

Minutes of the joint meeting of the City Council and Power Commission held February 12, 1992 at 7:00 p.m. at the Mandarin Restaurant in Bountiful, Utah.

Present:	Mayor:	Bob Linnell and Mrs. Linnell
	Council Members:	Harold Shafter, Renee Coon and husband, John Cushing and wife, Barbara Holt and husband, and Leslie Foy and wife.
	Power Commission:	Keith Barton and wife, Arvin Gibson Ralph Maybe and wife and Fred Stringham.
	City Manager:	Tom Hardy and wife
	Power Dept. Director:	Clifford Michaelis and wife
	Representatives from IPA:	Jim Hewlett Reed Searle
	Rec. Secretary:	Nancy T. Lawrence

Official 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.

Mayor Linnell called the meeting to order at 7:10 p.m., welcoming those in attendance. He introduced Jim Hewlett (president of the Intermountain Power Agency Board of Directors) , host for this evening. Mr. Hewlett expressed appreciation to the City Council and Power Commission for their attendance and invited them to enjoy their dinner.

Following a delicious meal, Mr. Michaelis introduced Reed Searle, manager of IPA, and explained that Mr. Searle would be reviewing the history of the Intermountain Power Project (IPP) and how it relates to the city of Bountiful.

Mr. Searle stated that he is proud of the people in Utah who had the foresight to conceive of the Intermountain Power Project. The project was developed through the efforts of Utah municipals and REA's to provide for increased power needs. The Colorado River Storage Project (CRSP) , a federal hydro facility, had been providing the bulk of the power needed; however, this resource was not growing proportionately with the needs of the state. As the concept of constructing a coalfired resource was explored, the group decided to build a project larger than required for Utah's power needs. In addition to providing the necessary power resource, this would also stimulate the Utah economy during the one-time construction phase and with ongoing tax revenues.

Several California cities were invited to participate in the project, together with the Utah municipals and REA's. Bountiful contracted for 27 mW of the resource; however, this power is currently contracted to the City of Los Angeles. In addition to the purchase of power, the California cities agreed to assume all of the debt of the project, as well as the operating and maintenance expenses for as long as they are receiving the power. That condition remains until Bountiful calls for the power. As time goes by, the mortgage on the project is being paid off and at some point in time, Bountiful's share of the project will have no debt, just operating and

maintenance expenses.

Mr. Searle noted that there has been some concern among IPA board members that as time goes by, the plant is wearing out. He explained that the IPA board worked with the California users and they have agreed to keep the plant in a very aggressive preventative maintenance program. The maintenance policy is that nothing at the plant site is allowed to deteriorate beyond an eight-year operating period. Although this is a very expensive program, the cost of power for California users (at 52 mills) is more reasonable than their other sources.

The IPP plant has achieved the No. 1 ranking across the nation for availability of power, with a 24/hr/day 365 days per year operation.

The IPP has made a major commitment to air quality protection, emitting only 1/16 of the sulphur dioxide the new clean air legislation allows a plant of this size to emit. (These standards are not required by the Federal government until the year 2000). With regard to nitrous oxide, which will have even more stringent standards after the year 2000, the plant has been constructed to emit only 1/8 of the limit established by legislation.

Mr. Searle concluded his presentation by asking for questions and extending an invitation for the Council and Commissioners to visit the IPP site at any time, either as a group or individually. In response to a question from Commissioner Stringham, he verified that all of the coal used at the plant is from Utah. He explained that when the plant was first established, a "friendly" agreement was made with Governor Matheson that only Utah coal would be used. That resulted in very high coal prices due to the limited sources in the state. Therefore, the IPP plant purchased a coal mine (in Utah) and the result is that negotiations for the purchase of coal have been more reasonable.

Commissioner Lawrence asked when the mortgage will expire and Mr. Searle stated that the last debt payment will be in 2027. The plant will then have been operating 35 years. Mr. Gibson stated that the life of the plant could easily be 70-100 years. In addition to the stringent maintenance program, the facility is structurally "twice overbuilt", stated Councilman Shafter, which will be another factor that will extend its life.

Although the project came in \$250,000,000 under budget, the overage is used for operating capital (with Bountiful's share being approximately \$7 million). This can only be used by Bountiful to reduce the cost of power when it is taken. In response to a question from Commissioner Barton, Mr. Searle stated that of the 52 mill cost today, approximately 2/3 is debt repayment.

The facility is designed for four generating stations, with only two in place at the present time. However, all the underground work, coal handling, railroad, and maintenance facilities are in place for four stations. Each unit is designed for 750 mW. However, they have been overbuilt and have an 840 mW rating, providing a total of 1,680 mW, with an additional 180 mW of "free" power. (By way of comparison, the state of Utah consumes 3000 mW).

Following Mr. Searle's presentation, he played a video which gave the history of IPA and the construction of the plant, focusing particularly on the mitigative measures which were

incorporated to offset any negative impacts on the local area. Total cost of construction was \$5.5 million. The project includes a rail car service center in Springville which was completed in 1985. The first generating unit at IPP was completed in May, 1986 and the dedication was in June of 1987, ahead of schedule.

Mr. Searle also noted that a high voltage transmission line ties this facility to northern Utah and transmission is available to Bountiful on these lines whenever needed.

In summary, Mr. Searle stated that he hoped the City officials from Bountiful would have the same pride in this project that the governor and other Utah officials feel. He thanked the Council for "lending" Mr. Michaelis to serve on the IPA Board, noting the significant contribution which he makes, both on behalf of IPA and Bountiful.

The Mayor and Mr. Michaelis expressed appreciation to Mr. Searle and IPA for this evening of information and dining. The meeting adjourned at 9:25 p.m.