



1 2027, and IPA is requesting that it be extended until 2045. He reviewed that activities going on  
2 in the California legislature could cause California to terminate their participation in this contract  
3 and the California power entities do not want that to happen, so they are anxious to renew the  
4 contract as quickly as possible. He also noted that there is a tax problem which needs to be  
5 addressed in the renewal process related to the tax-exempt status of the bonds. The conditions of  
6 renewing the contract require that if one of the participants is offered an opportunity to extend  
7 the contract (prior to the 2027 renewal time), all participants must be given the same offer and 85  
8 percent of the contracts would need to be renewed by May 1, 2007 or all Renewal Power Sales  
9 Contracts would be automatically terminated. If that happened and new contracts were issued,  
10 they would fall under a private use classification and bonds would be taxable. Mr. Searle  
11 explained these issues in detail and then addressed questions from the Commission.

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13 He then reviewed the status of the proposed IPP #3 project noted that public hearings will  
14 be held regarding this matter. He explained that the Renewal Power Sales Contract for this  
15 project will include the provision and financing for de-commissioning the plant at the time that  
16 it is retired. He reviewed the timeline for executing the contracts, financing, construction and  
17 said that the projected operation date is April 2012.

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19 Mr. Hewlett explained that a new entity is being proposed – the Intermountain Power  
20 Transmission Agency – which would serve as a clearing house for transmission line capacity in  
21 the northern transmission system. He reviewed the benefits of participating in this Agency and  
22 following discussion, it was noted that there will be additional information forthcoming.

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24 The Mayor, Council, guests, and City administration staff were excused at this time (7:20  
25 p.m.)

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KIM J. COLEMAN, City Recorder

JOE L. JOHNSON, Mayor

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