# Murray City Municipal Council Chambers Murray City, Utah

Murray City Council Chair Statement
Open and Public Meeting Act
Utah State Code 52-4-207(4)
October 1, 2020

The Murray City Municipal Council met on Tuesday, October 20, 2020 at 6:30 p.m. for a meeting held electronically. In accordance with, Utah Code 52-4-207(4), due to infectious disease COVID-19 Novel Coronavirus, I have determined that meeting in an anchor location presents substantial risk to the health and safety of those who may be present at the anchor location because physical distancing measures may be difficult to maintain in the Murray City Council Chambers.

Federal, state and local leaders have all acknowledged the global pandemic. Salt Lake County Public Health Order 2020-13 dated August 19, 2020, recognizes that COVID-19 is a contagion that spreads from person to person and poses a continuing and immediate threat to the public health of Salt Lake County residents.

It is my intent to safeguard the lives of Murray residents, business owners, employees and elected officials by meeting remotely through electronic means without an anchor location. The public may view the meeting via the live stream at <a href="www.murraycitylive.com">www.murraycitylive.com</a> or <a href="https://www.facebook.com/Murraycityutah/">https://www.facebook.com/Murraycityutah/</a>.

Citizen comments or public hearing comments may be made live through the Zoom meeting process or read into the record by sending an email to <a href="mailto:city.council@murray.utah.gov">city.council@murray.utah.gov</a>.

Rosalba Dominguez

Rdominguez

Murray City Council Chair

#### **Council Members in Attendance:**

Kat Martinez District #1
Dale Cox District #2

Rosalba Dominguez District #3 – Council Chair
Diane Turner District #4 – Council Vice-Chair

Brett Hales District #5

#### **Others in Attendance:**

Blair Camp	Mayor	Jan Lopez	Council Director
G.L. Critchfield	City Attorney	Jennifer Kennedy	City Recorder
Doug Hill	Chief Administrative Officer	Jennifer Heaps	Chief Communications Officer
Pattie Johnson	City Council Office	Brenda Moore	Finance Director
Blaine Haacke	General Manager of Power	Jon Harris	Fire Chief
Greg Bellon	Assistant General Manager	Melinda	Community & Economic
	of Power	Greenwood	Development (CED) Director
			_
Citizens			

#### **Opening Ceremonies**

Call to Order – Councilmember Turner called the meeting to order at 6:30 p.m.

Pledge of Allegiance – The Pledge of Allegiance was led by G.L. Critchfield, City Attorney.

#### **Approval of Minutes**

Council Meeting – October 6, 2020

MOTION: Councilmember Martinez moved to approve the minutes. The motion was SECONDED by Councilmember Dominguez. Voice vote taken, all "ayes."

#### **Special Recognition**

1. Report from 2020 Miss Murray Sarah Nelson and Welcome 2021 Miss Murray Kyleigh Cooper.

#### Staff Presentation: Mayor Blair Camp

Mayor Camp said the Miss Murray scholarship competition was held on Saturday, September 12, 2020 at the Murray Amphitheater. Sara Nelson, 2020 Miss Murray, did an outstanding job this year. Ms. Nelson gave an overview of her year as Miss Murray.

Mayor Camp introduced Kyleigh Cooper, 2021 Miss Murray. Ms. Cooper said her social impact initiative is, "End the Culture War: Promoting Unity." She spoke about the experiences she has had since high school and the Miss America Organization (See Attachment 1 for slides used during Ms. Cooper's presentation).

Leesa Lloyd, Miss Murray Scholarship Competition Director, thanked the Mayor and Council for their support of the Miss Murray Competition throughout the years.

**Citizen Comments** – Comments are limited to 3 minutes unless otherwise approved by the Council. No citizen comments were given.

#### **Public Hearings**

Staff and sponsor presentations and public comment will be given prior to Council action on the following matter.

- 1. Consider adoption of one of the optional resolutions listed below related to the UAMPS Carbon Free Power Project.
  - 1.1 A resolution approving the City's continuing involvement in the UAMPS Carbon Free Power Project.
  - 1.2 A resolution authorizing and approving an increase or decrease in the City's development cost share under the Carbon Free Power Project Power Sales Contract for the remaining 1st Phase of the Licensing Period for the Carbon Free Power Project; and related matters.
  - 1.3 A resolution approving to withdraw from the UAMPS Carbon Free Power Project.

#### Staff Presentation: Blaine Haacke, General Manager of Power

Mr. Haacke said the resolution that is passed tonight will change the direction of the Power Department for a decade. The City needs a new power resource. The City currently has a coal plant that is 35 years old and has another 10-15 years of life in it. The City will also be losing a small coal plant next spring. One of the resources the City has been looking at is small nuclear. This is a Utah Associated Municipal Power Systems (UAMPS) project that is known as the Carbon Free Power Project because it is a resource that is carbon free. This project fits well with the City in the fact that it is going to start operating in 2029 which is about the same time the City will loose the Hunter plant. On September 15, 2020, Mr. Haacke gave a presentation in the Committee of the Whole meeting where he detailed this project and the variety of resources the Power Department currently has.

Mr. Haacke said the City has looked at the Small Modular Reactor (SMR) project for the last 5-6 years. October 31, 2020 is the deadline for the City to decide whether or not to continue with the project. There are some advantages to staying in this project. The Department of Energy (DOE) is granting money for this project and that grant money has arrived. They have appropriated \$1,355,000,000 for the UAMPS group and that money will be distributed over ten years. The contract for this project is for 50 years. Most of the coal plants the City works with are 30 year contracts. No one knows if and when another plant with nuclear capability will be built so getting in with a nuclear project right now is the way to go. The nuclear plant could run 24 hours a day, seven days a week or it could run only when it's needed. This enables the City to buy more renewables because we would have a base load back-up in the nuclear plant.

Another advantage to this plant is that UAMPS has been able to negotiate off-ramps. If a city doesn't feel good about the project at any given off-ramp, they can back out of the project and look for another resource. This off-ramp will go from now until January 2022 and will be a commitment of \$1,1000,000 to \$1,400,000. It's not money out of the City's pocket, but it is a commitment on the City's part. When the plant goes for bonding, that money will be moved into the bonding and the City will be paying that over a 50 year contract. Another off-ramp starts in January 2022 and goes until April 2023 and will be another \$700,000 commitment from the City. The total commitment is about \$2,200,000 which will get the project to the construction phase. The amount the City commits is based on the amount of cities that are still in the project on

October 31, 2020. The numbers will change as cities drop out of the project or change their entitlement in the project.

The third advantage to staying in the project is that the Idaho National Lab Site has a nuclear reactor on it already and the personnel in Idaho Falls already has the expertise. The project is a first of its kind technology, which can be both good and bad, but in this case it's good because UAMPS was able to get money from the DOE to help push this project through. UAMPS is well along the way to receiving their Nuclear Regulatory Commission (NRC) license. UAMPS expects to get their nuclear license in early 2023.

The final advantage to this project are the off-ramps. In this case, the City sets the parameters of how much we want to spend and how many megawatts we want. This is not a blank check.

Mr. Haacke said his number one concern is the participant subscription. This is a 725 megawatt plant. UAMPS and their partners have tried to get interest from the northwest and other states around Utah but so far they have only been able to get a 185 megawatt interest. That is concerning because the less participants there are, the less people there are to spread the cost with. The hope is that after the nuclear license is issued in 2023, more people will subscribe. There is a firm in the northwest that is thinking about picking up 30 megawatts.

The second concern is that every year the project will have to wait for appropriations for the DOE funding. Generally, when a project like this is backed by the DOE, the funding will go through to the end of the project. The DOE wants a modular reactor of some type built and there are other vendors that are trying to build SMR's.

The major partners in this project are NuScale and Fluor. Those two partners have invested close to \$400,000,000 so far for this project. There are always concerns about how strong partners are in a project like this. UAMPS has done their best to protect cities from partnership failures by putting guarantees in the contracts.

The cost of the plant is now \$6,000,000,000. It started out at \$4,500,000,000 several years ago and prices have increased. The plant that is being built in Delta, Utah costs about \$1,500,000,000.

In 10-20 years, the City will need to come up with another power resource. Mr. Haacke went over some of the other options and resources that could be available to the City:

- The City has 33 megawatts of gas turbine generation at the power plant on 4800 South and 300 West. That plant could run 24 hours a day if it had to.
- The City could install additional gas turbines.
- The City could install smaller engines to match the power load.
- There is some methane gas that is not being used at two of the landfills.
- There's a geothermal facility near Minersville, Utah. They have been meeting with Murray and some other cities about the possibility of a geothermal plant.
- The City could purchase additional large-scale solar.
- The City can wait to see if the SMR takes off or wait for another SMR to be built.
- The City can use their call-back from the Delta plant. The City will have this resource for another 40 years.

Mr. Haacke said he thinks the City is okay with resources for the next 10-15 years. UAMPS has

done everything they can to protect the participants in this project. He trusts the technology, the operation and safety of the plant but the subscription level is lacking. He said this project does not fit into Murray City right now.

Mayor Camp said he appreciates the time the staff and City Council have invested in evaluating this project. This decision tonight is not an easy one, but it is one of consequence. He supports Mr. Haacke's recommendation and is a proponent of small nuclear technology. The participation with DOE in this project is both exciting and troublesome. The annual appropriation is potentially unreliable. The escalating construction costs are also concerning. Murray City's investors are individual rate payers and we need to be conscience of that. The cost estimates keep changing and he is uneasy with the requirement to, "commit now or never."

The public hearing was open for public comments.

#### <u>Debra Higbee-Sudyka – Corvallis, Oregon</u>

I have a long family history in Murray, Utah. My great grandparents and grandparents both owned a farm, and family members presently reside in Murray. I am writing to request that you vote to withdraw Murray from UAMPS "Carbon Free Power Project." The proposed small nuclear reactor is not a low-carbon strategy, nor an economically good choice. You will be investing millions of dollars—that will take away from investing in proven, low-carbon strategies—putting that money into an un-proven project that will have a dubious return on investment.

A study by the University of Sussex Business School, published in the journal Nature Energy, concluded that those wishing to reduce carbon emissions should invest in renewables, and abandon any plans for nuclear power stations because they can no longer be considered a low-carbon option. In this study they analyzed data from 125 countries over a 25-year period. This study also highlights several other papers which show that a reliable electricity supply is possible with 100% renewables, and that keeping nuclear in the mix hinders the development of renewables.

The study provides evidence that it is difficult to integrate renewables and nuclear together in a low-carbon strategy, because they require two different types of grid. Because of this, the authors say, it is better to avoid building nuclear power stations altogether. And nuclear inevitably freezes out the most effective carbon-reducing technologies – such as solar, wind and hydro power.

The findings are a severe blow to the nuclear industry, which has been touting itself as the answer to climate change and calling itself a low-carbon energy. The scientists conclude that if countries want to lower emissions substantially, rapidly and as cost-effectively as possible, they should invest in solar and wind power and avoid nuclear.

This study raises serious doubts about UAMPS decision to invest in the "Carbon Free Power Project." The study explains that as well as long lead times for nuclear, the necessity for the technology to have elaborate oversight of potentially catastrophic safety risks, security against attack, and long-term waste management strategies tends to take up resources and divert attention away from other simpler and much quicker options like renewables.

Murray and its customers can wait a decade for the NuScale project to be completed, with likely cost increases and delays along the way; or they can have proven renewable power now.

To support this Sussex Business School study, PacifiCorp estimates that \$6300/kW, is the capital cost for the 720 MW project. This will be about \$4.5 billion. The recent 1.4 Billion "cost-sharing strategy" from the U.S. Department of Energy (DOE) is a significant but still limited part of the \$4.5 billion. In addition, PacifiCorp's estimate shows, the operation and maintenance costs per year are considerable. Finally, even ignoring key issues like end-of-cycle storage of spent fuel and other remediation, the projected high-taxpayer-subsidized cost of \$55/MWh, if it is even possible, is far above today's cost of solar, wind and complementary resources like batteries, energy efficiency and demand response.

In addition, while the new DOE cost-share subsidizes project costs, much more than half of the 720 MW project still does not have new owners. And given the fundamental economics of renewables, storage and flexible demand, the question to ask is: which utility will sign up for \$55/MWh power, when much cheaper power from proven resources is available?

Therefore, for the sake of Murray's future, please vote to opt out of the UAMPS Carbon Free Power Project.

#### Kathryn Lichfield - Murray City, Utah

Please opt out of this expensive, long-term project as recommended by utahtaxpayers.org. Seek less expensive solar and wind. Opt out deadline October 31.

#### Thomas Thompson – Murray City, Utah (Transcription of a recorded message)

This is Tom Thompson and I'm a Murray resident. I'm very concerned about the UAMPS nuclear power project that Murray is presently participating in up in Idaho. I'm concerned for three reasons:

- 1. The first reason is that the price has already doubled in the time the proposal was made.
- 2. These projects often fail and the rate payers end up picking up the bill for them. That's what happened some years ago in the northwest in the tri-cities area and that area is still recovering from that disaster.
- 3. The technology is unproven and I don't think Murray rate payers should pay for unproven technology.

#### <u>Liliana Benavidez – Murray City, Utah</u>

I do not receive power from Murray City but I do live in Murray City and pay Murray City property taxes. I would like to express fervent disagreement with continuing this program. While I agree we need to move away from coal, nuclear power is not our saving grace. It has its own dangers. And while they may be uncommon, it's enough to cause significant environmental impacts which are not worth the benefits. I'd gladly support clean, renewable energy which poses no such danger to human, animal, and plant life.

#### Rusty Cannon – Utah Taxpayers Association

We appreciate the council taking the time to listen to our concerns on UAMPS SMR project. We have echoed our concerns on several occasions before so we would like to just summarize a few points.

We don't believe municipal power companies should stay in the project and continue to act as

seed investors. If SMR power produced carbon free power at a competitive cost in the future, private industry would bear the risk to develop it. Municipal power companies could instead look to purchase power from such a project upon its completion.

The recent announcement from UAMPS regarding the Department of Energy's cost share award of \$1.355 billion does not change the projected costs or risks for cities that remain in the small modular nuclear reactor program. This appropriation from the federal government has always been planned on. Without it the project would not move forward.

Subscription levels to the project have been a key indicator of the projects' appeal and potential success or failure. The project has been stagnant at 30% subscription for 213 megawatts for a long time. With withdrawal of Logan, Lehi and Kaysville the subscriptions are reduced by approximately 34 megawatts now stand at 179. The only additional subscription gained in the past year is a single megawatt from the town of Wells, Nevada.

We urge the council members to join the cities of Logan, Lehi and Kaysville and vote to withdraw from the project.

#### Aaron Hildreth - Murray City, Utah

I'd like to just make a comment on the upcoming vote tonight on the UAMPS Carbon Free Power Project.

I want to preface my comment by saying that I am absolutely in favor of renewable and nuclear energy and moving towards a more sustainable future, but I am worried about the financial risk of this endeavor.

It seems other cities in Utah have abandoned the project and that many steps are currently missing in the project to see it through to completion. I know a big unknown in the process is that the US Department of Energy will be funding it somehow and at this current point in time I have absolutely zero faith in the federal government's ability to meet their obligations.

If this project fails Murray would be on the hook for billions of dollars, something we as a city cannot afford to gamble on. If this were an existing plant where energy was already being generated I would most likely be in favor of a far less risky buy-in at a higher price.

#### Paul Redmund - Murray City, Utah

Shame on us if we allow ourselves to be manipulated by fear touting if we don't continue with the nuclear project likely the lights won't come on in Murray in 2040. As citizens of Murray we already have the UTOPIA albatross around our neck and now some of our leaders want to take a similar direction with the nuclear power project by using fear to sell it. The following are the real issues.

It is often touted the greenhouse gas emissions from nuclear power are much smaller than those associated with coal, oil and gas, and the routine health risks are much smaller than those associated with coal. Often the attitude is "this won't happen to me/us never-the-less there is a "catastrophic risk" potential for nuclear power. This potential risk will wipe out any of the benefits.

In addition to "catastrophic risk," nuclear power has at least three waste streams that also impact the environment:

- Spent nuclear fuel must be contained and isolated for a long period of time.
- Tailings and waste rock at uranium mining mills
- Releases of ill-defined quantities of radioactive materials during accidents

Nuclear power developers/promoters often fail to identify that many stages of the nuclear fuel chain; mining, milling, transport, fuel fabrication, enrichment, reactor construction, decommissioning and waste management use fossil fuels that emit carbon dioxide and conventional pollutants.

Of utmost importance is the financial commitment for such a project. If the project is "such a good deal," let the developers/promoters of the venture fund the entire project and gain the rewards of a high risk long term use of unproven technology. Murray City should not obligate one dollar to nuclear power but focus on renewable energy projects and increase power rates if necessary to do so. I have confidence in some of our leaders to ensure the "lights will come on" in 2040 with ought reliance on nuclear power.

Councilmember Turner closed the public hearing.

Councilmember Dominguez asked if the DOE could reduce their initial investment of \$1,400,000,000 at any point. Mr. Haacke said he has seen documentation of that money but he doesn't know what could happen going forward.

Councilmember Dominguez asked if Murray City would be able to participate in nuclear in the future if we decide to back out of this project. Mr. Haacke replied Murray City would be able to participate in nuclear in the future, we just won't be in on the ground level for this project.

Councilmember Dominguez asked what an estimated cost per megawatt is from other nuclear power plants. Mr. Haacke replied this is the first small nuclear plant, so he doesn't have a good cost. The large scale nuclear plants are probably around \$80 to \$110 per megawatt. If the City doesn't sign up for this project, the next project will cost 25% more due to the fact that the DOE is contributing 25% of the funding to this project.

Councilmember Dominguez asked what the City pays per megawatt now. Mr. Haacke replied with all the City's resources, it's about \$40 per megawatt.

Councilmember Dominguez said she would like to see the City take a risk on methane gas and help develop that technology. She is also excited about solar energy. She asked Mr. Haacke how the City is using methane already. Mr. Haacke said there are two landfills in Salt Lake County. Both are approved by the Environmental Protection Agency (EPA) to capture methane gas. The City gets 4.5 megawatts, in three different engines, from the Trans Jordan Landfill and 3 megawatts from the Salt Lake County Landfill. It's enough methane gas to provide about 2,000 homes with power. We are the only City that participates with the landfills for methane gas. Methane gas is the City's most expensive resource at \$65-\$70, but it is available 24 hours a day, seven days a week.

MOTION: Councilmember Martinez moved to adopt a resolution approving to withdraw from the

UAMPS Carbon Free Power Project. The motion was SECONDED by Councilmember Dominguez.

#### Council roll call vote:

Ayes: Councilmember Hales, Councilmember Martinez, Councilmember Cox,

Councilmember Dominguez, Councilmember Turner

Nays: None

Abstentions: None

Motion passed 5-0

#### **New Business**

1. Consider a resolution approving an Interlocal Cooperation Agreement for cooperative purchasing between Murray City ("City") and the Houston – Galveston Area Council ("H-GAC").

#### Staff Presentation: G.L. Critchfield, City Attorney

Mr. Critchfield said this resolution will allow the Fire Department to purchase an apparatus using an out of state purchasing program. This agreement is with the Houston – Galveston Area Council which is a political subdivision in the State of Texas.

MOTION: Councilmember Dominguez moved to adopt the ordinance. The motion was SECONDED by Councilmember Cox.

#### Council roll call vote:

Ayes: Councilmember Hales, Councilmember Martinez, Councilmember Cox,

Councilmember Dominguez, Councilmember Turner

Navs: None

Abstentions: None

Motion passed 5-0

#### **Mayor's Report and Questions**

Mayor Camp reminded citizens they can keep up with what's going on in the City through the City's website, Facebook, Instagram and Twitter.

Councilmember Dominguez asked what the capacity at Intermountain Health Care (IHC) is with COVID-19. Mayor Camp replied he did not have the capacity of IHC.

Councilmember Dominguez asked if the City has a plan to protect staff and city centers that are open to the public. Mayor Camp replied there has been a plan in place for months. The City follows the state guidelines.

#### Adjournment

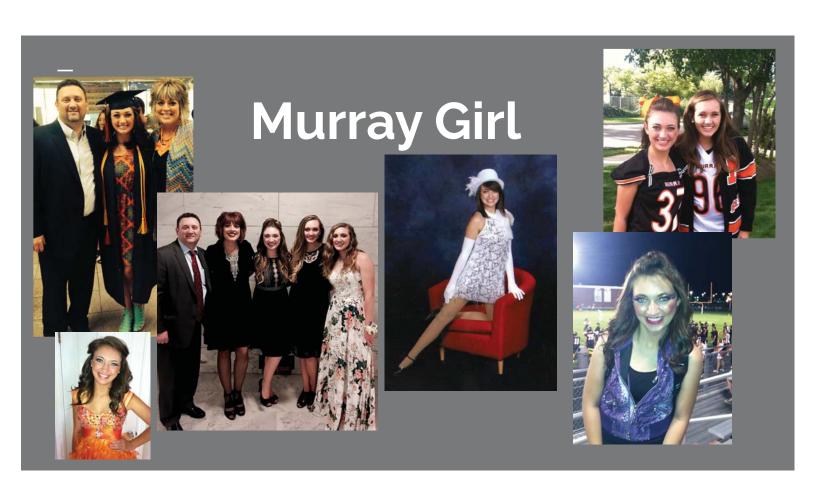
The meeting was adjourned at 8:00 p.m.

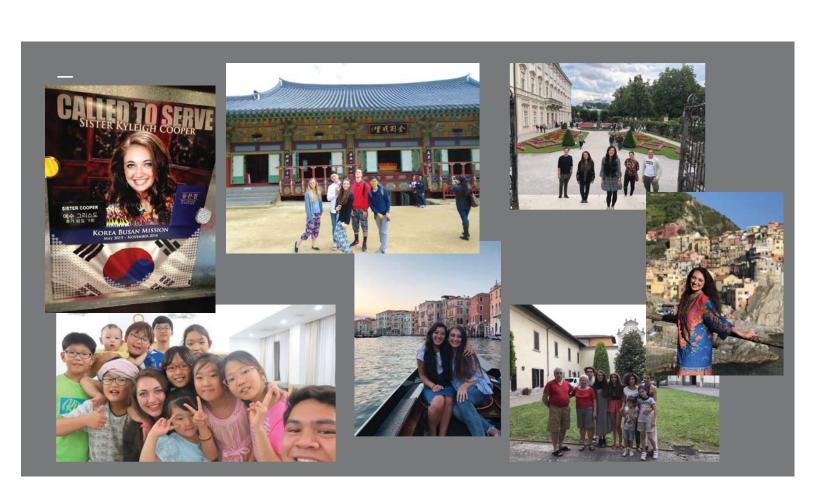
# Attachment 1



# Miss Murray 2021: Kyleigh Cooper

End the Culture War: Promoting Unity







## **Miss America Organization**

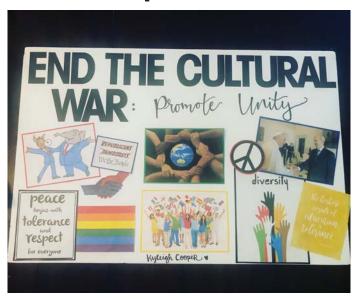
 This unique program is a year-round opportunity for women to earn scholarships, grow their networks, learn valuable life and career skills, and make a difference in their communities.
 For nearly 100 years, we have been committed to empowering the advocates and leaders of tomorrow.



Preparing great women for the world.

Preparing the world for great women.

## **Social Impact Initiative**







### My plans as Miss Murray

- Multicultural Assembly at Murray High School
- Princess Party (CMN Fundraiser)
- Monthly Cultural Awareness video series
- Diversity Project with Murray City
- Work with Murray SBO Diversity Leader
- Cultural activities through stories and dance