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**MEETING OF THE  
BOUNTIFUL CITY POWER COMMISSION**  
November 13, 2018 - 8:00 a.m.

**Those in Attendance**

**Power Commission**

John Cushing, Chairman  
Susan Becker  
David Irvine  
John Marc Knight, Council Representative  
Paul Summers

**Power Department**

Allen Johnson, Director  
Jay Christensen  
Dave Farnes  
Jess Pearce  
Luke Veigel

**Bountiful City**

Clint Drake, City Attorney

**Recording Secretary**

Nancy Lawrence

**Excused**

Dan Bell  
Jed Pitcher

**WELCOME**

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

**MINUTES – October 23, 2018**

Minutes of the regular meeting of the Bountiful City Power Commission held October 23, 2018 were presented and unanimously approved on a motion made by Commissioner Summers and seconded by Commissioner Irvine. Commissioners Cushing, Becker, Irvine, and Summers, and Councilman Knight voted “aye”.

**BUDGET REPORT – YEAR-TO-DATE 4- MONTH PERIOD ENDING OCTOBER 31, 2018**

Mr. Christensen presented the Budget Report for the Fiscal Year-to-Date 4-month Period Ended 31 October, 2018. He noted that July, August and September numbers are final, but October is preliminary. He also briefly reviewed the status of the 2010 Bond with a balance on July 1, 2018 of \$10,745,000.00. A federal interest expense subsidy of \$118,303.10 was received on October 2, 2018; this subsidy corresponds to the interest payment made on 1 November 2018. Subsequent to November 1, 2018, a \$690,000.00 annual principal payment was made, and a \$281,473.00 semi-annual interest payment was made.

Total Revenues YTD were \$11,598,420, above its historically allocated budget (HAB) by \$211,262. Major items above or (below) their HAB included: EMS, above its HAB by \$240,600 due to hot summer weather; street light income, below its HAB by \$(47,971) due to billing not starting until August instead of July as anticipated; Contribution in Aid to Construction, above its HAB by \$47,238; and Air Products, below its HAB by \$(28,577).

Total Operating Expenses YTD were \$9,564,742, below its HAB by \$72,607. Major items above or (below) their HAB included: power costs, above its HAB by \$(28,388) with the

1 higher EMS; distribution, below its HAB by \$36,002 but included work on numerous projects;  
2 street light, above its HAB by \$(41,380) with work on five budgeted street light projects plus  
3 other projects; uniforms expense, above its HAB by \$(13,015) as safety clothing has been  
4 replaced with higher FR ratings and provided for more employees.  
5

6 Total Capital Expenditures YTD were \$381,028, compared to \$506,145 for the same  
7 period last year, due mostly to labor, materials and third-party work on feeder #575, feeder #673-  
8 #271 inter-tie, feeder #37X East, the Culver's project, and the 138 KV substation project.  
9

10 The Net Margin YTD was \$1,652,650, above its HAB by \$153,582, due largely to higher  
11 EMS revenue.  
12

13 Changes in Balance Sheet and Cash Flow Statement YTD was \$26,209,847 at month end,  
14 up from \$900,853 from \$25,308,994 at 30 June 2018. Mr. Christensen called attention to eight  
15 (8) major year-end adjustments that impact these statements.  
16

17 Following discussion, Commissioner Becker made a motion to accept the budget report  
18 as presented. Commissioner Summers seconded the motion which carried unanimously with  
19 Commissioners Becker, Cushing, Irvine, and Summers, and Councilman Knight voting "aye".  
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## 21 CALENDAR UPDATE

22 Mr. Johnson reviewed the proposed Power Commission meeting schedule with the group,  
23 noting that it is based on the typical fourth Tuesday for normal meetings. He called attention to  
24 variations from that schedule (printed in bold) to accommodate joint meetings with the City  
25 Council and National and local conferences/meetings with other professional entities. The  
26 proposed schedule is:

27	January 22, 2019	Tuesday – 8:00 a.m.
28	<b>February 19, 2019</b>	<b>Tuesday – 8:00 a.m.</b>
29	March 26, 2019	Tuesday – 8:00 a.m.
30	<b>April 16, 2019</b>	<b>Tuesday – 8:00 a.m. Joint PC &amp; CC – 2020 Budget</b>
31	<b>May 21, 2019</b>	<b>Tuesday – 8:00 a.m.</b>
32	<b>APPA National Conference June 8-12, 2019 Austin, TX</b>	
33	June 25, 2019	Tuesday – 8:00 a.m.
34	July 2019	No PC Meeting Scheduled
35	<b>UAMPS Annual Meeting Aug 18-21, 2019 Jackson, WY</b>	
36	August 27, 2019	Tuesday – 8:00 a.m.
37	September 24, 2019	Tuesday – 8:00 a.m.
38	October 22, 2019	Tuesday – 8:00 a.m.
39	November 26, 2019	Tuesday – 8:00 a.m.

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41 Mr. Johnson also called attention to:

- 42 (1) the Annual BCL&P Christmas party which will be held December 14, 2018 from 6:00  
43 to 8:00 p.m. at the Grand Ball Room (please RSVP to Pat);  
44 (2) the Annual UAMPS Meeting at the downtown Marriott—Dinner at 6 p.m. on  
45 December 18 and meeting on December 19 from 9 a.m. to 1 p.m.; and  
46 (3) The Annual IPP meeting at the Grand America on December 4 from 11 a.m. to 2 p.m.

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**POLE BID APPROVAL**

Mr. Pearce reviewed that the inventory of power poles is running low and a quote was requested from McFarland Cascade (a single source supplier due to specifications for butt treated poles). The bid included the following quantities:

30 (ea.) 35' class 3 poles	\$14,310 (used in residential areas)
50 (ea.) 45' class 3 poles	<u>\$36,750</u> (high voltage poles)
Total	\$51,060

He explained that the preference for butt treated poles is that they are safer for our linemen to climb. This bid has been reviewed by the staff and is recommended for approval. Following discussion, Commissioner Irvine motioned to recommend approval of this bid to the City Council. Councilman Knight seconded the motion which carried unanimously. Commissioners Becker, Cushing, Irvine and Summers and Councilman Knight voted "aye".

**BORING BID UPDATE**

Mr. Pearce reported that all of the boring projects which were scheduled for the year have been completed except for site restoration work. Americom is doing the restoration work and should have it completed by Thanksgiving. Future boring projects will be bid in groups in an effort to get better responses. He also reported that one of the sub-contractors used by Americom has had a couple of accidents (property damage only). Subsequent to completion of this contract, Americom will no longer be using this sub-contractor.

Commissioner Irvine said he had made a site visit to a boring project and noted that it was very interesting – "remarkable". He recommended that others also take the opportunity to watch this process.

---Mr. Drake arrived at this time.

**138 SUBSTATION UPDATE**

Mr. Veigel gave an update of the 138 Substation upgrade, noting that all of the concrete work for the #2 transformer bay has been completed and steel erection should begin on Monday, November 12<sup>th</sup>. The second new 100 MVA transformer has been confirmed for delivery on Monday, November 19<sup>th</sup>. Virginia Transformer will have a crew onsite on November 26<sup>th</sup> to install the transformer bushings and arresters, attach the radiators and fans, finish filling the transformer with oil, and do some testing. It is anticipated that we will energize the new transformer around December 10<sup>th</sup> – not putting the full load on it, but testing it.

Commissioner Irvine noted that the 138 Substation project has been an "ongoing project" for many years and he asked if there was any prediction as to when this project will be entirely completed. Mr. Johnson briefly reviewed the work that has been in progress since 1966 and noted that the project has been phenomenal because the work has been done while the substation has been "live".

**OSMOSE POLE TESTING UPDATE**

Mr. Veigel reported that 1,029 poles have been tested at this point. Of those poles, 7

1 have been priority rejects – needing immediate replacement – and 40 others were classified as  
2 “rejects”, meaning that the process of anchoring and balancing will not be considered, but they  
3 will be replaced as soon as can be scheduled. Mr. Johnson noted that poles which have been  
4 identified as rejects are visually inspected at the top of the pole as well. In response to questions  
5 from the Commission, Mr. Pearce said that a pole can be changed the same day, if necessary.  
6 The use of the small digger machine has been an incredible asset to setting poles.  
7 Commissioner Irvine asked to be notified when this machine is being used so that he can watch  
8 the process. Following a review of how a pole is set in a back yard, Chairman Cushing requested  
9 that Mr. Pearce let his crews “know how much we appreciate all that they do”.

#### 10 11 **SOLAR INSTALLATIONS UPDATE**

12 Mr. Christensen reviewed spreadsheets with data for the 7-month period April – October  
13 2018 for solar customers, separated into net metering Residential and feed-in tariff customers.  
14 The total amount of revenue lost for this time period for the 195 net metering customers was  
15 \$124,043.00. Feed-in tariff customers are also subsidized by the City (approximately half as  
16 much as net metering customers). In response to questions from the Commission, Mr. Johnson  
17 explained the concept of electrical “demand” and the need to build a master resource schedule  
18 around demand. He pointed out that when we sell power back to the customer, we are paying a  
19 premium amount compared to wholesale rates available. He said that we will have nine months  
20 of real data by the time we are considering next year’s budget, and will be in a better position to  
21 justify any action that is taken. He also noted that the practice of “net metering” was  
22 grandfathered in for existing customers, but that rates can be modified to accommodate fairness  
23 in billing. He emphasized that we don’t want to discourage solar, but we need to be fair to both  
24 our solar and non-solar customers.

#### 25 26 **RESOURCE UPDATE**

27 Mr. Johnson reported that we are still looking at a solar project, via UMPA, which is  
28 projected to come in at \$.05/kwh and is scheduled to be on line summer of 2020. This resource  
29 would bring green power to our portfolio and would also assist in establishing solar pricing.

30  
31 The IPP project has all the approvals it needs to move forward and is a complete “go” for  
32 California. The power sales contracts are for a 50-year period. California will be required to be  
33 100 percent non-carbon by 2045 and so all contracts must be paid off by then. Rates will  
34 increase immediately under the new contracts in order to facilitate this pay-off.

35  
36 Mr. Johnson summarized changes in pricing, bonding requirements, capital costs of  
37 dismantling the existing plant, new plant construction costs, and participant share ownership, and  
38 a brief discussion followed.

#### 39 40 **POWER SYSTEMS OPERATIONS REPORTS**

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

42  
43 a. **September 2018 Resource Reports**

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45 b. **October 2018 Lost Time Related Injuries/Safety Report**

1           **c. October 2018 Public Relations Report**

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3           **d. October 2018 Outage Reports**

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6           **OTHER BUSINESS**

7           The BCL&P Christmas party will be held Friday, December 14, 6:00PM at the Grand  
8 Ballroom.

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10          **NEXT POWER COMMISSION**

11          The next meeting of the Power Commission will be on January 22, 2019 at 8:00 a.m.

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13          **ADJOURN**

14          The meeting adjourned at 9:40 a.m. by consensus.

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John Cushing, CHAIRMAN

