

AUGUST 9, 1955

Pursuant to a call by the Mayor, the City Council of the City of Idaho Falls, Idaho met in a Special Session on Tuesday, August 9, 1955, at 4 P.M. at the City Hall, for the purpose of considering authorizing payment of \$110,000.00, for acquisition of 160 acres of land for Airport purposes and also, to consider an agreement with WACHOF-BENDER CORPORATION AND R. E. SCHESSER & COMPANY, to make a feasibility study for the use of natural gas in Idaho Falls, Idaho. Present: E. W. Fanning, Mayor; Councilmen Rogers, Petersen, Freeman, and Foote. Also present: S. R. Rostad, City Clerk; Arthur Smith, City Attorney.

It was moved by Councilman Rogers and seconded by Foote, that the Clerk is hereby authorized to draw warrants in payment of the following, to-wit;

Andrew Newman and Anna Newman for the following land, West ½ of the NW ¼ of Section 14, Twp. 2 North Range 37, E.B.M.

Charles S. Reed & Helen Reed, East ½ of the NW ¼ of Section 14, Twp. 2 North Range 37, E.B.M.

Roll call resulted as follows: Ayes, Councilmen Freeman, Foote, Rogers, and Petersen; No, None; Motion carried.

RESOLUTION (Resolution No. 1955-16)

WHEREAS, WACHOF-BENDER CORPORATION, a Corporation, and R. E. SCHWESSER & COMPANY, a co-partnership, have offered to enter into an Agreement Of Intent with the City of Idaho Falls by the terms of which Agreement said parties propose to cause a natural gas distribution system to be financed, constructed and operated to serve the inhabitants of said City with natural gas, if such system shall be feasible in all things; and

WHEREAS, by the terms of said Agreement the City shall incur no obligation except to make its own investigation of feasibility of said system; and

WHEREAS, the text of said Agreement of Intent is dated August 9, 1955, and is on file in the office of the City Clerk of said City; and it appears that it is for the best interest of the inhabitants of Idaho Falls that the City enter into said Agreement of Intent with said mentioned parties;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF IDAHO FALLS as follows:

That the Mayor and City Clerk of the City of Idaho Falls be, and they are, hereby authorized and directed to execute on behalf of said City that certain Agreement of Intent above referred to.

PASSED BY THE COUNCIL AND APPROVED BY THE MAYOR THIS 9th day of August, 1955.

ATTEST: s/ S. R. Rostad
CITY CLERK

s/ E. W. Fanning
MAYOR

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It was moved by Councilman Freeman and seconded by Foote, that the above Resolution be accepted and passed. Roll call resulted as follows: Yes, Councilmen Foote, Rogers, Petersen, and Freeman; No, None; Motion carried.

AGREEMENT OF INTENT

1. We will have our Engineers, at our expense, make an economic study as to the feasibility of the construction of a transmission pipeline from the Pacific Northwest Pipeline in the vicinity of Pocatello to Idaho Falls and the construction of a distribution system in Idaho Falls. If the results of our Engineers study indicated the feasibility of such construction, then your City will retain capable and competent Engineers, experienced in natural gas system construction and operation, approved by us, to make an independent report for your City as to the feasibility of such construction and operation.

2. If your Engineers clearly find that the construction is feasible, we will have nationally known bond counsel make a study of any legal method whereby a non-profit corporation may be formed to construct and operate a natural gas system for the benefit of the City and its gas consumers. The operation of said corporation shall be without profit and shall be for the benefit of the City and the gas consumers. The operation of the gas system shall be under the control of a Board of Directors of five members, who shall have been residents and property holders in Idaho Falls for five years prior to taking office. Such directors shall be composed of persons approved by your City Council.

3. When the engineering study of your Engineers shows the clear feasibility of the construction and operation and nationally know municipal bond attorneys have prepared all proceedings or documents as to legality of said corporation, we will enter into a contract with said corporation to purchase and securities to be issued an amount necessary to pay all costs of the program and the corporation will agree to sell such securities.

4. When the economic feasibility of the program has been established and the legality has been established and approved by nationally know municipal counsel, then your City does, by its acceptance of this Agreement of Intent, authorize us to take all steps necessary to proceed with the project, including authority to negotiate for a wholesale supply of natural gas. It is understood that our commitment is necessarily subject to the obtaining of a wholesale contract for natural gas for the system, the appropriate allocation of such is required by the Federal Power Commission, and the approval of any regulatory body having jurisdiction of the subject matter hereof.

5. It is further intended by the parties hereto that an annual franchise fee or a payment in lieu thereof, shall be paid to the City in an amount between 3% and 10% of the gross annual volume depending on the engineering report as to feasibility and the policy adopted by your City Council.

6. It is further recognized that at this time detailed agreements cannot be finally drawn and executed, but it is understood that the agreements herein are entered into in good faith and for value. The City and we therefore agree to take immediately any and all needed steps and to cause to be executed such legal documents and proceedings as may be necessary

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in the opinion of nationally recognized municipal counsel to consummate properly the purpose of this agreement. The Mayor and City Clerk have been duly authorized to execute the acceptance hereof in the space provided for below.

7. It is further understood that the City, in accepting this Agreement, shall be under no obligation to us for the expenditures of any amount of money, if the project is not consummated, provided that the City shall act in good faith and cooperate in all matters.

Respectfully submitted,
WACHOF-BENDER CORP.
s/ M. J. Warren
Vice President
R. E. Schwesser & Company
s/ R. E. Schwerrer
Partner

The foregoing agreement is hereby accepted by Resolution of the City Council of the City of Idaho Falls, a Municipal Corporation of Idaho, this 9th day of August, 1955.

ATTEST: s/ S. R. Rostad
CITY CLERK

s/ E. W. Fanning
MAYOR

It was moved by Councilman Petersen and seconded by Rogers, that the Council adjourn. Roll call resulted as follows: Yes, 4; No, None; Motion carried.

ATTEST: s/ S. R. Rostad
CITY CLERK

s/ E. W. Fanning
MAYOR
