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City Council Agenda Information

To: Mayor Miller and City Council
From: Larry Coleman, Power Superintendent
Date: July 30, 2026
Subject: Proposed sale of electrical infrastructure

Summary: Recent requests for electrical service connection on property parcels south of Hyrum Reservoir have prompted this agenda item. Hyrum City Power currently has existing electrical infrastructure and customers on the southwest side of Hyrum Reservoir. With the current city code (25-02), we are restricted in providing anymore electrical connections outside of city limits, which includes this area. This is a challenge for not just us but the property owners too. This area is technically Rocky Mountain Power (RMP) service territory which gives them the right to provide electrical service to this area. Historically, because RMP has not had any infrastructure near this area, and Hyrum City has existing infrastructure, the Public Utility Commission (PUC) along with RMP have given us permission to provide electrical service to property owners in this area. During the last year or two, RMP has extended their lines to be within a short distance of Hyrum City's electrical infrastructure, resulting in an opportunity to serve these new customer requests. RMP has approached Hyrum City Power to purchase a section of our line to help facilitate the ability to provide these services. With this proposed purchase, I have included in this packet a material asset list, estimated value of the assets, number of current Hyrum City Power customers on this section of line, as well as average yearly revenues we receive from these metered customers.

I have had multiple conversations in the past with some councilmembers to discuss this area as well as other areas around the city that we provide electrical services to. We have had some discussion on the possibility of trading assets for assets with RMP for areas they serve that are in the city limits. Those discussions are ongoing and hope to get some answers soon. With the decision you come to tonight, I will propose it to RMP for their review.

Recommendation:

As a utility company, whether a municipality, co-op, REA or investor-owned, it is the goal and desire that everyone have opportunity to have access to electricity. Without the ability to allow additional connections to our electrical line, it restricts these property owners from building a home. If Hyrum City is unwilling to allow additional connections to this line, as the Power & Light Superintendent, I would recommend the sale of this section of line to RMP to allow these property owners an electrical connection.

City Council Meeting Details:

- Meeting Date: August 6, 2026
- Council Role: Discussion and approval

Attachments: 6

- New service request map
- Map of proposed new service areas
- Asset list of proposed purchase
- Asset valuation (based from November 2025 asset valuation of area performed by ICPE)
Including separation costs, taxes, legal, and admin fees
- Customers and revenues associated with proposed sale of assets
- November 2025 asset valuation of area performed by ICPE



Hyrum City Power

Asset Valuation

November 2025



**Intermountain Consumer
Professional Engineers, Inc.
1145 East South Union Avenue
Midvale, Utah 84047
(801) 255-1111**

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SECTION I GENERAL

Introduction

Intermountain Consumer Professional Engineers, Inc. ("ICPE") performed services for Hyrum City Power to evaluate the existing distribution circuits and material for the area pictured below and to develop a cost estimate for these system assets.



Figure 1: Asset Area

ICPE utilized client data provided by Hyrum City Power, such as drawings, nameplates, and field investigations to extrapolate a straight-line depreciation for these system assets. The straight-line depreciation used in the valuation are predictions, which prevents ICPE from guaranteeing or assuring that the recommendations reflect actual values. However, it is believed that all predictions and observations used in the valuation are reasonable and appropriate for the purpose of the Asset Valuation for the existing distribution system.

Hyrum City



Hyrum City is located in northern Utah in Cache County, approximately 78 miles north of Salt Lake City, UT. According to the U.S. Census Bureau, the city covers a land area of 6.19 square miles, with an estimated population of approximately 11,043 as of 2024.

Hyrum can best be described as a rural community, surrounded by farmland and open countryside. With available commercial and industrial space, Hyrum continues to grow under thoughtful planning while preserving the close-knit, peaceful atmosphere that appeals to both residents and visitors.

The Distribution System

General

Figure 2 illustrates the distribution line path of conductors delivering power to residential buildings. The green line represents the single-phase power, which runs overhead alongside a neutral wire on wooden utility poles. The distribution system can be seen shifting entirely from overhead distribution to underground distribution where the green path intersects with the black and dark blue paths, which in turn switches to the orange distribution path. The yellow, pink, purple, and light blue branching paths are sections where the 7.2kV is stepped down to 120/240V via either pole- or pad-mounted transformers. From there, power is delivered to homes through triplex cabling and a meter base. For some of the houses, the triplex is overhead. For most, the triplex cable is fed through risers and carried underground to the meter adjacent to a given resident's house.



Figure 2: Line Diagram of the 7.2kV Single Phase Distribution

Color	Conductor
Green	#4 ACSR, Overhead
Purple	#2 Triplex
Dark Blue	4/0 EPR Jacketed, Underground
Black	#2 XLP Unjacketed, Underground
Orange	1/0 EPR Jacketed, Underground
Yellow	4/0 Triplex
Light Blue	1/0 Triplex
Pink	350 MCM

Table 1: Distribution Cable Legend for Figure 2

Asset Valuation Methodology

Cost Estimate

For the purposes of this asset valuation, ICPE was contracted to develop a cost estimate of the assets within the defined area, based on current market labor and material costs. A cost estimate typically accounts for expenses involved in design and construction, including materials, labor, equipment, engineering, and contingency. All relevant data for the cost estimate was supplied to ICPE by Hyrum City Power through detailed area maps and email correspondence. ICPE took this data, categorized all

observable materials, and applied standard pricing and man hours necessary to rebuild the existing distribution system as if it were to be constructed today.

Depreciated Value

However, for the purposes of an asset valuation, a cost estimate does not reflect the actual value of the existing assets. Rather, a cost estimate reflects a projected expense of replacing the system at current market rates. The current distribution system was developed incrementally over the past several decades, dating back to 1969. Therefore, many of the assets will have depreciated in value throughout the years as they aged through their serviceable lifespans.

Equation 1

$$\text{Depreciated Value} = (\text{Replacement Cost New}) \times \left(1 - \frac{\text{Age}}{\text{Serviceable Lifespan}}\right)$$

ICPE used installation data provided by Hyrum City Power to estimate the age of each component within the distribution system. Each assets age was derived from its year of installation, or, when that information is unavailable, by the installation year of the associated wooden pole or conductor. By combining this data with estimated asset lifespans of 30 or 50 years (depending on environmental and operational conditions) ICPE provided a more accurate approximation of the current value of the existing distribution system.

SECTION II RESULTS

General

For the purpose of estimating the cost of assets included in the distribution system for the designated area, the following materials were catalogued:

A total of 30 wooden poles were identified. Six (6) of these are 35 feet in height above grade, while the remaining 24 are 40 feet above grade. These poles support 15,900 feet of distribution line between the single-phase conductor and the neutral line. The system includes 60 15kV insulators for tangents, single dead-ends, and double dead-ends depending on the orientation of the overhead conductors. Additionally, throughout the overhead portion of the distribution system, the poles are equipped with ten (10) sets of guy anchoring assemblies, two (2) streetlights, six (6) fuse cutout switches, and nine (9) pole-mount transformers.

The remaining portion of the distribution system utilizes 14,125 feet of conductor material, of which approximately 13,300 feet are routed through 1-1/2", 2", 3", and 4" conduit. Approximately 13,100 feet of conductor material is underground, requiring trenching services. Additionally, throughout the underground portion of the distribution system there are fourteen (14) pad-mount transformers and seven (7) junction cans.

Each branch of the distribution system within the area served by Hyrum City Power terminates at one (1) of 34 separate meter bases, each feeding a residential building. A detailed catalogue of all the assets is attached as part of the cost estimate spreadsheet. The total cost values of the replace cost new estimate are included in Table 2.

Cost Estimate	
Subtotal Labor + Material	\$ 5,721,708.25
Equipment	\$ 327,035.25
Engineering	\$ 457,736.66
Contingency (15%)	\$ 907,311.53
Total Estimate	\$ 7,413,791.69

Table 2: Replace Cost New Estimate

The serviceable lifespan of each piece of equipment in the distribution system impacts the present, depreciated value in the assets. Given that the lifespans are unknown, estimates of 30- or 50-year lifespans are given in Table 3 and Table 4 respectively.

30 Year Lifespan Values	
Subtotal Labor + Material	\$ 2,765,737.33
Equipment	\$ 163,110.45
Engineering	\$ 221,258.99
Contingency (15%)	\$ 439,327.17
Total Estimate	\$ 3,589,433.94

Table 3: Asset Values with a 30 Year Lifespan

50 Year Lifespan Values	
Subtotal Labor + Material	\$ 3,703,781.70
Equipment	\$ 218,173.77
Engineering	\$ 296,302.54
Contingency (15%)	\$ 588,293.32
Total Estimate	\$ 4,806,551.33

Table 4: Asset Values with a 50 Year Lifespan

Recommendation

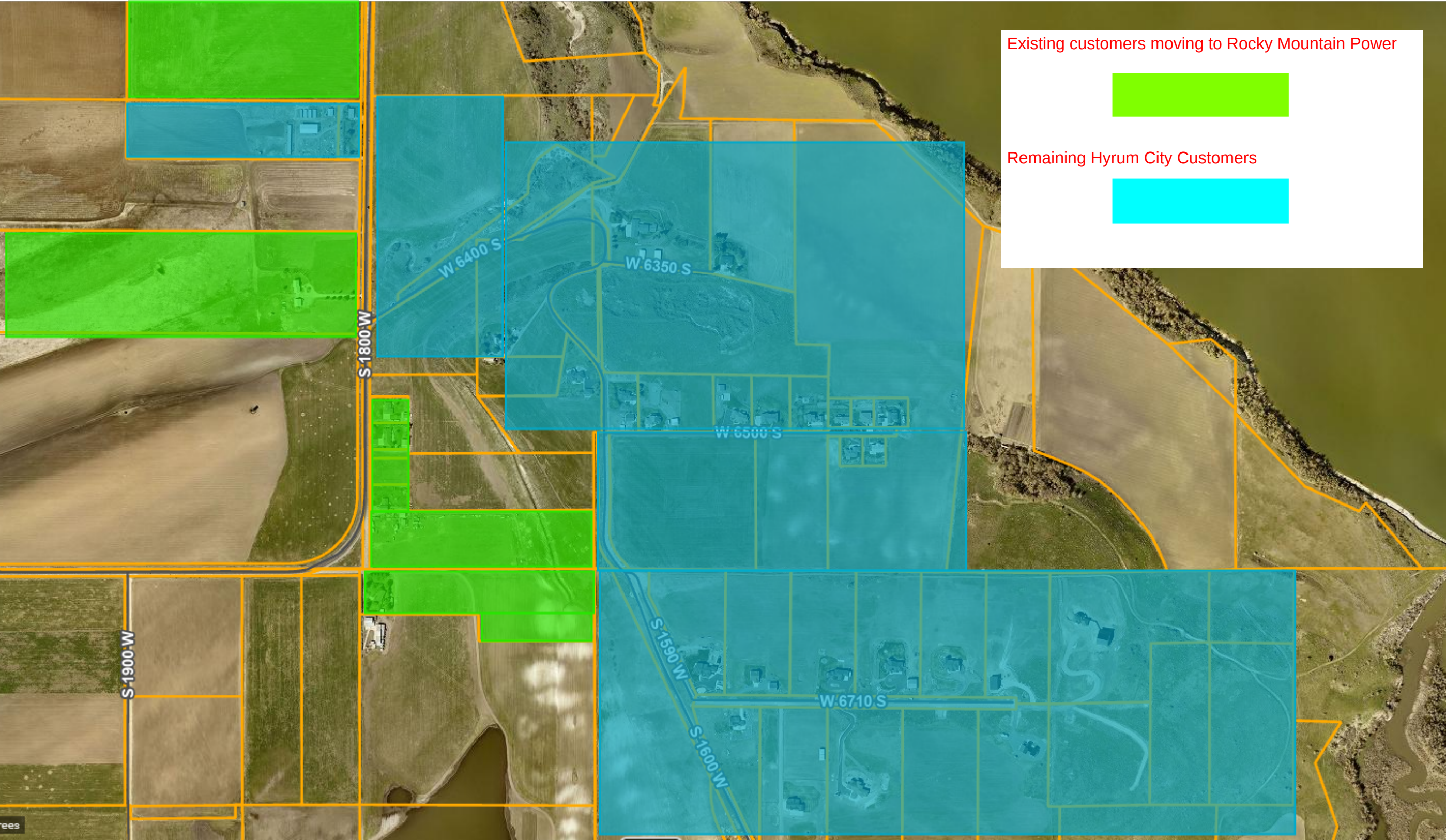
It is ICPE's recommendation that the wooden poles, conductors, 15kV insulators, guy assemblies, conduits, transformers, streetlights, fuse cutout switches, meter bases, and junction boxes are approximated as having lifespans close to 50 years. ICPE's final estimated asset valuation is summarized in Table 4.

COST ESTIMATE						DATE ISSUED: 11/14/2025		
PROJECT: Hyrum City Power - Asset Valuation						BASIS FOR ESTIMATE		
DESCRIPTION: Distribution System Asset Evaluation						CODE A (Schematic Design) CODE B (Preliminary Design) CODE C (Final Design) 100%		
						OTHER-Conceptual Configuration		
DESCRIPTION	ESTIMATOR: ICPE - Joseph W					CHECKED:		
	QUANTITY		Avg. Labor Rate: \$135.00			MATERIAL (\$)		
	NO. UNITS	UNIT MEAS	PER UNIT	TOTAL Man Hr	TOTAL LABOR (\$)	PER UNIT	TOTAL MATERIAL	TOTAL ESTIMATE
Overhead & Underground Conductor, Insulator								
#4 ACSR	15,900	FT	0.1	1,590.00	\$214,650.00	\$1.00	\$15,900.00	\$230,550.00
#2 Triplex	550	FT	0.15	82.50	\$11,137.50	\$3.00	\$1,650.00	\$12,787.50
4/0 Triplex	3,600	FT	0.15	540.00	\$72,900.00	\$6.50	\$23,400.00	\$96,300.00
1/0 Triplex	1,100	FT	0.15	165.00	\$22,275.00	\$3.50	\$3,850.00	\$26,125.00
350 MCM	300	FT	0.15	45.00	\$6,075.00	\$11.00	\$3,300.00	\$9,375.00
#2 15kV XLP, unjacketed	200	FT	0.25	50.00	\$6,750.00	\$12.00	\$2,400.00	\$9,150.00
4/0 15kV EPR, jacketed	375	FT	0.25	93.75	\$12,656.25	\$20.00	\$7,500.00	\$20,156.25
1/0 15kV EPR	8000	FT	0.25	2,000.00	\$270,000.00	\$15.00	\$120,000.00	\$390,000.00
15 kV Insulator	60	EA	1	60.00	\$8,100.00	\$250.00	\$15,000.00	\$23,100.00
		EA	0	0.00	\$0.00	\$0.00	\$0.00	\$0.00
							Total	\$817,543.75
Conduit								
1 1/2" Conduit	30	FT	2	60.00	\$8,100.00	\$1.15	\$34.50	\$8,134.50
2" Conduit	4400	FT	2	8,800.00	\$1,188,000.00	\$1.50	\$6,600.00	\$1,194,600.00
3" Conduit	8700	FT	2	17,400.00	\$2,349,000.00	\$1.75	\$15,225.00	\$2,364,225.00
4" Conduit	175	FT	2	350.00	\$47,250.00	\$2.40	\$420.00	\$47,670.00
Trenching	13100	FT	0.35	4,585.00	\$618,975.00	\$10.00	\$131,000.00	\$749,975.00
		EA	0	0.00	\$0.00	\$0.00	\$0.00	\$0.00
		EA	0	0.00	\$0.00	\$0.00	\$0.00	\$0.00
							Total	\$4,364,604.50
Wood Structures								
40' Class 4	24	EA	4	96.00	\$12,960.00	\$3,200.00	\$76,800.00	\$89,760.00
35' Class 3	3	EA	4	12.00	\$1,620.00	\$3,200.00	\$9,600.00	\$11,220.00
35' Class 5	3	EA	4	12.00	\$1,620.00	\$3,200.00	\$9,600.00	\$11,220.00
		EA	0	0.00	\$0.00	\$0.00	\$0.00	\$0.00
		EA	0	0.00	\$0.00	\$0.00	\$0.00	\$0.00
							Total	\$112,200.00
Distribution Transformers								
25kVA 7200-120/240V Polemount Transformer	6	EA	4	24.00	\$3,240.00	\$6,750.00	\$40,500.00	\$43,740.00
15kVA 7200-120/240V Polemount Transformer	1	EA	2	2.00	\$270.00	\$6,500.00	\$6,500.00	\$6,770.00
10kVA 7200-120/240V Polemount Transformer	2	EA	2	4.00	\$540.00	\$6,000.00	\$12,000.00	\$12,540.00
25kVA 7200-120/240V Padmount Transformer	8	EA	2	16.00	\$2,160.00	\$10,600.00	\$84,800.00	\$86,960.00
37.5kVA 7200-120/240V Padmount Transformer	4	EA	4	16.00	\$2,160.00	\$12,000.00	\$48,000.00	\$50,160.00
50kVA 7200-120/240V Padmount Transformer	2	EA	4	8.00	\$1,080.00	\$15,000.00	\$30,000.00	\$31,080.00
		EA	0	0.00	\$0.00	\$0.00	\$0.00	\$0.00
		EA	0	0.00	\$0.00	\$0.00	\$0.00	\$0.00
							Total	\$231,250.00
Pole Guying Material								
Guy Anchors	10	EA	1	10.00	\$1,350.00	\$1,800.00	\$18,000.00	\$19,350.00
Insulator Guy Strain, FG, 78" 50 kip	10	EA	2	20.00	\$2,700.00	\$350.00	\$3,500.00	\$6,200.00
Connection Hardware	1	LS	40	40.00	\$5,400.00	\$2,500.00	\$2,500.00	\$7,900.00
3/8" HS Guy Wire	400	FT	0.1	40.00	\$5,400.00	\$2.00	\$800.00	\$6,200.00
		EA	0	0.00	\$0.00	\$0.00	\$0.00	\$0.00
		EA	0	0.00	\$0.00	\$0.00	\$0.00	\$0.00
							Total	\$39,650.00
Miscellaneous Equipment								
Street Light	3	EA	4	12.00	\$1,620.00	\$2,500.00	\$7,500.00	\$9,120.00
Fuse Cutout Switch	12	EA	2	24.00	\$3,240.00	\$1,800.00	\$21,600.00	\$24,840.00
Meter Base	34	EA	4	136.00	\$18,360.00	\$2,500.00	\$85,000.00	\$103,360.00
Junction Can	7	EA	4	28.00	\$3,780.00	\$1,800.00	\$12,600.00	\$16,380.00
Free Standing Meterbase Rack	2	EA	8	16.00	\$2,160.00	\$300.00	\$600.00	\$2,760.00
		EA	0	0.00	\$0.00	\$0.00	\$0.00	\$0.00
							Total	\$156,460.00
Subtotals				36,337.3	\$4,905,528.75		\$816,179.50	
Subtotal Labor + Material								\$5,721,708.25
Equipment				7267.45		45		\$327,035.25
Engineering								\$457,736.66
Contingency (15%)								\$907,311.53
TOTAL ESTIMATE								\$7,413,791.69

Notes: This is the estimated value of the material + labor if this was to be built today. We still need to take into account depreciation in order to come up with a more accurate, depreciated value.

	DEPRECIATED VALUES			
	30 Year Lifespan		50 Year Lifespan	
	Material + Labor	Equipment	Material + Labor	Equipment
Overhead & Underground Conductor, Insulator				
#4 ACSR	\$0.00	\$0.00	\$0.00	\$0.00
#2 Triplex	\$0.00	\$0.00	\$0.00	\$0.00
4/0 Triplex	\$37,650.63	\$1,900.13	\$57,632.88	\$2,908.58
1/0 Triplex	\$10,826.04	\$615.38	\$14,570.63	\$828.23
350 MCM	\$6,875.00	\$297.00	\$7,875.00	\$340.20
#2 15kV XLP, unjacketed	\$1,220.00	\$60.00	\$4,392.00	\$216.00
4/0 15kV EPR, jacketed	\$2,687.50	\$112.50	\$9,675.00	\$405.00
1/0 15kV EPR	\$233,350.00	\$10,770.00	\$296,010.00	\$13,662.00
15 kV Insulator	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$292,609.17	\$13,755.00	\$390,155.50	\$18,360.00
Conduit				
1 1/2" Conduit	\$1,355.75	\$90.00	\$4,067.25	\$270.00
2" Conduit	\$182,357.50	\$12,090.00	\$549,244.50	\$36,414.00
3" Conduit	\$1,687,567.50	\$111,780.00	\$1,958,230.50	\$129,708.00
4" Conduit	\$34,958.00	\$2,310.00	\$40,042.80	\$2,646.00
Trenching	\$400,082.08	\$22,013.25	\$532,596.75	\$29,304.45
Total	\$2,306,320.83	\$148,283.25	\$3,084,181.80	\$198,342.45
Wood Structures				
40' Class 4	\$6,856.67	\$66.00	\$8,602.00	\$82.80
35' Class 3	\$623.33	\$6.00	\$1,870.00	\$18.00
35' Class 5	\$124.67	\$1.20	\$1,570.80	\$15.12
Total	\$7,604.67	\$73.20	\$12,042.80	\$115.92
Distribution Transformers				
25kVA 7200-120/240V Polemount Transformer	\$7,290.00	\$36.00	\$10,206.00	\$50.40
15kVA 7200-120/240V Polemount Transformer	\$0.00	\$0.00	\$0.00	\$0.00
10kVA 7200-120/240V Polemount Transformer	\$0.00	\$0.00	\$0.00	\$0.00
25kVA 7200-120/240V Padmount Transformer	\$37,682.67	\$62.40	\$57,393.60	\$95.04
37.5kVA 7200-120/240V Padmount Transformer	\$36,784.00	\$105.60	\$42,134.40	\$120.96
50kVA 7200-120/240V Padmount Transformer	\$22,792.00	\$52.80	\$26,107.20	\$60.48
Total	\$104,548.67	\$256.80	\$135,841.20	\$326.88
Pole Guying Material				
Guy Anchors	\$0.00	\$0.00	\$0.00	\$0.00
Insulator Guy Strain, FG, 78" 50 kip	\$0.00	\$0.00	\$0.00	\$0.00
Connection Hardware	\$0.00	\$0.00	\$0.00	\$0.00
3/8" HS Guy Wire	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$0.00	\$0.00	\$0.00	\$0.00
Miscellaneous Equipment				
Street Light	\$0.00	\$0.00	\$0.00	\$0.00
Fuse Cutout Switch	\$5,382.00	\$23.40	\$11,509.20	\$50.04
Meter Base	\$34,960.00	\$414.00	\$53,808.00	\$637.20
Junction Can	\$12,012.00	\$184.80	\$13,759.20	\$211.68
Free Standing Meterbase Rack	\$2,300.00	\$120.00	\$2,484.00	\$129.60
Total	\$54,654.00	\$742.20	\$81,560.40	\$1,028.52
	30 Year Lifespan		50 Year Lifespan	
Subtotal Labor + Material	\$2,765,737.33		\$3,703,781.70	
Equipment	\$163,110.45		\$218,173.77	
Engineering	\$221,258.99		\$296,302.54	
Contingency (15%)	\$439,327.17		\$588,293.32	
Total Depreciated Estimate	\$3,589,433.94		\$4,806,551.33	

Notes: This is the estimated, depreciated values of the system if each given item has an estimated 30 or 50 years of serviceable life.



Existing customers moving to Rocky Mountain Power

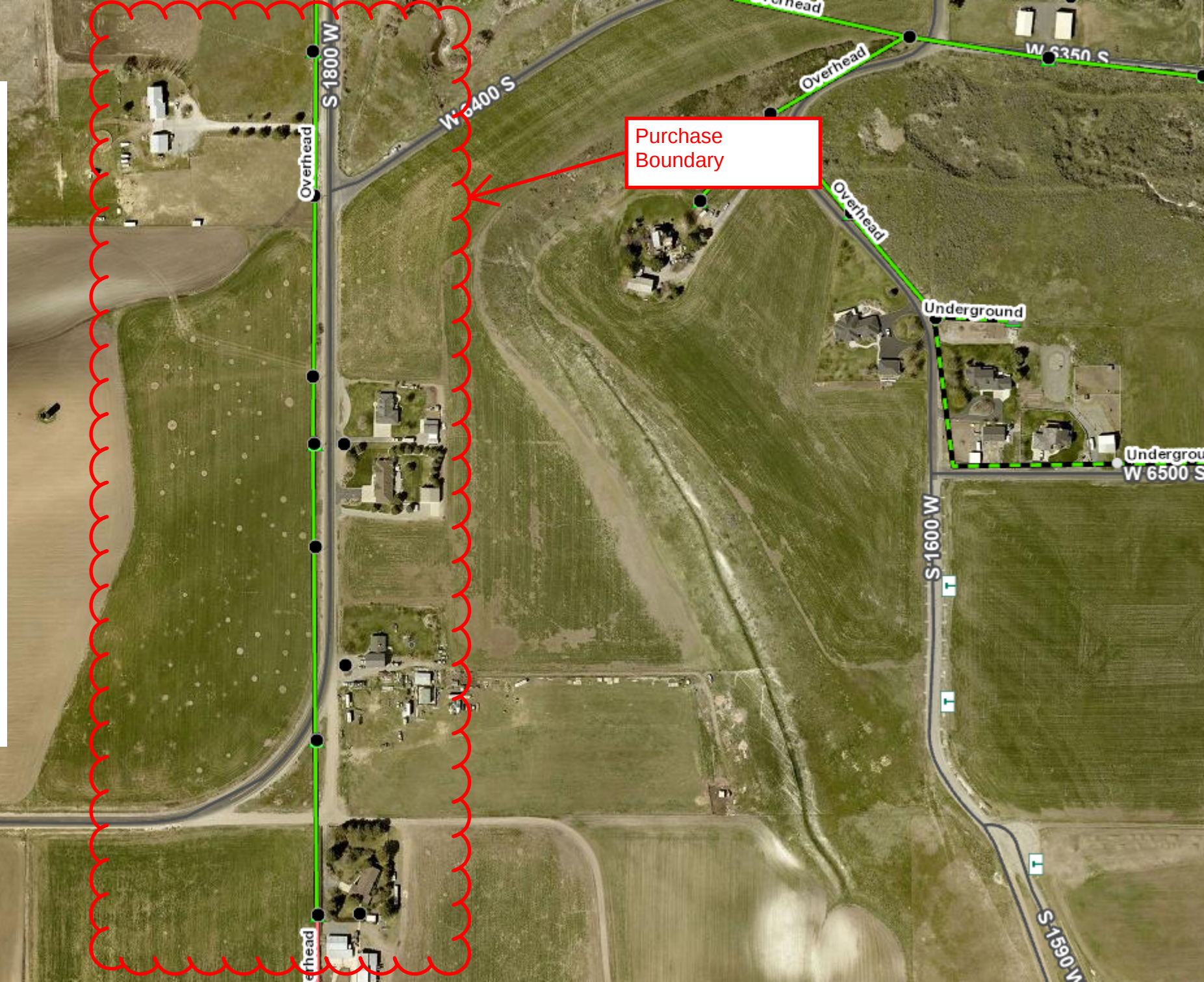


Remaining Hyrum City Customers



Sale of Assets

- (7) 40' pole
- (3) 35' pole
- (4) pole mount transformers
- (3900') Primary conductor #4 ACSR
- (148') Secondary conductor #2 Triplex
- (250') Secondary Conductor 1/0 Triplex
- (150') URD Secondary Conductor 4/0
- Miscellaneous Items



Hyrum City Customers within proposed purchase area

- 6291 S 1800 W
- 6470 S 1800 W
- 6490 S 1800 W
- 6490 S 1800 W (well)
- 6540 S 1800 W
- 6600 S 1800 W

Approximate combined yearly revenue from these customers:

\$5300/YR

New Service Request

End of Asset Purchase

New Service Request

Goldendoodledoo

Start of Asset Purchase

W 6600 S



Hyrum City Assets and associated depreciated values

Primary Poles (7)	<u>Size</u>	<u>Class</u>	<u>Date</u>	<u>Value</u>
	40'	4	2020	\$2565
	40'	4	2020	\$2565
	40'	N/A	1969	\$395
	40'	N/A	1969	\$395
	40'	N/A	1969	\$395
	40'	N/A	1969	\$395
	40'	N/A	1969	\$395
Transformers (4)	<u>Size</u>	<u>voltage</u>	<u>Date</u>	<u>Value</u>
	10 kva	120/240	2001	\$680
	10 kva	120/240	2020	\$1125
	15 kva	120/240	2000	\$1020
	25 kva	120/240	2000	\$1701
Secondary Poles (3)	<u>Size</u>	<u>Class</u>	<u>Date</u>	<u>Value</u>
	35'	3	2000	\$623
	35'	5	1996	\$523
	35'	5	N/A	\$395
Conductor	<u>Size</u>	<u>Quantity</u>	<u>Value</u>	
Overhead Primary	#4 ACSR	3900'	\$5850	
Overhead Secondary	#2 Triplex	148'	\$222	
	1/0 Triplex	250'	\$500	
URD Secondary	4/0	90'	\$450	
Miscellaneous			<u>Value</u>	
Street light			N/A	
Current rated transformers			\$200	
Pole top assemblies			\$455	
Secondary dip			\$495	
Cutout/Arrestor Assemblies			\$200	
Total			\$21,544	

Calculated Asset Purchase Cost

A) Existing Infrastructure	\$21,544
i. Includes poles, transformers, conductors, etc.	
ii. *See asset inventory sheet*	
 B) Tax	 TBD
 C) Separation Cost	 \$9750
 D) Legal/Document Fees	 TBD