

Murray City Municipal Council Chambers Murray City, Utah

The Municipal Council of Murray City, Utah, met on Tuesday, the 1st day of September, 2015 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:

| | |
|-----------------|---------------------------|
| Blair Camp, | Council Chair |
| Brett Hales, | Councilmember |
| Diane Turner, | Councilmember – Conducted |
| Jim Brass, | Councilmember – Excused |
| Dave Nicponski, | Councilmember |

Others who attended:

| | |
|-------------------|--|
| Ted Eyre, | Mayor |
| Jan Wells, | Chief Administrative Officer |
| Jennifer Kennedy, | City Recorder |
| Frank Nakamura, | City Attorney |
| Janet Lopez, | Council Administrator |
| Janet Towers, | Executive Assistant to the Mayor |
| Craig Burnett, | Police Chief |
| Gil Rodriguez, | Fire Chief |
| Doug Hill, | Public Services Director |
| Justin Zollinger, | Finance Director |
| Tim Tingey, | Administrative and Development Services Director |
| Blaine Haacke, | Power Department General Manager |
| Greg Bellon, | Assistant General Manager, Power Department |
| Scouts | |
| Citizens | |

5. Opening Ceremonies

5.1 Pledge of Allegiance – Carson Leavitt

Ms. Turner asked the scouts in attendance to introduce themselves and state their troop number and the badge they are working on.

5.2 Approval of Minutes

5.2.1 Council Meeting – August 18, 2015

Mr. Hales made a motion to approve the minutes
Mr. Camp seconded the motion

Voice vote taken, all “ayes.”

5.3 Special Recognition

5.3.1 Consider a Joint Resolution of the Mayor and Municipal Council of Murray City, Utah declaring September 13-19, 2015 as “Public Power Week.”

Staff Presentation: Greg Bellon, Assistant General Manager, Power Department

Mr. Bellon said as a public power entity, the Power Department is proud of their heritage as they are the only municipal power department in Salt Lake County. The Power Department will have a celebration on September 17, 2015 where they will be providing hot dogs and drinks. It is fun for everybody.

Mr. Bellon read the Joint Resolution in its entirety.

Mr. Camp made a motion to adopt the Joint Resolution
Mr. Hales seconded the motion

Ms. Turner said she thinks the Power Department is wonderful. She has had such a great opportunity to have some education on municipal power and it is fascinating. Murray is lucky, as a city, to have our own power department.

Call vote recorded by Jennifer Kennedy

 A Mr. Hales
 A Mr. Nicponski
 A Mr. Camp
 A Ms. Turner

Motion passed 4-0

- 5.3.2 Consider a Joint Resolution of the Mayor and Municipal Council of Murray City, Utah in support and recognition of September 2015 as National Childhood Cancer Awareness Month.

Staff Presentation: Mayor Ted Eyre

Mayor Eyre read the Joint Resolution in its entirety.

Mr. Nicponski made a motion to adopt the Joint Resolution
Mr. Camp seconded the motion

Mr. Camp stated this is close to Councilmember Brass' heart. He thanked Mayor Eyre for reading the Joint Resolution as he knows this is an issue that is close to him as well. He is glad that they are able to recognize this issue as a Council.

Call vote recorded by Jennifer Kennedy

 A Mr. Hales
 A Mr. Nicponski
 A Mr. Camp
 A Ms. Turner

Motion passed 4-0

6. **Citizen Comments** (Comments are limited to 3 minutes unless otherwise approved by the Council.)

No citizen comments given.

7. **Consent Agenda**

7.1 None scheduled.

8. **Public Hearings**

8.1 None scheduled.

9. **Unfinished Business**

9.1 None scheduled.

10. **New Business**

- 10.1 Consider a Resolution approving an Interlocal Agreement between the City and the State of Utah, Department of Heritage and Arts for receipt of grant funds that would assist in funding a repertory dance theatre performance.

Staff presentation: Doug Hill, Public Services Director

Mr. Hill said Murray City has been awarded this grant for \$1,800. It will be used to bring in the repertory dance theater to our schools and will go along with other grants the City has received to provide instructional opportunities for the kids in Murray City schools. The agreement would allow the City to receive this money. Once the agreement is approved, they can start implementing the programs.

Mr. Hales made a motion to approve the Resolution
Mr. Nicponski seconded the motion

Call vote recorded by Jennifer Kennedy

 A Mr. Hales
 A Mr. Nicponski
 A Mr. Camp
 A Ms. Turner

Motion passed 4-0

- 10.2 Consider a Resolution approving an Interlocal Cooperation Agreement between the City and Salt Lake County to receive funds from the County to pay for highway construction, reconstruction, or maintenance projects or the enforcement of state motor vehicle and traffic laws in the City.

Staff presentation: Doug Hill, Public Services Director

Mr. Hill said Salt Lake County has graciously agreed to give Murray City \$1,200,000 to go towards road construction projects. As he understands it, this money comes from the vehicle excise tax that is collected and sent to the County each year. Through the efforts of the City's lobbyist, Dave Stewart, they were able to secure these funds.

As far as what the money will be used for, Mr. Hill said he has met with the Mayor and Justin Zollinger, Finance Director and they would like to propose that they wait until the City bids out the 5900 South project, west of State Street, sometime in November, before making recommendations on what the money should be used for. That is going to be an expensive project, over \$5,000,000, and there could be a possibility the City would need to come up with some additional match funds, depending on the price of that project. They would like to wait until after that bid comes in to see what the total cost is and whether or not they will

need to come up with additional money.

Depending on what the amount is, the Engineering and Streets Department will make a recommendation to the Mayor of the road projects they would like to complete with the funds and then they will bring that back before the City Council to make sure they are fine with the recommendations. After that is done, they will send the list of road projects over to Salt Lake County and start most of these projects next calendar year after the funds are received.

Mr. Hill said this agreement formalizes that the City will get the \$1,200,000 once the City notifies the County of the projects we would like to do.

Mr. Camp said he supports this approach. He asked if there was still one property left to acquire for the 5900 South project.

Mr. Hill said they recently wrapped that up so the City now has all the properties. They were still working on one property last week, but that has been secured so all the property has been purchased.

Mr. Camp asked if those funds were already covered or if they were part of this project overall.

Mr. Hill replied the funds the City has received from the Federal Government for 5900 South equal about \$5,000,000. Right now they are going through an engineering process to try to make sure that they have looked at all the costs and potential savings for that project. They think it will be close to \$5,000,000. Some of the engineers think it could be a little bit more than \$5,000,000 which may require the City to come up with a few hundred thousand dollars more than what they have already deposited. They won't know that for sure until they get close to bidding out that project.

Mr. Nicponski asked what the scope of work will be.

Mr. Hill responded it will be on 5900 South between State Street and 700 West. This will occur during most of the construction season next year.

Ms. Turner asked if the County will have to approve the projects the City will be sending them or is it just for information purposes.

Mr. Hill said in a way they have to approve it because they won't send the City the money until they have the projects. He does not anticipate that there will be any questions to the projects that are sent. This is more of a formality than anything else.

Mr. Camp asked if this is a reimbursement after the funds are spent.

Mr. Hill replied no, the City will get the money upfront and then spend it. We will send the County an accounting of how the money was spent.

Mr. Camp made a motion to approve the Resolution
Mr. Hales seconded the motion

Call vote recorded by Jennifer Kennedy

 A Mr. Hales
 A Mr. Nicponski
 A Mr. Camp
 A Ms. Turner

Motion passed 4-0

- 10.3 Consider a Resolution approving changes to the “Second Amendatory Power Sales Contract” with the Intermountain Power Agency.

Staff presentation: Blaine Haacke, General Manager, Power Department

Mr. Haacke is recommending the Council pass a Resolution that allows the Mayor to sign the Second Amendatory Power Sales Agreement that has been talked about since December of 2013 when the initial Second Amendatory Agreement was passed. That Second Amendatory Agreement allowed IPA (Intermountain Power Agency) to pursue a different fuel to power the power plant in Delta, Utah, after 2027. Because of rules that occurred in the California Legislature; coal fired power resources are not allowed into California State after 2027. It is actually before that time, but they were bind by an agreement with us until 2027.

In order to keep the plant going, the IPA group and LADWP (Los Angeles Department of Water and Power) have partnered in working towards the option of putting a different fuel to that resource. They already have the transmission in line and the workforce out there. If that plant were to shut down in 13 years; it would be devastating to Delta, Utah, and Millard County.

This Resolution allows the City, along with the other Utahans and Californians to pursue a different fuel because a few things have happened between the Second Amendatory Agreement that was signed in 2013 and this one. In 2013, 22 of the 23 Utah cities passed that Second Amendatory Agreement. The six co-ops as well as the six Californians were asked to pass that agreement as well. All six co-ops passed it, but none of the Californians did because they had some issues with the initial Second Amendatory Agreement.

Utah was hoping to push forward, be aggressive and set the table for the Californians to pass the agreement that would allow the plant to pursue generation

past 2027. Some of the Californian's do not want to be involved with the plant after 2027. A couple want an increased entitlement and a couple want increased transmission entitlement. The Californians have put millions of dollars into the Milford Wind Farm, and other renewable resources in Utah. To get that renewable resource down to California, they piggyback on the IPA transmission system. The contracts are tied together. Some of the Californians are agreeing to stay in the generation part of the contract in order to get kilowatt hours, but also to get transmission. So each of the six Californians have different reasons for staying in or getting out of the contract.

No consensus could be met on the Second Amendatory Agreement that the City passed in 2013. Therefore, LADWP took it upon themselves to go to the other five California cities and tell them they need to sign the agreement that allows the fuel type to be changed. The big issue was they could not change the fuel of the plant because the original contracts from the 1980's said, "a coal fired plant." If there is not a coal fired plant out there, that agreement is mute. So the wording has to be changed.

The Second Amendatory Agreement said they are going to change it to a natural gas powered plant. One of the key changes to the new agreement is that the wording has been changed from natural gas to alternative fuel as there might some other options available in the next 12 years. One of them being compressed air.

There are existing salt caverns underneath the power plant in Delta. There are millions of cubic feet of empty space under the ground that were originally formed in salt. They have pushed water, or some type of liquid, into that area which is dissolving the salt. They then pump the salt water out into the fields and it leaves a cavern. This cavern was originally thought to be a natural gas storage. Kern River Pipeline is within 30-40 miles of that; it is a main corridor to California. They thought they could store that natural gas and sell it on the market during winter time when the price of natural gas is a little more expensive.

Burbank, one of the Californians, is pushing the possibility of using one of those salt caverns to put compressed air in. They would put compressed air into the ground and during the peak times during the day, they would push the compressed air into a generator to make electricity. At night they would use the generation to pump air back into the ground.

That is an example of one possible fuel source the Californians want to put in. This is also one of the main reasons why they are changing the wording from natural gas to alternative fuel.

Mr. Haacke said the other issue the Californians had that has been detailed in the new Second Amendatory Agreement is an escape clause. Some of the Californians did not want to commit now to a resource that will not be in play

until 2025 of whenever the new plant come on. It was decided to give them until November 1, 2019 and at that time they will bond for the new plant. Until that point, the Californians have the option of staying in the project or bailing out. This gives them a 4-5 year escape clause where they can get out of this project if they want to. Los Angeles is committed to the entire plant, even if all the rest of the Californians leave. They do want California partnerships. It helps with the media and public relations. The denotation of November 1, 2019 is another change in the agreement.

Other small changes include some detailing of a different type of coordinating committee that is going to watch the renewal process. The City would have a seat on that Board because we are the biggest participant in Utah.

Once the Second Amendatory Agreement is passed by all 23 Utahans, 6 co-ops, and the 6 Californians; IPA is going to ask everyone how much of the new plant they want. The City is going to continue to take as much entitlement as we can. We currently have 72 megawatts and 4% entitlement in the plant.

The new plant is going to be two-thirds the size of the old plant; from 1800 megawatts to 1200 megawatts. Therefore, the City's entitlement will go down by two-thirds as well. It will still be a sizable amount of power and it will take decades for Murray to grow into.

The beauty of the IPA contract, which will continue into the new contract past 2027, is that we can layoff that power to California. That is an amazing contract that no one else in the country has. We are going to take as much entitlement as we can, because we may never use it.

The new Second Amendatory Agreement talks about how orphan shares are going to be handled. For example, Anaheim has no interest in pursuing this plant after the contract is over. They are going to walk away from their 12% entitlement. The new Second Amendatory Agreement defines how their share will be divided.

Mr. Haacke said the two main differences to think about are the alternative fuel wording and the escape clause. The rest of the agreement is basically the same as the one that was passed in 2013.

The concern the Power Department has is if the Delta plant shuts down what will happen to the coal? What will happen to Price and Carbon County? They intend to increase their exports to China and other places by buying a port site in Oakland. This is the only way to make this plant exist after 2027. We need to continue to partner with Los Angeles and the five Californians and they only way they can participate is with an alternative fuel.

Mr. Hales asked Mr. Haacke what he thinks the resources will be in 2027.

Mr. Haacke replied he thinks it will be a mix and natural gas will definitely be in that mix. In 2027, the Utahans are given the coal fired plant. What will we do with that coal fired plant? Different administrations and different environmental issues might allow us to continue to run the plant. If that is the case, we will have a plant that is paid for. The other Utahans are also going to pass this agreement. The six Californians have already passed it.

Mr. Camp told Mr. Haacke he appreciates the way he has kept the Council up to speed on this issue. This is a big deal; we have been waiting for this to happen.

Mr. Haacke said this process has been going on for four to five years. It is a big deal. It is committing the City to resources post 2027. The saving grace is that if we never use a kilowatt hour of it, it is not going to cost the City one penny.

Mr. Hales made a motion to approve the Resolution

Mr. Nicponski seconded the motion

Call vote recorded by Jennifer Kennedy

 A Mr. Hales
 A Mr. Nicponski
 A Mr. Camp
 A Ms. Turner

Motion passed 4-0

11. Mayor

11.1 Report

Mayor Eyre said on September 19, 2015 from 10:00-2:00 it is free for everyone to go to the Boys and Girls Club for a big celebration for kids. They will have games, food and all kinds of activities to do. It will be a great time at the Boys and Girls Club to celebrate what they do and to celebrate the kids in our community.

The County has asked the City for a Resolution to allow Proposition 1 on the ballot in November. Proposition 1 is what was referred to as House Bill 362, the gasoline tax. There are some restrictions with regards to public officials and how they can promote that. They can use personal emails if they choose to promote this proposition, but they cannot use public emails.

Mayor Eyre said there were two incredible Eagle Scout projects that went on this last week. The first one was put on by Samuel Lundberg. For his eagle project, he put together a project where he contacted about 1100 homes to come together in a town hall meeting at the pavilion over at Southwood Park. The purpose of the meeting was to help organize and understand the makeup of neighborhood watch

programs. The Police Chief and several police officers were there to answer questions. There were several hundred people that showed up to that town hall meeting. This young man organized the whole thing, conducted the meeting and had signs made up for people to buy. All of the neighbors were informed about apps for your cell phones to alert people when there is somebody in the neighborhood that may be suspicious. This was extremely informative and very well done.

Today another project was done by a young man who is in troop 9132, Seth Staley. Mr. Staley wanted to recognized and honor an 11 year old boy who passed away last April while he was out in California on vacation. He and his cousins were playing in a swimming pool when he tragically drowned. This young boy who was a participant in the Boys and Girls Club needed to be honored. Mr. Staley organized a bunch of businesses to contribute their time, energy, and manpower to go over to the Boys and Girls Club and make a wonderful place in their back lawn area where they completely re-landscaped it. Jenkins-Soffe donated a beautiful marble-type bench with this young boy's name written in it. It is a beautify tribute to this boy and to all the people who contributed to this.

Mayor Eyre commended the Murray Arts Council. Over the last couple of weeks they put on a production of Camelot. It was a real first-rate production with incredible talent. It was very entertaining and was highly attended.

Mayor Eyre commended the Power Department and Mr. Haacke for putting together the opportunity for himself and some of the Council members to attend and be educated at the UAMPS Conference. It was educational, well run and a very informative program.

11.2 Questions for the Mayor

Mr. Camp asked the Mayor if he had received any definitive report or feedback on the fire today that was close to the hydro plant and if there was any damage at all.

Mayor Eyre said he has not received anything that was not on the news. KSL News had reported that the cause of the fire was not determined. There were no buildings, other than one out building that was affected. No homes were affected. There were about 30 homes that were evacuated and 50 that were put on alert. The evacuation was called off and everybody got to return to their homes. There was no personal property damage.

Mr. Camp asked if any of the City's property was affected.

Mayor Eyre replied the news said there was a combination of many cities that responded to that. They had the airplane drops and two helicopters dropping fire retardant. They quickly got on the fire and because of that, there was no property

damage.

12. Adjournment

Jennifer Kennedy, City Recorder