

Midway City Council
18 August 2020
Regular Meeting

Resolution 2020-27 /
Statement of Intent



RESOLUTION 2020-27

A RESOLUTION ADOPTING A STATEMENT OF INTENT REGARDING THE PROPOSED USE OF TRANSMISSION LINE BURIAL BOND PROCEEDS, AND RELATED MATTERS.

WHEREAS, the City Council (the “Council”) of Midway City, Utah (the “City”) finds it desirable and in the best interest of the City to call an election to issue bonds for the sole purpose of burying an electrical transmission line (the “Line”) and all related improvements proposed by Rocky Mountain Power and Heber Light & Power to pass through Midway City; and

WHEREAS, the City finds that giving the citizens of the City the opportunity to vote for a bond to finance the Project is important because if the initially proposed Line is built above ground it will include metal and wood poles of up to 80 feet in height and some poles up to 6 feet in diameter in a location that crosses over the southern entrance into the City, effecting the view corridor and rural feel of the City; and

WHEREAS, given the long-term impact the Line will have on City and its citizens, the City Council feels it is in the best interests of the City to allow its citizens to vote as to whether they want to authorize the Project (the burying of the Line) through a bond; and

WHEREAS, the City Council believes that it is important to inform the citizens of Midway of the history and reasons why the bond is being put on the ballot, and also the limitations the City is placing on the bond funds with regard to burying the line; and

WHEREAS, the City Council believes that additional information may be helpful to the public and to potential voters regarding the intent of the City with respect to the transmission line burial funds that may be forthcoming depending upon the outcome of the vote.

NOW THEREFORE, the City Council has determined that there is an important public interest in providing the statement of intent contained herein and the Council of the City of Midway, Wasatch County, Utah, hereby adopts, passes and publishes the following:

BE IT RESOLVED, by the City Council of Midway City, Wasatch County, State of Utah:

STATEMENT OF INTENT

WE THE CITY COUNCIL DO HEREBY DECLARE THE FOLLOWING AS OUR INTENT REGARDING THE TRANSMISSION LINE BURIAL BOND:

- 1) In December of 2019 the Council contemplated a per electric meter charge of \$10 / month and requested a professionally conducted randomized poll asking if respondents would support such a cost. The poll indicated that over 70% of respondents were in support of the idea. At the time Midway proposed that Heber Light & Power fund the burial costs as part of the general bond for the entire transmission line, and to recover the burial costs from utility charges to Midway utility users. The HLP Board did not approve the proposal.*
- 2) In December of 2019, in order to reduce costs to the City and to get Council support to bury the line, the Council approved a proposal that would require a local group of residents affected by the line to make private contributions of \$1.5M. This amount reduced the then estimated cost to residents down to about \$7/month, which is 30% less than the polled amount.*
- 3) In the spring of 2020 Midway received three bids from RMP to bury the line. The bids ranged from \$12 million to \$24 million, which was almost double what the initial estimates provided to the City said the burial would cost.*
- 4) While responding to an appeal by RMP to the Utah Facilities Review Board, Midway raised questions regarding the legitimacy of the bids. Midway City appealed the decision of the Utah Facility Review Board to the Utah Appellate Court and obtained a stay of the decision pending appeal.*
- 5) Obtaining the stay delays the commencement of the project for at least a year, which gives Midway the opportunity to propose a bond in the general election to pay to bury the line, which was not possible until the stay was obtained.*
- 6) In proposing the bond the Council is determined that it and its residents' exposure to the costs of burial be limited to the proposed bond amount, and commits to its citizens that it will not spend more than the bond amount to bury the line, even if that results in allowing the transmission line to be installed overhead.*
- 7) According to the bond underwriter, ZIONS Bank, a \$4M bond equates to roughly an estimated \$5/month for the average \$420k market value primary residence, a 50% improvement on the*

original cost estimate of \$10/month for the average household, and an even larger improvement for households of lesser market value.

- 8) *If a bond is placed on the ballot, the Council intends that under no circumstance will the City and its residents pay more than the proposed \$4M bond amount for anything related to transmission line burial.*
- 9) *Therefore, if the line burial is to proceed, the difference between the bond and the actual cost to bury the line, which is currently estimated at between \$2 and \$3 million dollars, must be made up by other sources (i.e. value engineering the project; obtaining easements at no cost from affected property owners; private cash contributions, etc.)*
- 10) *The citizens group VOLT has donated money to aid the City in the costs of the appeal before the Appellate Court and has expressed a willingness to contribute private funds. In naming VOLT in the CUP it was not intended to mean only VOLT could or should contribute, and any interested parties are encouraged to donate.*
- 11) *The Council does not control any utilities but does not seek funding through a utility rate increase on Midway citizens. The \$4M amount is intended to be the limit of Midway citizen contribution.*
- 12) *The proposed transmission line will affect the southern entrance into the City, and the City specifically finds that the purpose of burying the line would be defeated if the “dip poles” are placed next to HWY 113. Burial of the line will not proceed unless the dip poles can be moved away from HWY 113 (which is currently proposed at or near the fish hatchery).*

PASSED AND ADOPTED by the Midway City Council on the day of 2020.

MIDWAY CITY

Celeste Johnson, Mayor

ATTEST:

Brad Wilson, Recorder

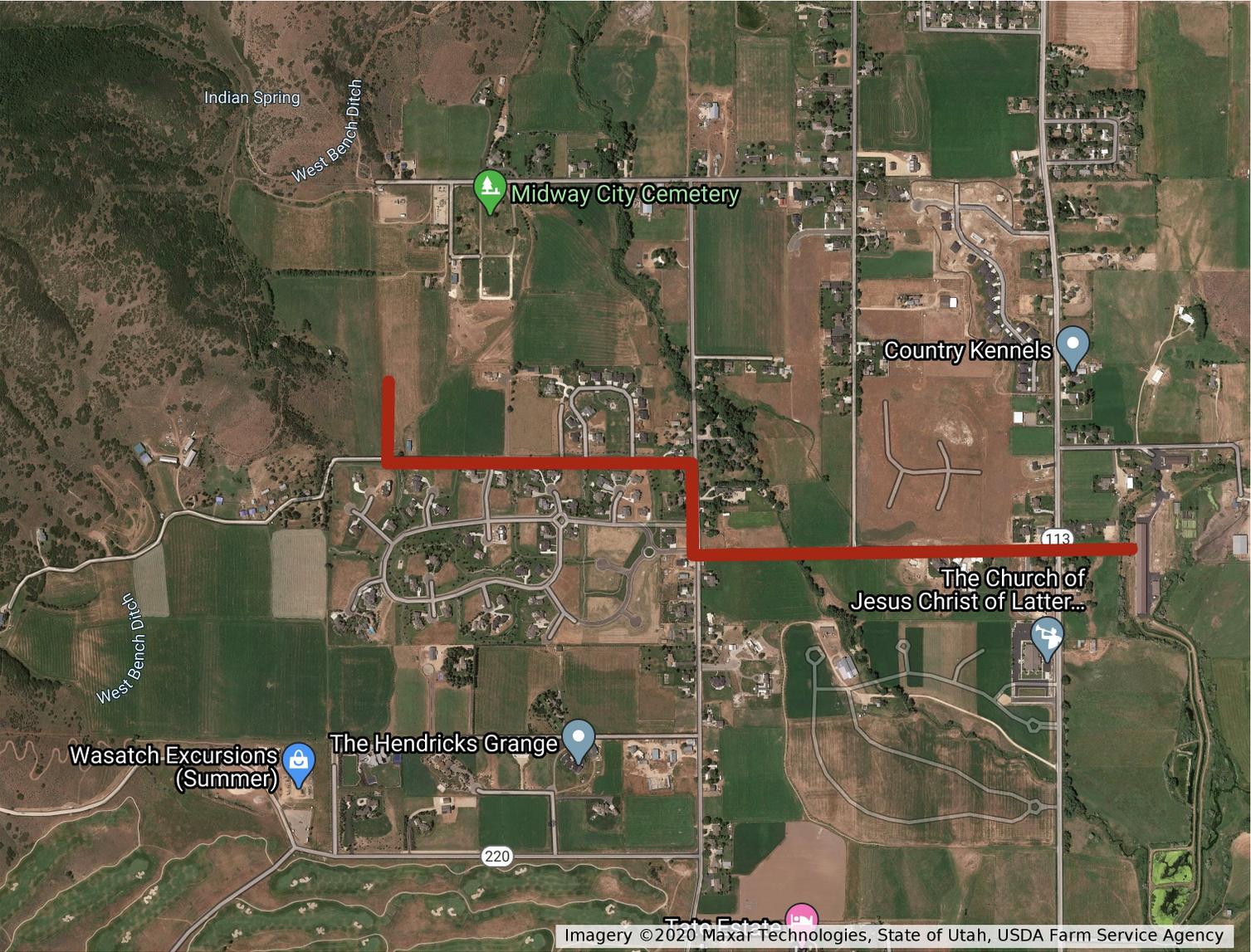
(SEAL)

DRAFT

Route A

Route A

Line 1



Alternate Route B

Line Layer

 Alternate Route B

