

**MINUTES OF THE JOINT MEETING OF THE CITY COUNCIL  
AND  
BOUNTIFUL LIGHT AND POWER COMMISSION  
August 26, 2003 - 6:00 p.m.  
City Hall Planning Conference Room**

**Those in Attendance**

**City Council**

Joe L. Johnson, Mayor  
Barbara Holt  
R. Fred Moss (Power Commission Rep)  
John Pitt  
J. Gordon Thomas  
Thomas Tolman

**Power Commission**

H. Keith Barton, Chairman  
Richard Foster  
David Irvine  
Lowell Leishman  
Paul Summers

**City Staff**

Tom Hardy, City Manager  
Russell Mahan, City Attorney  
Kim Coleman, City Recorder

**Excused**

Ralph Mabey, Power Commissioner

**WELCOME**

Chairman Barton called the meeting to order at 6:00 p.m. and welcomed those in attendance.

**INVOCATION**

Commissioner Leishman offered the invocation.

**TRANSMISSION LINE - PHASE 4 UPDATE**

**Bid Approval on Construction of Foundations for 46 KV Line - Phase 4.** Mr. Johnson reviewed the bid results for the installation of four steel poles in Phase 4 of the transmission line project. He noted that of the total amount budgeted for this part of the project (\$132,000), approximately \$70,000 is for the installation process. It is the recommendation of staff to award the bid to install the four pole foundations to Most Wanted, low bidder, in the amount of \$48,400.00. Commissioner Leishman made a motion to recommend to the City Council that the bid from Most Wanted, Inc. in the amount of \$48,400.00 be accepted. Commissioner Foster seconded the motion and voting was unanimous.

### **UAMPS PRESENTATION - IPP UNIT #3 DISCUSSION/UPDATE**

Chairman Barton introduced Doug Hunter who was in attendance to give a general overview of the Intermountain Power Project (IPP) with the emphasis being on the construction of an additional third unit at the IPP site in Delta, Utah. Mr. Hunter explained that the existing site is a brownfield site which reduces permitting requirements. The two permits which will be necessary are the building permit (from Millard County) and the approval order from the State Division of Air Quality.

Mr. Hunter reviewed the efficiency of the existing two units, originally designed for a total of 1,500 MW (750 MW each) and presently at 900 net MW each. He stated that the common facilities (environmental impact study, foundations, bonds, facilities, etc. as well as the transmission lines, coal handling, and water) are already in place, leaving the only additional costs the actual construction cost for the third unit. UAMPS and the City of Los Angeles have already negotiated pricing of the common facilities. In summary, he described the proposed third unit as a duplicate of Units One and Two, producing 900 MW, with delivery at the IPP bus.

Mr. Hunter clarified that the water rights would not be included in the excess facilities that are purchased, but instead a coordinating agreement will be drawn up which gives the license for use of the water for the life of Unit Three, with Units One and Two having priority on water rights. Availability of coal and coal rights were discussed and Mr. Hunter assured the group that there is ample supply available for the life of this project.

The business arrangements were then reviewed, including credit ratings, pooling options, ownership vs contract rights, joint operation with Units One and Two. The projected date for commencement of commercial operation is June 2009. The total cost for construction of the third unit is estimated at \$1,942/KW (based on 6% tax exempt rate for bonding). The timing of construction was discussed as it relates to favorable interest rates which presently exist. The third unit will also require an additional 70 employees.

Items which Bountiful will need to address, if the decision is made to participate in the third unit are: the confidentiality agreement; determine the subscription amount; sign an agreement regarding (a) the development and (b) coordination with other entities; and fees. Mr. Hunter responded to questions from the group and discussion touched on whether the project should be based on UAMPS ownership, or go directly through IPA. It was pointed out that IPA has a very good credit rating which will produce a bonding advantage.

Mr. Hunter concluded his discussion at 7:00 p.m. Mr. Michaelis invited all who would like to participate in a tour of Units 1 and 2 on September 9<sup>th</sup>. The Council was excused at this time for their regular City Council meeting.

JOE L. JOHNSON, Mayor

KIM J. COLEMAN, City Recorder

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