

**WORK SESSION OF THE
BRIGHAM CITY COUNCIL
May 15, 2025
5:00 p.m.**

PRESENT:	D.J Bott Dave Hipp Dave Jeffries Matt Jensen Ryan Smith Robin Troxell	Mayor Councilmember Councilmember Councilmember Councilmember Councilmember
ALSO PRESENT:	Tom Cooper Tom Kotter Derek Oyler Tyler Pugsley Kristina Rasmussen Brandon Thueson	Power Director Finance Director City Administrator Assistant City Administrator City Recorder Fire Chief

Mayor Bott called the meeting to order at 5:00 PM and turned the meeting over to Mayor Pro Tem Smith.

Tom Kotter started the utility rates presentation. He began by explaining Brigham City's unique position as a municipally-owned utility provider, contrasting it with investor-owned utilities like Rocky Mountain Power. Where investor-owned utilities prioritize shareholder returns, Brigham City's electric services are described as mission-driven, intended to serve the public good. The ultimate owners of the utility are the citizens, and decisions about rates and investments are made by elected officials on their behalf.

Rate Plan History

The city engaged a consultant, Dave Berg, who presented a four-year electric rate plan in 2022. The current fiscal year (FY 2026) represents the final phase of that rate plan, which has involved incremental increases to bring rates up to sustainable levels. The current year reflects the last of those stepwise changes.

PPAC: Power Purchase Adjustment Clause

One of the most significant updates was the plan to eliminate the PPAC (Power Purchase Adjustment Clause) for the coming fiscal year. Originally introduced to help stabilize revenue in the face of fluctuating wholesale energy prices, the PPAC has been used aggressively over the past few years due to volatility in the power market.

At one point, the PPAC added as much as 4.5¢ per kWh to customers' bills. Currently it is set at 1.25¢, but the Mayor's proposed budget would reduce it to \$0, which represents meaningful savings to residents.

Mr. Kotter explained how the Rate Stabilization Fund, which currently holds \$6.6 million, provides financial backing for this decision. Per council-adopted policy, if this fund exceeds \$5.6 million (equivalent to 120 days of electric operations), the PPAC is not charged. Therefore, the city is both financially positioned and policy-aligned to remove the surcharge.

Rate Comparisons

A cost comparison was presented showing that Brigham City's electric rates will be lower than Rocky Mountain Power's in FY 2026, even after removing the PPAC. For example:

- A household using 1,000 kWh/month would pay ~\$142 in Brigham City versus ~\$146 with RMP.

This was emphasized as validation of the city's commitment to affordable, community-focused utility service.

Rate Structure, Tiers, and Usage Trends

A lengthy discussion followed about how usage tiers are calculated. The first 400 kWh is billed at one rate, with higher usage billed at another. This structure is based on historical usage data and was established by the consultant. Council members asked whether this model still reflects reality, especially as electric load growth has increased nationally despite years of decline due to efficiency gains.

It was noted that another rate study is already budgeted for FY 2026 to reassess tier structures and account for trends like electric vehicle (EV) adoption. This could lead to shifting away from tiered models to other structures now being adopted by some Utah cities.

Power Sources and Contracts

A visual breakdown was provided on Brigham City's electricity sources:

- The city does not receive power from Rocky Mountain Power, despite common public misconceptions.
- Instead, power is sourced through UAMPS and direct contracts, including:
 - CRSP (Colorado River Storage Project)
 - Wind power (Horse Butte)
 - Waste coal (Sunnyside)
 - Market purchases ("pool")
 - Contracts like the "Shell contract," which is favorable but **set to expire soon**

The reduction in market purchases (from 20–30% of the power portfolio down to much less) was emphasized as a risk management decision. However, with several contracts set to expire, the city is actively seeking replacements.

Recycling (Blue Cans) Fee Update

The next topic addressed was the recycling program, known as the "blue cans," which is fully outsourced to Econowaste. Participation in the program has been declining steadily since its launch in 2018, while costs have increased due to:

- Fuel surcharges from Econowaste
- Higher contamination rates in recycling, which force landfill disposal

In 2024, the program ran an \$18,000 deficit, and 2025 is expected to post a \$12,000 deficit.

To maintain the program, staff proposed increasing the monthly recycling fee from \$7.70 to \$9.50 (23% increase). They warned, however, that this could accelerate drop-off rates. Moreover, the vendor is signaling that a long-term service contract may be required soon, shifting financial risk onto the city.

Council members acknowledged that the long-term future of the recycling program may involve difficult decisions.

Utility Fund Transfers

A brief financial discussion followed about transfers from utility funds to the general fund. The proposed budget includes:

- \$4.3 million from the electric utility
 - \$35,000 from the storm drain utility
- This transfer is capped at 12% of utility revenue.

Council asked what would happen if that increased to 12.5% — answer: about \$200,000 more, which would have to come from capital projects in the utility budget.

Customer Service Fee & Utility Bill Confusion

There was considerable discussion about customer confusion over billing terms, particularly the “Customer Service Fee” that appears on electric bills.

This fee covers fixed costs for maintaining the electrical grid — infrastructure, personnel, meters — even if customers use zero electricity. However, because it’s not clearly labeled as “electric” and appears next to water/garbage line items, many customers misunderstand it.

Ideas to improve clarity included:

- Renaming the fee to something like “Electric Service Charge”
- Providing a “definition of terms” insert with the first bill of each fiscal year
- Creating online resources or public communication campaigns

Council members generally supported clearer communication, though staff noted changing the name could itself cause temporary confusion.

Fire Department Restructuring

At the end of the work session, City Administrator Derek Oyler and Fire Chief Thueson shared news that Assistant Chief/Fire Marshal Mike Young had resigned after 26+ years.

Because the dual role was unique and demanding — and few qualified candidates exist with both operations and fire code backgrounds — staff proposed splitting the role into:

1. **Fire Marshal** (interviews already conducted)
2. **Assistant Fire Chief** (to be posted soon)

Chief Thueson Houston explained the distinct duties of a Fire Marshal, including:

- Plan review during development

- Public education
- Fire code enforcement and building inspections
- Investigation of fires and cause determination
- Collaboration with police on arson or criminal investigations

The Assistant Chief, meanwhile, would oversee day-to-day operations and support incident response.

The council was asked for consent to post the new Assistant Chief job, which they provided informally.

Closing

The meeting wrapped up with final comments and a brief discussion of wage transparency, including questions about whether the posted Fire Marshal salary was too high. Staff committed to sending council members a full compensation comparison across cities using TechNet data.

Mayor Pro Tem Smith thanked everyone for their input. The meeting adjourned at 6:04 PM.

The undersigned duly appointed Recorder for Brigham City Corporation hereby certifies that the foregoing is a true, accurate and complete record of the May 15, 2025 City Council Work Session.

Dated this 6th day of June, 2025.

Kristina Rasmussen

Kristina Rasmussen, City Recorder

*** These meeting minutes were generated with the assistance of artificial intelligence and have been reviewed, edited and approved by Brigham City Staff.*