

MINUTES OF A SPECIAL CITY COUNCIL MEETING HELD FEBRUARY 3, 2023 AT THE HYRUM CITY COUNCIL CHAMBERS, 60 WEST MAIN, HYRUM, UTAH.

CONVENED: 9:45 A.M.

CONDUCTING: Mayor Pro-Tempore Vicky McCombs

ROLL CALL: Councilmembers Steve Adams, Paul James, Vicky McCombs, and Craig L. Rasmussen. Mayor Miller participated by telephone.

EXCUSED: Councilmember Jared Clawson

CALL TO ORDER: There being four members present and four members representing a quorum, Mayor Pro-Tempore McCombs called the meeting to order.

OTHERS PRESENT: City Recorder Stephanie Fricke recorded the minutes.

WELCOME: Mayor Pro-Tempore McCombs welcomed everyone in attendance and invited audience participation.

AGENDA ADOPTION: A copy of the notice and agenda for this meeting was emailed to The Herald Journal, posted on the Utah Public Notice Website and Hyrum City's Website, provided to each member of the governing body, and posted at the City Offices more than forty-eight hours before meeting time.

ACTION Councilmember Adams made a motion to approve the agenda for February 3, 2023, as written. Councilmember Rasmussen seconded the motion and Councilmembers Adams, James, McCombs, and Rasmussen voted aye. The motion passed.

- 5. INTRODUCTION AND APPROVAL OF RESOLUTIONS AND ORDINANCES:
 - A. Resolution 23-04 - A resolution setting electrical power monthly service fees and power rates for all customers receiving electrical power from the Hyrum City Municipal Power System.

INTRODUCTION AND APPROVAL OF RESOLUTIONS AND ORDINANCES.

RESOLUTION 23-04 - A RESOLUTION SETTING ELECTRICAL POWER MONTHLY SERVICE FEES AND POWER RATES FOR ALL CUSTOMERS RECEIVING ELECTRICAL POWER FROM THE HYRUM CITY MUNICIPAL POWER SYSTEM.

Mayor Pro-Tempore McCombs said in July 2022, Hyrum City hired Dave Berg Consulting LLC to conduct a rate study for all customers receiving power from Hyrum City. Upon the recommendations of the study, in September the Hyrum City Council approved Resolution 22-16 setting electrical power monthly service fees and power rates for all customers. That resolution also included a Purchased Power Adjustment Clause (PPAC) that would be set at \$0.00 with the understand that the PPAC would be adjusted in September 2023 or sooner if needed depending on electrical rate. For the past two months Hyrum City's power supply from UAMPS has reached the highest power rates ever billed from UAMPS and Hyrum City's rates are not covering the power bill costs which doesn't include all of the other expenses, such as, personnel, vehicles, operation and maintenance, insurance, etc.

On January 27, 2023, the City Council and City Staff held a conference call with Dave Berg and it was recommended that Hyrum City implement a \$0.0200 PPAC for all energy (\$/kWh) effective immediately.

The City Council discussed its concerns with increasing and unpredictable electrical costs throughout the Nation. Hyrum City's Power Department has spent more than \$6 million in reserves in the past four years, and also has used \$1.5 million that the General Fund transferred to the Power Department in June of 2022. Currently the Power Department's balance is \$1.6 million and the power bill from UAMPS was more than \$1.5 million last month which isn't enough to cover a month's total cost of the Power Department. There are no more reserve funds in the Power Department.

The Hyrum City Council requested a meeting be scheduled with Rocky Mountain Power, as soon as possible, to discuss the potential sale of the Hyrum City Power Department. Over the past several years Rocky Mountain Power has approached the City about the sale of the Power Department and the City has not really considered it. However, the City should at least meet with Rocky Mountain Power to get an idea of what the terms would be. The Power Department made Hyrum City a lot of money in the 1970's and 1980's but over the past twenty years the cost of power continues to increase and the generation of power has become a volatile issue and it may no longer be worth the risk to the taxpayers of Hyrum to continue to provide this service.

The City Council also discussed increasing the customer service charge for all user classes by 25%. The additional revenue won't be a lot but every dollar will help keep the Power Department

going. The City Council wants to review power rates every quarter and if needed adjust the PPAC up or down depending on power costs. The City Council also wants the Power Department to cut spending to only the essentials in order to minimize costs until the Power Department is in better financial condition.

ACTION

Councilmember Rasmussen made a motion to approve Resolution 23-04 - setting electrical power monthly service fees and power rates for all customers receiving electrical power from the Hyrum City Municipal Power System and to also increase all customer service charges by 25%. For City Staff to prepare and present a quarterly power report on the financial status of the Power Department to the City Council so it can evaluate and adjust rates quarterly if needed. Councilmember Adams seconded the motion and Councilmembers Adams, James, McCombs, and Rasmussen voted aye. The motion passed.

ADJOURNMENT:

ACTION

There being no further business before the City Council, the Council Meeting adjourned at 10:15 a.m.

ATTEST:

Stephanie Miller
Mayor

Stephanie Fricke
City Recorder

Approved: March 2, 2023
As Written