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**MINUTES OF THE REGULAR MEETING OF THE
BOUNTIFUL CITY POWER COMMISSION
March 23, 2021 - 8:00 a.m.**

Those in Attendance

Power Commission

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

Power Department

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

Other

John Marc Knight

Recording Secretary

Nancy Lawrence

*Attended electronically via Zoom, Meeting #936-3022-4901, in conformance with COVID-19 guidelines and restrictions.

WELCOME

Chairman Pitcher called the meeting to order at 8:00 a.m., Allen Johnson took roll call, and Chairman Pitcher welcomed those in attendance. Commissioner Summers offered the invocation.

MINUTES –February 23, 2021

Minutes of the Regular Meeting of the Bountiful Power Commission held February 23, 2021 were presented and unanimously approved as corrected on a motion made by Councilman Higginson and seconded by Commissioner Summers. Commissioners Becker, Bell, Irvine, Pitcher and Summers, and Councilman Higginson voted “aye”.

BUDGET REPORT – YEAR-TO-DATE 7-MONTH PERIOD ENDED 31 JANUARY 2021

Mr. Christensen reported that Fiscal Year-to-date (YTD) 2021 for July 2020 through January 2021 is final. He noted that the 2010 Bond principal and interest payments were paid off as of November 2020 and the corresponding Federal interest expense subsidy of \$107,432.07 (reduced by 5.9% from the original \$114,168.94) was received on 21 January 2021. With the payoff of the 2010 Bond, the \$5,686,971.56 rate stabilization cash was moved to Cash & Investments (operating cash), and the budget for interest earned on rate stabilization was included with interest income on investments (operating cash).

The current estimate of Wind Event Costs (which were incurred in September 2020) of \$700,900 included: labor - \$221,881; materials - \$87,178; equipment - \$94,638; and 3rd party and miscellaneous costs - \$297,202.

1 Total revenues YTD were \$26,653,096, above its historically allocated budget
2 (HAB) by \$295,209. Major items above or (below) budget included: Electric Metered
3 Sales, above its HAB by \$288,743; Air Products income, below its HAB by \$(108,770) with
4 an average load factor of 54.3 percent; and Contribution in Aid to Construction, above its
5 HAB by \$56,104. Commissioner Summers asked what the impact would be to BCLP if Air
6 Products were to close. Mr. Johnson explained that the scheduling for Air Products and the
7 rate they are charged take into consideration the fact that their load factor is unpredictable
8 and therefore, the impact to BCL&P would be minimal. However, he noted that Air
9 Products pays a 6 percent franchise tax to the City which would be of more consequence.

10
11 Total operating expenses YTD were \$24,211,598, below its HAB by \$938,856.
12 Major items (above) or below their HABs included: Power Cost Expense, below its HAB by
13 \$511,837, due to careful purchasing and scheduling of power resources and selective use of
14 the three turbines; Street Light expense, below its HAB by \$119,261; and Substation
15 Expense, below its HAB by \$95,594 due to timing differences. Distribution Expense was
16 above its HAB by \$(83,710) and included \$295,000 of unbudgeted wind expense (\$64,000
17 for materials plus \$231,000 for 3rd party work).

18
19 Total Capital Expenditures YTD were \$685,049 (the same as December 2020) and
20 included significant expenses as follows: \$255,430 for a new double bucket truck; \$292,128
21 for Feeder #575; \$31,015 for The Cottages on Main St. \$24,991 for the Renaissance Center;
22 and \$24,021 for Feeder #272.

23
24 Total Labor and Benefits Expense YTD (included in Operating Expenses YTD and
25 Capital Expenditures listed above) was \$2,663,877. As of 23 January 2021, (the last pay
26 period in the YTD period), 56.7% or \$2,670,835 of the TL&B could have been spent and the
27 actual TL&B was \$6,958 (which included overtime during the wind event) below that target.

28
29 The Net Margin YTD was \$1,756,450 with high EMS, low power costs, and low
30 capital expenditures.

31
32 Total cash and cash equivalents, \$18,054,804, were down \$(8,510,664) from
33 \$26,565,468 at 30 June 2020. The bond payoff was a significant factor in this item. It is
34 the goal of the City to have 180 days of operating cash on hand.

35
36 Following a brief discussion, Commissioner Summers motioned to accept the Budget
37 Report, Councilman Higginson seconded the motion and voting was unanimous.
38 Commissioners Becker, Bell, Irvine, Pitcher and Summers and Councilman Higginson voted
39 "aye".

40
41 **ECI ENGINEERING SERVICES APPROVAL**

42 Alan Farnes reviewed that last January, Electrical Consultants Inc. (ECI) was hired to
43 produce a complete set of electronic drawings for the No. 4 (Southeast) Substation. Since
44 then, there are several system upgrades at the same substation that need to be completed which
45 will require some engineering and design support, as well as some extensive drafting updates.
46 (This will result in some cost savings to do the engineering and drafting while ECI is

1 developing the new electronic drawing set). The additional work includes replacing the two
2 existing 46kV oil circuit breakers (1970's vintage) with two new gas insulated breakers,
3 upgrading the existing 2032 communications processor with a new 3530 communications
4 processor, installing a new SEL-2440 DPAC, and installing a bus differential relay. Some of
5 this equipment has already been purchased and the remaining equipment purchase will not be
6 a significant expenditure. The total additional cost to provide this service is \$93,984. It is the
7 staff recommendation to approve the additional engineering services from ECI for the
8 additional amount of \$93,984 for the total sum of the ECI contract to be \$169,984.

9
10 In response to a question from Commissioner Summers, Mr. Farnes explained that the
11 controls on the new breakers are different, requiring new drawings. He also pointed out that
12 the improvements will provide additional information for alarms which will be individualized.
13 The existing drawings are 20+ years old. Commissioner Summers motioned that the Power
14 Commission recommend to the City Council the approval of this expenditure, as presented.
15 Commissioner Becker seconded the motion which carried unanimously. Commissioners
16 Becker, Bell, Irvine, Pitcher, and Summers, and Councilman Higginson voted "aye".

17
18 **1100 URD CABLE PURCHASE APPROVAL**

19 Mr. Pearce reported that the inventory of 1100 URD Primary cable is running low and
20 needs to be replenished. The cable will be used on several feeder upgrade projects this spring
21 and summer, including the feeder relocation on 1100 North Main and the rebuilding of feeder
22 675 on 3100 South. He said it is the staff recommendation to approve the sole source bid from
23 Codale Electric Supply for 15,600 feet of 1100 URD cable in the amount of \$123,552.00.
24 Councilman Higginson motioned to recommend approval of this purchase to the City Council,
25 as presented. Commissioner Bell seconded the motion and voting was unanimous.
26 Commissioners Becker, Bell, Irvine, Pitcher, and Summers, and Councilman Higginson voted
27 "aye".

28
29 **COVID UPDATE**

30 Mr. Pearce reported that there has been a total of nine employees who have had Covid
31 and that some had worse symptoms than others. The department is following Covid
32 guidelines for social distancing, masks, and cleaning protocols. All employees have been
33 encouraged to get vaccinated and about 80 percent want to get their vaccines. Mr. Johnson
34 indicated that, as a department, Covid precautions will continue to be practiced until a safe
35 environment is comfortably achieved.

36
37 **RESOURCE UPDATE**

38 Mr. Johnson reported that the closing date for the San Juan power plant is June 2022
39 and they are currently down for their last maintenance. It is their goal to keep running for 18
40 months to use up their coal supply.

41
42 The repowering of IPP is moving forward with the majority of the work being
43 completed by the Operating Agent and the Los Angeles group. The natural gas plant should
44 be coming online in 2025. They are currently operating the coal plant at a 50% load factor
45 and the existing coal inventory before the plant shuts down in 2025.

1 The plan for the hydro plants is currently focused on a drought emergency schedule.
2 The dam tender at Echo, Marv Myer, will be retiring this spring and that facility will be
3 operated by Weber Basin staff housed at their Wanship facilities. Echo is currently six feet
4 above the level to be shut down in the fall, and therefore will not be scheduled very much.
5 Pineview's resource is a scheduled a little longer in the season.

6
7 *The following items were included in the packet, but not discussed in the meeting:*

8
9 **POWER SYSTEMS OPERATIONS REPORT**

- 10 a. January 2021 Resource Reports
11 b. February 2021 Lost Time/Safety Reports
12 c. February 2021 Public Relation Reports
13 d. January 2021 Outage Reports
14

15 **OTHER BUSINESS**

16 Mr. Johnson reminded the Commissioners of the work meeting with the City Council
17 on April 27, 2021 for the purpose of discussing solar metering and invited them to attend.
18

19 The APPA June Conference (June 20-23, 2021) will be held live in Orlando.
20 Commissioners Summers, Becker, Bell, and Pitcher and Councilman Higginson said they
21 would like to attend. He will make reservations at the Hiatt Hotel where the conference is
22 being held.
23

24 The Power Commission will meet jointly with the City Council on April 13, for the
25 purpose of reviewing the proposed FY 2021-2022 budget for the Power Department.
26 Commissioner Pitcher said he has a conflict that day and will need to be excused. He
27 requested that Commissioner Summers serve as Chairman Pro Tempore for that meeting.
28 He asked for a brief summary of the proposed budget, as currently seen by Department staff,
29 and Mr. Johnson shared highlights of the budget, which does not include any rate increases,
30 but includes ongoing maintenance, three new employees, and equipment.
31

32 **NEXT POWER COMMISSION**

33 The next meeting of the Power Commission will be held on April 13, at 8:00 a.m.
34

35 **ADJOURN**

36 The meeting adjourned at 8:55 a.m. on a motion by Councilman Higginson and
37 seconded by Commissioner Summers. Voting was unanimous with Commissioners Becker,
38 Bell, Irvine, Pitcher and Summers and Councilman Higginson voting "aye".
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Ted Pitcher, CHAIRMAN