

MARCH 22, 2007

The City Council of the City of Idaho Falls met in Regular Council Meeting, Thursday, March 22, 2007, in the Council Chambers at 140 South Capital Avenue in Idaho Falls, Idaho.

There were present:

Mayor ProTem Ida Hardcastle
Councilmember Larry Lyon
Councilmember Michael Lehto
Councilmember Joe Groberg
Councilmember Karen Cornwell

Absent was:

Mayor Jared D. Fuhriman
Councilmember Thomas Hally (Joined Meeting by Telephone during the IPP
Unit 3 Discussion and Vote Only)

Also present:

Dale Storer, City Attorney
Rosemarie Anderson, City Clerk
All available Division Directors

Mayor ProTem Hardcastle requested Boy Scout Jakob Mills to come forward and lead those present in the Pledge of Allegiance.

CONSENT AGENDA ITEMS

Mayor ProTem Hardcastle requested City Council confirmation for the appointment of Leslie Polson to serve on the Planning Commission.

The City Clerk requested Council approval of the minutes from the March 8, 2007 Work Session, and the March 8, 2007 Regular Council Meeting.

The City Clerk presented several license applications, including a BEER TO BE CONSUMED ON THE PREMISES LICENSE to Sports Castle, all carrying the required approvals, and requested authorization to issue these licenses.

The City Clerk requested Council ratification for the publication of legal notices calling for public hearings on March 22, 2007.

It was moved by Councilmember Groberg, seconded by Councilmember Lyon, that the Consent Agenda be approved in accordance with the recommendations presented. Roll call as follows:

Aye: Councilmember Lyon
Councilmember Cornwell
Councilmember Groberg
Councilmember Hardcastle
Councilmember Lehto

Nay: None

Motion Carried.

REGULAR AGENDA ITEMS

Mayor ProTem Hardcastle requested those to come forward who had issues for the City Council that were not otherwise listed on the Council Agenda.

Angela Swacina, 129 Melbourne Drive, appeared to state that she read the article in the Post Register where Mayor Fuhriman seemed to be interested in more government transparency and less hidden agendas. She shared the following information from the minutes of a Staff Meeting held by Library Director Robert Wright at the Idaho Falls Public Library held on October 20, 2004:

Robert talked about 2 personnel issues, he read from the employee code of conduct. If a staff member does not have a manual Isoke will get you one. He then explained the procedure for initiating or filing a complaint. First you must talk to Robert, then you must go to a Board Meeting and then file a formal grievance with the city. Going to city council with an issue is a violation of the code of conduct and may result in disciplinary action. If you have an issue you must follow the correct procedure. If you say something bad about the library it may be considered a violation of the code of conduct.

Mrs. Swacina stated that she did not believe that this was the way that Mayor Fuhriman wanted the City to be run. She stated, further, that Robert Wright took over the Idaho Falls Public Library in July of 2004. In 2005, Mr. Wright's salary was \$61,547.00. She recently read in the local newspaper that his salary had been increased to almost \$80,000.00. This represents a 29-1/2% increase in his salary with two years of service. She requested to know how the Library Board, the liaison to the Library Board and the City Council could allow a Director who has had three grievances filed against him in one year to receive such a large salary increase. Mrs. Swacina submitted the following statistics on Libraries in the State of Idaho from Fiscal Year 2005:

Library	Type	Bookmobiles	D. Staff				E. Directors			
			ALA-MLS Librarians FTE	Non-MLS Librarians FTE	Total Librarians FTE	Other Paid Staff FTE	Total Library Employees FTE	FTEs per 1,000 Population	Director Salary	Director Hours
Aberdeen District	D	0	0.00	1.00	1.00	2.00	3.00	0.81	19,760	40
Ada County District	D	0	6.60	2.00	8.60	23.28	31.88	0.74	62,400	40
American Falls District	D	0	0.00	1.00	1.00	5.68	6.68	0.98	37,000	40
Armorial Tuttle Public	C	0	0.00	0.88	0.88	0.00	0.88	0.63	14,144	32
Bear Lake County District	D	0	0.00	1.00	1.00	3.13	4.13	0.67	30,849	40
Bellevue Public	C	0	0.00	0.50	0.50	0.30	0.80	0.36	13,187	20
Benewah District	D	0	0.00	1.00	1.00	0.40	1.40	1.14	5,280	10
Blackfoot Public	C	0	1.00	2.00	3.00	2.85	5.85	0.29	47,500	40
Boise Basin District	D	1	0.00	2.00	2.00	1.32	3.32	0.90	25,958	40
Boise Public	C	1	19.00	2.00	21.00	66.29	87.29	0.45	96,768	40
Boundary County District	D	0	0.00	1.00	1.00	6.50	7.50	0.71	34,320	40
Bruneau Valley District	D	0	0.00	0.40	0.40	0.00	0.40	0.59	5,217	16
Buhl Public	C	0	1.00	1.00	2.00	2.69	4.69	1.17	27,810	40
Burley Public	C	0	1.00	0.00	1.00	4.20	5.20	0.57	34,257	40
Caldwell Public	C	0	2.00	2.00	4.00	7.84	11.84	0.34	40,390	40
Camas County District	D	0	0.00	0.68	0.68	0.22	0.90	0.88	13,389	27
Cambridge District	D	0	0.20	0.50	0.70	0.00	0.70	0.41	3,650	7
Cascade Public	C	0	0.00	1.00	1.00	1.00	2.00	1.99	9,126	20
Challis Public	C	0	0.00	1.25	1.25	0.00	1.25	1.48	9,360	20
Clark County District	D	0	0.00	0.31	0.31	0.00	0.31	0.33	3,900	13
Clarkia District	D	0	0.00	0.50	0.50	0.00	0.50	4.17	5,928	19
Clearwater District	D	0	1.00	0.75	1.75	5.50	7.25	0.98	26,000	32
Coeur d'Alene Public	C	0	1.00	3.00	4.00	12.00	16.00	0.40	60,000	40
Council Valley District	D	0	0.00	0.65	0.65	0.45	1.10	0.62	23,300	26
DeMary Memorial	C	0	0.00	1.00	1.00	1.90	2.90	0.56	22,194	37
Eagle Public	C	0	1.00	1.00	2.00	9.00	11.00	0.63	62,833	40
East Bonner County District	D	1	2.00	1.00	3.00	27.22	30.22	0.97	50,844	40
Eastern Owyhee County District	D	0	0.00	0.30	0.30	0.66	0.96	0.42	7,000	22
Elk River District	D	0	0.00	1.00	1.00	0.77	1.77	11.25	21,000	40
Emmett Public	C	0	0.00	1.58	1.58	1.49	3.07	0.50	21,604	33
Filer Public	C	0	0.00	0.88	0.88	0.20	1.08	0.61	14,677	35
Fremont County District	D	0	0.00	3.72	3.72	0.62	4.34	0.38	26,529	40
Garden City Public	C	1	2.00	5.00	7.00	5.00	12.00	1.05	N/A	N/A
Garden Valley District	D	0	0.00	0.75	0.75	2.10	2.85	1.25	13,116	27
Glenns Ferry Public	C	0	0.00	0.60	0.60	0.20	0.80	0.55	11,050	24
Gooding Public	C	0	0.00	0.62	0.62	1.58	2.20	0.66	20,436	25
Grace District	D	0	0.00	1.80	1.80	0.15	1.95	0.84	18,000	36
Grangeville Centennial	C	0	0.00	1.13	1.13	0.05	1.18	0.37	11,267	23
Hagerman Public	C	0	0.00	0.50	0.50	0.00	0.60	0.60	9,125	21
Hailey Public	C	0	0.00	1.00	1.00	9.00	10.00	1.32	47,449	40
Hansen District	D	0	0.00	0.55	0.55	0.00	0.55	0.21	6,555	13
Homedale Public	C	0	0.47	0.00	0.47	0.75	1.22	0.47	10,532	19
Horseshoe Bend District	D	0	0.00	0.70	0.70	0.42	1.12	0.71	22,200	28

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D. Staff								E. Directors		
Library	Type	Bookmobiles	ALA-MLS Librarians FTE	Non-MLS Librarians FTE	Total Librarians FTE	Other Paid Staff FTE	Total Library Employees FTE	FTEs per 1,000 Population	Director Salary	Director Hours
Idaho Falls Public	C	0	3.00	4.00	7.00	15.50	22.50	0.24	61,547	40
Jefferson County District	D	0	0.00	1.50	1.50	3.00	4.50	0.58	31,140	20
Jerome Public	C	0	0.00	4.38	4.38	0.89	5.27	0.62	31,820	40
Kellogg Public	C	0	0.00	1.40	1.40	0.00	1.40	0.56	12,585	28
Kimberly Public	C	0	0.00	0.70	0.70	0.00	0.70	0.26	14,095	28
Kootenai-Shoshone District@	D	1	2.00	1.00	3.00	21.42	24.42	0.37	65,229	40
Kuna District@	D	0	0.00	1.00	1.00	10.00	11.00	0.73	38,325	40
Larsen-Sant/Franklin District	D	0	0.00	1.00	1.00	3.03	4.03	0.33	32,760	40
Latah County District	D	0	1.50	0.00	1.50	15.20	16.70	0.48	56,845	40
Lemhi County District	D	0	0.15	1.13	1.28	2.15	3.43	0.43	27,330	38
Lewiston City Public	C	0	3.00	0.00	3.00	7.70	10.70	0.34	61,598	40
Lewisville Public	C	0	0.00	0.30	0.30	0.00	0.30	0.60	1,600	8
Little Wood River District	D	0	0.00	0.43	0.43	0.10	0.53	0.62	9,539	17
Lizard Butte District@	D	0	0.00	0.48	0.48	0.45	0.93	0.15	10,953	19
Lost Rivers District	D	0	0.00	2.90	2.90	0.00	2.90	1.03	20,026	28
Mackay District	D	0	0.00	0.68	0.68	0.10	0.78	0.53	10,309	25
Madison District	D	0	1.00	4.38	5.38	3.39	8.77	0.32	52,908	40
Marshall Public	C	0	2.00	9.00	11.00	15.00	26.00	0.49	64,821	40
McCall Public	C	0	1.00	0.00	1.00	2.92	3.92	1.62	52,522	40
Meadows Valley District	D	0	0.00	1.00	1.00	0.58	1.58	1.07	16,200	35
Meridian District	D	1	2.00	4.00	6.00	17.00	23.00	0.34	70,325	40
Middleton Public	C	0	0.00	1.00	1.00	0.42	1.42	0.32	25,572	40
Midvale District	D	0	0.00	0.50	0.50	0.50	1.00	1.20	6,014	12
Mountain Home Public	C	0	0.00	1.00	1.00	4.90	5.90	0.51	49,032	40
Mullan Public	C	0	0.00	N/A	0.00	N/A	0.00	0.00	N/A	N/A
Nampa Public	C	0	5.00	0.00	5.00	18.50	23.50	0.33	71,345	40
North Bingham County District	D	0	0.00	1.00	1.00	3.00	4.00	0.36	37,752	40
Notus Public	C	0	0.00	0.30	0.30	0.00	0.30	0.56	3,500	12
Oakley District	D	0	0.00	0.68	0.68	0.00	0.68	0.45	5,422	19
Ola District	D	0	0.00	0.00	0.00	0.50	0.50	3.62	N/A	12
Oneida County District	D	0	0.00	2.15	2.15	1.17	3.32	0.79	24,000	35
Osburn Public	C	0	0.00	0.62	0.62	0.55	1.17	0.80	12,800	28
Patricia Romanko Public	C	0	0.00	0.48	0.48	0.40	0.88	0.49	7,904	19

Mrs. Swacina stated, that as a taxpayer, she did not understand how someone with that little time served with the City of Idaho Falls could be deserving, especially under the circumstances that occurred, of a 29% increase in salary in one year.

The Idaho Falls Power Director submitted the following memos:

City of Idaho Falls
March 19, 2007

MEMORANDUM

TO: Mayor Fuhriman and City Council
FROM: Jackie Flowers, Idaho Falls Power Director
SUBJECT: RESOLUTION RELATING TO THE NORTHWEST'S FEDERAL DAMS AND HYDRO SYSTEM

As a customer of the Bonneville Power Administration (BPA), Idaho Falls Power pays for power from the federal dams and hydro system within the BPA service territory. The federal system accounts for approximately 60% of Idaho Falls' power resource.

As a BPA customer, we have contributed financially to investments that have improved the dams and hydro system operations. Some of the financial investments have been directed toward fish and wildlife mitigation.

A coalition of environmental and sport fishing groups are mounting pressure resulting in legislation being proposed to study the removal of the four lower Snake River dams. These dams represent up to 15 percent of the BPA's total power supply portfolio. They have issued a report that erroneously indicates that conservation and wind power can replace all power from these dams.

BPA has issued a fact sheet to counter the misinformation released in the report. BPA estimates it will cost its rate payers \$400 Million to \$550 Million a year to replace all the power lost through breaching these dams. The

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Northwest Power and Conservation Council has indicated that even with the dams in place, the region's power needs cannot be met over the next 20 years without adding substantial new generation.

It is critical that users of the Bonneville Power System make their position on this issue known through our partnership with the Northwest River Partners.

As a result, staff recommends City Council approval of this Resolution relating to the Northwest's federal dams and hydro system.

s/ Jackie Flowers

**RESOLUTION RELATING TO THE NORTHWEST'S FEDERAL DAMS AND
HYDRO SYSTEM
RESOLUTION NO. 2007-05**

WHEREAS, the Columbia and Snake Rivers provide multiple benefits to the Northwest's economy: including energy production, irrigation, flood control, trade, and fish and wildlife conservation and fishing;

WHEREAS, the federal dams and hydro system provide the Northwest's utility customers and businesses with a critical source of clean, renewable, reliable energy capacity and generation;

WHEREAS, the energy generation provided by the federal dams and hydropower system cannot be replaced by other forms of renewable energy generation;

WHEREAS, any losses in federal hydro system capacity and energy will result in development of more fossil-fueled generation;

WHEREAS, several Northwest salmon and steelhead species are listed under the Endangered Species Act and require that a comprehensive approach be taken to protecting them, which includes addressing harvest, habitat, hatcheries in addition to hydro system operation;

WHEREAS, northwest utility customers and businesses have made significant investments in improvements to the dams and in hydro system operations to benefit fish and wildlife including installing fish friendly ladders and by-pass systems with a 98% survival rate;

WHEREAS, salmon runs vary widely from year-to-year, between 2001 and 2004 some of the highest salmon runs in history occurred – with the lower Snake River dams in place;

WHEREAS, the Northwest's interests including state and federal agencies and Indian tribes, are engaged in collaborative discussions to develop a new Biological Opinion under the ESA to protect listed salmon and steelhead stocks;

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NOW, THEREFORE, BE IT RESOLVED, that Idaho Falls Power, a division of the City of Idaho Falls, opposes funding the study of removing the lower Snake River dams and opposes removing the lower Snake River dams or making onerous changes in federal hydro system operations that are not science-based or cost-effective, because they will have devastating impacts on the Northwest's economy and will unnecessarily remove a clean, renewable and reliable energy resource with questionable benefits for listed fish.

DATED this 22nd day of March, 2007.

CITY OF IDAHO FALLS

s/ Ida Hardcastle
Mayor ProTem

(SEAL)

ATTEST:

s/ Rosemarie Anderson
City Clerk

Councilmember Lehto explained that the City of Idaho Falls has a Resolution in place from several years ago opposing the breaching of the four lower Snake River dams. Recently, Representative Jim McDermott, Democrat from Washington, has introduced legislation in Washington, D. C. to start studying breaching these dams again. As there are new members on the City Council, it was determined that a new Resolution should be voted on. If this Resolution passes the City Council, it will be forwarded to the Idaho delegation to register the City's opinion on the breaching of the four lower Snake River dams. When Councilmember Lehto was first on the City Council, approximately 6% of each energy bill was being spent to protect fish and wildlife. Today, approximately 13% of each energy bill is being spent on fish studies and studies like the one that Congressman McDermott is proposing to breach the dam. The cost is escalating and is being passed onto the residential and commercial ratepayer.

Councilmember Groberg stated that during the Electric Council Committee Meeting, a discussion was held as to whether the new legislation being considered would injure ratepayers of Idaho Falls Power. He understood that the new legislation would substantially impact the rates for Idaho Falls Power customers.

Councilmember Lehto stated that as these studies are continued, he was not sure what else could be done for the fish. The fish are well taken care of. As studies are continued, additional costs are being incurred. Breaching the four lower Snake River dams will cost the City more money as well as cost the City an allocation on the Bonneville Power Administration system.

Jackie Flowers, Idaho Falls Power Director, appeared to state that the new legislation would have approximately a 15% impact on the Bonneville Power Administration system that is projected to be incurred if the breaching of the dams was implemented. This cost would be passed onto the users. An already strained Bonneville Power Administration system cannot afford to lose 15% of its supply. This is something that will affect Idaho Falls Power and it is critical to Idaho Falls Power. Therefore, Idaho Falls Power wants to make its position known with regard to this legislation.

Councilmember Lehto presented the following information to be included in the record:

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BPA NEWS
For Immediate Release
Friday, March 2, 2007
Contact: Scott Simms, BPA
(503) 230-3520

**Removing Lower Snake River Dams Could Cost Northwest Ratepayers
\$400 Million to \$550 Million Annually**

PORTLAND, Ore. – The Bonneville Power Administration estimates Northwest electricity ratepayers could pay \$400 million to \$550 million a year to replace the power capabilities of the four lower Snake River dams if those dams were removed.

BPA's analysis of the value of the power capabilities of the lower Snake River dams stands in contrast to a report released in November by environmental and sport fishing groups. The authors of "Revenue Stream – An Economic Analysis of the Costs and Benefits of Removing the Four Dams on the Lower Snake River" did not seek input from BPA, and their conclusions do not reflect the full value of the dams in terms of power capabilities.

"These dams produce enough electricity to supply a city about the size of Seattle at a very low cost," said Steve Wright, BPA Administrator. "Their output cannot be replaced easily or inexpensively."

"Revenue Stream" concludes ratepayers and taxpayers be economically better off without the lower Snake River dams over a 10 year period. When accurate power numbers are used in the calculation however, net benefits claimed in the report become a net cost of \$1.5 billion to \$3.8 billion over 10 years.

According to BPA's analysis, the \$79 million to \$170 million in replacement power costs reported in "Revenue Stream" are too low. "Revenue Stream" understates the replacement energy costs and does not address costs associated with replacing the capacity capabilities of the dams. The four lower Snake River dams have the ability to generate up to three times their typical output for short periods of time when consumer demands for electricity are very high. Even in an average year, the 1,022 average megawatts of emission-free energy produced by these dams represent up to 15 percent of BPA's total power supply portfolio.

In addition to providing sizable energy production and meeting peak demands for electricity, the lower Snake River dams provide operating flexibility that is necessary to meet the constant fluctuations that occur in electricity we use. In addition, the dams are helpful to fill in behind intermittent sources of power such as wind and provide the region with electricity reserves that help maintain overall system reliability.

An independent economic analysis of the Revenue Stream report – issued earlier this week – reinforces BPA's conclusions, noting that the Revenue Stream report underestimates hydropower replacement costs by enough to invalidate their main conclusion that the region could save money by removing the lower Snake River dams.

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Dam removal already has been researched and rejected

In 2002, the U. S. Army Corps of Engineers released a seven-year, independent, peer-reviewed environmental impact statement (EIS) that evaluated dam breaching and three other alternatives to helping juvenile salmon navigate the four lower Snake River dams. This EIS remains the definitive evaluation of dam breaching.

The EIS found that breaching the lower Snake River dams would cost Northwest ratepayers \$373 million annually and generate \$106 million annually in benefits and avoided costs in 1998 dollars over a 100-year period. Since this EIS was released, estimated replacement power costs have increased substantially. In today's dollars, the estimated replacement costs cited in the EIS would increase by roughly a factor of two.

BPA is a not-for-profit federal agency that markets about 40 percent of the electricity consumed in the Pacific Northwest. The power is produced at 31 federal dams in the Northwest and one nuclear plant, and is sold to more than 140 Northwest utilities. BPA operates a high-voltage transmission grid comprising more than 15,000 miles of lines and associated substations in Washington, Oregon, Idaho, and Montana.

Bonneville Power Administration
Fact Sheet
March 2007

The Costs of Breaching the Four Lower Snake River Dams

A coalition of environmental and sport fishing groups recently released their analysis of breaching the four lower Snake River dams. The authors of "Revenue Stream" did not seek input from BPA or other federal agencies responsible for operating the dams and recovering salmon.

We believe their analysis and conclusions do not reflect the full economic value of the power from the lower Snake River dams.

Revenue Stream concludes that ratepayers and taxpayers would be economically better off if the dams were breached. Revenue Stream's conclusion is reversed by simply replacing their power analysis with more accurate numbers.

Leaving everything else in the Revenue Stream analysis the same, BPA substituted numbers that more accurately reflect the benefits of the power to the region. The new analysis results in an economic loss from breaching the four lower Snake River dams of \$1.5 billion to \$3.8 billion over 10 years.

An independent economic analysis recently reinforced BPA's conclusions. The Northwest Power and Conservation Council's Independent Economic Analysis Board said in a February 2007 report, "...the Revenue Stream report underestimates hydropower replacement costs by enough to invalidate their main result that the region could save money by removing the dams."

Here is what BPA found:

1) It will cost BPA's ratepayers \$400 million to \$550 million a year to replace all the power capabilities lost through breaching the lower Snake River dams.

Revenue Stream doesn't accurately comprehend the energy and capacity benefits of these dams. The benefits of the lower Snake River dams go far beyond the 1,022 average megawatts that they generate annually – enough electricity to power a city about the size of Seattle.

The lower Snake River dams also supply almost 3,500 MW of capacity. Capacity is the ability of a power plant to deliver power quickly to meet peak energy requirements and to follow moment-to-moment changes in loads.

Capacity is critical to a reliable power system. The power system must have adequate capacity in reserve, able to be called on at all times in order to respond to emergency conditions. During the recent (January 2007) cold snap, the region relied heavily on the lower Snake River dams during several individual hours of peak demand.

Capacity also provides the system flexibility needed to follow regional loads and to support the development of wind energy.

2) Experts predict we will need more generation in the next 20 years.

The Northwest Power and Conservation Council was established by Congress and appointed by the governors of Montana, Idaho, Washington and Oregon. One of the Council's responsibilities is to develop an electric power plan for the region that ensures an economic and reliable power supply.

The Council projects that even with the dams in place, the region's power needs in the next 20 years cannot be met without adding substantial new generation. Losing the output of the lower Snake River dams would increase our need for new resources.

BPA used the assumptions in the Council's Fifth Power Plan to calculate the full economic value of the power from the lower Snake River dams.

Even if substantial new cost-effective conservation and wind resources were identified – beyond what is already in the Council's Fifth Power Plan – it would not alter BPA's economic analysis.

The definitive study on dam breaching

In 2002, the U. S. Army Corps of Engineers released an environmental impact statement that evaluated dam breaching and three other alternatives to helping juvenile salmon get past the four lower Snake River dams.

The Corps EIS is an independent, peer-reviewed study of the transportation, power, recreation, agricultural and environmental effects of dam breaching.

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Revenue Stream is a compilation of numbers from several studies that used various methods of analysis.

The EIS remains the definitive evaluation of dam breaching; there are no others that are comparable in scope or authority.

The Corps EIS found that breaching the lower Snake River dams would cost Northwest ratepayers \$373 million and generate \$106 million annually in benefits and avoided costs (1998 dollars) over a 100-year period.

With the exception of power prices, which in the Pacific Northwest (at the Mid-Columbia hub) have increased from an average of around \$20 per megawatt-hour in fiscal year 1998 to around \$53 per MWh in fiscal year 2006, there is no significant new information that would change the EIS's conclusion.

What the EIS concluded about salmon

While Revenue Stream uses numbers from the EIS, it ignores its conclusion.

The EIS found that dam breaching by itself would not recover the fish, it would take the longest time to benefit listed fish compared to other alternatives and would be the most uncertain to implement.

Instead, the Corps' study concluded that aggressive fish mitigation efforts should continue with the dams in place. This is the approach that the federal agencies are pursuing, with structural improvements and hydro operations to help fish get safely past the dams and effective habitat and hatchery programs.

Today, juvenile salmon survival through all eight dams on the Columbia and Snake Rivers is as high as it was when only four dams were in place.

Conclusion

Hydropower is the ultimate renewable resource – low cost and clean. It supplies about half of all the electricity we use in the Pacific Northwest. And the four lower Snake River dams provide peaking capacity, reliability and the backup for growing development of wind energy in our region.

Before the region decides to pursue further analysis of the economic value of these dams to the region, we should consider whether there is any significant new information that would inform this analysis. For more information, please visit BPA's Web Site at www.bpa.gov.

Bonneville Power Administration
Fact Sheet – Fish and Wildlife
January 2006

BPA Fish and Wildlife Investments

Since 1978, the Bonneville Power Administration has contributed over \$7 billion to the fish and wildlife effort, of that over \$4 billion since 1997. The chart on the right shows the amount BPA invested in FY 2005.

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BPA's funding for fish and wildlife has five main components:

Expense or direct program

BPA funds 350 fish and wildlife projects in the Columbia Basin (habitat restoration, research, hatcheries, land acquisitions, predator control, culvert replacement).

Reimbursable

BPA reimburses the U. S. Army Corps of Engineers and the Bureau of Reclamation for a portion of those operation and maintenance costs related to improvements at the dams for fish passage and the U. S. Fish and Wildlife Service for hatchery operations.

Capital repayment

BPA reimburses the U. S. Treasury, principal and interest, for constructing capital projects such as hatcheries and fish passage projects at the dams.

F & W Investments for FY 2005

BPA F & W program expense ¹ (does not include \$12.2 million in capital expenditures)	\$135.8
Reimbursable	\$ 57.9
Repayment for capital investments	\$ 89.7
Program expenses subtotal	\$283.4
Hydro operations:	
Power purchases	\$110.8
Lost opportunity costs	\$182.1
Hydro operations subtotal	\$292.9
Total F & W Investments	\$576.3

¹Integrated program and action plan/high priority.

Power purchases

BPA is obligated to provide its customers with electricity, and if fish operations limit electricity generated at the dams, BPA must purchase power elsewhere to supply customer demand. Cost varies depending on power market prices and water volume.

Lost opportunity costs

The water that is spilled over the dams for fish represents "lost" electricity and money that could have been generated if the water had passed through the turbines. Cost varies depending on power market prices and water volume.

What BPA spent for fish and wildlife 1997-2005¹ (\$ in millions)									
Cost Category	1997	1998	1999	2000	2001	2002	2003	2004	2005
Expense or direct	\$82.2	\$104.9	\$108.2	\$108.2	\$104.0	\$144.2	\$147.2	\$145.7	\$135.8
Reimbursable	35.9	36.4	38.9	37.6	42.5	50.9	52.6	57.2	57.9
Capital repayment	76.3	74.1	76.1	76.3	78.2	78.2	80.5	85.4	89.7
Power purchases	0.0	5.4	47.6	64.8	1,389.6	147.8	171.1	191.0	110.8
Lost opportunity costs	107.8	116.5	198.8	272.2 ²	115.9	12.6	79.2	21.7	182.1
TOTAL	\$302.2	\$337.3	\$468.6	\$559.1	\$1,730.2	\$433.7	\$530.6	\$501.0	\$576.3

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¹For purposes of this presentation, this financial information has been made publicly available by BPA in January 2006 and is consistent with the financial system of record used in preparation of the audited financial statements for the respective period reported.

²This includes an estimated cost to BPA of \$79.1 million for an energy-shaping agreement with Idaho Power Company (IPC). FY 2000 was the final year of this contract. As IPC released water from its reservoir on the Snake River for fish flow augmentation, it delivered energy associated with the additional release to BPA. BPA subsequently returned the energy (MWh for MWh) plus energy to repay head losses Idaho suffered while its reservoir was lowered. The additional energy for head losses and the differences in market values of energy between the time BPA received it and delivered the energy back to IPC caused the cost.

Northwest River Partners
For salmon, our economy and quality
of life

BREACHING SNAKE RIVER DAMS

The Pacific Northwest is a great place to live because of the many benefits of its rivers – most significantly the clean and renewable energy that fuels its economy. Since the first dam was built in the 1930s, scientists, state and federal agencies, tribes, utilities, and dozens of special interest groups have worked to help balance the many benefits of our river system while enhancing salmon runs.

The Benefits of Hydropower in the Pacific Northwest

Having clean, affordable hydropower helps reduce our reliance on foreign oil imports. Hydro even supports the region's booming wind power industry by ensuring that there's electricity when the wind isn't blowing. Without hydropower, the region would require more coal and gas thermal plants, adding to global warming concerns.

Snake River Dams

The four Lower Snake River Dams have a combined generation capability of 3.033 megawatts, which is enough energy to power a city the size of Seattle. Lower Granite, Little Goose, Lower Monumental, and Ice Harbor are run-of-river dams – generating electricity as the river runs through them – operating as a vital part of the federal hydropower system. Each provides clean, renewable electric generation needed to fuel the economy of the Northwest.

The dams provide a variety of benefits: transportation, hydropower, irrigation, recreation, and fish and wildlife conservation. They also provide essential support for eastern Washington wind farms. Most of these benefits would be lost if these dams were breached.

Each dam facilitates 140 miles of barge traffic from Pasco, Washington to Lewiston, Idaho. From Pasco, barges then carry more than \$2 billion annually in agricultural goods to Portland and Vancouver for export overseas. Breaching these dams would erase the ability to barge goods on the Snake River, which would seriously affect the region's economy.

Premise for Dam Breaching

Some argue that breaching the dams would create a free-flowing river that would enhance salmon runs, which would increase salmon harvest. Others

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believe that energy from the dams can be replaced with energy from wind farms.

How about Fish Passage?

Juvenile fish can pass a dam in three ways: through the turbines – 90 to 95 percent survival rate; through the spillway with the water – about 98 percent survival; or, through bypass systems, where most are diverted to trucks or barges for transport downriver – with a 98 to 99 percent survival rate to the point of release below Bonneville Dam.

Four of the region's ESA listed salmon stocks must pass the Snake River Dams. Scientists have studied this issue for decades, concluding that breaching the Snake River Dams would not restore those runs; and, absolutely – in the short-term – it would have a detrimental affect on listed ESA-listed fish.

The Army Corps of Engineers Lower Snake River/Feasibility Study indicated breaching would result in the release of 75 million cubic yards of silt, exposing fish to increased toxins and higher turbidity levels – resulting in a devastating effect on fish.

While salmon runs vary widely from year to year, between 2001 and 2004 some of the highest salmon runs in history occurred – with the dams in place. Salmon returns in 2001 were about 400,000, and in 2004 returns were more than double that amount at 846,000.

Adult survival of salmon and steelhead at and between hydroelectric dams on the Columbia and Snake Rivers is averaging 98 percent or better in recent years, based on current pit tag research.

Many Factors Affect ESA-Listed Fish

Science points to many factors affecting the listed stocks passing the Snake River Dams, with National Oceanic Atmospheric Administration (NOAA) Marin Fisheries Service providing evidence that the greatest effect is the ocean, at 70 percent mortality. Other problems for the fish are shared with those who harvest fish, the spawning habitat and hatcheries.

It's seldom mentioned, but the original cause of the decline and near extinction of the sockeye is due to the poisoning of Redfish Lake nearly 30 years ago – to rid the lake of sockeye in order to stock it with trout. The sockeye is now one of the four stocks listed under the Endangered Species Act.

Salmon numbers on coastal rivers without dams have also been down the past few years, which indicates that oceanic downturn, over-harvesting, gill-netting or any number of variables can affect these fish. Commercial coastal fishing was closed this past year due to low numbers of returns to the Klamath.

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Dam Breaching, the Economy & the Environment

The Corp of Engineers' study estimated that 4 million tons of commodities currently barged on the river would be shifted to other modes of transportation, such as trucks. This would create five to nine times more harmful air emissions – displacing more than 3,000 megawatts of renewable energy.

Replacing the energy generated at the four Lower Snake River Dams would be at a much higher financial environmental cost than hydroelectricity alone. Losing power from the Snake River Dams would require building or buying energy generated from coal or natural gas thermal plants, which are far more expensive and are contributors to global warming. Wind farms wouldn't be able to replace the generation as the four dams equal the total of all existing and planned wind generation in the Northwest.

According to the Pacific Northwest Waterways Association, the Columbia and Snake River System, which depends on the inland barge system, accounts for \$15 billion annually in international trade and over 40,000 jobs in the Portland/Vancouver area, alone.

NWRP Position is to Use Science, Not Hyperbole

Dam breaching would devastate the Northwest economy, increase contamination of its air shed, with no scientific evidence proving it would enhance salmon numbers.

Northwest River Partners

Northwest River Partners is a partnership of farmers, electric utilities and large and small businesses in the Pacific Northwest, joined together to ensure that the Columbia and Snake Rivers remain living, working rivers. Northwest River Partners promotes all of the benefits of the rivers: fish and wildlife, renewable hydropower, agriculture, commerce and recreation. For more information contact: Terry Flores, 503.274.7792. Or visit the Web Site at www.NWRiverPartners.org.

Councilmember Lehto stated that Bonneville Power Administration, in order to meet their needs should the dams be breached, would go to wind or renewable power at a much higher cost.

Councilmember Lyon stated that he appreciated Councilmember Lehto and the staff for bringing this resolution to the City Council. Thirteen percent (13%) is an outrageous amount to be paid for studies that have been done repeatedly with no added value. He stated that he would be happy to support this resolution.

Councilmember Lehto clarified that within the last few years the cost has been incrementally increasing with no added value. As the City continues to stand up for fish study centers and more studies when the science is already in place, then it becomes troublesome.

Jon Ochi, 247 4th Street, appeared to state that he was familiar with the bill that Congressman McDermott and Congressman Petree are bringing forward. This bill is not to dismantle the lower Snake River dams. The bill is to hire the National Academy of Sciences to study the economics. This Academy does not take an advocacy position. There is a great deal of controversy. There are people on both sides of the issue. One group says

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that it will cost money to dismantle the dams. The other group says that there would be a net gain in the economy to the recreation and fishing industry. McDermott's proposal would be to have the National Academy of Science (the most prestigious scientific organization in the United States) do their own independent study since they have no vested interest in the outcome. Mr. Ochi stated, further, that this study would be funded by the federal government.

Jerry Jayne, 1568 Lola Street, appeared to state that the City Council is making a mistake in adopting this resolution. The City Council made a mistake several years ago when they approved the first resolution. The science is in. Scientists said that the best possibility to restore the Snake River salmon strains were to breach the dams. The reason for another study is because the politicians have not acted on the earlier information. People need to be convinced that it will be economically efficient as well as environmentally efficient. Mr. Jayne requested the City Council not to pass this resolution. The fish that are coming back the last few years are mostly hatchery fish. The public wants the wild salmon to come back. There is a lot of biological value in having the wild salmon come back.

Councilmember Groberg stated that the City Council needs to represent Idaho Falls Power ratepayers. He recognized that more studies could be helpful. He stated that it was clear to him that the community was not in favor of having more costs imposed on the hydro system.

Councilmember Lyon stated that he would be willing to have this issue tabled to allow for more public input on the matter.

It was moved by Councilmember Lehto, seconded by Councilmember Lyon, to approve the Resolution relating to the Northwest's Federal Dams and Hydro System and, further, give authorization for the Mayor and City Clerk to execute the necessary documents. Roll call as follows:

Aye: Councilmember Cornwell
Councilmember Lyon
Councilmember Groberg
Councilmember Hardcastle
Councilmember Lehto

Nay: None

Motion Carried.

City of Idaho Falls
March 19, 2007

MEMORANDUM

TO: Mayor Fuhriman and City Council
FROM: Jackie Flowers, Idaho Falls Power Director
SUBJECT: POWER SALES CONTRACT

Attached for your consideration is the power sales contract related to our participation in the IPP Unit 3 Project with the Utah Associated Municipal Power Systems.

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Staff recommends approving the contract and authorizing the Mayor to execute all necessary documents.

s/ Jackie Flowers

At this time, Councilmember Hally joined the discussion by telephone.

RESOLUTION NO. 2007-06

A RESOLUTION AUTHORIZING AND APPROVING:
(1) A POWER SUPPLY RESOURCE PLAN; (2) THE INTERMOUNTAIN UNIT 3 PROJECT POWER SALES CONTRACT WITH UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS ("UAMPS"); (3) THE SECOND AMENDMENT TO THE UAMPS AGREEMENT FOR JOINT AND COOPERATIVE ACTION; AND (4) RELATED MATTERS.

WHEREAS, the City of Idaho Falls, Idaho, (the "Participant") is a member of Utah Associated Municipal Power Systems ("UAMPS") pursuant to the provisions of the Utah Associated Municipal Power Systems Amended and Restated Agreement for Joint and Cooperative Action, dated February 18, 1999, as amended (the "Joint Action Agreement");

WHEREAS, one of the purposes of UAMPS under the Joint Action Agreement is the acquisition and construction of electric generating, transmission and related facilities in order to secure reliable, economic sources of electric power and energy for its members;

WHEREAS, UAMPS has proposed to participate as a joint owner in the acquisition and construction of a coal-fired electric generating facility at the Intermountain Generating Station in Millard County, Utah, together with related facilities and equipment (the "Project");

WHEREAS, the Participant desires to purchase electric energy from the Project from UAMPS pursuant to the Intermountain Unit 3 Project Power Sales Contract dated as of December 1, 2006 (the "Power Sales Contract") between the Participant and UAMPS;

WHEREAS, pursuant to Section 50-342A, Idaho Code, as amended, the Participant is authorized to participate with others in the acquisition and construction of joint electric facilities and enter into a long-term power purchase agreement providing for the right to receive a share of the capacity or output of joint electric facilities at cost-based rates; and,

WHEREAS, at a special election held in the City of Idaho Falls, Idaho, on November 7, 2006, more than two-thirds of the qualified electors of the Participant voting at the election authorized the Participant to enter into the Power Sales Contract with UAMPS and to incur the indebtedness thereby created;

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WHEREAS, the City Council of the Participant (the "Governing Body") has reviewed the long-term power supply resource plan (the "Power Supply Resource Plan") of the Participant which sets forth the needs of the Participant for long-term, reliable, cost-based supplies of electric power and energy, and in satisfaction of the requirements of Section 50-342A, Idaho Code, as amended, has considered, among other things, the following: (a) the Participant's long-term power supply and transmission requirements, (b) the economies and efficiencies of scale expected to be achieved through the acquisition and construction by UAMPS of the Project for the benefit of the Participant and the other members of UAMPS participating in the Project, (c) the need of the Participant for the electric energy represented by its Entitlement Share in the Project to meet its current and reasonably expected power supply requirements and to provide reserve capacity, (d) the estimated useful life of the Project, (e) the estimated cost of the Project, (f) the estimated time necessary for the acquisition and construction of the Project, the estimated commercial operation date and the length of time in advance necessary to obtain, acquire or construct an additional or alternative power supply, (g) the financial, regulatory and technical feasibility of constructing and operating the Project, (h) the reliability and availability of the Participant's existing power supply sources, the Project and alternative power supply sources and the cost or estimated cost thereof, and (i) all such other matters as were deemed necessary or appropriate by the Participant as a basis for and in connection with its authorization and execution of the Power Sales Contract;

WHEREAS, the Governing Body has also reviewed (or caused to be reviewed on its behalf) certain descriptions and summaries of the Project, the Power Sales Contract and the Project Agreements (as defined in the Power Sales Contract), and representatives of the Participant have participated in discussions and conferences with UAMPS and others regarding the Project and have received from UAMPS all requested information and materials necessary for the decision of the Governing Body to authorize and approve the Power Sales Contract;

WHEREAS, payment of the Participant's Debt Service Share of Debt Service Costs under the Power Sales Contract shall be made through the levy of taxes on all taxable property in the City of Idaho Falls, Idaho each year until the Debt Service Costs payable by the Participant under the Power Sales Contract shall have been fully paid; provided that the aforementioned taxes shall be diminished in any year to the extent that other available funds shall have been applied to or set aside in a special fund to be irrevocably held for the payment of the Debt Service Costs payable by the Participant under the Power Sales Contract; provided further that the aforementioned taxes shall be abated in each year in which the revenues from the rates and charges imposed for the services furnished by the Participant's electric system (the "System") are sufficient to pay all or a portion of the Debt Service Costs payable by the Participant under the Power Sales Contract;

WHEREAS, all other payment obligations of the Participant under the Power Sales Contract shall be a special obligation of the Participant and an operating expense of the System, payable from the revenues and other available funds of the System as a cost of purchased power and energy and an ordinary and necessary expense of the operation thereof;

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WHEREAS, the Participant acknowledges that it shall be unconditionally obligated to make the payments required under the Power Sales Contract whether or not the Project or any portion thereof is acquired, constructed, completed, operable or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of the output thereof for any reason whatsoever;

WHEREAS, in connection with the Project, it is necessary and desirable for the Participant to approve, authorize and execute the Second Amendment to the Joint Action Agreement, dated as of November 15, 2006 (the "Second Amendment"), to provide for the continuation of the existence of UAMPS through the date on which the Project has been removed from service and all indebtedness of UAMPS relating to the Project has been fully paid or discharged; and

WHEREAS, the Participant now desires to authorize and approve the Power Supply Resource Plan, the Power Sales Contract, and the Second Amendment;

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the City of Idaho Falls, Idaho, as follows:

Section 1. Approval of Power Supply Resource Plan. The Power Supply Resource Plan of the Participant attached hereto as Annex A is hereby authorized and approved.

Section 2. Execution and Delivery of the Power Sales Contract; Participant's Representative. (a) The Power Sales Contract, in substantially the form attached hereto as Annex B, including an Entitlement Share representing 20,000 kW of capacity (subject to adjustment as provided in the Power Sales Contract) is hereby authorized and approved, and the Mayor is hereby authorized, empowered and directed to execute and deliver the Power Sales Contract on behalf of the Participant, and the City Clerk is hereby authorized, empowered and directed to attest and countersign such execution and to affix the corporate seal of the Participant to the Power Sales Contract, with such changes to the Power Sales Contract from the form attached hereto as Exhibit B as shall be necessary to conform to the Participant's legal status, to complete the form of the Power Sales Contract or to correct any minor irregularities or ambiguities therein and as are approved by the Mayor, his execution thereof to constitute conclusive evidence of such approval.

(b) The appointment of Jo Fikstad as the Participant's Representative to UAMPS is hereby confirmed. Such Representative (or, in his or her absence, such alternate(s)) is hereby delegated full authority to act on all matters that may come before the Project Management Committee established by the Power Sales Contract, and shall be responsible for reporting regularly to the Governing Body regarding the activities of the Project Management Committee.

Section 3. Approval of Second Amendment. The Second Amendment, in substantially the form attached hereto as Annex C, is hereby authorized and approved, and the Mayor is hereby authorized, empowered and

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directed to execute and deliver the Second Amendment on behalf of the Participant, and the City Clerk is hereby authorized, empowered and directed to attest and countersign such execution and to affix the corporate seal of the Participant to the Second Amendment.

Section 4. Levy of Tax. In order to make payment of the Participant's Debt Service Share of Debt Service Costs under the Power Sales Contract, the Participant shall levy taxes on all taxable property in the City of Idaho Falls, Idaho, beginning on the second Monday in September next succeeding the execution and delivery of the Power Sales Contract and continuing in each year thereafter until the Debt Service Costs payable by the Participant under the Power Sales Contract shall have been fully paid, in such amounts and at such rates as are necessary, to assure the prompt payment of such Debt Service Costs and the payment in full of such Debt Service Costs within the period required by the Constitution and laws of the State of Idaho, and it is hereby ordered that such taxes shall be levied annually at the time and in the manner the general taxes for the Participant are levied in each such year and such taxes shall never be diminished prior to payment in full of all Debt Service Costs payable by the Participant under the Power Sales Contract, except in any year to the extent that other available funds shall have been applied to or set aside in a special fund to be irrevocably held for the payment of the Debt Service Costs payable by the Participant under the Power Sales Contract; provided however, that the aforementioned taxes shall be abated in each year in which the revenues from the rates and charges imposed for the services furnished by the System are sufficient to pay all or a portion of the Debt Service Costs payable by the Participant under the Power Sales Contract in accordance with the covenant contained in Section 5 of this resolution. The proper officer or officers of the Participant are hereby authorized and directed to do all things requisite and necessary to carry out the provisions of this Section and to apply the proceeds of the rates and charges or the taxes so collected to the payment of such payment obligations.

Section 5. Rate Covenant. The City Council hereby covenants and agrees to prescribe and collect all rates and charges for the services furnished by the System in such amount in each year as will produce revenues sufficient, in addition to any other requirements of law, to pay timely the Debt Service Costs and other amounts payable by the Participant under the Power Sales Contract.

Section 6. Miscellaneous; Effective Date. (a) This resolution shall be and remain irrevocable until the expiration or termination of the Power Sales Contract in accordance with its terms.

(b) All previous acts and resolutions in conflict with this resolution or any part hereof are hereby repealed to the extent of such conflict.

(c) In case any provision in this resolution shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provision shall not in any way be affected or impaired thereby.

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(d) This resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED THIS 22nd day of March, 2007.

CITY OF IDAHO FALLS, IDAHO

s/ Jared D. Fuhriman
Mayor

ATTEST:

s/ Rosemarie Anderson
City Clerk

(SEAL)

The Idaho Falls Power Director appeared to state that the Mayor and City Council have worked hard on this issue over the last four years. Much work has been done in evaluating this project, as well as other projects, within the UAMPS organization. During the past few years, the Mayor and City Council have worked with Idaho Falls Power staff and UAMPS staff to evaluate the options that are before Idaho Falls as current resources are being outgrown. The good news is that Idaho Falls is a growing, thriving community. Original drivers behind the evaluation of various projects were kept in mind, as the City Council moves forward with the recommendation to approve IPP Unit 3 – the need for a base load resource, the desire to invest in a cost-based resource to minimize market exposure, the need to diversify the City’s power portfolio to lessen risks associated with over investment in any one resource, and the need to meet future electric needs of the growing community. Last summer, the City Council approved a resolution to move forward with the question of participation in the Utah Power Project to the voters. That question was brought to the voters in November, 2006. Once that decision was made, information was disseminated to the public so that the voters could make an informed decision. A tour was made of the IPP3 site by City Officials, as well as interested members of the community. More than 2/3 of those voting in the election approved the City to enter into the Power Sales Contract. Idaho Falls Power sought legislative clarification on the ability to enter into the Power Sales Contract. That clarification was unanimously approved by the legislature and signed by the Governor in February, 2007. All factors were then evaluated before coming before City Council with the recommendation being presented at this time. Idaho Falls Power has worked with many consultants who have advised the City for more than thirty years. On re-evaluating Idaho Falls Power projections and completing a risk assessment, the consultant has determined, based upon the City’s risk profile and what he believes can be tolerated based upon that risk, supports an investment at a 15 to 20 megawatt level. His assessment did include consideration of a carbon tax and potential regulations as he weighed this particular project and compared it to other alternatives that may or may not be out there. The consultant completed projections on future fuel costs, the contract language, and how the City balances the resources and where that risk level results. Ultimately, that evaluation was what prompted Idaho Falls Power to drop from the 25 megawatt level to the 20 megawatt level. This investment will result in a 2021 power portfolio that is 75% hydro power (Idaho Falls Power resources and the Bonneville Power Administration resources), 18% thermal, and 7% were put in the conservation/renewable market category. Idaho Falls Power will have to recommit to conservation at a higher level than what has historically been seen. In 2021, because 20 megawatts is being proposed

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instead of 25 megawatts, Idaho Falls Power will find itself in the same position as it is in today by purchasing power on the market to meet the peak needs. The Idaho Falls Power Director reviewed, for the Mayor and City Council, what documents were included in the Power Sales Contract. The Idaho Falls Power Director acknowledged Jo Fikstad, Assistant Idaho Falls Power Director, for all of her hard work throughout this process.

Councilmember Lehto requested the Idaho Falls Power Director to explain the process of the bill through the legislature that allows for the approval of a Power Sales Contract at this time.

The Idaho Falls Power Director stated that the City Attorney could better explain this legislation as he was instrumental in getting the language drafted and placed before the Legislature. Idaho Consumer Owned Utilities sponsored the legislation. The legislative delegates were key in getting the legislation before the legislature. This legislation addresses the ability of Idaho Falls Power to enter into a Power Sales Contract of this nature with a "take or pay" clause. This is similar to other Bonneville contracts, where Idaho Falls Power has had to get judicial validation to enter into those contracts. The legislature unanimously passed this legislation. Letters have been sent to our delegation thanking them for their efforts on behalf of public power.

Councilmember Lehto explained further documents that were included in the Power Sales Contract. He stated, further, that Jo Fikstad, Assistant Idaho Falls Power Director, is identified as the representative to UAMPS.

Jon Ochi, 247 4th Street, appeared to state that he was not in favor of the coal-fired power plant. He stated that the City is going to pay \$53 million through bonding over a 30 year period for the opportunity to buy into this coal-fired power plant. Assuming a 6% interest rate on this bonding, there would be another \$49 million in interest for that same time period. That would mean that the City is going to spend \$102 million which will be a cost to the ratepayers of Idaho Falls. To keep the cost in perspective, assuming 55,000 population in Idaho Falls divided into the \$102 million, that will amount to \$1,855.00 for every man, woman, and child to pay for this coal-fired power plant. The problem becomes, "What are the alternatives?" He stated that he believed that the City is dealing with something that will become obsolete technology. Many cities have declined to participate in this power plant. The Idaho State Legislature passed a two-year moratorium on coal-fired power plants in Idaho so that this can be studied. The City was originally going to purchase 25 megawatts of power, but has decreased to 20 megawatts of power. The price has already gone up for less power. He stated that he did not know how much more it would cost in ten years. At that time, coal power plants may not be viable and may be banned entirely. If the City Council is going to approve this Power Sales Contract, then the City Council should consider purchasing only 15 megawatts of power. Approximately one and one-half months ago, the Idaho Department of Water Resources held hearings in Idaho Falls. There is a water crisis in Idaho right now. If this drought, with the exception of last year, continues, there will be major questions as to whether there will be enough power for cities to continue to grow. Part of that pressure is going to be a legal one and no one will be able to escape from it. Large water users may not be allowed to continue. Even residential users may come under pressure because they may not be able to get water rights. He stated that in his opinion, the City has not fully explored conservation alternatives. Instead of spending \$102 million dollars on the coal-fired plant, the City could spend \$1 million and give every man, woman and child in Idaho Falls, for free, twenty fluorescent light bulbs. Fluorescent bulbs save up to 75% on energy bills. The City should not ask people if they want them, but should just pass them out. For the cost of doing this, the City could realize tremendous savings. Until the City fully explores the true cost, the pollution cost, the water supply issues, and until simple energy conservation measures are imposed, Mr. Ochi stated that entering into the Power Sales Contract for a coal-fired power plant should not be done.

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Kathryn Nelson, 2173 Calkins Avenue, appeared to state that the Mayor and City Council have spent many hours on this project. She stated that she has spent many hours researching this project. She quoted from the Energy Institute in Washington, D. C., which stated, "Public funds should not be used to build coal-fired plants". This is a highly respected group. The City Council should take this information into consideration. Things have changed since the vote taken on November 7, 2006. This has become more expensive. Publicity has come out in the past few months on the dangers of coal-fired plants, along with the terrible expense. There is no protection if there are untold expenses in the construction. Mrs. Nelson stated the Idaho Falls Power is endangering their financial status. Idaho Falls Power has a very good rating when bonds are sold. If the City overextends itself, the value of the bonds will go down. There has not been an adequate breakdown of the costs for this coal-fired power plant. If the City of Idaho Falls feels as though they have to participate in this project, she indicated that the lower 15 megawatts should be requested. Mooney Consulting recommended this. There is an alternative to entering into this Power Sales Contract. Idaho Falls Power could purchase power on the open market. The City of Idaho Falls will not be affected as it was in 2001 because Enron had a grip on the market. Enron's fraud caused a terrible increase in electricity. The 30-year contract period is too long. A nuclear age is coming. Mrs. Nelson requested the Mayor and City Council to reconsider the whole plan.

John McKay, 335 Westmoreland Drive, appeared to state that investing in the IPP3 Project is a huge financial gamble that most people, including venture capitalists, would even consider. The 30% plus increase in cost in the past four months is scary. He did not believe that future shortages of power were likely. These shortages would certainly not approach the panic and price spikes that occurred a few years ago. Those shortages were exacerbated by Enron and others who manipulated the system for their own profit. Mr. McKay stated that his major concern was in a recent governmental report on global warming which laid out a dire warning that man-made emissions of heat-trapping gasses must be curtailed if we are to stop the meteoric rise in earth's temperatures. There are 10 billion tons of carbon that are emitted every year from coal-fired plants. Just yesterday, Senator Craig spoke to the Senate Committee Meeting on Global Warming, by stating that he was proud that Idaho was a clean state, that there were no coal-fired power plants in the State. Everyone should be concerned that a coal-fired power plant is 350 miles from Idaho Falls. By saying "no" to this project, the City Council will have contributed to the health of the planet.

Jim McFadden, 2255 Baltic Avenue, appeared to share the following:

First, I acknowledge the opportunities to discuss this matter with the City Council and the Idaho Falls Power Staff, both prior to the November 2006 Election and in the ensuing time since then. I have sent two letters (November 8, 2006 and March 15, 2007) detailing my disagreement with the load growth assumptions used by the City. I will not repeat those arguments tonight other than to say I think the Idaho Falls Power forecasts are still too high and I have not seen sufficient information to convince me to think otherwise. And, I also acknowledge that we have discussed some of the issues listed below, and have differing opinions on some of them that are likely to continue.

Since the City bond election related to IPP3 was approved in November, several important items have changed, while others have remained the same. Here is a summary:

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Issue	November 2006	March 22, 2007
Things that have changed:		
Estimated construction cost of potential IF Power share	\$53 million for 25 MW or \$2.1 million per MW	\$77 million for 25 MW or \$3.1 million per MW Increase of 45%
UAMPS projected energy cost at plant	3.7 cents/kWh (Source: South Idaho Press, March 1, 2007)	5.2 cents/kWh
Last date for sufficient, firm energy from BPA to meet expected load	2011, when current contracts end	More likely after 2016, based on BPA Pacific NW Loads and Resources Study (December 2006)
Carbon emission tax or charges	Perhaps some time in the future	Expected to pass Congress within next two years
Alternative energy sources – wind	Not considered reliable or cost effective	Over 4,000 MW expected in Utah and Northwest by 2009
Things that have not changed:		
Plant emissions; COx, NOx, particulates, mercury	Burning coal; the IPP facility will be one of top 3 emitters carbon dioxide	Still the same
Energy efficiency measures	The least cost option for supply	Remains so, and likely will improve as energy costs rise
Participation by PacifiCorp	Uncertain	Still uncertain

And finally, action by other utilities;

Voters in Rupert decided not to participate, and Heyburn (Idaho), Lower Valley (Wyoming), Truckee (California) and Heber, Murray, and Logan (Utah) have decided not to participate.

Mr. McFadden requested the City Council to vote “no” on the Power Sales Contract. He stated that he realized that this was not realistic, but there were other cities in this region that have done just that.

Erik Simpson, 6117 North 5th West, appeared to state that he is one of a very few County residents that has the opportunity to use Idaho Falls Power – and he would like to keep it that way. He stated that he is 41 years of age. In his lifetime, he stated that he has seen environmental extremists target and cripple the following industries. In the 1970’s, it was mining. In 1979 with the Three-Mile Island accident, the environmental extremists focused on nuclear power. They continued to focus on nuclear power, with a resurgence of power, when the 1986 Chernobyl accident happened. In the late 1980’s, the environmental extremists went after the timber industry with regard to the spotted owl. That was a fun myth as well. In the 1990’s environmental extremists focused on the former weapons labs from the Department of Energy. In this millennium, the environmental extremists are focusing on big oil and greenhouse gas emitters, principally coal-fired generating plants. This global warming craze is a total myth. It is a myth promulgated by environmental extremists to tax the wealthy and affluent to put a stop to coal-fired generating plants. These plants produce more than 50% of the country’s power. In the next ten years, the coal-fired generating plants will supply more than 55% of the country’s power. In the absence of new nuclear power plants, the country has coal-fired generating plants. Mr. Simpson stated that he wanted to commend the City of Idaho Falls. It is very rare for a City to take the opportunity to do something proactively, especially with the kind of growth that Idaho Falls has experienced in the last few years. He applauded the City Council in looking forward and determining what the power needs will be. He encouraged the Mayor and City Council to move forward on the IPP3 contract. This was approved by voters by a supermajority. The City of Burley and the City of Rupert are also buying into this power plant. The City of Idaho Falls has a tremendous program through the Energy

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Star Program. This program allows for the purchase of appliances and windows that assist in conserving energy. The City of Idaho Falls will finance those purchases with no interest to the consumer. Wind power and solar power helps incrementally in the overall energy needs for the country. Right now, the country receives approximately 1% of its power from wind energy. The Department of Energy has a very optimistic goal that by 2020, 5% of the country's power will come from wind energy. This is not economically viable.

John McGimpsey, 2122 Calkins, appeared to state that he disagreed with the conclusions derived from many of his neighbors. He stated that he has a professional background in risk management in various professions over the past two decades. He does not believe that going ahead with the IPP3 project is a "slam dunk". He stated that he believed that it is possible that 20 years from now that the City would have been better off not to have invested in this plant, but to have purchased power from other sources. Based on his estimates of the risks and based on the fact that Bonneville County is one of the top 20 counties in growth over the last 6 years in Idaho, Oregon and Washington, it seemed prudent to him to ensure that the City has access to power so that it does not have to be purchased on the open market. If open market prices go up, then the City will be able to sell any excess power that is generated. He stated that he was very much a proponent of wind power. Several wind companies have come to Idaho Falls and told the City that base load requirements are not tractable with wind power. There are transmission issues with wind power. When the wind is blowing it needs to be pushing power down the transmission lines. When the wind is not blowing, power needs to be pulled from another source, which will most likely be from coal-fired power plants. Mr. McGimpsey encouraged the City Council to enter into the power sales contract in the amount of 20 megawatts.

Councilmember Groberg stated that as an elected official, he felt very committed to follow the advice of the voters. He requested to know whether Idaho Falls Power believes that there have been changes in circumstances since the election that would be sufficient in any way to affect the validity of the election.

Councilmember Lehto stated that the question before the voters was whether Idaho Falls Power should enter into a Power Sales Contract. That is what the City Council is considering at this time. The most notable change has been the cost projections for the plant. This information was not part of the question at the election. There have been more dialogs on global warming and climate change. The project has looked into a more efficient boiler system because of those discussions. The system has put out a Request for Proposal that would include a carbon sequestration for the plant.

The Idaho Falls Power Director stated that the cost projection at the time of the election was just an estimate. That was an estimate that was based in 2003. That was an estimate that was put together in consideration of Los Angeles participating with earthquake provisions planned within the design of that structure. When Los Angeles pulled out, the decision was made to no longer proceed with earthquake provisions. Because those provisions were reduced, the engineers at the time felt that the cost estimate would be enough to cover any inflation in the three years of construction. UAMPS has hired a third-party engineer to perform oversight on all work related to the project. They will be retained throughout construction of the project to act as a technical guide. As a result, that has been completed and it does show a reflected increase. Many of the items that Councilmember Lehto has mentioned are part of that reflected increase. Additionally, the industry in general has seen a 15% increase in the cost of materials in the last two years.

Councilmember Hally stated that the risks against the coal-fired plant are more than offset on the demand side of energy and the shortfall that will hit the City of Idaho Falls in 20-30 years.

Councilmember Lehto stated that the issues raised tonight have been fully considered and discussed.

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Councilmember Cornwell stated that a lot of thought and process has gone into this. She stated that she had a City resident call her this afternoon to encourage her to go with 25 megawatts because the growth that has been shown by the Consultant shows that Idaho Falls Power needs more megawatts. If wind power was more viable and if nuclear energy was closer, she stated that she would be more for those energy resources than for the coal-fired plant. Councilmember Cornwell stated that she went on the tour of the IPP Project in Delta, Utah. She stated that the air was very clean, only steam was being emitted. She was very impressed with the facility. She stated, further, that she would be voting in favor of entering into the Power Sales Contract.

Councilmember Hally stated that the energy needs of the future would be seriously jeopardized if the City does not enter into this Power Sales Contract.

Councilmember Lyon thanked everyone that commented with regard to the IPP3 Project. He wished that there were viable alternatives available to the City Council at this time, in terms of wind or nuclear power. In the absence of those options, the IPP3 Project is the most viable option that the City has. Councilmember Lyon stated that he supports entering into this Contract.

Councilmember Hardcastle stated that the bottom line in this issue is to protect the consumer and the low cost of doing business. If the City of Idaho Falls does not buy into this power plant, then in the future, the City will be purchasing power from this power plant. The City of Idaho Falls has not made this decision lightly. She stated that she was on the City Council when Idaho Falls Power spent more than \$20 million in a 6-month period. She did not want to go through that again and wanted to protect the City's load.

Councilmember Groberg stated that this was a difficult decision to make. It is hard to predict how electricity will be generated in the future. When nuclear energy was being explored, it was the answer to all problems and that energy would be given away. Then nuclear energy was shut down totally, to the extent that a \$1 billion plant that was finished and constructed in Long Island was dismantled rather than being put into operation. He watched as a heartless assault on nuclear energy took place, until companies were bankrupted. Hydropower went through the same problems. Councilmember Groberg stated that his concern was that the same type of public reaction looked to be brewing against coal-fired plants, mainly because of the CO2 emissions. He stated, further, that he believed that the same types of problems will develop with wind power. After nuclear, hydro, and coal-fired energy were eliminated, energy from natural gas was used. That means that natural gas was being used to produce electricity, when it could have gone right into heating for homes. That did not make much sense to him. When this proposition came to the City, it was based on an assumption. The people of Idaho Falls wanted to own their own electric generation. They did not want to purchase electricity on the open market. Because of that, the decision was made to find out what would be a good investment to supply that generation. Staff and consultants came up with a recommendation to buy into the IPP3 Project. It was then determined that this issue should be placed before the voters of Idaho Falls. The City was to remain impartial, only providing information. Councilmember Groberg stated that Idaho Falls Power was true to that mandate. By voting yes, the voters stated that they know the risks and they want to make the investment. Councilmember Groberg stated that dictates the way he will vote on this issue. He stated, further, that he would like to minimize that investment. The City of Idaho Falls has been greatly benefited by hitching to the BPA wagon. They have had low cost energy produced by their hydro plants and dams in the Northwest that have served so well for more than two decades. Idaho Falls Power should reduce the exposure with the coal-fired plant and approach BPA with the understanding that Idaho Falls Power is still looking to them for the bulk of our energy. Councilmember Groberg stated that he was going to support this resolution because he wants to be part of a team that works carefully as they review the

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BPA proposals that will be materializing. He stated that he understood from Councilmember Lehto, that Idaho Falls Power can market a share of this Power Supply Contract and be reimbursed for it.

Councilmember Lehto stated that the utility is in a position to always be looking out for its customers. The decision before the City Council this evening is part of an on-going process to take care of the future and its customers. The voters passed, by 2/3 majority, the decision to enter into a Power Sales Contract. Through discussions, it was determined that the City Council should come up with a policy to address conservation and cutting the winter peak load requirements.

It was moved by Councilmember Lehto, seconded by Councilmember Hally, to approve the Resolution Authorizing and Approving: (1) A Power Supply Resource Plan; (2) The Intermountain Unit 3 Project Power Sales Contract with Utah Associated Municipal Power Systems ("UAMPS"); (3) The Second Amendment to the UAMPS Agreement for Joint and Cooperative Action; and, (4) Related Matters; and, further, give authorization for the Mayor and City Clerk to execute the necessary documents. Roll call as follows:

Aye: Councilmember Hardcastle
Councilmember Lehto
Councilmember Cornwell
Councilmember Hally
Councilmember Lyon
Councilmember Groberg

Nay: None

Motion Carried.

Councilmember Hally excused himself from the telephone conversation at this time.

City of Idaho Falls
March 19, 2007

MEMORANDUM

TO: Mayor Fuhriman and City Council
FROM: Jackie Flowers, Idaho Falls Power Director
SUBJECT: FINAL CONTRACT ADJUSTMENT TO HATCH SUBSTATION
CONSTRUCTION CONTRACT

Attached for your approval is final contract information related to the Hatch Substation construction project.

Staff requests that Council authorize the Mayor to execute this document.

s/ Jackie Flowers

It was moved by Councilmember Lehto, seconded by Councilmember Lyon, to approve the Final Contract Adjustment to Wheeler Electric, Inc. for completion of the Hatch Substation Construction Contract and, further, give authorization for the Mayor and City Clerk to execute the necessary documents. Roll call as follows:

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Aye: Councilmember Hardcastle
Councilmember Lyon
Councilmember Lehto
Councilmember Groberg
Councilmember Cornwell

Nay: None

Motion Carried.

Following a brief recess, Councilmember Groberg stated that he appreciated the Idaho Falls Power Director and her staff, along with the committee, for the hard work in bringing this Power Sales Contract to the City Council. Jackie Flowers amazed everyone when she took this position and was able to take this issue on in the middle of the process.

Councilmember Hardcastle stated that Jackie Flowers hit the ground running. She stated that she appreciated Jo Fikstad and the entire staff for all of their hard work in bringing this to fruition.

The Municipal Services Director submitted the following memos:

City of Idaho Falls
March 20, 2007

MEMORANDUM

TO: Honorable Mayor and City Council
FROM: S. Craig Lords, Municipal Services Director
SUBJECT: HANSEN & HANSEN AIRPORT HANGAR LEASE AGREEMENT

Attached for your consideration is a proposed Lease Agreement between the City of Idaho Falls and Hansen & Hansen for an Airport Hangar located at 2070 International Way. Municipal Services does not anticipate that the property will be needed for public purposes during the term of this agreement.

Said agreement has been reviewed and approved by Shan Perry, Assistant City Attorney.

It is respectfully requested that Council approve said Lease Agreement and authorize the Mayor to execute the documents.

s/ S. Craig Lords

It was moved by Councilmember Groberg, seconded by Councilmember Lehto, to approve the Lease Agreement between the City of Idaho Falls and Hansen & Hansen for an Airport Hangar located at 2070 International Way and, further, give authorization for the Mayor and City Clerk to execute the necessary documents. Roll call as follows:

Aye: Councilmember Cornwell
Councilmember Lyon
Councilmember Groberg
Councilmember Hardcastle
Councilmember Lehto

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Nay: None

Motion Carried.

City of Idaho Falls
March 20, 2007

MEMORANDUM

TO: Honorable Mayor and City Council
FROM: S. Craig Lords, Municipal Services Director
SUBJECT: MELALEUCA, INC. WATER AND SEWER MAIN LINE AGREEMENT

Attached for your consideration is the Water and Sewer Main Line Agreement between the City of Idaho Falls Airport and Melaleuca, Inc.

Said Agreement has been reviewed and approved by Dale Storer, City Attorney.

It is the recommendation of the Airport that the Council approve the Agreement and authorize the Mayor to execute the documents.

s/ S. Craig Lords

It was moved by Councilmember Groberg, seconded by Councilmember Lehto, to approve the Water and Sewer Main Line Agreement between the City of Idaho Falls Airport and Melaleuca, Inc. and, further, give authorization for the Mayor and City Clerk to execute the necessary documents. Roll call as follows:

Aye: Councilmember Lyon
Councilmember Cornwell
Councilmember Groberg
Councilmember Hardcastle
Councilmember Lehto

Nay: None

Motion Carried.

The Public Works Director submitted the following memos:

City of Idaho Falls
March 13, 2007

MEMORANDUM

TO: Honorable Mayor and City Council
FROM: Chad Stanger, Public Works Director
SUBJECT: BID AWARD – SEAL COATING, 2007

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On March 6, 2007, bids were received and opened for the Seal Coating – 2007. A tabulation of the bid results is attached.

Public Works recommends award of this bid to TMC Contractors, Inc., in the amount of \$124,080.00; and, authorization for the Mayor and City Clerk to sign the contract documents.

s/ Chad Stanger

It was moved by Councilmember Lyon, seconded by Councilmember Lehto, to accept the low bid from TMC Contractors, Inc. to complete the Seal Coating – 2007 Project in the amount of \$124,080.00 and, further, give authorization for the Mayor and City Clerk to execute the necessary contract documents. Roll call as follows:

Aye: Councilmember Lehto
Councilmember Groberg
Councilmember Hardcastle
Councilmember Cornwell
Councilmember Lyon

Nay: None

Motion Carried.

City of Idaho Falls
March 14, 2007

MEMORANDUM

TO: Honorable Mayor and City Council
FROM: Chad Stanger, Public Works Director
SUBJECT: BID AWARD – PAVING EQUIPMENT RENTAL – 2007

On March 13, 2007, bids were received and opened for the Paving Equipment Rental – 2007. A tabulation of the bid results is attached.

Public Works recommends award of this bid to TMC Contractors, Inc., in the amount of \$58,721.00; and, authorization for the Mayor and City Clerk to sign the contract documents.

s/ Chad Stanger

It was moved by Councilmember Lyon, seconded by Councilmember Lehto, to accept the low bid from TMC Contractors, Inc. to complete the Paving Equipment Rental – 2007 Project in the amount of \$58,721.00 and, further, give authorization for the Mayor and City Clerk to execute the necessary contract documents. Roll call as follows:

Aye: Councilmember Hardcastle
Councilmember Lehto
Councilmember Cornwell
Councilmember Lyon
Councilmember Groberg

Nay: None

Motion Carried.

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City of Idaho Falls
March 14, 2007

MEMORANDUM

TO: Honorable Mayor and City Council
FROM: Chad Stanger, Public Works Director
SUBJECT: BID AWARD – ADJUSTMENT OF MANHOLES, WATER VALVE
BOXES AND STREET MONUMENTS – 2007

On March 13, 2007, bids were received and opened for Adjustment of Manholes, Water Valve Boxes and Street Monuments. A tabulation of the bid results is attached.

Public Works recommends award of this bid to TMC Contractors, Inc., in the amount of \$76,340.00; and, authorization for the Mayor and City Clerk to sign the contract documents.

s/ Chad Stanger

It was moved by Councilmember Lyon, seconded by Councilmember Lehto, to accept the low bid from TMC Contractors, Inc. to complete the Adjustment of Manholes, Water Valve Boxes, and Street Monuments – 2007 Project in the amount of \$76,340.00 and, further, give authorization for the Mayor and City Clerk to execute the necessary contract documents. Roll call as follows:

Aye: Councilmember Groberg
Councilmember Lehto
Councilmember Lyon
Councilmember Cornwell
Councilmember Hardcastle

Nay: None

Motion Carried.

Mayor ProTem Hardcastle requested Councilmember Groberg to conduct a public hearing for consideration of a rezoning from I & M-1 (Industrial and Manufacturing) to C-1 (Limited Retail) of property located generally south of Milligan Road, north of Pancheri Drive, east of Interstate 15, west of Utah Avenue, being a portion of and formerly known as the Utah Avenue Right-of-Way, legally described as the Eastern 80 Feet of Lot 3, Block 2, Eagle Rock Town Center, Division No. 2. At the request of Councilmember Groberg, the City Clerk read the following memo from the Planning and Building Director:

City of Idaho Falls
March 19, 2007

MEMORANDUM

TO: Mayor and Council
FROM: Renée R. Magee, Planning and Building Director
SUBJECT: REQUEST TO REZONE FROM I & M-1 TO C-1 AND FINAL PLAT
FOR EAGLE ROCK TOWN CENTER, DIVISION NO. 2

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Attached is the application to rezone 1.22 acres, i.e., the eastern eighty feet of Lot 3, Block 2, Eagle Rock Town Center, Division No. 2, from I & M-1 (Industrial and Manufacturing) to C-1 (Limited Retail Commercial). This eastern eighty feet is the former Utah Avenue right-of-way, and Eagle Rock Town Center, Division No. 1, has been replatted as Division No. 2 to incorporate this former right-of-way. The Planning Commission recommended approval of the rezoning and final plat at its February 20, 2007 Meeting. These items are being submitted now to the Mayor and Council for consideration.

s/ Renée R. Magee

The Assistant Planning and Building Director located the subject area on a map and further explained the request. Following is a list of exhibits used in connection with this rezoning request:

- Slide 1 Vicinity Map showing surrounding zoning
- Slide 2 Vicinity Map showing final plat
- Slide 3 Comprehensive Plan
- Slide 4 Aerial Photo
- Slide 5 Aerial Photo showing outline of current platted lot
- Slide 6 Final Plat
- Exhibit 1 Planning Commission Minutes dated February 20, 2007
- Exhibit 2 Staff Report dated February 20, 2007

The Assistant Planning and Building stated that this is in compliance with the requirements of the Subdivision Ordinance and the Comprehensive Plan.

There being no further discussion either in favor of or in opposition to this rezoning request, Mayor ProTem Hardcastle closed the public hearing.

It was moved by Councilmember Groberg, seconded by Councilmember Lyon, to approve the rezoning from I & M-1 (Industrial and Manufacturing) to C-1 (Limited Retail) of property located generally south of Milligan Road, north of Pancheri Drive, east of Interstate 15, west of Utah Avenue, being a portion of and formerly known as the Utah Avenue Right-of-Way, legally described as the Eastern 80 Feet of Lot 3, Block 2, Eagle Rock Town Center, Division No. 2 and, further, that the City Planner be instructed to reflect said zoning change on the official zoning map located in the Planning Office. Roll call as follows:

Aye: Councilmember Hardcastle
Councilmember Lyon
Councilmember Lehto
Councilmember Groberg
Councilmember Cornwell

Nay: None

Motion Carried.

It was moved by Councilmember Groberg, seconded by Councilmember Lyon, to accept the Final Plat for Eagle Rock Town Center, Division No. 2 and, further, give authorization for the Mayor, City Engineer, and City Clerk to sign said Final Plat. Roll call as follows:

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Aye: Councilmember Cornwell
Councilmember Lyon
Councilmember Groberg
Councilmember Hardcastle
Councilmember Lehto

Nay: None

Motion Carried.

Mayor ProTem Hardcastle requested Councilmember Groberg to conduct a public hearing for consideration of an initial zoning of 2598.8 Square Feet to R-1 (Single-Family Residential) of property located generally south and east of Stillwater Drive, north of Southpoint Boulevard, legally described as Lot A, Block 1, Yorkside Subdivision, Division No. 1. At the request of Councilmember Groberg, the City Clerk read the following memo from the Planning and Building Director:

City of Idaho Falls
March 19, 2007

MEMORANDUM

TO: Mayor and Council
FROM: Renée R. Magee, Planning and Building Director
SUBJECT: INITIAL ZONING OF R-1 – LOT A, BLOCK 1, YORKSIDE
SUBDIVISION, DIVISION NO. 1

Attached is a request to zone Lot A, Block 1, Yorkside Subdivision, Division No. 1 as R-1 (Single-Family Residential). Lot A is located immediately east of Southpoint Addition and north and immediately adjacent to Southpoint Boulevard. It is the western eight feet of Yorkside Subdivision and is surrounded by R-1 Zoning. The Planning Commission considered this request at its February 20, 2007 Meeting and recommended approval. This rezoning request is now being submitted to the Mayor and Council for consideration.

s/ Renée R. Magee

The Assistant Planning and Building Director located the subject area on a map and further explained the request. Following is a list of exhibits used in connection with this initial zoning request:

Slide 1 Vicinity Map showing surrounding zoning
Slide 2 Final Plat under consideration
Exhibit 1 Planning Commission Minutes dated February 20, 2007
Exhibit 2 Staff Report dated February 20, 2007

Councilmember Groberg presented the following letter submitted by Gordon and Shelley Turnbow:

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Dear Renee,

We are writing this letter in regards to the strip of property that the city is requesting a change of zoning to R-1, on property legally described as Yorkside Subdivision No. 1, Block 1, Lot A, which is on the agenda for March 22, 2007 City Council Meeting.

This property currently encompasses our 30 foot easement. We are requesting that our 30 foot easement be clearly defined and described within this property and that such is written within any agreements. Further, that it is to be understood and written within any agreements regarding this property that there is no public access to be granted within this easement.

We would ask that this letter and request be submitted to the members of the City Council and be recorded as part of the record.

If there are any questions or concerns regarding this letter, please notify us as soon as possible.

Thank you for your attention to this matter.

Sincerely,

Gordon and Shelley Turnbow
150 East 49th South
Idaho Falls, Idaho 83404

Councilmember Groberg stated that there are no agreements being considered under this initial zoning request.

The Assistant Planning and Building Director explained that all agreements were considered under the previous public hearing on this matter. The issue before the City Council at this time is the zoning of property and the land use issue.

There being no further discussion either in favor of or in opposition to this initial zoning request, Mayor ProTem Hardcastle closed the public hearing.

Councilmember Groberg explained that there will be no changes in the motion due to requests made by Mr. and Mrs. Turnbow. It was moved by Councilmember Groberg, seconded by Councilmember Lyon, to approve the initial zoning of 2598.8 Square Feet to R-1 (Single-Family Residential) of property located generally south and east of Stillwater Drive, north of Southpoint Boulevard, legally described as Lot A, Block 1, Yorkside Subdivision, Division No. 1 and, further, that the City Planner be instructed to reflect said initial zoning on the official zoning map located in the Planning Office. Roll call as follows:

Aye: Councilmember Lyon
Councilmember Cornwell
Councilmember Groberg
Councilmember Hardcastle
Councilmember Lehto

Nay: None

Motion Carried.

MARCH 22, 2007

Mayor ProTem Hardcastle requested Councilmember Groberg to conduct annexation proceedings prior to platting for Call Addition, Division No. 1. At the request of Councilmember Groberg, the City Clerk read the following memo from the Planning and Building Director:

City of Idaho Falls
March 19, 2007

MEMORANDUM

TO: Mayor and Council
FROM: Renée R. Magee, Planning and Building Director
SUBJECT: ANNEXATION, ZONING OF RP-A, AND FINAL PLAT – CALL ADDITION, DIVISION NO. 1

Attached are the Annexation Agreement, Annexation Ordinance, and Final Plat for Call Addition, Division No. 1. The requested initial zoning is RP-A, Residence Park. This Final Plat is located south and adjacent to Sunnyside Road, west of Holmes Avenue, and east of Cobblestone Lane. The Planning Commission recommended approval of the annexation, zoning of RP-A, and Final Plat with a variance for the plat due to the existing development pattern of the area. This annexation request is being submitted to the Mayor and Council for consideration.

s/ Renée R. Magee

The Assistant Planning and Building Director located the subject area on a map and further explained the request. Following is a list of exhibits used in connection with this annexation request:

Slide 1	Vicinity Map showing surrounding zoning
Slide 2	Vicinity Map showing final plat which does not include the right-of-way
Slide 3	Comprehensive Plan
Slide 4	Aerial Photo
Slide 5	Final Plat under consideration
Slide 6	Site Photo showing shared driveway
Exhibit 1	Planning Commission Minutes dated February 20, 2007
Exhibit 2	Staff Report dated February 20, 2007

The Assistant Planning and Building Director stated that the final plat consists of two lots. This lot is .6 acres with an existing single-family home. This home is presently on City sewer services and it is on a community well. The second lot is undeveloped. The final plat requires three variances. Those variances have been recommended by the Planning Commission. Following is a list of the variances required:

Variance 1: Lot Frontage. Lot No. 2 has approximately 26 feet of frontage along Sunnyside Road. Under the zone being requested, there is a frontage requirement of 80 feet.

Variance 2: Must Have Frontage and Access to a Dedicated Street. Lot No. 1 will have access (not directly onto Sunnyside Road) on an access easement that is a 25 foot strip along the west edge of Lot No. 2. That is an existing easement. There is a matching

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easement along the west edge of this lot which is 25 feet. This provides for an access easement that is approximately 50 feet wide, north and south across this site.

Variance 3: No Direct Access onto an Arterial Street. Sunnyside Road is a minor arterial street.

The Assistant Planning and Building Director stated that staff has recommended to Planning Commission, and the Planning Commission has recommended to the City Council that the variances be approved. When the Planning Commission looked at the land uses in the area, it was determined that it was difficult to develop County islands. There are patterns that are difficult to apply the City standards to. As the access easement is existing, it complies with many of the requirements of the Subdivision Ordinance. This is a good way to develop this property while matching the existing development in the area. Timing of this development was perfect. As Sunnyside Road is in the process of being developed, the water and sewer lines were stubbed to this location. No asphalt cuts will have to be placed in the new roadway. Not only is there capacity to serve the two lots being considered at this time, but should the property to the west choose to annex into the City, the capacities are there to handle that development also. A variance to the Zoning Ordinance was addressed by the Board of Adjustment on Tuesday of this week. The Board of Adjustment voted in favor of the variance.

Daryl Kofoed, Mountain River Engineering, 1020 Lincoln Road, appeared to state that Kevin Call was present in the audience to answer any questions.

Kevin Call, 3151 Hartert Drive, appeared to state that the land is being used for a residential home on Lot 2. They are not planning to build for a couple of years, but it was a good time to proceed with this annexation while Sunnyside Road was being built.

There being no further discussion either in favor of or in opposition to this annexation request, Mayor ProTem Hardcastle closed the public hearing.

It was moved by Councilmember Groberg, seconded by Councilmember Lyon, to approve the Annexation Agreement for Call Addition, Division No. 1 and, further, give authorization for the Mayor and City Clerk to sign said Agreement. Roll call as follows:

Aye: Councilmember Hardcastle
Councilmember Lehto
Councilmember Cornwell
Councilmember Lyon
Councilmember Groberg

Nay: None

Motion Carried.

At the request of Councilmember Groberg, the City Attorney read the following Ordinance by title:

ORDINANCE NO. 2694

CALL ADDITION, DIVISION NO. 1

AN ORDINANCE ANNEXING CERTAIN LANDS TO THE CITY OF IDAHO FALLS, IDAHO; DESCRIBING THESE LANDS; REQUIRING THE FILING OF THE ORDINANCE AND AMENDED CITY MAP AND AMENDED LEGAL DESCRIPTION OF THE CITY WITH THE APPROPRIATE COUNTY AND STATE AUTHORITIES; AND ESTABLISHING EFFECTIVE DATE.

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The foregoing Ordinance was presented by title only. Councilmember Groberg moved, and Councilmember Lyon seconded, that the provisions of Idaho Code Section 50-902 requiring all Ordinances to be read by title, and once in full, on three separate dates be dispensed with, the Ordinance be passed on all three readings, and, further, give authorization for the Mayor and City Clerk to sign the necessary documents. Roll call as follows:

Aye: Councilmember Groberg
Councilmember Lehto
Councilmember Lyon
Councilmember Cornwell
Councilmember Hardcastle

Nay: None

Motion Carried.

A public hearing was conducted to consider the initial zoning of the newly annexed area. There being no discussion, it was moved by Councilmember Groberg, seconded by Councilmember Lyon, to establish the initial zoning for Call Addition, Division No. 1 as RP-A (Residence Park) Zoning as presented, that the comprehensive plan be amended to include the area annexed herewith, and that the City Planner be instructed to reflect said annexation, zoning and amendment to the comprehensive plan on the comprehensive plan and zoning maps located in the Planning Office. Roll call as follows:

Aye: Councilmember Hardcastle
Councilmember Lyon
Councilmember Lehto
Councilmember Groberg
Councilmember Cornwell

Nay: None

Motion Carried.

It was moved by Councilmember Groberg, seconded by Councilmember Lyon, to accept the Final Plat for Call Addition, Division No. 1 and, further, give authorization for the Mayor, City Engineer, and City Clerk to sign the Final Plat. Roll call as follows:

Aye: Councilmember Cornwell
Councilmember Lyon
Councilmember Groberg
Councilmember Hardcastle
Councilmember Lehto

Nay: None

Motion Carried.

Mayor ProTem Hardcastle requested Councilmember Groberg to conduct a public hearing for consideration of a rezoning of 3 Acres from I & M-1 (Industrial and Manufacturing) to CC-1 (Central Commercial) of property located generally south and including the right-of-way for Murray Street, north of Bridgeport Drive, west of the Snake

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River, east of and including the right-of-way for Milligan Road, legally described as Parcel A, Parcel B, and Parcel C in the Southeast Quarter of Section 24, Township 2 North, Range 37, East of the Boise Meridian. At the request of Councilmember Groberg, the City Clerk read the following memo from the Planning and Building Director:

City of Idaho Falls
March 19, 2007

MEMORANDUM

TO: Mayor and Council
FROM: Renée R. Magee, Planning and Building Director
SUBJECT: REQUEST TO REZONE APPROXIMATELY 3 ACRES FROM I & M-1 TO CC-1 – METES AND BOUNDS

Attached is an application to rezone approximately 3 acres from I & M-1 (Industrial and Manufacturing) to CC-1 (Central Commercial). This parcel is located south of and including Murray Avenue, east of and including the former right-of-way for Milligan Road, north of Bridgeport Drive, and east of Porter Canal. The Planning Commission recommended approval of this rezoning request at its February 6, 2007 Meeting. This request is now being submitted to the Mayor and Council for consideration.

s/ Renée R. Magee

The Assistant Planning and Building Director located the subject area on a map and further explained the request. Following is a list of exhibits used in connection with this rezoning request:

Slide 1	Vicinity Map showing surrounding zoning
Slide 2	Aerial Photo
Slide 3	Comprehensive Plan
Slide 4	Site Photo looking south across site
Slide 5	Site Photo looking east across site
Slide 6	Site Photo looking northwest across site
Exhibit 1	Planning Commission Minutes dated February 6, 2007
Exhibit 2	Staff Report dated February 6, 2007

Lorin Walker, 1165 South Utah Avenue, appeared to state that this rezoning is in compliance with the overall Taylor Crossing Project.

There being no further discussion either in favor of or in opposition to this rezoning request, Mayor ProTem Hardcastle closed the public hearing.

It was moved by Councilmember Groberg, seconded by Councilmember Lyon, to approve the rezoning of 3 Acres from I & M-1 (Industrial and Manufacturing) to CC-1 (Central Commercial) of property located generally south and including the right-of-way for Murray Street, north of Bridgeport Drive, west of the Snake River, east of and including the right-of-way for Milligan Road, legally described as Parcel A, Parcel B, and Parcel C in the Southeast Quarter of Section 24, Township 2 North, Range 37, East of the Boise Meridian and, further, that the City Planner be instructed to reflect said zoning change on the official zoning map located in the Planning Office. Roll call as follows:

MARCH 22, 2007

Aye: Councilmember Cornwell
Councilmember Hardcastle
Councilmember Lyon
Councilmember Groberg
Councilmember Lehto

Nay: None

Motion Carried.

There being no further business, it was moved by Councilmember Lyon, seconded by Councilmember Cornwell, that the meeting adjourn at 9:45 p.m.

CITY CLERK

MAYOR
