

MINUTES OF WORK SESSION MEETING HELD BY MORGAN CITY COUNCIL IN REGULAR
SCHEDULED OPEN PUBLIC SESSION ON TUESDAY, FEBRUARY 9, 2016 AT 5:30 P.M., IN THE
COUNCIL ROOM OF THE CITY OFFICE LOCATED AT 90 WEST YOUNG STREET

Present: Mayor, Ray W. Little.

Council Members: Tony London, Fran Hopkin and Bill Cobabe.

Excused: Members: Jeff Wardell and Mike Kendell.

City Staff: Gary Crane, Attorney; Paul Simmons, Lead Electric Lineman; Mark Schmid,
Public Works Director; Matt Stuart, Electric Lineman; and Jeremy Webb, Electric
Department.

Others present: Doug Hunter; Jackie Coombs; Sally Jensen; Jennifer Vesper; Ethan Vesper; and
Mark Thayne.

This meeting was called to order by Mayor, Ray W. Little.

Items for Discussion

Doug Hunter, Jackie Coombs

UAMPS Presentation

Paul Simmons introduced Doug Hunter and Jackie Coombs, from UAMPS, who will be going over the possible sale of the City's power system. Mayor Little stated that Rocky Mountain Power had approached the City and expressed their interest in purchasing our system.

Doug started by saying this discussion has been going on a long time with not only cities in Utah but all across the nation. Doug affirmed that UAMPS is here to support the decision of the City and that UAMPS would be available as a resource and asset in helping the City gather information for their decision.

Doug gave some background and examples of cities here in Utah and their related dealings with obligations and the sale of their power systems. He stated that any municipality selling an asset will be governed by Utah Code; which will require an appraisal of the asset along with the sale being opened to bids, if that route is chosen. Also, to be aware of and take into consideration any contractual obligations/relationships that are in place. Some of these obligations may be assigned over to the buyer but there is the possibility the City would have to find other entities to take over remaining obligations. Doug reiterated this decision needs to be taken very seriously and the importance of "dotting all the I's and crossing all the T's."

The appraisal is an important factor as UAMPS has seen with two other cities, within the past 30 days, going through this same decision have been offered much less for their system than it is worth by Rocky Mountain Power. They recommend the City get someone reputable that can look at the items that will help with the systems appraisal such as net booking, net revenue, and

the City's negotiating price. Doug added he also likes to add in the systems replacement costs along with loss revenue.

There was discussion about how the power system is a very valuable asset and the citizens have paid for it over a long period of time so they have an investment in the system. Secondly, since the City is looking at the system in depth to dig a little deeper and look how the City wants to proceed if we continue to provide the power system.

Doug stated they could give recommendations for independent consultants or national firms to help the City through this process, but any reputable engineering firm would be sufficient.

Tony confirmed that if a consultant would be brought in they would not only be able to give the City a current value of the system but also look at what future upgrades and costs of the system would be.

UAMPS is making a recommendation this year for all cities to adopt the Municipal Tool Box which would provide three fundamental links: 1. Valuation of the City's system; 2. Provide a rate study; and 3. Have a strategic plan which would help cities form alliances to help each other out with lineman, inventory and power supply. They are hoping to have this available for its members by the end of March. It was reiterated that UAMPS is an asset to its members along with being an advocate for the City's best interests.

Tony expressed his concern with where power sources will come from in the future. There was discussion on different systems and what the future looks like including upcoming options, replacements and improvements.

Doug's reassured the members that UAMPS is here to help the City in any way they can.

Valley View Apartments
Final Approval

This development has been approved by the Planning Commission and sent to the Council for consideration of final approval. The members have been given the staff notes and plat map.

Tony gave a summary of the Morgan City Planning Staff Report. The Council, along with Mark Schmid (Public Works Director) and Mark Thayne discussed a few items in the development.

Resolution #16-05
300 East Street Improvement Project
Award Bid

This resolution would approve awarding the bid for the 300 East Street improvement project. This will widen the road next to the old Carrigan Motors business. The lowest bidder for this project was Skyview Excavating & Grading, Inc. in the amount of \$122,464.86.

Mark Schmid, Public Works Director, went over the details of what this bid would include.

Resolution #16-06
2016 Street Maintenance Project
Award Bid

This resolution would approve awarding the bid for the 2016 street maintenance project. The members have a copy of the proposed resolution along with the bid information. The lowest bidder was Advanced Paving & Construction, Inc. The amount of their bid is \$220,775.50. Mark Schmid discussed the repairs along with the alternate repairs that this bid would include.

Resolution #16-07
Weber River Pathway Reconstruction Project
Award Bid

This project was bid last year but was never completed, so it was put back out again to bid. In comparison last year's bid was actually a little higher than what the bid came in at this year.

This resolution would award the bid for the Weber River Pathway project. This project was originally awarded to Wilkinson's Construction but was never completed. The lowest bid for this project was from Skyview Excavation & Grading, Inc. The amount of the bid is \$44,522.

Discussion on Resolution
Status of Sewer Capacity

There has been a lot of discussion the past several months regarding the capacity of the sewer lagoons. There have been some dredging and other improvements done to try to get this system back on line. The question that keeps being asked is what the capacity of the system is and how many more connection should be allowed.

Jamie Grandpre, Senior Wastewater Operator provided handouts and discussed the sampling data collected from 2014 through January 2016 concerning the sewer lagoon's status.

Jamie and the members discussed the ERU summary and the remaining capacity at the sewer lagoons. Jamie stated the City is very close to hitting the 80% designed capacity and once we hit that point we would need to move forward with a plan to start increasing ERU's in the system. Fran asked Jamie to expand on the slated 490 ERU's and where were they accounted for throughout the city.

Mayor Little brought up the question and concern from staff on how a situation should be handled if a new development is looking to come into the City. Bill addressed and discussed that if the City wants to see future development he would like to see concrete recommendations from the staff saying what needs to take place in order to support the future anticipated commitments and growth in Morgan City.

Attorney Crane addressed a statute called a concurrency ordinance, where the city doesn't have to allow new developments to move forward if the City cannot provide the utilities or the developer is not providing the utilities. Attorney Crane stated this should be addressed in a

resolution with a number specified while the City works towards its plan. This way the City would have a standard to follow outlined by the resolution.

Council members discussed impact fees and build out numbers along with subdivision approvals within the City.

Mayor Little asked Attorney Crane about wording for a resolution on potential new developments. Attorney Crane brought up discussion on how fast the City expects to have a solution and also what the limitation may include. It was also brought up the City is still waiting for the study to conclude so we have the information to move forward with a decision.

Attorney Crane stated many other cities are not doing much at the moment as they waiting to see if a bill on this issue will be passed at the Legislature. Attorney Crane expanded there is no science to back up what the government wants to impose and it seems to be more of an "Easterly" problem. He suggested the City wait until the Legislative session is over to see how it goes and how to best proceed.

Attorney Crane brought up a couple more questions asking how much it would cost to expand the system for additional capacity for new developments and how will monies be collected for it. With these two questions answered the City would be able to inform potential developers of the position the City is in.

Mark Schmid voiced his concern on still not having a definite answer to tell developers when they come in. He is asking for direction from the council to pass on to these developers. After more discussion it was decided the City doesn't have enough capacity to support new developments. Attorney Crane will draft a resolution to be adopted at the next meeting.

**Industrial Zone Utility Placement
Review Proposal**

This item was not discussed during the work session.

Council Department Review

Item not discussed.

Financial Statement Review

Item not discussed.

**Attorney Crane
Council Training**

Item not discussed.

This meeting was adjourned at 7:05 p.m.


Stephanie Roos, Deputy Recorder

These minutes were approved at the 02-23-16 meeting.