

KAYSVILLE CITY COUNCIL  
November 3, 2022

Minutes of a regular Kaysville City Council meeting held on November 3, 2022 at 7:00 p.m. in the Council Chambers in Kaysville City Hall at 23 East Center Street, Kaysville, UT.

Council Members present: Mayor Tamara Tran, Council Member John Swan Adams, Council Member Mike Blackham, Council Member Abbigayle Hunt and Council Member Nate Jackson

Excused: Council Member Perry Oaks

Others Present: City Manager Shayne Scott, City Attorney Nic Mills, Finance Director Dean Storey, Assistant Finance Director Levi Ball, City Recorder Annemarie Plaizier, Information Systems Manager Ryan Judd, Fire Chief Paul Erickson, Power Resource and Service Manager Bruce Rigby, Cameron Cowan, and Cody Combe

**OPENING**

Council Member Jackson opened the meeting with a thought and a prayer, and led the audience in the pledge of allegiance.

**CALL TO THE PUBLIC**

Nothing was brought under this item.

**PRESENTATIONS AND AWARDS**

**INTERMOUNTAIN POWER PROJECT UPDATE**

Cameron Cowan, General Manager at Intermountain Power Agency, gave an overview of the Intermountain Power Agency (IPA) and the Intermountain Power Project (IPP). Mr. Cowan explained that the IPA was organized in 1977 by twenty-three Utah municipalities. It is governed by Board of Directors made up of seven members. The IPA owns the IPP, which is a large generating facility in central Utah with two transmission systems. The electrical facility services 1.5 million households. There are several Utah purchasers of this generated power, and six California purchasers. All of the power generated is sold to project participants. There is an excess power sales agreement in place where if Utah cities do not need their share of power during any season, they can lay the power off to southern California cities who will pay for the cost of that power. Most of the power generated goes to southern California because it has typically not been an economic need for the Utah cities. This agreement has produced substantial economic benefits to the state. Because of a senate bill that was recently passed in California, California purchasers will not be able to renew power sales contracts beyond 2027 for coal-fueled energy. The IPA made a substantial effort to try to find other purchasers for the IPP coal-fueled electricity beyond 2027 but were unsuccessful. Therefore, it was decided in 2017 that in 2025 the coal units will be decommissioned and new natural gas generating units will be built in their place. Approximately three-billion dollars will be invested into the construction of this new natural-gas fueled electricity-

generating unit, and upgrades to transmission lines. With this new natural gas facility, the same provisions of laying off excess power sales will remain in place so that Utah cities could recall power as needed. Additionally, this new natural gas unit will be capable of hydrogen production and long-term storage capabilities. It is our goal to move towards 100% hydrogen production by 2045. We will be able to take excess renewable power and create hydrogen through electrolysis, and then be able to store it within salt caverns underneath the facility. There is a lot of concern about the use of water in Utah, especially with the generation of electricity, and the IPA is working to reduce their consumption through this project. Hydrogen production uses substantially less water than what has been used in the past for the coal-fueled generating units. There will also be significant reductions in carbon emissions and solid waste from this project.

### **DECLARATION OF ANY CONFLICTS OF INTEREST**

No conflicts were disclosed.

### **CONSENT ITEMS**

Council Member Hunt made a motion to approve the following consent items:

- a. Approval of Minutes of October 20, 2022.
- b. Acceptance of UDOT grant funds for Crestwood Road project.

The motion was seconded by Council Member Adams.

The vote on the motion was as follows:

Council Member Blackham, yea  
Council Member Adams, yea  
Council Member Hunt, yea  
Council Member Jackson, yea

The motion passed unanimously.

### **WORK ITEMS**

#### **A DISCUSSION ABOUT INTERFUND TRANSFERS**

City Manager Shayne Scott explained that at the last council meeting, the City Council discussed being able to use power funds in order to purchase a fire engine. In order for the city to transfer monies from one fund to another, specific noticing is required. That noticing will occur before the end of the fiscal year so that the transfer could happen with the new fiscal year budget.

Mayor Tran said that before making a decision on transferring funds, she would like to understand the needs and expectations of the power funds for the power department. As a city, we want to be as transparent as we can, and we want to communicate our intentions clearly to our citizens. Mayor Tran asked about the motion that was made for the purchase of the fire truck.

Attorney Nic Mills said that the motion was to fund the purchase of the fire truck with general fund monies, or to transfer money from the power fund if possible and if deemed appropriate by staff.

Mayor Tran asked about the process that the city would need to go through to transfer funds.

Shayne Scott said that mailer would need to be sent out to residents regarding a public hearing that would need to be held regarding the transfer of funds. Other noticing requirements would need to be done such as posting the notice on the website and the state's noticing website.

Mayor Tran said that in their last meeting, it was mentioned that there would be potential savings by purchasing the truck now rather than later.

Shayne Scott explained that the city saved approximately \$70,000 by committing to purchase the fire engine now. We will save another approximately \$56,000 by paying for this vehicle within the timeframe allotted by the company.

Mayor Tran asked for clarification where the money will come from to purchase the engine now.

Finance Director Dean Storey said that it is Staff's recommendation to execute the purchase now by utilizing capital project fund money. We will need to reimburse those capital project funds with the transfer of money from the general fund, the power enterprise fund, or both. Staff is recommending that we hold off for now on deciding where to transfer funds from until we are nearing the end of this year's fiscal budget so that we have a better idea of where we sit with our funds, and what next year's budget needs will be.

Council Member Blackham commented that he believed his motion for the purchase of the fire engine stated that power funds would definitely be used to purchase the engine. Council Member Blackham added that he feels the city is in a good position financially in that we have excess monies in our enterprise funds that the city should be able to use for other needs within in the city.

Council Member Adams asked for clarification on the motion.

Nic Mills responded that he had gone back and listened to the motion and the motion was to "fund the purchase of the fire truck with general fund money, power fund money, or a combination of the two".

Council Member Blackham said Mr. Mills was correct that the motion indicated the use of "or", but that after his motion he had tried to clarify that it was his intent that he wanted power funds to be part of the payment of the fire engine.

Council Member Jackson said that he agreed that the city should look into how we might be able to utilize some of our excess funds from enterprise funds for other needs of the city, as long as we still allow adequate monies for all of our city resources.

Council Member Hunt said that she wants to make sure that all options have been vetted before considering the use of power funds. In 2013, the citizens of the city voted in favor of Proposition 5, seemingly because citizens did not trust that the city was using power funds appropriately. Council Member Hunt said she would be hesitant to move forward with using those power funds without first getting more feedback from citizens. We need to assure that the city has funds available for our power services and that they take first priority before we begin to spend that

money elsewhere. We also need to make sure we are taking the proper legal steps, should the city decide to use power funds. Council Member Hunt said that she would like to have a work session with the power department to get more information about where they stand financially, and their anticipated needs for the future.

Council Member Jackson commented that our power department is very aware of the city's power infrastructure needs and already have a plan in place to begin to improve our power infrastructure.

Council Member Adams said that he agrees that we want to be transparent and give the residents a chance to speak about the transfer of funds.

Council Member Blackham commented that the city went several years without needing to raise taxes because the city was able to use excess money from the power enterprise fund to pay for needed items. It would be good to be able to use excess money that we already have and reinvest in into other areas where we need that money. It would help to keep the city from needing to raise property taxes.

Mayor Tran asked about state code regarding interfund transfers.

Dean Storey responded that the city has always been allowed to transfer money from an enterprise fund to another fund; the state has just changed the requirements to transfer funds over time. In 2021, the state legislature amended the requirements so that the transfer of funds was more transparent and stringent. This amendment requires that the city hold a separate public hearing from the budget hearing for the transfer of funds. There were also changes to the noticing requirements. When Proposition 5 passed, the city adopted an ordinance, which was more restrictive than state code allowed for at the time. Should the city wish to continue to try to do an interfund transfer, the city ordinance would need to be amended because the ordinance says that the power funds are restricted to direct operations of the city's electric utility.

Mayor Tran said that we should be cautious, and that the best way to be so would be to amend our current ordinance. Mayor Tran directed staff to schedule a work session with the power department.

### **COUNCIL MEMBER REPORTS**

Council Member Jackson said that Youth Court just started for this school year and is excited and proud of the kids who are participating.

Mayor Tran said that she was recently able to speak with a group of third graders about the elections and was impressed by how much understanding they had.

### **CLOSED SESSION**

Council Member Hunt made a motion to adjourn the city council meeting at 8:02 p.m. and reconvene into a closed session to discuss deployment of security personnel, devices, or systems, and to discuss reasonably imminent litigation, in conformance with Utah State Code §52-4-205. The motion was seconded by Council Member Jackson and passed unanimously.

Council Member Adams made a motion to adjourn the closed session at 9:12 p.m. and reconvene into the city council meeting, seconded by Council Member Jackson. The motion passed unanimously.

**ADJOURNMENT**

Council Member Adams made a motion to adjourn the City Council meeting at 9:13 p.m., seconded by Council Member Hunt and passed unanimously.