transaction schedules as applicable] (the “*Firm PSA*”)¹ with UAMPS pursuant to which the Participant has an Entitlement Share (as defined in the Firm PSA) in the energy, environmental attributes and other benefits received by UAMPS under the [describe Red Mesa, Steel Solar 1A and Steel Solar 1B PPAs as applicable] (the “*PPA*”)²;

WHEREAS, the Participant understands that in order to provide a discounted price for a portion of the electricity sold to the Participant under the Firm PSA (such portion is referred to below as the “*Prepaid Portion*”), UAMPS will participate in a prepayment transaction being undertaken by SEA by (a) assigning its rights to a portion of the electricity to be delivered under the PPA to the commodity supplier under the prepayment transaction and (b) entering into the Supply Contract under which it will purchase the assigned electricity from SEA at a discounted price for sale to the Participant under the Firm PSA;

WHEREAS, the Participant further understands that SEA will issue bonds to finance a prepayment for the electricity that it sells to UAMPS under the Supply Contract (the “*Prepay Bonds*”) with the intention that the interest on the Prepay Bonds will qualify for tax exemption under Section 103 of the Internal Revenue Code of 1986, as amended (the “*Code*”); and

WHEREAS, the Participant acknowledges that its use of the Prepaid Portion of the electricity it purchases under the Firm PSA is subject to certain restrictions that are necessary to establish and maintain the tax-exempt status of interest on the Prepay Bonds;

ACCORDINGLY AND IN FURTHERANCE OF THE FOREGOING, THE PARTICIPANT HEREBY CERTIFIES AND AGREES AS FOLLOWS:

1. The Participant is a political subdivision of the State of _____,³ and owns and operates a municipal utility system that provides electricity service to retail customers located in an established service area (the “*System*”).

- 1 For Participants in more than one transaction schedule, the term “Firm PSA” will apply separately to each transaction schedule.
- 2 For Participants in more than one transaction schedule, the term “PPA” will apply separately to each Power Purchase Agreement.
- 3 Utah for all Participants, except California for TDPUD and Nevada for Fallon.

2. The Participant will (a) use all of the Prepaid Portion of the electricity it acquires under the Firm PSA in a Qualified Use (as defined below), (b) not take any action (or make any allocation) that is inconsistent with the Qualified Use of the Prepaid Portion of such electricity, (c) not take or omit to take any action with respect to the Prepaid Portion of such electricity, its Entitlement Share or its System which could adversely affect the tax-exempt or tax-advantaged status of interest on the Prepay Bonds or any refunding bonds issued by SEA, (d) take, and pay the costs of, such remedial actions as may be necessary to maintain the tax-exempt or tax-advantaged status of interest on the Prepay Bonds or any refunding bonds in the event of its failure to use such electricity in a Qualified Use, and (e) act in accordance with such reasonable written instructions as may be provided by SEA (through UAMPS) from time to time in order to maintain the tax exempt or tax-advantaged status of the Prepay Bonds.

3. "*Qualified Use*" means the sale of electricity to retail customers located within the "electricity service area" of a municipal utility pursuant to generally applicable and uniformly applied rate schedules or tariffs; *provided* that: (a) "Qualified Use" shall not include any sale of electricity that gives rise to "private business use" or a "private loan" within the meaning of Section 141 of the Code; and (b) "Qualified Use" shall include such additional uses of electricity as may be approved by SEA (through UAMPS) with a favorable opinion of bond counsel. For purposes of this definition: (i) "electricity service area" has the meaning assigned to such term in U.S. Treasury Regulation Section 1.148-1(e)(2)(iii); and (ii) a "municipal utility" is a state or local government unit that owns and operates an electric distribution utility.

4. In each of the five calendar years preceding 2024, the amount of electricity sold to retail customers in the Participant's electricity service area has equaled or exceeded the amount of the Prepaid Portion of the electricity attributable to its Entitlement Share under the Firm PSA (excluding the amount of electricity that the Participant was obligated to take under a long term agreement that was either (i) purchased pursuant to a long term prepaid agreement using the proceeds of tax-exempt or tax-advantaged obligations, or (ii) generated from gas that a person is obligated to take under a long term agreement that was purchased pursuant to a long term prepaid agreement using the proceeds of tax-exempt or tax-advantaged obligations), and it anticipates this to be the case in 2024.

5. The Participant expects to make the required payments under the Firm PSA solely from the current revenues of the System.

Dated: _____, 2024.

[NAME OF PARTICIPANT]

By: _____
[Name]
[Title]



MURRAY
CITY COUNCIL

Discussion Item #2



MURRAY

Power Department

Propose an extension for the Trans-Jordan Landfill Contract

Council Action Request

Committee of the Whole

Meeting Date: May 7, 2024

Department Director Greg Bellon	Purpose of Proposal Discuss extending the Trans-Jordan Landfill Contract
Phone # 801-264-2730	Action Requested Informational Only
Presenters Greg Bellon	Attachments None
Required Time for Presentation 10 Minutes	Budget Impact N/A
Is This Time Sensitive No	Description of this Item The Power Department has an agreement to take the power generated by methane gas from Trans-Jordan Landfill. The existing contract with EDL is expiring. The Power Department would like to extend the contract.
Mayor's Approval 	
Date April 23, 2024	



MURRAY
CITY COUNCIL

Discussion Item #3



MURRAY

City Council

2024 ULCT Midyear Conference Reports

Council Action Request

Committee of the Whole

Meeting Date: May 7, 2024

Department Director Jennifer Kennedy	Purpose of Proposal Information will be shared about the recent ULCT conference.
Phone # 801-264-2622	Action Requested Information and decision.
Presenters Pam Cotter Paul Pickett Jennifer Kennedy	Attachments
Budget Impact	None
Description of this Item Required Time for Presentation 10 Minutes	Council members who attended a recent ULCT Midyear Conference will report on the conference.
Is This Time Sensitive No	
Mayor's Approval	
Date April 23, 2024	



MURRAY
CITY COUNCIL

Adjournment