



**MURRAY CITY MUNICIPAL COUNCIL
COMMITTEE OF THE WHOLE**

The Murray City Municipal Council met as a Committee of the Whole on Tuesday, August 18, 2009, in the Murray City Center, Conference Room #107, 5025 South State Street, Murray, Utah.

Members in Attendance:

Jeff Dredge	Council Chairman
Robert D. Robertson	Council Member
Jim Brass	Council Vice Chairman
Patricia W. Griffiths	Council Member
Krista Dunn	Council Member

Others in Attendance:

Daniel Snarr	Mayor
Frank Nakamura	City Attorney
Michael D. Wagstaff	Council Executive Director
Jan Wells	Mayor's Chief of Staff
Erin McShay	Valley Journals
Janet M. Lopez	Council Office Administrator
Zachery Fountain	Mayor's Office
Tim Tingey	Community & Econ Dev. Director
Gary Merrill	Citizen
Steve Barth	Citizen

Chairman Dredge called the meeting to order at 5:32 p.m. and welcomed those in attendance. Mr. Dredge mentioned that Mr. Robertson was excused due to a firearms certification, and he would try to arrive in time for the Council Meeting.

Business Item #1

Committee and Board Reports

Anne vonWeller - TransJordan Landfill

Mr. Dredge stated that Anne vonWeller submitted a written report on activities at the TransJordan Landfill, which everyone had an opportunity to read prior to the meeting. He commented his surprise that revenue at the landfill was down due to the economy.

Jan Wells - Council of Governments (COG)

Ms. Wells mentioned a few items from the last COG meeting that would be of interest to the Council. The *Corridor Preservation Committee* distributes the money that comes from the three dollar vehicle registration fee earmarked for cities. Herriman and Riverton have used a lot of the funds recently. The County Council suggested other cities request some of this revenue. The Public Works committee, that the Mayor serves on, would meet the following week to consider requests from Taylorsville and West Jordan. Murray plans to ask for some funding when the environmental impact statement (EIS) work is completed on Cottonwood Street. The administration thinks this is a great place to take advantage of funding opportunities.

A new committee, called the *Homeland Security Grants Council*, has been put together by the county. Formerly, there was a formula whereby Homeland Security Grant money was distributed to cities. It was decided that these funds should be routed through the county, which is the purpose of the newly formed council. The county's idea is that the funds should go toward a big project rather than smaller city projects. With this understanding, the committee was made up of six Metro fire members and six United Fire Authority members with a thirteenth position for Salt Lake City. The State of Utah, Health Department, and the county have representatives on the committee, as well. Ms. Wells added that Randy Willden will represent Murray, and that COG members were happy about the final committee so that projects will be fairly selected and all channeled in one direction.

The *Health and Human Services Committee* gave an interesting report and Ms. Wells distributed information that details the success of housing for the homeless and chronically homeless population. Salt Lake County has been very involved in this. The report shows sheltered and unsheltered individuals for 2008 and 2009 with a percentage of decrease indicated. More people are being taken care of with greater housing available. Salt Lake County shows a decrease of 2%, which is 233 homeless individuals, and a decrease of 24%, amounting to 228 chronically homeless persons. Ogden has made some effort in this area too, and it is helping.

A second report shows a *snapshot in time* when on a particular day homeless persons are counted in all facilities. This is compared from year to year to see how many people are truly in shelters at that time. Estimates are made from this snapshot. Also, shown is a chart of the number of people homeless, and amount of services rendered. This indicates that services provided to chronically homeless are down, which is good because they use many resources. There were increased numbers of homeless families, however, they were able to be helped and not become chronically homeless.

Ms. Wells explained that Murray applied for funding through the Wasatch Front Regional Council (WFRC) for some City road projects. She distributed a spreadsheet indicating that Murray has been included on the list. The 5900 South reconstruction project is third on the list. The dollar amount is shown with a priority based on a weighting to determine which projects are most worthy for completion. It was Murray's number one project. The City has two other projects on the weighted list: 4800 South, and Vine Street. These two were not recommended for funding this round, but the City

feels that they can be resubmitted. The money being used for these projects is the additional money for the WFRC because stimulus funds, which were used on other projects, moved them forward, leaving some space for other opportunities. The good news is that the COG has had a chance to review the projects and made no changes. The following Thursday, the transportation coordinating committee will review the projects, and Doug Hill will represent Murray at that meeting. Following that, the final vote will be taken by the WFRC in about two weeks. She stated that the City will follow the process and do all that it can to make sure Murray's project is approved. Once approved, the funding may not become available as soon as desired, however, often the WFRC will work with the City to begin projects that are ready. Ms. Wells related her optimism at getting through the process. This does require the City to match the grant at \$400,000, which is very reasonable.

Mr. Dredge commented that the distance on projects listed is less than ten miles, however, the cost is about \$60 million.

Jeff Dredge - UTOPIA

Mr. Dredge mentioned UTOPIA's visit to Murray's Committee of the Whole a few weeks prior and stated that there were not many changes since that time. They are constantly working with Laura Lewis to try to mitigate the impact of the LIBOR market on the swap financing, and how it impacts the capitalized interest. A salesman has been assigned to market to businesses in Murray. Exceptionally good take rates have been enjoyed on the beta testing of the special improvement district type financing. Continued negotiating is taking place with RUS, and acknowledgment of some money being awarded to UTOPIA has been confirmed, however, the amount and timing is uncertain. Most new construction is being funded through the special improvement districts being created, and as stimulus and RUS money begin to flow, then more residential area construction will be seen.

Mr. Dredge explained that he is helping UTOPIA alpha test the white box video equipment, which is about ready to deploy. He indicated that there had been some bugs, however, the video content is quite good. This enables other service providers to offer video.

Krista Dunn - Valley Emergency Communications Center (VECC)

Ms. Dunn stated that VECC has not met through the summer months, therefore, there is no news to report.

Jim Brass - Central Valley Water Reclamation

Mr. Brass reported that the previous two meeting topics have focused on progress of the ultra violet disinfection (UV) project, which is a little under budget due to low construction bids. All aspects of the UV venture are moving along nicely. A Central Valley meeting will be held the following week.

Jim Brass - Association of Municipal Councils

The Association has not met over the summer, therefore, there was no news to report.

Mayor Snarr asked about the sludge business at Central Valley, and if more is being produced rather than hauling it out to Skull Valley. Mr. Brass responded that more composting is being done. They are investigating taking in bio-solids to add to the digester to produce more methane. The Mayor said that the cost of transportation needs to be considered. Ground tree cuttings are taken in for free. Mr. Brass said the composting is being done near the landfill. He added that there is an odor from the composting near 5600 West. This process keeps the rates down.

Zachery Fountain - Legislative Policy Committee

Mr. Fountain communicated that the main focus from the League of Cities and Towns (ULCT) has been on the state retirement system. An article in the Salt Lake Tribune that day addressed some of the political issues involved in the matter. A sub committee of municipal representatives has met to determine a recommendation on retirement, but they failed to reach a conclusion. The League hopes that a unified recommendation will develop prior to September 9, when legislators meet to discuss the issue. The state retirement system is facing a shortfall of nearly \$150 million from state and local government employees. Some ideas in terms of legislation to fully fund the system include: reduced benefits; hybrid contributory systems; keeping pensions for some and going to 401K for other, younger employees; and doing away with pensions in favor of defined 401K benefits. This could have a substantial impact on the City and employees.

There are three different water issues being discussed, however, Mr. Fountain chose to inform the group on the canal topic. It is gaining popularity to look at safety and where to place responsibility. The executive water task force has been asked to analyze the issue, even though it does not fall into their purview. Governor Herbert has designated this responsibility to them in addition to water rights matters. This group is considering that those responsible for zoning might be held responsible if any of the canals flood. One argument is that zoning is allowing construction close to canals that have been in existence for 80 years, which in turn forces flooding into homes rather than valleys. Cities may be required to pass on fees to developers.

Mr. Brass stated that a Payson staff member related that the private water group there has more than \$64 million in investments none of which go to canal maintenance.

Mr. Fountain said that the ULCT will push for either county or state oversight on the canals because they pass through multiple jurisdictions. Many are as long as 60 miles.

Two additional issues important to Murray were briefly addressed. One involves interfacility transport. Salt Lake City has some contractual issues with their providers and with other municipalities due to problems that have occurred. Legislation regarding this may surface.

Mr. Fountain is on the land use task force that works with the property rights coalition, mostly made up of developers. They repeatedly bring back impact fee reform. The task force is hesitant to make any changes because of reforms last year based on an impact fee analysis. The League is pushing for education on the new practices before going forward with any new reforms.

Pat Griffiths - Murray Library Board

Ms. Griffiths remarked that the last meeting of the Library Board focused on its strategic plan. The staff is working on the value statement and mission statement. A recent newspaper article was emailed to Council Members from Ms. Griffiths, which pointed out the superior job the library does in providing for the needs of the community. She received a budget update from Director Dan Barr reflecting a revenue change that results in a contribution to the general fund balance of nearly \$84,000. Many financial efforts were made to accomplish expenditure savings, and they are doing a great job.

Mr. Dredge noted that Mr. Robertson joined the meeting in progress.

Mr. Dredge added that there was a tour of the new fire engine following the Council Meeting that evening.

Blaine Haacke - Utah Association of Municipal Power Systems (UAMPS) and Intermountain Power Project (IPP)

There are two issues UAMPS is working on that pertain to Murray. The first is that, due to numerous members shortage of power, UAMPS is looking at several different resources. Murray is not in that situation, although, the City could be if a carbon tax is instituted causing our surplus IPP to become fairly expensive.

UAMPS is looking at several wind plants, and two gas fired plants(one in northern California and the other near IPP), however, the one big project under consideration is a nuclear facility. He is unsure of the direction the City should take. UAMPS is working with a firm from France that has several nuclear plants near Baltimore. An exploratory group is being sent to tour a Baltimore facility, and this would be a 300 to 400 MW plant. Mr. Haacke commented that Murray is part of the exploratory group participating with partial funding to research the possibility. To date our portion is between \$5,000 and \$7,000, however, it could increase to around \$50,000 over the next two years should UAMPS become more serious about the project. This is a long term plan that is 12 to 13 years out.

Mr. Brass asked if the plant being toured is in development or already constructed. Mr. Haacke responded that it is a model plant with the licensing already completed through the federal government. An identical plant would be built in Utah should the decision be made to go forward.

Ms. Dunn related her concern that nuclear would be considered in a location with so little water, in that nuclear energy's water requirement so high.

Mr. Haacke stated that several different sites are being looked at including Grand County and Delta areas. He added that with the IPP sites that have not been built, there may be enough water rights available. For Murray's part, there is about a year before a decision must be made. This is the primary renewable resource. Wind is not as interesting for UAMPS members now. California and Nevada members are pushing renewables because of mandates by their state legislation.

Changing the fuel source at IPP is being considered. A natural gas pipeline from the Current River could be useful, and a feasibility study amounting to \$500,000 is looking at refueling from coal to natural gas. Most of the expense has been paid by California entities. If coal gets too expensive, the change could be ready.

UAMPS is looking at the appliance rebate program that the Power Board has discussed. This is the program whereby it is less expensive to buy conservation from residents than to build a power plant. It will be a topic on the Power Board meeting again this coming month. There is much merit to it and it sends the signal that on the supply side renewable energy can be provided with methane, and regarding demand, people have the option of purchasing an energy efficient appliance and receive a rebate from the City. It is a UAMPS sponsored program that the City can buy into, with up-front costs.

The IPP3 lawsuit has been settled. This involved UAMPS, IPP and Los Angeles Power. It was a favorable settlement for Murray. Los Angeles stepped up and agreed to sell 30 MW at an adjusted rate to UAMPS for 18 months. UAMPS decided to sell with a markup. The difference is more than enough to repay those entities which paid into the project. Murray had more than \$300,000 in expenses, which will be received at the end of the 18-month contract. Everyone in the exploration phase will get their money back.

Mr. Haacke explained that Murray did not call back any IPP resource for the coming winter months. It was decided to buy some firm resource for high-load hours, due to the losses on the low load hours. It is more difficult to do that in the summer with the high peak usage, but winter is different. It was budgeted to call back about 14 MW per month for the winter, however, the savings of purchasing for high load hours versus purchasing for 24 hours seven days a week, should amount to hundreds of thousands of dollars.

The price of Green Tags has fallen tremendously Mr. Haacke declared. Until

California requests some there is not much of a market, therefore, the price is down to \$1.50/MWh. At one time they were as high as \$4.25/MWh. The economic situation has taken the value out of people's desire to be green. California's mandates and regulations have made sale to them difficult.

There are some possibilities to sell energy to Arizona that could bring in some good revenue to Murray. Mr. Haacke pointed out that many times, when a resource is sold, another resource is displaced. For example, sometimes Hunter energy is sold at IPP prices to Payson but it goes to another place first, then to the next and the next. In Arizona, it is desired to purchase energy from the original source only. If there is a way to transmit the exact kWh to Arizona then there is a possibility to make six figure money with Green Tags attached. No direct transmission exists, and Murray would have to go through UAMPS.

Mr. Brass asked if it would be a long term contract. He pointed out that if there is a carbon tax, then the Green Tags help protect our coal, so Murray would not want to be committed long term.

Mr. Haacke stated that it would be a two-year contract. He understands the ramifications of that situation. He also stated that the UAMPS Convention was held the previous week.

There being no further business, Mr. Dredge adjourned the meeting at 6:11 p.m.

Janet M. Lopez
Council Office Administrator