PARK CITY COUNCIL MEETING
SUMMIT COUNTY UTAH
JUNE, 20, 2013

I ROLL CALL

Mayor Dana Williams called the regular meeting of the City Council to order at the Marsac Municipal Building on Thursday, June 20, 2013. Members in attendance were Mayor Dana Williams, Alex Butwinski, Liza Simpson, Dick Peek, Cindy Matsumoto and Andy Beerman. Staff present was Diane Foster, City Manager; Mark Harrington, City Attorney; Jonathan Weidenhamer, Economic Development Manager; Hugh Daniels, Emergency Management Director, Clint McAffee; Water Manager, Tom Daley; Deputy City Attorney; Phyllis Robinson, Community and Public Affairs Manager; Matt Cassel, City Engineer; Thomas Eddington, Planning Director; Nate Rockwood, Capital Budget and Grants Manager.

II COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

Cindy Matsumoto stated that she attended the public meeting that was held at Bonanza Park and she mistakenly told some citizens that the City Council was not acting on the Power Station this evening. She apologized to those citizens and she would try to express the issues they had relayed to her.

III PUBLIC INPUT

Lisa Wilson spoke about the North Silver Lake Lodge project that was being constructed. This is a 356,000 square foot condo/hotel and she could not understand how the project was already started. Ms. Wilson pointed out that the plat approved in the conditional use process had not been recorded. She noted that they were using a survey plat that was recorded by Val E. Southwick. Ms. Wilson stated that in 2005 Southwick was undergoing an SEC investigation.

Mayor Williams informed Ms. Wilson that this issue is raised every week and Southwick is not the owner of the project and has nothing to do with the property. Therefore, it is not germane to the discussion.

Ms. Wilson questioned why they were using a survey plat to issue a building permit and a grading permit if it was not germane. City Attorney, Mark Harrington, clarified that the Planning Staff had already provided a response. He noted that the current plat being used meets the requirements of the permit that was issued. The City fully anticipates moving forward with the next plat, which Ms. Wilson presented this evening, and that has its own expiration date. Because the work is being done within the existing property lines, the plat that is currently recorded with the County is sufficient for the work they are doing. They have met all the bonding requirements and the conditions of approval for the limited permitting that they have today. Mr. Harrington pointed out that it was a Building

Department decision. There is no basis under the current Code to deny the requested permit.

Ms. Wilson stated that during the appeal process in 2009 the citizens were told that the City Council was both judge and jury. They were also told that the plat, or the Southwick permit, was null and void because it had expired. She asked why the City was using an expired conditional use permit to issue permits. Mr. Harrington explained the difference between a survey plat that is properly recorded with the County and the expired master planned development from 2005. He stated that the developer is under a deadline and they were allowed one extension. They have to perform within the existing deadline or go through another public process, at which time Ms. Wilson would have another opportunity to argue against the extension. Ms. Wilson understood that the plat needed to be recorded by July 28th. Mr. Harrington offered to confirm the date.

Cindy Matsumoto asked Jonathan Weidenhamer about the historic wall at the bottom of the stairs off Swede Alley. She thought the exposure of the underlying wall was beautiful and asked if they intended to cover the floor or if it was designed to step down. Jonathan Weidenhamer replied that it was a work in progress and they were working with the Historical Society.

Mayor Williams asked if the wall extends further down towards the steps. Mr. Weidenhamer did not believe it did. He noted that when it was first discovered three or four years ago it was covered up. They knew when they started uncovering it that they may find more and he would keep the City Council posted. Cindy Matsumoto asked if they intended to put back the arch that was removed. Mr. Weidenhamer stated that it was removed block by block and the blocks were numbers so it could be put back.

IV. CONSENT AGENDA

1. Consideration of the 4th Amended Lease with the Department of Alcoholic Beverage Commission for property located at 460 Swede Alley, Park City, Utah

2. Consideration of authorizing the City Manager to sign a Professional Services Agreement with Bowen Collins and Associates for landscape architect consultant services in the amount not to exceed $79,876; $29,876 for the preparation of a City Forestry Plan and $50,000 to provide on-call services

Liza Simpson, "I move we approve the Consent Agenda Items 1 and 2". Alex Butwinski seconded the motion. Motion carried unanimously.

V. NEW BUSINESS

1. Consideration of a Resolution adopting the Community Wildfire Protection Plan (CWPP) for Park City, Utah. Hugh Daniels, the Emergency Management Director briefed the Council on the resolution proposed to adopt the Community Wildfire Protection Plan. He noted that the Staff report indicated a public hearing; however a public hearing was not required. Mr. Daniels stated that last year he met with Chief Hewitt of the Park City Fire District and Tyre Holfeltz of the Utah Division of Forestry to put together a Community Wildfire Protection Plan which is a regional plan to reduce risks and educate the community on ways to mitigate potential wildfires. The plan includes all of the Park City Fire District and it is a regional plan that follows the surrounding water sheds. Since wildfires do not stop at borders, it is important to plan as a regional group.

Mr. Daniels noted that the Staff report contained a copy of the CWPP without the appendices and the larger maps. He handed out smaller maps showing the entire CWPP area, which is all wild land urban interface. All of Park City and the Park City Fire District is wild land urban interface. Mr. Daniels explained that the CWPP gives a template for moving forward not only as a government, but also for citizens to start to mitigate for wildfire by creating defensible space around buildings, keeping trees from growing underneath eaves, using alterative materials besides wood, relocating the woodpile away from the building, and removing highly flammable plants and other measures.

Mr. Daniels stated that Summit County, the Fire District and citizens from throughout the County participated in drafting the final document. He believed it was important for Park City to adopt this plan as a guideline moving forward as they look at Forestry in the community and the potential wild land fire risk. He remarked that the Fire District ultimately owns this plan and they are the ones who will implement it. The plan will continue to change over time as they may progress throughout the community.

Tyre Holfeltz explained that the CWPP process does not recognize governmental boundaries, which is why they all worked together and gathered citizens from all over the District to participate in the process. He commended the support from the Fire Department because the citizens would eventually look to them for information.

Mr. Holfeltz presented a map showing the Fire District boundaries and noted that the different colors represented steep slopes, vegetation, and the type of vegetation. He believed the map showed the significant fire wildfire risks in the community.

Chief Hewitt felt this was a great plan and one of the products that came out of the dire year they had last year. He thought it was a great start and if the plan is adopted it would be posted on the Fire District website. He assumed it would also be posted on the new website, summitwildfires.com, which was another product that came out of last year's wildfire season. He thanked Mr. Daniels, Phyllis Robinson and Diane Foster for their efforts to initiate the idea and move it forward.

Liza Simpson thanked everyone and noted it was a lot of work and an interesting process for the citizens who participated. It is a very comprehensive plan that looks at all types of items and issues. She named evacuation routes as one example. Mr. Beerman also commended the team for their efforts. He referred to page 162 and suggested that there was a repeat under the Natural Resources at Risk.

Chief Hewitt stated that he had an opportunity to drive around with one of the citizens of the County, Jim McHugh, and visit many of the areas. There are many opportunities for people to modify their behavior to improve the likelihood of their structure survivability. This plan provides that direction to the citizenry because ultimately they are the ones responsible for their own safety.

Alex Butwinski commented the plan covered all of Summit County, yet the Council was being asked to adopt a resolution for Park City. It was noted that the County would probably be adopting the plan as well. There are nine CWPPs within Summit County and the plans are specific to each area. Liza Simpson noted that Kent Cashel, rather than Pace Erickson, should be listed for Park City Municipal under Transportation.

Mr. Tyre stated that there are fire cycles. Based on their findings in the area, fires occur anywhere between 250 and 500 years, and they are currently on the 500 year mark. The longer it goes, the more likely it is that a fire of a significant size will occur and impact homes and livelihoods. It is not a matter of "if" because it will occur. This plan is one of the first steps to prepare for that event and for the citizenry to know what to do and how to do it, as opposed to just reacting, which is when people get hurt and accidents happen.

Mayor Williams opened the public hearing. There were no comments and the hearing was closed.

Liza Simpson, "Your honor, I move that we approve a resolution adopting the Community Wildfire Protection Plan for Park City, Utah". Andy Beerman seconded the motion. Motion carried unanimously.

2. Consideration of an Ordinance adopting the Final Budget for Fiscal Year 2013-2014 and the Final Budget for Fiscal Year 2014-2015 for Park City Municipal Corporation and its related agencies. Mayor Williams noted that the City Council had been reviewing the budget for several months and this would be the last public hearing.

Mayor Williams opened the public hearing. There were no comments and the hearing was closed.

Andy Beerman, “I move we adopt the final budget for Fiscal Year 2013-2014 and the Final Budget for Fiscal Year 2014-2015 for Park City Municipal Corporation and its related agencies. Alex Butwinski seconded the motion. Motion carried unanimously.

3. Consideration of a Resolution adopting the Revised Personnel Policies and Procedures Manual, dated July 1, 2013 for Park City Municipal Corporation. The Council had reviewed the Revised Personnel Policies and Procedures Manual and there was no further discussion.

Mayor Williams opened the public hearing. There were no comments and the hearing was closed.

Liza Simpson, “Your Honor, I move we approve a resolution adopting the Revised Personnel Policies and Procedures Manual dated July 1, 2013 for Park City Municipal Corporation.” Alex Butwinski seconded the motion. Motion Carried Unanimously.

4. Consideration of the Western Summit County Master Agreement, in a form approved by the Deputy City Attorney. Clint McAffee, Water Manager, introduced Tage Flint, the General Manager of the Weber Basin Water Conservancy District and Scott Paxson, the Assistant General Manager. Mr. McAffee thanked Mr. Flint and his team for their hard work in helping to prepare this Agreement.

Mr. McAffee outlined the reasons for considering this Agreement. They need to plan for an adequate supply of water to meet the drought years and for the projected growth that is expected to occur in Park City and the Basin. Another factor is the position of the ground water aquifers and how those are fed. Being at the top of the Weber Basin drainage, Park City does not have the benefit of natural storage, which creates a bigger problem.

Mr. McAffee presented images to illustrate the future of several water districts in the Basin, including Park City, in terms of showing peak day deficits and how the demand will outweigh the supply on a peak day basis. Peak day is considered a 24 hour period with the highest consumption of the year. He noted that the illustration did not show Park City with a deficit until the year 2020; however, an increasing deficit was shown beyond 2020.

Mr. McAffee reviewed a number of studies that were conducted in the Snyderville Basin to look at the problem and secure additional water supply. One study recommended a joint approach to secure the additional supply. Another study identified infrastructure that could be constructed to achieve that goal. The 2007 Utah Water State Plan identified several mitigation strategies that were addressed in the Agreement, including water redistribution, water system interconnections, water development including storage, and demand management.

Mr. McAffee reported that in December 2011 the Basin Water Suppliers met with Weber Basin to discuss a way to jointly address this problem. Those providers were Park City, Mountain Regional, Snyderville Basin Water Reclamation District, and Summit Water Distribution Company in Summit County. In November 2012 Weber Basin presented draft terms to begin writing the Agreement.

Mr. McAffee provided a brief history of the Weber Basin Water Conservancy District, and how it was created in 1950 by decree to act as a local sponsor in the Weber Basin Project and to further water resources and drainage. The mil levy paid by the Snyderville Basin taxpayers is used to pay for that original project. The drainage area is 2500 square miles and encompasses five counties. Weber Basin is governed by a nine member Board of Trustees from different areas in the Drainage Basin, including one representative from Summit County. Mr. McAffee noted that their neighboring water district in the County serves a total of approximately 4500 residential connections. Park City serves approximately 5200 connections. Summit Water is a non-profit mutual water company in the Basin serving approximately 4100 connections.

Mr. McAffee remarked that the purpose of this project is to regionalize water service and integrate the systems in an effort to pool resources to jointly meet the needs when considering the water supply deficit. He stated that two main agreements were involved. One was a purchase agreement that is separate from the master agreement. The purchase agreement is between Weber Basin and Summit Water, where Weber Basin would purchase the Summit Water East Canyon Water Treatment Plant and 50% of the capacity in the conveyance from plant to Jeremy Ranch and Quinn's Junction, as well as take over the lease of 5,000 acre feet in the East Canyon Reservoir. He outlined options to purchase capacity in the Highway 224 system from Kimball Junction into Park City, as well a partially completed pipeline running north from Jeremy Ranch towards East Canyon Reservoir. This would empower Weber Basin with the ability to move water throughout the Basin. The conveyance system allows water to be moved between Park City, Mountain Regional and Summit Water.

Mr. McAffee pointed out that the second part was the Master Agreement, which was being considered this evening. He outlined the main points in the master agreement. Each year individual entities would report to Weber Basin its demand, surplus water that others could use, what excess capacity could be used in their existing facilities, and sources. He noted that at the five year portion of the ten year projection each entity would commit to the projected surplus water, excess capacity and the demand. He explained that at the five year point, they would not commit to any water until the deficit is projected within a five year window. At that time they would enter into a water sales contract with Weber Basin and they would collect that water supply.

Mr. McAffee remarked that the most important part of the Agreement was jointly addressing establishing goals and managing stream flows in McCloud Creek. Once the existing surplus water in the Basin is used up by the entities, Weber Basin would take the lead in constructing either another water storage project or an importation project that would fulfill the needs of the water supply in Weber Basin. He stated that another important point was that Weber Basin would be tying up 5,000 acre feet in East Canyon Reservoir for use in the Snyderville Basin. If there is a need, Weber Basin would secure additional water beyond the 5,000 acre feet. Weber Basin would be the sole wholesale water provider in the Basin. A near-term goal would be a three-way interconnection between Park City, Mountain Regional and Summit Water. It would be a benefit to the City and others in terms of providing an emergency connection and the ability to receive water.

Mr. McAffee reported that the cost to all parties would come in the form of annual regionalization fees, which would begin in 2020 and expire at the end of 2039. Park City would pay $200,000 per year for that time period for a total of $4 million. He stated that between now and the year 2020, Weber Basin would be covering the debt service on the bonds issued to purchase the Summit Water Infrastructure. The amount equates to approximately $3.7 million dollars in contribution from Weber Basin that they would not recoup. Mr. McAffee commented on operation and maintenance costs associated with the East Canyon Treatment Plant, the Highway 40 system and the three-way interconnect. He anticipated those costs to be minimal. Park City would also pay 20% of the 5,000 acre feet of East Canyon. Based on current available information, the estimated cost was $800 to $1500 per acre foot in future water sales contracts once the City subscribes to that.

Mr. McAffee stated that in the short term the goal is to utilize existing infrastructure and existing surplus water in the Basin to make each entity whole in terms of water supply until the Basin source is exhausted. The long term goal is that once the Basin surplus is exhausted, Weber Basin would take the lead and develop another source to fulfill the additional needs.

Mr. McAffee commented on closing conditions that were not in the Agreement but were previously discussed with the City Council, which included environmental warranty exceptions that were being drafted by an outside environmental consultant and legal counsel. Mr. McAffee stated that he had spoken with Weber Basin regarding the 5,000 acre square feet in East Canyon to make sure that it was available for use in the Snyderville Basin. It will be available but that also needed to be clarified in the Agreement.

Mayor Williams realized that because of Weber Basin's ability to move water around, particularly in the reservoirs in Eastern Summit County, the water might come from other places besides East Canyon. Mr. Flint replied that once the 5,000 acre feet is secured in East Canyon, they would run the full gamut of options to see where the water is best delivered and what is possible under the current water rights and future change applications. They would also look at the options to make sure it was as cost effective as possible.

Mr. McAffee stated that another consideration is the possibility of an open air reservoir in the Snyderville Basin area. If that were proposed by Weber Basin, the terms as previously discussed by the City Council would give the landowner where the facility would be placed the ability to authorize the project to occur. If that was not acceptable, they would move on to the next alternative. Mr. McAffee remarked that the City could elect to construct an open air reservoir on its own if it is not part of the Weber Basin plan and the City identifies it as a need. Nothing in the current agreement would prohibit the City from making that decision.

Mayor Williams recalled that there was additional criteria was associated with an open air reservoir. Mr. Flint replied that the only limitation is that Weber Basin could not import raw water to an open air reservoir because of the contractual agreement.

Mr. McAffee stated that the last condition was that nothing in the Master Agreement would eliminate Weber Basin's obligation to lease and deliver Park City the 2900 acre feet that exists in Rockport Reservoir and they are currently getting. Also, it would not eliminate the ability of Mountain Regional to deliver that to Park City. Mr. Flint did not see that as a problem and felt that condition could be written as an exception to the priorities of the Agreement.

Cindy Matsumoto recalled language about the cost of the easement in terms of an open air reservoir and acquisition of the easements. She also recalled that if Weber Basin moves on to another project, the parties agree to pay for that project. Mr. McAffee replied if Weber Basin proposed a reservoir and Park City would not allow it, Weber Basin would move on to the next project but Park City would still be bound to pay for the other project even if the cost was higher.

Mr. Flint noted that this has been a long process but he believed it was the ultimate solution for water supply in the valley. It optimizes excess capacity and the excess water and puts it all together to move around the valley. It obligates a larger water agency to provide water when they need it. He stated that Weber Basin was Park City's regional water supplier and will not shirk those duties. Mr. Flint thanked the Mayor, Alex Butwinski, Diane Foster, Clint McAffee and Tom Daley who participated in countless meetings and phone calls.

Mr. Flint responded to the conditions outlined by Mr. McAffee. He acknowledged that the environmental language was still coming from the City Attorney, and that would be acceptable to Weber Basin as long as it was limited to specific issues that were already discussed. He would like the opportunity to review the language but he was comfortable with the condition. The second point was the reiteration of what was already in the recital. Mr. Flint stated that the recital was a product of a previous Staff recommendation and he was comfortable moving that same philosophy into the meat of the agreement. Regarding the open air reservoir, Mr. Flint stated acknowledged that a reservoir built into the valley would not serve as a water supply in and of itself. It would be a facility that could help optimize what they would later import or currently import into the valley. Mr. Flint remarked that Weber Basin has concluded that either proposal Mr. McAffee put forward or the one put forward by Summit County, or something in between was acceptable to Weber Basin. However, it currently serves as an impasse and the issue eventually needed to be resolved. On the fourth point, Mr. Flint stated that all parties would be bound by this agreement in that Weber Basin would be the exclusive raw water supplied to importation into the valley. What any agency does within their system is up to them, but he cautioned against that being interpreted that a facility could do regionalization on its own. The full intent is to make sure everything is done regionally on behalf of all the parties. Mr. Flint noted that he had already responded to the point regarding the 2900 acre feet.

Mayor Williams believed the Council needed to determine what to do with Summit County in terms of the one bullet point. It was a sticking point that needed to be discussed at some point. He believed the Council was unified in not being interested in another governmental agency having jurisdiction over land that is in the Park City limits. Mayor Williams remarked that it could potentially be a "deal killer" for Park City. He pointed out that the Council only heard about it recently and they had not had the opportunity to discuss it. He had seen a press release indicating that Summit County had already approved it and that caused him great concern. As a municipality they would never consider going out of their boundaries to tell another jurisdiction what to do. Mayor Williams was unsure whether the City Council wanted to approve the Agreement with the changes and try to resolve the issue with Summit County over the next few days. He asked the Council members for input.

Liza Simpson was comfortable approving the Agreement after hearing from Mr. Flint that Weber Basin would accept either proposal or something in between.

Alex Butwinski commented on the Class B shareholder vote for Summit Water and asked if it would be a condition at closing that they would have to prove that their Class B shareholders voted affirmatively for this Agreement. Mr. Flint understood that it was a condition upon closing. Mr. Butwinski believed they had come a long way, even in the two years he was involved. From an MOU to a Master Agreement proves the devil is in the details. Mr. Butwinski expressed his thanks and appreciation to Tom Daley, Clint McAffee, Diane Foster, the Weber Basin team, and the Mayor.

Cindy Matsumoto asked if Mr. Flint had seen the Summit Water Distribution Company's shareholder notice. Mr. Flint replied that he had seen it. Ms. Matsumoto noted that it did not mention Class B and she asked if Mr. Flint was confident that it would meet the needs of the Class B Shareholders. Mr. Flint understood that a second notice had gone out. If both the first and second notices had gone out to all the shareholders and the shareholders have the opportunity to view the Agreement in advance of a vote, he would be comfortable with it. Given all the opportunities, there was very little they could do short of forcing someone to attend the meeting and vote.

Mayor Williams asked what Mr. Flint considered a consensus. He was told that there are 4100 connections and the question was what constitutes a majority. Mayor Williams wanted to know how that would be decided. Alex Butwinski wanted to know what would happen if none of the Class B Shareholders attend the meeting and vote. Mr. Flint was certain that some people would attend.

Liza Simpson asked they had considered delaying the vote given the size of the Agreement and only a week to read it. Mr. Flint believed the shareholders were given enough notice.

Mayor Williams called for public input. There were no comments and the hearing was closed.

Alex Butwinski, " Your honor, I move that we approve the Western Summit County Master Agreement in a form approved by the Deputy City Attorney and with the conditions as presented and amended. Andy Beerman seconded the motion. Motion carried unanimously.

Tom Daley would draft the appropriate language with flexibility to negotiate with the County.

5. Consideration of Rocky Mountain Power expansion of Bonanza Substation of low versus high profile design alternatives, located on Woodbine Way, Park City, Utah

Phyllis Robinson, Community and Public Affairs Manager, introduced participants at the table: Matt Cassel, the City Engineer; Sid Ostergaard, consultant; Thomas Eddington, Planning Director; and Nate Rockwood, Capital Budget and Grants Manager

Ms. Robinson stated that the matter before the City Council was a request for Council direction to proceed with the vertical expansion of the substation in its current location. Initial discussions regarding the expansion of the substation began in 2009 with the City's participation on the Rocky Mountain Power Wasatch Electrical Task Force. In 2010 Rocky Mountain Power informed the City that the substation in Bonanza Park was nearing capacity and needed to be upgraded from a 46 to a 138 kb substation. That information afforded the City the opportunity to consider whether there was an opportunity for relocating the substation. The City, in conjunction with Rocky Mountain Power, began examining the potential for relocation of the substation. A number of sites were evaluated throughout town and they also looked at keeping the substation in its current location for the expansion.

Mr. Robinson reported that over time they narrowed the possibilities to three sites. A number of sites were eliminated throughout the process due to access issues, whether there was adequate land for the expansion. Some of the issues were distance and others were cost. Ms. Robinson stated that the site at 1555 Iron Horse Drive was a less likely alternative early in the process because the need to do a land acquisition drove down its favorability. With the potential for a land swap between Rocky Mountain Power and the property owner, Mark Fischer, 1555 Iron Horse Drive became a more reasonable site. In September 2012 the Staff and the City Council approached Rocky Mountain Power and asked them to formally consider relocating the substation to 1555 Iron Horse Drive. Ms. Robinson clarified that the reason for making that request was to continue forward with a vision for Bonanza Park and the goals of the draft area plan. She clarified that at that time the issue of expanding the substation vertically to 60 feet also remained on the table.

Ms. Robinson remarked that throughout the process they continued to work with Rocky Mountain Power, Mark Fischer and other stakeholders to access the viability of the proposal at 1555 Iron Horse. Eight public meetings were held in 2012 and 2013. In March the Staff came before the City Council with three critical path issues that needed to be resolved before they could proceed further with the possible relocation of the substation to 1555 Iron Horse Drive. Ms. Robinson stated that access for the apartments was one issue in terms of whether the City would fund a share of it and how the City could participate in the funding for the redevelopment overall for Bonanza Park. The proposed move would cost between $10 million and $12 million, which included $5.5 million for undergrounding the lines. If the substation remained in place the cost would be zero or a land donation from the Recycle Center. They were aware of the large hurdles that had to be crossed in order to move the substation forward.

Ms. Robinson pointed out that the final piece was the deal points for the cost sharing between the City and the developer. She reported that after careful consideration, the City Council determined that relocating the substation to 1555 Iron Horse was not a feasible option based on the issues.

Ms. Robinson noted that Rocky Mountain Power has requested Council preference in terms of options. One option was to proceed with the vertical expansion of the existing footprint of the substation that would take the substation to approximately 60 feet in height. Another option was the potential for a low profile expansion of the substation. With this option the substation would not increase in height, but it would increase the property and take a portion of the Recycling Center. There are pros and cons to both options. Without the ability to underground the lines, the poles would increase in height in either option.

Ms. Robinson remarked that one of the advantages with moving the substation was the ability to do a Community Development Area (CDA) to help the developer with the cost of undergrounding the lines. As a government entity, due to Government Accounting Standards the City does not have the ability to fund the cost of undergrounding the lines. The matter that could be discussed further at a later date, but undergrounding the lines was not a consideration this evening.

Ms. Robinson noted that Rocky Mountain Power and Mark Fischer have continued to discuss whether there is an opportunity to move the substation from its current location and expand it onto property that is owned by Mark Fischer, at the year of his property at the Yard. It would remain within the Bonanza Park area. Those two parties are negotiating, as well as Powdr Corp. in conversations with Mark Fischer. Rocky Mountain Power has indicated that they would be willing to continue the conversations for a few more weeks until the CUP application is scheduled on the docket. Ms. Robinson remarked that the Council may wish to give preliminary indication this evening on whether they are willing to support this alternate location should the property owners and Rocky Mountain Power arrive at a mutually beneficial arrangement.

Ms. Robinson noted that Steve Rush with Rocky Mountain Power was available to answer questions this evening.

Sid Ostergaard reviewed a power point presentation showing the existing conditions of the substation, as well as visual images showing examples of the options and the pole heights.

Cindy Matsumoto reiterated her earlier comment that she had mistakenly told some citizens that the power station would not be discussed this evening. However, she would ask the questions and express the concerns that were relayed to her. One was the concern of the electromagnetic fields (EMF) near the apartments. She was told that this would actually reduce the EMF.

Steve Rush replied that the voltage was increasing; however, EMF is a result of amps and not voltage. If the voltage is tripled, the amps are cut into a third. The result is a lower electromagnetic field.

Ms. Matsumoto asked if a high or low profile had less EMFs. Mr. Rush stated that it is the same. It is a moot question because the EMFs diminish with the square of the distance. By the time it reaches the perimeter of the fence the measurement is back to background levels. The numbers are higher with a low-profile station because it is closer, but in this case people would experience it on the outside of the fence so it would not matter. Ms. Matsumoto clarified that the apartments would not have to worry about the EMFs increasing from where they are now, and in fact it would decrease. She also clarified that if the substation were to move close, Mr. Rush believed it would not create a problem because the EMFs would decrease and then fall off. He stated that his belief was based on an actual measurement. It will be no higher and in all likelihood it could be lower. He pointed out that the conclusion drawn from health studies was a different question.

Ms. Matsumoto recalled the issue of humming in a previous discussion about moving the station. The residents currently experience an annoying humming sound and there are no buildings to block the noise. She asked if the humming noise would be reduced with the new equipment. Mr. Rush replied that the new equipment has a lower decibel rating and it would be quieter. Ms. Matsumoto assumed there would still be a hum. Mr. Rush believed it would be barely audible with the new equipment. Ms. Matsumoto suggested that Mr. Rush review those aspects of the power station with the citizens who would now be more affected.

City Engineer Matt Cassel clarified that the EMFs would not get any worse, but the reduction would be minimal because the distribution lines are buried. Mr. Rush agreed with Mr. Cassel. He noted that he had been talking about the transmission line. With the transmission line tripling in voltage, the amps are cut to one-third and the electromagnetic field is corresponding and reduced. However, inside the substation at the transformer itself, the EMF at that point would remain the same.

Andy Beerman asked if the transformer would remain in its current location or if it would be reoriented. Mr. Rush replied that if they stay on the same side the transformer would remain in its current location. Mr. Beerman asked if Rocky Mountain Power had an ideal shape if there were no constraints. Mr. Rush stated that the current standard is a rectangular shape of approximately 220’ x 200’. He stated that 2-1/2 acres is the typical footprint. Mayor Williams pointed out that 220’ x 200’ is 44,000 square feet or one acre. Mr. Rush acknowledged that his math was probably wrong.

Mayor Williams opened the public hearing.

Mark Fischer thanked the City Council and everyone involved on this project for their hard work over the last eighteen months. He still believed the Iron Horse site was a better location, and he felt that the point that was lost was that the Iron Horse option eliminated the poles. However, he thought there was still the opportunity for a compromise. Mr. Fischer stated that after the last session he met with Rocky Mountain Power, Matt Cassel and Phyllis Robinson on the site and a new idea was generated, which was swapping the back of the yard in exchange for the front 94 feet of the current substation. He believed that was a significant idea because it would allow the construction of a large building to the north of the substation to shield it. Mr. Fischer wanted it on the record this evening that he was duly authorized and he was accepting the idea of a trade. He pointed out that they still needed to determine the exact size. It could be as much as 80’ further to the west than it needs to be. If that is the case, the substation line would move 94’ to the south and then more or less square off to the back of the Yard property. It would fit nicely and allow the Bonanza Park concept plan to go forward. Mr. Fischer emphasized that if this could happen he will do it.

Brandon Malman, a community member, was pleased that this substation would not be in his neighborhood. He liked the idea of expanding it to the Yard. Mr. Malman asked for clarification on the CDA. He noted that a study was done and $7 million worth of tax revenues would be available to underground the power lines. However, the Staff report stated that it would not be possible to create a CDA to fund the burying of the power lines without a guarantee of future development that would create incremental new taxes. Mr. Malman wanted to know why the CDA found money to bury the lines when the idea was to move the substation to Iron Horse; but there is no funding now that the substation is being developed in its current location.

Nate Rockwood explained that one of the concepts of the Community Development Area (CDA) was that moving the substation opened the entire area for higher density levels. It also facilitated that the developer would contribute money upfront so it would not actually be the City burying the lines. With the substation remaining in its current location, it not only changed the anticipated density, but the area would develop differently and the property value would be lower. Mr. Rockwood stated that the way the CDA works is that the other taxing entities come together and provide their increment, which is primarily where the money comes from. The taxing entities need to be convinced that there is a long term benefit resulting from their contribution. While burying the power lines is an aesthetic benefit, regardless of whether the lines are above or below ground, the type of development would remain unchanged because the substation still exists in that location. The taxing entities are not seeing an economic incentive and it is hard to ask them to give up the tax revenue. Mr. Rockwood believed that everyone would like to have the lines buried, but it becomes a harder argument for funding.

Diane Foster noted that the City had a guarantee that the area would develop within certain time frames to generate that revenue; and if it did not occur, the developer would lose his investment but the City would not lose any money. Ms. Foster remarked that the guarantee no longer exists.

Patricia Caston, a community member, had read the Staff report and referred to the score card. Comparing this score card to other scores cards over the years, she noted had scored the lowest in the realm of possibilities of relocation sites. Ms. Caston asked when the site was scored and whether the City was aware that 1555 Lower Iron Horse had scored the lowest when it was being considered as a priority site.

Liza Simpson stated that it scored the lowest at that point in time because it was before Mark Fischer purchased additional property to make the site large enough. Mr. Cassel further clarified that 1555 Iron Horse was scored after all the other sites were scored and evaluated and some were removed from consideration. As they were narrowing the list, this piece of property came into play. It was scored in September 2011. Mr. Cassel noted that the Staff report provided a timeline of the process and which sites were scored and evaluated. The Staff report also indicated that after the scoring was completed the Iron Horse site came into play and the process moved forward.

Mr. Cassel explained the scoring process. A higher score usually indicates that less mitigation would be required and a lower score means that the site needs to be looked at carefully and more mitigation efforts would be required, which was the case with 1555 Iron Horse. City Manager Diane Foster pointed out that 1555 Iron Horse was scored before Mark Fischer acquired the additional property, because in previous public hearings several citizens pointed out that the Iron Horse site had the lowest score.

Ms. Caston remarked that the public comment about it being scored the lowest was based on confusion because 1185 Lower Iron Horse was the site listed in the Staff reports. She noted that many people thought 1185 Lower Iron Horse was actually 1555 Lower Iron Horse in the scoring. She maintained that the current Staff report was the first report that actually identified 1555 Lower Iron Horse. Ms. Caston commented on the newly discovered idea of expanding, and asked if that option truly never occurred to anyone before last week. Mr. Cassel replied that the idea was probably the original concept in the early years of discussion as they looked at the alternatives for the existing site. The only new piece is the potential land swap that would be available. Cindy Matsumoto emphasized that the land swap is a critical issue. Ms. Caston understood and thanked the Council for their time.

Alex Butwinski informed Ms. Caston that the December 2011 Staff report talks about the1555 Iron Horse site after the scoring. Ms. Caston replied that she had seen it mentioned in other Staff reports, but her question was why it was never scored.

Mayor Williams closed the public hearing.

Mayor Williams thought the Council needed to better understand what would be asked of the City by Rocky Mountain Power, Mr. Fischer or the adjacent landowners before they could determine the best course of action. They recognized the need for Rocky Mountain Power to move forward with the Conditional Use Permit; however, he hoped they would continue to work with the City Council to create the best outcome. Mayor Williams preferred to defer the recommendation on the substation until the alternative location discussion is resolved, with the understanding that it needs to happen within the next couple of weeks. The City Council did not want to take action on something specific while negotiations were still occurring. Mayor Williams noted that the entire future and outcome of Bonanza Park (BoPa) could be changed based on the result of the negotiations, and the Council did not want to steer that conversation.

Mr. Rush asked if the Council had a preference for low-profile or going vertical as the direction they were leaning. He noted that the Power Company could file and build on the existing site if there are no changes. He understood from Mr. Fischer's comments that he had resolved the issues with the other property owners and they could move forward with Mr. Fischer's proposal. Mr. Rush asked Mr. Fischer if he correctly understood his comment. Mark Fischer stated that it was a single party negotiation and the other property owners were not involved. It was a matter to be negotiated between Mark Fischer and Rocky Mountain Power. Mr. Fisher reiterated that he was ready to move forward on it.

Mayor Williams assumed that if they were able to expand the substation into Mr. Fischer's property, the goal would be low profile. He believed it was a great opportunity because it was an option that would allow BoPa to work. He understood from the developer that going vertical would negate the current design on the table.

Mr. Rush requested to be on the City Council agenda in two weeks, during which time he would meet with Mark Fischer to work out the details. Rocky Mountain Power would proceed with internal planning for low profile based on the direction from City Council. Ms. Foster informed Mr. Rush that he would be scheduled for the July 11th meeting.

Liza Simpson thanked everyone who has been involved in the process. Alex Butwinski thanked Mr. Rush for giving them another opportunity to look at the details before taking action.

Liza Simpson, "I move to continue the Rocky Mountain Power Substation Expansion to July 11, 2013". Alex Butwinski seconded the motion. Motion carried unanimously.

VI ADJOURNMENT

With no further business, the regular meeting of the City Council was adjourned.

MEMORANDUM OF CLOSED SESSION

The City Council met in closed session at approximately 2:40 p.m. Members in attendance were Mayor Dana Williams, Andy Beerman, Alex Butwinski, Cindy Matsumoto, Dick Peek, and Liza Simpson. Staff present was Diane Foster; City Manager, Mark Harrington, City Attorney; Matt Cassel, City Engineer/ Nate Rockwood, Capital Budget and Grants Manager; Phyllis Robinson, Community and Public Affairs Manager; Thomas Eddington, Planning Director; Clint McAffee, Water Manager and Tom Daley, Deputy City Attorney. Cindy Matsumoto, "I move to close the meeting to discuss property and litigation". Liza Simpson seconded. Motion carried unanimously. The meeting opened at approximately 4:50 p.m. Alex Butwinski, "I move to open the meeting". Andy Beerman seconded. Motion unanimously carried.

The meeting for which these minutes were prepared was noticed by posting at least 24 hours in advance and by delivery to the new media two days prior to the meeting.

Prepared by Mary May, Secretarial Services

Janet M. Scott, City Recorder