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**MINUTES OF THE REGULAR MEETING OF THE
THE BOUNTIFUL CITY POWER COMMISSION
February 22, 2022 - 8:00 a.m.**

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Those in Attendance

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Power Commission

25 Paul Summers, Chairman
26 Susan Becker*
27 Dan Bell
28 Richard Higginson, City Council Rep.
29 David Irvine
30 John Marc Knight*

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Power Department

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

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Excused

Jed Pitcher, Commissioner

Recording Secretary

Nancy Lawrence

*Attended via Zoom Meeting ID No. 819-3420-3453; Password 054209

WELCOME

Chairman Summers called the meeting to order at 8:00 a.m. and welcomed those in attendance. He acknowledged that the meeting was being broadcast via Zoom, Meeting ID: 819 3420 3453; Passcode: 054209. Mr. Christensen offered the invocation.

MINUTES – JANUARY 25, 2022

Minutes of the regular meeting of the Bountiful Power Commission held January 25, 2022, were presented, and unanimously approved as amended on a motion made by Councilman Higginson and seconded by Commissioner Irvine. Commissioners Becker, Bell, Irvine, Knight and Summers, and Councilman Higginson voted “aye”.

**BUDGET REPORT – YEAR-TO-DATE 6-MONTH PERIOD ENDNG 31
DECEMBER 2021**

Mr. Christensen presented the Budget Report for the Fiscal Year-to-date 6-Month period ended 31 December 2021, noting that it is final.

Total Revenues YTD were \$15,237,963, above its historically allocated budget (HAB) by \$27,173. Major items above their HABs were: Electric Metered Sales, above by \$78,273 or 0.6%; Air Products income above by \$21,466 with an average load factor of 60.3% for the YTD period compared to 56.9% for this time last year; and Sundry Revenues, above by \$15,851, due in part to the collection of \$10,006 of various system damage billings in November. He credited Dave Farnes for his efforts in following up on this process. Interest income on investments was below its HAB by \$(28,792) as the YTD interest yield of 0.88% was lower than the 1.0% budgeted.

Total Operating Expenses YTD were \$13,385,897, above its HAB by \$(167,567) due to the following major items: power cost expense, above its HAB by \$(590,078) with strong Electric Metered Sales, high market prices over peak, and the drought and its effect

1 on power from CRSP (and he noted that it is anticipated that it will be another \$400,000
2 over budget in January). Transformers Expense was above its HAB by \$(15,409) due to
3 high market prices and an effort to replenish inventory for future needs. Meters Expense
4 was below its HAB by \$52,750, and the other expense accounts were better than budgeted.
5

6 **Total Capital Expenditures YTD** were \$415,640, with not much change from the
7 last report.
8

9 **Total Labor and Benefits Expense YTD** (included in Operating Expenses YTD
10 and Capital Expenditures listed above) was \$2,324,221. As of 25 December 2021 (the last
11 pay period paid in the YTD period), 48.8% or \$2,580,412 of the TL&B budget could have
12 been spent; the actual TL&B was \$256,191 below that target. (Mr. Christensen noted that
13 there was an error on this item in the previous report and he clarified the correction).
14

15 The **Net Margin** YTD was \$1,436,426, as higher EMS (including the conservative
16 EMS estimate) and many low operating expenses were partially offset by high power costs.
17 He noted that this margin will be much less on the next report due to continued higher power
18 costs and large expense payments that will be made.
19

20 **Total cash and cash equivalents** were a net \$21,240,287 at month end, up
21 \$1,432,908 from \$19,807,379 on 30 June 2021, and \$4,098,287 above the \$17,142,000 total
22 reserved cash requirement. He noted a decrease of \$292,357 in total accounts receivables as
23 a significant source of cash and an increase of \$(265,136) in total inventories as a major use
24 of cash.

25 Following a brief discussion of the budget report and budgetary issues related to the
26 supply chain, Commissioner Bell motioned to accept the Budget Report, Councilman
27 Higginson seconded the motion and voting was unanimous. Commissioners Becker, Bell,
28 Irvine, Knight, and Summers, and Councilman Higginson voted “aye”.
29

30 **TRANSFORMER BID APPROVAL**

31 Mr. Pearce reported that the availability of transformers continues to be a challenge
32 for the City, to the point that suppliers are not even taking orders. He explained that,
33 through the diligent oversight of the purchasing agent (Jim Hadlow), BL&P had an option to
34 get onto an emergency order with Anixter for thirty (30) 50 KVA transformers. These
35 transformers will be used to replace damaged or leaking transformers on the system and
36 future construction projects throughout the City. Thirty (30) of the 50 KVA transformers
37 were purchased at a total bid price of \$106,650. (A similar purchase was made in March
38 2021 and the cost of the transformers was 40% lower – evidence of the dramatic changes in
39 today’s supply chain. The purchase in 2021 had an 18-week delivery date; the order we are
40 currently placing will not be delivered until November 2022. It is the staff recommendation
41 that this purchase be approved. Councilman Higginson made a motion to approve the staff
42 recommendation. Commissioner Irvine seconded the motion and voting was unanimous.
43 Commissioners Becker, Bell, Irvine, Knight, and Summers, and Councilman Higginson
44 voted “aye”.

45 Discussion followed regarding the potential increase in demand on our system as
46 customers switch to electric-powered vehicles.

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COVID UPDATE

Mr. Pearce reported that we have not had any issues related to COVID since the last meeting—other than supply chain. The Department is well stocked with commodities needed (masks, sanitizers, etc.) should conditions worsen. He noted that we will be following the lead that the Governor has set in moving to a “steady state” position – testing sites will close, and the healthcare system in the State is refocusing on disease surveillance, data collection and reporting, vaccinations, and public awareness.

ENCHANT POWER SALES AGREEMENT

Mr. Johnson noted that it was anticipated that an Enchant Power Sales Agreement would be ready for consideration at this meeting, but it is not ready. The project is still moving forward, the San Juan project will continue to operate through September, and it is anticipated that the Enchant project (carbon capture project at San Juan) will start running October 1, 2022.

RESOURCE UPDATE

Mr. Johnson reported that in addition to CRSP resources being restricted and more expensive, another major blow by the restriction of this resource is the loss of ability to schedule power and very little patterning ability compared to what we have had in the past. He reported that we received 48 percent of the anticipated power for December and January and will be receiving approximately 60 percent of our budgeted power for February and March. These are the months when CRSP has been our basic firm resource in the past. He suggested that Lake Powell will not recover for at least two years. He did note that Echo and Pineview (smaller reservoirs) can could come back sooner and provide 100 percent of what is budgeted.

The Red Mesa solar project will be delayed due to solar panels not being available – a Covid supply chain issue. It is anticipated that commercial operation will not begin until November or December 2022. The STEEL project should be on line in December of 2022 also. Gaps in our resources will be covered by the plant. He noted that gas is most expensive in the winter. One of the factors in the cost of gas is the transportation (by Dominion Energy) and the amount they will wheel for us is limited. IPP has been called back and we will need to know by June how much we will need for next year.

Mr. Johnson then reported that the San Juan project is scheduled to shut down in October 2022. The Enchant project is still a coal-fired project, taking San Juan resource using a grant from the Federal Government to do carbon capture. It is anticipated that a contract with Enchant will be approved by UAMPS in April and the City will need to act after the UAMPS meeting. Approval of the carbon capture project has been delayed until 2025.

UAMPS is still working on the Muddy Creek project (reclaiming power from the Kern River pipeline), but it is not moving very quickly.

IPP repowering is still scheduled to be online June 2025, anticipated to be able to run 30% hydrogen.

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Mr. Johnson reviewed State legislation currently being considered, and the posture of neighboring states that are involved with the IPP project and a brief discussion followed.

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

POWER SYSTEMS OPERATIONS REPORT

- a. December 2021 Resource Reports
- b. January 2022 Lost Time/Safety Reports
- c. January 2022 Public Relation Reports
- d. December 2-21 Outage Reports

OTHER BUSINESS

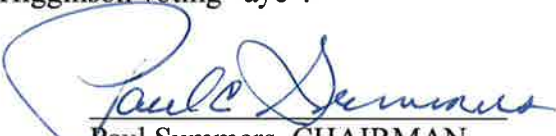
Mr. Johnson reminded the group of the upcoming APPA Conference in Nashville in June and that it is time to make reservations for those wishing to attend. He requested that anyone wishing to go, please let him know. Commissioners Bell and Summers and Councilman Higginson all expressed a desire to attend. Commissioner Knight said he will get back with Mr. Johnson later.

NEXT POWER COMMISSION

The next meeting of the Power Commission will be held on March 22, 2022, at 8:00 a.m.

ADJOURN

The meeting adjourned at 9:14 a.m. on a motion by Commissioner Irvine and seconded by Councilman Higginson. Voting was unanimous with Commissioners Becker, Bell, Irvine, Knight, and Summers, and Councilman Higginson voting “aye”.



Paul Summers, CHAIRMAN