MORGAN CITY
EST. 1868

Council Meeting

03-12-24

6:00 p.m.

MORGAN CITY COUNCIL AGENDA
MARCH 12, 2024 – 6:00 P.M.
MORGAN, UTAH

PUBLIC NOTICE is hereby given that the Morgan City Council will hold a public meeting in the Council Room in the City Office Building, 90 West Young Street, Morgan, Utah, commencing at 6:00 p.m. on March 12, 2024. The public meeting will be live streamed on YouTube and a recording available on https://morgancityut.org/meetings.

WORK MEETING – 6:00 P.M.

1. Training – Gary Crane, City Attorney
2. Request to Governor Cox to Veto Senate Bill 161, 6th Substitute
3. City Reports and Business
   A. City Council
   B. City Manager Updates
      Powerline Grant
      Morgan Train Depot Renovation – Community Stewardship Award
      UAMPS Tool Kit – April 17, 2024, St. George, Utah

GENERAL MEETING – 7:00 P.M.

1. A. Welcome - Mayor Steve Gale
   B. Pledge of Allegiance and Opening Ceremony
   C. Approval of Meeting's Agenda

2. **CONSENT AGENDA:**
   A. Minutes of the City Council Work Meeting – February 27, 2024;
   B. Minutes of the City Council Meeting – February 27, 2024; and
   C. Warrants – (02/23/2024 – 03/08/2024)

3. **CITIZEN 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, and are to be filled out and submitted to the City Recorder before 5:00 p.m. on the day of the meeting.)

4. **VERBAL PRESENTATION**
   A. 2023 Audit Report – Chuck Palmer, CPA, Christensen, Palmer & Ambrose
   B. Morgan City General Plan Update – Lisa Benson, Landmark Design

5. **PUBLIC HEARING**
   A. Morgan City Annexation Policy Declaration, Including Proposed Expansion Area Map – Ordinance 24-01

6. **ACTIVE AGENDA**
   A. Review / Action – Adoption of the Morgan City General Plan Update – Ordinance 24-05
   B. Review / Action – Adoption of the Morgan City Annexation Policy Declaration, Including Proposed Expansion Area Map – Ordinance 24-01
   C. Review / Action – 2023 Audit Report – Chuck Palmer, CPA, Christensen, Palmer & Ambrose
   D. Review / Action – Approval of the Municipal Wastewater Planning Program (MWPP) Annual Report for the Year Ending 2023 – Resolution 24-08
   E. Review / Action – Approval of Letter from Mayor Gale to Governor Spencer J. Cox Requesting Governor Cox Veto Senate Bill 161, 6th Substitute – Energy Security Amendments and Ratifying the Mayor's Signature – Resolution 24-09
   F. Review / Action – Approval of an Application for the Utah Division of Outdoor Recreation – Utah Outdoor Recreation Grant (UORG) – Resolution 24-10

7. **CLOSED SESSION**
   A. Discussion of the character, professional competence, or physical or mental health of an individual. (Utah Code Section 52-4-205(1)(a))

8. ADJOURN

- A Work Session will be held prior to the General Meeting to discuss miscellaneous matters if needed.
- This meeting will also be live streamed via https://morgancityut.org.
- 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 involve the use of electronic communications for some of the members of this public body. The anchor location for the meeting shall be the Morgan Council Conference Room, 90 West Young Street, Morgan, Utah. Elected Officials at remote locations may be connected to the meeting electronically 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.
- The undersigned, duly appointed City Recorder does hereby certify that the above notice and agenda was posted within the Morgan City limits on this **8th day of March, 2024** at Morgan City Hall, on the Utah State Public Notice Website (https://www.utah.gov/pmn), on the City's Website (https://morgancityut.org), and three public places within the City.
- The 2024 meeting schedule was posted on the City's Website and Public Notice Website on December 12, 2023.
  /s/ Denise Woods, City Recorder

Morgan City Corporation

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

March 6, 2024

Governor Spencer Cox
350 North State Street, Suite 200
Salt Lake City, UT 84114

RE: Veto SB161 6th Substitute

Thank you for your consideration of Morgan City's request to veto Senate Bill 161 6th Substitution. Morgan City has ownership in the Intermountain Power Agency and depends greatly on the success of this project. SB 161 turns the clock back on a well-run project at risk for purely political reasons.

The process of the way this bill was passed is contrary to your "Disagree Better" campaign, by limiting the opportunity for real discussion. Morgan City believes this bill is the opposite of your track record of meeting future challenges with innovative solutions, which IPA has been doing for the past several years. We also think you have committed yourself to supporting rural communities in Utah. SB 161 puts all this at risk by putting special interest group politics ahead of meaningful communication with the Municipal owner's and power experts involved in the project. Morgan City can not handle the financial burden of forcing the IPA project to violate Environmental Law and contractual agreements from years of hard work.

We strongly encourage you to Veto SB161 as it provides little to no benefit for Utah and creates unnecessary burden for the Municipal owners. We feel all of the conversations have been ignored and need your help to bring the Legislators to the table for meaningful conversation. This letter will be ratified, by a formal Resolution at our next City Council meeting on March 12th 2024. Please contact Ty Bailey, City Manager, with any questions you may have at 801-821-6175 or tbailey@morgancityut.org

Sincerely,

SGale

Steve Gale
Morgan City Mayor
801-829-3461

SB 161, Sixth Substitute Talking Points

March 4, 2024

- **Overview**
  - **SB 161 interferes with municipal control of assets developed and operated without any public funds**
  - **SB 161 causes significant harm to a multi-billion-dollar project**
  - **SB 161 conflicts with enforceable commitments made to EPA by the State of Utah and IPA and, if implemented, will most certainly lead to EPA intervention and litigation that will frustrate the goals of the legislation and cost Utah millions of dollars in legal fees**
  - **SB 161 does not provide any meaningful benefit to the State (it will not save any coal jobs)**
  - **SB 161 ignores meaningful efforts by IPA to work toward a win-win solution**
- **Intermountain Power Agency ("IPA") is an interlocal entity (controlled by Utah municipalities), that owns the Intermountain Power Project ("IPP")**
  - IPA was created by 23 municipal entities (representing 25 Utah municipalities)[1]
  - IPA developed the Intermountain Power Project ("IPP") using municipal bond proceeds and the sale of power without any public funds, including state or taxpayer funds
  - IPA's current generating facilities consist of two coal-fired units with 1,900 MW rated capacity
    - IPA burned Utah coal exclusively until the late 90s when Governor Leavitt provided a dispensation from the monopolistic prices that Utah coal producers charged IPA as a captive purchaser of their coal
    - As a result of market demand, IPA is in the process of constructing natural gas-fueled facilities pursuant to approval from the Utah legislature in 2012, contracts executed in 2015 and permits issued by the state and local governments
    - IPA has issued nearly $2 billion in bonds to date and has committed to expend billions more in construction, service and sales contracts
    - The legislation may have significant impact on those bonds
- **The bill interferes with IPP by**
  - **Coercing IPA to submit an application by January 1, 2025 to permit operation of an IPP coal unit beyond July 1, 2025 contrary to IPA's regulatory and contractual obligations**
    - This action risks EPA action to shut down the existing coal-fired facilities by mid-November 2024 and
    - This action also jeopardizes the construction and operation of IPP Renewed (IPA's new gas-fueled facilities) despite commitments made by legislators on multiple occasions (see attached Appendix A, Section 1)
  - **Requiring IPA to grant the State an option for no payment to purchase one of the IPP coal units for a contrived value to allow operation of the coal unit beyond July 1, 2025**—obviously attempting to circumvent constitutional eminent domain protections

[1] One of IPA's 23 members is Heber Light & Power, itself an interlocal entity comprised of Heber City, Midway, and Charleston.

and may lead to litigation for claims against the State involving hundreds of millions of dollars (see attached Appendix A, Section 2 below)

- **The bill creates substantial risk of harm to Utah, Utah companies and Utah municipalities by**
  - **Risking EPA's rejection of the Utah regional haze State Implementation Plan (the "RHSIP") in favor of a Federal Implementation Plan that would require other operators to put additional pollution controls in place** impacting some of the largest industrial facilities in Utah (see attached Appendix A, Section 3)
  - **Putting Utah's delegated air permitting authority at risk of EPA oversight**, including enhanced federal inspections of permitted facilities in Utah and closer scrutiny of all construction and operating permits issued by the State and even rejection of the federally approved authority to issue these permits (Governor Cox's legacy could be Utah's air regulatory system becoming federalized)
  - **Risking the shutdown of a significant power resource for IPP power purchasers**, including the Utah municipalities, that would have to replace that power at significant cost on the spot market
  - **Putting IPP's municipal purchasers at risk for substantial costs that could significantly impair their ability to bond for municipal projects** (see attached Appendix A, Section 4 below)
  - **Jeopardizing hundreds of millions of tax revenues** to Utah state and local governments (IPA has paid over $700 million in Utah taxes over the life of the project)
  - **Creating precedent for state takeover of municipal assets** held in interlocal entities and similar types of municipal projects (the State is unabashedly asserting control over an asset for which it has not paid and compelling costs to be incurred by a municipal entity that will be paid by municipalities—if the State is willing to do this to a project worth billions of dollars, it seems nothing would impede it from seizing municipal assets worth much less)
- **The bill creates these risks without any significant upside to the State or its residents by**
  - **Ignoring the reality that no credible power user would be willing to purchase the power generated by an IPP coal unit** at a price sufficient to cover the hundreds of millions to billions of dollars required to permit the coal unit to operate using technology that has not been proven at utility scale (such as carbon capture and sequestration), and, particularly, no credible data center company is in the market for coal-fired power at all
  - **Failing to address any of the legal, business and operational challenges** outlined in great detail by IPA for the State and others over the last 18 months
  - **Failing to recognize that IPP has no impact on Utah grid reliability** (no Utah utility has any need for or interest in purchasing, let alone taking any power from, a coal unit at the cost necessary to operate the unit)
  - **Failing to save coal jobs** because EPA will not allow an IPP coal unit to operate beyond July 1, 2025 in any event and Utah coal mines cannot even produce enough coal to satisfy IPA's needs currently
- **The bill was rushed**
  - The Sixth Substitute was passed by the House **mere minutes** after being made publicly available
  - **IPA and other stakeholder input was not requested or allowed**

- Despite the fact that IPP has been the legislature's focus for the past few years, that does not excuse depriving stakeholders of the opportunity for meaningful review of Sixth Substitute
- The rushed nature of the Sixth Substitute has resulted in **poorly drafted** legislation (see attached Appendix A, Section 5)

- **While IPA did not support the Fifth Substitute, it included reasonable provisions** that were excluded from the Sixth Substitute resulting in significant prejudice to IPA and risk to Utah
  - putting DAQ in charge of the process instead of the Office of Energy Development,
  - meaningful and logical conditions to IPA's obligation to submit a permit application,
  - extending the period after evaluation of the DADA permit for IPA to submit an application if certain conditions are met,
  - the State covering the costs of IPA submitting the application and indemnifying IPA for claims and losses associated with the application,
  - members of the DADA board with relevant experience regarding the complicated issues involved, and
  - FMV including diminution in value of IPA's remaining assets.
- **A veto can be considered the first step toward a win-win solution**
  - IPA has sought to cooperate with the State in multiple interactions with an eye to **preserving the value of IPP as an energy hub** for the State and for the stakeholders who have **already invested billions of dollars**
  - IPA has funded capital improvements across the highway from IPP to support ACES/Chevron's development of a **first-of-its-kind energy storage system using hydrogen** as an energy carrier and the **untold amounts being invested in the region** to develop resources that derive value from the continued operation of IPP and could reasonably be expected to be in a position to **invest billions more dollars over time**
  - Barring a change in IPA's legal and contractual obligations and the state law embodied in the RHSIP, notwithstanding SB 161, **the coal units will have to cease operations** in any event in connection with the transition to natural gas
  - SB 161 puts that all-of-the-above strategy at risk by **unduly prioritizing coal generation** and **inviting the EPA to order operations and construction at IPP** to stop and **impose federal management of Utah's regional haze and permitting program** impacting multiple Utah industrial facilities
  - IPA has proposed revisions to SB 161 that **could avoid some of the negative impacts** while putting the State in no worse position than it will be in on July 2, 2025
  - Current state law—without SB 161—ensures that **the coal units will remain standing for now**
  - IPA is still eager to come to an arrangement that avoids the negative impacts of SB 161 while preserving the State's ability to benefit from further development at IPP

Appendix A

1. SB 161 coerces IPA to submit an application to permit continued operation of an IPP coal unit contrary to IPA's regulatory and contractual commitments
    a. The bill is blatantly coercive
        i. Lines 108-111 provide that IPA "may" submit an application
        ii. Lines 80-83 and 112-114 require IPA to provide a binding notice of intent to the Utah Legislative Management Committee by July 1, 2024 if IPA intends to submit the coerced application
        iii. Lines 84-87 require the Utah Legislative Management Committee to make recommendations for action by the governor including calling a special session to reconstitute the IPA board of directors (SB 120 proposed but not enacted in 2024 would have replaced a majority of the IPA board of directors with state legislators)
        iv. Lines 115-116 requires IPA to submit the coerced application by January 1, 2025
        v. The message to IPA (proposed to be codified in law) is that if the current IPA board does not submit the coerced application on its own, the legislature will take over the board to make sure the application gets submitted
    b. The coerced application is contrary to IPA's regulatory and contractual commitments and requirements
        i. IPA has committed to EPA to cease operation of its coal ash impoundments by July 1, 2025
            1. EPA rules promulgated in 2015 prohibited IPA from continuing to operate its coal ash impoundments (handling of the byproduct of the coal burned to generate electricity at IPP) beyond 2021
            2. IPA has been able to continue to operate its coal ash impoundments in reliance on an exemption from that prohibition by committing to cease operating the coal units by July 1, 2025
            3. Any change in IPA's intent to cease operation of either coal unit by July 1, 2025 jeopardizes IPA's legal basis for current operation of the IPP coal units
            4. Providing a binding notice of intent by July 1, 2024 to submit an application for operation of an IPP coal unit beyond July 1, 2025 creates the risk that EPA issues a notice requiring IPA to cease operating the coal ash impoundment within 135 days
        ii. The bill threatens IPP Renewed by coercing an application to modify IPA's existing permits which require IPA, as a condition to construct and operate IPP Renewed, to cease operating the IPP coal units following commercial operation of IPP Renewed (required to occur by July 1, 2025)
            1. SB 161 purports to provide a process for IPA to submit an application for an "alternative permit" (as part of a so-called "dual track" permitting process) (lines 120-148)
            2. The Department of Air Quality has stated that the process provided in SB 161 has no practical meaning and that any application for a modification of an air permit would be evaluated under pre-existing law

3. Pre-existing law provides that an attempt to modify significant conditions on which existing construction and operating permits are based where the owner/operator is compelled to do so could result in EPA halting construction or operation of the permitted project and/or initiating an enforcement action based on principles that the new permitting is intended to circumvent federal requirements
4. In any event, reopening IPA's existing air permits necessarily impacts IPP Renewed (contrary to commitments from legislators on multiple occasions)

iii. The bill interferes with IPA's pre-existing contractual obligations to dismantle the IPP coal units

1. IPA entered into contracts in 2015 providing for the dismantling of the IPP coal units as part of the transition to IPP Renewed
2. The bill preserves statutory requirements that indefinitely prohibit IPA from dismantling the IPP coal units
3. The bill perpetuates the imposition on IPA of the costs of maintaining the IPP coal units indefinitely—those costs will be passed on to IPA's purchasers (including Utah municipalities)

2. The bill requires IPA to grant the State an option for no payment to purchase one of the IPP coal units for a contrived value to allow operation of the coal unit beyond July 1, 2025—obviously attempting to circumvent constitutional eminent domain protections
   a. Lines 88-90, 198-199, 215-217 describe the option being mandated from IPA
   b. IPA is not given any value for the option (though the option is a property interest and is being taken by the State through legislative action)
   c. Lines 243-312 provide for a study to be conducted by a newly created state authority ("DADA") to, among other things, determine fair market value of the IPP coal unit to be taken by the State
      i. The bill excludes IPA from the valuation process except for an obligation to provide information in a timely manner (lines 313-315)
      ii. The bill abandons the traditional notion of fair market value – the price a willing buyer would pay a willing seller – and replaces it with a strange assortment of factors that fail to ensure IPA would actually receive fair market value
      iii. The study is to assess assets associated with the asset that IPA intends to decommission, e.g., the IPP coal unit (presumably threatening action with respect to assets that IPA has not intended to decommission) (lines 279-281)
      iv. The study does not include any analysis of the diminution in value of assets to be retained by IPA resulting from the taking of the IPP coal unit
      v. The study is to be presented to PUET by November 30, 2024
3. The bill puts Utah's RHSIP at risk
   a. The State's current RHSIP requires IPA to shut down its two coal units. As of today, that is state law and the RHSIP is being reviewed for approval (or disapproval) before EPA.
   b. The State is at risk because failing to follow the appropriate procedures for modifying the RHSIP risks the EPA imposing a Federal Implementation Plan and even revoking the delegation of permitting authority to the State. Although Utah has environmental

regulators, they issue air permits and regulate air emissions under the delegation of federal authority to implement federal law.

c. Other industrial operations in Utah are also at risk of being required to install costly pollution controls. The current RHSIP proposes that those facilities, like the Hunter and Huntington power plants, Rio Tinto and Mag Corp, can avoid additional pollution controls. Part of this determination is based on modeling that relies on IPA's coal units are being taken offline in 2025. Requiring even one of those units to continue operating creates significant risk that other Utah industrial sites will become subject to pollution controls that would outweigh any economic benefit to Utah from the continued operation of the coal unit.

d. Given the number of stakeholders with an interest in the SIP, including the EPA where the SIP is currently under review, and the substantial risk to IPA from modifying or interfering with IPA's permits, any plan to keep the IPP coal units running must address the RHSIP issue first—even before addressing the regulatory issues applicable solely to IPA.

4. The bill puts IPP's Utah municipal purchasers at risk for IPP costs and loss of credit for any municipal projects
    a. With over $8 billion of obligations and value involved in IPP, costs associated with IPP are significant (though, with respect to the IPP Utah purchasers, commensurate with the costs of other natural gas facilities)
    b. If IPP Renewed is not constructed (see the risk of EPA shutting down IPP Renewed under Section 3 above), then the IPP Utah municipal purchasers may be directly liable for their share of IPP's costs
    c. If those costs exceed the municipalities' ability to pay, then not only are their municipal power systems at risk but their ability to issue bonds for any municipal projects could be impaired
5. The bill is poorly drafted
    a. Line 149 describes receipt of an application from DADA to permit operation of an IPP coal unit without any mention previously in the bill of DADA actually submitting such an application (including any authorization or direction to do so)
    b. Lines 149-160 require the Utah Division of Air Quality to review the application submitted by DADA
        i. DAQ is required to determine whether a permit would have been issued on the basis of that application if it had been submitted by IPA (the actual owner/operator that has standing to submit such an application)
        ii. DAQ's evaluation is to be completed by January 30, 2025 (29 days after IPA is to have submitted the coerced application)
    c. Line 196 requires the Office of Energy Development to provide staff for DADA but the fiscal note does not address the funding of any of that staff although OED has been understaffed on other projects involving IPA

UAMPS SMARTENERGY

MUNICIPAL TOOLKIT WORKSHOP
APRIL 17, 2024

AGENDA

12:00 p.m.	**Lunch**
1:00 p.m.	**Welcome** *Speaker: Jackie Coombs, UAMPS*
1:05 p.m.	**UAMPS' Strategic Initiative Report** *Speaker: Mason Baker, UAMPS*
1:20 p.m.	**Why ISOs/RTOs are Good for the West** *Speaker: Elliot Mainzer, California ISO*
2:00 p.m.	**Break**
2:15 p.m.	**The Importance of Effective Rates/Polices** *Speaker: Dawn Lund, Utility Financial Solutions*
4:15 p.m.	**Adjourn**

LOCATION

Hilton Garden Inn St. George
1731 S. Convention Center Drive, St. George, Utah
Register online at www.toolkit24.uamps.com

DRAFT

MINUTES OF MORGAN CITY COUNCIL WORK MEETING — **FEBRUARY 27, 2024; 6:42 P.M.**

MAYOR AND COUNCIL MEMBERS PRESENT: **Mayor Steve Gale, Tony London, Jeffery Richins and Dave Alexander**

STAFF PRESENT: **Ty Bailey, City Manager; Gary Crane, City Attorney; and Denise Woods, City Recorder**

EXCUSED: **Jeff Wardell and Eric Turner**

This meeting was held in the Council Conference Room of the Morgan City Offices, 90 West Young Street, Morgan, Utah. The meeting was streamed live on YouTube and available for viewing on the City's website – morgancityut.org.

This meeting was called to order by Mayor, Steve Gale.

ITEMS FOR DISCUSSION

GENERAL PLAN UPDATE – PRESENTATION / DISCUSSION – LISA BENSON, LANDMARK DESIGN AND JAKE YOUNG, CITY PLANNER, CITIDESIGN

Jake Young, City Planner, CitiDesign, informed the Council that after the Planning Commission meeting last week, the Planning Commission had given a favorable recommendation with a 5-0 vote on the General Plan Update. A public hearing took place, and the venue was full, with approximately 30 members of the public present. About one-third of the attendees provided comments during the public hearing. The comments mainly focused on concerns about Morgan's overall growth, with some expressing opinions about having large lots exclusively in Morgan. Others were concerned about affordable housing, while some residents emphasized the importance of planning for the future and managing growth. Several residents also voiced concerns about street connections, emergency access, and efficient transportation across town.

Jake said it was up to the City Council if there were any further changes to be made to the General Plan Update or to go forward with it in its current form. He clarified there would be a public hearing for the Annexation Declaration Policy on March 12th, but no further public hearings were required for the General Plan Update.

Council Member Alexander mentioned he was at the public hearing and some comments were in favor and others opposed to growth and a changing of their rural lifestyle. He mentioned the Mayor's comment that it didn't force the farmers to sell their property and they could continue farming for as long as they wanted. He stated he felt good about the General Plan Update and didn't have anything further he wanted to discuss.

Jake mentioned one individual stated they wanted one acre lots everywhere.

Council Member London asked if the General Plan Update was adopted would the City need to amend the zoning map.

Jake said in terms of the succession of planning, the General Plan was considered the highest level. The densities mentioned were in gross terms, not necessarily net, covering a broader range. Zoning changes were stated to occur per application with landowners. He stated if the City wanted to make proactive changes, it was possible but typically it focused on updating zoning codes rather than immediate rezoning.

Conversation touched upon the idea of updating ordinances to reflect changes in the General Plan Update, but it was noted that an immediate overhaul of the entire zoning system wasn't seen as a priority. The primary focus was on downtown zoning for the Master Plan Community. It was acknowledged that ordinance work needed to follow up on the General Plan Update, and there was much to do, for example, certain elements like river-oriented zoning were not currently in place and needed to be included in the Code.

Jake explained that the General Plan was advisory, allowing the City to potentially request a rezoning based on the Plan's guidance. The flexibility for developers to apply for a different zone, such as changing from LDR to MDR, was acknowledged, with the process involving steps and potential changes in development plans.

Lisa Benson, Landmark Design, pointed out the flexibility intended for the boundaries between zones. She explained that these boundaries could shift as some crossed through parcels, allowing adjustments based on what suited the community best. The General Plan Update aimed to reflect an intention for lower density on the perimeter and higher density towards the interior. She emphasized the idea of maintaining a consistent vision but acknowledged the possibility of updating the General Plan as needed, recommending not doing so more than once a year. She clarified that the General Plan Update served as a higher-level and more advisory aspect of planning.

Discussion regarding the new designations, LDR (Low Density Residential) and MDR (Medium Density Residential). The question was raised regarding whether these designations would become the new zoning classifications as changes were made going forward. An example scenario was presented where a piece of property was currently zoned as R-1-12, and if a developer wanted a higher density, such as R-1-10, it was questioned whether it would now be categorized as MDR (Medium Density Residential) zoning or still fall under the existing R12.

Jake clarified that zoning designations would generally stay the same unless a decision was made to create a new zone or category.

Jake stated overlay zones were mentioned as not necessarily applying to these discussions, and the idea of an overlay could potentially go anywhere, impacting LDR or MDR.

Discussion regarding the possibility of developers seeking a rezoning, and if a significant deviation from the General Plan was desired, a request for a General Plan modification could be made. The General Plan, although advisory, guided zoning decisions. Past instances of amending the General Plan were discussed, with the hope that the recent update would align with community expectations.

Concerns were raised about the practicality of certain zoning recommendations. For example, Low Density Residential (LDR) was defined as two to three units per acre, potentially excluding 10,000 square foot lots (R-1-10). The impact on existing zoning was discussed, with the decision to leave existing zoning in place, even if it contradicted the General Plan's suggestions for higher density.

Questions arose about the fit of existing zones, such as R-1-10, into the proposed categories. The discussion acknowledged the need for further evaluation and the possibility of making changes to the General Plan if

needed. The confusion regarding the compatibility of existing zones, particularly R-1-0, with the proposed Medium Density Residential (MDR) category was addressed. Changes could still be made if necessary.

The discussion concluded with consideration for potential adjustments to the map and a reminder that it was not too late to make changes if deemed necessary.

TRAINING – GARY CRANE, CITY ATTORNEY

No training provided.

This meeting was adjourned at 7:02 p.m.

Denise Woods, City Recorder

Steve Gale, Mayor

These minutes were approved at the March 12, 2024 meeting.

DRAFT

MINUTES OF MORGAN CITY COUNCIL MEETING	**FEBRUARY 27, 2024; 7:06 P.M.**
MAYOR AND COUNCIL MEMBERS PRESENT:	**Mayor Steve Gale, Tony London, Jeffery Richins, and Dave Alexander**
STAFF PRESENT IN-PERSON:	**Ty Bailey, City Manager; Gary Crane, City Attorney; Jake Young, City Planner, CitiDesign; and Denise Woods, City Recorder**
EXCUSED:	**Jeff Wardell and Eric Turner**
OTHERS PRESENT:	**Ali Hanson, Kesley Sconesby, Elli Lane, Ryan Nye, and Cody Nye**
OTHERS PRESENT ELECTRONICALLY:	**Lisa Benson, Landmark Design**

This meeting was held in the Council Conference Room of the Morgan City Offices, 90 West Young Street, Morgan, Utah. The meeting was streamed live on YouTube and available for viewing on the City's website – morgancityut.org.

This meeting was called to order by Mayor Steve Gale.

The pledge of allegiance was led by Council Member Richins.

The opening ceremony was presented by Council Member Alexander.

APPROVAL OF MEETING AGENDA

MOTION: Council Member London moved to approve the agenda.

SECOND: Council Member Richins

Vote was 3 ayes; Motion passed unanimously to approve the agenda; Council Member Wardell and Council Member Turner were absent.

MINUTES AND WARRANTS

MOTION: Council Member Alexander moved to approve the following:

Minutes of the City Council Work Meeting – February 13, 2024 with changes proposed by eliminating the word "sexual" from Page 1, second paragraph under Training, and Page 2, first full paragraph;
Minutes of the City Council Meeting Minutes – February 13, 2024; and
Warrants (02/09/24 to 02/23/24).

DRAFT

SECOND: Council Member London

Vote was 3 ayes; The motion passed unanimously to approve the minutes with the changes proposed on Page 1, second paragraph under Training, and in the first full paragraph on Page 2, by eliminating the word "sexual" and one set of warrants; Council Member Wardell and Council Member Turner were absent.

CITIZEN COMMENTS

No citizen comments.

ACTIVE AGENDA

AMENDMENT TO TITLE 10, CHAPTER 10.15 – MIXED RESIDENTIAL OVERLAY (MRO) ZONE, SECTIONS 10.15.060, 10.15.110, AND 10.15.120 OF THE MORGAN CITY CODE – ORDINANCE 24-02

Jake Young, City Planner, CitiDesign, gave a brief background on the proposed changes to Title 10, Chapter 10.15 – Mixed Residential Overlay (MRO) Zone. The primary focus was on the rezone of two parcels to the MRO. The first two items addressed recommendations on the MRO zone, noting observations during the application process. Notably, certain ordinance adjustments were proposed, with one change deemed necessary for the project's progression.

Jake explained as the application for the MRO was processed, observations were made regarding the ordinance, leading to the proposed amendments. He said certain changes would be necessary for the project to proceed, while others were deemed unnecessary regarding the project. This constituted the first item on the MRO in terms of ordinance updates. He said the second item focused on the rezone from Central Commercial (C-C) Zone to General Commercial (C-G) Zone, a crucial step for the Mixed Residential Overlay. He emphasized the need for this rezone due to specific zones being permitted as base zones for the overlay.

Jake explained adjustments were made to open space requirements in the MRO zone. The original ordinance mandated that open space be a single piece unless exceeding one acre. Proposed code changes allowed division for projects of seven acres or less to be divided into one to three areas. For projects over seven acres, up to five usable open space areas were permitted, each usable open space area to be no less than 5,000 square feet.

Jake mentioned the second ordinance change involved reducing the minimum requirement for usable open space along the perimeter or street front from 60 to 40 feet. This adjustment aimed to align with townhome spacing requirements and enhance conformity.

Jake stated the third item addressed procedural changes in the application process. Initially required in the initial application, the Homeowners Association (HOA) – Codes Covenants and Restrictions (CC&Rs), property landscape and management plan, and master development agreement were recommended to be moved to the subdivision process. This adjustment aimed to streamline the process, aligning it with the City's current processing method.

Council Member Alexander stated the proposed changes to the Code were for the betterment of the MRO ordinance and not necessarily the project which was being considered for approval.

Each item will be discussed and then voted on after the dicussions.

DRAFT

AMENDMENT TO ZONING DESIGNATION OF A PARCEL OF PROPERTY LOCATED AT APPROXIMATELY 300 NORTH 300 EAST, FROM CENTRAL COMMERCIAL (C-C) TO GENERAL COMMERCIAL (C-G) – ORDINANCE 24-03

Jake explained this item was a rezone request of a parcel of property from Commercial Central (C-C) to General Commercial (C-G). The proposed change was minor and aligned with the General Plan. The property encompassed 0.12 acres, contributing to the overall project spanning 4.12 acres. Situated just east of State Street and south of Industrial Road, the property's current use was agricultural. The existing zoning included Central Commercial (C- C), General Commercial (C-G), and Residential Multi-family (RM-15). The requested rezoning pertained to a small piece of the property, while the other two zoning designations remained unchanged.

APPLICATION OF THE MIXED RESIDENTIAL OVERLAY (MRO) ZONING DESIGNATION TO PARCELS OF PROPERTY LOCATED AT APPROXIMATELY 300 NORTH 300 EAST – ORDINANCE 24-04

Jake explained the concept of overlay zoning, emphasizing that the base zoning would remain unchanged, with the overlay depicted on top through a diagonal line or hatch on the updated zoning map. This visual representation allowed observers to see both the existing and proposed zoning. The discussion acknowledged that, in this case, the application was for the Mixed Residential Overlay (MRO), which would override the base zoning.

Jake presented the layout presented by the applicant which showcased the differences in an overlay zone, highlighting the ability to require site plan approval. The speaker clarified that the provided concept site plan outlined the layout of streets, single-family homes, townhomes, and usable open space. The layout adhered to MRO requirements, with 12 single-family homes and 20 townhomes proposed.

Jake explained the property was located within the Sensitive Lands District, requiring further processing at the subdivision level, specifically during the platting phase. Jake noted the option for the applicant to undergo a Loma (Letter of Map Amendment) and a Clomar (Conditional Letter of Map Amendment) process to address sensitive lands considerations. He stated in sensitive lands the maximum number of units was 20, but if they submitted the Clomar it would meet the current zoning without the sensitive lands.

The presentation then shifted to visuals of the proposed usable open spaces, including stormwater management features and a designated park area.

Jake explained that the amenities were for the public, such as a playground, shade structure, and trail, would be privately maintained but publicly accessible, as stipulated in the development agreement. He explained the site plan showed the placement of garages behind single-family homes, meeting the requirement for two driveways. Architecture concepts for both single-family homes and townhomes were submitted by the applicant, emphasizing the need for varying designs to comply with the City's architectural requirements.

Jake addressed a public concern voiced during the Planning Commission meeting related to wildlife habitat, stating that the neighbor had requested consideration for this aspect. The Planning Commission had given a favorable recommendation with minimal concerns raised during the public hearing.

In conclusion, Jake recommended that the Council consider and vote on each item individually.

DRAFT

Council Member London mentioned this was the first MRO project proposed for development within the City. He complimented the developers, Ryan and Cody Nye, on the amount of time and effort devoted to making this project work and to make it something to be proud of in the community.

Jake also clarified the ordinance required that 50% of the units be individually platted and available for sale. He emphasized the intent of the ordinance was to create a lot of 'For Sale' products so people can get into their first home/townhome.

Council Member Alexander asked regarding having a third-party professional business manage the HOA.

Ryan Nye, stated they had spoken with several companies and the plan was to have a third-party professional business manage the HOA so it did not but neighbor against neighbor.

AMENDMENT TO TITLE 10, CHAPTER 10.15 – MIXED RESIDENTIAL OVERLAY (MRO) ZONE, SECTIONS 10.15.060, 10.15.110, AND 10.15.120 OF THE MORGAN CITY CODE – ORDINANCE 24-02

This item was discussed earlier.

MOTION: Council Member London moved to adopt Ordinance 24-02 – An ordinance amending Title 10, Chapter 10.15, Sections 10.15.060(B)(2), 10.15.110, and 10.15.120 of the Morgan City Code regarding the Mixed Residential Overlay (MRO) Zone; Providing for repealer; Providing for severability; and Providing for an effective date.

SECOND: Council Member Alexander

Discussion on the Motion: No discussion.

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

Vote was 3 ayes; Motion passed unanimously to adopt Ordinance 24-02 – An ordinance amending Title 10, Chapter 10.15, Sections 10.15.060(B)(2), 10.15.110, and 10.15.120 of the Morgan City Code regarding the Mixed Residential Overlay (MRO) Zone; Providing for repealer; Providing for severability; and Providing for an effective date; Council Member Wardell and Council Member Turner were absent.

AMENDMENT TO ZONING DESIGNATION OF A PARCEL OF PROPERTY LOCATED AT APPROXIMATELY 300 NORTH 300 EAST, FROM CENTRAL COMMERCIAL (C-C) TO GENERAL COMMERCIAL (C-G) – ORDINANCE 24-03

This item was discussed earlier.

MOTION: Council Member London moved to adopt Ordinance 24-03 – An ordinance amending the zoning designation of a parcel of property located at approximately 300 North 300 East, by changing the zoning designation thereof from Central Commercial (C-C) to General Commercial (C-G); Providing for the amendment to the zoning map; Providing for repealer; Providing for severability; and Providing for an effective date.

DRAFT

SECOND: Councilmember Richins

Discussion on the Motion: No discussion.

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

Vote was 3 ayes; Motion passed unanimously to adopt Ordinance 24-03 – An ordinance amending the zoning designation of a parcel of property located at approximately 300 North 300 East, by changing the zoning designation thereof from Central Commercial (C-C) to General Commercial (C-G); Providing for the amendment to the zoning map; Providing for repealer; Providing for severability; and Providing for an effective date; Council Member Wardell and Council Member Turner were absent.

APPLICATION OF THE MIXED RESIDENTIAL OVERLAY (MRO) ZONING DESIGNATION TO PARCELS OF PROPERTY LOCATED AT APPROXIMATELY 300 NORTH 300 EAST – ORDINANCE 24-04

Council Member Richins stated on the record that the City Staff and the Planning Commission had thoroughly discussed each of these items and gave a positive recommendation to the City Council for approval.

MOTION: Council Member London moved to adopt Ordinance 24-04 – An ordinance applying the Mixed Residential Overlay (MRO) zoning designation to parcels of property located at approximately 300 North 300 East; Providing for the amendment to the zoning map; Providing for repealer; Providing for severability; and Providing for an effective date.

SECOND: Council Member Alexander

Discussion on the Motion: No discussion.

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

Vote was 3 ayes; Motion passed unanimously to adopt Ordinance 24-04 – An ordinance applying the Mixed Residential Overlay (MRO) zoning designation to parcels of property located at approximately 300 North 300 East; Providing for the amendment to the zoning map; Providing for repealer; Providing for severability; and Providing for an effective date; Council Member Wardell and Council Member Turner were absent.

Council Member London stated a lot of background work went into each of these items. He mentioned it had taken the applicant approximately 18 months working with Staff, Jake Young, City Planner, and Matt Hartvigsen, City Engineer to reach the product which was presented to the City Council tonight for approval.

Jake informed the City Council that on March 6th the public open house would be held at the Middle School, and they would be discussing the downtown plan, parks, and trails. He mentioned they would be discussing the Master Plan Community at a later date.

Jake Young left the meeting at 7:46 p.m.

ADOPTION OF A PRIVACY POLICY STATEMENT FOR MORGAN CITY WEBSITES – RESOLUTION 24-05

Ty Bailey, City Manager, stated the State Auditor had recently sent the City a notification indicating a requirement for a Privacy Policy Statement for the City's websites. He stated Denise Woods, City Recorder, had recently assembled a Policy to comply with the State's guidelines. This new version was to be adopted and added to the City's website.

Council Member Richins inquired about the level of activity on the City's website and whether they tracked the number of hits it received in a month or week.

Ty indicated that they usually did not run analytics on the website, but they had a general idea based on YouTube videos' viewership. However, tracking the most searched and clicked-on items, as well as the total number of visits, was not regularly done. He explained that the data might be skewed since they frequently accessed their website for internal use, particularly during meetings.

Council Member Alexander proposed a change to Page 3, Paragraph three under the section – Morgan Privacy Policies and How They Relate to This Policy. The paragraph would be changed to read:

> A full description of how agencies are to inform you of how your personal information is treated any differently than as described in this Policy is provided in R365-5-1 et seq. of the Utah Administrative Code, which governs the actions of state agencies.

MOTION: Council Member Alexander moved to adopt Resolution 24-05 – A resolution adopting a Privacy Policy Statement for Morgan City Websites with the proposed change to Page 3, Paragraph 3 of the section – Morgan Privacy Policies and How They Relate to This Policy.

SECOND: Council Member Richins

Discussion on the Motion: No discussion.

Vote was 3 ayes; Motion passed unanimously to adopt Resolution 24-05 – A resolution adopting a Privacy Policy Statement for Morgan City Websites with the proposed change to Page 3, Paragraph 3 of the section – Morgan Privacy Policies and How They Relate to This Policy; Council Member Wardell and Council Member Turner were absent.

BID AWARD – 2024 STREET MAINTENANCE PROJECT – RESOLUTION 24-06

Ty stated the 2024 Street Maintenance Project secured favorable bids, and the pricing came in $200,000 less than the City Engineer's estimate. He expressed satisfaction with the bids and noted their positive history of working with the contractor, Post Asphalt and Construction. He stated the bid tabs, as discussed, were included in the packet for reference. He also expressed contentment with the number of bidders and the close proximity of their bids, especially given the challenges faced during the pandemic when bids were unpredictable.

He said while the road project was the primary focus, he mentioned a related but separate action item regarding trail projects on Commercial Street. Due to the favorable pricing received, they decided to consolidate the trail project into one comprehensive bid, incorporating both the Commercial Street portion and the segment going under the Bridge. He said the decision was driven by the cost savings realized in the maintenance project. He outlined plans to create two bid schedules, ensuring flexibility in case different pricing structures were received. The comprehensive trail project aimed to connect Commercial Street to the Fairground property, creating a loop that extended under the Bridge.

Ty highlighted that the cost savings would accelerate the timeline for the trail project, bringing it forward by a year.

MOTION: Council Member Richins moved to adopt and approve Resolution 24-06 – A resolution authorizing an agreement with Post Asphalt and Construction for the 2024 Street Maintenance Project; Authorizing further negotiations and change orders necessary for the completion of the 2024 Street Maintenance Project.

SECOND: Council Member London

Discussion on the Motion: No discussion

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

Vote was 3 ayes; Motion passed unanimously to adopt and approve Resolution 24-06 – A resolution authorizing an agreement with Post Asphalt and Construction for the 2024 Street Maintenance Project; Authorizing further negotiations and change orders necessary for the completion of the 2024 Street Maintenance Project; Council Member Wardell and Council Member Turner were absent.

CITY REPORTS

CITY COUNCIL

Council Member Richins mentioned the Council of Government (COG) meeting and complimented Council Member Alexander for his participation on the Wasatch Front Regional Council Community Development Block Grant Review Committee.

Mayor expressed the importance of being active in those meetings and showing Morgan City's interest in the growth of our community.

CITY MANAGER

Employee Survey & Goals – Ty stated the Personnel Policy Manual required that a report be given on employee goal setting and survey. He said a satisfaction survey was completed by each employee and it contained a peer review component which was used during the goal setting interviews with each employee. He explained that next fall he would have meetings with each employee to review the goals and award annual bonuses based on safety and personal performance goals.

2023 Audit – Ty explained the 2023 Audit was late, but it would be presented to the City Council in March. He had been in contact with the Auditor's office, and they had some employees get sick and they got behind. He complimented Staff for being responsive and getting the information to the Auditor as soon as it was requested. He stated the big risk of being late was to the rating agencies. He stated as soon as he received the 2023 Audit it would be sent to those agencies.

Como Springs – Ty stated Como Springs was moving forward with their application for a conditional use permit with Morgan County. He said the City had a checklist of items they wanted. The City requested final drawings so they could review the last set of revisions thoroughly. Conditions related to water rights transfer were among the items on the to-do list, and also ensuring compliance with City standards regarding installation of infrastrucure. The recording of an easement was also pending.

Council Member Alexander stated the site plan review was discussed in several County Planning Commission discussions last Thursday during their meeting. Despite the City's earlier letter expressing concerns about directing traffic down 100 South, the County Planning Commission proceeded with the site plan. This decision was significant in light of the City's previous suggestion to avoid using 100 South as the primary access. The County Planning Commission had set a condition that the applicant could only use 100 South for emergency purposes, even prompting discussions about potentially redoing the bridge. Subsequently, a few months later, the applicant requested a hearing and the hearing officer contested and successfully overturned several decisions made by the County Commission, contradicting their directives. There were lingering questions, particularly concerning the County's RV park and group ordinance. The County asserted that the ordinance did not apply in this case as the establishment was considered grandfathered. Despite not providing specific details such as dates or terms, it was mentioned that there were around 90 RV spots, 30 tents, and an additional 30 cabins, along with a restaurant. County Staff members expressed that the entity could introduce any changes or additions they desired, citing the exemption from the County ordinance.

Gary Crane, City Attorney, explained a Land Use Appeal Authority, typically handled appeals for conditional use permits. Appeals were directed to a hearing officer, a position introduced to replace the previous Board of Adjustment. The hearing officer, familiar with land use, reviewed ordinances and ensured compliance. Appeals from the hearing officer's decision could be further escalated to District Court.

Concerns were raised about the impact of increased traffic on 100 South and the safety hazards near a school crossing. The discussion delved into the possibility of annexation and the City's provision of utilities. Questions were raised about the binding nature of a will serve letter, and potential conditions were considered. The City Council aimed to ensure that all conditions were met before final acceptance, maintaining a vigilant stance on the project's compliance with City standards. The dialogue highlighted ongoing complexities and potential issues related to the development.

Gary clarified that a conditional use permit would not go to the County Commission, the legislative body, for approval. The Planning Commission had final say on the permit and if they disagreed with the conditions it would go before the Appeal Authority. He stated it was tough to turn down a conditional use under state law because if you can "mitigate" the existing circumstances which were negative impacts, a conditional use had to be approved.

Ty stated the City needed to make sure we got our answers to the questions of "how" water and sewer were going to be provided and that they complied with all the conditions the City had on infrastructure. He stated the City also needed the easement and to make sure the City's list of standards were met before they got final acceptance.

Website Transition – Ty explained CivicPlus bought out Municode, which hosted our website, and the City had gone through a transition moving the website over to CivicPlus. He asked if the Council heard or noticed a concern regarding the website please let the City know so we could look into it and remedy the issue.

City Facilities Tour – Ty informed the Council the City Facilities Tour would we held on April 10th and he invited the Council to come and visit with City Staff and tour City facilities, then finish with lunch in the park.

CLOSED SESSION

MOTION: Council Member Alexander moved to go into a closed session at 8:25 p.m. for the purpose of discussing the purchase, exchange, or lease of real property, including any form of a water right or water shares. (Utah Code Section 52-4-205(1)(d)).

SECOND: Council Member Richins

Vote: 3 ayes; Motion passed to go into closed session; Council Member Wardell and Council Member Turner were absent.

PRESENT: Mayor Gale, Ty Bailey, City Manager, Gary Crane, City Attorney, Denise Woods, City Recorder, Council Member Richins, Council Member London, and Council Member Alexander.

MOTION: Council Member Alexander moved to open the meeting at 8:48 p.m.

SECOND: Council Member Richins

Vote: 3 ayes; Motion passed to come out of closed session; Council Member Wardell and Council Member Turner were absent.

This meeting was adjourned at 8:49 p.m.

_____ _____

Denise Woods, City Recorder Steve Gale, Mayor

DRAFT

These minutes were approved at the March 12, 2024 meeting.

SWORN STATEMENT

The undersigned hereby swears and affirms, pursuant to Section 52-4-205(1) of the Utah Code Annotated, that the sole purpose for the closed meeting of the Morgan City Council on the **27th day of February, 2024,** was to discuss the purchase, exchange, or lease of real property.

Dated this ____ day of February, 2024.

ATTEST:

_____ _____

STEVE GALE, Mayor DENISE WOODS, City Recorder

ORDINANCE 24-05

AN ORDINANCE ADOPTING THE MORGAN CITY GENERAL PLAN UPDATE; PROVIDING FOR REPEALER; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN IMMEDIATE EFFECTIVE DATE.

WHEREAS, the Morgan City Planning Commission has reviewed the City's General Plan Update and has recommended adoption thereof; and

WHEREAS, the Planning Commission's action of recommending approval of the General Plan Update is reasonably and rationally based; and

WHEREAS, due to the growth of Morgan City, the City Council of Morgan City deems it to be in the best interest of the health, safety, and welfare of the citizenry to adopt the General Plan Update.

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

SECTION 1 **Repealer.** If any provisions of the Morgan City General Plan Update heretofore adopted are inconsistent herewith, they are hereby repealed.

SECTION 2. **Enactment.** That the reviewed General Plan Update, with its accompanying tables, charts, and maps, which is attached hereto and incorporated herein by this reference, is hereby adopted.

SECTION 3. **Severability.** If any section, subsection, sentence, clause, or phrase of this ordinance is declared invalid or unconstitutional by a court of competent jurisdiction, said portion shall be severed and such declaration shall not affect the validity of the remainder of this ordinance.

SECTION 4. **Effective Date.** This Ordinance, being necessary for the peace, health, and safety of the City, shall become effective immediately upon posting.

PASSED AND ADOPTED by the City Council of Morgan, Utah, this 12th day of March, 2024.

_____
STEVE GALE, Mayor

ATTEST:

_____
DENISE WOODS, City Recorder

CITY COUNCIL VOTE AS RECORDED:

	Aye	Nay	Excused
Council Member London	___	___	___
Council Member Wardell	___	___	___
Council Member Turner	___	___	___
Council Member Richins	___	___	___
Council Member Alexander	___	___	___

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

Mayor Gale	___	___

GENERAL PLAN UPDATE LINK

https://landmarkdesign.egnyte.com/fl/zNpZQJvKgG

ORDINANCE 24-01

AN ORDINANCE ADOPTING THE MORGAN CITY ANNEXATION POLICY DECLARATION, INCLUDING PROPOSED EXPANSION AREA MAP; PROVIDING FOR REPEALER; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Morgan City Planning Commission has reviewed the Annexation Policy Declaration and Proposed Expansion Area Map, and have recommended adoption thereof; and

WHEREAS, the Planning Commission's action of recommending approval of the Annexation Policy Declaration and Proposed Expansion Area Map are reasonable and rationally based; and

WHEREAS, due to the growth of Morgan City and the requirements of State law, the City Council deems it to be in the best interest of the health, safety, and welfare of the citizenry to adopt an Annexation Policy Declaration and Proposed Expansion Area Map; and

WHEREAS, the City Council, after reviewing the Planning Commission's recommendation and reviewing the Annexation Policy Declaration and Proposed Expansion Area Map, and making certain modifications thereto, determines that the recommendations of the Annexation Policy Declaration and Proposed Expansion Area Map are reasonable and rationally based.

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

SECTION 1: **Repealer.** If any provisions of the City's General Plan or Annexation Policies heretofore adopted are inconsistent herewith, they are hereby repealed.

SECTION 2: **Enactment.** That the Annexation Policy Declaration and Proposed Expansion Area Map, which are attached hereto and incorporated herein by this reference, are adopted.

SECTION 3: **Severability.** If any section, subsection, sentence, clause, or phrase of this ordinance is declared invalid or unconstitutional by a court of competent jurisdiction, said portion shall be severed and such declaration shall not affect the validity of the remainder of the ordinance.

SECTION 4: **Effective Date.** This Ordinance, being necessary for the peace, health and safety of the City shall become effective immediately upon posting.

PASSED AND ADOPTED by the City Council of Morgan, Utah, this 12th day of March, 2024.

_____
STEVE GALE, Mayor

ATTEST:

_____
DENISE WOODS, City Recorder

CITY COUNCIL VOTE AS RECORDED:

	Aye	Nay	Excused
Council Member London	___	___	___
Council Member Wardell	___	___	___
Council Member Turner	___	___	___
Council Member Richins	___	___	___
Council Member Alexander	___	___	___

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

Mayor Gale	___	___

MORGAN CITY ANNEXATION POLICY PLAN

Adopted March 12, 2024

Introduction:

Utah Code Annotated (UCA) 10-2-4 requires that all municipalities in the State of Utah adopt an Annexation Policy Plan. Within that Annexation Policy Plan, cities must provide a map of the areas the city will consider for annexation into its municipal boundaries. Additionally, cities are required to outline the conditions under which they will consider annexation and the process for handling such requests. The Annexation Policy Plan enables cities to guide the growth and development of the city for the next 20 years.

The Morgan City Annexation Policy Plan (the "Plan") is intended to guide elected officials, appointed officials, and staff when evaluating, recommending, and making decisions regarding annexations. Over time, as Morgan City (the "City") continues to grow, the Plan will allow the City to coordinate annexation requests with other affected entities. Such entities may include, but are not limited to, special service districts, Morgan County School District, the Morgan County Sheriff, Morgan Fire Department, and surrounding Unincorporated Morgan County.

Morgan City Background:

The Morgan area was settled in 1861, and the City was incorporated in 1868. Like many communities, Morgan City has grown over the years and is expected to continue to grow. See Morgan City population growth table:

Year	Morgan City Population
2000	2,833
2010	3,768
2020	4,085
2023	4,485

Sources: Census Data 2000, 2010, 2020. 2023 ESRI

1) The following factors are among many that will most likely lead to growth:
   a) Current residents of Morgan City enjoy living there, and children want to stay.
   b) Reasonable commuting distance to Weber and Davis County jobs and economic development.
   c) Proximity to Interstate 84.
   d) Solid and growing local economy in both the City and County.
   e) Surrounding farmland, which is also suitable for development.

Purpose:

1) The Morgan City Annexation Policy Plan is designed to guide our community's orderly growth and development. This Plan outlines the framework for annexing territories into Morgan City, ensuring that growth aligns with our long-term vision and community values while adhering to Utah's statutory requirements for municipal expansion.

Annexation Criteria:

1) The annexation criteria for considering annexation include the need for balanced development, municipal services and infrastructure capacity, geographical contiguity, and the impact on affected entities. These criteria ensure that annexation benefits both the City and its potential new residents, fostering a cohesive community.

2) Morgan City considers requests for annexation using criteria outlined in UCA 10-2 Part 4:

   a) The area is within the boundaries of the City's approved expansion area (i.e. the Annexation Declaration Boundary found on the Annexation Map).

   b) The following are the standards of review by which annexation into the City's municipal boundaries shall be evaluated:

      i) Compliance with the City's General Plan and overall character of the community.

         (1) The General Plan shall serve as a guide for defining and outlining the character of Morgan City.

      ii) The need for municipal services in developed and undeveloped incorporated areas:

         (1) The City's plan for the extension of municipal services.

         (2) How such services will be financed.

      iii) An estimate of the tax consequences to residents both currently within the municipal boundaries and in the area proposed for annexation.

      iv) The interests of all affected entities.

   c) Morgan City is required to justify excluding from the Expansion Area any area containing urban development within one-half mile of the municipality's boundaries.

      i) There are areas containing land that are difficult to service with roads and utilities or build upon within the half-mile of Morgan City's boundaries. The City will consider those areas for annexation if petitioned as required by the Utah State Code, public safety, utilities, and City ordinances.

   d) In developing, considering, and adopting the Annexation Area Map, the City will:

      i) Consider population growth projections for the City and for the next 20 years.

      ii) Consider current and projected infrastructure costs, utility services, and public facilities necessary:

         (1) To facilitate the full development of the area within Morgan City; and

         (2) To expand the infrastructure, services, and facilities into the area being considered for inclusion in the Expansion Area;

iii) Consider, in conjunction with Morgan City's General Plan, the need for additional land suitable for residential, commercial, and industrial development over the next 20 years.

e) Consider the reasons for including agricultural lands, flood plains/wetlands, recreational areas, and wildlife management areas in the municipality.

Annexation Petition Process:

1) State law governs cities in Utah must process petitions for annexation. Morgan City intends to comply fully with state requirements. Applicants considering application should consult with City Staff, review current State Law, which may include UCA 10-2- Part 4, and follow City ordinances and applications.

2) It is expected that the Annexation Process will include the following:

   a) File a notice of intent and application with the City.

   b) Preparation of legal maps of areas for the proposed annexation.

   c) Prepare an official petition for annexation.

   d) Publishing and noticing the petition.

   e) Recommendations for zoning by the Planning Commission and final Zoning designation by the City Council.

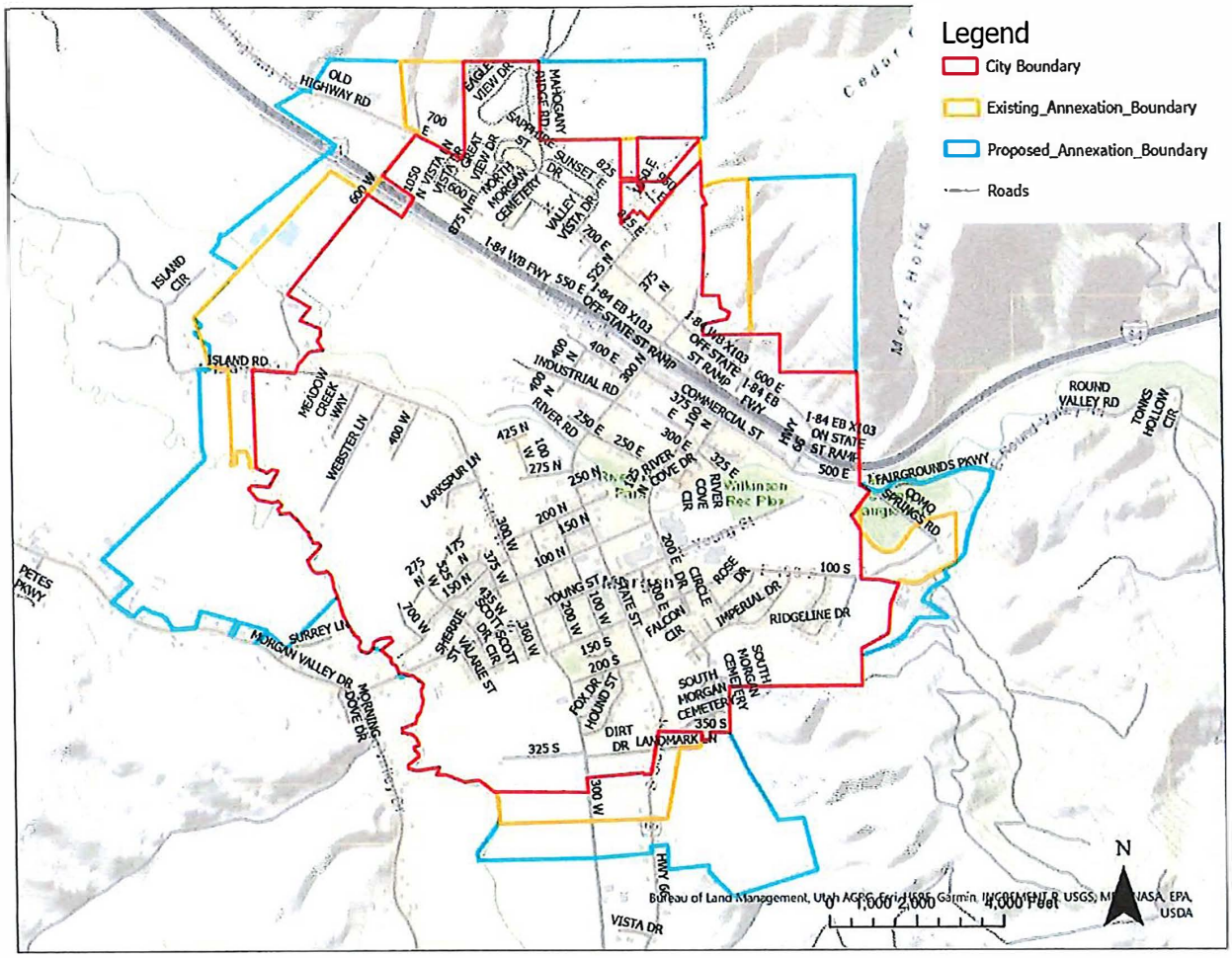
   f) Hold a public hearing.

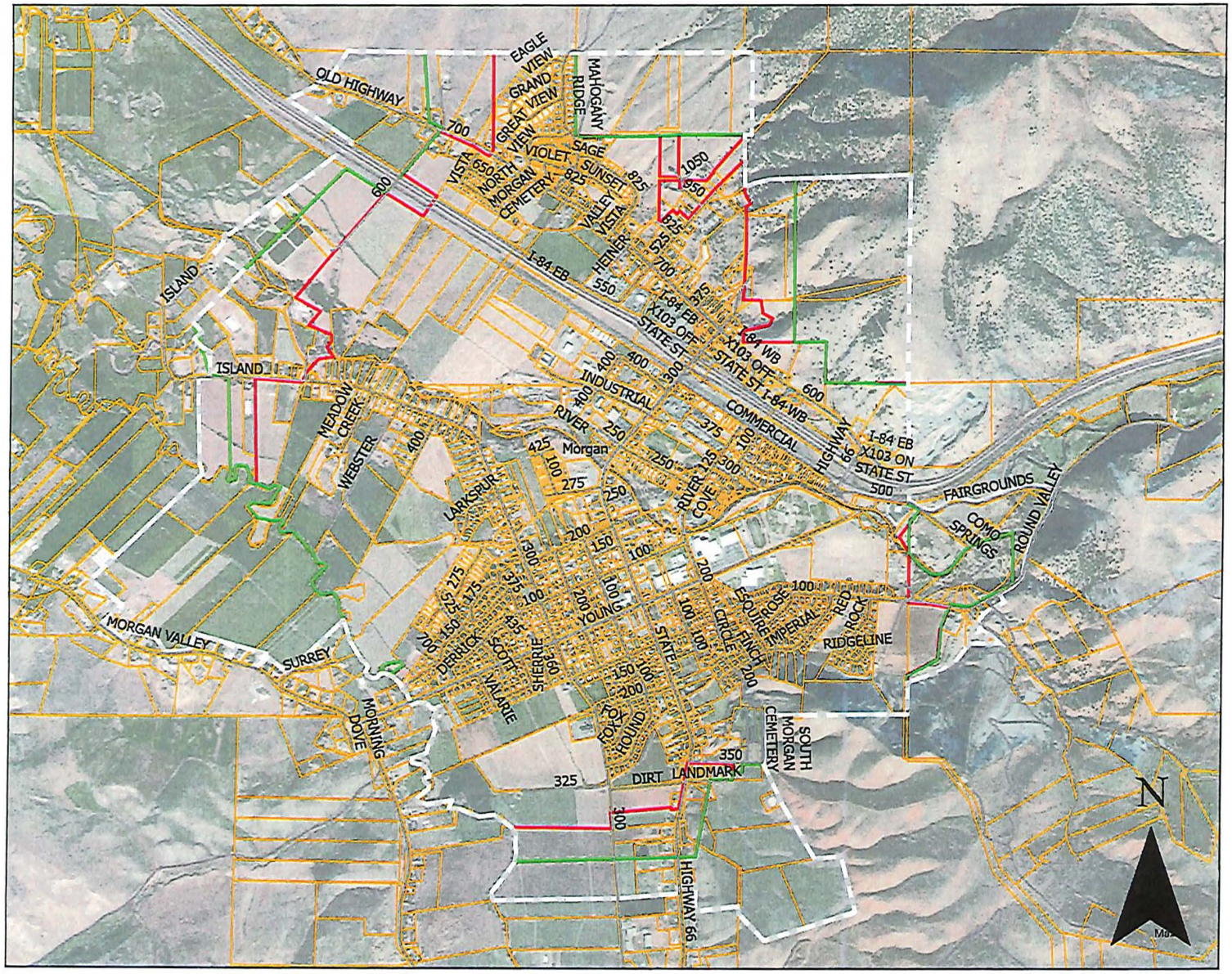
   g) Review and approval by City Councils.

   h) Opportunities for protest by entities.

   i) Final review by City Council.

Annexation Map





Morgan City Annexation Boundary Map 03-12-2024

MORGAN CITY
EST 1868

Legend

- Roads
- Potentential_Annexation_Boundary
- Existing_Annexation_Boundary
- City Boundary
- Parcels_Morgan

0 0.25 0.5 1 Miles

MORGAN CITY
BASIC FINANCIAL STATEMENTS AND
REQUIRED SUPPLEMENTARY INFORMATION
WITH INDEPENDENT AUDITOR'S REPORTS
YEAR ENDED JUNE 30, 2023

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Christensen,
Palmer & Ambrose
Certified Public Accountants
Business Advisors

Kent R. Christensen, CPA
Jeffrey L. Ambrose, CPA
Chuck Palmer, CPA

Independent Auditor's Report

To the Mayor and City Council
Morgan City, Utah

Report on the Audit of the Financial Statements

Opinions

We have audited financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Morgan City as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Morgan City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Morgan City as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Morgan City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Morgan City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial
statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Morgan City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Morgan City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information on pages 3-7 and 48-53 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining financial statements on pages 54-55 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining financial statements on pages 54-55 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2024 on our consideration of Morgan City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Morgan City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Morgan City's internal control over financial reporting and compliance.

Christensen, Palmer & Ambrose, PC

February 17, 2024
Ogden, UT

This document is a narrative overview and analysis of the financial activities of Morgan City for the fiscal year ending June 30, 2023. Morgan City management encourages readers to consider the information presented here in conjunction with the financial statements, which follow this section. To help the reader with navigation of this report the city's activities are classified in the following manner: government activities include basic services such as public safety, public works, parks and recreation, cemetery and general government administration, while business-type activities include water, sewer, electric, and sanitation. These government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the City.

Basic Financial Statements

- The Statement of Net Position focuses on resources available for future operations. In simple terms, this statement presents a snapshot view of the assets the community owns, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. Government activities reflect capital assets including infrastructure and long-term liabilities. Business-type activities have long reported capital assets and long-term liabilities.

- The Statement of Activities focuses gross and net costs of city programs and the extent to which such programs rely upon general tax and revenues. This statement summarizes the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.

- Fund financial statements focus separately on major government funds and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. The City's major government funds are presented in their own column and the remaining funds are combined into a column titled "Other Government Funds." A budgetary comparison is presented for the general fund, which is the only fund for which a budget is legally adopted. Statements for the City's proprietary funds follow the governmental funds and include net position, revenues, expenses and changes in net position, and cash flow.

- The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the City's financial condition.

Readers desiring additional information on nonmajor funds can find it in the Combining Statements of Nonmajor Funds section of this report. Completing the financial section of the report are schedules on capital assets and other financial schedules.

The Management's Discussion and Analysis is intended to explain the significant changes in financial position and differences in operation between the current and prior years.

City as a Whole

Government-wide Financial Statements
A condensed version of the Statement of Net Position at June 30, 2023 and 2022 follows:

During the year ended June 30, 2023 there were some significant events that changed the components of net position. An explanation of these events follows:

Governmental Activities:

- The governmental activities saw a net increase to capital assets of $1,537,030, with additions of $2,335,447 and depreciation of $475,807.
- Total cash in the governmental activities increased by $4,558,594 of which an increase of $365,953 was unrestricted and an increase of $4,192,641 was restricted.

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
ASSETS						
Cash and Investments	$ 7,720,445	$ 3,161,851	$ 2,755,068	$ 2,982,063	$ 10,475,513	$ 6,143,914
Other Assets	445,770	612,290	1,341,190	1,396,150	1,786,960	2,008,440
Capital Assets	10,613,599	9,076,571	13,215,082	13,377,843	23,828,681	22,454,414
Total Assets	18,779,814	12,850,712	17,311,340	17,756,056	36,091,154	30,606,768
Deferred Outflows of Resources	120,155	88,645	197,107	150,370	317,262	239,015
Total Assets & Deferred Outflows	18,899,969	12,939,357	17,508,447	17,906,426	36,408,416	30,845,783
LIABILITIES						-
Current Liabilities	1,196,393	1,057,712	349,504	658,185	1,545,897	1,715,897
Noncurrent Liabilities	3,894,773	154,381	2,798,318	2,840,000	6,693,091	2,994,381
Total Liabilities	5,091,166	1,212,093	3,147,822	3,498,185	8,238,988	4,710,278
Deferred Inflows of Resources	628,376	797,254	8,919	425,072	637,295	1,222,326
Total Liabilities & Deferred Inflows	5,719,542	2,009,347	3,156,741	3,923,257	8,876,283	5,932,604
NET POSITION						-
Net Investment in Capital Assets	6,592,599	9,076,571	10,016,115	9,944,879	16,608,714	19,021,450
Restricted	1,050,693	823,542	609,980	479,567	1,660,673	1,303,109
Unrestricted	5,537,135	1,029,897	3,725,611	3,558,723	9,262,746	4,588,620
Total net position	$13,180,427	$ 10,930,010	$ 14,351,706	$ 13,983,169	$ 27,532,133	$ 24,913,179

Business-Type Activities:

- Total cash and investments in the business-type activities decreased by $226,995.
- The interfund payable from the Electric Fund to the Water Fund was $375,530.

A condensed version of the Statement of Activities follows:

Governmental and Business-Type Activities for the years ended June 30, 2023 and 2022:

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Program revenues:						
Charges for Services	$ 375,041	$ 516,296	$ 5,204,558	$ 4,819,146	$ 5,579,599	$ 5,335,442
Grants and Contributions	1,558,611	792,447	136,268	245,958	1,694,879	1,038,405
General revenues:						-
Taxes	2,598,058	2,243,081	-	-	2,598,058	2,243,081
Interest	128,324	5,441	139,931	27,241	268,255	32,682
Miscellaneous	193,975	64,897	191,943	94,266	385,918	159,163
Total revenues	4,854,009	3,622,162	5,672,700	5,186,611	10,526,709	8,808,773
Expenses:						-
General Government	982,855	833,242	-	-	982,855	833,242
Public Safety	188,553	252,255	-	-	188,553	252,255
Public Works	1,030,286	732,323	-	-	1,030,286	732,323
Parks and Recreation	218,625	127,406	-	-	218,625	127,406
Cemetery	182,790	167,929	-	-	182,790	167,929
Shop	483	(3,342)	-	-	483	(3,342)
Interest	-	-	-	-	-	-
Water	-	-	848,854	866,039	848,854	866,039
Sewer	-	-	807,800	1,228,786	807,800	1,228,786
Electric	-	-	3,267,555	2,557,035	3,267,555	2,557,035
Sanitation	-	-	379,954	405,939	379,954	405,939
Total Expenses	2,603,592	2,109,813	5,304,163	5,057,799	7,907,755	7,167,612
Change in Net Position	2,250,417	1,512,349	368,537	128,812	2,618,954	1,641,161
Transfers Out	-	-	-	-	-	-
Beginning Net Position	10,930,010	9,417,661	13,983,169	13,854,357	24,913,179	23,272,018
Ending Net Position	$13,180,427	$ 10,930,010	$ 14,351,706	$ 13,983,169	$ 27,532,133	$ 24,913,179

Governmental activities:

For the year ended June 30, 2023, the total revenues for the governmental activities were $4,854,009. Program revenues totaled $1,933,652. The major sources of program revenues are building permits, impact fees, and capital grants. General revenues for the year totaled $2,920,357. The major sources of general revenues are taxes and interest earnings. Taxes comprise 53.52% of the City's general fund revenues. The City also received $252,856 in ARPA Act Revenue during the fiscal year in relation to the COVID-19 Pandemic. All the ARPA Act Revenue that was expended during the fiscal year was recognized as an other financing source.

Business-type activities:

For the year ended June 30, 2023, the total revenues for the business-type activities were $5,672,700. Program revenues totaled $5,340,826. The majority of the revenue is from charges for services of the enterprise funds. The general revenues in the business-type activities consist of $139,931 in interest income, and $191,973 in miscellaneous incomes. The water, sewer, electric and sanitation funds had operating income(loss) of $186,037, $475,767, ($538,466), and $53,256. The internal service fund had an operating income of $166,492.

Budgetary Highlights

Over the course of the year the City Council revised the budget to make small modifications to accommodate unexpected expenditures. In total, the general fund's expenditures were $240,996 more than was budgeted. All departments and funds maintained expenditures within their appropriations besides the roads department.

Capital Assets

At June 30, 2023 the City had $23,828,681 invested in capital assets, including park and recreation facilities, buildings, roads, bridges, sanitation, and electric and water and sewer lines. This amount represents a net increase (additions, deductions, and depreciation) of $1,374,267 over last year.

Capital Assets at Year-end

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	$ 450,480	$ 450,480	$ 200,608	$ 200,608	$ 651,088	$ 651,088
Easements	-	-	35,000	35,000	35,000	35,000
Water Stock	-	-	90,114	90,114	90,114	90,114
Improvements	1,735,799	1,521,765	-	-	1,735,799	1,521,765
Buildings	1,054,519	948,957	1,169,257	1,169,257	2,223,776	2,118,214
Equipment	1,894,322	1,720,682	1,578,357	1,557,577	3,472,679	3,278,259
Utility Systems	-	-	18,279,881	17,822,035	18,279,881	17,822,035
Infrastructure	8,467,581	8,048,137	-	-	8,467,581	8,048,137
Construction in Progress	1,992,634	1,002,495	39,429	26,707	2,032,063	1,029,202
Subtotal	15,595,335	13,692,516	21,392,646	20,901,298	36,987,981	34,593,814
Accum Depreciation	(4,981,736)	(4,615,945)	(8,177,564)	(7,523,455)	(13,159,300)	(12,139,400)
Capital Assets, Net	$10,613,599	$ 9,076,571	$ 13,215,082	$ 13,377,843	$ 23,828,681	$ 22,454,414

The most significant additions to capital assets were $419,444 in infrastructure, $194,420 vehicles and equipment for the motor pool fund, $457,846 for utility systems, and $1,002,861 for construction in progress.

Debt Outstanding

At year-end, the City had $7,192,091 in long term liabilities outstanding versus $3,148,381 last year, a increase of $4,043,710.

A total of $154,000 in debt was retired during the year.

Governmental Activities:	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due Within One Year
Series 2022 Revenue Bonds	$ -	$ 4,021,000	$ -	$ 4,021,000	$ 341,000
Compensated Absences	154,381	8,757	-	163,138	-
Net Pension Liability	-	51,635	-	51,635	-
Total Governmental Activities	$ 154,381	$ 4,081,393	$ -	$ 4,235,773	$ 341,000

Business-type Activities:	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Amounts Due Within One Year
Series 2010 Sewer Bonds	$ 536,000	$ -	$ (26,000)	$ 510,000	$ 28,000
Series 2018 Sewer Bonds	2,458,000	-	(128,000)	2,330,000	130,000
Net Pension Liability	-	116,318	-	116,318	-
Total Debt	2,994,000	116,318	(154,000)	2,956,318	158,000
Total Business-type Activities	$ 2,994,000	$ 116,318	$ (154,000)	$ 2,956,318	$ 158,000

Financial Contact

The City's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the City's finances and to demonstrate the City's accountability. If you have questions about the report or need additional financial information, please contact the City's Recorder at 90 W Young, Morgan, Utah 84050.

BASIC FINANCIAL STATEMENTS

MORGAN CITY
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
Assets and Deferred Outflows of Resources			
Current Assets:			
Cash	$ 2,687,466	$ 2,145,088	$ 4,832,554
Restricted Cash	5,032,979	609,980	5,642,959
Accounts Receivable (Net)	1,247	392,329	393,576
Due From Other Governments	1,075,960	-	1,075,960
Inventory	-	262,180	262,180
Prepaid Expenses	10,256	44,988	55,244
Due to/from Other Funds	(641,693)	641,693	-
Total Current Assets	8,166,215	4,096,258	12,262,473
Noncurrent Assets:			
Net Pension Asset	-	-	-
Capital Assets:			
Water Shares	-	90,114	90,114
Land	450,480	200,608	651,088
Buildings and Improvements	2,790,318	1,169,257	3,959,575
Easements	-	35,000	35,000
Machinery and Equipment	1,894,322	18,279,881	20,174,203
Infrastructure and Utility Systems	8,467,581	1,578,357	10,045,938
Construction in Progress	1,992,634	39,429	2,032,063
Less Accumulated Depreciation	(4,981,736)	(8,177,564)	(13,159,300)
Total Capital Assets, Net	10,613,599	13,215,082	23,828,681
Total Assets	18,779,814	17,311,340	36,091,154
Deferred Outflows of Resources			
Deferred Outflows of Resources Relating to Pensions	120,155	197,107	317,262
Total Assets and Deferred Outflows of Resources	18,899,969	17,508,447	36,408,416
Liabilities and Deferred Inflows of Resources			
Current Liabilities:			
Accounts Payable	818,487	162,929	981,416
Customer Deposits	-	28,575	28,575
Other Accrued Liabilities	36,906	-	36,906
Noncurrent Due Within One Year	341,000	158,000	499,000
Total Current Liabilities	1,196,393	349,504	1,545,897
Noncurrent Liabilities:			
Due in More Than One Year	3,843,138	2,682,000	6,525,138
Net Pension Liability	51,635	116,318	167,953
Total Noncurrent Liabilities	3,894,773	2,798,318	6,693,091
Deferred Inflows of Resources Relating to Pensions	2,366	8,919	11,285
Deferred Property Taxes	626,010	-	626,010
Total Liabilities and Deferred Inflows of Resources	5,719,542	3,156,741	8,876,283
NET POSITION			
Net Investment in Capital Assets	6,592,599	10,016,115	16,608,714
Restricted For:			
Class "C" Roads	22,667	-	22,667
Impact Fees	441,661	93,328	534,989
Debt Service	-	516,652	516,652
Redevelopment Agency	273,232	-	273,232
Perpetual Care	234,859	-	234,859
Municipal Building	78,274	-	78,274
Unrestricted	5,537,135	3,725,611	9,262,746
Total Net Position	$ 13,180,427	$ 14,351,706	$ 27,532,133

The accompanying notes are an integral part of these financial statements.

MORGAN CITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

		Program Revenues			Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs							
Governmental Activities							
General Government	$ 982,855	$ 289,362	$ 1,324,156	$ -	$ 630,663	$ -	$ 630,663
Public Safety	188,553	-	-	-	(188,553)	-	(188,553)
Public Works	1,030,286	7,431	234,455	-	(788,400)	-	(788,400)
Parks and Recreation	218,625	33,298	-	-	(185,327)	-	(185,327)
Cemetery	182,790	44,950	-	-	(137,840)	-	(137,840)
Shop	483	-	-	-	(483)	-	(483)
Total Governmental Activities	2,603,592	375,041	1,558,611	-	(669,940)	-	(669,940)
Business-type Activities							
Water	848,854	962,162	-	36,023	-	149,331	149,331
Sewer	807,800	1,183,654	-	47,965	-	423,819	423,819
Electric	3,267,555	2,667,144	-	52,280	-	(548,131)	(548,131)
Sanitation	379,954	391,598	-	-	-	11,644	11,644
Total Business-type Activities	5,304,163	5,204,558	-	136,268	-	36,663	36,663
Total Government	$ 7,907,755	$ 5,579,599	$ 1,558,611	$ 136,268	(669,940)	36,663	(633,277)
		General Revenues:					
		Taxes					
		Property			952,926	-	952,926
		Sales and Use			1,563,233	-	1,563,233
		Fee in Lieu			52,012	-	52,012
		Telecommunication			21,271	-	21,271
		Transient Room Tax			8,616	-	8,616
		Interest and Investment Earnings			128,324	139,931	268,255
		Miscellaneous			193,975	191,943	385,918
		Total General Revenues and Transfers			2,920,357	331,874	3,252,231
		Change in Net Position			2,250,417	368,537	2,618,954
		Net Position at Beginning of Year			10,930,010	13,983,169	24,913,179
		Net Position at End of Year			$ 13,180,427	$ 14,351,706	$ 27,532,133

The accompanying notes are an integral part of these financial statements.

MORGAN CITY
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2023

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	$ 1,700,920	$ 673,281	$ 2,556	$ 2,376,757
Restricted Cash	464,328	4,085,866	482,785	5,032,979
Due from Other Funds	-	-	-	-
Accounts Receivable	-	-	1,247	1,247
Due From Other Governments	971,642	-	104,318	1,075,960
Prepaid Expenses	10,256	-	-	10,256
TOTAL ASSETS	$ 3,147,146	$ 4,759,147	$ 590,906	$ 8,497,199
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 759,412	$ 8,371	$ 1,985	$ 769,768
Due to Other Funds	-	-	-	-
Other Accrued Liabilities	36,906	-	-	36,906
TOTAL LIABILITIES	796,318	8,371	1,985	806,674
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - CARES Act	-	-	-	-
Deferred Property Taxes	626,010	-	-	626,010
TOTAL DEFERRED INFLOWS OF RESOURCES	626,010	-	-	626,010
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	1,422,328	8,371	1,985	1,432,684
FUND BALANCES				
Non-spendable:				
Prepaids	10,256	-	-	10,256
Restricted for:				
Class C Roads	22,667	-	-	22,667
Road Impact Fees	31,762	-	-	31,762
Park Impact Fees	409,899	-	-	409,899
Redevelopment Agency	-	-	273,232	273,232
Perpetual Care	-	-	234,859	234,859
Municipal Building	-	-	78,274	78,274
Assigned:				
Capital Projects	-	4,750,776	-	4,750,776
Unassigned	1,250,234	-	2,556	1,252,790
TOTAL FUND BALANCES	1,724,818	4,750,776	588,921	7,064,515
TOTAL LIABILITIES, DEFERRED OUTFLOWS AND FUND BALANCES	$ 3,147,146	$ 4,759,147	$ 590,906	$ 8,497,199

The accompanying notes are an integral part of these financial statements.

MORGAN CITY
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Amounts reported for governmental activities in the statement of net position are different because:	
Total fund balances--total governmental funds	$ 7,064,515
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the fund fund financial statements.	10,613,599
Less amounts reported in internal service fund, represented below	(822,488)
Internal Service Funds are used by management to charge the costs of fleet management to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Position.	442,785
Deferred inflows of resources, a use of net position that applies to future periods, is not shown in the fund statements.	(2,366)
Deferred outflows of resources, a consumption of net position that applies to future periods, is not shown in the fund statements.	120,155
Net Pension assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	-
Long-term liabilities are not due and payable in the current period and therefore are not reported in the fund financial statements. Those liabilities consist of:	
2023 Bonds	(4,021,000)
Net Pension Liability	(51,635)
Compensated Absences	(163,138)
Net position of governmental activities	$ 13,180,427

The accompanying notes are an integral part of these financial statements.

MORGAN CITY
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	$ 2,209,581	$ -	$ 388,477	$ 2,598,058
Licenses and Permits	104,213	-	-	104,213
Intergovernmental	1,305,755	-	-	1,305,755
Charges For Services	44,269	-	220,300	264,569
Fines	-	-	-	-
Other Revenues	225,881	35,820	8,105	269,806
Total Revenues	3,889,699	35,820	616,882	4,542,401
EXPENDITURES				
Current Operating:				
General Government	589,094	93,504	238,107	920,705
Public Safety	188,553	-	-	188,553
Public Works	688,248	-	148,161	836,409
Parks and Recreation	181,589		-	181,589
Cemetery	185,262	-	-	185,262
Shop	3,370	-	-	3,370
Capital Outlay				
General Government	412,696	-	-	412,696
Parks and Recreation	-	-	-	-
Public Works	1,009,417	307,064	-	1,316,481
Total Expenditures	3,258,229	400,568	386,268	4,045,065
Excess of Revenues Over (Under) Expenditures	631,470	(364,748)	230,614	497,336
OTHER FINANCING SOURCES (USES)				
ARPA Act Revenue	252,856	-	-	252,856
Bond Proceeds	-	4,021,000	-	4,021,000
Bond Interest	-	84,203	-	84,203
Transfers-In	-	-	-	-
Transfers-Out	-	-	-	-
Total Other Financing Sources (Uses)	252,856	4,105,203	-	4,358,059
Net Change in Fund Balances	884,326	3,740,455	230,614	4,855,395
Fund Balances at Beginning of Year	840,492	1,010,321	358,307	2,209,120
Fund Balances at End of Year	$ 1,724,818	$ 4,750,776	$ 588,921	$ 7,064,515

The accompanying notes are an integral part of these financial statements.

MORGAN CITY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2023

Net change in fund balance, total governmental funds		$ 4,855,395
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		
Capital Outlays	1,729,177	
Depreciation Expense	(318,621)	1,410,556
The net book value of capital assets transferred to the internal service fund during the fiscal year		-
Internal Service Funds are used by management to charge the costs of fleet management to individual funds. The net income of certain activities of the Internal Service Fund is reported with governmental activities.		(25,451)
The Statement of Activities includes the net pension benefit (expense) from the adoption of GASB 68, which is not included in the fund financial statements.		39,675
Capital assets contributed by developers constitute revenues on the government-wide financial statements.		-
Repayment of debt principal and compensated absences is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. The debt principal repaid are as follows:		
Issuance of new debt		(4,021,000)
Net change of Compensated Absences		(8,758)
Change in net position of governmental activities		$ 2,250,417

The accompanying notes are an integral part of these financial statements.

MORGAN CITY
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
PROPRIETARY FUNDS
JUNE 30, 2023

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water	Sewer	Electric	Sanitation	Total	Internal Service
ASSETS						
Current Assets:						
Cash	$ 324,081	$ 955,602	$ 777,678	$ 87,727	$ 2,145,088	$ 310,709
Restricted Cash	-	516,652	93,328	-	609,980	-
Accounts Receivable (Net)	81,601	101,846	174,663	34,219	392,329	-
Inventory	49,574	1,250	211,356	-	262,180	-
Due from Other Funds	-	-	375,530	-	375,530	-
Prepaid Expenses	10,557	10,557	13,926	9,948	44,988	-
Total Current Assets	465,813	1,585,907	1,646,481	131,894	3,830,095	310,709
Noncurrent Assets:						
Net Pension Asset	-	-	-	-	-	-
Capital Assets:						
Water Shares	90,114	-	-	-	90,114	-
Land	36,683	67,131	96,794	-	200,608	-
Buildings	9,905	9,905	1,001,942	147,505	1,169,257	-
Easements	-	35,000	-	-	35,000	-
Utility Systems	6,571,010	7,634,661	4,074,210	-	18,279,881	-
Machinery and Equipment	190,574	401,105	986,678	-	1,578,357	1,162,661
Construction in Progress	-	39,429	-	-	39,429	-
Less Accumulated Depreciation	(2,952,583)	(2,580,586)	(2,588,575)	(55,820)	(8,177,564)	(340,173)
Total Capital Assets, Net	3,945,703	5,606,645	3,571,049	91,685	13,215,082	822,488
Total Assets	4,411,516	7,192,552	5,217,530	223,579	17,045,177	1,133,197
Deferred Outflows of Resources - Pensions	42,988	40,161	109,366	4,592	197,107	-
Total Assets and Deferred Outflows of Resources	$ 4,454,504	$ 7,232,713	$ 5,326,896	$ 228,171	$ 17,242,284	$ 1,133,197

The accompanying notes are an integral part of these financial statements.

MORGAN CITY
STATEMENT OF NET POSITION - PROPRIETARY FUNDS -Continued
PROPRIETARY FUNDS
JUNE 30, 2021

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water	Sewer	Electric	Sanitation	Total	Internal Service
LIABILITIES						
Current Liabilities:						
Accounts Payable	$ 16,997	$ 16,915	$ 101,019	$ 27,998	$ 162,929	$ 48,719
Cash Deficit	-	-	-	-	-	-
Customer Deposits	-	-	28,575	-	28,575	-
Current Portion of Long-Term	-	158,000	-	-	158,000	-
Total Current Liabilities	16,997	174,915	129,594	27,998	349,504	48,719
Noncurrent Liabilities:						
Revenue Bonds, Net of Current	-	2,682,000	-	-	2,682,000	-
Net Pension Liability	23,849	21,565	69,292	1,612	116,318	-
Due to Other Funds	375,530	-	-	-	375,530	-
Total Liabilities	416,376	2,878,480	198,886	29,610	3,523,352	48,719
Deferred Inflows of Resources - Pensions	4,087	1,925	2,122	785	8,919	-
Total Liabilities and Deferred Inflows of Resources	420,463	2,880,405	201,008	30,395	3,532,271	48,719
NET POSITION						
Net Investment in Capital Assets	3,570,173	2,766,645	3,571,049	108,248	10,016,115	822,488
Restricted for Impact Fees	-	-	93,328	-	93,328	-
Restricted for Debt Service	-	516,652	-	-	516,652	-
Unrestricted	463,868	1,069,011	1,461,511	89,528	3,083,918	261,990
Total Net Position	4,034,041	4,352,308	5,125,888	197,776	13,710,013	1,084,478
Total Liabilities and Net Position	$ 4,454,504	$ 7,232,713	$ 5,326,896	$ 228,171		$ 1,133,197
Beginning net position of internal service fund activities related to enterprise funds					555,918	
Adjustment to reflect consolidation of internal service fund to enterprise funds					191,943	
Net Position of Business -Type Activities					$ 14,457,874	

The accompanying notes are an integral part of these financial statements.

MORGAN CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water	Sewer	Electric	Sanitation	Total	Internal Service
Operating Revenues:						
Charges for Services	$ 942,360	$ 1,176,954	$ 2,375,191	$ 375,328	$ 4,869,833	$ 129,700
Other Operating Revenues	8,534	-	274,556	16,270	299,360	-
Total Operating Revenues	950,894	1,176,954	2,649,747	391,598	5,169,193	129,700
Operating Expenses:						
Personnel Services	193,213	241,976	694,179	16,981	1,146,349	-
Contractual Services	-	-	-	93,040	93,040	-
Purchases Water/Power/Refuse	50,412	-	1,944,507	206,365	2,201,284	-
Supplies	86,257	51,355	178,920	-	316,532	-
Office Expense	48,863	44,273	64,723	35,976	193,835	-
Professional Services	83,070	44,765	33,836	7,342	169,013	-
Miscellaneous	2,237	5,900	7,071	-	15,208	-
Equipment and Maintenance	100,533	58,580	31,299	2,009	192,421	-
Utilities	44,409	46,362	-	-	90,771	-
Insurance	12,593	12,465	13,050	12,601	50,709	-
Depreciation	170,451	245,147	232,870	5,640	654,108	157,186
Lease Expense	50,577	31,850	67,100	-	149,527	-
Total Operating Expenses	842,615	782,673	3,267,555	379,954	5,272,797	157,186
Operating Income (Loss)	108,279	394,281	(617,808)	11,644	(103,604)	(27,486)

The accompanying notes are an integral part of these financial statements.

MORGAN CITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION -Continued
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water	Sewer	Electric	Sanitation	Total	Internal Service
Nonoperating Revenues (Expenses)						
Impact Fees	36,023	47,965	52,280	-	136,268	-
Connection Fees	11,268	6,700	17,397	-	35,365	-
Interest Revenue	36,706	51,948	9,665	41,612	139,931	8,455
Gain/Loss On Sale Of Asset	-	-	-	-	-	185,523
Interest Expense	(6,239)	(25,127)	-	-	(31,366)	-
Total Nonoperating Revenues (Expenses)	77,758	81,486	79,342	41,612	280,198	193,978
Net Income (Loss) Before Contributions and Transfers	186,037	475,767	(538,466)	53,256	176,594	166,492
Transfers In (Out)	-	-	-	-	-	-
Capital Contributions	-	-	-	-	-	-
Change in Net Position	186,037	475,767	(538,466)	53,256	176,594	166,492
Total Net Position - Beginning	3,848,004	3,876,541	5,664,354	144,520		917,986
Total Net Position - Ending	$ 4,034,041	$ 4,352,308	$ 5,125,888	$ 197,776		$ 1,084,478

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	191,943
Changes in net position of business-type activities	$ 368,537

The accompanying notes are an integral part of these financial statements.

MORGAN CITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water	Sewer	Electric	Sanitation	Total	Internal Service
Cash Flows from Operating Activities						
Cash Received From Customers	956,286	1,177,067	2,641,959	391,169	$ 5,166,481	$ 129,700
Cash Paid to Suppliers	(493,728)	(566,789)	(2,368,637)	(393,975)	(3,823,129)	(3,531)
Cash Paid to Employees	(207,203)	(254,627)	(725,440)	(17,927)	(1,205,197)	-
Net Cash Provided (Used) by Operating Activities	255,355	355,651	(452,118)	(20,733)	138,155	126,169
Cash Flows from Noncapital Financing Activities						
Due to/from Other Funds	(74,357)	-	74,357	-	-	-
Net Cash Used in Noncapital Financing Activities	(74,357)	-	74,357	-	-	-
Cash Flows from Capital and Related Financing Activities						
Acquisition and Construction of Capital Assets	-	(364,937)	(126,411)	-	(491,348)	(376,136)
Bond Proceeds	-	-	-	-	-	-
Principal Payments - Bonds	-	(154,000)	-	-	(154,000)	-
Interest Paid	(6,239)	(25,127)	-	-	(31,366)	-
Impact Fees Collected	36,023	47,965	52,280	-	136,268	-
Connection Fees Collected	11,268	6,700	17,397	-	35,365	-
Net Cash Provided (Used) in Capital and Related Financing Activities	41,052	(489,399)	(56,734)	-	(505,081)	(376,136)
Cash Flows from Investing Activities						
Proceeds From Sales of Long-Term Assets	-	-	-	-	-	278,000
Interest on Investments	36,706	51,948	9,665	41,612	139,931	8,455
Net Cash Provided by Investing Activities	36,706	51,948	9,665	41,612	139,931	286,455
Net Increase (Decrease) in Cash	258,756	(81,800)	(424,830)	20,879	(226,995)	36,488
Cash - July 1	65,325	1,554,054	1,295,836	66,848	2,982,063	274,221
Cash - June 30	$ 324,081	$ 1,472,254	$ 871,006	$ 87,727	$ 2,755,068	$ 310,709

MORGAN CITY
STATEMENT OF CASH FLOWS -Continued
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water	Sewer	Electric	Sanitation	Total	Internal Service
Cash balance reported on the Statement of Net Position:						
Cash	$ 324,081	$ 955,602	$ 777,678	$ 87,727	$ 2,145,088	$ 310,709
Restricted Cash	-	516,652	93,328	-	609,980	-
	$ 324,081	$ 1,472,254	$ 871,006	$ 87,727	$ 2,755,068	$ 310,709
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities						
Operating Income (Loss)	$ 108,279	$ 394,281	$ (617,808)	$ 11,644	$ (103,604)	$ (27,486)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities						
Depreciation	170,451	245,147	232,870	5,640	654,108	157,186
Changes in Assets and Liabilities:						
Accounts Receivable	5,392	113	(7,788)	(429)	(2,712)	-
Inventory	-	-	-	-	-	-
Prepaid Expenses	(8,800)	(9,034)	(12,091)	(8,183)	(38,108)	-
Accounts Payable	(5,977)	(262,205)	(18,795)	(28,459)	(315,436)	(3,531)
Net Pension Liability	(13,990)	(12,651)	(31,261)	(946)	(58,848)	-
Customer Deposits	-	-	2,755	-	2,755	-
Net Cash Provided by Operating Activities	$ 255,355	$ 355,651	$ (452,118)	$ (20,733)	$ 138,155	$ 126,169
Schedule of non-cash capital and related financing activities:						
Contributions of capital assets	$ -	$ -	$ -	$ -	$ -	$ -

The accompanying notes are an integral part of these financial statements.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Statement

The City operates under a Council/Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire), public utilities (water, sewer, electric, and sanitation), highways and streets, social services, culture-recreation, public improvements, planning and zoning, economic redevelopment, and general administrative services.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The City has adopted GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance*. Accordingly, the City has elected to apply all applicable GASB pronouncements and codified accounting standards issued by GASB. The more significant accounting policies established in GAAP and used by the City are discussed below.

In defining the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth by the Governmental Accounting Standards board (GASB). Under GASB Statement No. 61, *The Financial Reporting Entity*, the financial reporting entity consists of the primary government and the Redevelopment Agency as a blended component unit.

Basic Financial Statements

The City's basic financial statements consist of the government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information.

Government-Wide Financial Statements

Statement of Net Position - The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the City that are governmental and those that are considered business-type activities. The statement of net position presents the financial condition of the governmental and business-type activities of the City at year end.

Statement of Activities - The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the City's governmental activities and for business-type activities of the City. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function.

Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the City.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

Fund Accounting

The City uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and fiduciary. The following fund types are used by the City:

Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following describes the major governmental funds of the City:

General fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Capital Projects fund accumulates funds over time for the long-term capital projects of governmental type acquisition and expansion.

The following describes the nonmajor governmental funds of the City:

Special Revenue fund is used to account for revenue sources that are legally restricted to expenditures for specific purposes (not including expendable trusts or major capital projects).

Redevelopment fund helps eliminate "blighted" areas within the designated project area. The City receives tax increment revenue for the fund. The Redevelopment Fund is a special revenue fund.

Perpetual Care fund is an expendable fund for cemetery care.

Utility Enhancement fund is an expendable fund for utility enhancement.

Internal Service Fund is used to account for the operating costs of vehicles and equipment charged to the other departments or funds.

Proprietary Funds:

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Accounting (continued)

Proprietary Funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's various departments. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The following is a description of the proprietary funds of the City.

> **Enterprise Funds** account for those operations that are financed and operated in a manner similar to private business enterprises or where the governing body had decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. The City's enterprise funds include the water fund, sewer fund, electric fund, and the sanitation fund.

Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made regardless of the measurement focus applied.

Government-wide financial statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in net total assets. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled utility services which are accrued. Expenses are recognized at the time liability is incurred.

Fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available").

"Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period. The government considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Measurement Focus/Basis of Accounting (continued)

Property taxes, franchise taxes, licenses, and interest are susceptible to accrual. Sales taxes collected and held by the state at year end on behalf of the government are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the government and are recognized as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Assets, Liabilities and Equity

Cash & Cash Equivalents and Investments

Cash and Cash Equivalents are generally considered short-term, highly liquid investments with a maturity of three months or less from the purchase date.

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Short-term interfund loans are reported as "interfund receivables and payables." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

Receivables and Payables

In the government-wide statements, receivables consist of all revenues earned at year end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities and Equity (continued)

Capital Assets

Capital assets which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds.

All capital assets are valued at historical cost or estimated historical cost if actual historical is not available. Donated assets are valued at their fair market value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

Assets capitalized, not including infrastructure assets, have an original cost of $5,000 or more and over three years of useful life. Infrastructure assets capitalized have an original cost of $100,000 or more. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Assets	Years
Buildings	50
Utility Systems	40
Land Improvements	30
Infrastructure	20
Machinery & Equipment	7

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay and sick leave are accrued when incurred and are reported as a liability. Amounts not expected to be liquidated with expendable available financial resources are reported in the Statement of Net Position as a noncurrent liability.

Long-term Liabilities

The accounting treatment of long-term liabilities depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term liabilities to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term liabilities consist primarily of notes payable and bonds payable.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities and Equity (continued)

Long-term Liabilities (continued)

Long-term liabilities for governmental funds are not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

Pensions:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Utah Retirement Systems Pension Plan (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. *Unavailable revenue- property taxes* are reported as deferred inflows of resources since they are recognized as receivables before the period for which the taxes are levied. These amounts are reported in both the government-wide statements and the governmental fund statements.

Deferred Outflows of Resources

In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources,* represents an consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. In addition to liabilities, the financial statements will sometimes report a separate section for deferred outflows of resources.

Equity Classifications

Government-wide Statements

Equity is classified as net position and displayed in three components:

a. Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities and Equity (continued)

Equity Classifications (continued)

b. Restricted net position – Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

c. Unrestricted net position – All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

It is the City's policy to first apply restricted resources rather than unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

Fund Statements

The City has adopted GASB Statement No. 54 Fund Balance Reporting and Governmental Fund Type Definitions. The statement applies only to fund financial statements and not to government-wide statements or proprietary fund statements. Proprietary fund equity is classified the same as in the government-wide statements. The fund balances may be classified as follows:

a. Non-spendable – Fund balances that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

b. Restricted fund balance – Fund balances are reported as restricted when they are constrained by externally imposed legal restrictions, by law through constitutional provisions or enabling legislation, or restrictions set by creditors, grantors, or contributors.

c. Committed fund balance – Fund balances are reported as committed when the Council formally designates the use of resources by ordinance or resolution for a specific purpose and cannot be used for any other purpose unless the City Council likewise formally changes the use.

d. Assigned fund balance – Fund balances are reported as assigned when the City Council or Management intends to use funds for a specific purpose. Normally funds are assigned by the appropriation process of setting the budget. Additionally, funds in special revenue, debt service, and capital project funds are by their nature assigned to the purpose of those respective funds.

e. Unassigned fund balance – Fund balances in the general fund are reported as unassigned when they are neither restricted, committed, nor assigned. They may be used for any governmental purpose.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spend first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless City Council has provided otherwise in its commitment or assignment actions.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Assets, Liabilities and Equity (continued)

Interfund Transactions

Interfund services provided and used are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursement, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as non-operating transfers.

Property Tax

Real property taxes are collected by the County Treasurer and remitted to the City after collection. Taxes are due and payable on November 1st and delinquent after 12 o'clock noon on November 30th of each year. The tax levy is established by June 15th with a lien date of January 1st. Property tax revenue is not recognized when levied, because it is not expected to be collected within 60 days after the end of the fiscal year.

Operating Revenues and Expenses

Operating revenues and expenses in the proprietary funds consist of those revenues that result from the ongoing principal operations of the City. Operating revenues consist of charges for services. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing type activities and result from nonexchange transactions or ancillary activities.

Leases as a lessee / Subscription Based Information Technology Arrangements (SBITAs)

The City recognizes a liability and an intangible right-to-use assets in the government-wide financial statements. At the commencement of a lease / SBITA, the City initially measures the liability at the present value of payments expected to be made during the term. Subsequently, the liability is reduced by the principal portion of payments made. The asset is initially measured as the initial amount of the liability, adjusted for payments made at or before the commencement date, plus certain initial direct / implementation costs. Subsequently, the asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases / SBITAs include how the City determines (the discount rate it uses to discount the expected lease payments to present value, (2) term, and (3) payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charges by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for the leases.
- The term includes the noncancellable period of the lease /SBITA. Payments included in the measurement of the liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise. In determining the term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the term if the lease / SBITA is reasonably certain to be extended (or not terminated).

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Leases as a lessee / Subscription Based Information Technology Arrangements (SBITAs) (continued)

The City monitors changes in circumstances that would require a remeasurement of its lease / SBITAs and will remeasure the asset and liability if certain changes occur that are expected to significantly affect the amount of the liability. Assets are reported with other capital assets and lease liabilities are reported with long- term debt on the statement of net position. Payments due under the lease / SBITA contracts are fixed payments. Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- amounts expected to be payable by the City under residual value guarantees
- the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the City exercising that option.

Payments to be made under reasonably certain extension options are also included in the measurement of the liability. Extension and termination options are included in leases / SBITAs to maximize operational flexibility in terms of managing the assets used in the City's operations. The majority of extension and termination options held are exercisable only by the City and not by the respective lessor.

The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budget Information

Annual budgets are prepared and adopted in accordance with the "Uniform Fiscal Procedures Act for Utah cities" by the Morgan City Municipal Council on or before June 15th for the following fiscal year, which begins on July 1. Budgets may be increased by resolution of the Municipal Council at any time during the year, following a public hearing. Budgets are adopted at sub-department levels; however budget amendments by resolution are generally required only if the department desires to exceed its total budget appropriation.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (continued)

Budget Information (continued)

The City adheres to the following procedures in establishing the budgetary data reflected in the financial statements:

1. On or before May 1st, the Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1st. The operating budget includes proposed expenditures and the means of financing them.

2. Prior to the formal adoption of the budget the City Council will hold budget workshop meetings, which are open to the public.

3. Prior to June 15th the City Council sets a date for a public budget hearing at which time taxpayers' comments are heard. Copies of the proposed budget are made available for public inspection 10 days prior to the budget hearing. At the conclusion of the budget hearing the budget, as amended, is legally enacted through passage of a resolution.

4. Formal budgetary integration is employed as a management control device during the year for the General Fund and Enterprise Funds.

5. Budgets for the General Fund are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP). Budgets for the proprietary fund types are prepared using the accrual basis of accounting except that depreciation for all proprietary fund types is not budgeted. Budgeted amounts are as originally adopted, or as amended by the City Council during the fiscal year.

6. Unencumbered budget appropriations lapse at the end of the fiscal year.

Fund Equity Restrictions

Restricted for Perpetual Care - The City Council passed an ordinance providing for perpetual care fees to be set aside for maintenance at the City cemetery.

Restricted for Redevelopment - Amounts generated in the redevelopment fund are reserved to be spent to promote urban renewal and economic development.

Restricted for Impact Fees - The City Council passed an ordinance providing for specific impact fees on all new construction. Impact fees include fees for roads, parks, administration, water, sewer, and electric. These fees are to be reserved for current and future costs to help defray a portion of the costs that naturally result from increased development.

Restricted for Class "C" Road - Reserve required by the state to be kept that accounts for the receipt of class "C" road revenues and expenditures.

Restricted for Special Improvement District - Amounts generated in the special improvement district are reserved to be spent on capital outlay and debt service within the district.

Restricted for Debt Service – Reserves are established by bond documents to service the debt, repair and replace infrastructure, etc.

III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS

Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds. Cash includes amounts in demand deposits as well as time deposits. Investments are stated at cost or amortized cost, which approximates fair value. Each fund's portion of this pool is displayed as "Cash and Cash Equivalents' which also includes cash accounts that are separately held by some of the City's funds. Deposits are not collateralized nor are they required to be by State statute.

The City follows the requirements of the Utah Money Management Act (*Utah Code,* Section 51, Chapter 7) in handling its depository and investment transactions. This Act requires the depositing of city funds in a "qualified depository". The Act defines a "qualified depository" as any financial institution whose deposits are insured by an agency of the Federal government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council

Deposits

Custodial credit risk – Custodial credit risk is the risk that, in the event of a bank failure, the City's deposits may not be returned to it. The City does not have a formal deposit policy for custodial credit risk. As of June 30, 2023, $291,406 of the City's bank balances of $541,406 was uninsured and uncollateralized.

Investments

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the state, and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

The City follows the requirements of the Utah Money Management Act (*Utah Code,* Title 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of City funds in a qualified depository. The Act defines a qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and which has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The Money Management Act defines the types of securities authorized as appropriate investments for the City's funds and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

Statutes authorize the City to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations; bankers' acceptances; obligations of the United States Treasury including bills, notes, and bonds; obligations, other than mortgage derivative products, issued by U.S. government sponsored enterprises (U.S. Agencies) such as the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation (Freddie Mac),

III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

Deposits and Investments (continued)

and Federal National Mortgage Association (Fannie Mae); bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Money Management Act; and the Utah State Public Treasurers' Investment Fund.

The Utah State Treasurer's Office operates the Public Treasurers' Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer and is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act (*Utah Code,* Title 51, Chapter 7). The Act established the Money Management Council which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses of the PTIF, net of administration fees, are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

Fair Value of Investments

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than quoted market prices; and,
- *Level 3:* Unobservable inputs.

At June 30, 2023, the City had the following recurring fair value measurements.

	Fair Value Measurements Using			
	Total	Level 1	Level 2	Level 3
Investments by fair value level				
Debt securities:				
Utah Public Treasurer's Investment Fund	$ 5,799,431	$ -	$ 5,799,431	$ -
Total debt securities	$ 5,799,431	$ -	$ 5,799,431	$ -

III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

Deposits and Investments (continued)

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches:

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Corporate and Municipal Bonds: quoted prices for similar securities in active markets;
- Money Market, Bond, and Equity Mutual Funds: published fair value per share (unit) for each fund;
- Utah Public Treasurers' Investment Fund: application of the June 30, 2023 fair value factor, as calculated by the Utah State Treasurer, to the City's average daily balance in the Fund.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State's Money Management Act. Section 51-7-11 of the Money Management Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270 days - 15 months or less.

The Act further limits the remaining term to maturity on all investments in obligations of the United States Treasury; obligations issued by U.S. government sponsored enterprises; and bonds, notes, and other evidence of indebtedness of political subdivisions of the State to 5 years. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 3 years.

As of June 30, 2023, the City's investments had the following maturities:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	More than 10
PTIF Investments	5,799,431	5,799,431	-	-	-
	5,799,431	5,799,431	-	-	-

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's policy for reducing its exposure to credit risk is to comply with the State's Money Management Act, as previously discussed.

III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

Deposits and Investments (continued)

At June 30, 2023, the City's investments had the following quality ratings:

		Quality Ratings			
Investment Type	Fair Value	AAA	AA	A	Unrated
PTIF Investments	5,799,431	-	-	-	5,799,431
	5,799,431	-	-	-	5,799,431

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's policy for reducing this risk of loss is to comply with the Rules of the Money Management Council. Rule 17 of the Money Management Council limits investments in a single issuer of commercial paper and corporate obligations to 5-10% depending upon the total dollar amount held in the portfolio.

Custodial credit risk (investments) – For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City does not have a formal policy for custodial credit risk.

The City's investment in the Utah Public Treasurer's Investment Fund has no custodial credit risk.

Cash on hand and on deposit:	
Cash on deposit	$ 4,627,272
Xpress Bill Pay	48,810
PTIF investment	5,799,431
Total cash and investments	$ 10,475,513

Cash and investments are included in the accompanying combined statement of net position as follows:

Cash	$ 4,832,554
Restricted cash	5,642,959
Total cash and investments	$ 10,475,513

III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

Accounts Receivable

Accounts receivable for the City, including the applicable allowance for uncollectible accounts at June 30, 2023, are as follows:

Governmental Activities:	General	Special Revenue	RDA	Perpetual Care	Total
Receivables:					
Accounts	$ -	$ -	$ 1,222	$ 25	$ 1,247
Special Assessment	-	-	-	-	-
Grants	-	-	-	-	-
Taxes	971,642	-	104,318	-	1,075,960
Gross receivables	971,642	-	105,540	25	1,077,207
Less: Allowance for uncollectibles	-	-	-	-	-
Net total receivables	**$ 971,642**	**$ -**	**$ 105,540**	**$ 25**	**$1,077,207**

Accounts receivable for the City's Business-type Activities, including the applicable allowance for uncollectible accounts at June 30, 2023 are as follows:

Business-type Activities:	Water	Sewer	Electric	Sanitation	Internal Service	Total
Receivables:						
Accounts	$ 86,719	$ 104,967	$ 188,251	$ 35,978	$ -	$ 415,915
Gross receivables	86,719	104,967	188,251	35,978	-	415,915
Less: Allowance for uncollectibles	(5,118)	(3,121)	(13,588)	(1,759)	-	(23,586)
Net total receivables	**$ 81,601**	**$ 101,846**	**$ 174,663**	**$ 34,219**	**$ -**	**$ 392,329**

Due From Other Funds (Interfund Receivables/Payables)

1. On April 10, 2013 the Water Fund borrowed $1,081,971 from the Electric Fund. Payment arrangements have been made and are scheduled to take place on a monthly basis in the amount of $6,716 with an interest rate of 1.50% per year. The amounts that are due from the Water Fund and to the Electric Fund are as follows:

Year Ended June 30,	Due to Electric Fund from Water Fund 1.50% Principal	Interest	Total
2024	$ 75,480	$ 5,115	$ 80,595
2025	76,620	3,975	80,595
2026	77,777	2,818	80,595
2027	78,952	1,643	80,595
2028	66,703	460	67,163
Totals	$ 375,531	$ 14,012	$ 389,543

III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

Interfund Transfers

Often, funds are received into a certain fund with the expectation of those funds being used in another fund. Additionally, funds may be transferred to accumulate money in a capital projects fund for long-term projects. The following transfers were made during the year:

	Transfers In	
Transfers Out	**Capital Projects Fund**	**Redevelopment Agency Fund**
General Fund	$ -	$ -
Capital Projects Fund	-	-
Totals	$ -	$ -

Capital Assets

A summary of changes in capital assets to the governmental activities follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets, not being depreciated				
Land	$ 450,480	$ -	$ -	$ 450,480
Construction in Progress	1,002,496	1,220,271	(230,133)	1,992,634
Total capital assets, not being depreciated	1,452,976	1,220,271	(230,133)	2,443,114
Capital assets, being depreciated				
Land Improvements	1,521,765	214,034	-	1,735,799
Buildings	948,957	105,562	-	1,054,519
Machinery & Equipment	731,661	-	-	731,661
Motor Pool Assets	989,018	376,136	(202,493)	1,162,661
Infrastructure	8,048,137	419,444	-	8,467,581
Total capital assets, being depreciated	12,239,538	1,115,176	(202,493)	13,152,221
Accumulated Depreciation for:				
Land Improvements	(318,362)	(68,774)	-	(387,136)
Buildings	(359,726)	(18,234)	-	(377,960)
Machinery & Equipment	(416,925)	(43,517)	-	(460,442)
Motor Pool Assets	(293,003)	(157,186)	110,016	(340,173)
Infrastructure	(3,227,929)	(188,096)	-	(3,416,025)
Total accumulated depreciation	(4,615,945)	(475,807)	110,016	(4,981,736)
Total capital assets, being depreciated, net	7,623,593	639,369	(92,477)	8,170,485
Governmental activities capital assets, net	$ 9,076,569	$1,859,640	$(322,610)	$ 10,613,599

III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

Capital Assets (continued)

Depreciation Expense was charged to functions/departments of the primary government as follows:

Governmental Activities:	
General Government	$ 84,444
Public Safety	-
Public Works	190,904
Parks and Recreation	39,440
Cemetery	3,833
Shop	-
Motor Pool Assets	157,186
Total Depreciation Expense	$ 475,807

A summary of changes in capital assets to the business-type activities follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets, not being depreciated				
Water Stock	$ 90,114	$ -	$ -	$ 90,114
Construction in Progress	26,707	12,722	-	39,429
Easements	35,000	-	-	35,000
Land	200,608	-	-	200,608
Total capital assets, not being depreciated	352,429	12,722	-	365,151
Capital assets, being depreciated				
Buildings	1,169,257	-	-	1,169,257
Machinery & Equipment	1,557,576	20,781	-	1,578,357
Systems	17,822,036	457,845	-	18,279,881
Total capital assets, being depreciated	20,548,869	478,626	-	21,027,495
Accumulated Depreciation for:				
Buildings	(232,644)	(30,957)	-	(263,601)
Machinery & Equipment	(795,589)	(128,800)	-	(924,389)
Systems	(6,495,223)	(494,351)	-	(6,989,574)
Total accumulated depreciation	(7,523,456)	(654,108)	-	(8,177,564)
Total capital assets, being depreciated, net	13,025,413	(175,482)	-	12,849,931
Business-type activities capital assets, net	$ 13,377,842	$(162,760)	$ -	$ 13,215,082

Depreciation Expense was charged to the proprietary funds as follows:

Business-type Activities:	
Water Fund	$ 170,450
Sewer Fund	245,146
Electric Fund	232,871
Sanitation Fund	5,641
Total Depreciation Expense	$ 654,108

III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

Long-Term Liabilities

Sales Tax Revenue Bonds, Series 2022: The government issued a series 2022 bond to provide funds for road improvements. Principal is paid on December 15th of each year. Interest is paid on June 15th and December 15th of each year. The bonds mature on December 15, 2032. The interest rate is 4%.

Year Ended June 30,	Series 2022 Sales Tax Revenue Bonds 1.50%		
	Principal	Interest	Total
2024	$ 341,000	$ 147,286	$ 488,286
2025	352,000	136,368	$ 488,368
2026	364,000	124,730	$ 488,730
2027	376,000	112,238	$ 488,238
2028	390,000	98,732	$ 488,732
2029	404,000	83,935	$ 487,935
2030	421,000	67,738	$ 488,738
2031	438,000	50,120	$ 488,120
2032	457,000	31,096	$ 488,096
2033	478,000	10,636	$ 488,636
Totals	$ 4,021,000	$ 862,879	$ 4,883,879

III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

Sewer Revenue Bond, Series 2018: The government issued a series 2018 bond to provide funds for improvements and construction of sewer system improvements. Principal and interest are paid on December 1st of each year. The bonds mature on December 1, 2038. The interest rate is 1.5%.

Year Ended June 30,	Series 2018 Sewer Revenue Bonds 1.50%		
	Principal	Interest	Total
2024	$ 130,000	$ 33,000	$ 163,000
2025	132,000	31,020	163,020
2026	134,000	29,010	163,010
2027	136,000	26,970	162,970
2028	138,000	24,900	162,900
2029	140,000	22,800	162,800
2030	143,000	20,655	163,655
2031	145,000	18,480	163,480
2032	147,000	16,275	163,275
2033	149,000	14,040	163,040
2034	151,000	11,775	162,775
2035	153,000	9,480	162,480
2036	155,000	7,155	162,155
2037	157,000	4,800	161,800
2038	159,000	2,415	161,415
2039	161,000	-	161,000
Totals	$ 2,330,000	$ 272,775	$ 2,602,775

III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

Long-Term Liabilities (continued)

Sewer Revenue Bond, Series 2010: The government issued a series 2010 bond to provide funds for improvements and construction of a sewer project. Interest is due on December 1st and principal and interest are paid on June 1st of each year. The bonds mature on June 1, 2036. The interest rate is 5.61%.

Series 2010 Sewer Revenue Bonds
5.61%

	Principal	Interest	Total
2024	$ 28,000	$ 27,826	$ 55,826
2025	29,000	26,227	55,227
2026	31,000	24,544	55,544
2027	33,000	22,749	55,749
2028	34,000	20,869	54,869
2029	36,000	18,906	54,906
2030	38,000	16,830	54,830
2031	41,000	14,614	55,614
2032	43,000	12,258	55,258
2033	45,000	9,789	54,789
2034	48,000	7,181	55,181
2035	51,000	4,404	55,404
2036	53,000	1,487	54,487
Totals	$ 510,000	$ 207,684	$ 717,684

Changes in Long-Term Liabilities - During the year, the following changes occurred in long-term liabilities for the governmental activities:

Governmental Activities:	**Balance June 30, 2022**	**Additions**	**Reductions**	**Balance June 30, 2023**	**Amounts Due Within One Year**
Series 2022 Revenue Bonds	$ -	$ 4,021,000	$ -	$ 4,021,000	$ 341,000
Compensated Absences	154,381	8,758	-	163,139	-
Net Pension Liability	-	51,635	-	51,635	-
Total Governmental Activities	$ 154,381	$ 4,081,393	$ -	$ 4,235,774	$ 341,000

Changes in Long-Term Liabilities - During the year, the following changes occurred in long-term liabilities for the business-type activities:

Business-type Activities:	**Balance June 30, 2022**	**Additions**	**Reductions**	**Balance June 30, 2023**	**Amounts Due Within One Year**
Series 2010 Sewer Bonds	$ 536,000	$ -	$ (26,000)	$ 510,000	$ 28,000
Series 2018 Sewer Bonds	2,458,000	-	(128,000)	2,330,000	130,000
Net Pension Liability	-	116,318	-	116,318	-
Total Debt	2,994,000	116,318	(154,000)	2,956,318	158,000
Total Business-type Activities	$ 2,994,000	$ 116,318	$ (154,000)	$ 2,956,318	$ 158,000

III. DETAILED NOTES ON TRANSACTION CLASSES/ACCOUNTS (continued)

Bond Resolution Compliance

Series 2010 Sewer Revenue Bonds

Reserved Expense Account: The bond documents require the City to allocate the expected operating expenses for the following month into a reserved expense account. The reserved expense account will have one month's worth of reserved operating expenses each month. The balance of the reserved expense account at June 30, 2023 was $82,850.

Bond Account: The City is required by the bond documents to allocate 1/12 of the following principal and interest payment each month until the payments are made in December and June. The balance of the reserved bond account at June 30, 2023 was $0.

Series 2018 Sewer Revenue Bonds

Reserved Expense Account: The bond documents require the City to allocate the expected operating expenses for the following month into a reserved expense account. The reserved expense account will have one month's worth of reserved operating expenses each month. The balance of the reserved expense account at June 30, 2023 was $0.

Bond Account: The bond documents require the City to allocate 1/12 of the amount of the principal and interest on the payment next due on the Series 2018 Bonds on or before the tenth day of each month. The balance of the reserved bond account at June 30, 2023 was $0.

Reserve Account: On or before the tenth day of each month, beginning July 1, 2018, the City is required to allocate the sum of $2,289, plus such additional amounts as may be required to meet any monthly installment to the Reserve Account – Series 2018 not theretofore made in whole or in part. Such allocation shall continue until there shall have been accumulated an amount equal to $164,835 over a period not to exceed 72 months. The balance of the reserve account at June 30, 2023 was $137,340.

Emergency Repair and Replacement Account: Monthly, on the tenth day of each month beginning July 10, 2018, the City shall set aside the amount of $1,145 to the "Emergency Repair and Replacement Account" established on the books of the Issuer until the Issuer accumulates an amount of $82,417.The balance of the emergency repair and replacement account at June 30, 2023 was $68,700.

IV. OTHER INFORMATION

Postretirement Health Care Benefits

In 2008, the City implemented a new medical retirement personnel policy. The City will provide certain medical benefits to retiring employees that meet specific criteria. The retiring employee must have been employed by the City for more than 35 years. The medical benefits include the payment of health insurance premiums for the employee up to five years or until the date the employee is eligible for Medicare. The employee will be responsible for any difference in premium for insuring a spouse or other dependents. As of June 30, 2023, $0 had been paid in health care premiums on behalf of retired employees.

IV. OTHER INFORMATION (continued)

Risk Management – Claims and Judgments

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters.

The City maintains commercial insurance for all major programs. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the prior year. Insurance amounts for the year were as follows:

Insurer	Type	Coverage Amount	Expiration Date
Utah Local Governments Trust	Comprehensive General Liability (including Public Officials Errors & Omissions)	$ 5,000,000	Continuous until cancelled
Utah Local Governments Trust	Auto Liability/Property Damage	$ 5,000,000	
Utah Local Governments Trust	Workers Compensation	100/500/100	
Utah Local Governments Trust	Crime Policy	$ 5,000,000 Pooled Limit	

V. PENSION PLAN

General Information about the Pension Plan

Plan Description:

Eligible plan participants are provided with pensions though the Utah Retirement Systems. The Utah Retirement Systems are comprised of the following pension trust funds:

- Public Employees Noncontributory Retirement System (Noncontributory System); is a multiple employer, cost sharing, public employee retirement system.
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Public Employees System); is a multiple employer, cost sharing, public employee retirement system.

The Tier 2 Public Employees System became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the Utah Retirement Systems, are members of the Tier 2 Retirement System.

The Utah Retirement Systems (Systems) are established and governed by the respective sections of Title 49 of the Utah Code Annotated 1953, as amended. The Systems' defined benefit plans are amended statutorily by the State Legislature. The Utah State Retirement Office Act in Title 49 provides for the administration of the Systems under the direction of the Board, whose members are appointed by the Governor. The Systems are fiduciary funds defined as pension (and other employee benefit) trust funds. URS is a component unit of the State of Utah. Title 49 of the Utah Code grants the authority to establish and amend the benefit terms. URS issues a publicly available financial report that can be obtained by writing Utah Retirement Systems, 560 E. 200 S., Salt Lake City, Utah 84102 or visiting the website: www.urs.org.

Benefits Provided:

URS provides retirement, disability, and death benefits. Retirement benefits are as follows:

V. PENSION PLAN (continued)

Summary of Benefits by System

System	Final Average Salary	Years of service required and/or age eligible for benefit	Benefit percent per year of service	COLA**
Noncontributory System	Highest 3 years	30 years any age 25 years any age* 20 years age 60* 10 years age 62* 4 years age 65*	2.0% per year all years	Up to 4%
Tier 2 Public Employees System	Highest 5 years	35 years any age 20 years age 60* 10 years age 62* 4 years age 65*	1.5% per year all years	Up to 2.5%

* with actuarial reductions
** All post-retirement cost-of-living adjustments are non-compounding and are based on the original benefit except for Judges, which is a compounding benefit. The cost-of-living adjustments are also limited to the actual Consumer Price Index (CPI) increase for the year, although unused CPI increases not met may be carried forward to subsequent years.

Contributions:

As a condition of participation in the Systems, employers and/or employees are required to contribute certain percentages of salary and wages as authorized by statute and specified by the URS Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable) is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability. Contribution rates as of June 30, 2023 are as follows:

Utah Retirement Systems

	Employee Paid	Employer Contribution Rates	Employer Rate for 401(k) Plan
Contributory System			
111 - Local Government Division Tier 2	N/A	16.01	0.18
Noncontributory System			
15 - Local Governmental Division Tier 1	N/A	17.97	N/A
Tier 2 DC Only			
211 - Local Government	N/A	6.19	10

Tier 2 rates include a statutory required contribution to finance the unfunded actuarial accrued liability of the Tier 1 plans.

For fiscal year ended June 30, 2023, the employer and employee contributions to the Systems were as follows:

System	Employer Contributions	Employee Contributions
Noncontributory System	$ 133,718	N/A
Tier 2 Public Employees System	86,190	$ -
Tier 2 DC Only System	3,718	N/A
Total	$ 223,626	$ -

V. PENSION PLAN (continued)

Pension Assets, Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, we reported a net pension asset of $0 and a net pension liability of $167,953.

	(Measurement Date): December 31, 2022				
	Net Pension Asset	Net Pension Liability	Proportionate Share	Proportionate Share December 31, 2021	Change (Decrease)
Noncontributory System	$ -	$ 143,956	0.0840506%	0.0824590%	0.0015916%
Tier 2 Public Employees System	-	23,997	0.0220378%	0.0223440%	-0.0003062%
Total Net Pension Asset/Liability	$ -	$ 167,953			

The net pension asset and liability was measure as of December 31, 2022, and the total pension liability used to calculate the net pension asset and liability was determined by an actuarial valuation as of January 1, 2022 and rolled-forward using generally accepted actuarial procedures. The proportion of the net pension asset and liability is equal to the ratio of the employer's actual contributions to the Systems during the plan year over the total of all employer contributions to the System during the plan year.

For the year ended June 30, 2023, we recognized pension expense of $125,012. At June 30, 2023, we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 56,933	$ 952
Changes in assumptions	31,384	636
Net difference between projected and actual earnings on pension plan investments	104,631	-
Changes in proportion and differences between contributions and proportionate share of contributions	11,784	9,697
Contributions subsequent to the measurement date	112,530	-
Total	$ 317,262	$ 11,285

$112,530 was reported as deferred outflows of resources related to pensions resulting from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2023	$ (22,358)
2024	$ 7,078
2025	$ 42,846
2026	$ 154,663
2027	$ 2,210
Thereafter	$ 9,007

V. PENSION PLAN (continued)

Noncontributory System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2023, we recognized pension expense of $78,912. At June 30, 2023, we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 48,828	$ -
Changes in assumptions	23,593	575
Net difference between projected and actual earnings on pension plan investments	94,956	-
Changes in proportion and differences between contributions and proportionate share of contributions	5,925	8,514
Contributions subsequent to the measurement date	67,134	-
Total	$ 240,436	$ 9,089

$67,134 was reported as deferred outflows of resources related to pensions resulting from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2023	$ (23,831)
2024	$ 4,081
2025	$ 38,140
2026	$ 145,823
2027	$ -
Thereafter	$ -

Tier 2 Public Employees System Pension Expense, and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2023, we recognized pension expense of $46,100. At June 30, 2023, we reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 8,105	$ 952
Changes in assumptions	7,791	61
Net difference between projected and actual earnings on pension plan investments	9,675	-
Changes in proportion and differences between contributions and proportionate share of contributions	5,859	1,184
Contributions subsequent to the measurement date	45,396	-
Total	$ 76,826	$ 2,197

V. PENSION PLAN (continued)

$45,396 was reported as deferred outflows of resources related to pensions resulting from contributions made by us prior to our fiscal year end, but subsequent to the measurement date of December 31, 2022.

These contributions will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31,	Net Deferred Outflows (Inflows) of Resources
2023	$ 1,473
2024	$ 2,997
2025	$ 4,706
2026	$ 8,840
2027	$ 2,210
Thereafter	$ 9,007

Actuarial assumptions:

The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 - 9.25 percent, average, including inflation
Investment rate of return	6.85 percent, net of pension plan investment expense, including inflation

Mortality rates were adopted from actuarial experience study dated January 1, 2020. The retired mortality tables are developed using URS retiree experience and are based upon gender, occupation, and age as appropriate with projected improvement using 80% of the ultimate rates from the MP-2019 improvement assumption using a base year of 2020. The mortality assumption for active members is the PUB-2010 Employees Mortality Table for public employees, teachers, and public safety members, respectively.

The actuarial assumptions used in the January 1, 2022, valuation were based on an experience study of the demographic assumptions as of January 1, 2020, and a review of economic assumptions as of January 1, 2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

V. PENSION PLAN (continued)

	Expected Return Arithmetic Basis		
Asset Class	Target Asset Allocation	Real Return Arithmetic Basis	Long-term Expected Portfolio Real Rate of Return
Equity Securities	35%	6.58%	2.30%
Debt Securities	20%	1.08%	0.22%
Real Assets	18%	5.72%	1.03%
Private Equity	12%	9.80%	1.18%
Absolute Return	15%	2.91%	0.44%
Cash and Cash Equivalents	0%	-0.11%	0.00%
Totals	100%		5.17%
Inflation			2.50%
Expected arithmetic nominal return			7.67%

The 6.85% assumed investment rate of return is comprised of an inflation rate of 2.50%, a real return of 4.35% that is net of investment expense.

Discount Rate:

The discount rate used to measure the total pension liability was 6.85 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates that are actuarially determined and certified by the URS Board. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The discount rate does not use the Municipal Bond Index Rate.

Sensitivity of the Proportionate Share of the Net Pension Asset and Liability to Changes in the Discount Rate:

The following presents the proportionate share of the net pension liability calculated using the discount rate of 6.85 percent, as well as what the proportionate share of the net pension liability would be if it were calculated used a discount rate that is 1-percentage-point lower (5.85 percent) or 1-percentage-point higher (7.85 percent) than the current rate:

System	1% Decrease or (5.85%)	Discount Rate of (6.85%)	1% Increase or (7.85%)
Noncontributory System	$ 907,269	$ 143,956	$ (493,829)
Tier 2 Public Employees System	$ 104,853	$ 23,997	$ (38,293)
Total	$ 1,012,122	$ 167,953	$ (532,122)

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

V. PENSION PLAN (continued)

Defined Contribution Savings Plans

The Defined Contribution Savings Plans are administered by the Utah Retirement Systems Board and are generally supplemental plans to the basic retirement benefits of the Retirement Systems, but may also be used as a primary retirement plan. These plans are voluntary tax-advantaged retirement savings programs authorized under sections 401(k), 457(b) and 408 of the Internal Revenue code. Detailed information regarding plan provisions is available in the separately issued URS financial report. Morgan City participates in the following Defined Contribution Savings Plans with Utah Retirement Systems:

*401(k) Plan
*457(b) Plan
*Roth IRA Plan

Employee and employer contributions to the Utah Retirement Defined Contribution Savings Plans for fiscal year ended June 30, were as follows:

	2023	2022	2021
401(k) Plan			
Employer Contributions	$ 11,612	$ 11,286	$ 4,153
Employee Contributions	$ 30,364	$ 31,465	$ 19,260
457 Plan			
Employer Contributions	$ 4,636	$ 3,410	$ 5,848
Employee Contributions	$ 1,450	$ 25	$ 1,792
Roth IRA Plan			
Employer Contributions	N/A	N/A	N/A
Employee Contributions	$ 8,165	$ 5,985	$ 3,635

VI. CHANGE IN ACCOUNTING PRINCIPLE

The City implemented Governmental Accounting Standards Board Statement No. 96, Subscription-Based Information Technology Arrangements, in fiscal year 2023. The City had no software arrangements that required recognition under GASBS No. 96. Therefore, the implementation of this standard did not impact the City's financial statements. More information on this new standard is discussed in Note I of the financial statements.

REQUIRED
SUPPLEMENTARY INFORMATION

MORGAN CITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Revenues:				
Taxes:				
Current Year Property Taxes	$ 540,000	$ 565,000	$ 553,883	$ (11,117)
Redemptions	5,000	10,000	10,566	566
Fee in Lieu	40,000	40,000	52,012	12,012
Sales and Use Taxes	1,650,000	1,540,000	1,563,233	23,233
Telecommunication and Franchise Fees	50,000	50,000	21,271	(28,729)
Transient Room Tax	10,000	10,000	8,616	(1,384)
	2,295,000	2,215,000	2,209,581	(5,419)
Licenses and Permits:				
Business Licenses	14,000	14,000	15,204	1,204
Building Permits	250,000	90,000	87,857	(2,143)
Other Licenses	1,000	1,000	1,152	152
	265,000	105,000	104,213	(787)
Intergovernmental:				
Grant Revenue	78,826	1,071,300	1,071,300	-
Class "C" Road Fund Allotment	220,000	220,000	234,455	14,455
	298,826	1,291,300	1,305,755	14,455
Charges for Services:				
Parks	3,000	3,000	5,419	2,419
Cemetery	60,000	45,000	35,250	(9,750)
Street Cuts	10,000	5,000	3,600	(1,400)
	73,000	53,000	44,269	(8,731)
Fines and Forfeitures	-	-	-	-
Other Revenues:				
Interest Earnings	20,900	163,900	36,016	(127,884)
Road Impact Fees	12,000	4,500	3,831	(669)
Park Impact Fees	120,000	20,000	27,879	7,879
Miscellaneous Revenue	40,500	100,500	158,155	57,655
	193,400	288,900	225,881	(63,019)
Total Revenues	$ 3,125,226	$ 3,953,200	$ 3,889,699	$ (63,501)

MORGAN CITY
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2023

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
Expenditures:				
General Government:				
Administrative	$ 508,000	$ 516,000	$ 483,147	$ 32,853
Court	-	-	-	-
Economic Development	489,800	392,300	359,270	33,030
Grant Expenses	-	141,585	141,584	1
Elections	400	400	-	400
Buildings	32,800	21,800	17,789	4,011
	1,031,000	1,072,085	1,001,790	70,295
Public Safety:				
Law Enforcement	132,949	132,949	132,954	(5)
Fire Department	-	19,202	19,202	-
Animal Control	9,570	9,570	9,370	200
	142,519	161,721	161,526	195
Public Works				
Building Inspection	278,700	226,500	193,450	33,050
Road Department	1,216,200	1,637,200	1,504,215	132,985
	1,494,900	1,863,700	1,697,665	166,035
Parks	282,400	272,600	181,589	91,011
Disaster Response	263,163	41,807	27,027	14,780
Cemetery	214,100	207,100	185,262	21,838
Shop	10,000	11,000	3,370	7,630
Total Expenditures	3,438,082	3,630,013	3,258,229	357,004
Other financing sources (uses):				
ARPA Act Revenue	252,856	252,856	252,856	-
Operating transfers (out)	-	(576,043)	-	(576,043)
Appropriations of Fund Balances	60,000	-	-	-
Total other financing sources (uses)	312,856	(323,187)	252,856	(576,043)
Excess (Deficiency) of Revenues over Expenditures	-	-	884,326	884,326
Fund Balances at Beginning of Year	840,492	840,492	840,492	-
Fund Balances at End of Year	$ 840,492	$ 840,492	$ 1,724,818	$ 884,326

MORGAN CITY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
UTAH RETIREMENT SYSTEMS
JUNE 30, 2023
with a measurement date of December 31, 2022
Last 10 fiscal years*

		Noncontributory System	Tier 2 Public Employees System
Proportion of the net pension liability (asset)	2023	0.0840506%	0.0220378%
	2022	0.0824590%	0.0223440%
	2021	0.0890674%	0.0155201%
	2020	0.0761496%	0.0156274%
	2019	0.0782296%	0.0138019%
	2018	0.0890267%	0.0066035%
	2017	0.0839687%	0.0052993%
	2016	0.0830558%	0.0065101%
	2015	0.0816951%	0.0026608%
Proportion share of the net pension liability (asset)	2023	$ 143,958	$ 23,997
	2022	$ (472,252)	$ (9,457)
	2021	$ 45,686	$ 2,232
	2020	$ 286,998	$ 3,515
	2019	$ 576,061	$ 5,911
	2018	$ 390,053	$ 582
	2017	$ 539,182	$ (591)
	2016	$ 469,970	$ (14)
	2015	$ 354,739	$ (81)
Covered employee payroll	2023	$ 750,073	$ 480,126
	2022	$ 714,814	$ 414,141
	2021	$ 806,521	$ 247,812
	2020	$ 674,670	$ 217,278
	2019	$ 692,004	$ 160,191
	2018	$ 814,092	$ 64,636
	2017	$ 769,661	$ 43,459
	2016	$ 730,810	$ 42,057
	2015	$ 713,283	$ 13,179

See accompanying notes to required supplementary information

MORGAN CITY
SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
UTAH RETIREMENT SYSTEMS (continued)
JUNE 30, 2023
with a measurement date of December 31, 2022
Last 10 fiscal years*

Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	2023	19.19%	5.00%
	2022	-66.07%	-2.28%
	2021	5.66%	0.90%
	2020	42.54%	1.62%
	2019	83.25%	3.69%
	2018	47.91%	0.90%
	2017	70.05%	1.36%
	2016	64.31%	-0.03%
	2015	49.70%	-0.06%
Plan fiduciary net position as apercentage of the total pension liability	2023	97.5%	92.3%
	2022	108.7%	103.8%
	2021	99.2%	98.3%
	2020	93.7%	96.5%
	2019	87.0%	90.8%
	2018	91.9%	97.4%
	2017	87.3%	95.1%
	2016	87.8%	100.2%
	2015	90.2%	103.5%

* In accordance with paragraph 81.a of GASB 68, employers will need to disclose a 10-year history of their proportionate share of the Net Pension Liability (Asset) in their RSI. The above schedule discloses a 9-year history and will be built prospectively.

See accompanying notes to required supplementary information

MORGAN CITY
SCHEDULE OF CONTRIBUTIONS
UTAH RETIREMENT SYSTEMS
JUNE 30, 2023
with a measurement date of December 31, 2022
Last 10 fiscal years*

	As of fiscal year ended June 30,	Actuarial Determined Contributions	Contributions in relation to the contractually required contribution	Contribution deficiency (excess)	Covered employee payroll	Contributions as a percentage of covered employee payroll
Noncontributory System	2014	$ 123,356	$ 123,356	$ -	$ 736,623	16.75%
	2015	130,052	130,052	-	727,417	17.88%
	2016	137,039	137,039	-	776,141	17.66%
	2017	142,684	142,684	-	808,617	17.65%
	2018	138,062	138,062	-	763,158	18.09%
	2019	128,353	128,353	-	704,444	18.22%
	2020	136,228	136,228	-	747,266	18.23%
	2021	135,553	135,553	-	752,122	18.02%
	2022	129,013	129,013	-	737,575	17.49%
	2023	133,718	133,718	-	754,224	17.73%
Tier 2 Public Employees System*	2014	$ -	$ -	$ -	$ -	0.00%
	2015	5,010	5,010	-	33,531	14.94%
	2016	6,361	6,361	-	42,660	14.91%
	2017	7,900	7,900	-	54,643	14.46%
	2018	13,687	13,687	-	90,583	15.11%
	2019	33,297	33,297	-	214,268	15.54%
	2020	31,884	31,884	-	203,603	15.66%
	2021	51,406	51,406	-	325,356	15.80%
	2022	72,388	72,388	-	450,455	16.07%
	2023	86,190	86,190	-	538,352	16.01%
Tier 2 Public Employees DC Only System*	2019	$ -	$ -	$ -	$ -	0.00%
	2020	-	-	-	-	0.00%
	2021	510	510	-	7,624	6.69%
	2022	3,401	3,401	-	50,833	6.69%
	2023	3,718	3,718	-	60,067	6.19%

* Contributions in Tier 2 include an amortization rate to help fund the unfunded liabilities in the Tier 1 systems. Tier 2 systems were created effective July 1, 2011.

Paragraph 81.b of GASB 68 requires employers to disclose a 10-year history of contributions in RSI. Contributions as a percentage of covered payroll may be different than the board certified rate due to rounding and other administrative issues.

See accompanying notes to required supplementary information

Changes in Assumptions:

No changes were made in actuarial assumptions from the prior year's valuation.

SUPPLEMENTARY INFORMATION

MORGAN CITY
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AS OF JUNE 30, 2023

	Special Revenue	RDA	Perpetual Care	Municipal Building Authority	Total Nonmajor Governmental Funds
Assets					
Cash	$ 2,556	$ -	$ -	$ -	$ 2,556
Restricted Cash	-	167,692	236,819	78,274	482,785
Accounts Receivable	-	1,222	25	-	1,247
Due From Other Governments	-	104,318	-	-	104,318
Total Assets	$ 2,556	$ 273,232	$ 236,844	$ 78,274	$ 590,906
Liabilities, Deferred Inflows of Resources, and Fund Balances					
Liabilities					
Accounts Payable	$ -	$ -	$ 1,985	$ -	$ 1,985
Due to Other Funds	-	-	-	-	-
Total Liabilities	-	-	1,985	-	1,985
Deferred Inflows of Resources	-	-	-	-	-
Total Liabilities and Deferred Inflows Of Resources	-	-	1,985	-	1,985
Fund Balances					
Restricted for:					
Redevelopment	-	273,232	-	-	273,232
Perpetual Care	-	-	234,859	-	234,859
Municipal Building	-	-	-	78,274	78,274
Assigned:					
Capital Projects	2,556	-	-	-	2,556
Total Fund Balances	2,556	273,232	234,859	78,274	588,921
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 2,556	$ 273,232	$ 236,844	$ 78,274	$ 590,906

MORGAN CITY
COMBINING STATEMENT OF REVENUES,
EXPENDITURE, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue	RDA	Perpetual Care	Municipal Building Authority	Total Nonmajor Governmental Funds
REVENUES					
Taxes	$ -	$ 388,477	$ -	$ -	$ 388,477
Charges for services	-	-	9,700	210,600	220,300
Interest	-	2,210	5,895	-	8,105
Miscellaneous	-	-	-	-	-
Total Revenues	-	390,687	15,595	210,600	616,882
EXPENDITURES					
Current Operating:					
General Government	-	238,107	-	-	238,107
Public Works	-	25	15,810	132,326	148,161
Total Expenditures	-	238,132	15,810	132,326	148,161
Excess of Revenues Over (Under) Expenditures	-	152,555	(215)	78,274	230,614
OTHER FINANCING SOURCES (USES)					
Transfers-In	-	-	-	-	-
Transfers-Out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	152,555	(215)	78,274	230,614
Fund Balances at Beginning of Year	2,556	120,677	235,074	-	358,307
Fund Balances at End of Year	$ 2,556	$ 273,232	$ 234,859	$ 78,274	$ 588,921

AUDITOR'S REPORTS

Christensen,
Palmer & Ambrose
Certified Public Accountants
Business Advisors

Kent R. Christensen, CPA
Jeffrey L. Ambrose, CPA
Chuck Palmer, CPA

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

To the Mayor and City Council
Morgan City, Utah

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Morgan City as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Morgan City's basic financial statements, and have issued our report thereon dated February 17, 2024.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Morgan City's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Morgan City's internal control. Accordingly, we do not express an opinion on the effectiveness of Morgan City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected, and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Morgan City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Christensen, Palmer & Ambrose, PC

February 17, 2024
Ogden, UT

298 24th Street, Suite 300 • Ogden, UT 84401 • Phone: 801.627.2060 • Fax: 801.627.2182 • www.ogden-cpas.com

Christensen,
Palmer & Ambrose
Certified Public Accountants
Business Advisors

Kent R. Christensen, CPA
Jeffrey L. Ambrose, CPA
Chuck Palmer, CPA

Independent Auditor's Report on Compliance and Report on Internal Control over Compliance as Required by the *State Compliance Audit Guide*

To the Mayor and City Council
Morgan City, UT

REPORT ON COMPLIANCE

We have audited Morgan City's compliance with the general program compliance requirements described in the *State of Utah Legal Compliance Audit Guide* for the year ended June 30, 2023.

State compliance requirements were tested for the year ended Morgan City in the following areas:

Budgetary Compliance
Fund Balance
Restricted Taxes and Related Revenues
Fraud Risk Assessment
Government Fees
Open and Public Meeting Act

Opinion on Compliance

In our opinion, *Morgan City* complied, in all material respects, with the state compliance requirements referred to above for the year ended *June 30, 2023.*

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards); and the *State Compliance Audit Guide (*Guide*)*. Our responsibilities under those standards and the *State Compliance Audit Guide* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Morgan City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of Morgan City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Morgan City's government programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Morgan City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Morgan City's compliance with the requirements of the government program as a whole.

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In performing an audit in accordance with GAAS, Government Auditing Standards, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Morgan City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.

- Obtain an understanding of the Morgan City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide* but not for the purpose of expressing an opinion on the effectiveness of Morgan City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses or significant deficiencies, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or to detect and correct noncompliance with a state compliance requirement on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Purpose of Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Christensen, Palmer & Ambrose, PC

February 17, 2024
Ogden, Ut

RESOLUTION 24-08

A RESOLUTION ADOPTING AND APPROVING THE MUNICIPAL WASTEWATER PLANNING PROGRAM (MWPP) ANNUAL REPORT FOR THE YEAR ENDING 2023.

WHEREAS, Morgan City is a political subdivision of the State of Utah, authorized and organized under the provisions of Utah Law; and

WHEREAS, Morgan City owns or operates a Wastewater Treatment Facility; and

WHEREAS, pursuant to Utah Administrative Code Annotated R317, Morgan City is required to submit the Municipal Wastewater Planning Program (MWPP) Annual Report for the year ending 2023, if financial assistance was received from the Water Quality Board; and

WHEREAS, the MWPP was approved by the Morgan City Council at a public meeting held on March 12, 2024, where the MWPP was listed on the agenda as an item for approval by Resolution 24-08; and

WHEREAS, the City Council of Morgan City has determined that the Municipal Wastewater Planning Program (MWPP) Annual Report for the year ending 2023, dated March 12, 2024 is hereby adopted and approved.

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

1. That the Municipal Wastewater Planning Program (MWPP) Annual Report for the year ending 2023, dated March 12, 2024, which is attached hereto and incorporated herein by this reference, be adopted and approved.

2. That Morgan City has taken all appropriate actions necessary to maintain effluent requirements contained in the UPDES Permit (if applicable).

3. That a copy of the Municipal Wastewater Planning Program (MWPP) Annual Report for the year ending 2023 be available to the public at the City office and posted on the State Website under the agenda for the Council meeting held on Tuesday, March 12, 2024.

PASSED AND ADOPTED by the City Council of Morgan, Utah, this 12th day of March, 2024.

_____

STEVE GALE, Mayor

ATTEST:

_____

DENISE WOODS, City Recorder

CITY COUNCIL VOTE AS RECORDED:

	Aye	Nay	Excused
Council Member London	___	___	___
Council Member Wardell	___	___	___
Council Member Turner	___	___	___
Council Member Richins	___	___	___
Council Member Alexander	___	___	___

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

Mayor Gale	___	___

Denise Woods

From: Kale Watkins
Sent: Friday, February 23, 2024 8:37 AM
To: Denise Woods
Subject: FW: Full MWPP Survey - 2024

Here ya go

From: Google Forms <forms-receipts-noreply@google.com>
Sent: Friday, February 23, 2024 8:36 AM
To: Kale Watkins <kwatkins@morgancityut.org>
Subject: Full MWPP Survey - 2024

Google Forms

Thanks for filling out Full MWPP Survey - 2024

Here's what was received.

Edit response

Full MWPP Survey - 2024

Municipal Wastewater Planning Program survey for 2024.

Email *

kwatkins@morgancityut.org

Section I: General Information

Name of the Facility? *

Morgan City Wastewater

What is the name of the person responsible for this organization?

*

Kale Watkins

What is the title of the person responsible for this organization? *

Wastewater Manager

What is the email Address for the person responsible for this organization? *

kwatkins@morgancityut.org

What is the phone number for the person responsible for this organization? *

801-516-8112

Facility Location? *

Please provide either Longitude and Latitude, address, or a written description of the location (with area or point).

825 N 600 W Morgan, UT 84050

Federal Facility Section

Are you a federal facility?

A federal facility is a military base, a national park, a facility associated with the forest service, etc.

Yes

No

Financial Evaluation Section

This form is completed by [name]?

Kale Watkins

Part I: GENERAL QUESTIONS

Please answer the following questions regarding GENERAL QUESTIONS.

Are sewer revenues maintained in a dedicated purpose enterprise/district account?

Yes

No

Are you collecting 95% or more of your anticipated sewer revenue?

Yes

No

Are Debt Service Reserve Fund requirements being met?

Yes

No

Where are sewer revenues maintained?

General Fund

Combined Utilities Fund

☑ Other

What was the average annual User Charge for 2023?

If there is more than one rate divide the total municipal yearly User Charge collected, by the total number of connections.

719.04

Do you have a water and/or sewer customer assistance program (CAP)?

Yes

No

Part II: OPERATING REVENUES AND RESERVES

Please answer the following questions regarding OPERATING REVENUES AND RESERVES.

Are property taxes or other assessments applied to the sewer systems?

Yes

No

Revenue from these taxes =

0

Are sewer revenues sufficient to cover operations & maintenance costs, and repair & replacement costs (OM&R) at this time?

Yes

No

Are projected sewer revenues sufficient to cover operation, maintenance, and repair (OM&R) costs for the next five years?

Yes

No

Does the sewer system have sufficient staff to provide proper OM&R?

Yes

No

Has a repair and replacement sinking fund been established for the sewer system?

Yes

No

Is the repair & replacement sinking fund sufficient to meet anticipated needs?

Yes

No

Part III: Capital Improvements, Revenues and Reserves.

Please answer the following questions regarding Capital Improvements, Revenues and Reserves.

Are sewer revenues sufficient to cover all costs of current capital improvements projects?

Yes

No

Has a Capital Improvements Reserve Fund been established to provide for anticipated capital improvement projects?

Yes

No

Are projected Capital Improvements Reserve Funds sufficient for the next five years?

Yes

No

Are projected Capital Improvements Reserve Funds sufficient for the next ten years?

Yes

No

Are projected Capital Improvements Reserve Funds sufficient for the next twenty years?

Yes

No

Part IV: FISCAL SUSTAINABILITY REVIEW

Please answer the following questions regarding FISCAL SUSTAINABILITY REVIEW.

Have you completed a rate study within the last five years?

Yes

No

Do you charge Impact fees?

Yes

No

Impact Fee (if not a flat fee, use average of all collected fees) =

1576.84

Have you completed an impact fee study in accordance with UCA 11-36a-3 within the last five years?

Yes

No

Do you maintain a Plan of Operations?

Yes

No

Have you updated your Capital Facility Plan within the last five years?

Yes

No

In what year was the Capital Facility Plan last updated?

2023

Do you use an Asset Management system for your sewer systems?

Yes

No

Do you know the total replacement cost of your sewer system capital assets?

Yes

No

Replacement Cost =

15 million

Do you fund sewer system capital improvements annually with sewer revenues at 2% or more of the total replacement cost?

Yes

No

What is the sewer/treatment system annual asset renewal cost as a percentage of its total replacement cost?

30percent

Describe the Asset Management System.
Check all that apply

- [ ] Spreadsheet
- [x] GIS
- [ ] Accouting Software
- [x] Specialized Software

Please answer the following: - 2023 Capital Assets Cumulative Depreciation?

50 year life on 15 million (300,000) a year

Please answer the following: - 2023 Capital Assets Book Value?
Book Value = total cost - accumulated depreciation

13,500,00.00

Part V: PROJECTED CAPITAL INVESTMENT COSTS
Please answer the following questions regarding PROJECTED CAPITAL INVESTMENT COSTS.

Cost of projected capital improvements - Please enter a valid numerical value. - 2023?

0

Cost of projected capital improvements - Please enter a valid numerical value. - 2024 through 2028?

189,445.00

Cost of projected capital improvements - Please enter a valid numerical value. - 2029 through 2033?

0

Cost of projected capital improvements - Please enter a valid numerical value. - 2034 through 2038?

0

Cost of projected capital improvements - Please enter a valid numerical value. - 2039 through 2043?

10,000,000

Purpose of Capital Improvements - 2023?
Check all that apply.

- [ ] Replace/Restore
- [ ] New Technology
- [ ] Increased Capacity

Purpose of projected Capital Improvements - 2024 through 2028?
Check all that apply.

- [x] Replace/Restore
- [ ] New Technology
- [ ] Increased Capacity

Purpose of projected Capital Improvements - 2029 through 2033?
Check all that apply.

- [ ] Replace/Restore
- [ ] New Technology
- [ ] Increased Capacity

Purpose of projected Capital Improvements - 2034 through 2038?
Check alll that apply.

- [ ] Replace/Restore
- [ ] New Technology
- [ ] Increased Capacity

Purpose of projected Capital Improvements from 2039 through 2043?
Check all that apply.

- [ ] Replace/Restore
- [x] New Technology
- [x] Increased Capacity

To the best of my knowledge, the Financial Evaluation section is completed and accurate.

- True
- False

Note: This questionnaire has been compiled for your benefit to assist you in evaluating the technical and financial needs of your wastewater systems. If you received financial assistance from the Water Quality Board, annual submittal of this report is a condition of the assistance. Please answer questions as accurately as possible to give you the best evaluation of your facility. If you need assistance please send an email to wqinfodata@utah.gov and we will contact you as soon as possible. You may also visit our Frequently Asked Questions page.

Do you have a collection system?

The answer to this question is obvious in most cases, but for clarification, some wastewater systems consist of only wastewater collections (answer Yes). Some wastewater systems do not have a collection system but receive wastewater from separate collection system jurisdictions (answer No). Some wastewater systems have treatment and collections and consider their entire system as one entity (answer Yes). Some wastewater systems have treatment and collections, but consider their collections a separate entity from treatment (answer No). If you have treatment but have an independent collection system and you answered "No," you must enter your collection system separately as an independent response to the survey.

Yes

No

Collection System

The collection of wastewater in a system of pipes and possibly pump stations that deliver wastewater to a treatment system that may or may not be independent of the treatment system.

This form is completed by [name]?

The person completing this form may receive Continuing Education Units (CEUs).

Kale Watkins

Part I: SYSTEM DESCRIPTION

Please answer the following questions regarding SYSTEM DESCRIPTION.

What is the largest diameter pipe in the collection system?

Please enter the diameter in inches.

15"

What is the average depth of the collection system?
Please enter the depth in feet.

8'8"

What is the total length of sewer pipe in the collection system?
Please enter the length in miles.

26

How many lift/pump stations are there in the collection system?

3

What is the largest capacity lift/pump station in the collection system?
Please enter the design capacity in gpm.

750gpm

Do seasonal daily peak flows exceed the average peak daily flow by 100 percent or more?

Yes

No

What year was your collection system first constructed (approximately)?

1968

In what year was the largest diameter sewer pipe in the collection system constructed, replaced or renewed?
If more than one, cite the oldest.

1968

Part II: DISCHARGES

Please answer the following questions regarding DISCHARGES.

How many days last year was there a sewage bypass, overflow or basement flooding in the system due to rain or snowmelt?

0

How many days last year was there a sewage bypass, overflow or basement flooding due to equipment failure (except plugged laterals)?

0

Sanitary Sewer Overflow (SSO)

Class 1 - a Significant SSO means a SSO backup that is not caused by a private lateral obstruction or problem that:
(a) affects more than five private structures;
(b) affects one or more public, commercial or industrial structure(s);
(c) may result in a public health risk to the general public;
(d) has a spill volume that exceeds 5,000 gallons, excluding those in single private structures; or
(e) discharges to Waters of the State.

Class 2 - a Non-Significant SSO means a SSO or backup that is not caused by a private lateral obstruction or problem that does not meet the Class 1 SSO criteria

What is the number of Class 1 SSOs in Calendar year 2023?

0

What is the number of Class 2 SSOs in Calendar year 2023?

0

Please indicate what caused the SSO(s) in the previous question.

Please specify whether the SSOs were caused by contract or tributary community, etc.

Part III: NEW DEVELOPMENT

Please answer the following questions regarding NEW DEVELOPMENT.

Did an industry or other development enter the community or expand production in the past two years, such that flow or wastewater loadings to the sewerage system increased by 10% or more?

Yes

No

Are new developments (industrial, commercial, or residential) anticipated in the next 2 - 3 years that will increase flow or BOD5 loadings to the sewerage system by 25% or more?

Yes

No

What is the number of new commercial/industrial connections in 2023?

2

What is the number of new residential sewer connections added in 2023?

10

How many equivalent residential connections are served?

1407

Part IV: OPERATOR CERTIFICATION

Please answer the following questions regarding OPERATOR CERTIFICATION.

How many collection system operators do you employ?

1

What is the approximate population served?

5450

State of Utah Administrative Rules require all public system chief operators considered to be in Direct Responsible Charge (DRC) to be appropriately certified at no less than the Facility's Grade. List the designated Chief Operator/DRC for the Collection System by: First and Last Name, Grade, and email.

Grades: Grade I, Grade II, Grade III, and Grade IV.

Kale Watkins Grade II kwatkins@morgancityut.org

Please list all other Collection System operators with DRC responsibilities in the field, by name and certification grade. Please separate names and certification grade for each operator by commas.

Grades: Grade I, Grade II, Grade III, and Grade IV.

Kale Watkins Grade II kwatkins@morgancityut.org

Please list all other Collection System operators by name and certification grade. Please separate names and certification grades for each operator by commas.

Grades: Grade I, Grade II, Grade III, and Grade IV.

jeff Boren jboren@morgancityut.org

Is/are your collection DRC operator(s) currently certified at the appropriate grade for this facility?

Yes

No

Part V: FACILITY MAINTENANCE

Please answer the following questions regarding FACILITY MAINTENANCE.

Have you implemented a preventative maintenance program for your collection system?

Yes

No

Have you updated the collection system operations and maintenance manual within the past 5 years?

Yes

No

Do you have a written emergency response plan for sewer systems?

Yes

No

Do you have a written safety plan for sewer systems?

Yes

No

Is the entire collections system TV inspected at least every 5 years?

Yes

No

Is at least 85% of the collections system mapped in GIS?

Yes

No

Part VI: SSMP EVALUATION

Please answer the following questions regarding SSMP EVALUATION.

Have you completed a Sewer System Management Plan (SSMP)?

Yes

No

Has the SSMP been adopted by the permittee's governing body at a public meeting?

Yes

No

Has the completed SSMP been public noticed?

Yes

No

SSMP Public Notice Date

Date of public notice?

MM

03

/

DD

02

/

YYYY

2016

Continue 1

During the annual assessment of the SSMP, were any adjustments needed based on the performance of the plan?

Yes

No

What adjustments were made to the SSMP (i.e. line cleaning, CCTV inspections, manhole inspections, and/or SSO events)?

During 2023, was any part of the SSMP audited as part of the five year audit?

Yes

No

If yes, what part of the SSMP was audited and were changes made to the SSMP as a result of the audit?

Have you completed a System Evaluation and Capacity Assurance Plan (SECAP) as defined by the Utah Sewer Management Plan?

Yes

No

Part VII: NARRATIVE EVALUATION

Please answer the following questions regarding NARRATIVE EVALUATION.

Describe the physical condition of the sewerage system: (lift stations, etc. included)

great in overall condition and performance with exception island road lift station

What sewerage system capital improvements does the utility need to implement in the next 10 years?

island road lift station replacement

What sewerage system problems, other than plugging, have you had over the last year?

pump failure

Is your utility currently preparing or updating its capital facilities plan?

Yes

No

Does the municipality/district pay for the continuing education expenses of operators?

100%

Partially

Does not pay

Is there a written policy regarding continued education and training for wastewater operators?

Yes

No

Do you have any additional comments?

To the best of my knowledge, the Collections System section is completed and accurate

True

False

Note: This questionnaire has been compiled for your benefit to assist you in evaluating the technical and financial needs of your wastewater systems. If you received financial assistance from the Water Quality Board, annual submittal of this report is a condition of the assistance. Please answer questions as accurately as possible to give you the best evaluation of your facility. If you need assistance please send an email to wqinfodata@utah.gov and we will contact you as soon as possible. You may also visit our Frequently Asked Questions page.

Wastewater Treatment Options

You have either just completed or just bypassed questions about a Collection System. This section (the questions below) determines the next set of questions that you will be presented based on the choice you make for treatment.

What kind of wastewater treatment do you have in your wastewater treatment system?

If you have treatment, you must choose from Mechanical Plant, Discharging Lagoon, or Non-Discharging Lagoon. If you don't have treatment then choose "No Treatment." Choose only one answer.

Mechanical Plant

Discharging Lagoon

Non-Discharging Lagoon

No Treatment of Wastewater

Discharging Lagoon

This form is completed by [name]?

The person completing this form may receive Continuing Education Units (CEUs).

Kale Watkins

Part I: Influent Information

Please answer the following questions regarding INFLUENT into your lagoon.

What is the design basis or rated capacity for average daily flow in MGD?

.450 MGD

What is the design basis or rated capacity for average daily BOD loading in lb/day?

250 mg/L

What is the design basis or rated capacity for average daily TSS loading in lb/day?

250 mg/L

What was the 2023 average daily flow in MGD?

.286 MGD

What was the 2023 average daily loading for BOD in lb/day?

147mg/L

What was the 2023 average daily loading for TSS in lb/day?

72 mg/L

What is the percent of capacity used by the 2023 average daily flow?

63.55%

What is the percent of capacity used by the 2023 average daily BOD load?

58.8%

What is the percent of capacity used by the 2023 average daily TSS?

28.8%

Part II: EFFLUENT INFORMATION.

Please answer the following questions regarding EFFLUENT.

How many notices of violation (NOV)s did you receive for this facility in 2023?

6

Part III: DISCHARGES

Please answer the following questions regarding DISCHARGES.

How many days in the past year was there a bypass or overflow of wastewater at the facility due to high flows?

0

How many days in the past year was there a bypass or overflow of wastewater at the facility due to equipment failure?

0

Part IV: FACILITY AGE

Please answer the following questions about FACILITY AGE. If your plant does not have the treatment unit please enter N/A.

In what year was your HEADWORKS evaluated?

2018

In what year was your HEADWORKS most recently constructed, upgraded, or renewed?

2018

What is the age of your HEADWORKS?

5

In what year was your LAGOON evaluated?

2022

In what year was your LAGOONS (including aeration) most recently constructed, upgraded, or renewed?

2022

What is the age of your LAGOONS (including aeration)?

5

In what year was your DISINFECTION SYSTEM evaluated?

2018

In what year was your DISINFECTION SYSTEM most recently constructed, upgraded, or renewed?

2018

What is the age of your DISINFECTION SYSTEM?

5

In what year was your LAND APPLICATION/DISPOSAL evaluated?

In what year was your LAND APPLICATION/DISPOSAL most recently constructed, upgraded, or renewed?

What is the age of your LAND APPLICATION/DISPOSAL?

Part V: NEW DEVELOPMENT

Please answer the following questions regarding NEW DEVELOPMENT.

How many commercial/industrial connections were added in 2023?

2

How many residential sewer connections were added in 2023?

10

How many equivalent residential connections did you serve in 2023?

1407

Part VI: OPERATOR CERTIFICATION

Please answer the following questions regarding OPERATOR CERTIFICATION

How many treatment operators do you employ?

2

Utah administrative rules require all public system chief operators with Direct Responsible Charge (DRC) to be appropriately certified at no less than the facilitie's grade. Please list the designated Chief Operator/DRC for the Wastewater Treatment system below. Please give their first and last name, grade level, and email address.

Grades: Grade I, Grade II, Grade III, and Grade IV.

kale Watkins Grade II kwatkins@morgancityut.org

Please list all other Wastewater Treatment system operators with DRC responsibilities in the field, by name and certification grade. Please separate names and certification grade for each operator by commas.

Grades: Grade I, Grade II, Grade III, and Grade IV.

Please list all other Wastewater Treatment operators by name and certification grade. Please separate names and certification grades for each operator by commas.

Grades: Grade I, Grade II, Grade III, and Grade IV. Include operators with no certification.

Jeff Boren jboren@morgancityut.org

Is/are all your DRC operators currently certified at the appropriate grade level for this facility?

Yes

No

Part VII: FACILITY MAINTENANCE

Please answer the following questions regarding FACILITY MAINTENANCE.

Have you implemented a preventative maintenance program for your treatment system?

Yes

No

Have you updated the treatment system operations and maintenance manual within the past five years?

Yes

No

Identify the types of treament units at your facility.

☑ Screening

- [x] Grit Removal
- [x] Lagoon Variations
- [ ] Phosphorous Treatments
- [x] Chlorine Disinfection
- [ ] UV Disinfection
- [ ] Land Application/Disposal

To the best of my knowledge I certify the discharging lagoon portion of the MWPP survey to be correct and accurate.

- True
- False

Note: This questionnaire has been compiled for your benefit to assist you in evaluating the technical and financial needs of your wastewater systems. If you received financial assistance from the Water Quality Board, annual submittal of this report is a condition of the assistance. Please answer questions as accurately as possible to give you the best evaluation of your facility. If you need assistance please send an email to wqinfodata@utah.gov and we will contact you as soon as possible. You may also visit our Frequently Asked Questions page.

Adopt & Sign

I have reviewed this report and to the best of my knowledge the information provided in this report is correct. *

- True
- False

Has this been adopted by the City Council or District Board? *

yes

No

Not Adopted by Council

What date will it be presented to the City Council or District Board? *

MM

03

/

DD

12

/

YYYY

2024

End of Survey

This is the end of the survey. Please make sure you have submitted your responses for each section. Thank you for your participation.

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RESOLUTION 24-09

A RESOLUTION ADOPTING AND APPROVING A LETTER FROM MAYOR GALE TO GOVERNOR SPENCER J. COX REQUESTING GOVERNOR COX VETO SENATE BILL 161, 6TH SUBSTITUTE – ENERGY SECURITY AMENDMENTS OF THE 2024 GENERAL SESSION OF THE UTAH LEGISLATURE; RATIFYING THE EXECUTION OF THE LETTER BY MAYOR GALE.

WHEREAS, Senate Bill 161, 6th Substitute, (hereinafter "SB161") interferes with municipal control of assets developed and operated without any public funds; and

WHEREAS, SB161 causes significant harm to a multi-billion-dollar project; and

WHEREAS, SB 161 conflicts with enforceable commitments made to EPA by the State of Utah and IPA and, if implemented, will most certainly lead to EPA intervention and litigation that will frustrate the foals of the legislation and cost Utah millions of dollars in legal fees; and

WHEREAS, SB 161 does not provide any meaningful benefit to the State (it will not save any coal jobs); and

WHEREAS, SB 161 ignores meaningful efforts by Intermountain Power Agency (hereinafter "IPA"): to work toward a win-win solution; and

WHEREAS, IPA is an interlocal entity which is controlled by Utah municipalities that owns the Intermountain Power Project (hereinafter "IPP"); and

WHEREAS, Morgan City is a member owner of IPP; and

WHEREAS, Mayor Gale, recognizing the importance of requesting Governor Cox veto SB161, executed a letter dated March 6, 2024; and

WHEREAS, the City Council of Morgan City has determined it to be in the best interest of the City to adopt and approve the letter requesting Governor Cox veto SB161 and ratifying the Mayor's signature.

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

1. That the letter to Governor Spencer Cox requesting the veto of SB 161, 6th Substitute, dated March 6, 2024, which is attached hereto and incorporated herein by this reference, be adopted and approved.

2. That the Council hereby ratifies the authority of Mayor Gale to execute the attached letter.

PASSED AND ADOPTED by the City Council of Morgan, Utah, this 12th day of March, 2024.

STEVE GALE, Mayor

ATTEST:

DENISE WOODS, City Recorder

CITY COUNCIL VOTE AS RECORDED:

	Aye	Nay	Excused
Council Member London	___	___	___
Council Member Wardell	___	___	___
Council Member Turner	___	___	___
Council Member Richins	___	___	___
Council Member Alexander	___	___	___

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

Mayor Gale	___	___

Morgan City Corporation

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

March 6, 2024

Governor Spencer Cox
350 North State Street, Suite 200
Salt Lake City, UT 84114

RE: Veto SB161 6th Substitute

Thank you for your consideration of Morgan City's request to veto Senate Bill 161 6th Substitution. Morgan City has ownership in the Intermountain Power Agency and depends greatly on the success of this project. SB 161 turns the clock back on a well-run project at risk for purely political reasons.

The process of the way this bill was passed is contrary to your "Disagree Better" campaign, by limiting the opportunity for real discussion. Morgan City believes this bill is the opposite of your track record of meeting future challenges with innovative solutions, which IPA has been doing for the past several years. We also think you have committed yourself to supporting rural communities in Utah. SB 161 puts all this at risk by putting special interest group politics ahead of meaningful communication with the Municipal owner's and power experts involved in the project. Morgan City can not handle the financial burden of forcing the IPA project to violate Environmental Law and contractual agreements from years of hard work.

We strongly encourage you to Veto SB161 as it provides little to no benefit for Utah and creates unnecessary burden for the Municipal owners. We feel all of the conversations have been ignored and need your help to bring the Legislators to the table for meaningful conversation. This letter will be ratified, by a formal Resolution at our next City Council meeting on March 12th 2024. Please contact Ty Bailey, City Manager, with any questions you may have at 801-821-6175 or tbailey@morgancityut.org

Sincerely,

SGale

Steve Gale
Morgan City Mayor
801-829-3461

RESOLUTION 24-10

A RESOLUTION ADOPTING AND APPROVING AN APPLICATION TO THE UTAH DIVISION OF OUTDOOR RECREATION – UTAH OUTDOOR RECREATION GRANT (UORG) FOR ASSISTANCE IN THE CONSTRUCTION OF A RIVER ACCESS UNDER THE YOUNG STREET BRIDGE.

WHEREAS, the Utah Legislature has authorized grants to help build tourism in communities around the state through the construction and expansion of outdoor recreation amenities; and

WHEREAS, the Division of Outdoor Recreation is committed to ensuring every Utahn can live a healthy and active lifestyle through outdoor recreation and access to natural space; and

WHEREAS, the City recently completed the construction of the Young Street Bridge and Connector Road Project to provide traffic and pedestrian access between Commercial Street and State Street and to create a walkable route through the City; and

WHEREAS, in an effort to promote economic development and build tourism the City desires to build an access under the Young Street Bridge; and

WHEREAS, the funds from the UORG will be used to create a river access under the Young Street Bridge; and

WHEREAS, the City Council of Morgan City has determined it to be in the best interest of the City to adopt and approve an application for the Rural Communities Opportunity Grant to construct a reiver access under the Young Street Bridge.

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

1. That the City adopt and approve the application to the Utah Division of Outdoor Recreation – Utah Outdoor Recreation Grant (UORG) to provide river access under the Young Street Bridge.

2. That the City is committed to completing the construction of the project and provide the required matching funds.

3. That Ty Bailey, City Manager, is authorized to sign and submit the application for the Utah

PASSED AND ADOPTED by the City Council of Morgan, Utah, this 12th day of March, 2024.

_____
STEVE GALE, Mayor

ATTEST:

_____
DENISE WOODS, City Recorder

COUNCIL VOTE AS RECORDED:

	Aye	Nay	Excused
Council Member London	___	___	___
Council Member Wardell	___	___	___
Council Member Turner	___	___	___
Council Member Richins	___	___	___
Council Member Alexander	___	___	___

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

Mayor Gale	___	___	___