

**PARK CITY COUNCIL WORK SESSION NOTES
SUMMIT COUNTY, UTAH
MARCH 18, 2010**

Present: Mayor Dana Williams; Council members, Alex Butwinski, Candace Erickson, Joe Kernan, Cindy Matsumoto, and Liza Simpson

Tom Bakaly, City Manager; Tom Daley, Deputy City Attorney, Diane Foster, Sustainability Manager; Tyler Poulson, Sustainability Analyst; Scott Robinson, IT Manager; and Michael Kovacs, Assistant City Manager

Karen Wolfe, Wes Smith, Curtis Allen, John Zeugschmidt, John Kleiman, Tim Loftis, and Mark Thomas, Utah State University - Energy Dynamics Laboratory

1. Council questions/comments. Cindy Matsumoto reported on attending the Peace House, School Board and Library Board meetings. The Library Board intends to name a meeting room at the Library after Roger Harlan. Alex Butwinski spoke about the HMBA meeting where sidewalk dining was discussed. Candace Erickson commented on the Board of Health meeting and hiring a new director. Liza Simpson discussed a number of projects under review by the HPB. Dana Williams reported on the HMBA meeting and a trip planned to Washington DC next week to meet with our congressional delegation.

2. Renewable Energy Feasibility Study. Diane Foster introduced members of the Energy Dynamics Laboratory team of Utah State University. She explained that the group conducted a feasibility study for the City to look at alternative technologies that may apply to municipalities, residents, and local businesses. Karen Wolfe of Utah State explained that the study represents a top level analysis of a handful of programs which vary in complexity. USTAR donated \$60,000 to cover the cost of the study.

Curtis Allen explained that micro hydro is a system that produces 100 kilowatts or less of power and uses pre-existing infrastructure and water systems. It is an economical source of renewable energy that uses no fossil fuels. Micro wind turbines are quiet and can begin to produce power at five to six mph. He discussed solar applications, specifically day-lighting techniques. John Zeugschmidt explained how micro hydro works. He pointed out that Park City has unique features as there are already over 120 pressure reduction valves within the culinary system. Several of these PRVs could possibly be used as power generation locations and the state of Utah is very interested in micro hydro applications. One of the main challenges Park City faces is the lack of data on the existing PRV system and on the commercial and residential sides; Mr. Zeugschmidt noted environmental and water rights issues.

Mr. Allen interjected that eight sites were identified including Quinns Junction Water Treatment Facility which would produce about 2100 gallons per minute and an

estimated \$51,125 per year. The other seven are PRV stations. Micro hydro project sites require a flow of 600 gallons per minute and 200 feet of head or vertical drop. The four PRV locations listed would not be ideal, based on current technology, but he explained developing technology which will handle alternating flows. The turbines are much smaller and easier to install which increases the number of feasible sites and a state micro hydro program is underway on the Wasatch Front. Curtis Allen added that the Quinns Water Treatment Plant is a great resource because of its capacity at 2100 gallons per minute or 3,000,000 gallons a day. Micro wind turbines produce 25 kilowatts of power or less and have a horizontal axis or a vertical axis which is a newer technology. Mr. Zeugschmidt explained that Park City's average wind speed is seven to ten mph throughout the year which is ideal for the micro wind systems which only require five to six mph in order to generate electricity. He felt these types of applications should be highly considered and described payback schedules for residential and commercial scenarios.

Mr. Allen explained that the ValidWind system was developed by the Energy Dynamics Lab to measure wind patterns to decide where to place wind turbines. It is an affordable technology and no anemometers are used. He described the favorable conditions in Park City to support solar applications, however, the payback period is longer than with other technologies and he cited other challenges. However, equipment costs are dropping. Mr. Allen felt that day-lighting is a great way to use solar; some benefits are increased worker productivity, reduced energy costs, and a short payback period for new buildings. He warned that retro-fitting a building may be costly. Skylights are typically used for residential units. There are funding opportunities on federal, state and utility levels, and incentives for hydro wind and solar applications; Rocky Mountain Power's Blue Sky Program continues to benefit Park City.

Mr. Zeugschmidt emphasized that simple changes can make big differences and spoke about helpful information available to the public on the parkcitygreen.org website. [Energystar.gov](http://energystar.gov) is another great resource and he spoke about a variety of improvements that Park City Mountain Resort has made from snow-making equipment to LED Christmas lights. Income level is not a factor with regard to environmental and fiscal responsibility.

Karen Wolfe relayed that a more detailed cost analysis will be available next week. She explained biodigestion which is the breakdown of carbon-based material to biogas which can be burned to produce heat and electricity or refined to fuel. Brown grease from restaurants can be combined with manure tripling the level of methane. Park City has over 100 restaurants and there are six dairies in the area, but the economics didn't pencil because of transportation costs to a single biodigester, infrastructure costs for dairies, and an extended payback of 25 years.

Tim Loftis reviewed converting the transit system to natural gas; currently 29 vehicles run on biodiesel. Natural gas vehicles have been increasing in popularity over the world but the US has been slow to catch up. Some of the best opportunities lie in large

vehicles, particularly transit situations and there are over 11,000 NGVs on the road. Over 20% of new buses have been NGVs and using them over diesel can decrease carbon monoxide emissions by up to 89%. Mr. Loftis acknowledged the costs associated with conversions but pointed out the funding assistance available and the fuel savings compared to biodiesel. Utah has the best costs for natural gas across the country averaging about \$.76. Mr. Loftis noted that buses have a life of about 12 years and he encouraged slowly initiating a pilot program in tandem with the replacement schedule. Once the fleet grows, a fueling station will become necessary at an estimated cost of \$900,000 but federal tax incentives will bring this cost down to about \$150,000. He encouraged starting a program with one bus and relayed that the return is about 19.7% in an eight year payback period.

Dan Kleiman presented funding options including finding a taxable partner, bonding, or joining a consortium like UAMPS. He explained that taxable partners reap the tax benefits of investing in renewable energy. The private partner typically sets up a special purpose entity, buys the power generating equipment, and leases it directly to the city. The city can operate the equipment, use all of the power generated and the value of the lease payments is less than the city would have had to pay through a standard bond issue.

He discussed different types bond issues. The clean renewable energy bonds are locally issued bonds for a project that is approved by the federal government. The bonds pay zero interest and the investor receives tax credits from the federal government. Qualified energy conservation bonds are very similar except the state controls the project and the issuances are designed for municipalities of 100,000 or more. Property issued clean energy bonds are not currently legal in Utah as the legislation was defeated this year. With this approach, home owners borrow but the city issues a municipal bond and the property owners receive the revenue. Repayments appear as a line item on property taxes and runs with the property. Mr. Kleiman described UAMPS which focuses on power, but not necessarily renewable power. UAMPS doesn't address funding needs and tax benefits are unclear.

Karen Wolfe described innovative technologies including intuitive lighting and fiber optic day-lighting applications. Wes Smith spoke about the location of Utah State's campuses and pointed out that the Vernal facility is working on oil shell extraction and a clean coal project is underway in Price. He suggested that Park City be the University's renewable energy hub as the group already has a small office at the Swaner Eco Center. Utah State is very interested in working in Park City and would like to use this area as a test bed facility.

Mark Thomas encouraged the City to support a new version of SB194 and to further study water resources for micro hydro. He also recommended pursuing a study for micro wind sites and working with USU to create a sustainable energy institute. Continued development of the parkcitygreen.org site and purchase of a single natural gas bus for a test period are additional suggestions.

Alex Butwinski commented on the quality of the presentation and the Mayor agreed. Mayor Williams spoke about accomplishing the intent of SB194 with taxable bonds, without the state. He suggested that this presentation be given to the Summit County Council of Governments and commented about government leading by example as the benefits are not always about the return. Municipal codes are being re-written to better accommodate these technologies and the community is very supportive of renewable energy efforts.

Cindy Matsumoto supported the idea of forming a partnership with Utah State. In response to a question from Ms. Matsumoto about converting to NGVs, Ms. Wolfe explained that caution is advised so that other biofuels and technologies are explored by Park City before committing to natural gas. However, Mr. Loftis emphasized that he feels natural gas is a very strong technology and there are many opportunities because of Utah's natural resources. Discussion ensued on fuel pricing. Mayor Williams felt it wise to explore micro hydro. Equivalent measurements in the data were explained as well as the performance of natural gas vehicles.

2. Review of regular meeting – Google Resolution – Scott Robinson described the application process for the competition, the March 26, 2010 deadline, and featuring the project on Facebook. Input has been favorable and community support is valuable. Michael Kovacs explained that Google is offering communities a high speed network which is about 100 times faster than broadband; Summit County has endorsed Park City's application. See regular meeting minutes.

Prepared by Janet M. Scott, City Recorder

**PARK CITY COUNCIL MEETING
SUMMIT COUNTY, UTAH
MARCH 18, 2010**

I ROLL CALL

Mayor Dana Williams called the regular meeting of the City Council to order at approximately 6 p.m. at the Marsac Municipal Building on Thursday, March 18, 2010. Members in attendance were Dana Williams, Alex Butwinski, Candace Erickson, Joe Kernan, Cindy Matsumoto, and Liza Simpson. Staff present was Tom Bakaly, City Manager and Tom Daley, Deputy City Attorney.

II COMMUNICATIONS AND DISCLOSURES FROM COUNCIL AND STAFF

None.

III WORK SESSION NOTES AND MINUTES OF MEETING OF FEBRUARY 25, 2010 AND MARCH 4, 2010

Alex Butwinski stated that he has already relayed a few clerical corrections to the City Recorder but referred to Mr. Weidenhamer's statement in the February 25, 2010 Work Session Notes regarding allocation of funding associated with the PSSM proposal. He requested that its accuracy be confirmed before publishing the minutes.

Joe Kernan, "I move we approve the minutes of the meetings of February 25, 2010, as corrected, and March 4, 2010". Cindy Matsumoto seconded. Motion unanimously carried.

IV PUBLIC INPUT (*Any matter of City business not scheduled on agenda*)

Main Street outdoor dining - Steve McComb, owner of Bistro 412 and Ciseros, described a plan to install temporary decks for outdoor dining at his Main Street establishments. He felt that Ciseros can not compete with other businesses without a deck and hoped that outdoor dining will help revitalize his businesses. The modular units will provide access for handicap patrons. He stated that he would like to operate from mid-May to mid-September and acknowledged that an encroachment agreement with the City is required.

Dana Williams indicated that he heard about these decks at the HMBA meeting, but understood that the Board was intending to present this idea as a Main Street project. If too many businesses are interested, street parking will be limited. Mr. McComb didn't believe this is an issue and answered a question from Liza Simpson about DABC compliance. Candace Erickson felt this is a great idea and believes outdoor dining will add a lot to the street. Mr. McComb believed the deck will be attractive and compatible with the building. Joe Kernan indicated that he would like to see more outdoor dining on

Main Street. Alex Butwinski emphasized that the HMBA Board was very interested in this concept but the plan was to approach the City in April.

Steve McComb indicated that he wants to get his *ducks in a row* before getting more restaurants on board. Two deck kits probably total as much as \$30,000. He described the dimensions of the deck and asked what he should do next. Tom Bakaly advised that he should work with Jon Weidenhamer and the HMBA and this will probably return to Council on April 15.

V CONSENT AGENDA *(Items that have previously been discussed or are perceived as routine and may be approved by one motion. Listed items do not imply a predisposition for approval and may be removed by motion and discussed and acted upon under “Additional Discussion – Agenda Items”)*

Joe Kernan, “I move we approve Consent Agenda Items 1, 2, 3 and 4”. Liza Simpson seconded. Motion unanimously carried,

1. Consideration of a Resolution supporting Google’s request for information for a community 1000 gigabit fiber network in Park City, Utah – See staff report.
2. Consideration of a professional service provider contract for the construction materials testing and visual inspection of the Ironhorse Transit Facility construction in a form approved by the City Attorneys Office with Consolidated Engineering Laboratories in an amount not to exceed \$55,263 – See staff report.
3. Consideration of grant of access, water service and sewer lateral easement across City property to benefit 2300 Meadows Drive in a form approved by the City Attorney -
4. Consideration of a Resolution authorizing the issuance and sale of up to \$9,000,000 aggregate principal amount of general obligation bonds of the City; fixing certain maximum terms for the Bonds; and providing for related matters – See staff report.

VI NEW BUSINESS *(New items with presentations and/or anticipated detailed discussions)*

Consideration of authorization to the Mayor to: 1) effectuate the dismissal of pending litigation between Park City Municipal Corporation and Iron Mountain Associates, LLC; 2) convey an open space easement on approximately 329 acres of open space; and 3) execute a restrictive covenant which limits activities on approximately 300 acres – Tom Daley explained that the initial 1998 proposal included 600 acres of open space which was confusing because recreational uses were permitted and the definition of open space was never clear. Through illustration of a map, Mr. Daley pointed out the open space parcels to be conveyed, reflecting *true open*

space with passive uses, consistent with other City open space property. He pointed out other uses on the balance of the 600 acres including ski runs and resort related support, totaling 436 acres. The settlement agreement provides the City with discretion on construction activity in the restrictive covenant area, limiting building height to 12 feet and size to 500 square feet or less. Each parcel in the 328 open space acreage will be successively conveyed in 2010, 2011 and 2012 but all will be held in escrow.

Mr. Daley spoke about the good working relationship with the new officers of IMA. John O'Connell of IMA described the mid-mountain trail connection plan. There will be access during construction and the project will be an improvement to the overall system.

Liza Simpson, "I move we authorize the Mayor to effectuate the dismissal of pending litigation between Park City Municipal Corporation and Iron Mountain Associates, LLC; convey an open space easement on approximately 329 acres of open space; and execute a restrictive covenant which limits activities on approximately 300 acres". Cindy Matsumoto seconded. Motion unanimously carried.

VII ADDITIONAL DISCUSSION – AGENDA ITEMS

VIII 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 4 p.m. Members in attendance were Mayor Dana Williams, Alex Butwinski, Candace Erickson, Joe Kernan, Cindy Matsumoto, and Liza Simpson. Staff present was Tom Bakaly, City Manager and Tom Daley, Deputy City Attorney. Alex Butwinski, "I move to close the meeting to discuss personnel". Joe Kernan seconded. Motion carried unanimously. The meeting opened at approximately 4:30 p.m. Alex Butwinski, "I move to open the meeting". Joe Kernan 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 news media two days prior to the meeting.

Prepared by Janet M. Scott, City Recorder

