

NEPHI CITY WORK SESSION MINUTES

January 13, 2026

7:00 P.M

21 E 100 N

Nephi, UT 84648

1. Out of City Water Connections

- a. Mayor Seely has heard from a local developer who would like to revisit the city's policy on out-of-city water connections.
- b. For quite some time now, the City Council has required most properties to annex into the city to receive the city's water utility service. The council reviewed the reasons for the policy:
 - i. Statutes governing annexation in Utah allow cities to only annex territory pursuant to petitions for annexation submitted by property owners. However, property owners whose needs are met without having to be within the city limits have little or no motivation to desire annexation. When city policies foster or support residential development in the unincorporated area, future annexation of those areas is hindered.
 - ii. Most Nephi City and Juab County officials foresee the time when Nephi City's boundaries should expand to the west to accommodate growth requiring municipal services. Orderly growth of that type becomes less likely as residential development in the unincorporated area takes place.
 - iii. State statute requires the city to purchase existing electric utility infrastructure when annexing unincorporated areas that are in the service territory of an investor-owned utility, if the city desires to serve electricity to the properties that were customers of the investor-owned utility at the time of annexation. As residences are added in the unincorporated area, the potential for a costly buy-out of electrical facilities increases, and the likelihood of successful, desirable annexations decreases. City policies that foster residential development in the unincorporated area may work against a successful annexation policy.
 - iv. Individuals and families living in homes outside the city limits benefit from many of the services and amenities inside the city, without being subject to the city's property tax levy. If they can have the benefits of municipal services without paying city property taxes, there is little incentive to be part of a future annexation.
- c. The council discussed the policy and the possibility of allowing out-of-city connectivity requiring certain criteria be met prior. If the property is contiguous with the city, perhaps

require the property owner to build to city specifications. Councilor Callaway suggested the city might be better stewards of water resources by expanding the water system within reason. Councilor Worwood explored the idea of exchanging water rights with developers in a similar way to development agreements.

- d. Concerns were raised about encouraging disorderly development if allow the out-of-city connections. The current policy aims to prevent hodgepodge development and maintain control over zoning and planning.
- e. Seth Atkinson, City Administrator, discussed the impact of urbanizing irrigated farmland on water usage. Councilor Worwood shared data from a few years ago regarding the city's overall consumption and the potential for urbanization to reduce water usage.
- f. The council decided that the city is not willing to change policy at this time. Mayor Seely will inform the developer that inquired.

2. Lease Agreement with UMPA

- a. Seth Atkinson informed the council that UMPA has had discussions with the city in the past about bringing a power plant facility to the northern area of Nephi and connecting to the city's substation #3. This would allow Nephi City to become very self-sufficient with the new 138 kV line and a localized power generation station. UMPA will be investing in newer technology from a company called Mainspring.
- b. The technology by Mainspring would use natural gas to create electricity on smaller modules that produce about 250 kW. UMPA would look to install a 48 MW plant on the property owned that also contains substation #3 as shown in the picture below.



- c. Tom Sorrells with UMPA presented the proposed 48-megawatt power plant, highlighting its clean energy and low noise emissions. The power plant would be located near the city's substation and would have minimal impact on the surrounding community. It would cover about 3 acres of land and contain 192 Connex looking structures that would run during peak times.
- d. The council's discussion included potential benefits of the power plant, such as making the city more self-sufficient. The plant would use natural gas which would also benefit

the city. Also highlighted were the plant's fuel agnostic design and the potential for future expansion.

3. Comcast Franchise Agreement

- a. Seth Atkinson presented an updated version of the Comcast franchise agreement which addresses controls to prevent disruptions to city utilities and to protect infrastructure.
- b. The agreement includes requirements for phasing plans, pole attachment agreements, and customer service protections.
- c. The council agreed to the changes. Mr. Atkinson will prepare the final draft for council approval and bring it to them next month.

4. Administrative and Council Updates

- a. Mr. Atkinson added the 2-year prior biennium budget to the end of the financial reports after a prior request from the council.
- b. Mr. Atkinson provided information about upcoming legislative bills that could impact the city's property tax and revenue.
 - i. Senate Bill 97 would limit property tax increases to not more than 5% per year. It would also prohibit tax increases on property for additions and upgrades if those projects do not increase the value by greater than 100%.
 - ii. House Bill 161 would reduce the tax burden on primary residential units.
 - iii. Another House bill (Taxpayer Bill of Rights) would limit spending to growth of the city and refund any excess funds to taxpayers. This would inhibit cities from saving those funds for future use of larger projects.
- c. The council discussed speaking with Senator Owens and Representative Shelley about their concerns to help cities maintain legislative control over property taxes to meet local needs.
- d. Mayor attended an event (Cowboy Caucus). Trent Skaggs, the Regional Advocate for US Small Business Administration, discussed regulated rules related to different industries and how his office can help deal with burdensome issues related to regulations. During breakout sessions, Mayor went to the one involving tourism. Mayor informed the council, as they interact with local businesses, Mr. Skaggs is another resource in addition to the congressional delegation if these types of issues arise.

5. Ryan Ewing, Vice President National Retail Compliance at Verano, and colleagues Ryan Riberdy and Krissy Bernazani asked to address the council even though not on the agenda. They are one of the largest medical cannabis operators in the United States. They are hoping to acquire a Utah medical cannabis license and then open a dispensary in Nephi.

- a. The proposed site is 2100 S Main Street. He emphasized its suitability and the company's community's commitment to community integration.
- b. He described the company's approach to patient care, including pharmacists and strict ID checks. Also mentioned was the potential for job creation and local support, with a focus on hiring Utahns and contributing to the community.
- c. Mr. Ewing addressed questions the council had and was very informative.

6. Motion to convene to Closed meeting

- a. Councilor Travis Worwood motioned to convene to closed meeting concerning character and competence of an individual and litigation. Councilor Jeramie Callaway seconded the motion. The motion passed on the following roll call vote:

Jeramie Callaway	Yes
Shari Cowan	Yes
Tate Douglas	Yes
JD Parady	Absent
Travis Worwood	Yes

- b. 8:41 pm

7. Adjourn

- a. Councilor Travis Worwood made a motion to adjourn. Councilor Shari Cowan seconded the motion. The motion passed unanimously.
- b. 9:30 pm

ATTENDANCE:

City Council: Mayor Justin D. Seely, Shari Cowan, Jeramie Callaway, Tate Douglas, Travis Worwood

Absent: JD Parady

Staff: City Administrator--Seth Atkinson, Recorder--Leslee Anderson, City Attorney--Brittany Tellez, Assistant City Administrator—Sara Samuelson, Recreation Director—Craig Oswald

Guests: Donald W. Ball, Ryan Riberdy, Ryan Ewing, Krissy Bernazani, Tom Sorrells (UMPA)

I, Leslee Anderson, Nephi City Recorder, hereby certify that the foregoing minutes represent a true, accurate, and complete record of the meeting held on January 13, 2026. This document constitutes the official minutes of the Nephi City Council Work Session.

Leslee Anderson