

# Minutes of the Bountiful City Council Meeting

## City Council Chambers March 27, 2001

Present:	Mayor	John R. Cushing
	Council Members	Samuel R. Fowler, Barbara Holt, John S. Pitt, Stewart Knowlton, and J. Gordon Thomas
	City Manager	Tom Hardy
	City Prosecutor:	J. C. Ynchausti
	City Engineer:	Paul Rowland
	City Recorder:	Kim J. Coleman
	Department Reps:	George Sumner, Fire Clifford Michaelis, Power
	Minutes prepared by:	Nancy 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 Cushing called the meeting to order at 7:00 p.m. and welcomed those in attendance. Councilman Thomas led the pledge of allegiance to the flag, following which Mayor Cushing offered the invocation.

### **MINUTES APPROVED FOR MARCH 20, 2001**

Minutes of the regular City Council meeting held March 20, 2001 were presented and unanimously approved as written on a motion made by Councilman Pitt and seconded by Councilman Knowlton. Voting was by a majority with Councilman Thomas abstaining because he was not in attendance at the subject meeting. Councilpersons Pitt, Holt, Fowler, and Knowlton voted "Aye".

### **EXPENDITURES, EXPENSES, AND TOTAL DISBURSEMENTS APPROVED FOR PERIOD MARCH 15 - 21, 2001**

Mayor Cushing presented the report of Expenditures and Expenses Greater than \$1,000 for the period March 15-21, 2001 in the amount of \$195,451.32. Mr. Coleman made one clarification and the staff responded to a question from Councilman Thomas. Councilman Thomas then made a motion to approve the Expenditure and Expense report as presented. Councilwoman Holt seconded the motion and voting was unanimous. Councilpersons Fowler, Holt, Knowlton, Pitt and Thomas voted "Aye".

### **COUNCIL APPROVES ADDITIONAL PROPERTY EXPENSE INSURANCE - LIGHT AND POWER DEPARTMENT**

Mr. Michaelis explained that Bountiful City Light and Power presently does not have coverage for their boiler and machinery on the Power Plant and the substations. Olympus Insurance Agency was asked to check with different insurance carriers to see if there were any insurance policies that could provide the desired coverage, and provide extra property expense

coverage. A report from Olympus was made to the Power Commission and it is the recommendation of that body, as well as that of staff, to approve additional property expense coverage (\$3,500,000) provided by Philadelphia with an annual premium of \$5,250 and comprehensive coverage (\$25,000,000) on the boiler and machinery by Chubb (annual fee of \$25,263). The cost for the 14 weeks remaining in this year's budget will be \$8,215. It is recommended that it be funded from the Emergency Replacement Fund. Following discussion, Councilman Fowler made a motion to approve the recommendation as presented. Councilman Thomas seconded the motion and voting was unanimous. Councilpersons Fowler, Holt, Knowlton, Pitt and Thomas voted "Aye".

#### **COUNCIL APPROVES PURCHASE OF 5 KV URD CABLE**

Mr. Michaelis reported that bids were requested for the purchase of 5 kV URD cable and three vendors responded. It is the recommendation of staff and the Power Commission that the Council approve the bid from Royal Utility for Pirelli cable at a cost of \$13,363.20. He noted that this was the second low bid; however, the warranty is for 40 years (compared with the low bid warranty of 12 months). Councilman Fowler made a motion to approve the purchase of 5 kV Cable, as presented. Councilman Knowlton seconded the motion which carried unanimously. Councilpersons Fowler, Holt, Knowlton, Pitt and Thomas voted "Aye".

#### **MC GREEN & SONS AWARDED BID FOR SAND AND ROAD BASE - POWER DEPARTMENT PROJECTS**

Mr. Michaelis reported that three companies responded to a bid request for sand and road base for the 200 West underground distribution project and other power projects throughout the year. It is the recommendation of staff and the Power Commission to accept the second low bid from MC Green and Sons in the amount of \$32,900.00. (The low bid did not meet specifications). Councilman Fowler made a motion to accept the bid from MC Green & Sons, as recommended. Councilwoman Holt seconded the motion and voting was unanimous. Councilpersons Fowler, Holt, Knowlton, Pitt and Thomas voted "Aye".

#### **AGREEMENT WITH QUESTAR FOR GAS METERING UPGRADE APPROVED**

Mr. Michaelis explained that Bountiful City Light and Power has received a contract from Questar Gas to revise our gas metering system to provide additional pressure for the new turbine. The estimated cost to do this upgrade is \$55,000.00. He noted that the work cannot be bid because Questar is the only one authorized to work on their metering equipment. He said it is the recommendation of staff and the Power Commission to approve this Agreement. Following a brief discussion, Councilman Fowler made a motion to approve the Agreement, in the amount of \$55,000.00. Councilwoman Holt seconded the motion which carried unanimously. Councilpersons Fowler, Holt, Knowlton, Pitt and Thomas voted "Aye".

#### **APPROVAL GIVEN FOR CHANGE OF SCOPE ON TURBINE INSTALLATION PROJECT**

Mr. Michaelis reviewed that the original plan for the turbine installation has been changed to include the installation of a building for the turbine. Thomas Engineering (the firm previously approved for the original project) was contacted and they have agreed to provide

engineering services for the civil, mechanical, and electrical design for the building and turbine installation. The revised cost to provide labor and drawing for the design for the turbine is \$74,167.00 with an additional amount for construction management of \$27,233.00, for a total of \$101,400.00 for the project. It is the recommendation of the Power Commission and staff that this additional work be approved as explained.

Mr. Michaelis then reviewed the costs to date for the 5.2 MW turbine project and stated that it is anticipated that the project can be completed close to the original estimate. Councilman Fowler motioned to approve the additional engineering required for the revised project for the sum of \$101,400.00. Councilman Pitt seconded the motion and Councilpersons Fowler, Holt, Knowlton, Pitt and Thomas voted "Aye". For the record, Councilman Thomas noted that he has no connection with Thomas Engineering.

**PRESENTATION OF SUMMER SEASON POWER COSTS ;  
COUNCIL APPROVES STAFF RECOMMENDATION FOR  
ACQUISITION OF POWER**

Mr. Michaelis reviewed the fluctuation in loads and power costs for the 2000 summer season and explained that similar conditions and volatility are anticipated for the 2001 summer season. He presented several charts showing the resources that were used and comparative budget/actual costs. The actual costs for power were higher during the winter than in the summer, but because additional resources were available, the City was able to keep overall costs down. He noted a serious concern regarding the availability of Idaho Power due to a severe drought in the Northwest. It is hoped that spring will bring the needed moisture in that area. New to the resources of the City are three CAT diesel generators (1,500 MW each) which will provide an excellent resource when power costs exceed 150 mills. After a review of a typical August day, Mr. Michaelis then showed a typical December day and the resources that would be used. He also noted the resources that can be sold if they are not needed on our system.

Following the review of the resources, their availability and costs, Mr. Michaelis presented the following recommendations from staff for resources:

- 1) Call back 6.8 MW of IPP - summer of 2001
- 2) Call back 4 MW of IPP - winter of 2001
- 3) 4.5 MW CAT rental - summer 2001
- 4) Permanent recall 14 MW IPP - summer season (available April 2002)
- 5) Possible permanent recall 7 MW IPP - winter season (available October 2002)
- 6) Purchase 8 MW high load hours and 4 MW low load hours from DG&T - February - December 2001
- 7) Purchase 6 MW high load hours firm UAMPS PX - April-December 2001
- 8) Purchase 1 MW flat - July - September 2001
- 9) 7.5 MW Idaho take or pay
- 10) Lock in yearly price for natural gas

Following discussion of the issues of power costs and resources, Mayor Cushing noted that conservation will be a key factor in managing power costs. Councilman Thomas expressed concern for those citizens on fixed incomes and it was suggested that incentives be given for

citizens who use less power. Councilman Fowler made a motion to support the ten resource recommendations which were presented by Mr. Michaelis. Councilman Knowlton seconded the motion and Councilpersons Fowler, Holt, Knowlton, Pitt and Thomas voted "Aye".

**LEASE WITH QWEST FOR LIGHT POLE - HUNTINGTON CIRCLE - APPROVED**

Mr. Hardy reviewed that there are various telecommunications sites in Bountiful, leased by several different companies including Qwest. Qwest has requested the addition of another light pole with an antenna at Bountiful Boulevard and Huntington Circle. Their proposal includes replacing an existing street light with a different light pole with an antenna, at Qwest expense. The five-year lease would be the same as the earlier one approved for Qwest at the golf course. Mr. Hardy noted that this type of structure is ideal (1) because it is much less obtrusive than a free-standing communications tower; and (2) since the structure is basically a light pole, no permit is necessary. It is the recommendation of staff that this lease be approved at a cost of \$500/month. Councilman Pitt motioned for approval, Councilman Fowler seconded the motion and voting was unanimous. Councilpersons Fowler, Holt, Knowlton, Pitt and Thomas voted "Aye".

**EXTENSION OF CONTRACT WITH JMR CONSTRUCTION FOR CONCRETE REPAIR APPROVED**

Mr. Rowland reported that JMR Construction has agreed to extend the 2000 Concrete Repair Contract to cover this year's construction of concrete repair projects with a 2 percent increase to cover labor and material cost increases. Mr. Rowland noted that concrete costs this year have increased \$4/yard, significantly higher than the 2 percent increase proposed. He noted that the quality of JMR's work is good and they are easy to work with. Following a short discussion, Councilman Knowlton motioned to approve the extension of the contract as recommended. Councilman Thomas seconded the motion and Councilpersons Fowler, Holt, Knowlton, Pitt and Thomas voted "Aye".

**ISSUANCE OF SINGLE EVENT PERMIT APPROVED; ST. OLAF'S CHURCH**

Mr. Hardy reviewed that St. Olaf's has requested approval of a single event permit to serve alcoholic beverages on Saturday May 19<sup>th</sup> from 6 p.m. until midnight. He noted that under State law the City can consent to the issuance of the permit, but the permit is issued by the State Alcoholic Beverage Commission. St. Olaf's has received approval for this permit for many years and there has never been a problem, and it is the recommendation of the Police Department that this request be approved. Councilman Pitt made a motion to approve the single event permit as outlined. Councilwoman Holt seconded the motion which carried by a majority. Councilpersons Fowler, Holt, Knowlton, and Pitt voted "Aye" and Councilman Thomas voted "Nay".

**ISSUANCE OF SINGLE EVENT PERMIT FOR WEDDING AT WIGHT HOUSE, GRANTED ON CONDITION**

Mr. Hardy presented the request of D. Jeff and Marlene K. Burton for permission to serve alcoholic beverages at a wedding reception to be held at the Wight House (95 North Main) on Saturday, April 21, 2001 from 6:30 to 8:30 p.m. He noted that a single event permit can only be issued to a corporation (not an individual) and, therefore, the permit would need to be issued to the Wight House. Following discussion, Councilman Fowler made a motion to approve the single event permit subject to receiving a letter from the Wight House specifically requesting the permit. Upon receipt of said letter, the Mayor will sign the consent form. Councilwoman Holt seconded the motion. Voting was by a majority with Councilpersons Fowler, Holt, Knowlton, and Pitt voting "Aye". Councilman Thomas voted "Nay".

**PRELIMINARY PLANS FOR REMODEL/ADDITION TO EXISTING FIRE STATION 92 REVIEWED**

Chief Sumner reviewed that the Council gave approval in February for Dresher Associates to provide the architectural design for the remodel and addition to Fire Station 92, located off Bountiful Boulevard. He stated that Dick Dresher has completed the conceptual design work, with an estimated project schedule and preliminary estimates of construction costs. Mr. Dresher was in attendance to review the preliminary project and Chief Sumner invited the Council to give input and questions in conjunction with Mr. Dresher's presentation.

Mr. Dresher reviewed that the design phase of the project would be completed approximately the beginning of June and bids would be called for at that time. It is hoped that the bids can be reviewed by the beginning of July and construction can start by July 9th. It is estimated that construction of the new addition will take 120-160 days (approximate) and remodeling will continue for some time after that. The estimated cost of the total project is \$417,195.00. He noted that the original plan was for a one-story addition. However, by changing it to two stories, there will be more parking and the private living quarters of the full-time firemen can be separated from the space allotted for public use (office, training area, mechanical/electrical equipment, public restrooms, etc.). Mr. Dresher reviewed the preliminary plans and then responded to questions from the Council. Councilman Pitt motioned to approve the preliminary plans, Councilman Thomas seconded the motion and voting was unanimous. Councilpersons Fowler, Holt, Knowlton, Pitt and Thomas voted "Aye".

**RES. NO. 2001-01 ADOPTED RE: ADOPTION OF PARAMETERS RESOLUTION AUTHORIZING ISSUANCE OF LEASE REVENUE BONDS - TOWNE CENTER LLC**

Mr. Hardy reviewed that the City Council must authorize the Municipal Building Authority to consider passing a Parameters Resolution to start the process of bond issuance in connection with the development by the Town Center LLC. He referenced the following individuals who were in attendance: Jason Burningham, representing Lewis Young Robertson and Burningham, Inc. (financial advisors); Blaine Carlton of Ballard Spahr Andrews & Ingersoll, LLP (bond counsel); and Rob Jolly, representing Towne Center LLC. Councilman Fowler made a motion to adopt Resolution No. 2001-01, approving the adoption by the Municipal Building Authority of the City of Bountiful of a Parameters Resolution authorizing the issuance of not more than: (1) \$8,000,000 lease revenue bonds, Series 2001A, and (2) \$3,500,000 taxable lease revenue bonds, Series 2001B, and related matters. Councilwoman Holt seconded the motion and Councilpersons Fowler, Holt, Knowlton, Pitt and Thomas voted "Aye".

**COUNCIL COMMITTEE REPORTS**

None

The City Council adjourned at 8:45 p.m. for the purpose of going immediately into the Municipal Building Authority meeting on a motion made by Councilman Thomas and seconded by Councilman Fowler. Councilpersons Fowler, Holt, Knowlton, Pitt and Thomas voted "Aye".

JOHN R. CUSHING, Mayor

KIM J. COLEMAN, City Recorder

\* \* \* \* \*