

**FEBRUARY 7, 1985**

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The City Council of the City of Idaho Falls, Bonneville County, Idaho, met in regular public session at the regular meeting place of the Council in the City Hall in the City of Idaho Falls, Idaho, at 7:30 P.M., on February 7, 1985. The roll was called and the following found to be present: Mayor Thomas Campbell; Councilmembers Wesley Deist, Melvin Erickson, Paul Hovey, Sam Sakaguchi, and Ralph Wood; Absent, Councilmember Arthur Chandler, Jr. There were also present: Velma Chandler, City Clerk and Dale Storer, City Attorney. Mayor Campbell excused Councilman Chandler as he was ill.

Minutes of the last Regular Council Meeting held January 21, 1985, were summarized and approved by the Council.

Mayor Campbell invited Councilman Erickson to escort City Employee Retiree LeRoy Nelson to the Council table. Mayor Campbell said that the City was sad to see Roy leave as they were proud to have him on the Police Force and as a friend. The Mayor presented Roy with an inscribed gold watch and wished him well during his new venture. Roy then received a congratulatory handshake from all City officials around the Council table and a round of applause from all those present in the Council Chamber.

Mayor Campbell announced that Public Works Director Don Lloyd will be retiring as of April 1st and he has appointed Chad Stanger to replace him. He said he is making the announcement now to allow Chad some time to become better acquainted with his numerous responsibilities. The Mayor said that he has also appointed Craig Lords to replace Chad Stanger as Municipal Services Director, both appointments to become effective April 1st. It was moved by Councilman Erickson, seconded by Wood, that these appointments be confirmed. Roll call as follows: Ayes, Councilmen Sakaguchi, Wood, Erickson, Deist, and Hovey; No, none; carried.

The Mayor announced that this was the time and the place, as legally advertised, to conduct a public hearing to consider amending the Development Plan in a portion of Roy Bennett Shopping Center and called upon Councilman Wood as Chairman of the Planning & Zoning Committee, to conduct the hearing. At the request of Councilman Wood, the City Clerk read this explanatory memo from the City Planner:

City of Idaho Falls  
February 6, 1985

MEMORANDUM

TO: Mayor and City Council  
FROM: Rod Gilchrist  
SUBJECT: AMENDMENT TO DEVELOPMENT PLAN - ROY H.  
BENNETT SHOPPING CENTER

Attached is a copy of a request to amend the development plan in a portion of the Residential Shopping Center located at the corner of 17th Street and Holmes Avenue. The manager of the 7-Eleven Store requested this amendment in order to erect a pole sign which would replace an existing small "A-Frame" type sign.

The Planning Commission has considered this matter and recommended approval. This Department concurs with that recommendation and the matter is now being submitted for your consideration.

s/ Rod Gilchrist

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Councilman Wood then asked the City Planner to locate the subject property on a map on the wall and further explained the request. There was no one present who wished to speak either for or against this request. Therefore, it was moved by Councilman Wood, seconded by Deist, that the Council approve this amendment to the Development Plan as requested. Roll call as follows: Ayes, Councilmen Hovey, Sakaguchi, Wood, Erickson, and Deist; No, none; carried.

The Mayor then declared open a public hearing to consider a re-zoning request in Ashment Addition and asked Councilman Wood to also conduct this hearing. Councilman Wood asked the City Clerk to read the explanatory memo from the City Planner:

City of Idaho Falls  
February 6, 1985

MEMORANDUM

TO: Mayor and City Council  
FROM: Rod Gilchrist  
SUBJECT: REZONING REQUEST - ASHMENT ADDITION

Attached is a copy of a request for a rezoning of property known as Lot 8, Block 1, Division No. 3, and Lot 10, Block 1 of Division No. 5 in the Ashment Addition. This request is to rezone this property from C-1 to R-3A to permit the development of an apartment complex. This development is part of an overall apartment complex, the majority of which is to the north of this property and is presently zoned R-3.

The Planning Commission, at their January meeting, conducted a public hearing on this matter and at that time there were no protests and they unanimously recommended approval.

This Department concurs with that recommendation and the matter is now being submitted for your consideration.

s/ Rod Gilchrist

Councilman Wood asked the City Planner to locate this area on a map on the wall and further explain the request. There being no one present to speak concerning this re-zoning, it was moved by Councilman Wood, seconded by Deist, that this matter be recessed until the next Regular Council Meeting on February 21st to allow the staff to resolve some potential problems on the Development Plan. Roll call as follows: Ayes, Councilmen Wood, Erickson, Deist, Hovey, and Sakaguchi; No, none; carried.

The Mayor then declared open a public hearing to consider a re-zoning matter in Rose Nielsen Addition and asked Councilman Wood to also conduct this hearing. Councilman Wood asked the City Clerk to read this explanatory memo from the City Planner:

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City of Idaho Falls  
February 6, 1985

MEMORANDUM

TO: Mayor and City Council  
FROM: Rod Gilchrist  
SUBJECT: REZONING - ROSE NIELSEN ADDITION

The City Council recently granted a rezoning and a replat in the Rose Nielsen area which provided for the realignment of Hoopes and Henryanna Avenues. During the process of these two matters, the legal description of the rezoning inadvertently omitted a small piece of the property at the corner of Henryanna and 25th Street.

We have initiated a rezoning of this parcel from R-2A to RP-A. The approval of this rezoning will bring the zoning in the area into compliance with the developers intentions.

At the January meeting, the Planning Commission unanimously recommended approval of the rezoning. This Department concurs with that recommendation and the matter is now being submitted for your consideration.

s/ Rod Gilchrist

The City Planner further explained the request and located the area on a map on the wall. City Planner Gilchrist said that this small piece of property was inadvertently left out of the legal description when the area was rezoned. He said this requested action is necessary just to correct an error made when the legal ad was put together. There being no questions nor objections, it was moved by Councilman Wood, seconded by Deist, that the Council approve the re-zoning from R-2A to RP-A on this small piece of property, and that the City Planner be instructed to reflect said amendment and zoning change on the Comprehensive Plan and official zoning map in his office. Roll call as follows: Ayes, Councilmen Erickson, Deist, Hovey, Sakaguchi, and Wood; No, none; carried.

Bills for the month of January, 1985, were presented after having been properly audited by the Fiscal Committee. Councilman Hovey reviewed the highlights of the expenditures.

	<u>GENERAL</u>	<u>AIRPORT</u>	<u>STREET</u>	<u>WATER/SEWER</u>
SERV/MAT:	\$ 803,022.48	\$ 45,481.32	\$161,283.07	\$ 173,641.65
SALARY:	<u>495,511.07</u>	<u>13,052.02</u>	<u>31,082.25</u>	<u>71,157.40</u>
TOTAL:	\$1,298,533.55	\$ 58,533.34	\$192,365.32	\$ 244,799.05

  

	<u>ELECTRIC</u>	<u>SANITATION</u>	<u>RECREATION</u>	<u>MUN CAP IMP</u>
SERV/MAT:	\$2,545,668.29	\$ 45,937.48	\$ 10,679.65	\$ 62,580.00
SALARY:	<u>98,910.95</u>	<u>34,773.80</u>	<u>9,353.75</u>	<u>.00</u>
TOTAL:	\$2,644,579.24	\$ 80,711.28	\$ 20,033.40	\$ 62,580.00

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	<u>LIBRARY</u>	<u>BRIDGE/ART ST</u>	<u>WATER CAP</u>	<u>SURFACE DRAIN FD</u>
SERV/MAT: \$	7,001.29	\$ 61,291.24	\$ 4,105.00	\$ 15,295.20
SALARY:	<u>23,190.65</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>
TOTAL:	\$ 30,191.94	\$ 61,291.24	\$ 4,105.00	\$ 15,295.20

	<u>SURFACE DRAIN FD</u>	<u>CITY TOTALS</u>
SERV/MAT: \$	531.38	\$3,936,518.05
SALARY:	<u>.00</u>	<u>777,031.89</u>
TOTAL:	\$ 531.38	\$4,713,549.94

It was moved by Councilman Hovey, seconded by Erickson, that the Controller be authorized to pay all bills as listed on the computerized printout. Roll call as follows: Ayes, Councilmen Wood, Erickson, Deist, Hovey, and Sakaguchi; No, none; carried.

Monthly reports from Division and Department Heads were presented, accepted by the Mayor, and ordered placed on file in the office of the City Clerk.

License applications for BAKERY, Carstens Bakery; CANDY FACTORY, Morrow's Nut House; CATERING SERVICE, Party Shop & Reception Center, Inc.; CONCESSION, Cine Kali (Empressa Suarez); FOUNTAIN, Skyline Drug; MEAT MARKET, Quality Meats; GROCERY, Deamers Weight Loss Program, ZCMI, Village Chevron, Quality Meats; RESTAURANT, Skyline Lanes, 1 Potato 2, Corn Dog Factory, Taco Time (Skyline), Y-Not Drive-In, Broadway Arctic Circle, The Gangplank, Taco Time (Yellowstone), Dimples Donuts, AEC Snack Bar; BOWLING ALLEY, Skyline Lanes; MOTION PICTURE THEATRE, Cine Kali (Empressa Suarez); PHOTOGRAPHER, Stoddard Photography, Creative Imagery, D & M Photo Service; DRAY, Enloe Moving & Storage; DELIVERY, United Parcel Service, Hendrickson Delivery; COMMERCIAL KENNEL, BoLay Kennel; NON-COMMERCIAL KENNEL, Lionel W. Ball, Marvin & Helen Beaty, William James, Mrs. Ann O. Nertney; MOTEL/HOTEL, Evergreen Gables Motel, Motel Six, Driftwood Motel; SECOND HAND, Ike's Gun Shop; PAWN BROKER, Ike's Gun Shop; ITINERANT MERCHANT, Old West Auction & Liquidation, Inc.; AUCTIONEER, Alfred Olafson; PRIVATE PATROLMAN, Robert Loveland; TAXI OPERATOR, Edward John Jones, Mary Woods; BARTENDER, Cathy L. Ritchie, Linda Lee Humberger, Christine Campbell, Steve J. Chenoweth, Sherlene E. Dana, Clifton Arnold Wood; LIQUOR CATERING PERMITS, Eagles Lodge; PUBLIC RIGHTS OF WAY, Larry Clark Construction, K & G Contractors, Inc., Asphalt Maintenance, Inc., Co-Pro-Inc., K.V., Inc., Renegade Construction; ELECTRICAL CONTRACTOR, Ideal Electric, Jewel Electric, Inc., Priest Electric, Richard's Electric, Northwest Electric; JOURNEYMAN ELECTRICIAN, John Lundblade, Joe Dyer, Rosslyn Bidstrup, George Bidstrup, J. Wayne Van Orden, Kent Van Orden, Stephen Brunson, Dennis Sucher, Richard Van Orden; APPRENTICE ELECTRICIAN, David Averett with Priest Electric, Bryan Van Orden with Ideal Electric; MASTER PLUMBER, Darwin L. Fife; CLASS B CONTRACTOR, WA, GF, REF, Jewel Electric; CLASS C CONTRACTOR, WA, GF, Weimer Heating; CLASS D CONTRACTOR, REF, Louis A. Roser Company; CLASS D CONTRACTOR, GF, B & G Plumbing; CLASS C JOURNEYMAN, WA, GF, F.L. Stauffer, Richard J. Weimer, Richard C. Wiemer; CLASS D JOURNEYMAN, GF, Terry Trujillo, James Lowe, Rosslyn Bidstrup; CLASS D JOURNEYMAN, REF, George C. Bidstrup, Glen A. Roser; APPRENTICE CLASS D, GF, Rodney Pierce with B & G Plumbing, were presented. It was moved by Councilman Erickson, seconded by Deist, that these licenses be issued, subject to the approval of the appropriate Division Director. Ayes, Councilmen Erickson, Deist, Hovey, Sakaguchi, and Wood; No, none; carried.

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A NOT TO BE CONSUMED ON THE PREMISES BEER and RETAIL WINE license applications for Fay's Foodliner was presented carrying all required approvals, except Council authorization. It was moved by Councilman Erickson, seconded by Deist, that the Council authorize these licenses to be issued. Roll call as follows: Ayes, Councilmen Sakaguchi, Wood, Erickson, Deist, and Hovey; No, none; carried.

The City Clerk asked for Council ratification of the issuing of a PHOTOGRAPHER license to Parkway Studio International and a RESTAURANT license to C. J.'s Mountain Sandwich Company, with all approvals, but without Council authorization. It was moved by Councilman Erickson, seconded by Deist, that this previous action be duly ratified. Roll call as follows: Ayes, Councilmen Wood, Erickson, Deist, Hovey, and Sakaguchi; No, none; carried.

The City Clerk asked for Council ratification of publishing legal notices calling for three public hearings on February 21st, 1985. It was moved by Councilman Wood, seconded by Deist, that this action be ratified. Roll call as follows: Ayes, Councilmen Erickson, Deist, Hovey, Sakaguchi, and Wood; No, none; carried.

From the Fire Chief came this memo:

City of Idaho Falls  
February 5, 1985

MEMORANDUM

TO: Honorable Mayor and City Council  
FROM: Douglas C. Call, Fire Chief  
SUBJECT: PERMITS FOR SPRAY PAINTING BOOTHS

The Fire Marshall has advised me that spray painting booths in the City have grown in such numbers and locations that it is difficult to apply the applicable Fire Codes. Some of these are operating in buildings which do not meet the Code requirements for this type of operation.

In order that we can have better control over the safety of this type operation, it is necessary that a permit be instituted regulating the operation of spray painting booths.

I respectfully ask the Mayor and Council to authorize the City Attorney to prepare the necessary ordinance.

s/ Douglas C. Call

Councilman Erickson explained that the Committee had discussed this matter and they feel that this is very important from a public safety standpoint. It was moved by Councilman Erickson, seconded by Deist, that the Mayor and City Council authorize the City Attorney to prepare the necessary ordinance. Roll call as follows: Ayes, Councilmen Erickson, Deist, Hovey, Sakaguchi, and Wood; No, none; carried.

This memo from the Public Works Director was then read:

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City of Idaho Falls  
February 6, 1985

MEMORANDUM

TO: Mayor and City Council  
FROM: Donald F. Lloyd  
SUBJECT: OUTSIDE CITY WATER CONTRACTS

Attached herewith are two (2) copies each of Outside the City Water Contracts in favor of Kent Ward (2 contracts) and Carmen Bill (1 contract). This property is located on Lincoln Road.

Public Works Council Committee has reviewed these contracts, all fees are paid, and we are requesting authorization for the Mayor and City Clerk to sign City approval.

Sincerely,  
s/ Donald F. Lloyd

It was moved by Councilman Sakaguchi, seconded by Deist, that the Mayor and City Clerk be authorized to sign the City's approval on two Outside the City Water Contracts in favor of Kent Ward and one in favor of Carmen Bill. Roll call as follows: Ayes, Councilmen Deist, Hovey, Sakaguchi, Wood, and Erickson; No, none; carried.

Next, from the Public Works Director, came this memo:

City of Idaho Falls  
February 6, 1985

MEMORANDUM

TO: Mayor and City Council  
FROM: Donald F. Lloyd  
SUBJECT: CHANGE ORDER - SAND CREEK GOLF COURSE - PHASE  
II MODULE

Attached herewith are six (6) copies of Change Order No. 1 to the Sand Creek Golf Course - Phase II Module.

This Change Order primarily involves the kitchen area including addition of a floor drain, increased lighting, and lowered ceilings. This also includes some additional concrete sidewalk and some kitchen equipment exchanges. The entire net increase of the Change Order totals \$3,168.29.

Public Works and the Golf Course Council Committees have reviewed this Change Order and are requesting authorization for the Mayor to sign City approval.

Sincerely,  
s/ Donald F. Lloyd

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It was moved by Councilman Sakaguchi, seconded by Deist, that the Mayor be authorized to sign this Change Order #1 for the increased amount of \$3,168.29. Roll call as follows: Ayes, Councilmen Hovey, Sakaguchi, Wood, Erickson, and Deist; No, none; carried.

From the Municipal Services Director, came this memo:

City of Idaho Falls  
February 7, 1985

MEMORANDUM

TO: Honorable Mayor and City Council  
FROM: Chad Stanger, Municipal Services Director  
SUBJECT: BID AUTHORIZATION - ELECTRICAL SUBSTATION BUILDING

The Electrical and Municipal Services Divisions request authorization to advertise to receive bids for a prefabricated building to be located at an electrical substation.

Respectfully,  
s/ Chad Stanger

It was moved by Councilman Sakaguchi, seconded by Hovey, that authorization be given to advertise for bids as requested. Roll call as follows: Ayes, Councilmen Sakaguchi, Wood, Erickson, Deist, and Hovey; No, none; carried.

Also, from the Municipal Services Director, came this memo:

City of Idaho Falls  
February 7, 1985

MEMORANDUM

TO: Honorable Mayor and City Council  
FROM: Chad Stanger, Director of Municipal Services  
SUBJECT: BID AUTHORIZATION - ENGINE REPLACEMENT

The Fire Department and Municipal Services Division requests authorization to advertise to receive bids for replacement of the engine in the Fire Department snorkel.

Respectfully,  
s/ Chad Stanger

It was moved by Councilman Sakaguchi, seconded by Hovey, that the Fire Department be authorized to bid for an engine for the snorkel. Roll call as follows: Ayes, Councilmen Wood, Erickson, Deist, Hovey, and Sakaguchi; No, none; carried.

Next, from the Municipal Services Director came this memo:

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City of Idaho Falls  
February 5, 1985

MEMORANDUM

TO: Honorable Mayor and City Council  
FROM: Chad Stanger, Municipal Services Director  
SUBJECT: BID AUTHORIZATION - WEATHERIZATION PROJECTS

The Municipal Services Division requests authorization to advertise to receive bids for the weatherization of those buildings budgeted under the BPA Weatherization Program as follows: City Garage, City Hall Annex, Rinehart Pool and the Water Department.

Respectfully,  
s/ Chad Stanger

It was moved by Councilman Sakaguchi, seconded by Wood, that authorization be given to advertise for bids as requested. Roll call as follows: Ayes, Councilmen Erickson, Deist, Sakaguchi, and Wood; No, Councilman Hovey; carried.

Still, from the Municipal Services Director, came this memo:

City of Idaho Falls  
February 5, 1985

MEMORANDUM

TO: Honorable Mayor and City Council  
FROM: Chad Stanger, Municipal Services Division  
SUBJECT: BID # IF-85-6, TEN (10) TON CRANE

Attached is a tabulation of bids on Bid # IF-85-6, one ten ton crane. The low bid of HOJ Engineering and Sales Company, Inc. did not use the proper bid form and the bid was incomplete.

It is the recommendation of the Electrical and Municipal Services Divisions that the City Council accept the low responsive bid of American Equipment, Inc., of Salt Lake City to furnish and install one (1) ten ton crane as per specifications at \$36,950.00.

Respectfully,  
s/ Chad Stanger

It was moved by Councilman Sakaguchi, seconded by Hovey, that the bid be awarded to American Equipment, Inc. of Salt Lake City, to furnish and install one ten ton crane at \$36,950.00. Roll call as follows: Ayes, Councilmen Erickson, Deist, Hovey, Sakaguchi, and Wood; No, none; carried.

Finally, from the Municipal Services Director came this memo:

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City of Idaho Falls  
February 7, 1985

MEMORANDUM

TO: Honorable Mayor and City Council  
FROM: Chad Stanger, Director of Municipal Services  
SUBJECT: BID NO. IF-85-7, WATER PIPE, FITTINGS, VALVES AND VALVE BOXES

Attached is a tabulation of bids for Bid No. IF-85-7, Ductile Iron Water Pipe, Fittings, Valves, and Valve Boxes. It is the recommendation of the Public Works and Municipal Services Divisions that the low lump sum bids be accepted to provide the materials and quantities specified as follows:

Ductile Iron Water Pipe	Waterworks Equipment Co.	\$110,980.00
Cast Iron Fittings	Norman Supply Co.	16,774.08
Valves and Valve Boxes	Plumbers Supply	10,194.00

Respectfully,  
s/ Chad Stanger

It was moved by Councilman Sakaguchi, seconded by Hovey, that the low responsive lump sum be accepted as recommended and read by the Clerk. Roll call as follows: Ayes, Councilmen Deist, Hovey, Sakaguchi, Wood, and Erickson; No, none; carried.

Mr. G.S. Harrison, Director of the Electrical Department presented the following memo:

City of Idaho Falls  
February 7, 1985

MEMORANDUM

TO: Mayor and Council  
FROM: Steve Harrison, Manager  
SUBJECT: GEM STATE PROJECT

Attached is a resolution authorizing the Mayor and City Clerk to execute the Power Sales Contract and Ground Lease documents related to the Gem State Project. Additionally, the CH2M Hill feasibility report is attached for your consideration. Both the Power Sales Contract and Ground Lease have been approved by Utah Power & Light Co. for signature.

The Electric Division recommends that the City Council adopt the CH2M Hill feasibility study and authorize the execution of the Power Sales Contract and Ground Lease.

s/ G.S. Harrison

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It was thereupon moved by Councilmember Hovey, seconded by Councilmember Wood, and unanimously adopted that the CH2M Hill study be entered in the minutes of the meeting. The CH2M Hill study was thereupon accepted for filing by the City Clerk.

Mr. Harrison pointed out to the City Council that Section 50-342-(b) Idaho Code, as amended, authorizes the City to enter into power sales contracts with certain entities providing for the sale of electrical energy generated by the City from improvements to its electrical system during the period the City, on the basis of engineering studies, determines that the electrical energy to be sold will not be required by the City for distribution in its electrical system. Mr. Harrison pointed out that with respect to the Gem State Hydroelectric Project of the City of Idaho Falls, undertaken pursuant to the License granted to the City by the Federal Energy Regulatory Commission on December 12, 1983, consideration had been given pursuant to the Letter of Intent, entered into under date of April 7, 1982, with Utah Power & Light Company, to sell a portion of the energy to be generated at the Gem State Hydroelectric Project during a portion of the term of the License and therefore that the City Council had commissioned CH2M Hill to prepare an engineering study with respect to the feasibility of the Project and the period of time during which the City could sell a portion of the electrical energy from the project to Utah Power & Light Company.

Mr. Harrison reviewed with the City Council the assumption contained in the engineering study and the conclusions of CH2M Hill reached in the study. Mr. Harrison stated that the Study points out that the initial sale of 39% of the annual amount of electric energy produced by the Project, with the right of Idaho Falls to reduce the percentage sold to Utah Power & Light Company in stages or at one time to not less than 25% of the annual amount of energy produced by the Project, insures the ability of the City to acquire the Project and provides the flexibility to the City to withdraw a portion of the energy prior to 2024 ( assuming commercial operation of the Project in 1988) and that the availability in 2024 for the balance of the license period (until 2033) of Project output should not be detrimental to the City's ability to provide for its energy needs.

Mr. Harrison further pointed out that CH2M Hill had concluded in the study that with the maintenance of the right of the City to purchase electric energy from BPA, the use of the bulb turbine power of the City and use of 75 percent of the electric energy from the Gem State Hydroelectric Project, the City can still serve all of its customers until 2023 without the use of the energy proposed to be sold to Utah Power & Light Company.

There followed a general discussion of the assumptions and conclusions of the study of CH2M Hill.

Mr. Harrison thereupon presented to the City Council the latest draft of the proposed Ground Lease between the City of Idaho Falls and Utah Power & Light Company. Mr. Harrison stated that the Ground Lease provides for the lease to the City of certain lands to be used as part of the Gem State Hydroelectric Project for the term of the License granted to the City by the Federal Energy Regulatory Commission and for the term of any subsequent extension or renewal of the License, that the Ground Lease provides that upon expiration of the Power Sales Contract 35 years from the date of commercial operation of the Gem State Hydroelectric Project, the City of Idaho Falls and Utah Power & Light Company would re-negotiate the consideration to be paid as rental under the Ground Lease for the remaining term of the Ground Lease and that the parties could agree to extend the lease on mutually acceptable terms.

During the discussion of the Ground Lease, Councilman Hovey asked the City Attorney whether the provisions of Section 4 of the Ground Lease would prevent the City from exercising its rights of eminent domain with respect to the land covered by the Ground Lease. The City Attorney responded to the question by stating that it was not the intention of the City

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by executing the Ground Lease, in any way to waive any right of eminent domain the City might have under state or Federal law, and that, in his opinion, the City could not contract away its power of eminent domain in any event.

Thereupon it was moved by Councilmember Hovey and seconded by Councilmember Wood, and unanimously adopted, that the draft of the Ground Lease be entered in the minutes of the meeting. The draft of the Ground Lease was thereupon accepted for filing by the City Clerk.

Mr. Harrison thereupon presented to the City Council the latest draft of the Power Sales Contract proposed to be entered into between the City of Idaho Falls and Utah Power & Light Company providing for the sale of a portion of the electrical energy to be generated by the Gem State Hydroelectric Project to Utah Power & Light Company for 35 years from the date of commercial operation of the Gem State Hydroelectric Project, reserving the right of the City to reduce the amount of annual output to be sold to Utah Power and Light under certain conditions. Mr. Harrison summarized the provisions of the Power Sales Contract and pointed out that on the assumption that the Gem State Hydroelectric Project would go into operation in 1988, the Power Sales Contract provided for the sale of electrical energy to Utah Power & Light company until 2023, thereby reserving to the City the disposition of the electrical energy to be produced by the Project for the years from 2024 to the expiration of the license in 2033. The Manger further reviewed the provisions of the Power Sales Contract which provides for the purchase of electrical energy by Utah Power & Light Company and the relationship to the CH2M Hill engineering study and the conclusions contained therein.

Mr. Harrison thereupon presented to the City Council a letter from Utah Power & Light Company dated January 29, 1985, summarizing the negotiations relating to the January 29, 1985 drafts of the Ground Lease and Power Sales Contract. Mr. Harrison noted that the letter contemplated an approval and acceptance by the City Council of the letter as reflecting the understanding between the parties.

Mr. Harrison thereupon presented to the City Council a letter from Utah Power & Light Company dated February 5, 1985, indicating the willingness of Utah Power & Light Company to execute the Ground Lease and Power Sales Contract, each in the form of the January 29, 1985 drafts.

It was thereupon moved by Councilmember Hovey and seconded by Councilmember Wood, and unanimously adopted, that the draft of the Power Sales Contract and the January 29, 1985 and February 5, 1985 letters from Utah Power & Light Company be entered in the minutes of the meeting. The January 29, 1985 draft of the Power Sales Contract and the January 29, 1985 and February 5, 1985 letters from Utah Power & Light Company were thereupon accepted for filing by the City Clerk.

The City Attorney thereupon recommended that consideration be given to a court determination of the issue of whether the Ground Lease and the Power Sales Contract could constitutionally be entered into by the City. The City Attorney stated that while there is no question that the bonds proposed to be issued by the City to finance the acquisition and construction of the Gem State Hydroelectric Project would be valid and binding obligations of the City, there is a question whether the Ground Lease and the Power Sales Contract, given the financing, are valid under the Constitution of the State of Idaho. The City Attorney further stated that the question of additional negotiations between the City and Utah Power and Light Company as contemplated in the January 29, 1985 letter, merely expressed the intention of the parties and that any further contractual arrangements would be subject to the provisions of the Constitution and statutes of the State of Idaho then in effect.

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Thereupon there was a general discussion with CH2M Hill study, the drafts of the Ground Lease and the Power Sales Contract and the January 29, 1985 letter from Utah Power and Light Company related to the Gem State Hydroelectric Project. After the Mayor and all members of the Council who were present and all members of the public present at the meeting were permitted to express themselves on the CH2M Hill study, the drafts of the Ground Lease and the Power Sales Contract and the January 29, 1985 letter from Utah Power and Light Company, the following Resolution was introduced in written form by Mr. Harrison, was read in full, and pursuant to motion made by Councilmember Hovey, and seconded by Councilmember Wood, was adopted by the following vote: Ayes, Councilmembers Wesley W. Deist, Melvin L. Erickson, Paul L. Hovey, Sam S. Sakaguchi, and Ralph V. Wood; Nay: None.

The Resolution was thereupon signed by the Mayor, attested by the City Clerk, was ordered recorded, and is as follows:

**A RESOLUTION (Resolution No. 1985-01)** making certain findings and determinations with respect to the Gem State Hydroelectric Project of the City of Idaho Falls, Idaho, authorizing and directing the President of the City Council to accept a letter from Utah Power and Light and authorizing and directing the Mayor of the City of Idaho Falls, Bonneville County, State of Idaho, to execute a Ground Lease and a Power Sales Contract between the City of Idaho Falls and Utah Power and Light Company in connection with the Gem State Hydroelectric Project.

**WHEREAS**, the City of Idaho Falls, Bonneville County, State of Idaho (the "City") has entered into a contract with the Bonneville Power Administration ("BPA") dated September 30, 1982, pursuant to which BPA has agreed under certain conditions to supply the City's electric energy requirements until the year 2001, but pursuant to which BPA does not guarantee to supply electric energy to service the City's future load growth in the event of a regional electric energy insufficiency;

**WHEREAS**, the forecast contained in the "Northwest Regional Forecast of Power Loads and Resources" dated March, 1984, of the Pacific Northwest Utility Conference Committee shows an electric energy deficiency in the Pacific Northwest in each of the years beginning in 1987-1988 and a 20 percent or higher probability of insufficient electric energy resources in the region in 1994-1995 if additional sources of electric energy are not developed;

**WHEREAS**, the electric energy requirements of the City have increased steadily during the past ten years, and the staff of the Electric Division of the City has, based upon population, climate, employment, income, historical energy use, and the effects of conservation, forecast average annual increases in the electric energy requirements of the City of 4.4 percent during the period 1984-1989 and 2.0 percent during the period 1989-1994;

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**WHEREAS**, it is likely that the electric energy requirements of the City will increase and that there will be regional electric energy insufficiency, and there is no guarantee that BPA will be able to meet the City's future electric requirements under the present contract between the City and BPA, absent new electric energy resource additions;

**WHEREAS**, the City desires to construct the Gem State Hydroelectric Project (the "Project") to be located on the Snake River at river mile 789.76 in Bingham and Bonneville Counties as an improvement to the electric generation and distribution system owned and operated by the City, in order to provide for the future electric energy supply necessary for its citizens and residents;

**WHEREAS**, on December 12, 1983, the Federal Energy Regulatory Commission issued its license (the "License") for Project No. 2952 authorizing the City to construct, operate and maintain the Project;

**WHEREAS**, if no extension is granted, the City must commence Construction of the Project on or before November 30, 1985, or the License may be rescinded;

**WHEREAS**, on July 19, 1984, at a meeting duly and regularly held, the City Council adopted Ordinance Number 1763, calling a special bond election to be held in the City on September 11, 1984, for the purpose of submitting to the electors of the City qualified to vote thereon the proposition of whether the City should issue its general obligation bonds for the purposes of paying the cost of acquiring and constructing the Project;

**WHEREAS**, on September 13, 1984, at a duly noticed special public meeting, the City Council canvassed the returns of the special bond election and determined that the results of the election showed that the proposition carried by a majority of more than two-thirds of the qualified electors of the City voting at the election, all in accordance with the requirements of the constitution and laws of the State of Idaho;

**WHEREAS**, a portion of the land necessary for the City to construct and acquire the Project is presently owned by Utah Power & Light Company ("Utah Power & Light") and, recognizing the need for the cooperation of Utah Power & Light in the acquisition and construction of the Project, the City and Utah Power & Light entered into a Letter of Intent under date of April 7, 1982, pursuant to which the City and Utah Power & Light generally agreed to permit the City to use such land for the Project in exchange for a sale of a certain portion of the electrical energy to be generated at the Project to Utah Power & Light during a portion of the term of the License;

**WHEREAS**, pursuant to the authority contained in Section 50-342(b) Idaho Code, as amended, the City is authorized to enter into a power sales contract with entities engaged in generating, transmitting, or distributing electrical energy, such contracts to provide for the sale of electrical energy

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generated by the City from improvements to its electrical system during the period the City, on the basis of engineering studies, determines that the electrical energy to be sold will not be required by the City for distribution in its electrical system, upon such terms and conditions as shall be specified in the Power Sales Contract;

**WHEREAS**, as contemplated in Section 50-432(b) Idaho Code, as amended, the City has commissioned and has received and reviewed an engineering study of CH2M Hill dated November 19, 1984, with respect to the Project wherein, it was concluded as follows:

1. The Project is economically feasible both from a regional perspective of the City;
2. The Project is financially feasible for the City to construct, own, and operate;
3. The cost of electrical energy to be produced by the Project will be less than the cost of comparable-quality electrical energy from other sources likely to be available to the City in the foreseeable future;
4. The portion of electrical energy proposed to be sold to Utah Power & Light pursuant to the Power Sales Contract will not be required by the City for distribution in its electrical system before January 1, 2024; and
5. The long-term value to the City of the ownership of the Project is greater than that of any other electrical energy resource now foreseeable, including the value of a like amount of energy from a possible renewal in 2001 of base power supply contract of the City with the Bonneville Power Administration;

**WHEREAS**, discussions and negotiations between the City and Utah Power & Light pursuant to the Letter of Intent dated April 7, 1982, have resulted in preparation of drafts of a Ground Lease and a Power Sales Contract, providing for the acquisition by the City of a leasehold in certain land owned by Utah Power & Light in the location of and necessary for the construction and operation of the Project in consideration for which under certain conditions the City will sell to Utah Power & Light for a portion of the term of the License of a portions of the electric energy generated by the Project and not required by the City;

**WHEREAS**, after consideration of the study of CH2M Hill and review of the drafts of the Ground Lease and the lower Sales Contract and the letter of January 29, 1985, from Utah Power & Light and to authorize and direct the Mayor of the City to execute the Ground Lease and Power Sales Contract for and on behalf of the City;

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**NOW, THEREFORE,** be it and it is hereby resolved by the City Council of the City of Idaho Falls, Bonneville County, State of Idaho, as follows:

Section 1. That, on the basis of the engineering study prepared and submitted to the City Council by CH2M Hill dated November 19, 1984, all in accordance with the requirements of Section 50-342 (b) Idaho Code, as amended, and the recitals contained in the preamble to this resolution, it is hereby found, determined and declared, as follows:

1. The Project is economically feasible both from a regional perspective and from the perspective of the City;
2. The Project is financially feasible for the City to construct, own and operate;
3. The cost of electrical energy to be produced by the Project will be less than the cost of comparable-quality electrical energy from other sources likely to be available to the City in the foreseeable future;
4. The portion of electrical energy proposed to be sold to Utah Power & Light pursuant to the Power Sales Contract will not be required by the City for distribution in its electrical system before January 1, 2024; and
5. The long-term value to the City of the ownership of the Project is greater than that of any other electrical energy resource now foreseeable, including the value of a like amount of energy from a possible renewal in 2001 of the base power supply contract of the City with Bonneville Power Administration, and on the basis thereof, that it is desirable and in the public interest for the City to proceed with the acquisition and construction of the Project, to enter into the Ground Lease with Utah Power & Light pursuant to which a portion of the land necessary for the construction and operation of the Project will be obtained for the term of the License, and in consideration thereof, to enter into the Power Sales Contract with Utah Power & Light pursuant to which during a portion of the term of the License a portion of the electrical energy generated by the Project will be sold to Utah Power & Light (subject to partial withdrawal at the option of the City) at a price, as specified in the Power Sales Contract, which will return to the City all of its cost related to the financing and generation of the electrical energy to be sold to Utah Power & Light.

Section 2. The President of the City Council is hereby authorized and directed to accept the letter of Utah Power & Light, dated January 29, 1985, as presented to the Council at the meeting at which this resolution is adopted, for the purpose of confirming the understanding and intention of the City and

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Utah Power & Light with respect to future negotiations for the sale of power from the Project upon the expiration of the Power Sales Contract.

Section 3. The Mayor of the City is hereby authorized and directed to enter into and execute the Ground Lease and the Power Sales Contract, each in substantially the form as the draft thereof of January 29, 1985, introduced and accepted for filing in the minutes of the meeting at which this resolution is adopted.

Section 4. That all orders and resolutions in conflict with this resolution or any part thereof are hereby repealed.

Adopted and approved this 7th day of February, 1985.

s/ Thomas Campbell  
Mayor

(SEAL)  
ATTEST:  
s/ Velma Chandler  
City Clerk

The City Attorney presented the following captioned ordinance:

**ORDINANCE NO. 1779**

AN ORDINANCE AMENDING TITLE 2, CHAPTER 9, CITY CODE OF THE CITY OF IDAHO FALLS, IDAHO, RELATING TO THE CIVIL SERVICE COMMISSION, ESTABLISHING A CIVIL SERVICE COMMISSION, THE MEMBERSHIP THEREOF, TERMS OF OFFICE AND THEIR COMPENSATION AND QUALIFICATIONS; ESTABLISHING THE POWERS AND DUTIES OF THE CIVIL SERVICE COMMISSION; DESIGNATING DEPARTMENTS AND EMPLOYEES GOVERNED BY CIVIL SERVICE AND SETTING FORTH EFFECTIVE DATE HEREOF.

The foregoing ordinance was presented in title. It was moved by Councilman Erickson, seconded by Wood, that the provisions of Section 50-902 of the Idaho Code requiring all ordinances to be fully and distinctly read on three several days be dispensed with. The question being "SHALL THE PROVISIONS OF SECTION 50-902 OF THE IDAHO CODE REQUIRING ALL ORDINANCES TO BE READ ON THREE SEVERAL DAYS BE DISPENSED WITH?" Roll call as follows: Ayes, Councilmen Sakaguchi, Wood, Erickson, Deist, and Hovey; No, none; carried. The majority of all the members of the Council present having voted in the affirmative, the Mayor declared the rule dispensed with and ordered the ordinance placed before the Council for final consideration, the question being "SHALL THE ORDINANCE PASS?" Roll call as follows: Ayes, Councilmen Sakaguchi, Wood, Erickson, Deist, and Hovey; No, none; carried.

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Mayor Campbell then made the following re-appointments to the Board of Adjustment: Glen Nelson and Don Ellsworth - Terms to expire in 1987; Jake Cordova and Keith Bentzen - Terms to expire in 1988; Wallace Burns and Ken Cunningham - Terms to expire in 1989. It was moved by Councilman Wood, seconded by Deist, that the Council confirm all of these re-appointments. Roll call as follows: Ayes, Councilmen Erickson, Deist, Hovey, Sakaguchi, and Wood; No, none; carried.

There being no further business, it was moved by Councilman Erickson, that the meeting adjourn at 8:30 p.m.

s/ Velma Chandler  
CITY CLERK

s/ Thomas Campbell  
MAYOR