



MURRAY CITY MUNICIPAL COUNCIL COMMITTEE OF THE WHOLE

The Murray City Municipal Council met as a Committee of the Whole on Tuesday, June 6, 2017 in the Murray City Center, Conference Room #107, 5025 South State Street, Murray Utah.

Council Members in Attendance:

Diane Turner, Chair	District #4
Dave Nicponski, Vice-Chair	District #1
Blair Camp	District #2
Jim Brass	District #3
Brett Hales	District #5

Others in Attendance:

Ted Eyre	Mayor	Jan Lopez	Council Administrator
Janet Towers	Chief Admin. Officer	Jennifer Kennedy	City Recorder
Pattie Johnson	Council Office	Danyce Steck	Finance Director
Trong Le	IT	Tim Tingey	ADS Director
Doug Hill	Public Services Director	Greg Bellon	Assistant General Manager
Jennifer Brass	Resident	Sally Hoffelmeyer Katz	Resident
Carlton DeFosse	Resident	Ethel DeFosse	Resident
Kathleen Stanford	Resident	Brent Barrett	Resident

Ms. Turner called the Committee of the Whole meeting to order at 5:15 p.m. and welcomed those in attendance.

1. Approval of Minutes

Ms. Turner asked for approval on the minutes from April 18, 2017. Mr. Brass moved approval. Mr. Camp seconded the motion. All were in favor.

2. Discussion Items

2.1 UDOT Agreement Federal Aid Highway Funds – Doug Hill

A federal grant of \$4.29 million was awarded to the city, requiring matching funds that fall just below \$300,000. Therefore, partial funding of \$200,000 was requested in the 2018 budget. The additional \$100,000 would be allocated in the following year's budget. An Interlocal Agreement with UDOT would be considered by the city council.

Mr. Hill said grant funds would be utilized to reconstruct and widen Vine Street, between 900 East and 1300 East. The 80 foot right-of-way would include sidewalks, parking strips, curb and gutter, as well as, a parking shoulder, bike lane, and three travel lanes. Mr. Hill noted several existing properties already have an 80 foot right of way.

Ms. Turner knew citizens in the area would be glad and felt the project would be wonderful, as she walks Vine Street regularly herself.

Mr. Hill explained the project would first begin between 900 East and 1300 East. Environmental work would continue the full distance between 900 East and Van Winkle because funding into 2021 would provide for sections from 1300 East to Van Winkle Blvd.

The interlocal agreement and the 2017-2018 budget would be considered for approval by the council during the June 6, 2017 council meeting.

Mr. Nicponski asked Mr. Hill if the city hired outside sources for grant writing. Mr. Hill reported city staff was responsible for writing the grant request. He said transportation funds are granted annually and Murray City has always had a project on the list for consideration. Other funding was not always granted, such as, the quarter of the quarter, as well as, the vehicle registration excise tax, because funds are administered by the county, where the application process was not required. Federal funds from UDOT are processed every year, and letters are sent to cities providing an open application process. Mr. Hill felt the process through UDOT was very transparent and said projects were awarded based on merit.

Mr. Nicponski wondered if the county changed to an open application process, could results change in the future. Mr. Hill said it would be nice to know if those funds were fairly awarded.

2.2 Ordinance Impeding or Blocking Traffic – Frank Nakamura

Mr. Nakamura reported the 2017 Utah Legislature passed House Bill 161. Part of the bill, directed at panhandling, makes it an infraction and Class C misdemeanor when panhandlers, drivers or passengers exchange money or other goods on freeway exists and state highways. The adopted code was noted as a health and safety provision, therefore, state code was incorporated into Murray Code.

Mr. Nakamura noted other cities passed similar ordinances, however, state law requires a permitting process, that other cities omitted. He said he did not understand how cities ignored the permitting process required by state legislation.

Because it is not fully understood at this time what the permitting process entails, related to panhandling cases, Murray decided the required permitting process would be handled under the city's special events permits. Concerns related to free speech constitutional rights have always existed in

these cases, however, due to safety concerns, the city will enforce laws related to panhandlers blocking traffic. The ordinance at hand affects both passengers and drivers, who give money from vehicles making them vulnerable for prosecution, as well.

Mr. Nakamura explained the permitting process helps to make the law constitutional. Therefore, the city would follow state law, and include the ability to attain a permit in its ordinance.

Mr. Nicponski wondered if the purpose for attaining a permit was to solicit money, similar to fire fighters standing in traffic to collect donations into a fireman's boot.

Mr. Nakamura replied, according to state law, free speech elements, protests, and other activities would entail anyone who wants to seek a permit, as long as it falls within the time, the place, and the manner related to free speech code. He was unsure, how anyone could be denied a permit, although, the city has the right to regulate time, place and manner for free speech conduct. The city would pattern the ordinance after state law and his goal was to inform Murray citizens of the current law.

Mr. Brass noted 4500 South, under I-15, panhandlers stand on the center island on any given weekday. Panhandlers who stand under the viaduct off to the side were not a concern, however, on the center island, with six lanes of traffic during rush hour, could not be legal with a permit or otherwise.

Mr. Nakamura agreed, the area was not a place where a permit should be granted. Time, place and manner would regulate the area accordingly, which the city has always done.

Mr. Brass asked if a fee was associated with attaining a permit. Mr. Nakamura said no, and explained any permit involving first amendment implications does not require a fee. If a person wants to protest, a permit is granted without cost, for the regulated time, place and manner.

Ms. Turner asked if safety regulations override permits for soliciting money in the middle of traffic. Mr. Nakamura explained due to safety concerns, a permit would not be issued for that location in the first place. He reiterated, in reviewing other city ordinances, not one was found yet requiring the permit process; therefore, implementation would be difficult for Murray City, although, Murray citizens would be informed of the law.

Mayor Eyre wondered if after three violations a citation was given. Mr. Nakamura explained the first offense was considered an infraction, and a citation would be given, which would escalate, depending on the severity of the penalty, to a Class C misdemeanor after a third citation. Incarceration up to a 90 days maximum, and a fine up to \$150 could result with the final citation.

Mayor Eyre wondered if it was possible to monitor the number of second and third time offenses. Mr. Nakamura felt it was a matter of sentencing by a judge who would have record of infractions.

Mr. Camp asked if Murray police enforced citations at 4500 South for panhandlers standing on the island. Mr. Brass responded yes, he was aware the police were visiting the area frequently.

Mr. Nakamura noted whether on a sidewalk or roadway, blocking traffic must be stopped for safety reasons.

2.3 Power Department Quarterly Report – Blaine Haacke

Mr. Haacke acknowledged Mr. Bellon and thanked him for his support.

Tree planting– The program started several decades ago and is a great benefit for citizens, which entails the city caring for trees between the sidewalk and curbs, throughout Murray. Once a year residents can be placed on a list to purchase trees for \$45 each. Each year, the Beautification Committee selects four varieties to choose from and citizens are responsible for maintaining them. In addition, dead trees are removed, including the stump, and replaced with new trees. In the past month, 171 trees were planted throughout the city.

Mr. Brass noted the large size of a tree he purchased and appreciated the beauty it brought to his home in just one day.

Mr. Haacke stated the program was ultimately a public relations effort, and the city subsidizes the community for this program.

Hydro plant – The 4.8 MW plant is at full speed this year with a clean runoff requiring little overtime to clean away tree and garbage debris. Kilowatt hour production in April and May was the same as the previous year, although, as of June first, more snow melt was expected with 51 inches of snow at the top of Snowbird. Last year, shut off occurred the end of August, however, with a slow runoff this year, the hope is for production into late September. Mr. Haacke said every drop of water is free fuel for the city, preventing purchases on the market.

IPA – A document with the mayor's signature would be delivered to UAMPS rejecting energy call back for the winter of 2017-2018. Every six months the city must declare formally whether call back is necessary or not. Mr. Haacke, reported pricing for IPA power was high, from \$58 to \$60 per megawatt hour (MWh), therefore, power would be purchased on the market for \$30 MWh instead. Notification must be made to UAMPS by June 15, however, Mr. Haacke would delay his response until June 14, 2017, in case of a catastrophic market issue. He explained, an incident occurred 15 years ago in 2001-2002, when nine days after a December deadline, an explosion occurred at the Hunter plant causing the market to tailspin. Had the city known nine days earlier, energy call back from IPA could have been utilized to replace power. Therefore, if a similar incident occurs, waiting until the last day to commit would be of great value.

Gas Turbines – Three turbines located on 4800 South are expected to run less than last year due to a soft market, however, with rising temperatures they would be utilized during mid-July to mid-August.

Peak Load - An all-time peak of 107,000 kilowatts (KW) was recorded on June 29, 2015. Last year's peak was recorded at 103,500 KW. So far, peak during the first week of June was 82,000 KW. Comparatively, last year, during the first week of June, peak was 93,000 KW when it was 10 degrees warmer. Mr. Haacke explained just a 10 temperature difference forced the load to jump 10 MW, which is typical for 90+ temperatures. For the last three years, peak load occurred at 5:00 p.m. when peak is measured in 15 minute increments. A low load of 39 MW was recorded during early morning hours between 3:00 a.m. and 4:00 a.m.

Landfills – Both landfills are doing fine where production from Trans-Jordan landfill was 4.5 MW and 3 MW from Salt Lake County landfill.

IPA – Mr. Haacke appreciated council members who visited Delta, Utah for a tour of the plant with him. Following that visit, he attended a board meeting regarding the plant closure. The plant would close in 2025, which would allow employees time to find new employment before downsizing. The announcement was made to 400 employees on May 23, 2017 by the general manager. Approximately 300 positions would be terminated, leaving a remaining 100 employees.

Mr. Brass noted it was not completely closing and believed it was a 75% reduction. Mr. Haacke confirmed and said the natural gas plant would employ fewer people after construction.

Mr. Haacke said the timing of a shutdown is never good; he recalled a moment during the May 22, 2017 meeting, when the motion was made to second the vote to close the plant. The board went silent before a unanimous roll call. Although it was a decision that had to be made, the board did not want to close the plant. Mr. Haacke knew the hard decision would affect the future of others, however, he believed the people of Delta would pick up and go on to find good employment, possibly in solar or compressed air storage technologies. He noted over 1,000 jobs would be provided during the new construction upgrade, as well as, 120 full-time positions offered at the new plant. In addition, over eight years, 30% - 40% of current employees would ultimately retire in 2025.

With the new federal administration in place, the EPA has not whole heartedly committed to the standards of the previous administration, therefore the EPA is uncertain as to what direction they want President Trump to go. It is believed that President Trump could be more lenient in regards to standards, however, the decision to shut down the coal fired plant was made because it is felt a clean energy plant is not going to go very far, at least for the next four years, which buys time until the plant closure.

The city is committed to the plant shutdown and California cannot, under any circumstances, bring current IPA power into their state after 2027. The sobering vote to shut down the plant was made by seven board members knowing the economic impact of the decision. Mr. Haacke felt the closure would go relatively well, without any problems and a press release was given to most local news agencies, as well as, to government officials.

IPA plant re-fueling process

The Los Angeles Department of Water and Power (LADWP), would decide the size of the new plant, with plans for the facility to reduce from an 1800 MW plant to a 1200 MW plant. The new plant will operate without coal piles, conveyor belts, railroad staff, coal pushers and coal crushers. The city would lose one third of its entitlement, dropping from 72 MW to approximately 48 MW. Two new units, producing 600 MW each, would be constructed next to the old plant, by Black and Veatch, where only a natural gas pipeline would bring fuel to the plant. All construction costs would be covered by LADWP, with no cost to Murray City; unless Murray decided to retain call power capacity at a later time, up to 50 years, the option is there with a cost.

Present day predictions for fuel costs are estimated at \$60 per MWh, which is the same cost as the coal fired plant. For Murray, it is expensive, unlike for LADWP, whose rates are 70% - 80% higher. Murray rates are nine cents per kWh, and LADWP rates are 16-17 cents per kWh. Mr. Haacke said the partnership with LADWP is good and LADWP is glad to have the Utah resource, which is also an economic benefit for tax revenue to central Utah.

Part of the construction includes rebuilding a 30 year-old transmission line, which runs 600 miles from Delta, Utah, to Adelanto, California. Part of the California market plan is to boost all renewable energy to Californians, including the wind and solar companies. However, doing so requires a coal fired plant, as a base, which is the only resource that can push those renewables the great distance. Mr. Haacke said what people should understand is that wind and solar alone cannot drive renewable energy to California.

UAMPS and small nuclear plants

UAMPS continues to pursue small nuclear reactors, where partnership funding from the Department of Energy (DOE) is still desired. In addition, negotiations continue with the developer, Nuscale, as well as, UAMPS participants, and the Northwest Power Pool, located in Oregon. If each partnership contributed 25% of the cost, the project would be funded.

Mr. Haacke said Mr. Bellon attended an executive session where he learned costs were estimated to be 10% more than the natural gas from Delta, Utah.

Mr. Brass felt the cost was very inexpensive. Mr. Haacke agreed and reported once a price was documented, UAMPS was ready for Murray to sign the agreement. Nothing would come to council until solid pricing was determined.

One concern noted by Mr. Haacke was an idea from the Trump administration, to sell the federal transmission system. Much of the energy purchased by Murray City travels through the federal system, such as, the Colorado River Storage Project (CRSP), several dams, to Idaho. The present administration would suggest privatizing the entire federal system.

Mr. Haacke said overall, the city is well suited with its portfolio and variety of resources, including natural gas, coal, small and large hydro, as well as, the possibility of small nuclear. Operations are going fine and there was no intention of a rate increase.

2.4 Strategy session to discuss the purchase of real property, and pending litigation - Blaine Haacke

Ms. Turner stated pursuant to Section 52-4-205 (d) of the Utah Code, the city council may vote to close this section of the meeting, due to the issues involved.

Mr. Haacke confirmed actual purchases prices for property would be discussed, as well as, pending litigation related to Intermountain Power Agency (IPA)

Mr. Nicponski moved to go into a closed meeting pursuant to Section 52-4-205 of the Utah Code for discussion. Mr. Camp seconded. Ms. Lopez called for the vote.

Roll Call Vote

Mr. Camp - Aye
Mr. Brass - Aye
Ms. Turner - Aye
Mr. Hales - Aye
Mr. Nicponski – Aye

Motion carried.

Mr. Nakamura asked to clarify two separate matters; one, was the purchase of property, which was not related to any litigation, and prices would be discussed. Second, litigation, was a totally separate case. He said the public should know the Intermountain Power Agency (IPA) litigation had been going on for a number of years and the settlement was still under discussion, which did not involve the city directly.

Ms. Turner thanked Mr. Nakamura for the clarification, noted the unanimous vote and closed the meeting.

Meeting Reopened – 6:25 p.m.

3. Announcements: Ms. Lopez made the following announcements:

- Friday, June 9, 2017, Retirement Party for Tom Baker, in the council chambers from 1:00 – 3:00 p.m.
- Friday, June 16, 2017, Volunteer award, located at the Heritage Center at 12:15 p.m.
- Wednesday, June 14, 2017, UTA, UDOT, and WFRC Bike Tour, would meet at the Central Murray Trax station, near Frontrunner at 10:15 a.m.
- July 4, 2017, Council member to ride a Trolley in the Fourth of July Parade, would meet at the Fashion Place Mall at 7:30 a.m.

4. Adjournment: 6:30 p.m.

**Pattie Johnson
Council Office Administrator II**