

JANUARY 10, 1978

Pursuant to a call by the Mayor, the City Council of the City of Idaho Falls met in Special Session in the Bonneville Hotel on January 10, 1978, at 12:00 o'clock Noon for the purpose of: 1- Considering an agreement between the City and the Department of Energy (DOE), relative to their participation in the bulb turbine project: 2 - Authorizing the Bond Attorney, when preparing the bond ordinance on the bulb turbine project, to provide that the total amount of bonds shall not exceed \$48,000,000; that interest on said bonds shall not exceed 8.75%; that maturities of said bonds shall not exceed 50 years: 3 - considering any other business which might be appropriately presented.

There were present at said meeting, Mayor Tom Campbell, Councilmen Charles Clark, Paul Hovey, Sam Sakaguchi, Jim Freeman, and Mel Erickson. Absent: Councilman Ralph Wood. Also present: Roy C. Barnes, City Clerk; Arthur Smith, City Attorney, Steve Harrison, Electrical Engineer, Jeff Payne, Assistant Electrical Engineer, Rod Gilchrist, Building Administrator.

The Mayor announced that he was creating an Energy Information Committee and was appointing the following as members of said Committee: Alex Creek, Paul Ahlstrom, J. Allen Jensen, Ken Johnson, Robb Brady and Kent Just. It was moved by Councilman Hovey, seconded by Erickson, that these appointments be confirmed. Roll call as follows: Ayes, 5; No, none; carried.

Noting the presence of Mr. Alex Creek, the Mayor noted that he had agreed to Chairman this Committee.

Noting a vacancy on the Civil Service Commission, the Mayor appointed Mr. Jack Carey as a member of this Commission. It was moved by Councilman Clark, seconded by Erickson, that this appointment be confirmed. Roll call as follows: Ayes, 5; No, none; carried.

The Mayor reported that a Committee had been formed to coordinate the activities of the new Law Enforcement facility; that Councilman Clark and Police Chief Pollock had been appointed as City Representatives on said Committee; that Commissioner's Artel Switter and Bill English had been appointed as County Representatives on said Committee and that one other member was yet to be appointed, representing the Court.

At the invitation of Councilman Hovey, Electrical Engineer Harrison introduced a Cooperative Agreement between the City and the Department of Energy (D. O. E.) pertaining to that agency's participation in the bulb turbine project. Harrison reviewed some of the more pertinent provisions of said Agreement noting first, that it provided for a maturity date of March 31, 1985, even though, according to this Agreement, it was anticipated that the design and construction portion of the project would be completed by September 30, 1981. Next, Harrison noted that, according to the Agreement, D. O. E. had agreed to participate in the amount of \$7,300,000.00. By way of explanation, Harrison pointed out, that the signing of the Agreement in question, D. O. E. would be obligated in the amount of \$2,000,000.00 which might be increased unilaterally by written notice. Subject to the availability of funds, D. O. E. will be obligated for the balance of the \$7,300,000.00 figure approximately, as follows:

\$2,000,000.00	10-1-78 to 9-30-79
\$2,000,000.00	10-1-79 to 9-30-80
\$1,300,000.00	10-1-80 to 9-30-81

Harrison noted that \$7,300,000.00 had been arrived at as one half of the approximate cost of one plant.

Finally, Harrison reviewed the provision having to do with public information releases which was read aloud, as follows:

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ARTICLE XIII – PUBLIC INFORMATION RELEASES

The parties agree that public disclosure or dissemination of data or other informational material of every kind or nature furnished by one party will be coordinated with the other party, it being understood that the intent of both the Participant and D. O. E. is to release all such data and information to the greatest practicable extent in order to achieve the objective of obtaining maximum public value from the results of this project, but that there should be no release without the coordination hereinabove provided for. It is understood that the foregoing is not intended to afford either party the right to prevent a public release by the other; however, nothing in this article shall impair the rights of the parties set forth elsewhere in this Agreement, including but not necessarily limited to the article entitled "Patents Rights".

News Reporter Wilson questioned this provision on the grounds that, as a result of this section, and as pertains to news affecting the Bulb Turbine Project, there could conceivably be a damper created on City records which otherwise are always available to the public. Councilman Hovey explained that D. O. E. would like news releases pertaining to this project coordinated with them. He said that, on such releases, the City should be prudent, reasonable and courteous at all times, taking D. O. E.'s position into consideration. As an example, concluded Hovey, during the lifetime of this Agreement, there should be no statements made by either party that could commit the other one beyond the provisions of this Agreement. After considerable discussion, it was generally agreed that this section should be clarified. It was moved by Councilman Hovey, seconded by Freeman, that the Mayor be authorized to sign this Cooperative Agreement between the City and D. O. E. during the signing ceremonies on January 12th, 1978, subject to any changes as deemed necessary in Article XIII, and that the Mayor and City Attorney be authorized to determine what changes are necessary if any. Roll call as follows: Ayes, 5; No, none; carried.

Also, presented by the Electrical Engineer was this letter which served to introduce a civil rights document pertaining to the Cooperative Agreement for the Bulb Turbine Project:

January 6, 1978

City of Idaho Falls
P. O. Box 220
Idaho Falls, Idaho

Attention: Mr. G. S. Harrison, Manager
Electric Light Division

Subject: PROPOSED COOPERATIVE AGREEMENT FOR IDAHO FALLS
LOW-
HEAD HYDROELECTRIC DEMONSTRATION PROJECT

Gentlemen:

As you requested in our meeting on January 4, there are enclosed 12 copies of the Final Draft of the subject Cooperative Agreement for your review prior to its execution, which is scheduled for 1:30 p.m., January 12, 1978. This Draft is identified by the date symbol 010478 on the cover sheet. Changes, as agreed to in our January 4 meeting have been made on pages 2, 4, 5, 7, and 8 of the Agreement proper, and pages 4 and 6 of Attachment A.

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Also enclosed for signature by an authorized official of the City are two copies of an Assurance of Compliance with the Department of Energy Regulation under Title VI of the Civil Rights Act of 1964. Department of Energy regulations provide that no award involving funds may be made under the D. O. E. Federal Assistance Manual until the prospective recipient has submitted a signed Assurance. Please return one signed copy to this office. The other copy is for your files.

Yours very truly,
s/ R. E. Simonds
Director

It was moved by Councilman Hovey, seconded by Clark, that the Mayor be authorized to sign this document, entitled "Assurance of Compliance with the Department of Energy Under Title VI of the Civil Rights Act of 1964". Roll call as follows: Ayes, 5; No, none; carried.

Councilman Hovey relayed a recommendation from the Bond Attorney that the maximum amount of bonds as provided in the Bulb Turbine Bond Ordinance should read "not to exceed \$48,000,000.00", rather than \$46,000,000.00 as heretofore tentatively agreed upon. Hovey said this would provide added assurance for potential investors as a protection against such contingencies as delays, inflation and the remote possibility that the D. O. E. participation might not be forthcoming, at least in its entirety. Hovey continued by saying that, according to best estimates, the cost of the project still remained at \$43.8 Million. He said it goes without saying that there will be more bonds sold than necessary to cover the cost of the project. Councilman Freeman said that, in his opinion, this was a meritorious recommendation on the part of the Bond Attorney. He said the City's credibility was at stake and precautionary measures should be taken in advance to see that, at no time during construction, the City would find itself in a position of having its hands tied due to shortage of funds. At the invitation of Councilman Hovey, Assistant Electrical Engineer Jeff Payne, by slide, presented a chronological development of project costs, starting in 1976, justifying the cost increases due to escalation and providing for up to one year of project delay for licensing requirements. Hovey then continued by saying authorization was necessary for the Bond Attorney, in the preparation of the bond ordinance, to provide for an interest rate for the bonds not to exceed 8.75%; also, that bond maturities would not exceed 50 years. It was moved by Councilman Hovey, seconded by Freeman, that the Bond Attorney, in preparation of the bond ordinance, be authorized and directed to include the following provisions in the Bulb Turbine Bond Ordinance: 1. Bonds to be issued not to exceed \$48,000,000.00; 2. Bonds to bear interest not to exceed 8.75%; 3. Bond Maturities, not to exceed 50 years. Roll call as follows: Ayes, 5; No, none; carried.

Councilman Hovey introduced the following recommended activities funded from C D Monies:

CDBG - 1978
RECOMMENDED ACTIVITIES - BY CITIZENS ADVISORY COMMITTEE

Bel-Aire Drainage	\$105,000.00
Highland Park Street Work - Monterey, Alpine, Westchester Vine, Rose, Beacon (Support L. I. D.)	\$100,000.00
Bridge - Bingham Street	\$ 25,000.00
L. H. A. - Administration	\$ 10,000.00
Interest Rate Reduction Program (Rehabilitation)	\$ 50,000.00
Removal of Architectural Barriers	\$ 32,500.00
Senior Citizen Center Acquisition of Property - Parking and Park Administration	\$ 8,000.00

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Unallocated

\$ 44,500.00

\$445,000.00

Noting the presence of Dee Hill representing the League of Women Voters, the Mayor asked if the foregoing recommended activities met with the approval of the organization she represented. Mrs. Hill answered in the affirmative and commended the City for including the projects as indicated. Mrs. Hill said their only reservation was whether or not the affected citizens in each instance, were aware of and had given their approval. Building Administrator Gilchrist, answered by saying that, to his knowledge, this posed no problem as all affected parties have been advised. In answer to a question by Councilman Clark, Gilchrist said these activities, as recommended, met with the approval of H. U. D. The Mayor recommended that the unallocated portion be reduced from \$44,500.00 to \$34,500.00 and that \$10,000.00 be added to the Senior Citizens allocation to provide for relocation. This met with general Council concurrence. It was moved by Councilman Hovey, seconded by Sakaguchi, that the Council accept and approve the foregoing listing of activities as recommended by the Citizen's Advisory Committee, reflecting the change as proposed by the Mayor and that an application be submitted accordingly. Roll call as follows: Ayes, 5; No, none; carried.

There being no further business, it was moved by Councilman Freeman, seconded by Erickson, that the meeting adjourn at 1:30 p.m.; carried.

ATTEST: s/ Roy C. Barnes
CITY CLERK

s/ Thomas Campbell
MAYOR
