

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48

**MEETING OF THE  
BOUNTIFUL CITY POWER COMMISSION  
February 20, 2018 - 8:00 a.m.**

**Those in Attendance**

**Power Commission**

John Cushing, Chairman  
Susan Becker  
Dan Bell, Commissioner  
David Irvine  
John Marc Knight, City Council Representative  
Jed Pitcher  
Paul Summers

**Power Department**

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

**Recording Secretary**

Nancy Lawrence

**WELCOME**

Chairman Cushing called the meeting to order at 8:00 a.m. and welcomed those in attendance. The invocation was offered by Jay Christensen.

**MINUTES – January 23, 2018**

Minutes of the regular Power Commission meeting held January 23, 2018 were presented for approval. Commissioner Summers motioned to approve the minutes as written. Commissioner Becker seconded the motion and voting was unanimous with Commissioners Becker, Bell, Cushing, Irvine, Pitcher and Summers and Councilman Knight voting “aye”.

**BUDGET REPORT – YEAR-TO-DATE 7-MONTH PERIOD ENDING JANUARY 31, 2018**

Mr. Christensen presented the Budget Report for the Year-to-Date 7-month Period ending January 31, 2018. He noted that Fiscal Year (FY) 2018 is final through December 2017 and January 2018 is preliminary due to missing data for interest incomes, bank and credit card fee expenses, and transfer to rate stabilization fund expense. However, these figures are not expected to materially affect the YTD net margin.

Total Revenues YTD were \$19,039,837, above its historically allocated budget (HAB) by \$311,379. Major items above their HABS were Air Products income, above by \$222,529; preliminary Interest Income, above by \$69,541; and Contributions in Aid to Construction, above by \$72,023. Electric Metered Sales was below its HAB by \$(192,385) due to the mild winter weather.

Total Operating Expenses YTD was \$15,438,950, below its HAB by \$999,883. The most significant item below budget was Power Costs, below its HAB by \$501,756, the result of careful purchasing and scheduling of power resources, selective use of the three turbines, and mild winter weather. Also below their HABS were Distribution, below by \$80,693; Transmission, \$69,384 (due to projects being postponed); and Labor & Benefits, below by \$186,035. The Substation was temporarily above its HAB with the budgeted purchase of four 46KV breakers but will even out as the budget year progresses.

1  
2 Total Capital Expenditures YTD were \$2,176,369, which included \$1,322,375 on the  
3 budgeted 138 KV substation project, \$270,504 on the budgeted transmission phase 7 project, and  
4 \$519,065 on the unplanned but approved purchase of the Fisher property. He noted that the  
5 transmission phase 7 project went over budget by \$ and there will yet be additional expenditures.  
6

7 The Net Margin YTD was \$1,424,517, above its HAB by \$810,833, due largely to lower  
8 power costs, higher Air Products income, and many operating expenses that were below budget.  
9 The preliminary net margin for the month was \$54,885.  
10

11 Commissioner Pitcher asked if Labor and Benefits expenses were down due to positions  
12 not being filled. Mr. Christensen said that the main reasons were (1) long-term employees have  
13 retired and those newly hired are not as high on the salary schedule; and (2) a decrease in  
14 overtime due to proactive maintenance projects which have decreased the number of outages.  
15 The impact of the new tax act was also discussed and it was the general concurrence that the  
16 power industry will not be impacted by this new legislation.  
17

18 Following discussion Commissioner Becker made a motion to recommend approval of  
19 the Budget Report, as presented. Commissioner Pitcher seconded the motion and voting was  
20 unanimous. Commissioners Becker, Bell, Cushing, Irvine, Pitcher and Summers and  
21 Councilman Knight voted "aye".  
22

### 23 138 KV PROJECT UPDATE

24 **ECI Engineering Approval.** Alan Farnes explained that Electrical Consultants, Inc.  
25 (ECI) was hired initially to assist with the rebuild of the 138 KV substation. Because the scope  
26 of this project has changed, in addition to the additional time and efforts required to interface  
27 compatibly with Pacificorp, the original contract amount has changed. ECI has provided an  
28 updated cost of not-to-exceed \$560,000 which includes an increase of \$75,000. This brings the  
29 total cost for the engineering at about 10.5% of the total project cost. He said that the staff has  
30 reviewed the request from ECI and recommends approval. Councilman Knight made a motion  
31 to recommend approval of the additional \$75,000 for engineering costs associated with the 138  
32 substation upgrade. Commissioner Summers seconded the motion and voting was unanimous  
33 with Commissioners Becker, Bell, Cushing, Irvine, Pitcher and Summers and Councilman  
34 Knight voting "aye".  
35

### 36 DIRECTIONAL BORING BID APPROVAL

37 Mr. Veigel reported that there are several underground projects on our system where  
38 conduit needs to be installed. In an effort to minimize the inconvenience to residents and limit  
39 the restoration of property (both private and public), bids have been requested from contractors  
40 to install these conduits using directional boring. Bids were requested from six (6) contractors  
41 and four responded. The staff and City Manager have reviewed the bids and it is the  
42 recommendation to award the bid to low bidder, Americom Technology, Inc. in the amount of  
43 \$245,689.00. He noted that this work is identified in the FY 2017-18 budget and is within the  
44 identified budget. Following a short discussion, Commissioner Summers motioned to award the  
45 bid to Americom Technology, Inc., as recommended. Commissioner Bell seconded the motion  
46 and voting was unanimous. Commissioners Becker, Bell, Cushing, Irvine, Pitcher and Summers

1 and Councilman Knight voted “aye”.

2  
3 **TRANSFORMER BID APPROVAL**

4 Mr. Pearce reported that our inventory of pad mount transformers is running low and new  
5 ones need to be purchased to replenish inventory. Invitations to bid were sent to two (2) major  
6 supplies and three bids were received. It is the recommendation of staff and the City Manager to  
7 accept the bid from Anixter Power Solutions for 46 Ermco pad mound transformers in the  
8 amount of \$83,814.00. He noted that this was not the low bid, but that the bid from Anixter  
9 Power Solutions for 46 GE transformers (\$78,055.00) was not favored due to our recent  
10 experience of delayed delivery from GE. This item was briefly discussed and Commissioner  
11 Pitcher made a motion to recommend that the City Council approve the bid from Anixter for  
12 Ermco transformers in the amount of \$83,814.00. The motion was seconded by Commissioner  
13 Irvine and carried unanimously. Commissioners Becker, Bell, Cushing, Irvine, Pitcher and  
14 Summers and Councilman Knight voted “aye”.

15  
16 **CFPP UPDATE**

17 Allen Johnson reviewed that a site visit has been scheduled for persons interested in the  
18 Carbon Free Power Project in Corvallis, Oregon on March 8th and 9th for the purpose of  
19 becoming more familiar with this proposed project. Following this site visit, a meeting has been  
20 scheduled on March 15th with Doug Hunter (UAMPS) and the Power Commission for the  
21 purpose of addressing concerns about the contract and specifically the off-ramps should the City  
22 come to a point where they would not want to continue with the project.

23  
24 Mr. Johnson referred to a Resolution which has been drafted by UAMPS, entitled “*A*  
25 *Resolution Relating to the Carbon Free Power Project, setting forth additional limits on the*  
26 *Development Costs that may be incurred by UAMPS and related Matters*”, and noted that the  
27 contract discussed in this Resolution applies *Only* to the first year (through March 2019). What  
28 will happen between the first and second year is of grave concern, particularly since the  
29 participants of the project have not adequately been identified. Another concern that Mr.  
30 Johnson mentioned was the membership of any member is limited to 25 percent. It is hopeful  
31 that the site visit to Oregon and the meeting with Mr. Hunter will give beneficial information.

32  
33 **IPP UPDATE**

34 Allen Johnson reviewed that the IPP project is scheduled to convert to natural gas by  
35 2025; however, economic interests in Utah are putting pressure to continue to have this as a coal-  
36 fired plant. Discussion focused briefly on the current legislation (carbon tax) threatening that  
37 Utah will file a suit against California if coal (from Utah) is prohibited from being shipped to  
38 China. Although Los Angeles is in need of generation and transmission, the State’s mandate for  
39 carbon-free energy complicates the project. Bountiful’s current contract allows for 100 percent  
40 of the resource to be laid off to California.

41  
42 **SOLAR INSTALLATIONS UPDATE**

43 In response to a question from the Commission, Mr. Pearce reported that solar  
44 installations are increasing at about the same rate as in the past – one or two per month. There  
45 are four net metering systems that are still being processed. It is estimated that solar customers  
46 use about 10 percent of what they generate.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

**POWER SYSTEMS OPERATIONS REPORT**

- a. December 2017 Resource Report: included in the packet, but not discussed in the meeting
- b. January 2018 Lost Time Related Injuries/Safety Reports: included in the packet, but not discussed in the meeting.
- c. January 2018 Public Relations Report: included in the packet, but not discussed in the meeting
- d. January 2018 Outage Reports: included in the packet, but not discussed in the meeting

**OTHER BUSINESS**

There will be a Legislative Reception at the State Capitol today at 4:30 p.m. that all Commissioners are invited to attend.

The next Power Commission meeting will be held March 27, 2018 at 8:00 a.m.

**ADJOURN**

The meeting adjourned at 9:15 a.m. on a motion made by Commissioner Pitcher and seconded by Commissioner Becker. Voting was unanimous in the affirmative with Commissioners Becker, Bell, Cushing, Irvine, Pitcher and Summers and Councilman Knight voting "aye".

  
\_\_\_\_\_  
John Cushing, CHAIRMAN