

MORGAN CITY

**Electronic
Council Meeting**

08-25-20

6:30 p.m.



**CITY COUNCIL MEETING AGENDA
AUGUST 25, 2020 – 6:00 P.M.
MORGAN, UTAH**

Public Invited to Attend by: YouTube recording on [morgancityut.org](https://www.morgancityut.org)

Public meetings will be held electronically in accordance with Executive Order 2020-1; Suspending the Enforcement of the Provisions of Utah Code 52-4-202 and 52-4-207 by Governor Gary Herbert on March 18, 2020, due to Infectious Disease, Coronavirus (COVID-19). **No physical meeting location will be available.** The public is invited to listen to the open portions of the meeting by watching the YouTube recording on the City's website - [morgancityut.org](https://www.morgancityut.org).

PUBLIC COMMENTS: If you choose to make a comment during the public comment portion of the agenda, please contact the City Recorder at (801) 829-3461 or dwoods@morgancityut.org prior to the meeting for instructions to join the meeting electronically.

WELCOME – CALL MEETING TO ORDER: Mayor Ray W. Little

CONSENT AGENDA:

1. Discussion and/or Action to Consider Approval of the Following:
 - a. City Council Meeting Minutes – August 11, 2020 (Truth in Taxation)
 - b. Special City Council Meeting Minutes – August 11, 2020
 - c. Warrants

PRESENTATIONS

2. HomeServe – NLC Service Line Warranty Program – Dennis Lyon, Regional Director

ACTIVE AGENDA:

3. Public Comments (Time has been set aside for the public to express their ideas, concerns, and comments. Comments are limited to 3 minutes per person with a total of 30 minutes for this item. Open Comment Cards are available on the City's website, [morgancityut.org](https://www.morgancityut.org), and are to be filled out and submitted to the City Recorder prior to the meeting.)
 4. Discussion / Decision – Application to Hook-up to Morgan City's Culinary Water System – Terry Lawrence
 5. Resolution 20-24 – HomeServe – Marketing Agreement Between Utility Service Partners Private Label, Inc. d/b/a Service Line Warranties of America and Morgan City
 6. Discussion – Declaration – Continuation of Electronic Meetings
 7. City Reports and Business:
 - A. City Manager
 - COVID-19
 - UTOPIA
 - Culinary Water
 - B. Mayor and Council
 - Operation Graduation – Thank you Letter
 8. Adjournment
-

The Council at its discretion may rearrange the order of any item(s) on the agenda. In compliance with the American with Disabilities Act, individuals needing special accommodation (including auxiliary communicative aids and service) during the meeting should notify Denise Woods, City Recorder, at (801) 829-3461 at least 48 hours prior to the meeting. This meeting may be held electronically to allow a member to participate.

Notice is hereby given that by motion of the Morgan City Council, pursuant to Title 52, Chapter 4 of the Utah Code, the City Council may vote to hold a closed session for any of the purposes identified in that Chapter.

Morgan City invites any person, church or other civic organization to contact the Mayor, to be scheduled for presenting a thought, reading, opening remarks, or invocation in the opening ceremony portion of the public meeting. Written invitations will be made by the Mayor to those who wish to participate.

The undersigned, duly appointed City Recorder does hereby certify that the above notice and agenda was posted within the Morgan City limits on this **21st day of August, 2020** at Morgan City Hall, on the Utah State Public Notice Website, at morgancityut.org, and three public places within the City. The 2020 meeting schedule was also published in the Morgan County News on December 6, 2019.

Denise Woods, CMC, City Recorder

**MINUTES OF MORGAN CITY
COUNCIL ELECTRONIC MEETING**

AUGUST 11, 2020; 6:02 PM

**MAYOR AND COUNCILMEMBERS
PRESENT ELECTRONICALLY:**

**Mayor Ray W. Little, Tony London, Jeff Wardell,
Eric Turner, Jeffery Richins, and Dave Alexander**

STAFF PRESENT ELECTRONICALLY:

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

This meeting was held electronically in accordance with Executive Order 2020-1; Suspending the Enforcement of the Provisions of Utah Code 52-4-202 and 52-4-207 by Governor Gary Herbert on March 18, 2020, due to Infections Disease, Coronavirus (COVID-19).

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

The pledge of allegiance was led by Councilmember Turner.

The opening ceremony was presented by Councilmember Alexander.

ACTIVE AGENDA

CITIZEN COMMENTS

Mayor asked if any requests to make comments had been received. Denise Woods, City Recorder, stated no requests to join the electronic meeting had been received.

PUBLIC HEARINGS

**A. RESOLUTION 20-19 – PROPOSED INCREASE TO THE 2020 TAX RATE AND
PROPERTY TAX REVENUE BUDGET AMOUNT FOR MORGAN CITY**

MOTION: Councilmember London moved to open the public hearing.

SECOND: Councilmember Turner

Discussion on the Motion: None

Vote was 5 ayes; Motion passed unanimously to open the public hearing to discuss the proposed increase to the 2020 tax rate and property tax revenue budget amount for Morgan City.

Ty Bailey, City Manager, explained the process for increasing property tax rates. At the end of June, the City had the option to adopt the certified tax rate or propose a different rate. He said based on the budget and trying to stay revenue neutral the certified tax rate came in lower than anticipated. After looking at several options, the Council made the decision to hold the same rate as 2019, which was .001544, and it would be considered a property tax increase and required a truth in taxation public hearing. This would keep the tax revenue collected closer to what was collected in 2019. He explained it was less than a 2% increase.

Mayor explained each year the certified tax rate came in lower to stay revenue neutral. He said last year's rate was .001544 and that was the rate the City was proposing for this year's tax rate. He stated his tax statement showed an increase of \$2.53 if the City adopted the proposed rate of .001544.

Public Comments: None.

MOTION: Councilmember London moved to close the public hearing.

SECOND: Councilmember Wardell

Discussion on the Motion: None

Vote was 5 ayes; Motion passed unanimously to close the public hearing regarding the proposed increase to the 2020 tax rates and property tax revenue budget amount.

RESOLUTION 20-19 – PROPOSED INCREASE TO THE 2020 TAX RATE AND PROPERTY TAX REVENUE BUDGET AMOUNT FOR MORGAN CITY

Discussion regarding the language in the resolution regarding the revenue amount. The language came from state statute.

MOTION: Councilmember London moved to adopt and approve Resolution 20-19 – A resolution adopting and approving the proposed increase to the 2020 tax rate and property tax revenue budget amount for Morgan City.

SECOND: Councilmember Richins

Discussion on the Motion: None

ROLL CALL VOTE: Jeffery Richins – aye
Jeff Wardell – aye
Tony London – aye
Eric Turner – aye
Dave Alexander - nay

Vote was 4 ayes and 1 Nay; Motion passed unanimously to adopt Resolution 20-19 adopting and approving the proposed increase to the 2020 tax rate and property tax revenue budget amount for Morgan City.

B. RESOLUTION 20-18 – ADOPTION OF 2020 – 2021 FISCAL YEAR BUDGETS

MOTION: Councilmember Turner moved to open the public hearing.

SECOND: Councilmember Wardell

Discussion on the Motion: None

Vote was 5 ayes; Motion passed unanimously to open the public hearing to discuss the adoption of the 2020 – 2021 Fiscal Year Budgets.

Mayor explained this was the same budget presented to the Council and discussed at length during the meeting on June 23, 2020. No changes had been made to the budget, but it couldn't be adopted until after the truth in taxation public hearing to increase the 2020 tax rate.

Public Comments: None.

MOTION: Councilmember London moved to close the public hearing.

SECOND: Councilmember Wardell

Discussion on the Motion: None

Vote was 5 ayes; Motion passed unanimously to close the public hearing regarding the adoption of the 2020 – 2021 Fiscal Year Budgets.

RESOLUTION 20-18 – ADOPTION OF 2020 – 2021 FISCAL YEAR BUDGETS

MOTION: Councilmember Alexander moved to adopt Resolution 20-18 – A resolution adopting and approving the 2020 – 2021 Fiscal Year Budgets.

SECOND: Councilmember London

Discussion on the Motion: None

ROLL CALL VOTE: Jeffery Richins – aye
Jeff Wardell – aye
Tony London – aye
Eric Turner – aye
Dave Alexander - aye

Vote was 5 ayes; Motion passed unanimously to adopt Resolution 20-18 adopting the 2020 – 2021 Fiscal Year Budgets.

This meeting was adjourned at 6:20 p.m.

Denise Woods, City Recorder

These minutes were approved at the August 25, 2020 meeting.

**MINUTES OF SPECIAL MORGAN
CITY COUNCIL ELECTRONIC
MEETING**

AUGUST 11, 2020; 6:31 P.M.

**MAYOR AND COUNCILMEMBERS
PRESENT ELECTRONICALLY:**

**Mayor Ray W. Little, Tony London, Jeff Wardell,
Eric Turner, Jeffery Richins, and Dave Alexander**

**STAFF PRESENT
ELECTRONICALLY:**

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

This meeting was held electronically in accordance with Executive Order 2020-1; Suspending the Enforcement of the Provisions of Utah Code 52-4-202 and 52-4-207 by Governor Gary Herbert on March 18, 2020, due to Infections Disease, Coronavirus (COVID-19).

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

MINUTES AND WARRANTS

MOTION: Councilmember London moved to approve the following:
Minutes of the City Council Meeting – July 14, 2020
Warrants

SECOND: Councilmember Alexander

The vote was unanimous to approve the minutes as written and one set of warrants.

ACTIVE AGENDA

CITIZEN COMMENTS

Mayor asked if any requests to make comments had been received. Denise Woods, City Recorder, stated no requests had been received to join the electronic meeting to make comments.

RECONSIDERATION OF RESOLUTION 20-23 – CULINARY WATER LINE NON-EXCLUSIVE EASEMENT AGREEMENT BETWEEN MORGAN HOTEL, LLC, C STREET, LLC, AND MORGAN CITY

Mayor explained at the last meeting on July 14, 2020, there was a discussion regarding the Culinary Water Line Non-Exclusive Easement Agreement and a change was recommended and approved by Council. The change was to allow future laterals. The parties of the Agreement were agreeable to the recommendation, but they made changes to the Agreement after it had been approved by the Council by adding the word 'lateral' throughout the Agreement. No other changes had been made to the Agreement. He explained the action by the Council tonight would rescind the Resolution adopted on July 14, 2020 and a new motion on the Resolution and Agreement in the packet would be made. He stated it was appropriate to rescind an action taken on an item at a previous meeting if someone who was present and voted in favor of the item made the motion during this meeting where the minutes of the July 14th meeting were being approved.

MOTION: Councilmember London moved to reconsider Resolution 20-23 regarding the Culinary Water Line Non-Exclusive Easement Agreement between Morgan Hotel, LLC, C Street, LLC, and Morgan City Corporation.

SECOND: Councilmember Alexander

Mayor said if the motion to reconsider Resolution 20-23 passed it would nullify the prior motion on July 14, 2020 and the Council could discuss and vote on the item again.

ROLL CALL VOTE: Jeffery Richins – aye
Jeff Wardell – aye
Tony London – aye
Eric Turner – aye
Dave Alexander - aye

Vote was 5 ayes; The vote was unanimous to reconsider Resolution 20-23 regarding the Culinary Water Line Non-Exclusive Easement Agreement between Morgan Hotel, LLC, C Street, LLC, and Morgan City Corporation.

Councilmember Alexander asked if by inserting the word ‘lateral’ were they restricting the City to just that function.

Mayor clarified it was not a restriction but an addition. He said in the prior agreement laterals were not allowed.

Gary Crane, City Attorney, explained the places where it was added were specific places where they restricted the City from putting laterals in. At the last meeting the issue was raised regarding placing a lateral for an older business on Commercial Street and this amendment to the Agreement would allow it.

Ty Bailey, City Manager, clarified they agreed with the laterals and requested the City give them notice before any lateral was installed.

MOTION: Councilmember London moved to adopt Resolution 20-23 – A resolution adopting and approving the Culinary Water Line Non-Exclusive Easement Agreement between Morgan Hotel, LLC, C Street, LLC, and Morgan City.

SECOND: Councilmember Turner

Discussion on the Motion: None

ROLL CALL VOTE: Jeffery Richins – aye
Jeff Wardell – aye
Tony London – aye
Eric Turner – aye
Dave Alexander - aye

Vote was 5 ayes; Motion passed unanimously to adopt Resolution 20-23 – A resolution adopting and approving the Culinary Water Line Non-Exclusive Easement Agreement between Morgan Hotel, LLC, C Street, LLC, and Morgan City.

2021 WILDLAND FIRE PARTICIPATION COMMITMENT BETWEEN UTAH DIVISION OF FORESTRY, FIRE AND STATE LANDS AND MORGAN CITY

Councilmember Turner explained the 2021 Wildland Fire Participation Commitment between Utah Division of Forestry, Fire and State Lands and Morgan City. He said through this Agreement the City conducted educational workshops regarding the prevention of wildland fires and also did work around the City to mitigate problem areas which could act as fuel for a fire. If the City did their part under this Agreement, the State would step in if there were a fire and cover the costs. Last year a lot of work was done at Robinson Springs for fire mitigation and because of the amount expended the City was able to use the project again this year to meet the City's obligation under the Agreement.

Councilmember Alexander asked if there was a minimum amount the City had to meet each year.

Councilmember Turner said the amount was \$1,299.00.

Mayor clarified the City's participation in the agreement could be work in-kind, i.e. clean up brush, educational workshops, anything of value to prevent wildfires from happening.

MOTION: Councilmember Turner moved to approve the 2021 Wildland Fire Participation Commitment Between Utah Division of Forestry, Fire and State Lands and Morgan City.

SECOND: Councilmember Richins

Discussion on the Motion: None

ROLL CALL VOTE: Jeffery Richins – aye
Jeff Wardell – aye
Tony London – aye
Eric Turner – aye
Dave Alexander - aye

Vote was 5 ayes; Motion passed unanimously to approve the 2021 Wildland Fire Participation Commitment Between Utah Division of Forestry, Fire and State Lands and Morgan City.

DISCUSSION – CARBON FREE POWER PROJECT - UAMPS

Mayor clarified this item was for discussion only and a decision would need to be made in the next couple of weeks.

Ty explained Morgan City was part of the Carbon Free Power Project which was a small nuclear reactor plant in Idaho at the International Laboratory (INL). The Project was structured with several off-ramps and was outlined to be approved in steps. At each off-ramp, the City could decide whether to leave the project, stay the same, or increase the City's entitlement shares if we wanted more power out of the project when it was completed. The City would be approving another budget and plan of finance. Ty said Phase 1 was originally scheduled to be completed by this date, but the deadline had been extended again. He said UAMPS wanted to de-risk the Project as much as possible. The agreement with the Department of Energy (DOE) had been renegotiated. The jump module was discussed where the DOE would build two of the reactors and use one for research and the other for power. The DOE would then give one reactor back to the members and it would provide cheaper power since the members wouldn't have to pay the capital costs on those two reactors. The DOE decided not to own and operate a reactor inside of a larger project and instead they increased the dollar amount they were willing to put towards

this Project. DOE was in negotiation with UAMPS to get the agreement signed and DOE's new commitment to the project was \$1.4 Billion, which helped with the development of the new technology. A small nuclear reactor was new technology and DOE was interested because it could be a way to balance the energy need of the nation into the future.

Ty said the next budget plan of finance would take us to the end of Phase 1 which was 2023. If the Project failed at the end of Phase 1 the City would pay approximately \$130,826.00. If the Project continued there wouldn't be any cost obligation because it would be rolled into the Project moving forward. If the Project moved into Phase 2 it meant the licensing, permitting, approvals had been received, and agreements were in place and the Project was hitting the price targets. He said the economic competitive tests had been completed, but no bidding or cost amounts had come in. The Project Management Committee (PMC) at UAMPS, which Ty was a member of, would decide whether they were comfortable with the Project moving forward or not. The City Council's roll was to determine whether they were comfortable remaining in the Project, and to decrease or increase the amount the City received. The City's current level of commitment was the exact amount of power the City would need to replace the coal plants which were in the City's portfolio. He said the City didn't have a replacement for base load. He explained the wind and solar options for additional power were very volatile. He recommended staying in the Project because it was low risk for potentially over 1 megawatt of power on the back end at \$0.055. He said it was a very complicated Project but INL had the zoning and everything in place.

He stated the City's commitment was being in the Project, but the decision making was from the PMC and most of the votes came from those entities who had the majority of the subscriptions. The PMC was willing to extend Phase 1, but it was contingent upon the agreement with the DOE and making sure licensing happened.

Discussion regarding the current obligation of the City. At the end of September, the total Project deficit would be \$4,787,101 and Morgan City's portion was 0.6563%, or \$31,418.00. If the City dropped out of the Project, they would have 12 months to coordinate payment of that amount to the remaining members who stayed in the Project. To date the City had paid \$14,693.00 into the Project. The City's portion of the debt was \$31,418.00. If the City stayed in the Project and it was completed the City wouldn't owe anything because the capital costs would be financed into the operation of the facility and it would determine the City's price of power. If the City dropped out now, we would owe \$31,418.00, but if the City stayed in at the current amount and the Project failed, the City would owe approximately \$130,826.26 at the end of Phase 1, which is anticipated in April 2023. The City's maximum development costs for Phase 1 was \$852,740.80. There was a cost sharing agreement with the DOE and NuScale and the City's share of UAMPS' incurred costs for Phase 1 were estimated at \$130,826.26. The City's accumulated position at the end of Phase 1 would be \$162,244.00 (\$130,826 + \$31,418). (The amounts listed are estimated amounts.)

Ty explained the Economic Competitive Test. If the Project failed because it wasn't feasible the City would be reimbursed. If the City decided to leave the Project, the City would pay \$31,428.00. If the Project continued and the City left at the end of Phase 1 the City owed the \$162,244.00.

Councilmember Alexander asked what the cost was for hydro.

Ty said hydro was approximately \$.03 cents. Every source of power was being challenged by environmental groups, i.e. hydro was dangerous to fish, windmills killed birds, solar disrupted ground species and is reflective to aircraft, etc.

Councilmember London asked if the cost would go up incrementally and what was it based on.

Ty said it was based on inflation. After the tests were run the PMC could still vote to move forward with the Project, but they had the option if it didn't come in under the \$0.055 to end the project and get reimbursed because of the promise of what the new technology would provide. It also depended on whether the nuclear reactors were approved by the nuclear regulatory commission.

Councilmember Alexander said the City could opt out by middle of September, but if they decided to stay in, when was the next option to opt out of the Project.

Ty said it would be the end of this budget and plan of finance, which was tied to the end of Phase 1 - Licensing. The next off-ramp would be Phase 2.

Ty said he couldn't find any other viable base load. The City's power rates had been a consistent and steady source. The City had a lot of summer demand and not so much in the winter.

Councilmember Turner said the City needed something to replace the steady power source from the coal fire power plants we had in our portfolio. He mentioned the projected growth to Morgan City and the possibility of increasing our amount in the Project.

Councilmember Richins said the City needed a sustainable base load and there wasn't a better option. He said it was hard to commit to this amount of money. He hoped the decision the Council made today would accommodate Morgan's projected growth. He suggested staying with the Project.

Councilmember Wardell said he agreed with staying on board with the Project.

Councilmember Alexander said it was a matter of the amount we could afford to lose.

Councilmember London said the risk was waiting to see what would be developed in the future. There wasn't anything else out there available. He agreed it would be prudent to continue with the Project.

Mayor said several years ago he had called other cities to collect data and at that time St. George wasn't seeing an increase in their power needs. He said everyone else saw a need to increase their electricity. He encouraged the Councilmembers to reach out to other cities.

Councilmember London asked how much the City's demand had grown in the last decade.

Ty said some of the other cities took into consideration whether they were landlocked or if there were other areas which could be annexed. He said the City had an industrial park which hadn't been developed and an industrial type of business coming would require more power. The City was in the Project at a conservative level and in the future the City would need more power from somewhere if a large customer came. The City needed to be able to service customers/citizens needs for electricity into the future.

CITY REPORTS AND BUSINESS

City Manager

COVID-19 – Ty said the office was still closed and had been working by appointment only. He said plexiglass was being installed at the front counter to provide protection for the employees and the office could be opened at that point. He said Congress was still arguing about another package and the restrictions on the money already appropriated could be loosened. He felt comfortable in spending the money received and the City would receive additional fund. He was doing technology improvements, i.e.

fiber to other City facilities so employees could work from Wi-Fi and work remotely. The numbers of COVID-19 in the state were coming down but waiting to see what the numbers did after school started.

UTOPIA – The City at 662 connections. It was a steady increase of customers and the City had a 45% take rate and were 162 above the required connections.

Waterline Project – The project was moving forward. The waterline between State and 300 West was completed and work was being done on 700 East. Initially, the cost of the project was split between last year's budget and this year's budget, but the entire project will need to come out of this year's budget in the water fund so a budget amendment would need to be done.

Waterline to Hotel – This item was discussed when Resolution was passed earlier in the meeting.

Power Outages – There had been several power bumps recently due to birds. The system was functioning as it should because instead of shutting power down it would flicker, and it was called a recloser. The Power Department was trying to identify the problem areas and would continue to make improvements. There had been three Rocky Mountain Power bumps. The contract with the tree removal company had really helped with the outages. He explained the bumps were normal and it was not a surge in power.

General Plan Update – RFP for the General Plan Update was completed, and it was on the agenda for the Planning Commission for discussion.

Lot-Line Adjustment with School District – Ty said the survey work had been completed. He explained the property the City currently owned and explained which boundaries would be moved so the trail system was completely on the City's property. Transfer property the City owned back to the School District because it crossed the trail system. He had been working with Scott McMillan on the survey and there would be three transfers of property:

- 1) Deed from City to School;
- 2) Deed from School to City; and
- 3) Property across the river will be deeded to the City from the School District.

The City would own the property from the Young Street Bridge around the bend. It was an equivalent amount of property being transferred to each entity. There was a possibility the City could get recreation grants for a pocket park or a trail head. The School District would vote on this next month.

Councilmember Alexander asked regarding access to the High School Substation.

Ty stated he would check on the easement for the substation and make sure it goes to the substation. Asked Gary for assistance in scheduling the approvals. The Quit-Claim Deeds had been drafted.

Gary asked if there was an agreement or if it was just exchanging deeds.

Ty said there wasn't an agreement. Also, there was another 30' construction and maintenance easement on the eastside of the bridge which would get recorded to construct the bridge.

Young Street Bridge Update – Ty said responses had been received from 4 or 5 interested engineering companies. Once the firm was selected the engineering of the bridge would begin.

Mayor

Ethical Behavior Pledge – Denise Woods, City Recorder, explained this document was generated as a result of the Fraud Risk Assessment required by the State Auditor’s office. After the Fraud Risk Assessment was presented to the Council a request was made to have an ethical pledge form created and signed by employees and elected officials for the assessment report next year.

Discussion to get the pledge and the conflict of interest forms signed at the same time.

Councilmember Turner stated the Rec Board was under the County and they had hired a Rec Board Director who was a part-time employee of the County. He would continue to serve on the Rec Board.

This meeting was adjourned at 8:08 p.m.

Denise Woods, City Recorder

These minutes were approved at the August 25, 2020 meeting.

Solutions for Aging Infrastructure

NLC Service Line Warranty Program

NLC Service Line
Warranty Program

by



Dennis Lyon
dennis.lyon@homeserveusa.com
412.266.9545

NLC
NATIONAL
LEAGUE
OF CITIES

CITIES STRONG TOGETHER

NLC Service Line Warranty Program



EXPERIENCE

Offering services
for over 17 years



REPUTATION

Accredited BBB
business A+ Rating



PARTNERSHIP

Endorsed by National
League of Cities since
2010



Clarence Anthony
Executive Director
National League of Cities

"The National League of Cities is proud to partner with this highly reputable and reliable program. Their exemplary record of customer service and transparency is what has driven the success of this partnership over the years."

2018 WINNER



Better Business Bureau of Western PA



CITIES STRONG TOGETHER



Infrastructure Challenges – A National Problem

Coronavirus pandemic is compounding issues for municipalities and utilities.

- Approximately 17% loss in annualized revenue in the drinking water sector
- Includes more than \$5 billion in losses related to suspending water service disconnections and increased customer delinquencies

2017 ASCE Infrastructure Report Card grades are dismal.



drinking water
infrastructure



wastewater
infrastructure

EPA estimates that cities will spend heavily on infrastructure over the next 20 years.

- \$77 billion for repair or replacement of public water distribution systems
- \$10 billion for wastewater collection system upgrades
- \$22 billion for new sewer construction
- \$45 billion to control combined sewer overflows
- \$7 billion to control municipal storm water

Aging Infrastructure Is Problematic For Cities And Homeowners

- Lateral lines subjected to same elements as public lines - ground shifting, fluctuating temperatures, tree root penetration, corrosion, and more
 - Public maintains & upgrades
 - Homeowners left behind
- Failed lines waste thousands of gallons of water, increase cost, and present an environmental hazard
- Common homeowner misconception is the municipality is responsible for maintenance of the water and sewer lines on their property, or repairs are covered by their homeowner's policy
 - Reduces wasted time, money, and resources for municipality
 - Reduces frustration for homeowner



Homeowners Are Unprepared For Emergencies And Expect Solutions From The City/Utility

78%

of homeowners surveyed believe the utility provider should educate them on repairs and preventative measures



59%

of homeowners surveyed have had a home repair emergency in the past year

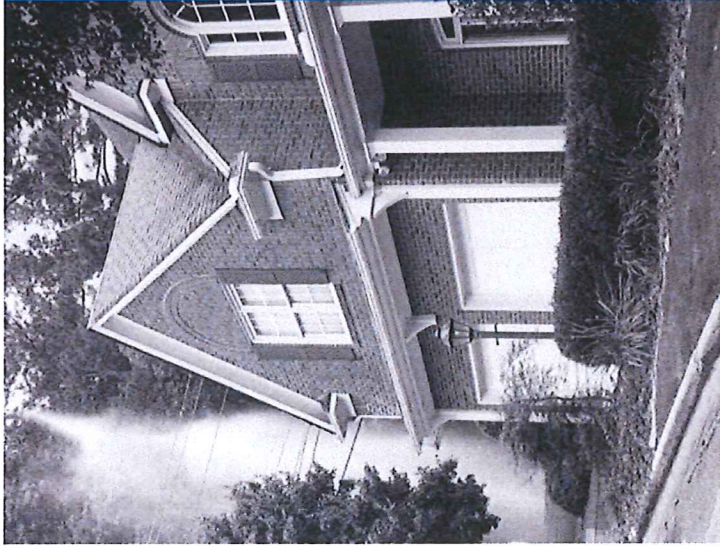


62%

of Americans can't afford a \$500 emergency expense (and would have to sell something or take out a loan to cover it). *

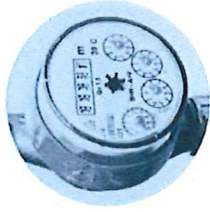


NLC Service Line Warranty Program Benefits

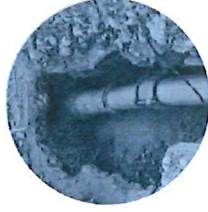


- Only Service Line Program endorsed by the National League of Cities and Utah League of Cities and Towns
- No cost to municipality & no public funds used; we administer completely
 - Marketing, billing, claims, customer service, contractors
- Optional revenue share for municipality
- Free public awareness campaign for municipality
- Educates residents on their lateral line responsibilities
- Peace of mind – one call solution – reputable plumber dispatched
- All repairs performed to code by local licensed contractor
- Contractors undergo rigorous vetting process to ensure quality service

Our Service (3 Separate Products)



WATER LINE
COVERAGE



SEWER LATERAL
COVERAGE



IN-HOME PLUMBING
COVERAGE

- Exterior water and sewer – up to \$8,500 coverage per incident for repair/replacement of broken, cracked, and leaking pipes; tree root penetration, thawing of frozen lines; clogs; from the point of utility connection to home exterior
- In-home plumbing - up to \$3,000 per incident on all water, sewer, and drain lines inside the home after the point of entry (clogged toilets)
- No annual or lifetime limits, deductibles, service fees, forms or paperwork
- Homeowner opt in or out at any time – no pre-inspection (30 day wait)
- Repairs made only by licensed, local area contractors (heavily vetted)

Optional Revenue Share

- Municipality receives \$.50 per month per paid warranty agreement
 - Paid as royalty each January
- Yours to use as you wish
 - Examples:
 - Supplement low income utility assistance program
 - Donate to charity
 - Use towards NLC/State League dues
- Can decline revenue
 - Savings passed directly to residents

Marketing Approach

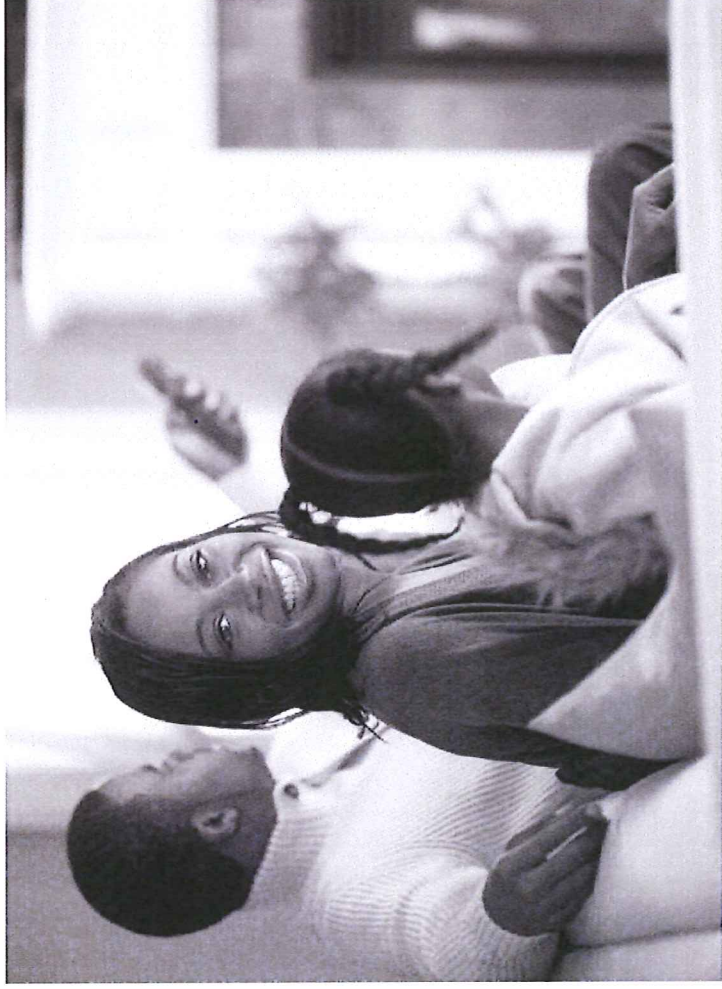
- No Public Funds are used in marketing, distribution, or administration of the program
- Only market by direct mail, no telemarketing or door to door sales
- Limited to 3 mailing campaigns per year
- Would never mail without your review and approval of marketing material before each and every campaign
- Marketing clearly states city does not provide program & is voluntary for homeowner
- City role: logo & signature
 - Economy of scale & Transparency
- Compliance with UT SB 45 & Maximize proactive education of homeowner



Consumers can enroll one of three ways:

- Call our toll free number provided on the mailing
- Return the bottom of the letter in self addressed stamped envelope provided by us
- Visiting our consumer website www.slwofa.com at any time

Solutions For Municipalities And Homeowners

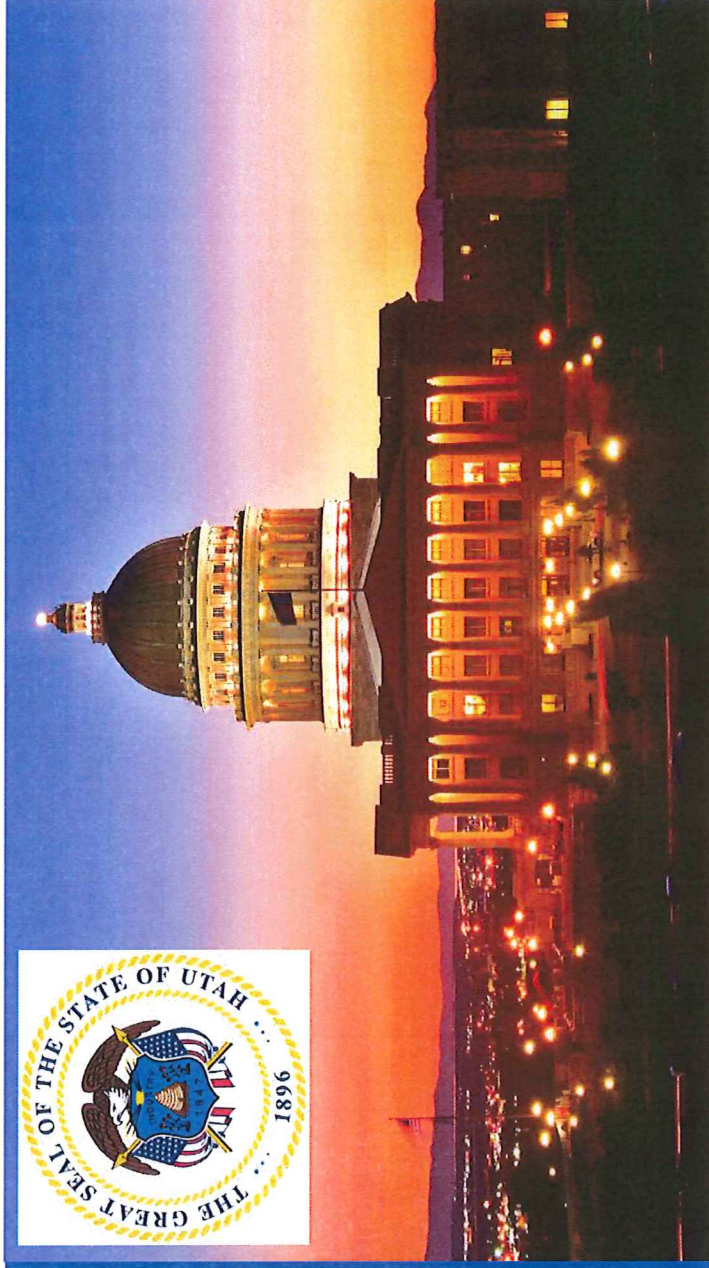
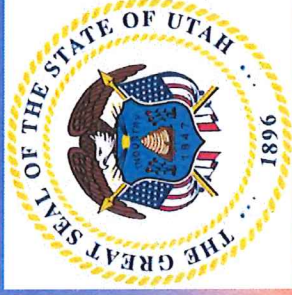


- 750+ Munis & Utilities participating
- Currently serving over 5 million customers
- 1.34 million jobs completed over the past 3 years (1 every 49 seconds)
- Saved customers over \$454 million in repair costs over the past 3 years
- Nearly 70% of homeowners would approve of a utility offering an optional emergency home repair plan to protect them from financial shock.
- 9 of 10 customers have recommended the program to friends, family, and neighbors

Current Utah Partners (14)

- *Orem City*
- *Clearfield City*
- *Salt Lake City*
- *Kaysville City*
- *Payson City*
- *Tooele City*
- *Roosevelt City*
- *Washington Terrace*
- *Ballard W & S Improvement Dist*
- *Cedar City*
- *Delta*
- *Green River*
- *Lehi City*
- *Clarkston*

- Over 38,000 UT residents currently enrolled in program
- Over \$5.1 million paid in repair costs over the last 3 years



Our Promise:

We will become a trusted
steward of your brand and
reputation.

Questions?

For more information contact:

Dennis Lyon

Regional Director

dennis.lyon@homeserveusa.com
412.266.9545 (cell)



8.02.100 SERVICE OUTSIDE CITY

1. Authority: The city may furnish water service from its water system to persons outside its corporate limits in accordance with the provisions of the following subsections.
2. Application: Any person located outside the city limits desiring to be supplied with water services from the city water system and being willing to pay in advance the whole expense of extending the water system to his property, including the cost of extending the water main from its present location to the city limits, may make application to the city council by petition containing:
 1. A description of the proposed extension;
 2. Accompanied by a map showing the location thereof;
 3. An offer to pay the whole expense incurred by the city in providing such extension and to advance such expense as said expense shall be certified by the water supervisor. The city council and the person seeking such extension may enter into an agreement providing in detail the terms under which the extension may be utilized by others in the future and the terms under which all or any portion of the cost of installing such extension may be refunded;
 4. An acknowledgment that the city in granting said petition engages to supply only such water to petitioner which from time to time the city council deems beyond the requirements of water users within the city limits; and
 5. An acknowledgment that such extension shall be the property of and subject to the control of the city. (1973 Code § 16-1-27)
3. Extensions May Be Master Metered: When an extension supplying more than one house or user outside the city limits is connected to the city water mains, the water supervisor may require a master meter to be installed near the point where the connection is to be made to the city main. This installation will be at the expense of the persons served by such extension according to the regular rates for meter installation. Responsible parties must agree to pay all bills for water served through said meter at the meter rates hereinafter provided. (1973 Code § 16-1-28)
4. Cost Determined By Water Supervisor: Upon receipt of such petition and map and before the petition is granted, the city council shall determine what portion, if any, of the extension of the city water mains to the city limits the city shall construct and shall obtain from the water supervisor a certified statement showing the whole costs and expense of making such extensions. Such costs and expenses shall include administrative and supervisory expenditures of the water department, which shall in no event be deemed to be less than ten percent (10%) of the cost of materials and labor. (1973 Code § 16-1-29)

Terry Lawrence
County Resident on 100 S
Request for city water access

LIST OF FEES

Installation – Terry would have to contract out the installation work with a licensed and bonded contractor. Any excavation fees for the county road permit would need to be coordinated with the county.

Hook Up Fee – \$250 for the inspection, \$256.10 for the 3/4" water meter. \$506.10 total

Tap Fee – \$465.00 Includes 1" service tap, water meter box, ring and cover, angle valve, dual check, yoke bar.

Impact Fee – \$1,619.13

Total Fees - \$2,590.23 – This fee includes the hook up, tap and impact fees. The billing rate would be collected monthly.

Billing Rate - \$42.24 per month per 8,000 gallons. \$4.00 per 1,000 gallons overage

RESOLUTION 20-24

**A RESOLUTION ADOPTING AND APPROVING A MARKETING AGREEMENT
BETWEEN MORGAN CITY AND UTILITY SERVICE PARTNERS PRIVATE
LABEL, INC. d/b/a SERVICE LINE WARRANTIES OF AMERICA.**

WHEREAS, sewer and water line laterals between the mainlines and the connection on residential private property are owned by individual residential property owners residing in the City (hereinafter "Property Owners"); and

WHEREAS, the City desires to offer Property Owners the opportunity, but not the obligation, to purchase a service plan and other similar products set forth in Exhibit A of the Marketing Agreement (hereinafter "Agreement"), or as otherwise agreed in writing from time-to-time (hereinafter "Products") by the parties; and

WHEREAS, Utility Service Partners Private Label, Inc. d/b/a Service Line Warranties of America (hereinafter "Company"), a subsidiary of HomeServe USA Corp., is the administrator of the National League of Cities Service Line Warranty Program and has agreed to make the Products available to Property Owners subject to the terms and conditions contained in the Agreement; and

WHEREAS, the City Council of Morgan City has determined it to be in the best interest of the citizens of Morgan City to adopt and approve the Marketing Agreement between Morgan City and Utility Service Partners Private Label, Inc. d/b/a Service Line Warranties of America.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF MORGAN, UTAH:

1. That the Marketing Agreement between Morgan City and Utility Service Partners Private Label, Inc. d/b/a Service Line Warranties of America, which is attached hereto and incorporated herein by this reference be adopted and approved.
2. That the Mayor be authorized to execute the Marketing Agreement.

PASSED AND ADOPTED by the City Council of Morgan, Utah, this 25th day of August, 2020.

RAY W. LITTLE, Mayor

CITY COUNCIL VOTE AS RECORDED:

	Aye	Nay	Excused
Councilmember London	___	___	___
Councilmember Wardell	___	___	___
Councilmember Turner	___	___	___
Councilmember Richins	___	___	___
Councilmember Alexander	___	___	___

(In the event of a tie vote of the Council):

Mayor Little	___	___
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ATTEST:

DENISE WOODS, City Recorder

MARKETING AGREEMENT

This MARKETING AGREEMENT (“**Agreement**”) is entered into as of [_____, 20__] (“**Effective Date**”), by and between the City of Morgan, Utah (“**City**”), and Utility Service Partners Private Label, Inc. d/b/a Service Line Warranties of America (“**Company**”), herein collectively referred to singularly as “**Party**” and collectively as the “**Parties**”.

RECITALS:

WHEREAS, sewer and water line laterals between the mainlines and the connection on residential private property are owned by individual residential property owners residing in the City (“**Property Owner**”); and

WHEREAS, City desires to offer Property Owners the opportunity, but not the obligation, to purchase a service plan and other similar products set forth in Exhibit A or as otherwise agreed in writing from time-to-time by the Parties (each, a “**Product**” and collectively, the “**Products**”); and

WHEREAS, Company, a subsidiary of HomeServe USA Corp., is the administrator of the National League of Cities Service Line Warranty Program and has agreed to make the Products available to Property Owners subject to the terms and conditions contained herein; and

NOW, THEREFORE, in consideration of the foregoing recitals, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and with the intent to be legally bound hereby, the Parties agree as follows:

1. **Purpose.** City hereby grants to Company the right to offer and market the Products to Property Owners subject to the terms and conditions herein.

2. **City Obligations.**

A. **Grant of License.** City hereby grants to Company a non-exclusive license (“**License**”) to use City's name and logo or other branding (“**Marks**”), on letters, bills and marketing materials to be sent to Property Owners from time to time, and to be used in advertising (including on the Company's website), all at Company's sole cost and expense and subject to City's prior review and approval, which will not be unreasonably conditioned, delayed, or withheld. Company's use of the Marks in accordance with this Agreement will not infringe any other party's rights. City agrees that it will not extend a similar license to any competitor of Company during the Term (as defined in Section 3 below).

B. **Property Owner Data.** If City elects to do so, City may provide Company with Property Owner Data for use by Company in furtherance of the advertisement, marketing, and sale of the

Products. Any name, service address, postal address, and any other appropriate or necessary data for Property Owners in City is defined as “**Property Owner Data**”. Property Owners Data shall be and remain City’s property. For any Property Owner Data provided by City to Company, City warrants that Property Owner Data has been and will be collected in compliance with all laws, statutes, treaties, rules, codes, ordinances, regulations, permits, official guidelines, judgments, orders and interpretations (“**Applicable Laws**”); and City is permitted by Applicable Laws and by any applicable privacy policy to provide Property Owner Data to Company and to permit Company to use Property Owner Data for the purposes of this Agreement. A Property Owner who has purchased a Product is a member (“**Member**”) and, following such purchase, all data in Company’s control or possession relating to Members is Company’s property.

3. **Term.** The term of this Agreement (“**Initial Term**”) shall be for three (3) years from the Effective Date. The Agreement will automatically renew for additional one (1) year terms (each a “**Renewal Term**”, and collectively with the Initial Term, the “**Term**”) unless one of the Parties gives the other written notice at least ninety (90) days prior to end of the Initial Term or of a Renewal Term that the Party does not intend to renew this Agreement. In the event that Company is in material breach of this Agreement, the City may terminate this Agreement thirty (30) days after giving written notice to Company of such breach, if said breach is not cured during said thirty (30) day period. Company will be permitted to complete any marketing initiative initiated or planned prior to termination of this Agreement after which time, neither Party will have any further obligations to the other and this Agreement will terminate.

4. **Consideration.** As consideration for such license, Company will pay to City a License Fee of as set forth in Exhibit A (“**License Fee**”) during the Term of this Agreement. The first payment shall be due by January 30th of the year following the conclusion of the first year of the Term. Succeeding License Fee payments shall be made on an annual basis throughout the Term, due and payable on January 30th of the succeeding year. City agrees to provide a completed Form W-9 to Company in order to facilitate proper payment of the License Fee. City will have the right, at its sole expense, to conduct an audit, upon reasonable notice and during normal business hours, of Company's books and records pertaining to any fees due under this Agreement while this Agreement is in effect and for one (1) year after any termination of this Agreement.

5. **Confidentiality.** Each party will treat all non-public, confidential and trade secret information received from the other party as confidential, and such party shall not disclose or use such information in a manner contrary to the purposes of this Agreement. Notwithstanding the foregoing, the City shall not be liable for any disclosure of confidential information that is required to be disclosed under any applicable public records act or under court order. City shall provide notice to Company prior to any such disclosure.

6. **Code Change.** The Parties understand that the pricing of the Products and compensation provided for in this Agreement are based upon the currently applicable City, municipal or similar codes. In the event Company discovers a code change, Company shall have the ability to reassess the pricing of this Agreement.

7. **Indemnification.** Each Party (the “**Indemnifying Party**”) hereby agrees to protect, indemnify, and hold the other Party, its officers, employees, contractors, subcontractors, and agents (collectively or individually, “**Indemnitee**”) harmless from and against any and all third party claims, damages, losses, expenses, suits, actions, decrees, judgments, awards, reasonable attorneys' fees and court costs (individually or collectively, “**Claim**”), which an Indemnitee may suffer or which may be sought against or are recovered or obtainable from an Indemnitee, as a result of or arising out of any breach of this Agreement by the Indemnifying Party, or any negligent or fraudulent act or omission of the Indemnifying Party or its officers, employees, contractors, subcontractors, or agents in the performance of this Agreement; provided that the applicable Indemnitee notifies the Indemnifying Party of any such Claim within a time that does not prejudice the ability of the Indemnifying Party to defend against such Claim. Any Indemnitee hereunder may participate in its, his, or her own defense, but will be responsible for all costs incurred, including reasonable attorneys' fees, in connection with such participation in such defense.

8. **Notice.** Any notice required to be given hereunder shall be deemed to have been given when notice is (i) received by the Party to whom it is directed by personal service, (ii) sent by electronic mail (provided confirmation of receipt is provided by the receiving Party), or (iii) deposited as registered or certified mail, return receipt requested, with the United States Postal Service, addressed as follows:

To: City:
ATTN: Jamie Grandpre
City of Morgan
PO Box 1085
Morgan, UT 84050
Email: jgrandpre@morgancityut.org
Phone: (801) 821-6324

To: Company:
ATTN: Chief Sales Officer
Utility Service Partners Private Label, Inc.
4000 Town Center Boulevard, Suite 400
Canonsburg, PA 15317
Phone: (866) 974-4801

9. **Modifications or Amendments/Entire Agreement.** Except for the list of available Products under the Agreement, which may be amended from time to time by the Parties in writing and without signature, any and all of the representations and obligations of the Parties are contained herein, and no modification, waiver or amendment of this Agreement or of any of its conditions or provisions shall be binding upon a Party unless in writing signed by that Party.

10. **Assignment.** Neither Party may assign its rights or delegate its duties under this Agreement without the prior written consent of the other Party unless such assignment or delegation is to an affiliate or to an acquirer of all or substantially all of the assets of the transferor.

11. **Counterparts/Electronic Delivery; No Third Party Beneficiary.** This Agreement may be executed in counterparts, all such counterparts will constitute the same contract and the signature of any Party to any counterpart will be deemed a signature to, and may be appended to, any other counterpart. Executed copies hereof may be delivered by email and upon receipt will be deemed originals and binding upon the Parties hereto, regardless of whether originals are delivered thereafter. Nothing expressed or implied in this Agreement is intended, or should be construed, to confer upon or give any person or entity not a party to this agreement any third- party beneficiary rights, interests, or remedies under or by reason of any term, provision, condition, undertaking, warranty, representation, or agreement contained in this Agreement.

12. **Choice of Law/Attorney Fees.** The Parties shall maintain compliance with all Applicable Laws with respect to its obligations under this Agreement. The governing law shall be the laws of the State of Utah, without regard to the choice of law principles of the forum state. THE PARTIES HERETO HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY WAIVE ANY RIGHT THAT MAY EXIST TO HAVE A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED UPON OR ARISING OUT OF, UNDER, OR IN ANY WAY CONNECTED WITH, THIS AGREEMENT.

13. **Incorporation of Recitals and Exhibits.** The above Recitals and Exhibit A attached hereto are incorporated by this reference and expressly made part of this Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the day and year first written above.

CITY OF MORGAN

Name:

Title:

UTILITY SERVICE PARTNERS PRIVATE LABEL, INC.

Name: Michael Backus

Title: Chief Sales Officer

Exhibit A
NLC Service Line Warranty Program
City of Morgan
Term Sheet
August 10, 2020

I. Initial Term. Three years

II. License Fee. \$0.50 per Product for each month that a Product is in force for a Property Owner (and for which payment is received by Company), aggregated and paid annually, for:

A. City logo and name on letterhead, advertising, signature line, billing, and marketing materials.

III. Products.

A. External water service line plan (initially, \$5.75 per month)

B. External sewer/septic line plan (initially, \$7.75 per month)

C. Interior plumbing and drainage plan (initially, \$9.99 per month)

Company may adjust the foregoing Product fees; provided, that any such adjustment shall not exceed \$.50 per month in any 12-month period, unless otherwise agreed by the Parties in writing. Pricing does not include taxes.

IV. Scope of Coverage.

A. External water service line plan:

- Property Owner responsibility: From the meter and/or curb box to the external wall of the home.
- Covers thawing of frozen external water lines.
- Covers well service lines if applicable.

B. External sewer/septic line plan:

- Property Owner responsibility: From the external wall of the home to the main.
- Covers septic lines if applicable.

C. Interior plumbing and drainage plan:

- Water supply pipes and drainage pipes within the interior of the home.

V. Marketing Campaigns. Company shall have the right to conduct up to three campaigns per year, comprised of up to six mailings and such other channels as may be mutually agreed. Initially, Company anticipates offering the Interior plumbing and drainage plan Product via in-bound channels only.



Morgan City Corporation

90 West Young Street P.O. Box 1085 Morgan, Utah 84050 (801) 829-3461

DECLARATION

Pursuant to the provisions of House Bill 5002 passed in the 5th Special Session of the Legislature, I, the undersigned Mayor of Morgan City, determine that convening the City Council at an anchor location for meetings of the City Council, would create a substantial risk to the health and safety of City employees assigned to assist the Council and members of the City Council due to underlying health conditions and other such factors.

This Declaration shall be in effect for a 30-day period of time from the date of the signature shown below.

Dated this 21st day of August, 2020.

Ray W. Little
RAY W. LITTLE, Mayor



OPERATION GRADUATION

MORGAN HIGH SCHOOL

P.O. BOX 875

MORGAN, UT 84050

(801)829-3418

www.morgansd.org

Dear Sponsor,

On behalf of the Morgan High School Graduating Class of 2020, we would like to thank you for your generous donation. Your contribution helped purchase an amazing gift for each senior. We appreciate your support and are mindful of your contribution to our community.

With much gratitude,

Morgan High School Senior Class of 2020

Thank you!

