

**MINUTES OF MORGAN CITY
COUNCIL WORK MEETING**

JULY 9, 2019; 5:03 P.M.

MAYOR AND COUNCILMEMBERS

PRESENT:

**Mayor Ray W. Little, Tony London, Jeff Wardell,
Mike Kendell, and Eric Turner**

STAFF PRESENT:

**Ty Bailey, City Manager; Gary Crane, City Attorney;
and Denise Woods**

EXCUSED:

Jeffery Richins

OTHERS PRESENT:

**Mason Baker, Chief Legal Officer & General Counsel
– UAMPS**

This meeting was held in the Council Conference Room of the Morgan City Offices, 90 West Young Street, Morgan, Utah.

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

ITEMS FOR DISCUSSION

ORDINANCE 19-03 – CONSOLIDATED FEE SCHEDULE

Mayor Little stated Ordinance 19-03 enacted the Consolidated Fee Schedule as part of the Municipal Code as Section 1.15.010.

Discussion of concerns regarding fees listed in the proposed Consolidated Fee Schedule:

Council Room Rental – Concerns discussed were the ability to secure the facility; whether the room should be rented; elevator couldn't be secured; Food Bank in the basement; damage to equipment; public facility paid for by taxpayers; City's liability if someone injured on stairs, require a waiver; increase in deposit amount; increase the fee to \$15.00 per hour.

Payment Processing Fee – New proposed fee. Remove fee until Council had an opportunity to discuss the process of collecting the fee.

Colored Copies – Actual cost of making a colored copy, i.e. paper, toner, maintenance, staff time, etc.; mostly imposed for large GRAMA requests; not competing with local businesses.

Nuisance Violation – First notice of noncompliance \$50.00; Ty first gave a warning which was not considered a notice of noncompliance; fee charged after individual was informed about violation and fails to comply; process regarding code enforcement violations was explained.

Urban Chicken Permit – New proposed fee. Remove fee until Council amended the City Code to allow chickens on smaller lots. Pursuant to the City Code chickens weren't allowed unless you had a 20,000 sq. ft. lot; the City was receiving complaints regarding chickens on lots which violated the City Code; Council requested a draft ordinance to review at a later meeting to set parameters.

Special Events – Discussed changes to fees for vendors; annual fee for a food truck was \$60.00; fee for vendor, food vendor, booth space was \$25.00 for special events.

Fire Hydrant Meter – Discussion regarding increasing meter deposit amount from \$1,000.00 to \$1,600.00; cost of water was calculated after meter was returned and deducted from deposit; amount of deposit would cover meter if lost or stolen; discussed life of the meter because of use; increase the amount per thousand gallons to cover wear and tear on the meter; Council suggested an increase to \$4.00 per thousand gallons; City's meters needed to have devices to prevent backflow to be compliant with state law; suggested City employee install the meters and the backflow device; also needed a stand to distribute the weight of the meter hooked to the hydrant; proposed a \$50.00 setup fee to cover cost of employee setting up meter/stand.

Cross-connection – Fee was determined by City Council; there would be a state fine for contamination; by December 2020 the City would be required to have a person designated to monitor cross connections; prohibition in State Code against cross connections; fee assessed by the City Council depended on the damage caused by the cross connection; add the words "To include, but not limited to, any damages incurred to the system."

Yard-Lights – The yard-lights were not metered; it was a base fee; Council requested the fee be reviewed and adjusted if necessary.

Garbage – Requests for second garbage cans are for a minimum of 6 months.

Impact Fees – Suggested water and electrical impact fees be reviewed.

Business License – Discussed the beer license; applicable to stores and restaurants which sell beer; also required to pay a state fee. Ty explained the \$50.00 processing fee for food trucks. Discussed the concession stand at Riverside Park; would they need a business license to sell food out the concession stand at the Rec Plex and Riverside Park; they would need a food-handlers permit and an inspection by the Health Department. The City couldn't restrict a food truck from areas where restaurants were allowed.

Excavation – Council asked if the fees for excavation were sufficient. Ty explained the fees had been discussed in Management Meeting; staff said amounts were sufficient. Councilmember Kendell mentioned, pursuant to a change in state law, the length of the surety bond needed to be changed to one year instead of two years.

Councilmember Kendell mentioned the new ramps on the sidewalks installed with the recent improvement project were not ADA compliant. They were apex ramps and the Access Board said they weren't compliant. He mentioned the ramps directed the pedestrians into the center of the intersection and not across the street to the other side. The ramps on State Street were good because there were two directional ramps. The ramps at the cross street pointed into the intersection.

RESOLUTION 19-24 – GARBAGE RATE INCREASE

Mayor explained Resolution 19-24 would impose the proposed garbage rate increases as outlined. The amounts were discussed at a previous meeting. The \$100.00 fee was for new garbage set-up.

RESOLUTION 19-25 – CARBON FREE POWER PROJECT POWER SALES CONTRACT

Ty Bailey, City Manager, introduced Mason Baker, UAMPS, who was here to answer any questions from the Council regarding the Carbon Free Power Project. He explained the City didn't have viable opportunities in the future to cover the City's base load. He proposed the City review and possibly join the project again. He stated other states were adopting carbon free regulations.

Mason Baker, Chief Legal Officer & General Counsel – UAMPS, presented a PowerPoint presentation to the Council. He stated coal assets were being replaced; San Juan project would be retired in June 2022 and Hunter Project could potentially go offline in 2030 or sooner. Coal resources were getting very expensive and the cost to extract the coal was also costly. When UAMPS started developing this resource they wanted to find a resource which could provide similar base load attributes as coal but also have flexibility. UAMPS tried to keep the cost similar to that of a natural gas combined cycle plant but the value of coming in at that cost didn't have CO2 emissions. There would be CO2 compliance costs associated with this resource. This technology had the ability to flexibly ramp-up some of the units of the project to deal with variable renewable generation and at the same time take advantage of operating at base load 24/7. He displayed a slide which showed UAMPS' resources by type. He stated that 61% of UAMPS energy was carbon based. UAMPS anticipated larger penetration of wind and solar coming on the system from the west. He explained UAMPS was pursuing additional solar and it was a low-cost resource but the downside of solar was that it tended to generate when you didn't need the load.

Discussion regarding solar and quality of the batteries. On an annual basis solar generated a good resource approximately 33% of the time. The Carbon Free Project would generate resource 95% of the time. Wind resource developed by UAMPS outside of Idaho Falls generated at 30%.

Mason explained NuScale was getting their design certified and was ahead of schedule. NuScale anticipated having the certification in the Fall 2020. UAMPS was putting together their NRC application while they were still examining how to further reduce the risk in the project and the cost to the participants. He stated the pricing would be \$55/MWH, which was comparable to a Natural Gas Combined Cycle Plant. The Department of Energy (DOE) was picking up 50% of the costs. Currently, NuScale and UAMPS had 100% reimbursement obligation up to a cap of \$6 Million Dollars, which was the current operating budget. The 50/50 cost sharing arrangement with DOE was for a 5-year term for \$120 Million Dollars. He explained the Joint Use Modular Plant (JUMP) was for DOE to utilize the first module for research and development (R&D) purposes and should be executed by October 2019. He mentioned DOE had been incredibly supportive of the project. UAMPS would finance the cost of the project and would not bill the UAMPS participants until the project came on-line. He stated the DOE would buy power as outlined in the Power Purchase Agreement (PPA) to service the Idaho National Lab (INL) load and the PPA would be executed by October 2019. The term of the JUMP was 15 years and then the module would revert to UAMPS participants who were interested in taking that module at approximately 2041. The costs were based on a 40-year life of the project. He stated decommissioning costs were collected over the 40-year life of the project. He stated the Nuclear Regulatory Commission monitored the costs of decommissioning and those costs had to be set aside in a trust fund.

Gary Crane, City Attorney, stated the \$55 would increase if there was a change in the 100% reimbursement commitment. He asked where the commitments came, in comparison to the off-ramps.

Mason displayed a slide showing each phase and the off-ramps available up until the decision to construct the project at approximately December 2023.

Discussion regarding the construction of the remaining modules and how costs would be covered. Washington and New Mexico passed carbon legislation. Oregon didn't, but it was close. There was interest in the project from states which had passed carbon legislation.

Councilmember Kendell asked who set the dollar amount per MWH rate. He asked if NuScale could raise that rate.

Mason stated the \$55/MWH rate was based on the cost to develop, construct, operate, and decommission a project. It was an engineering estimate for those various phases of the project. UAMPS was utilizing NuScale's engineering, verifying it through UAMPS' independent owner's engineer and concurring the rate is accurate. UAMPS would be setting a rate sufficient to cover the operating and maintenance costs, debt service costs, etc. UAMPS would set the rate based on an annual budgetary process which all the participating members in the project would participate in and vote on. Once the project was commercial and operating NuScale's obligation would be in performance obligations which were set in the engineering procurement construction contract. NuScale didn't have rate setting authority.

RESOLUTION 19-26 – PARTICIPANT'S ENTITLEMENT SHARE FOR THE LAY-OFF POWER SALES AGREEMENT ASSOCIATED WITH JOINT USE MODULE PLANT OPERATIONS (JUMP)

This item was not discussed.

CAPITAL IMPROVEMENT LIST

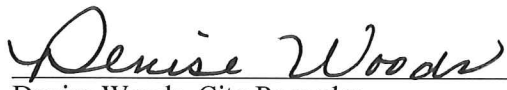
This item was not discussed.

ADMINISTRATIVE UPDATE

Office Hours – Not discussed

Local Option Sales Tax – Not discussed.

This meeting was adjourned at 7:12 p.m.


Denise Woods, City Recorder

These minutes were approved at the August 13, 2019 meeting.