

**MINUTES OF MORGAN CITY
COUNCIL WORK MEETING**

NOVEMBER 12, 2024; 6:10 P.M.

**MAYOR AND COUNCIL MEMBERS
PRESENT:**

**Mayor Steve Gale, Tony London, Jeff Wardell, Eric
Turner, Jeffery Richins and Dave Alexander**

STAFF PRESENT:

**Ty Bailey, City Manager; Gary Crane, City Attorney;
Denise Woods, City Recorder; and Traca Wardell,
Utility Clerk**

OTHERS PRESENT:

**Preston Lee, Operations Manager, Wasatch
Integrated Waste Management District**

This meeting was held in the Council Conference Room of the Morgan City Offices, 90 West Young Street, Morgan, Utah. The meeting was streamed live on YouTube and available for viewing on the City's website – www.morgancityut.org.

This meeting was called to order by Mayor, Steve Gale.

**SECOND AMENDED AGREEMENT FOR ANNEXATION AND DEVELOPMENT OF LAND
BETWEEN MORGAN CITY AND SHAUN D. AND LISA C. PREECE – RESOLUTION 24-35**

Ty Bailey, City Manager, explained an Agreement for Annexation and Development of Land was adopted and signed by all parties, but then the parties asked for changes to the requirements of the sewer line. After discussing the request with developers, a First Amended Annexation Agreement was brought before the Council. He stated the first amended agreement addressed the plat and its language, initially specifying a 20-foot easement. However, the parties involved refused to grant the 20-foot easement. Following negotiations, a compromise was reached for a 10-foot easement designated for access only. Kale Watkins, Water/Sewer Supervisor, approved the arrangement, requiring just 10 feet to maneuver a truck to the point where the 20-foot easement begins, allowing maintenance of the sewer line. He said the second amended agreement provided a 10-foot easement on Lot 2 to avoid the need for a turnaround, enabling a continuous one-direction truck route from 700 East to 600 West. He said on Lot 1, the 20-foot easement was established for the sewer line, extending as planned. He stated efforts have been made to accommodate the development's requirements, but if the proposed sewer line placement cannot be maintained as planned, the project will not be able to proceed. A map was displayed which would be an exhibit to the agreement and it showed both of the easements.

**AMENDMENT TO TITLE 1, CHAPTER 1.15 – CONSOLIDATED FEE SCHEDULE OF THE
MORGAN CITY CODE BY AMENDING THE RESIDENTIAL GARBAGE FEES TO INCLUDE
RECYCLING AND AN INCREASE TO COMMERCIAL GARBAGE FEES – ORDINANCE 24-13**

Preston Lee, Operations Manager, Wasatch Integrated Waste Management District (hereinafter "District"), stated this program would extend the life of the landfill and future landfills.

Council Member Richins asked if the County had approved the program.

Ty stated the County had approved the program and the price per can for City residents would be the same as County residents.

Preston explained Wasatch Integrated was in the process of a Request for Proposal (RFP) to select one of three firms to manage the distribution of approximately 40,000 mailers across the District. He stated all designs were completed, and the focus was on ensuring the selected firm could handle the scale of the project. He stated the RFP was expected to be released shortly, with an award decision planned by the end of the year. He said preparations were set to be finalized in January, aiming to send the first mailing a month before the rollout. The initial packet would include informational materials to prepare residents, followed by a second mailing with more specific details. Additionally, stickers and educational materials were planned for the rollout phase.

Discussion regarding the number of residents with second cans already and they were paying \$38.00 per month so this program would be a cost savings for them if they only kept one black can along with the recycling can. Preston said he only put one-third of his waste in his garbage and only takes it out every couple of weeks.

Preston explained Wasatch Integrated had implemented several measures to offset costs associated with the program. He said an incentive program was designed to calculate the amount of waste recycled or diverted by each household, which then reduced the household fee, initially set at \$7.20. He explained the discount was based on the volume of recyclable materials, providing significant savings and reducing landfill use and transfer to regional facilities. Additionally, a TRP grant was utilized to support the purchase of recycling bins. He said Wasatch Integrated had also collaborated with the a closed loop partnership, which offered low- or zero-interest loans to municipalities requiring financial assistance.

Council Member Alexander asked for clarification of what the recycling program consisted of.

Ty explained the City had evaluated two options for service delivery, ultimately deciding on a bundled service approach. He said this decision, while not outlined in formal documentation, was based on several prior meetings and joint discussions with the County. He said the bundled service changes the incentive structure from the District and included a City-sponsored recycling program, replacing the independent third-party arrangement some residents took advantage of. The new rate reflected this bundled service, which encompassed recycling, though it may not be formally designated as a program.

Further discussions centered on the implementation of a bundled waste management service and its conditions. Initially, there was deliberation over an opt-out option, including potential conditions and pricing. However, the bundled service model was ultimately preferred to simplify the process. This model included a fee that covered garbage collection and provided recycling cans to all households, removing the opt-in or opt-out choice. The bundled service aimed to ease administrative efforts for cities, particularly when new residents moved in, as it automatically included them in the program. Despite some concerns about affordability for residents in need, the set price point was considered reasonable and manageable. The program allowed residents to return their recycling cans if they chose not to use them, but they would still be charged the full-service fee. During planning, an error in cost estimation was identified, as the price of recycling cans was higher than previously calculated. The proposed amount for the bundled service was \$25.50, which was the same as the County.

Preston Lee left the meeting at 6:28 p.m.

A RESOLUTION AUTHORIZING AND APPROVING THE MILLARD COUNTY POWER PROJECT POWER SALES CONTRACT WITH UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS; AND RELATED MATTERS – RESOLUTION 24-36

**RESOLUTION AUTHORIZING AND APPROVING THE POWER COUNTY POWER PROJECT
POWER SALES CONTRACT WITH UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS;
AND RELATED MATTERS – RESOLUTION 24-37**

Ty combined the explanation of the above two items. He said that following the conclusion of the Carbon-Free Power Project, UAMPS conducted an in-depth evaluation of options for base-load power. He stated a study was commissioned, and Morgan was initially considered for a natural gas power plant due to its high-pressure gas line and transmission line access. However, its elevation caused efficiency issues despite favorable air permitting conditions. The study identified two suitable locations: Power County for base-load generation and Millard County for peaking capacity.

Ty explained proposed project involved two facilities functioning as one system. UAMPS would own both plants, with the Power County facility providing 360 MW of base-load capacity and the Millard County plant supplying 200 MW for peak demand. Cost estimates ranged between \$66-\$94 per MWh for the base-load plant and \$93-\$167 per MWh for the peaking facility. The total project cost was approximately \$1.3 billion.

He said key project agreements were reviewed, ensuring termination options if feasibility criteria were unmet. The project required an 85% subscription from UAMPS participants to proceed, with flexibility to secure additional participation externally if needed. Lessons from the Carbon-Free Power Project were applied, focusing on maintaining subscription thresholds and avoiding disproportionate risk to minority users.

He said both facilities utilized proven natural gas technology with secure fuel availability, designed to meet market demands and address increasing volatility during peak hours.

Council Member London asked if altered the City's thinking on a generator.

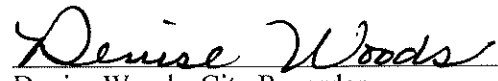
Ty explained the proposed generator was studied as a peaking plant internally to address future growth and potential new customers, such as Geneva, which could utilize the plant's full startup capacity. He said the project, several years from completion, was intended to ensure sufficient base-load coverage for future needs. It remained exploratory, with ongoing participation in other projects as contingency options.

Ty said the primary goal was to mitigate a projected energy deficit within five years due to retiring assets, avoiding reliance on volatile market purchases. Operating the generator internally was expected to occasionally result in operational losses, but it was deemed more cost-effective in the long term by avoiding market price spikes. At times, market purchases might still offer slightly lower costs, but securing stable energy supply was prioritized.

Discussion regarding the difference between this project and the nuclear project the City had withdrawn from.

Ty explained the anticipated operating period for the plants was based on a 30-year life cycle, with expectations for continued operation beyond that timeframe. He said participants were given the option to make capital contributions to reduce their monthly power costs, though this was not mandatory. He stated Morgan did not plan to make such contributions due to limited fund balances and would likely need to adjust rates to cover costs. He said Morgan's participation level was set at 2.1 MW for the base-load plant and 1.05 MW for the peaking plant, based on UAMPS' load forecast. This forecast considered current resources, projected retirements, and a growth rate of 1.3%. While current growth remained steady, the potential for faster expansion was noted, especially with future large-scale developments.

This meeting was adjourned at 7:00 p.m.


Denise Woods, City Recorder


Steve Gale, Mayor

These minutes were approved at the December 10, 2024 meeting.