

# Murray City Municipal Council Chambers Murray City, Utah

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**T**he Municipal Council of Murray City, Utah, met on Tuesday, the 10<sup>th</sup> day of July, 2007 at 6:30 p.m., for a meeting held in the Murray City Council Chambers, 5025 South State Street, Murray, Utah.

Roll Call consisted of the following:

Krista Dunn,	Council Chair - Conducted
Pat Griffiths,	Council Member
Robbie Robertson,	Council Member
Jim Brass,	Council Member
Jeff Dredge,	Council Member

Others who attended:

Daniel Snarr,	Mayor
Jan Wells,	Chief of Staff
Frank Nakamura,	City Attorney
Shannon Huff Jacobs,	Council Director
Carol Heales,	City Recorder
Craig Burnett,	Assistant Police Chief
Gil Rodriguez,	Fire Chief
Doug Hill,	Public Services Director
Dennis Hamblin,	Community Development Director
G.L. Critchfield,	Deputy City Attorney
Dan Stireman,	Energy Services Manager
Dwayne Wooley,	General Manager, Trans-Jordan Landfill
Blaine Haacke,	Power Department General Manager
Noel Anderson,	Task Force on Planned Neighborhood Dev.
Bill Finch,	Task Force on Planned Neighborhood Dev.
John Pearce, Sid Baucom	Jones Waldo Holbrook & McDonough
Dawn Semple, Joel Zylstra,	Granger Electric.
Ray Easton	Granger Electric
Citizens	

## **A. OPENING CEREMONIES**

1. Pledge of Allegiance - Doug Hill, Public Services Director
2. Approval of Minutes

Ms. Dunn asked that the approval of the minutes for May 29, 2007 be deferred

until the next meeting as there was difficulty in transcribing due to sound quality.

Ms. Griffiths made the motion to defer the approval of minutes.  
Mr. Brass 2<sup>nd</sup> the motion.

Voice vote taken, all ayes.

Ms. Griffiths made a motion to approve, with corrections, the minutes of the June 19, 2007 Council meeting.

Mr. Robertson 2<sup>nd</sup> the motion.

Voice vote taken, all ayes.

Mr. Brass made a motion to approve, with corrections, the minutes of the June 26<sup>th</sup>, 2007 Council meeting.

Mr. Robertson 2<sup>nd</sup> the motion.

Voice vote taken, all ayes.

3. Special Recognition(s)

Ms. Dunn asked any Scouts to stand and introduce themselves, their troop number and which Merit Badge they are working on.

The Scouts introduced themselves.

**B. CITIZEN COMMENTS** (Comments are limited to three minutes unless otherwise approved by the Council.)

None given.

**Citizen Comments Closed**

**C. CONSENT AGENDA**

Ms. Dunn asked that the items on the consent agenda be taken together, if there are no objections.

No objections noted.

1. Consider confirmation of the Mayor's reappointment of Bobbi Henry to the History Advisory Board, representing District 3, for a term expiring August 1, 2010.
2. Consider confirmation of the Mayor's reappointment of Sherman Davies as a member-at-large to the History Advisory Board for a term expiring August 1, 2010.
3. Consider confirmation of the Mayor's reappointment of Shaun Delliskave as a member-at-large to the Library Board of Directors for a term expiring August 1, 2010.

Mr. Robertson made a motion to adopt the consent agenda.  
Mr. Dredge 2<sup>nd</sup> the motion

Ms. Griffiths asked, as Mr. Davies home is for sale, if he is willing to serve until the home is sold. Mayor Snarr answered yes.

Call vote recorded by Ms. Heales

**AYE/NAY**

  A   Mr. Dredge  
  A   Mr. Brass  
  A   Mr. Robertson  
  A   Ms. Griffiths  
  A   Ms. Dunn

Motion passed 5-0

**D. Public Hearing(s)**

1. a. Staff and sponsor presentations, public comment and discussion prior to Council action on the following matter:

**Consider an Ordinance adopting the update of the City's Land Use Ordinance (Zoning Ordinance), Title 17 of the Murray City Municipal Code.**

Staff Presentation: Dennis Hamblin, Community Development Director

Mr. Hamblin stated that this issue was brought before the Planning Commission on 01/04/07, where it received a favorable recommendation on a 5-0 vote.

The following are highlights of changes to the Code:

1. Land Use Management Act, requiring changes to the code to be in harmony with the State Code.
2. Adoption of the International Building Code, reflecting changes from the Uniform Building Code.
3. Deletion of the limitation of maximum number of vehicles to be parked in private garages.
4. The former code allowed for the removal of persons *for cause* by the City Council, calling for a Public Hearing if desired. This has been amended to shift the responsibility from the Council to the Mayor.
5. Prohibited Uses have been added in Home Occupations, and enhanced that to include construction businesses and permanent yard sales. Seasonal Uses have been added to allow for Christmas Tree Lots, Fireworks stands, and Farmers Markets.
6. The Sign Ordinance has had adjustments relative to billboards. Language has been added to reflect the current state laws. Banners and wind flags were limited to a 20 day time period, and has been changed to 90 days. The changes also prohibit garish or fluorescent colors on signs.
7. Changes to the code increase non-conforming use from 180 days to one year time period.
8. Registration of non-conforming uses that will establish a registering process. This will help when a business changes, for the City to look back on to see what the history has been.
9. Conditional Use Permits: extending from one year to two years, as many times by the time a CUP is issued, it may take a year or more to complete financing and/or building plans, etc.
10. Changes to the Code on fencing on corner lots: currently it is at 40', this would be changed to 25' for the visibility triangle.

11. Residential landscaping on new construction homes would require the installation of the front lawn within one year of occupancy.
12. Flag lot drive maximum has been 100'; many lots were finding they wanted to subdivide the lot to the rear of an existing lot, requiring more than 100' to get to that back lot. They are eliminating that requirement, and going to a Board of Adjustment variance and looking at the history.
13. Establish an R210 Zoning district, which we have not had in our Code, and is needed with the annexations to keep zoning for existing areas.
14. Adding Bed & Breakfasts to the residential RM zones, added density, and deleted energy efficiency due to this being mandated in the Building Code. Added affordable housing criteria to remain in harmony with the General Plan.
15. Added a Business and Research Park to the repertoire of zoning districts.
16. There are also some other Ordinances that are in the hands of the Planning Commission at this moment, which would make additional changes to this code, relative to building height issues, planning and development issues, infill development issues and so forth. There has been one hearing on that, and have continued that meeting to August 02, 2007, for that agenda item.
17. A change to the off-street parking regulations for large commercial developments. This change was adopted through the Council earlier this year. The change was from 5 stalls per 1000, to 4.5 per 1000, and this code will need to be changed to reflect that earlier change adopted.

Mr. Robertson asked stated that in the paperwork, it looked like we were eliminating the Business and Research Park information. (15)

Mr. Hamblin explained that the proposal was to eliminate that originally, but the Planning Commission review it and decided to leave it in, that is why it was crossed out, and allow the City Council to make the decision on whether to include that zone in the various zones in the City, and the recommendation was forwarded to the City Council.

Ms. Griffiths stated that one decision, in which she regrets participating in, was in decreasing the minimum area of a planned unit development (PUD) from two acres to one acre. She wanted to make a motion to change that back to two acres. (Sec17.60.030) (Page 107, line 29).

Ms. Dunn asked about bypassing the Planning Commission on this, as they are the

legislative body when it comes to these issues, and although she may not disagree with the issue, she has a hard time bypassing the body that is responsible for making this decision.

Ms. Griffiths stated that the Planning Commission forwards recommendations, but would refer the issue to the City Attorneys.

Mr. Nakamura stated that the Council has the final decision, and may amend any matter from the Planning Commission. They are to submit a recommendation that then becomes a policy decision on whether or not it is sent back to the Planning Commission for additional review, but they do have the authority to change it.

Ms. Dunn stated that generally they do send something like this back to them first.

Mr. Brass agreed with Ms. Griffiths, and would like to see it go back to two acres, but asked if this would inhibit the process if it gets changed again.

Mr. Nakamura stated that it does not inhibit the process, we are not presupposing that they enact such ordinance until after the Council has a chance to review it and the Planning Commission makes its recommendation. In the meantime, between then and now, the ordinance would be one acre. Mr. Nakamura said if the Council wants to change it, they have the authority from the time it is executed, it would be two acres.

Ms. Griffiths stated that this would be her recommendation. She also had concerns with the RM Zone change; the use number on page 212, line 24; number 1112 Single Family Dwellings, there is a parenthetical phrase that reads: *in approved planned unit development only*. She stated that she foresees this as having negative, unintended consequences and would discourage owner-occupied units such as condominiums. It would be her recommendation to remove that parenthetical phrase from this use in the RM Zones.

Ms. Dunn and Mr. Brass both agreed.

Mayor Snarr asked about the Downtown Historical Overlay District and the two acre minimum, and if this is applicable.

Mr. Hamblin stated that this was recently changed by the Council and we would need to insure that this change is reflected in this Ordinance as well. The 2-acres would not apply in the DHOD.

Ms. Griffiths also asked if, in the DHOD that goes before the Design Review Committee, something as simple as the color of a building so that it fits into the district, is it really necessary to have a public hearing for issuance of Certificate of Appropriateness? (Pg 318, line 15 section B). If it is heard by the Planning Commission, wouldn't it eliminate

the need for a public hearing, the advertising, time limitations, etc.?

Mr. Hamblin stated that this would simplify the issue.

Ms. Griffiths noted that this change would be reflected in subsection C, line 26. Ms. Dunn asked if these changes meet all of the Land Use Development and Management Act (LUDMA) laws.

Mr. Critchfield explained that when this came through, it was suggested that the authority rest with the Planning Commission, and not with the other group. Currently, a Certificate of Appropriateness may only be issued by the Planning Commission.

Ms. Griffiths stated that this recommended change would only remove the technicalities of the public hearing.

Mr. Critchfield stated that it would shift the responsibility and decision making from the Planning Commission to the Design Review Committee. Ms. Griffiths explained that the final decision would be with the Planning Commission, with a recommendation from the Design Review Committee.

Mr. Nakamura stated that it does meet the law, but, under LUDMA all of the notice requirements are still in place. We would still have the notice requirements.

Mr. Critchfield noted that it would be somewhat of an anomaly to have the body whose giving the certificate, not hold a public hearing. He is not saying that you can't, it is just not how it normally works. If you have one public hearing at the historic level, and that it is the only public hearing, it would be a surprise to many when the final decision is actually made. You would still have a public meeting, but you wouldn't have a hearing. You would need to build a very strong public record at that first public hearing level, otherwise the Planning Commission would not have enough information to make a decision. They would not be taking any comment from the public.

Mr. Critchfield stated that he would like to review the matter. He feels that it would be open to the public, whether or not the public hearing is held; but at the level where they are making the final decision, it would seem difficult not to allow public comment and take it into account before making that final decision.

Mr. Hamblin stated that the Planning Commission asks for public comment on every item, whether it is noticed as a public hearing or not.

Ms. Griffiths agreed that every Planning Commission hearing she was involved in, the public was invited to comment.

Mr. Dredge asked who was behind the section on removing the Council from the process of removing the Planning Commission, and the Board of Adjustments.

Mr. Nakamura stated that was the Attorney's office. Under section 10-3-1219, optional form of government, (Mayor/Council) it specifies the duties and responsibilities of the Mayor and the Council. In terms of the appointment, it specifically speaks in terms of not only boards and commissions, but of department directors, and allows for advise and consent on the appointment, however, in the next section, it talks about removal without the advise and consent. This was enacted many years ago, it was an effort to have a separation of powers that was patterned after the federal separation of powers and what they recommended was, in order to be consistent with Mayor/Council form of government, the State law, section 10-3-1219, needed to be changed.

Mr. Nakamura stated that he is only aware of removal for cause, and having the Council involved under the justice court statute, where the justice court judge undergoes that process. The department heads, officers, employees, commissions, boards, and committees are subject to removal by the Mayor.

Ms Griffiths remarked that, philosophically, she questioned the same thing. If they participate in the appointment, should they not participate in the other or would that place too much power in the hands of one person? Having heard the explanation of the State law that is in place, she feels better.

Mr. Nakamura reiterated that this is patterned after the federal system and there can be philosophical discussions over this, but we, as a City, have chosen the Mayor/Council form of government, which works very well. As a result, we are governed by the statutes and particularly section 10-3-1219, which spells out the powers of the Mayor. This particular provision of the statute has been reviewed by the Utah Supreme Court on several occasions.

Ms. Griffiths stated that this makes the Mayor accountable, and his accountability is to the public.

**Public Hearing opened for comment.**

Noel Anderson, 9 West Washington Ave

Mr. Anderson expressed his concern over giving any one individual the type of authority that it mentions. He asked if the language on this states: the Mayor *may* or *will* ?

Mr. Nakamura stated that he would be able to provide Mr. Anderson with a copy of the State law; the language states: *shall*.



The Mayor also noted that his office will be responding to the questions submitted to his office, and asked for some time to get to that.

Bill Finch, 1055 Chevy Chase Dr.

Mr. Finch stated that the LUDMA law has minimums. The 14 day appeal in the law is a minimum, and feels that 30 days would be fair. He also had a question on 17-08-020 on the height of buildings adopting the code where it can go to 35' or more to the mid-roof of a home. Mr. Finch feels that this should be discussed as an infill ordinance will be passed. He stated that homes can be easily 40' feet high, excluding chimneys, next to properties that have homes 15-20' high. The monster homes will end up in the infill ordinance, and he is hoping that this will be looked at.

Mr. Finch continued by saying that since it is a Mayor/Council government, you help appointment these people, you should have a say in it regardless of what the LUDMA law says. There are a lot of things that can be restrictive in an ordinance, but they need to be worked out. He also asked why do we need a non-conforming use change from 180 days to one year, he was under the impression that a non-conforming use was permanent.

Mr. Brass explained that it is abandonment of the use. It would fall under abandonment.

Mr. Finch asked if this would be the same for conditional use permits.

Mr. Brass stated that in this case, it would be for building the property. If the process takes longer than one year, they would lose the permit and need to reapply.

Mr. Finch also stated that he is in agreement with a two acre PUD, but again, he feels that they need to be careful with the infill ordinance that people do not buy a lot of property and then divide it into 1 ½ acre lots.

Mr. Brass noted that we have an ordinance in place specifically defining height in planning and zoning.

Ms. Dunn stated that the Planning and Zoning staff is discussing several of the issues that Mr. Finch brought up, and they will be reviewed.

Mr. Nakamura clarified that the ordinance before them has a 30 day appeal time.

Mayor Snarr stated that he has taken an oath to uphold the Federal, State and Local laws; he has never lobbied the Planning Commission or the Board of Adjustments; he has attended these meetings, made some suggestions, and provided historical background

on particular issues, but he has never dismissed anybody; he has not had cause to do so. He does, however, have to uphold the law and sometimes is a little sensitive to the idea that people would think that he would control everyone. He wants to make sure that people understand that it is the law, and that he has taken an oath of office to uphold the law.

Ms. Griffiths added that they also, as a Council, must do the same and uphold the law.

Mr. Robertson stated that on the other side, if they remove someone, and put someone else in, they still must approve the replacement.

### **Public Hearing Closed**

b. Council consideration of the above matter to follow Public Hearing

Mr. Robertson said that they should decide whether the Business & Research Park zone should stay in or be removed. He said this matter is covered in other areas and is not really needed.

Mr. Robertson made a motion to remove 17.164 Business & Research Park.  
Mr. Dredge 2<sup>nd</sup> the Motion.

Call vote recorded by Ms. Heales

### **AYE/NAY**

  A   Mr. Dredge  
  A   Mr. Brass  
  A   Mr. Robertson  
  A   Ms. Griffiths  
  A   Ms. Dunn

Motion passed 5-0

Ms. Griffiths moved to amend the ordinance before them, page 107, line 29(a)  
To read: *No planned unit development area shall have less than two acres.*

Motion died for lack of a 2<sup>nd</sup> to the motion.

Ms. Griffiths made a motion: (throughout the document on the RM zoning, and page 212, line 24,) on *the use 1112 Single-Family Dwellings be attached,* eliminate the parenthetical in “*approved Planned Unit Development only.*”

Mr. Brass 2<sup>nd</sup> the motion.

Call vote recorded by Ms. Heales

**AYE/NAY**

  A   Mr. Dredge  
  A   Mr. Brass  
  A   Mr. Robertson  
  A   Ms. Griffiths  
  A   Ms. Dunn

Motion passed 5-0

Ms. Griffiths made a motion to approve, on the DHOD: page 318, line 15, paragraph v; *prior to issuance or denial of a Certificate of Appropriateness, the Commission shall hear an application for a Certificate of Appropriateness.*

And on the next paragraph in line with this: *unless otherwise agreed to by the Applicant, the Commission shall hear and take final action on an application for a Certificate of Appropriateness within 30 days etc.* (page 318 sec. B& C)

Motion died for lack of a 2<sup>nd</sup>.

Mr. Nakamura noted that there was one section that Mr. Hamblin had referred to, on parking places, that had an oversight that should be addressed.

Ms. Griffiths made a motion that section 17.27.2 conform to the previous action by the Council to reduce the parking to 4.5 spaces.

Mr. Robertson 2<sup>nd</sup> the motion.

Call vote recorded by Ms. Heales

**AYE/NAY**

  A   Mr. Dredge  
  A   Mr. Brass  
  A   Mr. Robertson  
  A   Ms. Griffiths  
  A   Ms. Dunn

Motion passed 5-0

Mr. Robertson made a motion to approve the remaining Ordinance as written.

Mr. Brass 2<sup>nd</sup> the motion.

Call vote recorded by Ms. Heales

**AYE/NAY**

<u>  A  </u>	Mr. Dredge
<u>  A  </u>	Mr. Brass
<u>  A  </u>	Mr. Robertson
<u>  A  </u>	Ms. Griffiths
<u>  A  </u>	Ms. Dunn

Motion passed 5-0

**E     Unfinished Business**

1. Consider a Resolution authorizing the execution of a Power Purchase Agreement between the City and Granger Electric of South Jordan, LLC, providing for the City's purchase of a Renewable Electrical Power Supply Resource generated from the combustion of methane gas produced by the decomposition process at the Trans-Jordan Landfill.

Staff Presentation: Blaine Haacke, Power Department General Manager

Mr. Haacke explained that there will be several people involved in the discussion of this issue tonight which has been discussed in previous meetings; the City Council, Committee of The Whole.

He began by stating the Council has been given two proposed drafts. One of the drafts was the latest Murray proposal to Granger Electric, and the other is the response from Granger Electric, with columnar comments. There is also a memo from Mr. Nakamura, explaining his position on the issues, as well as a memo from Mr. Haacke. He added that there are comments from the City's outside counsel, John Pearce, and a short explanation of the environmental benefits from Dan Stireman, Energy Services Manager for the Power department.

Mr. Haacke said it is important to remember our purpose for looking into this project. They knew going into this that the renewable energy would be a more expensive resource than the other alternatives. They also knew that, because of the City's experience with landfill gas, Plant #1, that it is a very reliable resource. He added that they also knew that Congressional Legislation

would be, or may be coming down to the municipal level, where the City may be required to have a certain percentage of renewable energy in its portfolio. Also, owning an environmentally friendly plant would be good for the City's public relations and the community.

He said it is assumed that renewable energy plants will go up in price, and the City would set a precedence by going into a landfill gas plant with the DTE group. The cost of landfill gas plant #2 will be higher than the first plant. He felt that as time goes on and technology gets better, the renewable resources will be more expensive. He said landfill gas plant #2 would add to our environmental portfolio.

Mr. Haacke thanked the Mayor's office, and the Council office for their patience. He said some of the drafts just came in, and he appreciated Jan and her staff for getting the paperwork out quickly.

Mr. Haacke emphasized the importance of the Attorney's office role in this matter. Consultants John Pearce and Sid Baucom from the Jones Waldo Holbrook & McDonough firm were hired to assist the City because of the complexity of this issue. These consultants have decades of experience in utilities. Mr. Haacke also thanked City attorneys Frank Nakamura and Briant Farnsworth for their input as well. He felt that the working relationship with the Power department and the Attorney's office has been strengthened, and he knows that these City attorneys have done an excellent job in due diligence in protecting the funds of our City.

Mr. Haacke said the main issues with the two drafts, are not unsolvable. The City staff met with Granger Electric last week after the information was received, and they were able to resolve many of the issues. The agreement that is in front of you tonight is approachable. Mr. Haacke felt that, if the Council is willing, action could be taken tonight. He went over some of the key sections:

1. Section 645: Interconnection at the end of the 15 year term of contract.

Both parties have reached the agreement that at the end of the 15 year term, Granger would either transfer the title to Murray City, or they would pay Murray City \$50,000., or the City would do a market value on the interconnection fee, whichever would be higher. The City would retain ownership at the end of the term if it chose to, but the probable assumption would be that the City would sell it back to Granger through an energy agreement since there would be life left in the plant.

2. Section 2.9 Defines First Right of Refusal.

This section states that during the 14<sup>th</sup> year of the contract with Granger, the City would actively pursue negotiations, so that there would be a buyer and supplier at the term of 15 years and 1 day. Hopefully, that would be the City.

3. Section 11.1 Defines Force Majeure

The definitions in the section were agreed upon.

4. Section 12 Environmental Benefits

Murray would have all of the ownership of the Green tags. The City would also receive all environmental benefits that may come into fruition. The Emission Reduction Credits (ERC's) would be best suited for Granger to keep; the Green tags are the key environmental benefit that the City needs to keep. These tags will increase in value.

5. Section 7.3 Termination and Remedy Clauses upon premature termination by either party.

This clause was very important to the City, and Granger has agreed to keep the wording that the City last presented to them. John Pearce has been asked by Mr. Nakamura to give a detailed explanation on this:

Mr. Pearce stated that these are the *Exclusive Remedy Provisions* in this agreement and relate to another provision in the agreement by which Granger, after the City has reimbursed them for the interconnection costs up to \$550,000., agrees to put into place a letter of credit, to serve as protection to the City in the event of any default by Granger. The *Exclusive Remedy Provision* ties into that; what it says is that if Granger defaults, the City's only remedy against Granger is to go after that money, or what remains of it under the sliding scale. Granger has agreed that if the City defaults, Granger will limit its recovery against the City to revoking that letter of credit. It is a mutual exclusive remedy for both parties that is tied into that \$550,000 letter of credit.

Mr. Haacke stated that other than some minor technical changes, these are the main modifications to the draft that is before the Council. He noted that they are recommending approval of this by the Council, and added that the Attorney's Office will need to go over the minor modifications but does not foresee any problems.

Mr. Haacke feels that this should be approved for the following reasons:

- The landfill gas pricing is within the landfill gas market pricing for the Country: between the low \$50's to mid \$70's per megawatt hour. This is a very reasonable price for a landfill renewable energy cost. The average cost for the 15 years will be \$71.00, and will go to the low \$80's after that time.
- There is a great load factor, it is above 90% capacity factor, and is always on. It is a very reliable fuel source, unlike wind, and is not as expensive as solar.
- The environmental Green tag and future environmental benefits are the City's and are more than likely to go up in value.
- Even if Murray is not mandated by legislation or Congressional action to have a high percentage of renewables in the portfolio, the value of Green tags *will* go up utilities required to have renewables will be more apt to buy from the City.
- There is an undeniable tie between Murray and the Trans-Jordan Landfill. We have part ownership in that landfill.
- Environmentally, it is the right thing to do. Making energy from methane gas is environmentally correct.
- Our current portfolio is 7% - 8% renewable energy. With the inclusion of this project, it will be upwards of 13%-15%. Rocky Mountain Power is attempting to add renewables to their portfolio and are hoping to get 4.7% by the end of the year. We have doubled that already.
- The renewable frenzy has already hit. Many cities have created wind farms, geothermal plants, and solar power plants. There is also a State owned co-op or municipal organization that is interested in tying up landfill gas rights to existing landfills right now. They are also interested in looking at our gas plant #1.
- The public relations will definitely be emphasized; it is a feel-good community owned type of project.
- We were in the forefront when we went into landfill gas plant #1, we have Prius automobiles in our fleet that are hybrids, we have tree planting programs, we are conservation minded, and this will keep us in the forefront of public awareness.
- The cost of interconnection fees is up to \$550,000. We have attempted to

lessen the impact of that up-front cost by selling IPP1 & 2 callback power. In the next five years, the City will receive approximately \$1.2 million dollars from the callback power. The effect of these fees are not great on our \$19 million dollar resource budget. It will raise our resource budget to approximately to 1%-1.5%. This will partially replace an Idaho contract that expires, and any callback that we have from our IPP plant.

- This \$550,000. will be taken from Enterprise Reserve Funds which are nearing \$5 million dollars.
  
- This is the right time and the right thing to do, and the Power department staff is recommending approval of the agreement at this time.

Mr. Nakamura clarified that on the force majeure issue, that if the seller fails or is unable to deliver net output , have at least 12,500,00 kwh during any continuous six month period, this would be a default.

Mr. Haacke stated that this is correct. It was originally a 12 month period, but was changed to the six month period.

Mayor Snarr remarked that in present day, decisions are made reflecting on what has happened in the past. In the Power Advisory Board meetings, he has learned that at one time, it was very expensive for our Colorado River Storage Power (CRSP) power. At first, many people thought it was a bad idea to purchase it, but now, looking back, we see it as a brilliant idea. It is the same with the IPP project. Now we are in an enviable position as we can sell that.

Our Water department, in 1919, had to make a difficult decision in asking the citizens to step up and bond for \$125,000. People didn't think we needed it; fortunately our forefathers had great vision and purchased the rights. Mayor Snarr read a City document about the project that compared the costs and usage over the years, and noted that this had been a difficult decision for the purchase at that time. The Mayor felt the City is faced with a similar decision today with the consideration of the agreement with Granger. The cost of power will not go down, and if some of these environmental constraints are placed on coal producing plants, the cost will rise to the \$70 range. He felt that renewable energy is on the horizon, from a federal perspective, and is considered a big issue for presidential campaigns. The Mayor felt that it is the right thing to do; not only for our community, but for our State and our Country. Our City will set an example. He said, yes, it does cost money, but in 1919 it cost money, and even though many said we did not need it, it has paid off, and without it, our water rates would have been substantially higher today. Mayor Snarr encouraged a



positive vote for the agreement with Granger.

Mr. Haacke introduced Dawn Semple, Joel Zylstra, and Ray Easton from Granger Electric.

Ms. Semple stated that they are excited for this project, being as it really is a win-win situation, and a community project whereby the community benefits by taking the methane gas and utilizing it. She said there will be a lot of community stimulus created by this project. Granger has selected a local contractor to build the facility, and are using local trade whenever possible. She added that this project is an educational tool. As part of the facility, they will have an education room and host tours educating the public on how electricity is made, and who purchases it.

Mr. Nakamura asked the Granger personnel if they are in agreement with all of the changes made and discussed here tonight, with the exclusive remedy clause, etc.

The representatives of Granger answered: yes they are in agreement.

Ms. Dunn opened the item for discussion by the Council.

Mr. Dredge asked for clarification of what the Council is specifically agreeing to tonight, as the contract is not completely corrected.

Mr. Nakamura explained that there were three or four major issues with the differences between the last agreement proposed by Granger, and the agreement presented by the City. There has been resolution to those major items. Those being the term of the lease, what happens at the end of the term, the REC's and other environmental benefits, the exclusive remedy being mutual between the parties, the force majeure, regarding what constitutes a default.

Mr. Brass stated that his concern is that the agreement, with many changes, was received just prior to the council meeting, and although they think it's a great idea, they need to feel comfortable.

Mr. Dredge respects the Power department's position on this, and would say that he is supportive of proceeding with the project, but asked for advice on how to do this when the contract in front of them is not the final contract?

Mr. Brass agreed. If there were a fundamental change, however, he feels that they would need to come back to review it.

Ms. Dunn stated that the Council has always been in favor of putting more Green

power into their portfolio, but agrees with Mr. Dredge that it is difficult to make a decision on something they cannot see. They do trust Mr. Haacke, but she is concerned about the environmental credits. The wording states the legalities, but she would like to know what exactly is considered *legal*. (Item #13) She said, as the City is 1/7th of that, but the City is the one making the connection happen. She felt uncomfortable receiving only 1/7th. She didn't know if this concern would be a deal breaker for her, but she is uncomfortable with this arrangement.

Ms. Griffiths concurred with Ms. Dunn on this issue.

Mr. Brass stated that they had discussed this issue previously. This is a large amount of money and the City *rolls the dice* and seven other people get the benefit without the risk. This also made him uncomfortable.

Ms. Dunn remarked that this is a separate item, not really having anything to do with Granger Electric. She also noted that the Council is being asked to pass an agreement with Granger itself, and is not sure how to go about this. The other item, she is not exactly sure what it means to say that the City be permitted to *take full advantage as permitted by law or regulation* and would like clarification on this.

Mr. Nakamura stated that he does not believe they have agreed to that. He thinks that they are tracking the REC's, and Granger gets the ERC's.

Mr. Haacke noted that the reason we wanted to put the future clause into the agreement is because no one knows what the future will bring as far as environmental benefits.

Dan Stireman explained that the ERC's are short lived, and that the landfill is producing methane, a harmful pollutant, and due to the size of Trans-Jordan, they are not required to flare this gas; normally it would just go into the atmosphere. When it reaches a certain size, then there would be an EPA requirement. Until then, any voluntary destruction of this gas results in an Emissions Reduction Credit. This typically belongs to whoever is destructing that gas. While they can be transferred, it is a rare instance. Therefore, we are in agreement that the ERC's belong to Granger Electric.

Ms. Dunn stated that the only unanswered question that remains is in regards to the \$550,000. vs the 1/7th.

Ms. Griffiths asked how the other partners in Trans-Jordan fit into this?

Dwayne Wooley, General Manager, Trans-Jordan Cities

Mr. Wooley explained that Trans-Jordan Cities is made up of seven cities, each one of which benefit equally in all of the Trans-Jordan activities. When they have sold the gas, under contract with Granger, their only right is to have that benefit go back to each of the seven cities. If Murray does not agree, then Granger would get a contract with someone else, but still retain the 1/7th. This agreement would be a win-win situation for all. Trans-Jordan would like this to happen with someone, but there is nothing that they can do to benefit Murray over the other cities.

The \$550,000 has been discussed, but had that money been rolled into the power pricing, rather than a separate entity, you would still have a plausible pricing structure. The fact that it is separated should not be an issue because it is just a way of structuring the pricing; rather than have it rolled into the price it has been separated, resulting in a slightly lower cost with having it an up front payment.

Mr. Dredge make a motion to authorize execution of the Resolution, subject to staff and Attorney review and approval.

Mr. Brass 2<sup>nd</sup> the motion.

Call vote recorded by Ms. Heales

**AYE/NAY**

  A   Mr. Dredge  
  A   Mr. Brass  
  A   Mr. Robertson  
  A   Ms. Griffiths  
  A   Ms. Dunn

Motion passed 5-0

Mr. Brass noted that in looking at other options, where it would economically feasible, he would like to see the City do the development work on it, and derive a greater benefit in the future, particularly on the landfill.

Mr. Dredge asked if it would be possible to mark it *Green Power* if there is a segment of the population that would be willing to pay that premium for the Green power, similar to the *Blue Sky* rate.

Mr. Haacke stated that it is something they will review and pursue.

**F. New Business**

1. Consider a Resolution Adjusting the 2007 Regular Meeting Schedule of the Murray City Municipal Council for the Summer Months.

Staff presentation: Krista Dunn

Ms. Dunn explained that generally the Council holds meetings twice a month over the summer, but due to the heavier load, they had not been able to shorten their schedule until this time. They would like to cancel the meetings of July 31 and August 28, 2007.

Mr. Brass made a motion to approve the Resolution.  
Mr. Robertson 2<sup>nd</sup> the motion.

Call vote recorded by Ms. Heales

**AYE/NAY**

<u>  A  </u>	Mr. Dredge
<u>  A  </u>	Mr. Brass
<u>  A  </u>	Mr. Robertson
<u>  A  </u>	Ms. Griffiths
<u>  A  </u>	Ms. Dunn

Motion passed 5-0

**G. Mayor**

1. Report

Mayor Snarr stated that the 4500 South construction is now underway. They have made some good progress already, and it is exciting to see the project underway. There has been great media coverage, informing the public that of the closures and alternate routes. The Mayor met with Keith Snarr and learned that representatives from Zions Bank have been looking for a parcel of property that would accommodate 300 condominiums, and they were excited about the progress of Murray City.

The Mayor presented some good news. After a year, funds were secured for the development of the UTOPIA network in the member rural communities, allowing them to use the technology to do business with the world at the *speed of light* and not have to travel outside of their communities. Several large companies have agreed to move into these rural communities to set up their headquarters, and so it is very exciting. There will be ceremonies and updates forthcoming on this.

The Mayor said the UTOPIA take rates in the rural communities have been

incredible at 35-40%. The newer communities, demographically, have taught us some great lessons; with younger couples wanting this new technology, which is a boon to all.

2. Questions of the Mayor

Mr. Robertson asked if there was a time frame for completion of UTOPIA within Murray.

Mayor Snarr stated that UTOPIA is not quite there yet.

Ms. Dunn asked what percentage it is at right now.

The Mayor stated that it is at approximately 60% deployment. Best of any of the cities so far.

Mayor Snarr said the land at 5300 South and State has been deeded to the City. The bid is being let go this week, but the work will not begin at this time since 4500 South is under construction.

Mr. Brass commented that a constituent had been grossly overcharged by a plumber, who did not fix her problem. He said the Water department found out about it and took it upon themselves to go to her home, after hours, and made the repairs out of their own pockets. Danny Astill went out, but he had four to five volunteers, all employees, who were willing to go out and do this for the woman.

Mr. Brass wanted to pass this on to everyone to let them know that this is what makes our community great.

H. Adjournment