

**MINUTES OF THE SPECIALTOWN COUNCIL MEETING
TOWN OF EAGLE MOUNTAIN, UTAH
Eagle Mountain Community Center
1668 E. Heritage Dr
Eagle Mountain, UT 84043
August 29, 2000**

POLICY SESSION 6:00 p.m.

Mayor Paul Bond called the meeting to order at 6:00 p.m.

1. **Roll Call:**

Council Members present: Mayor Paul Bond, Dave Albrecht, Bert Ankrom, Greg Kehl and Brigham Morgan.

Town Staff:

Town Administrator: John Newman
Town Attorney: Jerry Kinghorn
Town Engineer: Korey Walker
Town Recorder: Janet Valentine
Deputy Town Clerk: Fionnuala Kofoed
Deputy Sheriff: Jo Murphy

Others present: Jody Hooley, resident; Russ Rosander & Nick Berg, Eagle Mountain Properties, (EMP); Josh Elledge, resident; Rob Nielson, resident.

2. **Pledge of Allegiance:**

Mayor Paul Bond led the town in the Pledge of Allegiance.

3. **Consideration for Adoption of a Resolution of The Town of Eagle Mountain, Utah County, Utah Authorizing the Issuance of Electrical Revenue Bonds:**

Town Attorney Gerry Kinghorn stated that this Resolution was part of the interim purchase package for equipment needed for electrical generation and the electrical line transmission project. The intent was to order some of the equipment early to avoid any delays when the project got under way. The Revenue Bond Anticipation Note would eventually be paid off when the Gas and Electric Revenue Bonds were issued. It was an interim funding where the Town would be borrowing \$574,174 from First National Bank. The funds would be used to pay for the transmission line design and to acquire a right of way.

Financial consultant Laura Lewis explained the loan procedure to the Councilors. The interest rate would be fixed at 9 1/2% and the bank would assess a \$10,000 fee for the loan. The note would be due December 28, 2000. It was anticipated that all of this debt in addition to the outstanding revenue bonds, would be taken out with the long-term take out financing of the revenue bonds. The long-term financing was due to be completed by late October or early November.

Discussion ensued.

MOTION *Greg Kehl moved to adopt Resolution #18-00, a Resolution of the Town Council of the Town of Eagle Mountain, Utah County, Utah (the "Issuer") Authorizing the Issuance by the Issuer of its Subordinated Electric Revenue Bond Anticipation Notes, Series 2000 (the Notes) in Anticipation of the Issuance by the Issuer of Gas and Electric Revenue Bonds; Prescribing the Form of Notes; Providing for the Manner of Execution and Delivery of the Notes; Approving the Form and*

Authorizing the Execution of a Note Purchase Contract; Providing how the Proceeds of the Notes will be used and how Payment of the Notes will be made; Authorizing the Taking of all other Actions Necessary to the Consummation of the Transactions Contemplated by this Resolution; and Related Matters for the amount of \$574,172. Dave Albrecht seconded the motion. Ayes: 5, Nays: 0. Motion passed.

4. **Consideration for Adoption of a Resolution of the Town of Eagle Mountain, Utah County, Utah Authorizing the Execution and Delivery of an Equipment Lease Purchase Agreement:**

Gerry Kinghorn discussed the Equipment Lease Purchase Agreement. Financing was underway and closing was scheduled for August 31, 2000, however, the equipment vendors had yet to be selected. The bank would lease the equipment to the Town with the option to purchase with no prepayment penalties or a lease cost. It was the Town's intention to purchase the equipment when permanent financing was established.

Korey Walker commented on the Interim Funding Budget (see attachment) stating that the Public Works Board recommended the purchase of one 1100 kV Generation Unit. The Ranches had already contributed approximately \$530,000 for permanent generation fulfilling their requirement. The difference between the actual costs of the 1100 kV unit was \$162,010. The Control Instrumentation was the cost for updating the existing control system to accommodate the new unit. The 138 kV Line Equipment represented the primary long lead time items that would be needed to complete the project prior to the Town's peak in electricity next summer.

Brigham Morgan asked if the new generators would cause an air quality problem. John Newman stated that it was unknown whether the unit would exceed the air quality. However, an additional unit would be needed, possibly a third, in the near future and the air quality would need to be amended. Mr. Newman added that the power was needed now and this was the most cost effective way to do it.

Greg Kehl stated that the Public works Board had looked at all options and this appeared to be the best solution.

Discussion ensued regarding Capital Facilities payments. Mayor Bond requested that Town Treasurer Stephan Gabrielson provide the Town Council with an update in Capital Facilities payments the following day.

MOTION *Dave Albrecht moved to adopt Resolution #19-00 a Resolution of the Town of Eagle Mountain, Utah County, Utah Authorizing the Execution and Delivery of an Equipment Lease Purchase Agreement with First National Bank for the Purpose of Financing the Acquisition of one Electric Generator and Transformers: and other Related Equipment in the amount of \$1,393,604. Greg Kehl seconded the motion. Ayes: 5, Nays: 0. Motion passed.*

5. **Consideration for Adoption of a Resolution Authorizing the Issuance and Sale of not more than \$7,500,000 Aggregate Principal Amount of Telecommunications Revenue Bonds, Series 2000, of the Town of Eagle Mountain, Utah, Utah County:**

Gerry Kinghorn commented that on August 15, 2000 the Council had approved a similar resolution for the sale of Revenue Bonds totaling \$6,000,000. Based on changes in the Construction Budget it was necessary to adopt a new Resolution as a substitute to the previously approved Resolution for the sale of not more than \$7,500,000 in Revenue Bonds. The Revenue Bonds would be used to pay off existing RBANS and cover construction costs. Repairs to existing lines and expansion of the telecommunications system to accommodate growth would also be covered. Mr. Kinghorn stated that the only differences to this resolution were the date, the dollar amount and the people present. The previous Resolution would eventually expire; however, if the Council believed it was necessary they could have it repealed at a later date.

Discussion ensued.

MOTION *Brigham Morgan moved to adopt Resolution #20-00, a Resolution Authorizing the Issuance and Sale of not more than \$7,500,000 Aggregate Principal Amount of Telecommunications Revenue Bonds, Series 2000, of the Town of Eagle Mountain, Utah county, Utah; Fixing the Maximum Aggregate Principal Amount of the Bonds, The Maximum Number of Years Over Which the Bonds May Mature, The Maximum Interest Rate Which the Bonds May Bear, and the Maximum Discount From Par at Which the Bonds May be Sold; Providing for the Publication of a Notice of Bonds to be Issued; Providing for the Running of a Contest Period; and Related Matters. Bert Ankrom seconded the motion. Ayes: 5, Nays: 0. Motion passed.*

6. Authorize Engineering on the Electrical Transmission Project:

Korey Walker discussed the procurement of long lead time materials/equipment for Utah Power interconnection. Mr. Walker requested authorization for Intermountain Consumer Professional Engineers, Inc. (ICEP) to proceed with creating the specifications and going out and receiving proposals for the identified items that were needed for the project. Also to allow ICEP to proceed with their negotiations in performing the engineering for the remainder of the transmission line design.

Discussion ensued

MOTION *Bert Ankrom moved to authorize the Staff to give Intermountain Consumer Professional Engineers Inc. the additional information needed to proceed with the design of the 138 kV Transmission Line. Also to authorize the issuance of a task order for \$12,500 for the long lead time items. Brigham Morgan seconded the motion. Ayes: 5, Nays: 0. Motion passed.*

7. Authorize Purchase of Electric Generation:

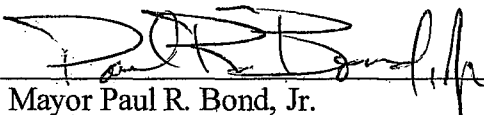
Korey Walker discussed the request for authorization for the purchase of an 1100 kV electric generation unit. The total approximate cost for the unit was \$650,000. Because of the fast pace of the item a proposal had been received from Simpover to use a generation unit. Negotiations were ongoing.

Discussion ensued.

MOTION *Brigham Morgan moved to authorize the Mayor to suggest vendors to the Bank as recommended by the Public Work Board. Greg Kehl seconded the motion. Ayes: 5, Nays: 0. Motion passed.*

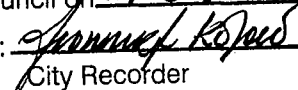
8. Adjournment:

MOTION *Greg Kehl moved to adjourn the meeting @ 7:20 p.m.*

APPROVAL: 
Mayor Paul R. Bond, Jr.

DATE: 12-13-00

This certifies that the minutes of Aug, 29 2000 are a true, full and correct copy as approved by the City Council on 9-5-00

Signed:  - Secretary³
City Recorder