

Midway City Council
19 May 2020
Regular Meeting

970 South Transmission Line /
Burial

MOTION TO APPROVE LENGTH OF LINE TO BE BURIED

I move to approve burying the 138 kv transmission line through Midway City, in accordance with the terms contained in the Conditional Use Permit, and in the length and cost as follows:

PICK ONE:

1. SHORT OPTION: bury the line within the boundaries of Midway City at an estimated cost of \$12,646,665.
2. MEDIUM OPTION: bury the line from the fish hatchery to the western boundary of Midway City for an estimated cost of \$12,905,369.
3. LONG OPTION: bury the line from the fish hatchery to the Heber Light & Power substation at an estimated cost of \$14,773,386.

I direct the Midway City Attorney and the Mayor to enter into an agreement to pay the “excess costs” in full to Rocky Mountain Power and Heber Light & Power within 120 days of approval of this motion. I also move that in accordance with the true up provision in the Conditional Use Permit, Rocky Mountain Power be made to refund back to Midway City any and all monies not used to bury the line.

OR

MOTION TO PROCEED ABOVE GROUND

I make the following findings:

1. Midway City participated in a hearing before the Utility Facility Review Board wherein it challenged the submitted bids to bury the lines as having erroneous specifications that increased the bids by some 3 to 5 million dollars.
2. Even though the evidence was clear that mistakes were made in the bids the Utility Facility Review Board chose to ignore the evidence and accept the bids submitted by Rocky Mountain Power as valid.
3. Midway City could appeal the ruling of the Utility Facility Review Board but chooses not to do so because even assuming Midway City won on appeal, the best case scenario would be a delta between the above ground costs and the costs to bury at almost 5 million dollars, which Midway City does not have available without bonding.
4. Statutorily Midway City is required to enter into an agreement to pay the entirety of the “excess costs” to bury the line within 20 days of the Utility Facility Review Board issuing its decision.
5. It cannot do so because there is no guarantee that a bond could be passed in the fall to cover the amounts needed to bury the line.
6. Midway City is very frustrated with Rocky Mountain Power and how it has dealt with Midway City – refusing to allow it time to pass a bond to bury the line when it was aware that 70% of its citizens expressed support to do so.

7. Midway City demonstrated that there was no immediate need for the line to be installed by the end of 2020, and that it is physically impossible to complete it before the spring of 2021, which would allow the City time to pass a bond.
8. This fell on deaf ears before the Utility Facility Review Board who issued an order that requires the City to choose the length of the line it wants buried within 15 days of issuing its decision, and imposes upon Midway City the bids submitted by Rocky Mountain Power as the cost basis to bury, even though the bids are clearly erroneous and inflated.
9. During the conditional use permit process Midway City was led to believe that the cost to bury would be approximately 5 to 6 million dollars. This assumption has been shown to be too low, with even Midway City's own expert estimating it will cost \$8.1 million to bury the line.
10. With above ground costs established at 1.8 million, and \$700,000 available from VOLT, the remainder to bury, even in the best case scenario, is still \$5,600,000, which is more than the \$3,500,000 Midway City originally hoped it could pay to bury the line.
11. The Conditional Use Permit was premised on Heber Light & Power loaning Midway City the money needed to pay to bury the line, and VOLT raising \$1.5 million dollars. Neither occurred. Heber Light & Power did not approve the loan leaving Midway City with the only option to bury being to pass a general obligation bond in the fall of 2020, and while VOLT worked extremely hard, it was only able to raise \$700,000.
12. Midway City requested that the Utility Facility Review Board grant it time to pass the bond, demonstrating that the line could not be finished by the end of 2020 anyway, and that there was not a significant risk of power outage should the line be delayed for a period of seven or eight months. The Utility Facility Review Board rejected the request and imposed a time frame of 120 days to pay the entirety of the "excess costs" to Rocky Mountain Power, which does not give Midway City the time to pass a bond.
13. Midway City Council feels as though it has done everything within its power to get the line buried. Midway City does not see the wisdom in seeking an appeal given the fact that it does not have the money necessary to bury the line even if it prevails on the appeal.
14. Midway City officials want to express gratitude to all of the citizens who have spent countless hours working to bury the line.

Given the foregoing findings, I move that we do not proceed to explore options to bury the line through Midway City, due to the fact that even the lowest bid came in at \$12,646,665, which is beyond Midway City's capacity to pay within the 120 day timeframe granted by the Utility Facility Review Board. I move that the transmission line be installed above ground in accordance with all requirements set forth in the Conditional Use Permit.