

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13

**MINUTES OF THE REGULAR MEETING OF THE  
THE BOUNTIFUL CITY POWER COMMISSION  
October 26, 2021 - 8:00 a.m.**

14  
15  
16  
17

**Those in Attendance**

18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38

**Power Commission**

Paul Summers, Acting Chairman  
Susan Becker  
Dan Bell  
Richard Higginson, City Council Rep.  
David Irvine

**Power Department**

Allen Johnson, Director  
Jay Christensen  
Alan Farnes  
David Farnes  
Jess Pearce  
Luke Veigel

**Excused**

Jed Pitcher, Chairman  
John Marc Knight

**Recording Secretary**

Nancy Lawrence

39  
40  
41  
42  
43  
44  
45

**WELCOME**

Acting Chairman Summers called the meeting to order at 8:00 a.m. and welcomed those in attendance. Commissioner Bell offered the invocation.

**MINUTES – SEPTEMBER 28, 2021**

Minutes of the regular meeting of the Bountiful Power Commission held September 28, 2021, were presented, and unanimously approved as written on a motion made by Councilman Higginson and seconded by Commissioner Bell. Commissioners Becker, Bell, Irvine, and Summers, and Councilman Higginson voted “aye.”

*Note: The sequence of items on the Agenda was adjusted.*

**COVID UPDATE**

Mr. Pearce reported that we have not had any new cases of Covid. The greatest concern related to Covid is the supply chain. He gave as an example that if we were to order pad mount transformers, they are not available for over a year, and in many cases, new orders are not being accepted. This problem is the result of a shortage of materials and help. Mr. Johnson said that we are in the process of ordering 90 transformers, but we do not know what the prices will be. In the past, pole orders could be received within two weeks; poles are now taking months for delivery.

**ECHO THRUST BEARING MODIFICATION**

Alan Farnes reported that since the Echo turbine wheels were replaced last winter, they are all running just at or just below the high temperature alarm point. Efforts to correct this problem have not been successful. After further study, we found that Logan City had a similar problem with their Renk thrust bearings and they hired Integrated Power Services to remanufacture the bearings for one of their turbines using a new polymer material that can operate at a higher temperature. This was a very successful move on the part of Logan.

1 It is the recommendation of staff that BCL&P approve a quote from  
2 Integrated Power Services to remanufacture three thrust bearings for the three Echo  
3 turbines for \$261,868.00. The work can be completed in 6 – 8 weeks and will bear a  
4 24-month warranty on materials and workmanship. Commissioner Becker asked if  
5 we had worked with Integrated Power Services before and Mr. Farnes, said “no,” but  
6 Logan had a very good experience with this company.

7  
8 Commissioner Becker then made a motion to recommend to the City Council that  
9 approval be given to the quote from Integrated Power Services in the amount of \$261,868  
10 for remanufacture of the three thrust bearings for the Echo turbines. Councilman Higginson  
11 seconded the motion and voting was unanimous with Commissioners Becker, Bell, Irvine,  
12 Summers, and Councilman Higginson voting “aye.”

13  
14 **BUDGET REPORT – YEAR-TO-DATE 2-MONTH PERIOD ENDNG AUGUST 31,**  
15 **2021**

16 Mr. Christensen presented the Budget Report for the Fiscal Year-to-date (YTD) 2-  
17 Month period ended 31 August 2021, noting that it is final. He reviewed the process which  
18 is used to determine the \$600,000 estimate for Electric Metered Sales and noted that it is  
19 conservative. He also explained that there is a time delay of two months for each budget  
20 report due to EMS revenues and UAMPS power costs are not available until the 21<sup>st</sup> and 25<sup>th</sup>  
21 of the following month, respectively, thus missing a Power Commission meeting.

22  
23 BCLP has \$677,362 of costs identified for the 08 September 2020 high wind event.  
24 At fiscal year-end 2021, a preliminary \$500,402 was recorded in Accounts Receivable –  
25 Grants, Permits, & Misc. on the balance sheet to recognize the approximate amount that  
26 could be reimbursed from the Federal Emergency Management Agency (FEMA). This  
27 reimbursement is still under review and subject to adjustment.

28  
29 Total **Revenues** YTD were \$6,308,455, above its historically allocated budget  
30 (HAB) by \$201,682. Major items included: Electric Metered Sales, above its HAB by  
31 \$196,221 or 3.5%; Air Products, above its HAB by \$25,206 with an average load factor of  
32 68.3% (up from 53.8% for this time last year); and Contribution in Aid to Construction,  
33 below its HAB by \$(46,173) with no work done YTD.

34  
35 Total **Operating Expenses** YTD were \$5,343,061, above its HAB by \$(367,082).  
36 The primary factor was power cost expense, which was above its HAB by \$(385,723) with  
37 strong EMS and high market prices.

38  
39 Total **Capital Expenditures** YTD were \$92,788, including \$90,281 for BCLP’s  
40 share of the City’s new car wash facilities.

41  
42 Total **Labor and Benefits Expense** YTD (included in Operating Expenses YTD and  
43 Capital Expenditures listed above) was \$677,735. As of 21 August 2021 (the last pay period  
44 paid in the YTD period), 13.2% or \$695,841 of the TL&B budget could have been spent; the  
45 actual TL&B was \$18,106 below that target.

1 The **Net Margin** YTD was \$872,607 at month end with high EMS (including the  
2 \$600,000 estimate), partially offset by high power costs.  
3

4 Total **Cash and Cash Equivalents** were a net \$20,482,604 at month end, up  
5 \$675,225 from \$19,807,379 on 30 June 2021. Mr. Johnson noted that we are approximately  
6 \$3 million dollars above the required restricted cash balance of \$17,142,000.  
7

8 Following a brief discussion, Commissioner Bell motioned to accept the Budget  
9 Report, Commissioner Irvine seconded the motion and voting was unanimous.  
10 Commissioners Becker, Bell, Irvine, and Summers, and Councilman Higginson voted “aye.”  
11

### 12 **ONE UTAH MUTUAL ASSISTANCE AGREEMENT APPROVAL**

13 Mr. Johnson reported that the draft Mutual Assistance Agreement between  
14 PacifiCorp, the Municipalities, and the REA’s was approved by the Power Commission on  
15 September 28, 2021 and the Mayor was a part of the signing ceremony at the Utah State  
16 Capitol on October 7, 2021. However, there were several changes that were made to the  
17 agreement that we wanted to make sure were approved by the Council before the Mayor  
18 signs the final agreement. He reviewed those major changes and reported that the finalized  
19 Agreement has been reviewed by staff, the City Manager, and the City Attorney and it is the  
20 staff recommendation that the Power Commission recommend approval of Resolution 2021-  
21 19 to adopt the One Utah Mutual Assistance Agreement and authorize the Mayor to sign it  
22 on behalf of Bountiful City. He noted that many of the UAMPS members are not  
23 participating in the Agreement.  
24

25 Commissioner Irvine made a motion to recommend re-approval of the Mutual  
26 Assistance Agreement to the City Council. Councilman Higginson seconded the motion,  
27 noting that anything that can be done to maintain better relationships with the entities in this  
28 Agreement is valuable. Voting was unanimous with Commissioners Becker, Bell, Irvine,  
29 and Summers, and Councilman Higginson voting “aye.”  
30

### 31 **RESOURCE SOLAR RATE UPDATE/APPROVAL**

32 Mr. Johnson reported that San Juan is still scheduled to be shut down June 2022. The  
33 Enchant project is scheduled to start production July 2022; however, the Carbon Capture  
34 portion of this project has been delayed until 2025. The Muddy Creek project is still in  
35 Agreement negotiations with Kern River. The Red Mesa Solar project appears that it could  
36 be delayed until August 2022, and The Steel Solar project is currently reported to be on  
37 schedule. The IPP repowering is still scheduled to be online June 2025 (it is anticipated to be  
38 able to run on 30% hydrogen). FERVO Geothermal could be available summer 2025, but  
39 pricing is still being worked on.  
40

41 A line chart was used to represent firm power available through Western  
42 Replacement Power (WRP). The allocation previously available is reduced to almost 40  
43 percent due to drought conditions (from ~475,000 to ~ 200,000). Mr. Johnson said that the  
44 options for winter are to buy from the market, purchase HLH power, purchase gas to run the  
45 plant, and recall 4MW from IPP for the period April 1- September (noting, however, that

1 there are coal availability issues with IPP). He pointed out that power purchased from the  
2 market are billed on an hourly time period and are market driven.

3 Mr. Johnson reported that the Council held a work session on October 12, 2021, to  
4 discuss the current and proposed solar rates. The direction received at that meeting was to  
5 adopt a new hybrid net metering solar rate with the following conditions:  
6

- 7 • The current Net Metering or Feed-in-Tariff customers' rates will not be affected by  
8 this new policy. These rates could be adjusted during the normal rate setting process.
- 9 • Approve a Hybrid Net Metering Solar Rate with the following provisions:
  - 10 ○ Power generated and used behind the Net meter remains the customers.
  - 11 ○ Power generated by the customer and purchased by the Utility will be at  
12 \$0.05/kwh.
  - 13 ○ Power purchased by the customer will be at the current applicable residential  
14 or commercial rate.
  - 15 ○ All rates will be subject to the normal rate adjustments as needed.
  - 16
- 17 • Current Feed-in-tariff customers can opt to change to the new format if they desire.
  - 18 ○ The customer would be responsible for any required electrical work.
  - 19 ○ The City will waive any inspection and permit fees.
  - 20 ○ BCL&P would waive any labor or meter fees during normal working hours.
- 21 • Current Net Metering customers' rates will be adjusted to match the new Hybrid  
22 Net Metered in July 2030. At that time, all Net Metered customers would be on the  
23 same rate.  
24

25 This proposed rate schedule has been reviewed by the Power Department staff, the  
26 City Manager, and the City Attorney and staff recommends that the City Council approve it.  
27 Following a short discussion, Commissioner Becker made a motion to recommend to the  
28 City Council that Ordinance No. 2021-11 be adopted to amend the consolidated fee schedule  
29 as it pertains to certain rates for Bountiful City Light and Power. Councilman Higginson  
30 seconded the motion and voting was unanimous. Commissioners Becker, Bell, Irvine, and  
31 Summers, and Councilman Higginson voted "aye."  
32

### 33 **3100 SOUTH PROJECT UPDATE**

34 Mr. Veigel narrated a PowerPoint which featured the equipment and processes which  
35 are being used to re-construct the 3100 South project. Seven new poles are being set in  
36 concrete in a rebar cage that is buried 18-21 feet deep. He said it has sometimes been  
37 difficult to get the concrete, but all of the foundations are now completed, and the project is  
38 moving forward well, with the exception of some weather and concrete issues.  
39

40 *Commissioner Bell was excused at this time (9:00 a.m.)*  
41

### 42 **2022 CALENDAR APPROVAL**

43 Mr. Johnson referred to the proposed schedule for the 2022 calendar year Power  
44 Commission meetings, to include known budget meeting schedules, July, December, June  
45 APPA meetings, Thanksgiving, IPA, and the UAMPS annual meetings. He asked for input

1 from the group. It was noted that the UAMPS Annual Meeting will be held in Logan, *not*  
2 *Midway*. With that correction, the Power Commission schedule was adopted as presented:

3		
4	<b>January 25, 2022</b>	<b>Tuesday – 8:00 a.m.</b>
5	<b>February 22, 2022</b>	<b>Tuesday – 8:00 a.m.</b>
6	<b>March 22, 2022</b>	<b>Tuesday – 8:00 a.m.</b>
7	<b>April 12, 2022</b>	<b>Tuesday – 8:00 a.m.</b> (Joint PC & C C Budget 8 estimate)
9	<b>May 24, 2022</b>	<b>Tuesday – 8:00 a.m.</b>
10	<b>APPA National Conference June 12-15, 2022 Nashville, Tn.</b> (Please let Allen know if you 11 want to go and if you want tickets to Grand Ole Opry by January)	
12	<b>June 28, 2022</b>	<b>Tuesday – 8:00 a.m.</b>
13	<b>July 2022</b>	<b>No PC Meeting Scheduled</b>
14	<b>UAMPS Annual Meeting August 14-17, 2022, Logan</b>	
15	<b>August 23, 2022</b>	<b>Tuesday – 8:00 a.m.</b>
16	<b>September 27, 2022</b>	<b>Tuesday – 8:00 a.m.</b>
17	<b>October 25, 2022</b>	<b>Tuesday – 8:00 a.m.</b>
18	<b>November 22, 2022</b>	<b>Tuesday – 8:00 a.m.</b>
19	<b>December 6, 2022 IPA Annual Meeting</b>	
20	<b>December 20, 2022 UAMPS Annual Meeting</b>	
21	<b>December 2022</b>	<b>No PC meeting scheduled</b>
22		

23 Councilman Higginson made a motion to approve the Power Commission meeting  
24 schedule for 2022. Commissioner Becker seconded the motion and voting was unanimous.  
25 Commissioners Becker, Bell, Irvine, and Summers, and Councilman Higginson voted “aye.”  
26

27 *The following items were included in the packet, but not discussed in the meeting:*  
28

29 **POWER SYSTEMS OPERATIONS REPORT**

- 30 a. August 2021 Resource Reports
  - 31 b. September 2021 Lost Time/Safety Reports
  - 32 c. September 2021 Public Relation Reports
  - 33 d. September 2021 Outage Reports
- 34

35 **OTHER BUSINESS**

36 Alan Farnes reported that Mr. Pearce and a 3-man line crew helped Logan city when  
37 a recent disaster left 10,000 customers out of power for 30 hours.  
38

39 Mr. Farnes also reported on work that is being done at the Southeast Substation  
40 where upgrades are being implemented. This work has been on-going for several months. It  
41 is hoped that the substation will be back up by Friday, October 29<sup>th</sup>.  
42

43 **NEXT POWER COMMISSION**

44 The next meeting of the Power Commission will be held on November 23, 2021, at  
45 8:00 a.m.  
46  
47

1 **ADJOURN**

2 The meeting adjourned at 9:15 a.m. on a motion by Commissioner Irvine and  
3 seconded by Councilman Higginson. Voting was unanimous with Commissioners Becker,  
4 Bell, Irvine, and Summers, and Councilman Higginson voting "aye."  
5

6   
7 \_\_\_\_\_  
8 Paul Summers, ACTING CHAIRMAN