



## MURRAY CITY MUNICIPAL COUNCIL COMMITTEE OF THE WHOLE

The Murray City Municipal Council met as a Committee of the Whole on Tuesday, May 1, 2018 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
Dale Cox	District #2
Jim Brass	District #3
Brett Hales	District #5

**Others in Attendance:**

Blair Camp	Mayor	Jan Lopez	Council Director
G.L. Critchfield	City Attorney	Jennifer Kennedy	City Recorder
Jennifer Heaps	Comm. & Public Relations Director	Pattie Johnson	Council Office
Tim Tingey	ADS Director	Blaine Haacke	General Mgr Power
Greg Bellon	Power	Kim Fong	Library Director
Jennifer Brass	Resident	Danyce Steck	Finance Director
Janice Strobell	Resident	Brent Barnett	Resident

Ms. Turner called the Committee of the Whole meeting to order at 4:45 p.m. and welcomed those in attendance.

**1. Approval of Minutes**

Ms. Turner asked for comments or a motion on the minutes from the Council Retreat on March 7, 2018 and Committee of the Whole held on March 20, 2018. Mr. Brass moved approval as written for both sets of minutes. Mr. Cox seconded the motion. All were in favor.

**2. Discussion Items**

**2.1 Reports from Representatives to Boards of Interlocal Entities**

2.1.1 Kim Fong – Murray City Library

Ms. Fong stated the library vision statement is to “open new worlds” and the mission is “to be your friendly hometown library.” In that spirit efforts have been made to reach more people in the city, therefore, a program for homebound citizens has been created to mail books to homes. They are sent out with return postage on the lower book rate. E-books are also an option for those who cannot get into the library.

Another new service will be curbside pick-up. A parking stall will be dedicated to pick up holds, which will be brought out to residents. The idea is to remove barriers for using the library for that person who may be having a bad health day or a mom whose children fell asleep in the car.

Mr. Cox noted the very positive atmosphere in the library. Ms. Fong receives positive comments from other librarians, as well.

#### 2.1.2 Mayor Camp – Council of Governments (COG)

There are a number of new mayors in the COG meetings.

Transportation bills from the 2018 Legislative Session have been discussed extensively and the county would like to have a super majority of cities support the sales tax increase in order to impose that for Salt Lake County.

With the reorganization of Utah Transit Authority (UTA) a representative of Salt Lake County will be appointed to the three-person commission, which is a full time position for a three-year term. Applications are being taken.

Community Development Block Grants (CDBG) presentations were made at the COG meeting and again at Council of Mayor’s (COM) and there are few dollars available for the many worthy causes. The group is working through that process.

#### 2.1.3 Mayor Camp – Utah Telecommunications Open Infrastructure Agency (UTOPIA)

The UTOPIA Board elected the same officers for the year, Wayne Pyle as Chair, and Jamie Davidson as First-Vice-Chair. Operating expenses were \$427,000 below budget and operating profit was \$758,000, which is higher than budgeted year to date in February. This is attributed to UIA making overhead expense payments to UTOPIA for the shared costs.

Sales growth in 2017 was steady in all cities. January 2018 was the highest new subscription month ever with 400 new customers. A shorter one-year lease was introduced and the churn rate is under 5%. Band width is up to 10 GB for residential.

#### 2.1.4 Danyce Steck – Utah Infrastructure Agency (UIA)

The February bond sale was not as successful as they had hoped with interest rates higher than expected and the bond rating at BBB-. Bonding was done on their own revenue stream with no backing from cities. The bond amount was lower than needed and building is faster than anticipated, therefore UIA needs to bond again. In April, a parameters resolution was passed for \$20 million to \$33 million with the same bond rating.

In response to a question, Ms. Steck said they have reached the maximum bonding capacity against the cities and must now use their revenue stream for backing. The administrative fees to UTOPIA does not affect the ability to bond.

Orem and Layton are looking at a faster build-out based on using their franchise fees as a guarantee for another bond proposal, although the debt is UIA's. Layton is going forward with this and want to be fully built out within the year. Layton believes they will get a 35% to 40% take rate and with a minimum take-rate of 30% they will realize a rebate of 20% on residential and 50% on commercial accounts. Orem is following suit and working on council approval. Murray has a take-rate of 37%, which is the highest except for those small cities that are 100% built-out with no other provider options.

UIA is building into all the new developments.

Alex Jensen was elected as chair again.

#### 2.1.5 Brett Hales – Association of Municipal Councils

Mr. Hales noted a presentation by Bo Call from the Utah Department of Environmental Quality who provided an overview of the department's responsibility to provide information to the public and monitor statewide stations to ensure that Utah is within federal limits for air pollution. "Utah Air" is an app that can be used to compare air quality with previous years.

The Jordan River Commission made a recent presentation providing a history that includes 15 cities, three counties and two state agencies. Should our budget be adopted, Murray has funding to join the commission this year.

Mr. Hales discussed a visit to the UDOT Traffic Operations Center and related how fascinating it is to see the operation with a full meteorologist team in house. They see accidents before they were called in and expressed a desire to work with the cities on the traffic signal coordination.

The main reasons for vehicle accidents are DUI; aggressive driving; drowsy driving; and distracted driving. Failure to wear seat belts causes the most fatalities.

#### 2.1.6 Jim Brass - Central Valley Water Reclamation

- Central Valley is continuing to upgrade the plant with the current project being the power generation building.
- There is a proposal to amend the interlocal agreement for revenue retention and reserves, which requires a unanimous vote. A critical cash flow problem is due to paying huge construction bills and waiting for reimbursement from the bank.
- Central Valley is also updating the purchasing policy to make sure qualified contractors are being hired. Fines could be enormous if there were a system failure from poor quality materials.

#### 2.1.7 Jim Brass - Wasatch Front Waste and Recycling District (WFWRD)

- The financial report was presented and they have no findings in the audit, therefore, they are very sound.
- Current issues include the closing of the Valley transfer station, which is still undecided. The county council does not know the overall impact, however they are subsidizing it by \$2 million per year. If the transfer station does close, there will be more trucks hauling, more emissions, and additional wear and tear on the roads to take it further. WFWRD is required to take a certain amount of waste to the Salt Lake County Landfill when it would be less expensive to take it to Trans Jordan.
- The other issue is recycling. It is now more expensive to recycle than to dump waste in the landfill. We could see a \$32 tipping fee at the landfill versus a \$53 tipping fee at Rocky Mountain Recycling. Recycling does keep the landfill from filling, however, it means costs for trucking, additional fuel and time. At some point we will need to go to the public to find out how they feel about this issue. Much of the recycling is contaminated, which means the entire load is rejected. The list of accepted items is changing. The Chinese market is now closed off and there are no domestic markets for paper, or plastic, but glass is marketable.

#### 2.1.8 Jim Brass – Chamber of Commerce

The educator's luncheon was very successful with about 105 attendees. The golf tournament is the next fundraiser with money going to scholarships for the youth chamber and Excel Club events.

The chamber's cash flow problem is improving with new members and the funding from Murray City.

#### 2.1.9 Dale Cox – Valley Emergency Communications Center

A couple of developments include a new communications system rollout at the end of the year. Additionally, Unified Police will come on board at the end of the year to merge operations. Money was budgeted so that there will be no pay discrepancy with dispatchers when the combination of efforts occurs. Dispatchers are the first line and qualified people there are needed on the phones.

#### 2.1.10 Dale Cox – ULCT Legislative Policy Committee

During the Legislative Session there were weekly meetings at the capitol. There were 1742 bill requests opened.

- 821 bills considered
- 533 bills adopted – 64%
- ULCT tracked 302 of the 821 bills
- 75 bills were actively worked by the ULCT
- ULCT achieved the desired outcome on 67% of the bills worked
- Bills opposed that failed were 96%
- Bills opposed that passed were 4%

Mr. Cox described the Legislative Oversight bill that failed, which was considered a big win for cities. The Transportation Funding Senate Bill #136 will provide the city with 0.10% for local projects. Interim review topics include housing, inland port, land use task force, water law, public safety and tax reform.

Mr. Cox complimented Cameron Diehl on his work this session. He also noted the homeless situation and how the bills negatively affect Murray.

#### 2.1.11 Mayor Camp – Metro Fire

- The mutual aid/automatic aid agreement that is 30 years old will be presented to the council for renewal.
- The board needs to hire an attorney, as the one on the board will be retiring soon. Mayor Camp is not in favor of hiring new employees.
- There was also discussion on the hiring/testing process that is administered jointly. Murray is no longer interested in participating in the joint process.
- There is a problem with interfacility transport between member cities and United Fire Authority. This does not affect Murray.
- The board also discussed problems with recruiting and retaining quality firefighters, including compensation, Tier II retirement and new fire stations in West Valley and Bluffdale.

#### 2.1.12 Tim Tingey – NeighborWorks

Over 43 projects have been completed since NeighborWorks became associated with Murray City in 2010. These include rehab, Vine Street being the most recent, and 218 W. 5900 South with a completion in mid-May. Down payment assistance is an important program, as well. Fundraising includes CDBG funding, private grants and national grants. Murray's RDA tax increment financing housing set-aside goes to NeighborWorks and they do great work for the city. The Paint-Your-Heart-Out program is in the planning stages. Council members may know of projects in their districts that can be forwarded to Neighborworks.

#### 2.1.13 Jennifer Kennedy – Community Action Program (CAP)

- New CEO appointment will go before the board for approval.
- The Heat Program is wrapping up for the year. Staff is temporary, except for a few kept over the summer.
- Head Start Program is transitioning to full day care.
- Fundraiser gala on August 25, 2018.
- Fundraiser June 30 at Liberty Park for Food Truck Faceoff.

#### 2.1.14 Blaine Haacke – Utah Associated Municipal Power Systems (UAMPS)

UAMPS is continuing to explore small nuclear reactors (SMR). The licensing process is about mid-way completed with the Nuclear Regulatory Commission (NRC), which is a five year procedure. The federal government is in favor of this technology and attempting to reduce the licensing process.

The technology is a self-contained unit with all cooling inside and no exterior pumps. The capsule is about 80 feet by 15 feet. The Idaho National Lab is the chosen site, where there is the expertise to operate with 50 nuclear reactors already on the isolated site.

Cost expectation is about \$6 million for the next year to complete the process with the nuclear regulatory commission. The Department of Energy (DOE) is providing \$3 million, Nuscale will contribute \$1.5 million and UAMPS group will provide \$1.5 million. This will provide the funding for the next year's exploration and research. For the UAMPS members participating the next phase will be refundable to us. Murray has put in \$13,000 and we are being asked to contribute another \$15,000 for investigation. If Murray exercises an escape route in about 2019, these funds would be refunded. Escape routes are based on when a portion of the research closes with the NRC. It is a small amount for Murray to stay in.

The DOE wants to create power sales agreements with the UAMPS entities to determine the seriousness of the participants. There are probably about 30 groups involved. Mr. Haacke said he will approach the council with these agreements soon. Three cities have pulled out prior to the escape clause and have lost their money. UAMPS has been asked to commit to 150 MW. Murray has committed to 1 MW, UAMPS has 80 MW committed and other cities will come in to make up the difference.

Mr. Nicponski believes the city needs this diversity. Mr. Haacke agrees without going overboard.

The challenge is to keep the price between \$45 and \$65 per MWH otherwise, UAMPS has communicated its decision to walk away from the project. The price will be determined in 2019, which is the first escape route.

Murray has the Hunter base load that Mr. Haacke feels will last another 15 to 20 years, then we will need to replace base load with either nuclear or natural gas, which currently has very low pricing at \$30 per MWH.

Mr. Brass noted that natural gas may be targeted next and Ms. Turner expressed her reservations on nuclear based on the cost.

## 2.2 Fifth Agreement to Intermountain Power Agency (IPA) Organization Agreement – Blaine Haacke

Mr. Haacke announced that these IPA agreements will come before the council for action the next month.

The IPA power agreement was signed in 1978 and plant operations began in 1985. The contract and bylaws have been in place with some modifications through the years. This Fifth Amendment does not change the call back option. The repowering is going on while coal firing is in place.

Some council members attended a recent IPA board meeting where the 13 different amendments were presented. Two thirds of the members must approve the changes. No California entities serve on the board. Some of the major changes include:

- The authority to pursue a new project. It could be compressed air, or solar using the same transmission lines;
- Defines how a board member may resign;
- Indemnifies members of the board of directors;
- Protects the IPA director's duties;
- Stipulates that an IPA board member may not participate on the UAMPS executive committee simultaneously.

### 2.3 IPA Power Sales Contract Amendments Related to Gas Re-powering – Blaine Haacke

This is the second amendatory on the repowering contract. For review, the coal fired plant is 1800 MW, and California entities use 99% of the power with a contract that commits them until 2027. Since California has banned coal energy, refueling being considered is biomass, compressed air, and natural gas, which has been determined as the best option. In 2015, a contract was entered into for natural gas downgrade to 1200 MW, however, following that it was decided that 1200 MW was too much. The engineering has now been reduced to 840 MW, which means that Murray has lost capacity to 34 MW, our 4%. Murray's base load is not growing, however, the call back option still exists.

Mr. Brass asked if a resource is lost would if the city is too thin. Murray's largest resource is Hunter with 20 MW. Mr. Haacke feels we could use the nuclear as our back-up. Large scale solar has not been perfected yet, and battery is still being developed.

Mr. Cox asked if nuclear would be on-line when IPA goes down. IPA will be on in 2025 so it will be very close.

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

- Chamber of Commerce Ribbon Cutting June 8, 2018 12 noon  
Justice Howe's Development 770 East 5600 South
- MCEA Golf Tournament June 16, 2018 7:00 a.m. Shot Gun Start  
Murray Parkway Golf Course \$50 per person  
Register by June 1<sup>st</sup> Julia Pehrson 801-264-2579
- MCEA Summer Party June 22, 2018 6:00 p.m.  
Pavilion #5 (North of Parks Office) MCEA Members Free - \$10 for first guest

### 4. **Adjournment:** Ms. Turner adjourned the meeting at 6:20 p.m.

**Pattie Johnson**  
**Council Office Administrator II**