



MONROE CITY COUNCIL MEETING

Tuesday, August 22, 2023 at 7:00 pm

NOTICE AND AGENDA

Pursuant to 52-4-6(2), UCA, notice is hereby given that the City Council of Monroe City, Sevier County, Utah, will hold a regular council meeting on the above date at the City Office, 10 N Main, commencing at 7:00 p.m. The agenda shall be as follows: (The order of business may be changed as time permits.)

- 1. Welcome and Call to Order: Mayor Johnny Parsons**
- 2. Pledge of Allegiance and Prayer: By elected official**
- 3. Roll Call**
- 4. Consider a motion to approve the minutes of the meeting held August 8, 2023**
- 5. Business**
 - a. Six County Association Community Adviser - Tyler Timmons**
 - b. Consider Electric Power Surcharge adjustment**
- 6. Other Business**
 - a. Staff Reports**
 - b. Department Business-Council**
- 7. Adjournment**

Posted this 21st day of August 2023

I hereby certify that the foregoing notice and agenda was posted at the Monroe City Hall, website littlegreenvalley.com, posted on the Utah Public Notice website and personally delivered to each member of the Monroe City Council.

Allison Leavitt, Monroe City Recorder

In compliance with the Americans with Disabilities Act, individuals needing special accommodations, or assistance during this meeting shall notify Allison Leavitt, City Recorder, at 435-527-4621 at least 24 hours prior to this meeting. Meetings of the Monroe City Council may be conducted by electronic means pursuant to Utah Code Annotated, Section 52-4-207.



MONROE CITY COUNCIL MEETING
Tuesday, August 8, 2023, at 7:00 pm
Minutes

7:00 p.m.

1. The regular meeting of the Monroe City Council was called to order by Mayor Parsons at 7:00 p.m.

2. The Pledge of Allegiance was led by Councilmember Cartwright. A prayer was offered by Councilmember Buchmiller.

3. Roll Call

Mayor Johnny Parsons

Councilmembers:

Dane Buchmiller

Janet Cartwright

Michael Mathie-absent

Perry Payne

Erica Sirrine

Public Works Director Devin Magleby

City Recorder Allison Leavitt

Power Foreman Josey Parsons

Kyler Nielsen – Jones and DeMille Engineering

Cody Deeter – EFG Consulting

4. Consider a motion to approve the minutes of the meetings held July 11, 2023.

Councilmember Payne moved to approve the July 11, 2023, Regular City Council Meeting Minutes as submitted. The motion was seconded by Councilmember Buchmiller. A roll call vote was called. Voting yes: Councilmembers Buchmiller, Cartwright, Payne, and Sirrine. The vote was unanimous. The motion carried. 4-0

5. Citizen input – Limit of 3 minutes per comment

6. Approval of July 2023 warrant register, cash disbursements, adjustment journal and aging report.

Councilmembers reviewed and signed the July 2023 warrant register, cash disbursements, adjustment journal, and aging report.

7. Business

a. Consider Electric Power Surcharge

Mayor Parsons explained that there has been a lot of conversation about energy costs, and the increase in rates power customers of Monroe City are having to pay. Mayor Parsons asked Power Foreman Josey Parsons if he would gather some information for tonight's meeting to help explain what has been happening in the power market that has caused our costs to drastically increase.

Power Foreman Josey Parsons explained that volatility in the electric industry has played a huge part in why we are experiencing such large increases to our purchased power costs.

Our main energy sources have been affected by conditions that are basically out of our control. We have experienced a reduction in hydro power due to drought conditions in 2022, reduction in natural gas generation due to an extended plant outage in the fall of 2022, and reduction of coal generation due to the reduction of coal supply.

Power Foreman Josey Parsons reviewed the graphs with the Council and those in attendance that showed our monthly resources and how much power has had to be purchased outside of our resources. These purchases are referred to as pool purchases and this is where the power is usually very expensive. The graph showing Monroe's average cost through UAMPS went from just under \$5 MWh in 2020 to just over \$8 MWh in 2022. Our average dollars billed through UAMPS went from \$600,000 in 2020 to just over \$1,000,000 in 2022. This data shows that our costs just for purchased power have increased significantly.

Mayor Parsons also explained that everything pertaining to the power department has increased, just as everything else in our everyday lives like gas and food. Transformers, power poles, supplies, and employee costs have all increased, some as much as three times what they were just a couple of years ago.

Power Foreman Josey Parsons stated that UAMPS has between 50-52 members and nearly 90% of them have had to implement some type of extra charge to cover their increased purchased power costs.

Power Foreman Josey Parsons explained different scenarios that have played a part in why our power costs have increased drastically. One being that our peak usage was in the winter when our CRSP allocation covered the peak. Now our peak usage occurs in the summer and our less expensive power resources are unable to produce the same amount of power as in the past, which is causing us to purchase higher priced power from the pool to meet our demand during peak usage times.

Monroe does receive power from different sources including coal, hydro, natural gas, and wind. Our portfolio is diversified but when you reduce or remove coal and hydro energy generation the others are very expensive and not as reliable.

Jon Youd, a citizen, stated he is very concerned that his power bill increased by 20% in January 2023 and now with the surcharge it is now 60% more than what he paid last July. The Council explained that in January 2023 the Council did increase rates by .02 per kWh because our expenses had increased and the rate we were paying for purchased power had been on a steady increase. In September 2022 we experienced one of the highest power bills ever and then again in December 2022 and January 2023 our power costs continued to increase dramatically. Because it became apparent that the City was selling power for less than what they were purchasing it something had to be done. In March 2023 the Council voted during Council meeting to activate our purchased power adjustment (surcharge) at .04 per kWh to help recoup some of the losses the City had suffered. In hopes that the power industry would settle down and prices would level out the Council chose to do a surcharge versus another rate increase at this time.

Mr. Youd asked that if this was not a rate increase then when would the surcharge be removed. The Council explained that until we recoup our losses, we cannot remove it. At the end of June 2023 our purchased power costs were \$400,000 more than budgeted and we had collected nearly \$167,000 in the surcharge. Mr. Youd stated that Monroe's rates are substantially higher than Rocky Mountain Power (RMP) right now, Mayor Parsons acknowledged this and stated that RMP is a huge company, and they have the ability to absorb increased costs better than we can. However, for many years our power was much cheaper than RMP, and we are now going through a rough time, and we can no longer sustain the lower rates. Mr. Youd asked that if we cannot keep our rates low why don't we just turn our power over to RMP. Mayor Parsons explained that the power department helps our general fund and has been an asset to the community for many many years and it is imperative that we work hard to keep our power department.

Mathew Mills stated that he is one of Monroe's biggest power users as a farmer and he sits on Monroe's Utility Board and when they met to discuss this issue, he voted to recommend for approval the first .02 per kWh power rate increase, and then again, he voted to recommend approval of the .04 per kWh surcharge. This has cost him thousands of dollars, but he understood that this is what was needed to pay the bills.

Mr. Mills understands the different reasons why we are experiencing jumps in power costs, but he wants the City to be more proactive and put pressure on UAMPS to get this power situation figured out. Mr. Mills stated that he loves this community, it is his home, and we need to find a solution because Monroe is only going to grow, and we need to find more power. We do not want to be consumed by RMP. Mayor Parsons explained that he recently attended a meeting with the County Commissioners where they were discussing Salina wanting to develop a large housing project, and it was said then that RMP had informed them that at this time they were unsure if they could deliver the power needed for this project.

124 Mayor Parsons explained that UAMPS is working hard on developing a nuclear plant in Idaho. Billions
125 of dollars have been spent trying to get this going. Power Foreman Josey Parsons explained that they
126 are working on obtaining other sources because we are going to lose our coal resource before there
127 is a comparable resource available. Power Foreman Josey Parsons stated that wind power and solar
128 power are good sources of power, however they are not dependable and cannot be used to cover our
129 base power load needs. Mr. Mills stated he understands this, and he is not bashing on the City he just
130 wants the City to be the squeaky wheel with UAMPS, so they really understand our situation and
131 needs.

132
133 Mr. Youd stated that buying power is outside of what he knows, but as a general citizen he thinks
134 better transparency is needed. It was stated that a newsletter was sent out in March 2023 before the
135 surcharge was implemented, which there was a typo which stated .4 per kWh instead it should have
136 been .04 per kWh. The council stated that yes this was an error, but when customers received their
137 bills, they could call the office to verify the amount of the surcharge, there was no intent to mislead
138 our customers. Mr. Youd would like more information, such as, here is our shortfall, here is what we
139 have collected, and this is how long it is going to last. Mayor Parsons explained that we cannot put an
140 end date to the surcharge because we are unsure on what the upcoming power bills are going to be.

141
142 Councilmember Payne stated that the Council meets twice a month, and the agendas are posted. He
143 and the Council would more than welcome citizen input. More often than not no one is here unless
144 they are upset about a decision the Council has made and it would be nice to hear other suggestions
145 before a decision is made.

146
147 Shaun Derbro, a citizen, asked how long the power contracts are for, do they renew every few years
148 or how does this work. Power Foreman Josey Parsons explained that the contracts basically last as
149 long as the project is operating. Like IPP we were in a contract with them until they decided to
150 abandon production of coal energy, so our contract will end with them in 2025. Hunter Power is set
151 to be decommissioned, but we do not have a date for this. We are trying to find another source to
152 purchase coal from. We recently redid our contracts with CRSP for a 20–30-year period. Our PV wind,
153 which is a small part of portfolio ends around 2040.

154
155 Power Foreman Josey Parsons explained that we have contracts with our sources for so much power,
156 and it has been a bit confusing that if we have a contract for so much power then they should deliver
157 us this much power. But when they cannot produce power due to lack of resources then they have no
158 power to sell. So instead of getting our contract amount they are sending us a percentage of the
159 power produced. It was asked if this loss could be made up, but it was clarified that we are only
160 paying for the power we receive.

161
162 There was a discussion that a lot of our coal now is going overseas, and the United States is making it
163 a goal to be carbon free, which will eliminate coal and natural gas as an energy source.

164
165 Councilmember Buchmiller stated there is a whole lot of things outside our control, but with visiting
166 with Power Foreman Josey Parsons we do purchase power from other sources periodically and we
167 have tried to look at trends and guess what extra power we are going to need. This worked until this

past year when everything skyrocketed. It appears that maybe purchasing more than what we think we are going to need will help in not having to pay the really high prices on the open market.

Mr. Mills stated that he understands that we are against a wall here and when he hears Power Foreman Josey Parsons state that UAMPS is treating all their members the same, but some of them have lower rates than us, he thinks we need to be visiting with these other cities to see what they are doing to keep their rates in line.

Mayor Parsons explained that no one wanted to put the surcharge in place, but when it became apparent that we had no choice, the Council discussed if we should charge more and recoup the losses quickly or lower the surcharge and collect it over time. It was decided that using a lower rate for a longer period of time would be the best, so this is what we did. We have now collected the surcharge for four months and we are now in the process of reevaluating to see what changes can be made.

Mayor Parsons thanked those who came tonight and participated in the meeting to express their concerns. The Council and City employees are trying to make the best decision possible to figure this out and the input tonight from those in attendance has been beneficial. He stated there will be many Council meetings where this issue will be discussed.

b. Consider nuisance ordinance violation penalty

Mayor Parsons reviewed with the Council that Monroe City's Family Food or Recreational Production Ordinance allows one horse per 5,000 square feet. At the time of the complaint Josh Wilson had six horses on his property located at 135 E 400 N, which the lot size is .32-acre so there should be a maximum of three horses at one time on his property.

Mr. Wilson explained to the Council that at this time he only has four horses and will do his best to relocate one of the horses. Mr. Wilson explained that his daughter works with horses, and he was just not able to rotate the horses as planned, which caused him to have more horses than allowed.

Mayor Parsons explained that the City received complaints from neighbors which prompted the City's actions and that he does not want to involve the Sevier County Sheriff's Department. Mr. Wilson stated that he will work harder to keep the limit of three horses at a time. Mayor Parsons stated that if Mr. Wilson tries to limit his horses to follow the ordinance, that at this time no further action will be taken. Mr. Wilson agreed to work on the situation with the understanding that if the City continues to receive complaints further actions may need to be taken.

c. Culinary Water Study Update - Parker Vercimak Jones and DeMille Engineering (JDE)

Kyler Nielsen with Jones and DeMille Engineering (JDE) stated to the Council that earlier this year they completed a culinary water master plan for Monroe City to identify any deficiencies within our system, included in this study was an analysis of our impact fee. He introduced Cody Deeter, with

EFG Consulting, who has helped with the impact fee analysis and is here to present the completed impact fee analysis to the Council.

Mr. Deeter explained that for tonight he will only focus on our impact fees, and they will come later to discuss our current water user rates.

Mr. Deeter, giving a slide presentation, explained to the Council how an impact fee amount is determined and needed.

The Impact Fee Act by state statute is described as a fee that is intended to charge the person or entity that comes on to your system the financial impact they have on the infrastructure of your water system.

The methodology of the study was to look at demand, current level of service, excess capacity, new facilities, funding, and impact fee

Demand: In 2022 our ERCs equaled 1,139 with an average annual rate growth of 2.78%, our ERCs in 2032 would increase to 1,498.

Level of Service: Include water rights, source, storage, and distribution. As of now we have excess capacity of water rights and source. There is no excess capacity in our storage, and we are able to distribute the minimum service pressure of 40 psi.

Excess Capacity: State Statute requires that a cost be associated with water rights and source. Unfortunately, we do not have this information, they were acquired many years ago. We only have the cost of 11 ERCs that were acquired by City in the last 25 years. We know we have excess capacity but are unable to include these costs in the impact fee, since we do not have a cost associated to them.

New facilities: 1,000,000-gallon storage tank would cost \$2,350,000 (today's rate) and would add capacity to serve an additional 2,545 ERCs (77% to growth)

Distribution system improvements: Upper pressure zone would be \$1,060,000 (today costs) would add capacity for 1,250 future ERCs. The lower pressure zone would be \$1,740,000 (today costs) to add capacity for 1,625 future ERCs.

Mayor Parsons asked if the City was to drill another well, would we be able to use our current water rights. Basically, the answer is yes but we would need to work with the state to accomplish this.

Impact Fee: Excess capacity could only be about \$3 due to the lack of historical costs for our water rights. If we were to obtain the actual costs in the future this could be increased.

Future facilities including additional storage tank and distribution improvements would cost an estimated \$9,646,420 including debt interest, divided by projected growth cost per ERC equals 5,324.

The fee water impact fee schedule with the new information would be:

A single-family home	\$5,327	1 ERC
Multi-family	\$3,995	.075 ERC
Commercial	\$5,327-\$133, 164 depending on meter size	

Mr. Deeter explained, now that the Council has the information the next step is to hold a public hearing so the Council can receive comments from the public about the new impact fee. The public hearing will be posted per state code and the new draft ordinance will be made available for the public to review. After the public hearing the Council will then consider adoption of the new ordinance and if adopted the new fee will go into effect on the effective date stated in the ordinance.

The Council decided to hold a public hearing on October 10, 2023. City Recorder Allison Leavitt will work with Mr. Dieter on preparing the public notice and ordinance for the public hearing.

The Council thanked Mr. Deeter and Mr. Nielsen for their time and information shared with the Council this evening.

8. Other Business

a. Staff Reports

City Recorder Allison Leavitt –

*Public Power Picnic will be held August 28, 2023. This date will not conflict with the Sevier School District employee barbeque. The last couple of years it has been on the same night and we are hoping that by changing the date more residents will be able to attend our event.

*Area ward bishops have contacted the City to see if we have service projects, they could do in conjunction with the 9/11-day service program. Councilmember Sirrine asked about work at the Monroe View Red Hill Park (hot pots) and Family Dollar parking strip. City Recorder Allison Leavitt stated that Park Foreman Kaycee Barker would like plastic and gravel put down around the south side of the baseball field. These ideas will be relayed back to the bishops.

Power Foreman Josey Parsons –

*Many UAMPS participants have hired UFS to conduct a utility finance rate study, and he thinks that this might be good for Monroe to do. The cost is approximately \$30,000.

*To his knowledge all UAMPS participants have had to add a purchase power adjustment to their customers bills to cover the cost of purchased power.

Public Works Director Devin Magleby-

*Irrigation water is off at the pond as of tonight due to a leak. Hoping to have it repaired by tomorrow and the water will be turned back into the system as soon as possible.

Monroe City Council
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b. Department Business – Council

Councilmember Serrine –

No further business.

Councilmember Buchmiller –

*Councilmember Buchmiller thanked Power Foreman Josey Parsons for his presentation tonight and the information he shared with the public and the Council.

*Mathew Mills stated that he is one of Monroe's biggest power consumers and he sits on the Utility Board and was part of the recommendation to the Council to increase rates and impose the surcharge on every customer. He understands the burden of these increases and would just like to urge the Council to communicate with UAMPS that it is imperative that they work harder on finding more affordable power for its participants.

Councilmember Payne –

No further business

Councilmember Cartwright –

*City received the \$100,000 donation from Steve Creamer for paving the "damn" cemetery roads. Public Works Director Devin Magleby has contacted Micklane Farmer, Jones and DeMille Engineering, to work on some bid documents so we can put the job out for bid. It may be spring 2024 before we can complete the job.

*Met with Gavin Creamer, winner of the gun raffle for the cemetery roads, at Jorgensen's to award him with the gun.

Mayor Parsons –

*Interested in water meters that can transmit to users' phone how much and when they are consuming water. Public Works Director Devin Magleby stated these types of meters are a different make than the power and water meters we already have installed. He is not sure if we want to have two different makes of meters.

*Scott Parsons, Green Valley Lawn Care, is planning on spraying weed killer in the fall. This is the new spray that should only require one application each year to maintain weeds. The weeds have been ridiculous this year.

*Apparently the bucket truck that Power Foreman Josey Parsons and Streets Foreman John Draper went to Nephi to purchase a few months ago has been repaired and the owners contacted Streets Foreman John Draper to see if the City was still interested. If the truck has been repaired, it still seems to be a good deal and if Streets Foreman John Draper can make arrangements, they will go look at it again and purchase if everything is good.

9. Adjournment

There being no further business to come before the Council for consideration, Councilmember Payne moved the Regular Council Meeting adjourn at 8:47 p.m. The motion was seconded by Councilmember Serrine. The vote was unanimous. The motion carried. 4-0

The next regular City Council meeting is scheduled to be held on Tuesday, August 22, 2023 starting at 7:00 p.m. at Monroe City Office.

Approved this 22nd day of August 2023.

Allison Leavitt
Monroe City Recorder

Johnny C. Parsons
Mayor

MONROE CITY COUNCIL AGENDA REQUEST FORM

(Note: This application must be submitted no less than 4 days prior to the City Council Meeting Date by 11:00 a.m.)

DATE OF COUNCIL MEETING: Tuesday August 8th 2023

WHO IS REQUESTING: Tyler Timmons

PHONE #: 435-1669-5873 LENGTH OF TIME REQUESTING: 5 minute

TITLE OF ITEM ON AGENDA: Community Advisor Need Assessment

DETAILED RESON FOR REQUEST & EXPLANATION: (Use additional sheet if needed)

Community Advisor - \$

Please indicate whether any of the following have been consulted regard this matter:

Zoning Administrator _____ Public Works Director _____ City Council Member _____ (if so, provide name of member) _____

APPLICATION REQUIREMENTS

1. Application for consideration of any request before the Monroe City Council must be submitted to the Monroe City Office before 11:00 a.m. the Friday prior to the meeting.
2. Application will be submitted to the Mayor for his signature and approval.
3. If you are applying for approval of a Conditional Use Permit, Single Lot spilt, approval of a Subdivision or land use, you must go to Planning Commission first.
4. If you have any questions, please feel free to call the City Office at (435)527-4621.

Approved: _____ Date: _____

(The Monroe City Council meetings are held the 2nd and 4th Tuesday of each month at 7:00 p.m. at the Monroe City Office, 10 N Main)