

CITY OF DELTA, UTAH
REGULAR CITY COUNCIL MEETING
MAY 6, 2010

PRESENT

Gayle Bunker	Mayor
Robert Banks	Council Member
Bruce Curtis	Council Member
John Niles	Council Member
Tom Stephenson	Council Member

ABSENT

Betty Jo Western	Council Member
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ALSO PRESENT

Kaela Jackson	City Attorney
Alan Riding	Public Works Director
Gregory Jay Schafer	City Recorder
Dave Detton	Magnum Energy, LLC
Loretta Gale	Infobytes, Inc.
Ron Barlow	Dist. 68 Representative Candidate

Mayor Bunker called the meeting to order at 7:00 p.m. He stated that notice of the meeting time, place and agenda had been posted at the City Building and on the Utah Public Notice website, provided to the Millard County Chronicle/Progress, and provided to each member of the City Council at least two days prior to the meeting. City Recorder Gregory Schafer acted as secretary.

Council Member Bruce Curtis provided opening remarks, following which Mayor Bunker led those in attendance in the Pledge of Allegiance.

MINUTES

The proposed minutes of a Regular City Council Meeting held April 15, 2010 were presented for consideration and approval. Following review, Council Member Robert Banks MOVED to approve the minutes of the Regular City Council Meeting held April 15, 2010, as presented. The motion was SECONDED by Council Member Bruce Curtis. Mayor Bunker asked if there were any comments or questions regarding the motion. There being none, he called for a vote. The motion passed unanimously.

ACCOUNTS PAYABLE

The Council reviewed the accounts payable, a copy of which had been given to them two days prior to the meeting. Following review, Council Member Bruce Curtis MOVED to approve the accounts payable dated May 6, 2010, in the amount of \$36,901.60. The motion was SECONDED by Council Member Tom Stephenson. Mayor Bunker asked if there were any comments or questions regarding the motion. There being none, he called for a vote. The motion passed unanimously.

PUBLIC COMMENT PERIOD

Ron Barlow, candidate for Utah House of Representatives District 68, advised Council Members that he is attending the meeting to learn first hand the needs and concerns of Delta City. Council Members thanked Mr. Barlow for attending the meeting.

UNFINISHED BUSINESS

None

NEW BUSINESS

DAVE DETTON, MAGNUM ENERGY, LLC: UPDATE ON PROGRESS OF SALT MINING PROJECT

Dave Detton advised Council Members that Magnum Energy is currently in the process of permitting and developing a natural gas storage project in Millard County. The main storage site will be immediately south of the Intermountain Power Project, at the intersection of Jones Road and Brushwellman Road. The project will be connected, by an approximately sixty-two mile pipeline, to the existing Kern River and Questar interstate pipeline at Goshen, Utah. Council Members were provided with copies of a presentation previously given to the Millard County Planning Commission.

Mr. Detton reported that an initial test well has been completed so the salt structure and water tests can be evaluated. That well is being converted to a water production well and Magnum is proposing drilling four additional ground water wells. They also propose to provide three evaporation ponds, and four natural gas storage caverns. The caverns will be created in the salt structure, with the top of the cavern approximately four thousand feet below the surface. The caverns would be about three hundred feet in diameter and about twelve hundred feet tall. It takes approximately one and one-half to two years to create a cavern by the solution mining process and it is hoped that permits will be issued so mining can begin later this year. Mr. Detton explained the proposed facility and the solution mining process for Council Members.

Solution mining has been used to create caverns to extract salt for over a century and has been used for storage of liquid hydrocarbons for about seventy years. Natural gas has been stored in caverns

for approximately forty years. There are numerous salt cavern storage facilities in the United States, most of which are located near the Gulf Coast.

Mr. Detton noted that Delta City has agreed to allow Magnum to use surplus water from our system, on a temporary basis, for salt cavern mining. Mr. Detton advised Council Members that Magnum Energy would like to make an additional payment on the annual rental of the water in the amount of \$68,000, which would extend their option period to January, 2011. The payment of \$68,000, in addition to the \$25,000 previously paid, would make a total of \$93,000 for use of the water this year. Next year the amount would increase to approximately \$186,000. Mr. Detton provided documents for Council Member review and discussion and requested they make a decision in the near future regarding allowing Magnum Energy to increase the amount of water used from 1800 acre feet to 1871 acre feet. Mr. Detton invited Council Members to attend an open house being held at the Intermountain Power Service Corp. Community Center on May 12th at approximately 2:00 p.m. The open house will include members of the SITLA Board.

Mayor Bunker thanked Mr. Detton for his information and advised him the Council will make a decision at the next City Council meeting.

LORETTA GALE, INFOBYTES, INC: STARGOV WEB SITE PRESENTATION

Loretta Gale provided a proposal to design and develop a website for Delta City. The website can be set up to be managed in what ever manner is desired by the city. Infobytes, Inc. hosts the website for Utah Local Governments Trust, the Larry H. Miller Group, and a number of cities and towns in Utah. The initial set up fee would be \$2,221, with a monthly maintenance fee of \$102, based on Delta's population. Pricing will be re-evaluated on an annual basis and may fluctuate up or down, based on population changes and usage.

Following discussion, Council Member Bruce Curtis MOVED to approve expenditure of \$2,221 for set up fee and \$102 monthly maintenance fee to have Infobytes, Inc. design and develop the Delta City website. The motion was SECONDED by Council Member John Niles. Mayor Bunker asked if there were any comments or questions regarding the motion. There being none, he called for a vote. The motion passed with Council Members Robert Banks, Bruce Curtis, John Niles and Tom Stephenson voting in favor and Council Member Betty Jo Western being absent.

MAYOR GAYLE BUNKER: DELTA CITY TENTATIVE BUDGET FOR FISCAL YEAR 2010-2011

Council Members reviewed the tentative budget for the fiscal year beginning July 1, 2010, in the amount of \$4,449,065. City Recorder Gregory Schafer noted that the budget for the coming year is \$50,913 more than the budget for the current year. However, if you factor out the water purchase approved at the previous City Council meeting, the budget is \$189,087 less than the current year. The sales tax forecast has been reduced for the coming year. Mayor Bunker noted that the cost of health

insurance is increasing by 15% next year, which increases the budget by approximately \$34,000 over last year.

Following discussion, Council Member John Niles MOVED to approve the Delta City Tentative Budget for Fiscal Year 2010-2011 in the amount of \$4,449,065. The motion was SECONDED by Council Member Robert Banks. Mayor Bunker asked if there were any comments or questions regarding the motion. There being none, he called for a vote. The motion passed with Council Members Robert Banks, Bruce Curtis, John Niles, and Tom Stephenson voting in favor and Council Member Betty Jo Western being absent.

MAYOR GAYLE BUNKER: DELTA CITY AMENDED BUDGET FOR FISCAL YEAR 2009-2010

Mayor Bunker suggested that the public hearing to receive public comment regarding the Delta City Amended Budget for Fiscal Year 2009-2010 be set on May 20th.

Council Member Robert Banks MOVED to schedule a public hearing on May 20, 2010, at 6:45 p.m., for the purpose of receiving public comment regarding the proposed Delta City Amended Budget for Fiscal Year 2009-2010. The motion was SECONDED by Council Member Bruce Curtis. Mayor Bunker asked if there were any comments or questions regarding the motion. There being none, he called for a vote. The motion passed with Council Members Robert Banks, Bruce Curtis, John Niles, and Tom Stephenson voting in favor and Council Member Betty Jo Western being absent.

MAYOR GAYLE BUNKER: WORK SESSION FOR DELTA CITY BUDGET FOR FISCAL YEAR 2010-2011

Council Members discussed a schedule for a budget work session on the Delta City Budget for Fiscal Year 2010-2011.

Following discussion, Council Member John Niles MOVED to hold a budget work session at 3:00 p.m. on Wednesday, May 26, 2010. The motion was SECONDED by Council Member Robert Banks. Mayor Bunker asked if there were any comments or questions regarding the motion. There being none, he called for a vote. The motion passed with Council Members Robert Banks, Bruce Curtis, John Niles, and Tom Stephenson voting in favor and Council Member Betty Jo Western being absent.

MAYOR GAYLE BUNKER: DELTA CITY FINAL BUDGET FOR FISCAL YEAR 2010-2011

Mayor Bunker suggested that a public hearing be set at 6:30 p.m. on Thursday, June 3, 2010 to receive public comment regarding the Delta City Final Budget for Fiscal Year 2010-2011. Council Member Robert Banks MOVED to schedule a public hearing on Thursday, June 3, 2010, at 6:30

p.m., for the purpose of receiving public comment regarding the proposed Delta City Final Budget for Fiscal Year 2010-2011. The motion was SECONDED by Council Member Bruce Curtis. Mayor Bunker asked if there were any comments or questions regarding the motion. There being none, he called for a vote. The motion passed with Council Members Robert Banks, Bruce Curtis, John Niles, and Tom Stephenson voting in favor and Council Member Betty Jo Western being absent.

MAYOR GAYLE BUNKER: MILLARD COUNTY LAW ENFORCEMENT CONTRACT

Mayor Bunker advised Council Members that he and Council Member Bruce Curtis had met with Millard County Commissioner Daron Smith and County Attorney Richard Waddingham to discuss the Law Enforcement Services Agreement with Millard County for the year beginning July 1, 2010. We have paid \$186,018 for law enforcement services during the current fiscal year. It was agreed that the cost of law enforcement services for the coming year, beginning July 1, 2010, will be the same as for the previous fiscal year.

Mayor Bunker distributed the following Resolution:

RESOLUTION 10-331

A RESOLUTION ADOPTING AN INTERLOCAL COOPERATION ACT AGREEMENT BETWEEN DELTA CITY, A MUNICIPAL CORPORATION AND POLITICAL SUBDIVISION OF THE STATE OF UTAH, AND MILLARD COUNTY, A BODY CORPORATE AND POLITIC OF THE STATE OF UTAH, PROVIDING FOR THE MILLARD COUNTY SHERIFF'S OFFICE TO FURNISH LAW ENFORCEMENT SERVICES FOR THE INCORPORATED AREAS OF DELTA CITY

Following discussion, Council Member Bruce Curtis MOVED to adopt Resolution No. 10-331, a resolution adopting an interlocal cooperation act agreement between Delta City, a municipal corporation and political subdivision of the State of Utah, and Millard County, a body corporate and politic of the State of Utah, providing for the Millard County Sheriff's Office to furnish law enforcement services for the incorporated areas of Delta City, with a correction on page 3, paragraph 5.3 of the Law Enforcement Services Agreement changing the \$14,229.60 amount to \$13,989.36 for lease of office space in the Delta City Building. The motion was SECONDED by Council Member Tom Stephenson. Mayor Bunker asked if there were any comments or questions regarding the motion. There being none, he called for a roll call vote. The vote was as follows:

Robert Banks	Yes
Bruce Curtis	Yes
John Niles	Yes
Tom Stephenson	Yes
Betty Jo Western	Absent

The motion passed.

PUBLIC WORKS DIRECTOR ALAN RIDING: UPDATE ON PUBLIC WORKS PROJECTS

Public Works Director Alan Riding reported that employees continue working on the airport fence project. City clean up is scheduled for Friday, May 7th and Saturday, May 8th.

Public Works Director Riding suggested that we should be watching for trip hazards on city sidewalks. Precision Concrete Cutters has presented a proposal to work on eliminating trip hazards until the amount of funds allocated has been expended. The Public Works Department has the equipment to correct trip hazards, but they lack adequate manpower. Our liability insurance requires that we establish an ongoing policy for eradicating trip hazards on city sidewalks. Hiring Precision Concrete Cutters to repair trip hazards will provide proper documentation of the work being done so that it will be available in the event a claim is received from someone tripping and falling on a sidewalk. Public Works Director Riding noted that Council Members should include an allocation for correcting sidewalk trip hazards in the budget for the coming fiscal year.

Public Works Director Riding has been asked to find projects for a group of individuals who would like to give back to the community by assisting with such things as graffiti removal, cleaning up the park restrooms, cleaning roadways, or whatever areas they could assist in. The group will take care of organizing the work if we will give them guidance as to the project to be done and what is required to complete the project. Public Works Director Riding would like to provide the group with fluorescent green safety vests to be used when doing projects and he would like to have the vests lettered with "Delta Volunteers" to designate their volunteer status rather than being employees. The vests will provide a measure of safety as well as letting the public know the people are volunteers providing a service to benefit the city. Council Members were in agreement with providing safety vests for the volunteers.

Mayor Bunker reported that Council Member Western had asked him to inquire about a property on the east end of town which has an old mobile home that some people want to have burned and the lot cleaned. Public Works Director Riding indicated that he had issued a notice of nuisance on the property but has not received a request from property owner to assist with clean up. The property owner has been doing some work on cleaning the property.

OTHER BUSINESS

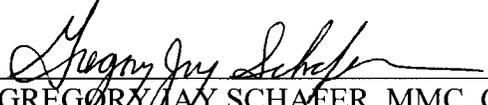
Council Member Bruce Curtis noted that work has begun on preparations for applying stucco to the outside of the fire station in Delta.

Mayor Bunker reported that he had talked to the Lieutenant Governor about coming to Delta for the Fourth of July celebration. However, the Lieutenant Governor indicated that he will be going wherever the Governor instructs.

Mayor Bunker asked if there were any comments questions, or other items to be discussed. There being none, Council Member John Niles MOVED to adjourn the meeting. The motion was SECONDED by Council Member Bruce Curtis. Mayor Bunker asked if there were any comments or questions regarding the motion. There being none, he called for a vote. The motion passed unanimously.

Mayor Bunker declared the meeting adjourned at 8:34 p.m.


GAYLE BUNKER, Mayor


GREGORY JAY SCHAFFER, MMC, City Recorder

MINUTES APPROVED: RCCM 05-20-10