

Minutes of the regular meeting of the City Council held August 24, 1983 at 7:00 p.m. in the City Hall of Bountiful, Utah.

Present: Mayor:	Dean S. Stahle
Council Members:	Dean Hill, H. Keith Barton, Phyllis C. Southwick, and Paul Allen
City Manager:	Tom Hardy
City Attorney:	Layne B. Forbes
City Engineer:	Jack P. Balling
City Recorder:	Arden F. Jenson
Deputy Recorder:	Vernile Hess
Rec. Secretary:	Nancy T. Lawrence

Excused: Councilman: Bob Linnell

Mayor Stahle welcomed those in attendance, following which he led the pledge of allegiance to the flag. The invocation was given by Councilman Barton.

Notice of this meeting had been given by posting a written notice of same and an agenda at the City Hall and providing copies to the following newspapers of general circulation: Davis County Clipper, Deseret News, and Salt Lake Tribune.

Minutes of the regular meeting of the City Council held August 10, 1983 were presented and unanimously approved as written on a motion made by Councilman Barton and seconded by Councilman Allen.

**CHAPTER 6, SECTION 6, RE: 250-FT MEASUREMENT
AMENDED WITH ADOPTION OF ORD. NO. 83-16**

Mr. Boothe reviewed that a public hearing was held on August 10, 1983 to consider amending Section 6-4015 of Chapter 6 regarding how the 250-ft. distance spoken of in that section is to be measured, and that the Council approved action to have an ordinance drawn up to amend that section. He then reviewed Ord. No. 83-16, entitled, "AN ORDINANCE AMENDING TITLE 14, CHAPTER 6, SECTION 6-4015 OF THE REVISED ORDINANCES OF BOUNTIFUL, UTAH, 1965 AS AMENDED, BY AMENDING THE FOOTHILL DEVELOPMENT REGULATIONS PERTAINING TO LOT AND ACCESS DESIGN AND REPEALING ALL ORDINANCES OR PARTS THEREOF IN CONFLICT THEREWITH". Councilman Allen made the motion that this ordinance be adopted and the Mayor authorized to sign it. Councilwoman Southwick seconded the motion and voting was unanimous.

**ENGAGEMENT LETTER WITH FOX AND CO.
GIVEN APPROVAL**

Mr. Hardy explained that at the time Fox and Company was authorized to do the 1982-83 audit, the city neglected to formalize the Engagement Letter and he recommended that the Council complete this matter. Councilman Hill made the motion that approval be given for execution of the Engagement Letter with Fox and Company as recommended and that the Mayor be authorized to sign it. Councilman Allen seconded the motion which carried unanimously.

**SPECIAL MEETING CALLED TO DISCUSS
RON HEYNS PROPOSAL**

Mr. Hardy noted that the Council had discussed the proposal for a refuse burning facility submitted by Ron Heyns at a meeting yesterday and he recommended that a special meeting be called for Monday afternoon at 4:00 p.m. to further discuss this matter.

**UP&L REQUESTS BOUNTIFUL TO ACT ON
HUNTER I AGREEMENTS**

Mr. Hardy reviewed that at the time Mayor Barlow was in office, agreements between Utah Power and Light and the City regarding the Hunter I project were signed by Bountiful and returned to UP&L. The agreements were never signed by UP&L and have now been returned to the city with some modifications and a request from UP&L to have them signed and delivered by August 31st. If they are not returned by said date, UP&L indicated that they will approach the Public Service Commission and request that they (UP&L) be relieved of having to sell to Bountiful. He said that the agreements cover the following points: (1) Purchase and Sale Agreement which provides for Bountiful to have an undivided interest of 3.25 percent in the plant and itemizes the conditions of the purchase and sale; (2) the Agreement for Joint Ownership, Operation, and Maintenance which define how the plant will be operated and maintained and the city's rights, duties, and obligations; and (3) the Transmission Service Agreement which outlines how the power will be transmitted from the plant in Emery County to Bountiful. He said that these contracts have been reviewed by the staff and it is their recommendation that several modifications be made prior to signing them.

**STAFF MAKES RECOMMENDED MODIFICATIONS
TO AGREEMENTS WITH UP&L**

Mr. Hardy outlined the recommended changes as follows: (1) that Bountiful not be required to take the minimum of 50,000 kw on a 24-hour basis as stipulated if the plant is operating at a minimum net generation efficiency of 2 mg or greater; (2) that the transmission agreement be submitted with the original 1980 cost of transmission (\$12.16) and if UP&L can justify a higher cost with FERC, the cost of transmission would be changed at such time; (3) that the amount of power agreed to buy back be established in the spirit of the agreement negotiated in the IPP contracts; and (4) that the repayment schedule sent by UP&L (Exhibit F) be adjusted to a 15-year period. He said that with these four recommendations, the staff recommends approval of all three Agreements.

UP&L CONTRACTS GIVEN APPROVAL

Discussion followed regarding financing of the Hunter I project and Mr. Hardy estimated that the total cost would be approximately \$10 million dollars. Bonds would need to be sold with revenues of the power system to secure them. He also noted that some of the Power Reserve Fund could be used and perhaps the financing of the Moon Lake project could be combined with this project. He noted that power rates were

increased and implemented with adoption of the current budget in anticipation of increased power costs. Councilman Hill made the motion that the Agreements with UP&L be approved as outlined, with the recommended modifications, that the Mayor and City Recorder be authorized to sign them, and that they not be delivered until further instruction. The motion was seconded by Councilman Barton and carried unanimously.

**BURROWS SMITH TO SERVE AS CONSULTANTS
FOR HUNTER I BOND FINANCING**

Mr. Hardy reviewed that the company of Burrows Smith, a division of Prudential Bache, has been used by the city in the past for bond financing and it is recommended that Prudential-Bache be used for financial consultants on the Hunter I project. He said that the staff has reviewed and feels good about the contract providing for Burrows Smith and Company to act as the managing underwriter for financing the contemplated transaction. He further explained the nature of the contract and he and Larry Denham, representative from Prudential-Bache, responded to questions regarding the issuance of the bonds. Councilman Allen made the motion that Prudential-Bache be appointed to provide financial consulting services as presented and that the Mayor and City Recorder sign the contract upon finalization of the Hunter I contracts. Councilman Barton seconded the motion and voting was unanimous.

Mayor Stahle recognized the Boy Scouts in attendance and welcomed them.

**BIDS AWARDED TO BOYD MARTIN CO.
FOR MOWERS FOR GOLF COURSE**

Mr. Hardy reported that bids were opened for a new greens mower and tee mower for the golf course and he recommended that the low bid from Boyd Martin for both mowers be accepted. The bids were \$7,809.34 for the greens mower and \$9,470.70 for the tee mower. Both bids were lower than the budgeted amount. Councilman Allen made the motion that the bids be awarded as recommended, Councilwoman Southwick seconded the motion and voting was unanimous.

The meeting adjourned at 8:00 p.m. on a motion made by Councilman Hill and seconded by Councilman Barton.

MAYOR



CITY RECORDER