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

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**Those in Attendance**

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**Power Commission**

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

**Power Department**

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

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**Absent**

John Marc Knight  
Paul Summers, Excused

**Recording Secretary**

Nancy Lawrence

**WELCOME**

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

**MINUTES – OCTOBER 26, 2021**

Minutes of the regular meeting of the Bountiful Power Commission held October 26, 2021, were presented, and unanimously approved as corrected on a motion made by Commissioner Becker and seconded by Commissioner Irvine. Commissioners Becker, Bell, Irvine, and Pitcher, and Councilman Higginson voted “aye”.

**BUDGET REPORT – YEAR-TO-DATE 3-MONTH PERIOD ENDNG SEPTEMBER 30, 2021**

Mr. Christensen presented the Budget Report for the Fiscal Year-to-date (YTD) 3-Month period ended 30 September 2021, noting that it is final. Chairman Pitcher asked if there was any new information on the wind event and Mr. Christensen responded “No”.

**Total Revenues YTD** were \$8,910,452, above its historically allocated budget (HAB) by \$301,578. Major items included: Electric Metered Sales, above its HAB by \$322,944 or 4.1%; Air Products, above its HAB by \$15,519 with an average load factor of 64.3% (up slightly from 62.2% for this time last year); and Contribution in Aid to Construction, below its HAB by \$(52,404) with little work done YTD.

**Total Operating Expenses YTD** were \$7,413,610, above its HAB by \$(341,996). Power cost expense was above its HAB by \$(476,928) with the higher EMS and high market prices, while most of the other expenses were under their HAB and were not out of line with their budgets.

**Total Capital Expenditures YTD** were \$114,794 and included \$90,281 for BCLP’s share of the City’s new car wash facilities. In response to a question from the Commission,

1 Mr. Christensen explained that this new facility is shared by several departments, including  
2 Police, Parks, Streets, and Power.

3  
4 **Total Labor and Benefits Expense YTD** (included in Operating Expenses YTD  
5 and Capital Expenditures listed above) was \$1,030,393. As of 18 September 2021 (the last  
6 pay period paid in the YTD period), 19.7% or \$1,043,762 of the TL&B budget could have  
7 been spent; the actual TL&B was \$13,370 below that target.

8  
9 **The Net Margin YTD** was \$1,382,047 at month end with high EMS (including the  
10 conservative estimate), and many low operating expenses were partially offset by high  
11 power costs.

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13 Total cash and cash equivalents were a net \$19,664,446 at month end, down  
14 \$(142,933) from \$19,807,379 as of 30 June 2021. Mr. Christensen noted that we are  
15 \$2,522,446 above the required restricted cash balance of \$17,142,000.

16  
17 Following a brief discussion about operating costs, Mr. Johnson said that we are  
18 doing our best to avoid a rate increase and could delay capital expenditures to help balance  
19 the budget to offset rising power costs. Commissioner Irvine motioned to accept the Budget  
20 Report, Commissioner Bell seconded the motion and voting was unanimous.  
21 Commissioners Becker, Bell, Irvine, and Pitcher, and Councilman Higginson voted "aye".

22  
23 A copy of the "Bountiful City, Utah Annual Comprehensive Financial Report for the  
24 Fiscal Year Ended June 30, 2021" was given to each Commissioner, and Mr. Christensen  
25 briefly reviewed the parts of this report that relate to the Bountiful City Light and Power  
26 department. He noted that the City received an Unqualified Opinion (pp 1-2) on the report,  
27 the best that can be given. He called attention to the headings on page 3 (Financial  
28 Highlights), page 4 (Proprietary Funds), page 5 (Government-wide Overall Financial  
29 Analysis – with comparison of governmental activities vs business-type activities), and  
30 pages 7 and 8 (change in net position, government vs business-type activities).

31  
32 Beginning on page 12 and continuing on pages 13 and 14, under the heading  
33 "Financial Analysis of Business-type Activities", a more detailed analysis was given. The  
34 Light and Power fund was featured under the first bullet on page 12, second arrow under #2,  
35 and on the graphs on page 14. Page 20 features a table of Capital Asset Current Fiscal Year  
36 Additions and includes Light and Power assets.

37  
38 The Financial Statements for Proprietary Funds include columns for Light and Power  
39 and are on pages 31 through 36: the Statement of Net Position (Balance Sheet) shows Total  
40 Assets and Deferred Outflows for BCLP of \$68,839,361; the Statement of Revenues,  
41 Expenses, and Changes in Net Position (Income Statement) shows a Change in Net Position  
42 for BCLP of \$1,517,627; and the Statement of Cash Flows shows the Cash and Cash  
43 Equivalents Ending Balance for BCLP of \$9,063,985.

44  
45 In the "Notes to the Financial Statements" beginning on page 39, BCL&P was  
46 included in: Note #7 "Intangible Asset – Power Projects, and Related Contracts" on page 51;

1 Note #10 “Long-Term Debt” on page 52; Note #18: “Commitments and Contingencies” on  
2 page 68; and Note #22 “Fund Balance and Net Position” on page 70 which discusses the  
3 City’s minimum unrestricted net position policy.  
4

5 Lastly, the Light and Power Fund was included in the Statistical Section in Table 2  
6 “Changes in Net Position” on page 99, Table 10 “Light and Power Charges for Services” on  
7 page 109, Table 19 “Capital Assets Statistics by Function” on page 118, and Table 20  
8 “Operating Indicators by Program / Function” on page 119.  
9

10 Chairman Pitcher asked what share of the audit was paid by the Light and Power  
11 Department, and discussion followed about the audit. Councilman Higginson noted that the  
12 current auditors (Keddington and Christensen, LLC) have been used for a number of years  
13 and their knowledge of the accounting/management systems of the City is considered a great  
14 asset.  
15

16 Mr. Johnson noted at this point that Jay Christensen will be retiring in January and  
17 he was praised by Chairman Pitcher as being a great asset to the department.  
18

#### 19 **SOLAR UPDATE**

20 Mr. Christensen referenced the Solar Customer Production & Usage Report for the  
21 meeting, noting that a fourth category “Net Metering Hybrid” will be included on future  
22 reports. He said that the report has changed very little since the last meeting, with a total of  
23 245 solar customers, 6 of which are commercial. The report lists Total Lost Revenue for the  
24 year at \$193,376.00, with average lost revenue per customer per year at \$789.29.  
25

#### 26 **TRANSFORMER BID APPROVAL**

27 Mr. Pearce reported that our inventory of overhead and pad mount transformers is  
28 running low, and bids were requested for 90 transformers (30 ea. 25 kva single phase  
29 overhead, 30 ea. 50 kva single phase overhead, and 30 ea. 50 kva single phase pad mount).  
30 He noted that transformers have been very difficult to obtain and have long delivery times.  
31

32 Bids were received from three vendors (one was not complete) and it is the staff  
33 recommendation that the second to low bid from Irby – for ABB and PPI transformers be  
34 approved for \$215,700.00, with a delivery date of 25 – 28 weeks. The low bid was  
35 \$212,490.0, with a 40–45-week delivery date. He noted that “normal” delivery is 12-18  
36 weeks. Commissioner asked why the costs are so high and Mr. Pearce suggested that it is  
37 due to the steel market affected by Covid, as well as supply and demand. Discussion  
38 followed about costs and delivery times affected by Covid and Mr. Pearce said that the  
39 trucks which should have been delivered this month haven’t even been built yet.  
40 Commissioner Bell made a motion to recommend purchasing the transformers from Irby, as  
41 presented by staff. Commissioner Becker seconded the motion and voting was unanimous.  
42 Commissioners Becker, Bell, Irvine, and Pitcher, and Councilman Higginson voted “aye”.  
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#### 44 **COVID UPDATE**

45 Mr. Pearce reported that the single biggest problem related to COVID is Supply  
46 Chain issues. One employee is currently out with COVID. He said that COVID has also

1 affected hiring a tree trimmer. An offer was made for a prospective employee, who is now  
2 in quarantine for COVID. Mr. Pearce said that about 75 percent of the department has been  
3 vaccinated (line crews are about 50 percent).

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5 **RESOURCE UPDATE**

6 Mr. Johnson reported that IPP repowering was still on schedule for June 2025;  
7 however, there has been continuing discussion from Los Angeles, and it could be that they  
8 will discontinue the repowering project. The next meeting (December 13<sup>th</sup>) should supply  
9 more information and continuance of the project by the municipalities is being considered but  
10 considered very slim. If Los Angeles walks away from the project, there will be significant  
11 dismantling costs that the cities will face. Continuance of the project is dependent on coal  
12 which has become a significant issue due to coal contracts and complications with railroad  
13 delivery.

14  
15 The Red Mesa solar project is still looking like it could be delayed until August 2022  
16 due to unavailability of solar panels. The Steel solar project is currently reported to be on  
17 schedule.

18  
19 San Juan is still scheduled to be shut down June 2022, but picked up by the Enchant  
20 project, scheduled to start production in July 2022. We have until the first of the year to  
21 commit on this project. The Muddy Creek project is still active, and they are still working  
22 on an agreement with Kern River.

23  
24 CRSP supplies 60 percent of our energy in the winter and this winter (due to low  
25 water levels) we are only seeing 48 percent of this resource; the average loss to all  
26 customers is 46 percent. In addition to receiving less of this resource, the energy cost has  
27 increased from \$11.79 to \$12.39 per Kwh. We are also experiencing an increase in capacity  
28 from \$5.01 to \$5.25 KW. Mr. Johnson said that he has purchased an additional \$405,229 to  
29 make up for the CRSP deficiency, plus there will be an added cost of \$169,550 for gas to  
30 run the Plant. He presented more data about gas costs for December and January and  
31 purchase/recall options for winter. He noted that gas prices will ease off after February. He  
32 alerted the Commission that it is most likely that we will need to open the budget at the end  
33 of the year. In response to a question from Councilman Higginson, Mr. Johnson said that  
34 we are buying power in the middle of the night (or in other words, we are short power at all  
35 time). He also noted that it will take at least two years to regain the energy that we have lost  
36 from the CRSP resource.

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39 **3100 SOUTH PROJECT UPDATE**

40 Mr. Veigel reported that the last steel pole was set on 3100 South yesterday morning.  
41 In response to a question from the Commission, he said that the contractor, Black and  
42 McDonald, was very good to work with. He showed slides of the project as it was being  
43 constructed, showing hole depth and width and pole placement (using time-lapse  
44 photography). Some of the poles were set in place via dropping them down through  
45 energized lines. The weight of the heaviest pole was 10,000 pounds (most poles weigh  
46 between 9,000 and 10,000 pounds, each). The total cost for the poles was around

1 \$100,000.00. He said there are just a few small things left to be done to complete the  
2 project. It should be done by the end of next week. Mr. Johnson estimated that the total  
3 cost of the project will be approximately \$1.5+ million.  
4

5 **CALENDAR/UAMPS ANNUAL MEETING**

6 Mr. Johnson noted that the 2022 Calendar had been formally approved in the Power  
7 Commission meeting last month. However, he wanted to call attention to the UAMPS  
8 Annual meeting which will be held December 15, 2021, from 9 a.m. to 1 p.m. at the Marriott  
9 Hotel in Salt Lake City, together with a banquet that night. The Power Commissioners (and  
10 their guest) are invited to attend those meetings and he asked that they RSVP if they would  
11 like to attend.  
12

13 **IPA ANNUAL MEETING**

14 Mr. Johnson reviewed that the IPA Annual Meeting will be held December 7, 2021,  
15 from 9 through lunch and he asked the Commissioners to let him know if they wanted to  
16 attend. (He clarified that the UAMPS member meeting, to be held in Logan in August, is  
17 the meeting where routine business takes place.)  
18

19 If the Commissioners are interested in attending the APPA National Conference in  
20 Nashville, Tennessee in June, and also interested in attending the Grand 'Ol Opry, it would  
21 be wise to make these arrangements early – in January – to take advantage of better seating.  
22

23 *The following items were included in the packet, but not discussed in the meeting:*  
24

25 **POWER SYSTEMS OPERATIONS REPORT**

- 26 a. September 2021 Resource Reports
- 27 b. October 2021 Lost Time/Safety Reports
- 28 c. October 2021 Public Relation Reports
- 29 d. September 2021 Outage Reports  
30

31 **OTHER BUSINESS**

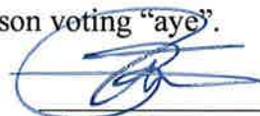
32 Mr. Johnson reviewed that the BCL&P Christmas Party will be held December 10,  
33 2021. He expressed appreciation for the Commissioners and said he hoped they would be  
34 able to attend the party. He asked them to RSVP Pat Wood ASAP.  
35

36 **NEXT POWER COMMISSION**

37 The next meeting of the Power Commission will be held on January 25, 2022, at  
38 8:00 a.m.  
39

40 **ADJOURN**

41 The meeting adjourned at 9:35 a.m. on a motion by Commissioner Irvine and  
42 seconded by Commissioner Becker. Voting was unanimous with Commissioners Becker,  
43 Bell, Irvine, and Pitcher, and Councilman Higginson voting "aye".  
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Jed Pitcher, CHAIRMAN

