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**MINUTES OF THE MEETING
OF THE
BOUNTIFUL CITY POWER COMMISSION
November 21, 2023 - 8:00 a.m.**

Those in Attendance

Power Commission

Paul C. Summers, Chairman
Susan Becker, Commissioner
Dan Bell, Commissioner
Richard Higginson, Councilman
David Irvine, Commissioner
John Marc Knight, Commissioner
Jed Pitcher, Commissioner

Power Department

Allen Johnson, Director
Dave Farnes
Tyrone Hansen
Jess Pearce
Luke Veigel

Recording Secretary

Nancy T. Lawrence

Visitors

Gary Davis, City Resident
Ron Mortensen, City Resident

WELCOME

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

MINUTES – October 24, 2023

Minutes of the regular meeting of the Bountiful Power Commission held October 24, 2023, were presented, and unanimously approved as written on a motion made by Commissioner Knight and seconded by Commissioner Becker. Commissioners Becker, Bell, Irvine, Knight, Pitcher and Summers, and Councilman Higginson voted “aye”.

BUDGET REPORT – YEAR TO DATE 3-MONTH PERIOD

Mr. Hansen presented a summarized Budget Report for the Fiscal Year-to-date 3-Month period ending September 30, 2023. Total revenues Year-to-Date were \$10,245,863 below its HAB by (\$137,206). Major items (below) their HABS were: Electric Metered Sales (EMS), by \$(36,428), 0.4 percent below its HAB. This included the \$600,000 estimate for EMS to more accurately represent the Income Statement. Air Products was below its HAB with an average load factor of 64.8%, at \$(40,194); Contribution in Aid to Construction was below its HAB at \$(127,844), which included the \$7,000 line extension at 1227 Lorien Court, the \$10,000 line extension at 952 E. 500 S, and the \$12,000 line extension at 344 S. 500 W.; Sundry Revenues was above its HAB by \$13,021; and Interest Income on Investments was above its HAB by \$3,170. September interest allocation was \$54,000.

Total Operating Expenses, YTD, were \$8,466,002, below its HAB by \$974,901. Major items (above) or below their HABS included: Power Expense was below by

1 \$859,287; with Power Generation being under by \$38,000 and Power Resources being
2 \$821,000 under. Distribution Expense was above its HAB by \$(14,377); Computer Expense
3 was below its HAB by \$3,726; Street Light expense was below its HAB by \$55,960; Meters
4 expense was below its HAB by \$31,761. Other expenses above the HAB were: Credit Card
5 Merchant Fees by \$(16,370); and Insurance Expense (which had been budgeted higher, but
6 the annual payment was still over budget) by \$(35,023).

7
8 Total Capital Expenditures YTD were \$102,861 and included \$28,000 for the 2055
9 South Main Townhomes and \$75,000 for a service truck (partial payment).

10
11 Total Labor and Benefits was \$1,106,694. As of 16 September 2023 (the last pay
12 period paid in the YTD period), 21.4% or \$1,133,520 of the TL&B could have been spent;
13 the actual TL&B was \$26,827 below that target.

14
15 The Net Margin for the YTD was \$1,677,001. Total Cash & Cash Equivalents were
16 a net \$17,362,215 at month end, up \$915,250 from \$16,446,965 at 30 June 2023, and
17 \$916,215 above the \$16,446,000 total reserved cash requirement. Major sources and (uses)
18 of cash at month end compared to fiscal year-end 2023 included the net margin YTD of
19 \$1,677,001 and \$(427,100) increase in total accounts receivable; and decrease in total
20 Inventories, \$16,134; increase in total Accounts Payable, \$325,241; and decrease in
21 Accrued Benefits and Payroll, \$(87,313).

22
23 Commissioner Bell noted that power costs looked much better and Mr. Hansen said
24 this was attributed to several factors – the rate increase, hedging on purchases, favorable
25 weather, and favorable hydro conditions. Following a brief discussion, Commissioner Bell
26 motioned to accept the Budget Report, as presented. Councilman Higginson seconded the
27 motion and voting was unanimous. Commissioners Summers, Becker, Bell, Irvine Knight,
28 and Pitcher and Councilman Higginson voted “aye”.

29
30 **FISCAL YEAR 2023 ANNUAL COMPREHENSIVE REPORT**

31 Mr. Hansen presented the Annual Comprehensive Financial Report of Bountiful
32 City, Utah for the fiscal year ended June 30, 2023 and reported that in the auditors opinion:
33 “...the financial statements referred to above present fairly, in all material respects, the
34 respective financial position of the governmental activities, the business-type activities, each
35 major fund, and the aggregate remaining fund information of Bountiful, Utah, as of June 30,
36 2023...”. He then reviewed financial highlights included in the Management’s Discussion
37 and Analysis, with specific focus on the business-type activities of the Light and Power
38 Fund. The assets and deferred outflows of the City exceeded its liabilities and deferred
39 inflows by \$289,038,742, which includes the unrestricted net position of \$98,664,560.
40 These funds may be used to meet the City’s ongoing obligations to citizens and creditors,
41 which includes the City’s only bonded debt obligations with an outstanding balance of
42 \$7,225,000 and upon which we maintain our bond rating.

43
44 Mr. Hansen then summarized The Changes in Net Position of revenues and expenses
45 noting specifically the position of the Light and Power and made a general review of the

1 financial statements of the Proprietary Funds (including and specifically referring to Light
2 and Power funds) and the supporting Notes and Statistical Tables.

3
4 A brief discussion followed relating to the cost of the audit and the procedures used
5 in securing the services of the auditors.

6
7 **POWER POLE PURCHASE APPROVAL**

8 Mr. Pearce presented a request to the Commissioners to purchase 75 poles (25 ea.
9 35-ft. and 50 ea. 45-ft.) to replenish inventory. He said the poles will be used for
10 maintenance and future construction projects. Delivery on the poles will be 8-10 weeks. It
11 is the recommendation of staff to approve the single source bid from Stella-Jones (Tacoma,
12 Washington) for butt treated Western Red Cedar poles for the total sum of \$83,400. He
13 noted that this bid is in line with what we expected the poles to cost. Commissioner Knight
14 made a motion to approve the bid, as presented. Councilman Higginson seconded the motion
15 and voting was unanimous in the affirmative. Commissioners Becker, Bell, Irvine, Knight,
16 Pitcher and Summers, and Councilman Higginson voted “aye”.

17
18 **EXPLORER PURCHASE APPROVAL**

19 Mr. Pearce reviewed that the 2023-24 budget includes the purchase of a 2024 Ford
20 Explore, XLT, 4x4 SUV. Bids were requested from two vendors and it is the
21 recommendation of staff to accept the low bid from Performance Ford Lincoln (in
22 Bountiful) of \$42,641.52 with a delivery date of 4 – 6 months. The overall budget for this
23 vehicle is \$50,000. This vehicle will be replacing a 2000 Jeep Cherokee which will be sent
24 to auction. Commissioner Irvine made a motion to approve the recommendation of staff.
25 Councilman Higginson seconded the motion and voting was unanimous with
26 Commissioners Becker, Bell, Irvine, Knight, Pitcher and Summers, and Councilman
27 Higginson voting “aye”.

28
29 **ALTEC SINGLE BUCKET TRUCK APPROVAL**

30 Mr. Pearce explained that the Light and Power Department would like to replace an
31 existing 43-foot single bucket truck with a new unit with an extended reach of 48 feet, which
32 will give the capability of working on the distribution systems more easily. This unit will be
33 mounted on a 2025 Ford 600, 4x4, diesel cab and chassis provided by Altec. He noted that
34 this unit will be used for approximately the next fifteen years and recommended that the
35 single source State bid be approved. He noted that the single source was recommended
36 because it will allow for fully functional use by the employees who work on energized lines
37 up to 46,000 volts and need to be comfortable the controls and functions of the unit.
38 Currently most of our equipment is Altec and our employees understand how they work and
39 are comfortable with the functionality of the overall unit. It is the recommendation of staff
40 to approve the State bid from Altec Industries, Inc. for a AT48M single bucket truck at a
41 total price of \$233,873 with a lead time of 29 to 32 months. The price is projected two years
42 out. Issuing a purchase order will commit to the truck and the lead time. Commissioner
43 Bell made a motion to approve the purchase of the single bucket truck from Altec, as
44 presented. Commissioner Becker seconded the motion and voting was unanimous in the
45 affirmative. Commissioners Becker, Bell, Irvine, Knight, Pitcher and Summers, and
46 Councilman Higginson voted “aye”.

1 **ALTEC DOUBLE BUCKET TRUCK APPROVAL**

2 Mr. Pearce presented the request to replace a 2005 Altec AM55 double bucket truck
3 and the current State bid contract from Altec Industries, Inc. reflects a 5-year lead time on a
4 new TA60 double bucket truck. This truck is proposed for the fiscal year 2028-29 budget
5 and has an extended 65-foot reach with an incorporated telescopic boom. It will be mounted
6 on a 2028 freightliner and used for transmission projects. Also included is a material
7 handling device for setting equipment and added storage space for tools and safety
8 equipment. The unit will be mounted on a 2028 freightliner M2 10 2x4 cab and chassis
9 provided by Altec. Altec will require a Purchase Order and no payments will be required
10 until we take delivery of the truck. It is the staff recommendation to approve the State bid
11 from Altec Industries, Inc. as presented, at a total price of \$365,310 with a lead time of 5
12 years. Mr. Pearce noted that Altec has a service center located in Salt Lake City and has
13 eight mobile service trucks throughout the State. Altec Industries is a viable growing
14 company that should be around well into the future. Following a brief discussion,
15 Commissioner Becker motioned to approve the recommendation of staff and award the bid,
16 as presented. Commissioner Irvine seconded the motion and voting was unanimous.
17 Commissioners Becker, Bell, Irvine, Knight, Pitcher and Summers and Councilman
18 Higginson voted “aye”.

19
20 **RESOURCE UPDATE**

21 Mr. Johnson reported the following anticipated operation dates for generation:
22 Pineview - December 12, 2023
23 Echo – November 22, 2023
24 Red Mesa – Pinto Line outage 11-20-23 to 12-12-23
25 Steel Solar is expected to be operational in February 2024, however they are
26 experiencing some problems with a wiring harness.

27
28 Future power options which are being considered are:

29
30 The **geothermal** project through UAMPS (near Fallon, NV). We are looking at 5
31 MW for 25 years which would start in 2027; **Freemont Solar** and batteries is a 99 MW
32 resource with 50 MW of battery storage for 4 years. This would come on line in June, 2026.
33 The **coal supply** is struggling inasmuch as the Lila Canyon mine is still not producing coal
34 and Hunter (scheduled via UAMPS), has no power scheduled from October through
35 November. The coal shortage is affecting IPP with limited deliveries by Union Pacific,
36 lower than needed deliveries from Wyoming coal. IPP has approximately 30 days of coal for
37 two units and pressures from the legislative regarding repowering are having a negative
38 impact.

39
40 The IPP legislative audit, the Jackson report, and the proposed legislative bill were
41 discussed and noted to be a major problem for optimal use of the IPP project. We have no
42 power recalled for Winter 2023-24, 14 MW’s called back for Summer 2024. IPP is planning
43 on running one unit through the winter months. We have the ability to put or call 4 MW’s
44 for Summer 2024, we need to call back power for Summer 2025, and Winter 2025-26. We are
45 still hopeful that IPP Renewed project can move forward and are working on the gas
46 procedures for that project. It was noted that Cindy Crane is the new CEO of PacifiCorp.

1 The CFPP project has been terminated due to additional pricing costs of the project. This
2 may result in some costs to NuScale that cities may have to pay.

3
4 *The following items were included in the packet, but not discussed in the meeting:*

5
6 **POWER SYSTEMS OPERATIONS REPORT**

- 7 a. September 2023 Resource Reports
- 8 b. October 2023 Lost Time/Safety Reports
- 9 c. October 2023 Public Relation Reports
- 10 d. September 2023 Outage Reports

11
12 **2024 CALENDAR**

13 The Power Commission calendar for 2024 was approved in the October Power
14 Commission meeting, and included in this packet for information purposes.

15
16 *Mr. Johnson presented the 2024 Power Commission schedule, noting that it follows the*
17 *typical fourth Tuesday for the normal meetings. He noted that he had taken in to account*
18 *known budget meeting schedules, and July, December with no meeting,*

19
20 The proposed schedule is as follows:

21		
22	January 23, 2024	Tuesday – 8:00 a.m.
23	February 20, 2024	Tuesday – 8:00 a.m. (3 rd Tuesday)
24	March 26, 2024	Tuesday – 8:00 a.m.
25	April 16, 2024	Tuesday – 8:00 a.m. (3 rd Tuesday – joint budget
26		meeting with City Council, pending CC schedule
27		confirmation)
28	May 28, 2024	Tuesday – 8 a.m.
29	APPA National Conference June 9-12 San Diego CA	
30	June 25, 2024	Tuesday – 8 a.m.
31	July 2024	No PC meeting scheduled
32	UAMPS Annual Meeting Aug 18-21, 2024 Heber, UT	
33	August 27, 2024	Tuesday – 8:00 a.m.
34	September 24, 2024	Tuesday – 8:00 a.m.
35	October 22, 2024	Tuesday – 8:00 a.m.
36	November 26, 2024	Tuesday – 8:00 a.m.
37	December 3, 2024 IPA Annual Meeting	
38	December 18, 2024 UAMPS Annual Meeting	
39	December 2024	No PC meeting scheduled

40
41 **OTHER BUSINESS**

42 Mr. Johnson gave an update on the Utopia fiber optic project currently underway in
43 the City, stating that it should be done in three years. Approximately 80 requests for
44 location are being done each. Century Link, the parent company, currently does not have a
45 franchise agreement and that matter is being addressed by the City. This has resulted in an
46 additional presence of Comcast as well.

1 The Light and Power Department party is December 14, 2023. All Commissioners
2 are invited and welcome.

3
4 The IPA meeting is December 5, 2023 – All Commissioners are invited and
5 welcome.

6
7 The UAMPS meeting is December 13, 2023 – All Commissioners are invited and
8 welcome.

9
10 **NEXT POWER COMMISSION**

11 The next meeting of the Power Commission will be held on January 23, 2023 at 8:00
12 a.m. (There will be no meeting in December).

13
14 **ADJOURN**

15 The meeting adjourned at 9:55 a.m. on a motion by Councilman Bell and seconded
16 by Commissioner Pitcher. Voting was unanimous with Commissioners Becker, Bell, Irvine,
17 Knight, and Summers, and Councilman Higginson voting “aye”.

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Paul C. Summers, CHAIRMAN