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Minutes of the Bountiful City Council Meeting

City Council Chambers
October 20, 1999 - 7:00 p.m.

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Present:	Mayor	John R. Cushing
	Council Members	Samuel R. Fowler, Barbara Holt, Alan A. Johnson, Stewart Knowlton, and C. Harold Shafter
	City Manager	Tom Hardy (arrived 7:13 p.m.)
	City Attorney	Russell Mahan
	City Engineer	Paul Rowland
	Admin. Services Director:	Galen Rasmussen
	City Recorder:	Kim J. Coleman
	Department Heads:	Neal Jenkins, Parks/Recreation Clifford Michaelis, Power David Wilding, Water/Sewer
	Recording Secretary	Nancy T. Lawrence

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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 Cushing called the meeting to order at 7:00 p.m. and welcomed those in attendance. Mayor Cushing led the pledge of allegiance to the flag, following which the invocation was offered by Councilman Fowler.

APPROVAL OF MINUTES

Minutes of the regular City Council meeting held October 13, 1999 were presented and unanimously approved as written on a motion made by Councilman Johnson and seconded by Councilman Shafter. Councilpersons Fowler, Holt, Johnson, Knowlton and Shafter all voted "Aye".

EXPENDITURES, EXPENSES, AND TOTAL DISBURSEMENTS APPROVED FOR PERIOD OCTOBER 5-14, 1999

Mayor Cushing presented the report of Expenditures and Expenses Greater than \$1,000 for the period October 5-14, 1999 in the amount of \$1,138,007.13. It was noted that the tile work recently completed at the Recreation Center has been received in a very positive way by the public. Councilwoman Holt made a motion to approve the expenditure report as presented, Councilman Knowlton seconded the motion and voting was unanimous. Councilpersons Shafter, Johnson, Holt, Fowler, and Knowlton voted "aye".

COUNCIL APPROVES CRSP CONTRACT EXTENSION

Mr. Michaelis reviewed that after a long and lengthy process which included negotiations with environmentalists, new customer load, and Native American loads, a contract amendment has been prepared and accepted by the Western Area Power Administration and approval has been given to extend the Integrated Projects Firm Power Customers Contract Commitments until September 30, 2024. He noted that seven percent of the firm capacity and energy presently

1 available from CRSP will be reduced to provide power to new customers. It is the
2 recommendation of staff and the Power Commission that the Council approve the contract
3 extension. Mayor Cushing commented that the impact to Bountiful of the seven percent
4 reduction will be relatively small, and Mr. Michaelis stated that he felt the negotiations were fair.
5 Councilman Fowler made a motion to approve the extension of the contract as presented and
6 recommended. Councilman Shafter seconded the motion and voting was unanimous with
7 Councilpersons Fowler, Holt, Johnson, Knowlton, and Shafter all voting "Aye".
8

9 **MASTER FIRM POWER SUPPLY AGREEMENT BETWEEN**
10 **UAMPS AND BOUNTIFUL CITY APPROVED**

11 Mr. Michaelis presented a Resolution authorizing the execution and delivery of a power
12 supply agreement between Utah Associated Municipal Power Systems (UAMPS) and Bountiful
13 City. He explained that the agreement is an umbrella agreement and will allow Bountiful to
14 enter into firm transactions as determined by load needs. The firm power will be purchased from
15 the Idaho Power Project and other resources as those opportunities become available. He
16 reported that the staff and Power Commission recommend approval of this agreement. Mr.
17 Mahan noted an apparent error on page two, Section 2.1, which should read "...effect through the
18 *earliest* [not latest] of Following discussion, Councilman Fowler made a motion that
19 Bountiful City enter into the Power Supply Agreement with UAMPS as recommended and with
20 the modification brought to the Council's attention by the City Attorney. Councilwoman Holt
21 seconded the motion and voting was unanimous. Councilpersons Fowler, Holt, Johnson,
22 Knowlton, and Shafter all voted "Aye".
23

24 **NORTHERN POWER AWARDED BIDS FOR CABLE -**
25 **#2 URD, #1/0 URD, AND #750 MCM - POWER DEPARTMENT**

26 Mr. Michaelis reported that bids were opened on October 13, 1999 for various sizes of
27 cable which is needed for the Summerwood Subdivision, other future jobs, and to maintain a
28 certain level of stock for emergency backup. Following a thorough review by staff (based on a
29 combination of the purchase price and the delivery times) it is the recommendation of the Power
30 Commission that the following purchase be approved from Northern Power for Okonite cable:
31

32	10,000 ft.	#2 URD 15 kV Cable	\$ 9,670
33	25,000 ft.	#1/0 URD 15 kV Cable	31,325
34	3,000 ft.	#750 MCM 15 kV Cable	<u>10,077</u>
35		TOTAL	<u>\$51,072</u>

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37 Councilman Fowler made a motion that this recommendation be approved, as presented.
38 Councilman Johnson seconded the motion. Councilpersons Fowler, Holt, Johnson, Knowlton,
39 and Shafter all voted "Aye".
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41 **APPROVAL GIVEN TO PURCHASE TENSIONER -**
42 **POWER DEPARTMENT**

43 Mr. Michaelis reported that the in-house crews are completing the construction of Phase
44 III of the 46,000 volt transmission line which runs from the 138 Substation along the railroad
45 tracks to 500 South. In order for this work to be completed, a larger tensioner is needed than is
46 presently owned by the Power Department. After analyzing the costs associated with renting

1 this piece of equipment on an “as needed” basis, it is the recommendation of staff and the Power
2 Commission to purchase a Model S&R BWT 1363T tensioner from Sherman & Reilly, Inc. in
3 the amount of \$33,300.00 (including \$1,800.00 freight). The budget for each phase of the
4 transmission line included rental for additional equipment and the amount budgeted for rent will
5 cover the cost of the purchase. It was noted that once owned by the Power Department, this
6 piece of equipment can be a source of revenue by renting/leasing it to other companies.
7 Following discussion, Councilman Fowler made a motion to approve the purchase of the
8 tensioner. Councilman Shafter seconded the motion and voting was unanimous. Councilpersons
9 Fowler, Holt, Johnson, Knowlton, and Shafter all voted “Aye”.

10
11 **APPROVAL GIVEN TO PURCHASE TRUCK**
12 **FOR PARKS DEPARTMENT**

13 Mr. Jenkins reported that the budget for the Parks Department included \$25,000 for
14 replacement of a 1988 one-ton snow plow truck. Bids were received from three vendors and it is
15 recommended that the low bid from the Larry H. Miller Group in the amount of \$20,096.00 be
16 approved. The remaining \$5,000 will be spent for a dump bed so that the truck can be used in
17 the summer for a garbage truck. Councilman Johnson made a motion to approve the purchase
18 from Larry H. Miller, as recommended. Councilman Shafter seconded the motion and
19 Councilpersons Fowler, Holt, Johnson, Knowlton, and Shafter all voted “Aye”.

20
21 **ELECTRICAL WORK AT WATER TREATMENT**
22 **PLANT APPROVED**

23 Mr. Wilding explained that bids were requested for the furnishing and installing of a new
24 water treatment plant control system, based on plans prepared by Aqua Engineering. (The
25 Council approved the engineering design costs of \$15,300 on May 27). The upgrade that is
26 being proposed will permit monitoring and control functions of plant operations to be
27 programable with automatic adjustments in water pressures, chemical levels, etc. It is the
28 recommendation of staff and Aqua Engineering that the low bids be approved, as follows:

29	Controller Hardware/cabinet, from SafTronics	\$ 7,830
30	Instrument Upgrades, from I.D. Electric	16,920
31	Miscellaneous equipment	<u>12,200</u>
32	TOTAL	<u>\$36,950</u>

33
34 Mr. Wilding noted that the equipment procurement costs previously approved have increased
35 due to an underestimation by Aqua of the extent of conduit and wiring required for the upgrade.
36 He also requested approval of additional engineering costs in the amount of \$4,900.00, bringing
37 the total project cost to \$57,150.00. He recommended that it be funded from the Replacement
38 Account (54-5400-1651) and the Development Account (50-5000-1651). Following discussion,
39 Councilman Knowlton made a motion to award the bids as recommended and to approve the
40 additional engineering costs. Councilman Fowler seconded the motion and Councilpersons
41 Fowler, Holt, Johnson, Knowlton, and Shafter all voted “Aye”.

42
43 **PURCHASE OF CHRISTMAS DECORATIONS**
44 **APPROVED - CITY HALL AND PUBLIC SAFETY BUILDING**

45 Mr. Hardy explained that the current budget does not include an amount for Christmas
46 decorations; however, as per the Council’s request, proposals were solicited and have been

1 reviewed by a Christmas decoration committee. This expenditure would be funded from the
2 Council Capital Contingency. The Council was presented with several renderings for City Hall,
3 the Public Safety building, and the general area as agreed upon by the committee. As shown on
4 the renderings, the cost for the decorations would be approximately \$15,000, with the majority
5 of the decorations purchased from Design West at a cost of approximately \$12,500.00. The
6 costs presented do not include installation assistance from the vendor, but is anticipated to be
7 necessary. Additional costs will also be incurred to extend the electrical system to power the
8 decorations, and if done in-house, material costs should not exceed \$4,000.00.

9
10 Discussion focused on other encumbrances to the Council Contingency fund, following
11 which Councilman Shafter made a motion that \$19,000 be allocated for Christmas decorations.
12 Councilman Johnson seconded the motion and voting was unanimous. Councilpersons Fowler,
13 Holt, Johnson, Knowlton, and Shafter voted "Aye".

14
15 **PARKING LOT CONSTRUCTION AND LEASE**
16 **AGREEMENT APPROVED - MANDARIN RESTAURANT**

17 Mr. Hardy reviewed changes which were made to the Parking Lot Construction and
18 Lease Agreement between Skedros Investment, dba Mandarin Restaurant and Bountiful City.
19 He noted that the changes basically accelerate the original agreement which was previously
20 approved (shortened from 12 to six years with the monthly payment doubled) and recommended
21 that it be approved. Following discussion, Councilwoman Holt made a motion that the City
22 enter into the Agreement and that the City Recorder and Mayor be authorized to sign. Revenue
23 generated from this transaction this year will be put in the City Council Contingency fund.
24 Councilman Shafter seconded the motion and Councilpersons Fowler, Holt, Johnson, Knowlton,
25 and Shafter all voted "Aye".

26
27 **POWER DEPARTMENT OPERATIONAL REVIEW**

28 Mr. Michaelis, Director, presented the Operations Review of the Power Department,
29 noting that it was established in 1935. He reviewed the Departmental Mission Statement and
30 noted that the key objectives are to be the low cost supplier, provide the most reliable electrical
31 service, and give the best customer support. Under the direction of the Mayor and City Council,
32 the Power Department is advised by a 7-person Power Commission, an appointed body. The
33 Department is divided into three main areas – (1) Accounting/Marketing (Mark Bradley,
34 Accountant); (2) Operations (Brent Thomas, Superintendent); and (3) Power Systems Generation
35 (Allen Johnson, Superintendent). In addition to those mentioned, the Department is staffed by
36 30 full-time and 9 part-time employees. Mr. Michaelis played a video which explained the
37 concept of public power and reviewed the development of the public power companies and
38 resources that serve Utah. He explained that UAMPS (Utah Associated Municipal Power
39 Systems) serves as a governmental organization to administer and serve the joint needs of the
40 public power companies.

41
42 Bountiful's customer count, as of June, 1999 totaled 14,313, including residential,
43 commercial, and others. With the purchase of a small area in the southeast area of the City
44 from Utah Power and Light on September 23, the customer base was increased by about 800
45 residential and 10 commercial customers. The major customers are Air Products, Fred Meyer,
46 Lakeview Hospital, the LDS Temple, and Dick's Market. Residential customers make up the

1 majority of customers (90 percent), provide the largest group of Kwh sales (45 percent), and
2 generate 51 percent of the revenue. He reviewed the major power resources, and the facilities
3 owned by Bountiful City, which include five power plants, 15 miles of 46,000 Kva transmission
4 line, 27 miles of Echo hydro transmission line, and 177 miles of distribution lines (of which 73
5 miles are underground). The peak demand on the system occurred this past summer on August
6 2, 1999 at 6:00 p.m., with 63,152 Kw. The demand is growing at about 2 to 2 ½ percent
7 annually, which is very manageable.

8 The major challenges for the future will be deregulation and meeting future power needs.
9 Because of the focus to provide power at the least cost with good reliability and customer
10 support, he stated that the Department will be in good shape to compete with other companies.
11 A Y2K review has been completed and the system has been found satisfactory.

12
13 At the request of Councilwoman Holt, Mr. Hardy reviewed that the Power Department
14 transfers revenue to the General Fund in an amount equal to what comes from property tax to the
15 City. Or, in other words, without the revenue generated by the Power Department, property
16 taxes would need to be doubled. He noted that an even more important statistic is that due to
17 lower rates than the local competitor, Bountiful residents have saved \$4-5 million/year for power
18 costs. Through ownership of our own power resources, the community also benefits by having
19 the ability to generate power locally in the event of an emergency.

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21 The meeting adjourned at 8:39 p.m. on a motion made by Councilman Johnson and
22 seconded by Councilman Shafter.

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27 JOHN R. CUSHING, Mayor
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31 KIM J. COLEMAN, City Recorder
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