



MURRAY CITY MUNICIPAL COUNCIL COMMITTEE OF THE WHOLE

The Murray City Municipal Council met as a Committee of the Whole on Tuesday, August 4th, 2015, in the Murray City Center, Conference Room #107, 5025 South State Street, Murray Utah.

Council Members in Attendance:

Blair Camp, Chair	Council Member, District #2
Diane Turner, Vice-Chair	Council Member, District #4
Dave Nicponski	Council Member, District #1
Brett Hales	Council Member, District #5
Jim Brass	Council Member, District #3

Others in Attendance:

Ted Eyre	Mayor	Janet Towers	Exec. Asst. to the Mayor
Janet M. Lopez	Council Administrator	Tim Tingey	ADS Director
Jennifer Kennedy	Recorder	Frank Nakamura	Attorney
Jan Wells	Chief Administrative Officer	Kellie Challburg	Council Office
Jennifer Brass	Resident	Blaine Haacke	Power General Manager
Scott Bartlett	City Journals	Doug Hill	Public Services Director
Jared Hall	CED Division Manager	Bruce Turner	Power
Tiffany Doncouse	Candidate	Kelly Gillman	CRSA Architects
Susie Petheram	CRSA Architects		

Chairman Camp called the Committee of the Whole meeting to order and welcomed those in attendance. He noted that Mr. Nicponski was not yet present.

Approval of Minutes

Chairman Camp asked for approval on the minutes from the Committee of the Whole meetings on June 2, 2015, and June 16, 2015. Ms. Turner moved approval on both sets of minutes. Mr. Hales seconded the motion. All were in favor.

Business Item #1

Power Department Reporting- Blaine Haacke

Mr. Haacke said there are a lot of good projects currently under construction at the Power Department. For example, the projects on 5900 South and 4500 South.

He mentioned that some individuals had the chance to visit the Hydro Plant recently, and see that clean project and learn from his knowledgeable staff.

There are three issues coming up, two of which will come to the Council for a vote. The first one is the IPP agreement to change the fuel from coal, the second one is the recent decision made by the Obama administration, and finally solar panels.

IPA (Intermountain Power Agency) will be asking Murray City to pass the second amendatory agreement. The IPA contract, which involves the Delta coal fired plant, expires in 2027. That agreement is with 23 Utah groups, 6 REA's (Rural electric associations), and six California groups. An example of an REA would be Moon Lake Electric, Dixie Escalante, Flowell, etc. REA's are quasi-municipal groups, but are not governed by a City Council. In the 1980's, the three groups (REA's Utah groups, and California groups) decided to build a power plant in the desert.

The Californians were a key component of the agreement, and wanted the coal fired power plant as much as the Utah groups wanted the peace of mind. The beauty of the contract was that California agreed to take every kilowatt hour for the entire duration of the contract, unless the Utah municipalities decided to call back the power. Power has been called back in the past when the market was high, but not in the last five years.

IPA owns the transmission line, the facilities at Delta, a coal mine in Price, and the railroad.

Several years ago, legislation in California became very anti-coal. California administration told the utilities within their state that they could no longer bring coal fired generation into the state of California. Many natural gas companies started building in California. Los Angeles, and the other five California groups tried unsuccessfully to get out of the IPA contract. They were not able to get out of the contract until it ends in 2027.

The people involved with utilities love the Delta plant, he stated. It is the legislature that is dictating no more coal, and they can't do anything about it.

Meanwhile, the Californians had become involved with renewable energy in Wyoming, the Milford wind farm in central Utah, and some solar farms. The Californians are becoming increasingly dependent on the transmission line that goes from Delta, Utah to California to transport renewables.

There was a mandate in California to have 20% of their kilowatt hour total in renewables by 2013. Renewables include such things as solar, wind, biomass, etc. The Californians are shedding themselves of coal fired plants, as was evident in the four corners area, where the coal plant was shut down.

California has a goal to have 33% of their source renewable in 2020, and 40% in 2030.

Five years ago, IPA went to the Californians and said they were aware that California could not take the coal, but they would like to keep the plant open. California agreed to continue as partners if it wasn't coal. The agreement was made to continue operating the plant, but with natural gas.

Mr. Haacke said that the IPA plant would receive a remodel, most likely in the year 2021. The coal would disappear and the natural gas pipeline would be built. He said he is unsure of the exact date because all members have to agree to the fuel change, because the word *coal* was in the original agreement.

Chairman Camp noted that Mr. Nicponski arrived at 5:30.

Mr. Haacke said that the Council was asked to pass the second amendatory contract about two years ago. The contract basically said that Murray City would allow IPA to pursue a different fuel resource. Negotiations were made, and all the members passed the agreement except the six Californians, and Monroe City in Utah.

Los Angeles is the biggest partner in California, and supported the agreement, but the other five California groups saw a chance to negotiate other matters with Los Angeles. After much negotiating, the five California groups have signed the agreement. The only two groups still needing to sign the agreement are Los Angeles, and Monroe City.

He said a two page resolution would be brought to the Council on September 1, 2015, stating the Council agrees with the minor changes that have been made since the original agreement was signed in 2013. Mr. Nakamura said the argument could be made that the changes were not substantial but there was one issue regarding an alternate fuel source besides gas. The California groups wanted to have input on the possible change in fuel, if there was one. Mr. Nakamura believes that was the real change in the agreement. Mr. Nicponski asked if all the other stake holders would go through this same process. The answer was yes.

Mr. Haacke noted that Los Angeles would make this project happen. The IPA plant provides almost 20% to 30% of their total energy. They have agreed to allow a call back and other things that would keep this project going for the next 40 years.

He commented that Burbank is pursuing compressed air as an alternate fuel source, which has never been done. They are attempting to use wind generation from Wyoming to run compressors in salt caverns adjacent to the IPA plant. The initial thought was that the caverns would be used to store the natural gas. Burbank would start running the turbines during the day, and it would be a source of alternative fuel, if it works. He said it would be a huge plant.

Repowering the plant would cause a loss of 600 megawatts of allotment, and Murray's portion would decrease from 72 megawatts to 49 megawatts. There is no additional compensation for the loss. He added that transmission was built to one and a half times the plant capacity. Mr. Brass asked if transmission capacity would be cut. Mr. Haacke answered no, and agreed that transmission has value. He said Los Angeles gave up some entitlement to get the other five groups to sign. Some California groups wanted generation, while others wanted transmission.

Mr. Haacke said this is a major deal, and Murray City would be signing on to a 40 year commitment. He added that Los Angeles will pay for IPA, unless Murray decides to call it back. Mr. Brass commented that if Los Angeles walked away, it would be disastrous. Mr. Haacke agreed that if something catastrophic happened to Los Angeles, then the Utah entities would get the 1800 megawatts. Mr. Haacke noted that there isn't debt involved.

Mr. Nicponski asked if Mr. Haacke expected any opposition from the stakeholders to the change of fuel. Mr. Haacke replied that he did not.

Mayor Eyre noted that he heard the cost to demolish the plant and bring it to the current environmental standards was \$300 million. He asked whom would be responsible for paying that cost. Mr. Haacke said that in the old contract, which was signed in 1980, nobody was earmarked to pay for the demolition. He said that issue has been in the back of people's minds for thirty years now. Years ago, the Californians commented that they would help pay for it, although nothing is in writing. The second amendatory contract spells out the responsible parties, as those that use the power. He noted that the second amendatory contract is very favorable to Murray City, for that reason. Mr. Brass asked what percentage of ownership Murray had. Mr. Haacke replied about 4%, and would have been a much higher percentage after 2027 if the Californians were not involved. Mayor Eyre noted that the Californians would pay for a large portion because they use the largest amount of power. Mr. Haacke answered that was correct.

Mr. Haacke commented that he wanted to discuss solar energy and President Obama's recent changes. Mr. Brass noted that solar may be the most immediate issue and commented that he had received questions recently regarding solar energy.

Murray City has 50 residents in the City with solar panels on their rooftops. The panels range from two kilowatts to twenty or thirty kilowatts. These residents have invested in the solar panels and tied them into the Murray power grid. On sunny days, the panels produce power for their house and sometimes more power than they need. If the power produced is more than needed, it goes back onto the grid for the City to use. It is a meter that flows both ways.

Currently, the rate is called a net metering pilot rate. When the rate was set seven to ten years ago, solar energy was new and it was unknown how to deal with the back and forth flow of solar energy. When the panel produces energy, the resident is given credit for the extra power that goes back into the system.

There is some concern regarding the process with the utility companies. The reason is that if the City's interests are not 100% covered by a solar house, the City still has the cost of putting up the infrastructure to provide power to the residence if needed. He added that other municipalities are dealing with this issue also, and Kaysville has set a moratorium on solar panels. Mr. Haacke said the City receives two to three requests for solar panels monthly.

One proposal is that the City would charge residents for the kilowatts used and give them credit for extra generation at a different rate. Currently, it is nine cents in and nine cents out. Most utilities are changing to a "feed-in tariff" system. He used an example of a house that would receive five cents credit for power generated, but would be charged nine cents for power used. The difference would provide a margin that would cover the cost of supplying power to the house. The City needs a way to recoup the cost of the infrastructure. Some people say that the other residents are subsidizing those with solar panels because they are not paying their fair share.

He said there are other ways to handle solar energy. Rocky Mountain Power tried unsuccessfully last year to charge solar customers a \$5 fee.

Solar panels is probably the biggest current issue for the Power Department, he stated. Mr. Haacke is reaching out to other cities and evaluating what they are doing with solar energy.

Mr. Brass stated that he disagrees with the moratorium in Kaysville and believes that any excess power should be credited at the wholesale rate. He showed a daily graph for solar energy generation from the panels on his roof. He said typically, power generation stops around 5:00 or 6:00 at night, and then you need to rely on the power line to supply the house. He is aware that the expenses of the Power Department need to be covered. Mr. Brass said he has produced about an extra 200 kilowatt hours for the month, and believes the wholesale rate is fair.

Mr. Haacke said the largest solar panel business customer in the City is Atkinson Electronics, with 20 to 30 kilowatts. The largest residential customer has about 9 kilowatts.

Mr. Haacke said he appreciates Mr. Brass supplying the solar energy information from his residence.

Mr. Haacke said that August 3, 2015 the EPA (Environmental Protection Agency) and the Obama Administration made a ruling regarding carbon emissions from the power plants. Mr. Brass commented that the rule has not yet been adopted. Mr. Haacke replied that was correct and everyone anticipated this ruling but he expects many lawsuits to be filed. Mr. Haacke said the announcement required the State to develop an implementation plan that matched the Federal guidelines. Senator McConnell has sent letters to all 50 states saying to disregard the mandate by President Obama.

Mr. Haacke asked Mr. Nakamura to discuss impact fees. Mr. Nakamura said impact fees need to be re-evaluated every five years. They are currently reviewing the impact fees and would bring a new updated impact fee schedule to the Council for approval. Mr. Haacke noted that the debt is much lower than five years ago, and that would have an impact on the fees.

Mr. Haacke reminded the Council and Mayor of the upcoming UAMPS conference. He said all attendees should be receiving the book, "Smart Power", which would be discussed at the conference by the author. He noted the conference would be casual dress.

Business Item #2

General Plan Update- Tim Tingey

Mr. Tingey introduced Susie Petheram, a consultant with CRSA. Ms. Petheram had been working on the General Plan for Murray City. He noted that the General Plan is a document governed by State law and is required to be in place for all communities. A General Plan gives a broad review regarding land use and associated issues.

A lot of public input has been received the last several months, including public open houses, online surveys, and additional input sources.

A rough draft of the plan is in progress and would be updated as more public input is received.

Ms. Petheram introduced Mr. Gillman, another consultant also with CRSA. Ms. Petheram is a senior planner and the project manager for the General Plan. Zions Bank is helping with the housing and economic demographics and Hales Engineering is assisting with transportation issues.

The General Plan was last updated in 2003, and Murray has had a lot of changes and new growth in the last ten years.

Comments were made regarding the previous General Plan that the public didn't feel involved or invested in the plan process. Efforts are being made to involve the public in this General Plan process. Notices have been posted to social media sites and included in utility billing notices to keep residents informed.

The entire process will take about 18 months, with an anticipated adoption in the beginning of 2016. There was a kickoff open house in October 2014, which was an opportunity to let people know the plan was going to be updated. People gave ideas about Murray's future, things that worked well and things that were missing in Murray. Citizens were asked to give their top three issues that were part of the General Plan structure, including land use, accessibility, parks and open space. The idea was to see if priorities had shifted since 2003. The first open house was attended by twenty to thirty people but they gave good input. The dedicated website for the process was created, and involves an idea map and people can click on a specific location and give ideas and comments. Ms. Turner asked how many hits the website had. Ms. Petheram believes it was between 200 and 300.

The visioning and baseline development process was started at the end of 2014, which mostly comprised data gathering. Five different focus groups were created, mostly comprised of existing City committees. The groups included the MCCD (Murray City Center District) Design Review Board, the TOD (Transit oriented development) focus group, economic development, neighborhood task force, and the bicycle committee. A new group was designed to help capture the community and culture. Mr. Nicponski asked how the focus groups were created. Ms. Petheram replied the City created the focus groups based on existing committees and residents that expressed interest about being involved.

Two meetings were held with each focus group. The first meeting was about broad vision and the second meeting included goals and objectives. The result of the meetings was the "Twelve Big Ideas."

A second open house was held in April 2015. Approximately 75 people attended, and some great feedback was given.

Currently, the plan is in the development of the plan components phase. It is a compilation of the feedback and input from the public.

In June, the City Department Heads met with the consultants and gave some direction on plans for the future.

The plan is to take the “Twelve Big Ideas” and place them on the front part of the plan and make it very easy to read. The front page would give a sense of the direction that Murray is headed.

The first draft of the plan is being prepared. After the first draft is completed, it will be brought to the Steering Committee in September.

A second aspect to public outreach was the creation of a survey. The survey would be administered by Dan Jones to ensure its validity, and would hopefully confirm the ideas and direction that the General Plan is headed.

The final public open house workshop is scheduled for October 21st. There will be a presentation explaining the General Plan and the need for the update. After that, final changes would be made to the plan and it would be prepared for adoption in 2016. The Planning Commission would review the plan and make a recommendation to the City Council.

Mr. Tingey noted that study sessions with the Planning Commission would be held. He added that the survey would be scientific and focus on specific things, such as chickens and bees, the downtown area, parks and open spaces, etc.

Mr. Nicponski asked if the General Plan discussion with the Council would take place in a Committee of the Whole, or a special meeting. Mr. Tingey replied that it may require a special meeting because of the length of time needed.

Ms. Turner asked what the “Twelve Big Ideas” were. Ms. Petheram replied that the focus groups were a broad representation of integrated groups and some of the ideas overlapped.

The “Twelve Big Ideas” decided on were:

1. City Center/Cultural District
2. Revitalizing and stabilizing neighborhoods
3. Connecting the Downtown with the TOD areas
4. Linking IMC with its surrounding areas to support future growth
5. Enhancing neighborhood feels
6. Creating office and employment centers
7. Gearing the City towards pedestrians and bikes
8. Connections within Murray- physical and cultural
9. Life cycle housing and neighborhoods
10. Transition and buffers between the downtown area and neighborhoods
11. Evaluating a Main Street District- near Cottonwood Street
12. Capitalizing on the TOD opportunities

Ms. Petheram noted that the above “Twelve Big Ideas” have become guiding principles to help support and make the objectives achievable.

Business Item #3

Road Construction Projects Discussion- Doug Hill

Mr. Hill stated that he recently met with Mr. Zollinger and they decided that there was approximately \$950,000 in the budget for non-earmarked road projects. After much deliberation with the Mayor and others, four projects were selected.

- Fairhaven and Walden Wood Circle
- 1000 East and Ellerbee Avenue
- 1830 East and Ann Dell Lane/Norma Circle
- Steeplechase Lane, including Hermitage Circle and Peterborough Road.

Those projects add up to a little more than \$950,000 but he said the City is going to try and do some of the work themselves in an attempt to stay within the budget. He added that if there were any additional funds, which is not anticipated, he would ask for additional discussion.

The plan is to put the Steeplechase Lane project out to bid immediately, and get that project completed this fall. This winter, 1000 East and Ellerbee Avenue would be re-designed due to the concrete and drainage issues, and work would begin in the spring. Depending on the street crew schedule, one of the remaining two projects would be completed this fall, and the other one next spring.

Chairman Camp thanked Mr. Hill for taking input from the Council into consideration. He noted that there was earlier discussion about taking money from reserves to complete additional projects, and stated that he would not be in favor of doing that at this time in the budget year. He asked Mr. Hill if there were any projects not on this list that would be in dire need of being done this year. Mr. Hill replied that there are some dire projects, but the City could provide the best maintenance possible on the projects to make them last until the next budget year. He stated that he believes the roads could be held together, and dipping into reserves would not be necessary. Mr. Brass clarified that the City would patch and repair the roads in dire condition. Mr. Hill said that was correct and they would be repaired to the best of their ability.

Chairman Camp asked for additional questions or comments regarding the list Mr. Hill provided. The Council thanked Mr. Hill for his efforts and he thanked them for their feedback and commented that the projects chosen would be good projects.

Announcements

Ms. Lopez stated that there would be refreshments after the meeting to celebrate Chairman Camp's birthday.

She also reminded the Council about the food drive for the *Kids Eat* program with the Boys & Girls Club. She said both food items and money contributions would be appreciated.

The ULCT Convention is coming up on September 16-18 at the Salt Lake City Sheraton. All council members said they would be in attendance. Ms. Lopez reminded them to check the registration form to see if they want to invite their spouses to any events.

Chairman Camp adjourned the meeting.

Kellie Challburg
Council Office Administrator II