



MURRAY CITY MUNICIPAL COUNCIL COMMITTEE OF THE WHOLE

The Murray City Municipal Council met on Tuesday, March 2, 2021 for a meeting held electronically in accordance with the provisions of Utah Code 52-4-207(4), Open and Public Meeting Act, due to infectious disease COVID-19 Novel Coronavirus. Council Chair, Ms. Turner, determined that to protect the health and welfare of Murray citizens, an in-person City Council meeting, including attendance by the public and the City Council is not practical or prudent.

Council Members in Attendance:

Diane Turner – Chair	District #4
Brett Hales – Vice Chair	District #5
Kat Martinez	District #1
Dale Cox	District #2
Rosalba Dominguez	District #3

Others in Attendance:

Blair Camp	Mayor	Jennifer Kennedy	City Council Director
Jennifer Heaps	Chief Communications Officer	Pattie Johnson	City Council Office Admin
Doug Hill	Chief Administrative Officer	Brenda Moore	Finance Director
G.L. Critchfield	City Attorney	Brooke Smith	City Recorder
Blaine Haacke	Power – General Manager	Bill Francis	The Imagination Company

Ms. Turner called the meeting to order at 5:15 p.m.

Approval of Minutes – Ms. Turner asked for comments or a motion on the minutes from the Committee of the Whole meeting on February 2, 2021. Ms. Martinez moved approval. Mr. Hale seconded the motion. (Approved 5-0)

Discussion Items

Power Department Quarterly Update – Mr. Haacke spoke about the Carbon Free Power Project in Idaho; the hydro resource, staffing, power outages, including Texas; work on the system and power rate comparisons. He provided various graphs and slides. To view entire presentation visit: <https://youtu.be/6pVw-LU0s4A?list=PLQBSQKtwzBqLxiqGGqdVorSUzCOAEmh-2&t=343>

Carbon Free Power Project - With limited information since Murray dropped from the small nuclear reactor project, Mr. Haacke reported the 12 nuclear modules were raised in size to 77-megawatt capability; other design changes are still ongoing. He was confident the City made the right choice to back out of the project. Murray was only involved in the initial study/exploration phase of the project, which

was initially estimated at \$330,000; however, the final cost was \$271,000. The amount has been billed to the City, which would be paid in full next month; so, the City is completely free from the project. Mr. Haacke said the amount was easily afforded, and maybe one day the resource would be considered again.

Hydro Plant – The resource located near La Calle is 35 years old. Mr. Haack said after completed studies, concerns were mounting that the resource would fail; as a result, the process to de-water the penstock began in October of 2020; and the project to re-line the interior of the penstock was completed 45 days earlier than estimated. The penstock is a 48-inch, 2.5-mile underground pipeline that brings water down the canyon from a catch house - to the hydro house. Two crews worked to sandblast and recoat the interior of the pipeline through the winter. Re-watering the penstock will occur April 1, 2021 when snowmelt begins. He noted current snowpack is at 91% so the resource would be ready to go, and more snow is expected.

Staffing and Covid - Three retirements occurred in January of 2021; Mr. Haacke said 75 years of experience in one division has been lost. One new hire is complete, others will be promoted from within to cover in the planning and design division; and at present, there is one sub-tech position open. Three employees contracted the virus; several others practiced safe quarantine, due to family exposure; and currently, there are no employees out with Covid. All have recovered with no lingering problems, including all family members. Mr. Haacke confirmed all safety guidelines were taken over the course of the year, including mask wearing, daily disinfecting at both power buildings, as well as, within company vehicles. Medical grade purifiers were purchased, no-touch faucets and soap dispensers were installed. He stated all safety measures would remain in place until further notice.

Outages – Last year Murray's total number of outages was 206; 36 were customer related, due to tree issues, auto crashes, and balloons; and 40 were caused by system upgrades, which are intentional. The remaining 130 outages were caused by things like tree branches, equipment failure, fuse issues, overhead wire problems, and underground burnups. He noted that weather and animal issues equated to 50% of those outages. Mr. Haacke reported Murray's average response time to repair most outages is 22 minutes, except on weekends and after business hours. He calculated that Murray City power is 99.999% reliable, when annual outage minutes are compared to the number of hours in a year.

System Resources – (Attachment #1) A list was provided to reflect the City's current and future energy portfolio mix. Mr. Haacke noted a variety of resources like hydro, and coal plants; renewable energy like methane from two landfills, and natural gas turbines. Energy is also purchased online from the Power Exchange, as well as, from UAMPS (Utah Associated Municipal Power Systems), which is utilized for monthly and seasonal purchases. Most recent agreements and future power sources include a large-scale solar plant, and a natural gas plant located in Delta Utah. Mr. Haacke reported the City has a very diverse portfolio, which would help the City to avoid disturbances like what occurred in Texas. He described how resources are implemented throughout a typical summer day, and the hour by hour process to meet required loads by resource. (Attachment #2). He confirmed purchases were already in place to meet 2021 summer loads by utilizing UAMPS, and pre-purchased natural gas at a set price.

Power Rate Comparisons – Mr. Haacke noted comparatively, Murray has some of the lowest power rates in the State. There are currently 250 solar customers; but because Murray's power rates are much less than others, the payback on a solar installation is not as appealing as it would be in more expensive cities. He said Murray Power welcomes solar customers, however, most solar vendors are not approaching Murray homeowners now, because it is hard for them to prove that homeowners can get a 7-year pay

back on a \$12,000 investment. A graph was displayed to discuss Murray's annual residential electric costs compared to other Utah cities, and Rocky Mountain Power customers (Attachment #3). With Murray's nine cent per kilowatt hour cost, the average resident used approximately 820 kilowatt hours per month and spent \$834 per year; all city residential rate comparisons were higher than Murray, with the exception of a few smaller than Murray cities. Compared to Rocky Mountain Power rates, Murray is about \$100 less per year, which is 12% less, and depending on the month could range from 9% to 15% less. Overall, Murray power is doing well, and has not seen a power rate increase since 2011.

Texas – Mr. Haacke spoke about how unusual snow and freezing weather caused a significant statewide power outage in Texas. He believed it was due to a number of issues. For example, their wind turbines not built for icy conditions froze up; frozen pendulum machinery stopped 50% of their renewable propellers; and all machinery at natural gas wellheads, power plants and gas compressors stations froze. As a result, ERCOT (the Energy Reliability Council of Texas) who monitors the energy transmission power grid for the State of Texas, ordered rolling blackouts. That was because there were not enough power plants available in the state to cover the extreme load when people began using more than normal power to stay warm. This created an astronomical load - significantly over their energy load projections. Mr. Haacke felt Texas put themselves in such a situation 40 years ago, when deregulation was common, and the entire state became deregulated. (Deregulation was intended to give average citizens a choice of where to buy power). Because Texas embraced deregulation, all inner ties with nearby states were terminated, so they could not attain power from neighboring areas with no physical wires to transmit power into the state.

He explained although Texas loved the energy independence for years; those who opted to deregulate, were the customers stuck with \$2000 power bills; while other customers did not experience high bills because they bought power at a more stable kilowatt hour rate, similar to how Murray purchases power for nine-cent per kilowatt hour, which is more reliable. As a result, when market wholesale rates began to soar, many Texans saw extremely high power bills, because they were locked into paying the monthly wholesale market price, which is normally less expensive.

In contrast, Mr. Haacke said Murray could avoid these devastating circumstances, due to its diverse portfolio, and by having a methane plant located close by; Murray also attains a natural gas supply that comes to the City already winter oriented. (Dominion Energy protects gasoline, pumps, and compressors with warmers, because gas comes from Wyoming which is known for having subzero temperatures.) Also, Murray's own natural gas plant can generate 33 megawatts of energy if necessary, which is half of the required winter load. He said Murray is better situated than many Texas cities that could not run their plants because Murray has more access to electricity and Murray could prioritize energy rotations to different parts of the City in a state of emergency. In addition, Murray can purchase power from the UAMPS group, has inner ties to the Rocky Mountain Grid; and, in house has approximately two weeks of propane to run generators at Murray properties.

While Murray is not deregulated, his most fearful event is an earthquake, which could result in a more horrific situation. Although the City has prepared for this, afterwards the unknown condition of power poles, and gas pipeline supply access would be questionable. Overall, Murray is dependent on the Rocky Mountain Power Grid for energy transmission; so, if it should go down, the City could utilize gas turbines with rolling energy, however, natural gas is needed for that.

- Ms. Dominguez asked comparatively how many resources most other cities have. Mr. Haacke said

approximately three or four; Murray has twice as many options. He commended historical decisions made in the early 60's and 70's by Murray City Council people that attributed to the good situation Murray finds itself in, with a more vast selection of options than most other cities.

- Ms. Turner felt Murray was lucky to have its own power company; and one so diversified. She said the City was in good shape with Mr. Haacke and his staff overseeing the operation. She asked when Texas market rates increased, did this also impact Murray's cost to purchase energy on the market. Mr. Haacke confirmed costs for both electricity and natural gas increased significantly that weekend, due to supply and demand. The usual price for natural gas went from \$5 per dth (dekatherm) up to \$180 per dth in two weeks' time. In addition, Dominion Energy notified the City, that Murray was curtailed, because there was not enough natural gas in the area, to supply gas for operating the City's gas turbines. To purchase electricity on the market the usual cost of \$50 MWh (per megawatt hour), rose to \$800 MWh for a few hours of the day February 17th - 20th. As a result, Murray Power had to pay \$350 MWh for a couple of hours the weekend of the Texas debacle.
- Mr. Cox commended Mr. Haacke, Murray power department staff, and crews for providing what he thought was the best power system in the country. Mr. Haacke agreed linemen are often climbing power poles in 20-degree temperatures to make repairs; and many employees are 20-year veterans who know the City's power system very well and have few challenges when troubleshooting electrical problems. Mr. Cox agreed with a diversified portfolio, Mr. Haacke, knowledgeable men, and women working the process; and all power line crews; Murray citizens have the whole package here in Murray.
- Mr. Hales agreed and was grateful for Mr. Haacke's leadership, and a job well done.

Legislative Updates – (Attachment #4 and #5) As it was the last week of the 2021 legislative session, Ms. Martinez provided a handout depicting a summary of Week 5: February 16-19, 2021; she highlighted and discussed the following bills:

- HB-0063 – Impact Fees Amendments. Supported by the ULCT (Utah League of Cities and Towns) the bill would impact Murray, which allows “expense for overhead” when calculating impact fees.
- HB-0076 – Firearm Preemption Amendments. Murray Opposed. The bill would allow the State sole authority to regulate firearms, make exemptions; and defines consequences of violation.
- HB-0082 – Single-Family Housing Modifications – ADU (Accessory Dwelling Units) issue. The ULCT initially opposed the bill; however, by the fourth substitute, they went neutral after much negotiation. A hearing was held today, in the Senate Revenue and Taxation Sub Committee – it was voted 5-1 and passed; the bill would move forward. The bill would allow municipalities to cite individuals who use ADUs as a short-term rental; and allows ADUs in all single-family residential zone; and the City could require specified physical changes to some ADUs.
- HB-0098 – Local Government Building Regulations Amendments. ULCT opposed. The bill allows construction companies to opt out of independent inspections or hire their own third-party inspectors.
- SB-0061- Outdoor Advertising Amendments. ULCT opposed. There were two billboard bills this year. Both seem to be dead at this time.
- HB-0096 – Emergency Management Amendments. ULCT supported. The bill allows political subdivisions to appoint an emergency manager and create an emergency operations plan. It includes State disaster recovery planning and funding.
- SB-0013 – Law Enforcement Internal Investigation Requirements. ULCT supported. The bill requires that an employing agency notify the Peace Officer Standards and Training Division if a peace officer separates from the agency while an investigation is in progress. The investigation must be turned over to the division in certain circumstances; the bill provides more transparency.
- SB-0065 - Community Reinvestment Agency Amendments. ULCT supported.

- HB-0066 – Sheriffs Amendments. ULCT opposed. The bill gives the sheriff authority of local police departments if they disagree on enforcement of riot, civil disturbance, and breach of peace. The bill is currently within House Rules Committee.
- HB-0094 – Microenterprise Home Kitchen Amendments. ULCT neutral. The department of Health will have administrative rule making authority over sanitation, equipment, maintenance, and permits.

Mr. Critchfield noted the significance of a bill related to sales tax distribution, which would be considered dead as of Monday March 1, 2021.

Ms. Martinez was grateful for the hard work put forth by the ULCT, and their advocacy. She would report back with a final report.

Announcements: None.

Adjournment: 6:15 p.m.

**Pattie Johnson
Council Office Administrator II**