



MURRAY CITY MUNICIPAL COUNCIL COMMITTEE OF THE WHOLE

The Murray City Municipal Council met as a Committee of the Whole on Tuesday, August 5th, 2014, in the Murray City Center, Conference Room #107, 5025 South State Street, Murray Utah.

Members in Attendance:

Brett Hales	Council Chair
Dave Nicponski	Council Member
D. Blair Camp	Council Member
Diane Turner	Council Member
Jim Brass	Council Member

Others in Attendance:

Tim Tingey	ADS Director	Janet Towers	Exec. Asst. to the Mayor
Janet M. Lopez	Council Administrator	Justin Zollinger	Finance Director
Jennifer Kennedy	Recorder	Frank Nakamura	Attorney
Jan Wells	Chief Administrative Officer	Kellie Challburg	Council Office
Blaine Haacke	Power- General Manager	Bruce Turner	Power
Greg Bellon	Power	Jared Hall	Community & Econ. Dev
Terri Candelaria	Resident	Gabriel Candelaria	Resident
Beverly Crangle	Resident	Tony Semerad	Salt Lake Tribune
Ted Eyre	Mayor		

Chairman Hales called the Committee of the Whole meeting to order and welcomed those in attendance.

Approval of Minutes

Chairman Hales asked for approval on the minutes from the Committee of the Whole meetings on June 18, 2014 and July 1, 2014, the Council Initiative Workshop on July 1, 2014 and the Citywide Citizen Meeting on June 5, 2014. Mr. Nicponski moved approval. Ms. Turner seconded the motion. All were in favor.

Business Item #1

**2014 Edward Byrne Memorial Justice
Assistance Grant- Chief Burnett**

Chief Burnett said the City receives this grant every year through the Department of Justice, called the JAG grant. The requirements have changed this year. Years ago, it was required to discuss the plans for the money in a Council Meeting, later it was a public notice requirement. This year, the requirement is that the department sit down with the Council and discuss the intentions for using the money, as well as a public notice.

The Byrne Grant is based off of crime statistics that are sent to the FBI every year; and then money is allocated from the Federal government back to the State level. Murray City has remained steady with the amount of money received annually. Some years it has been as low as \$12,000-\$15,000 but is usually around \$30,000. This year, it is \$31,878. There is a lot of latitude given as to how this money is used. In the past, it has been used for the radio switch over, and to purchase guns, cameras and other things.

This year the plan is to use the money to help implement an in-car video system. The previous system needed to be upgraded, and the company that had provided them went out of business. Currently, the City has very few in-car video systems. All of the officers carry body cameras that were previously purchased from JAG grant money and the beer tax money. The in-car cameras and the ability to record traffic stops are helpful for the officers and the prosecutors also. The equipment is very expensive and costs about \$5,000+ per unit. The amount of beer tax money saved from the last two years is about \$70,000 to \$80,000. That will allow most of the cameras to be purchased and the Byrne Grant will cover the rest. It will take a few years transitioning and getting those in all the patrol cars. They will only be installed in the patrol cars, which is about 34 or 35 vehicles. The beer tax money has very strict restrictions as to what the money can be used for.

Chairman Hales asked if the department had received the 2012 vehicles. Chief Burnett replied that they actually received 2014 vehicles at the 2012 price. The dealer had five chargers on the lot that were a year old, and were at a reduced price. The City is getting five unmarked cars at a really good price also. The budget allowed for ten cars, and they are going to be able to get eleven cars and save some money.

Mr. Camp expressed his support for the project. Chief Burnett said that initially everyone worried about being on-camera but quickly realized that that isn't a bad thing. It ensures professionalism in the department. The body cameras were also met with resistance but the officers now rely on them and want them. Chairman Hales asked if it was a live stream video from the body camera. Chief Burnett said the cameras digitally record and then are uploaded to a cloud storage facility. He said it does have some dial-in capabilities. Mr. Brass commented on the likelihood of being recorded anyway with the camera cell phones everywhere. Mr. Camp commented that Edward Byrne was murdered in his patrol car so the cameras are an appropriate use of funds.

Business Item #2

**Evaluating Code Changes for Secondary
Kitchens in Residential Units- Tim Tingey**

Mr. Tingey introduced Jared Hall, the Division Manager for Community & Economic Development. Mr. Tingey said that staff has been reviewing the code for zoning

ordinances. There are a list of issues that they would like addressed. When dealing with residents on a daily basis, sometimes issues are revealed that need to be re-evaluated.

In the current zoning ordinance, only one kitchen is allowed in a single family residence. The kitchen would include the stove, refrigerator, and other appliances. Often times, residents want to remodel or do an addition and there is already an existing secondary kitchen, and enforcement was required. Enforcement has been challenging. The second issue is that if someone wants to have a secondary kitchen, they can go through the process for an accessory dwelling unit, which requires a conditional use permit. He stated that many times residents will come in requesting a secondary kitchen that would not be used for a rental, but just to have those extra facilities in the basement.

Mr. Tingey said that he would propose a change to allow for a secondary kitchen in single family homes with certain criteria. Some of that criteria includes basic things, such as, the residence should only have one entrance, clarifying that was an entrance on the front side. Also, the residence should only have one address, one electrical meter, and other basic things. The City would require the secondary kitchen to be accessible to the rest of the house and not be closed off for a rental unit. There could also be a potential deed restriction that could be signed, notarized and recorded at the County as part of the approval process.

Mr. Tingey said he feels like there is a demand for secondary kitchens and a change in the code is needed. People want additional facilities for such occasions as Thanksgiving dinners, etc. This proposal would move forward to the Planning Commission then to the Council for the ultimate decision.

Mr. Brass said he has many neighbors that have second kitchens and they are not being used for rentals, just for increased capacity.

Ms. Turner said there are lots of reasons that a secondary kitchen is helpful, such as older children or parents returning home.

Chairman Hales asked if everyone was okay with moving forward. All agreed.

Business Item #3

**Murray City Power Department Report-
Blaine Haacke**

Mr. Haacke said that with the elimination of the power board, he would present information to the Council, at least quarterly. He wanted to initially give a progress update since the first of the year, discuss upcoming events and also talk about the different resources.

He noted that those council members that are attending the UAMPS (Utah Associated Municipal Power Systems) conference in a couple of weeks would learn a lot about power and the acronyms that are used.

Mr. Haacke introduced his three senior managers: Bruce Turner, Greg Bellon, and Charles Crutcher; each have prepared reports about their departments. He added that summer is the busiest time of the year for the power department.

Mr. Turner oversees the line crew and the forestry area. He supervises the employees that climb the poles. Mr. Haacke referred to the recent employee accident and said that Eric Bracewell is doing very well. He isn't back to work yet, but physically, is almost healed. He is having some short-term memory issues, but his cranial area is mended. His hip is still giving him some difficulties. He is expected to return to light duty within the next six weeks. Mr. Haacke noted that Victor Meza, an employee that had a motorcycle accident on his way to work, is back on light duty also.

The line crews have been working on the Mid-Valley Health Center on 6100 South, in the Moran Eye Center area. They have installed permanent power in the Holiday Inn Express, and the Home 2 Suites. Those have been big jobs, moving lines and poles. Underground power has been installed to the Central Village townhomes on 4800 South. Underground conductors have been installed on South Commerce. The crews have replaced a weak link on the hydro power line, near the Cottonwood Canyon, and have replaced several thousand feet of underground conductor on that project.

The day to day repairs of street lights and small subdivision items keep the crew busy also.

The forestry department responded to 1,212 power related trees this year. They have also either trimmed or removed 960 street trees that the City is responsible for. The City inherited a lot of street trees in the annexed area. Mr. Nicponski clarified that the department was doing routine maintenance and also responding to problems, up to 4 times a day. Mr. Haacke said that was correct and that the City has three arborist crews that are responsible for their section of the City. Each crew is made up of two employees with a couple of floating employees available. There are a lot of trees in Murray, and trees are one of the major causes of outages.

Mr. Haacke noted that one of Murray's arborists won the state tree climbing championship. His name is Jake Bleazard and he competed in the national tournament. He didn't place, but finished all the levels and did well.

In Mr. Crutcher's department, transformers have been replaced at the hydro area, and some 138 breakers at the mall. There have been some settling problems at the Central Substation near 4800 South. Mr. Crutcher oversees the substations and metering.

Mr. Haacke noted that the area on 4800 South is the location of the old Murray City dump and there has been some garbage settling. Some reinforcement has been done on the supports for the heavy transformers and circuit breakers. There has been a lot of work done on the supervisory between all substations. Every time there is a relay or breaker change out, it requires a lot of wiring changes.

The department has also worked on the Title 5 renewal, which deals with air quality. It is a State license that has to be renewed every five years. The State dictates how long the turbines can run and the amount of emissions. The turbines are clean, but there are still certain parameters to be met, he noted. He added that Murray has never come close to reaching the ceiling limit allowed.

Mr. Greg Bellon is over the warehouse, administration, inventory and building maintenance, and power purchasing. They have done a front end remodel at the building on 4800 South to aid people in finding the front entrance.

Power purchasing is the “bread and butter” of the success of the power department. Mr. Bellon buys and sells power each month, first on the season, then month, week, day and hour. The dispatchers are watching that minute to minute, and hour to hour, especially in the summer.

This summer they reached the peak load of 103.7 megawatts, matching the peak from last year. The all-time peak was 107 megawatts in 2007. He said the only explanation as to why that peak hasn't been reached in seven years might be economic reasons. There was about a 2% decrease in energy. Mr. Brass asked if there was a power factor issue. Mr. Haacke replied that the power factor is in the mid 90's. Mr. Brass replied that was a pretty good number. The power factor is around 92 in the over peak, stated Mr. Haacke. The kilowatt hour load just hasn't picked up like the peak has.

The hydro generation from last year to this year is almost identical, only a tenth of a percent decrease. The hydro started up in March and it is still producing about 800 kilowatts. As soon as the water slows down from the canyon, they will stop the hydro, he added. Mr. Camp asked if the decrease was due to the time the hydro was shut down. Mr. Haacke replied that was correct and some production was lost during that time. It was down for about three to seven days replied Mr. Haacke.

The gas turbines start up around 11:00 in the morning and run until about 8:00 at night. The pool price is compared to the production costs for the turbines. The dispatchers know that gas is being purchased for \$3.70 per dekatherm and that relates to a \$50 megawatt hour cost. The dispatchers look online and go on the market and if the market goes to \$58, then the turbines are started up. If it stays at \$48, then it is cheaper to purchase from the market. The turbines don't run too often in the winter because the pool prices usually stay below that cost. During the three months of summer, the turbines are run quite a bit stated Mr. Haacke. It depends on the supply and demand of the natural gas price, as the natural gas price dictates the grid price.

The annual air quality test would take place next week. Once a year, the State comes out and watches the turbines run all day long at a full load. There is also a third party that monitors the combustion from the stacks. The gas turbine is clean, but there is a little bit of combustible material that remains. Each day, a different turbine would be run and then report back to the State that Murray is in compliance. It is called a RATA test and Mr. Crutcher will be assisting with that test.

Mr. Haacke urged the council members to attend the Monday 10:00 am class at the UAMPS conference. In that class, the small nuclear plants would be discussed. He believes this class would be the most valuable one. UAMPS is thinking of buying into these small nuclear plants, so Murray may have to decide whether they are in or out on that decision. The itineraries have been sent out to give an idea of all the classes available.

Murray buys, sells or generates power from several different sources. IPP (Intermountain Power Plant) is the plant located near Delta. Murray owns 72 megawatts of that plant but is currently not taking any of it. Murray doesn't have to take it unless notification is done at an earlier time. Murray has a seat on the Board of Directors and also a seat on the IPSC (Intermountain Power Service Corporation) board. IPP contracts with IPSC to run the plant, and Murray has a seat on both of those boards. IPP isn't being called back because it is an expensive resource. IPP is just one of the places that

power can be purchased from and each season Murray decides where to buy power. The last three years, Murray has been able to purchase it cheaper somewhere else. If Murray doesn't call it back from IPP, the Los Angeles entities take the power. That is the beauty of this plant, that someone will take it if Murray doesn't want it, he added. Mr. Nicponski asked if Murray receives money from the sale to Los Angeles. Mr. Haacke replied that Murray does not, but the bonds and mortgage are paid. In a way, Murray acts as the landlord he added. Mr. Brass said it is an extraordinary agreement because the utility isn't sure how much power it will produce at any given time, depending on whether people take it or not. Los Angeles has to plan for their millions of customers also so it is a great partnership. The fact that the City can trade power back and forth is an amazing deal, added Mr. Brass. The plant just went through a bonding for about \$88 million, with about \$1 billion still owed. The interest rate went from 4% to 1.2% and resulted in a savings of about \$9 million. The financial advisor for the plant is George K. Baum & Company.

The Hunter Power Plant is located in Price and is also a coal fired plant. On that plant, Murray has to take the power it generates. Murray owns 21 megawatts of that plant. Of the previously mentioned 103 megawatts peak, 21 megawatts of that came from Hunter. Mr. Nicponski asked how many megawatts the Hunter plant generates. Mr. Haacke replied that there are four units of 60 megawatts each, and UAMPS owns 60 megawatts, about a fourth of the plant, and Murray owns about a third of that portion. The mortgage is paid off on the Hunter plant. The resource comes in at about \$35 per megawatt hour. The plant will require a rebuild in 2017-2018 so money is being set aside for that purpose, nearly \$100,000 per month. Murray has close to \$2 million set aside for that rebuild. Part of the rebuild involves the EPA (Environmental Protection Agency) constraints that are hitting all the coal fired plants. They are going from one plant to another to ensure the plants are cleaned up. The four corners area is currently being hit by the EPA. California entities have walked away from several plants, due to the EPA requirements. Hunter and IPP will both be on the EPA target list. Money was just invested into the Hunter bag house, a resource that catches the soot coming from the stacks. Hunter is 30% of Murray's load.

The San Juan resource comes out of New Mexico and Murray only owns 2 megawatts of it. California is bailing out, because coal fired power can no longer be brought into their state. There is discussion of people buying it up because the Californians are offering a fire sale to get out of it quickly. Most people aren't willing to take on the coal because of the attached stigma. That plant may be closed down, as is with the Navajo plant. San Juan is the oldest plant.

The CRSP (Colorado River Storage Project) project accounts for about 25% of Murray's load. This load comes from the Federal dams located on the Colorado and Green Rivers. Mr. Nicponski asked if the Hoover Dam was included. Mr. Haacke said it was not, but the Glen Canyon Dam and Flaming Gorge are included. Murray gets about 20 megawatts of the load from that. Every month he receives an update on the Glen Canyon Dam and currently it is 91 feet below maximum, which is about 52% capacity. Lake Powell is about one half full, and the level peaked on July 11th. Since then, more water is coming out than going in. This year, there was about 100% average inflow to the reservoir, compared to 40% last year, meaning there was more snow pack. In 2012, there was 45% inflow, and 2011 was 147% average inflow. We are still in a drought, but fortunately had enough water this year to meet the contractual requirements. Murray

receives this resource because it is a municipality and considered a priority, even before Rocky Mountain Power.

Mr. Brass asked the difference in costs between Hunter Power and CRSP. Mr. Haacke replied that CRSP is in the \$25-\$29 range. Hunter, which is the cheapest coal is in the \$35 range, and IPP is in the \$60 range, due to the debt there.

He added that hydro is the cheapest resource but also brings with it environmental issues. He said the concern is the humpback chub that is dying below the dam. There are seven studies currently being done below the dam by environmentalists, power users, rafters and recreationalists. They all would like to have their say on the operation of the dam. Usually, a hydro dam would keep the gates closed until about 2:00 pm and then open up the gates and allow the generation to come through when it is needed, and close the gates again at 8:00 pm. They are discovering that for some fish that condition isn't ideal. Fish need a steady flow coming out of the dam. That hurts Murray because the City doesn't receive the peaking capacity of the hydro. There is no control over this, it is just a study being done. A third of the original allotment has been reduced in the past ten years, due to constraints by the Federal government. Hydro is still the cheapest resource but isn't quite the workhorse that it has been. The goal is to save the water for when it is needed, and not pay for water in non-peak times. The power users pay for the studies and costs have increased due to that.

Mr. Haacke explained some recent power outages. There have been five power outages during the first five months of the year, all in the Winchester area, near the Social Security building and Red Robin restaurant. He said his department is not happy with that because they value their 99.99% efficiency rate. Some of the outages were due to equipment failure, and two outages were caused by employee error.

He met with the Winchester group of businesses that were unhappy with the power outages. He said the group consisted of restaurant owners, as well as, the landlords for the large office buildings.

The arborist patrol in the area was increased and all the trees in that area were cleaned out. The staff went through the area with a thermal gun and shot every joint and connection to see if there was anything glowing that could cause problems. That line was isolated from every other line. Replacement breakers were ordered and skid upgrades were purchased for about \$250,000. So far, the substation appears to be good and there hasn't been an outage for the last two months.

Chairman Hales asked what the outage percentage was compared to Utah Power & Light. Mr. Haacke replied the system as a whole is great but five outages in five months was excessive and the group had a right to complain. He added that it had been the first real crisis in his eight years, but believes it has been handled. It was decided that the owners could use better back-up generators and the City would do everything on their end to fix the problem. He said it will take a while to get the faith restored in the system by that group of businesses. He noted that "you are only as good as your last outage."

Mr. Brass asked if water from Lake Powell is being pushed into Lake Mead. Mr. Haacke said that was done last year because Lake Mead was lower than Glen Canyon but this year they are allowing Glen Canyon to save a little bit of their water.

Mr. Nicponski commented that this had been very educational and would like these reports frequently. Chairman Hales said it has been proposed to hear from Mr. Haacke every quarter. Mr. Haacke added that it is a complicated industry, but a fascinating one.

Mr. Brass asked what Rocky Mountain Power's percentage for system interruptions was. Mr. Haacke said that would be an interesting number and he would try to get those for the next meeting. Mr. Haacke complimented his crew and their hard work. Mr. Brass added that many of the outages are storm related and the employees are going up on the poles in a storm to make the repair; it is dangerous work. Chairman Hales complimented the arborist crew also and said they are a happy and friendly crew.

Mayor Eyre said the result of the meeting with the Winchester group was a very professional letter coming from Mr. Haacke and the power department. It was a very detailed letter stating the corrections that have been made regarding the power outages.

Ms. Lopez invited all to have birthday cake to celebrate the birthday of Mr. Camp.

Chairman Hales adjourned the meeting.

Council Office Administrator II
Kellie Challburg