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**MINUTES OF THE MEETING OF THE
THE BOUNTIFUL CITY POWER COMMISSION
June 28, 2022 - 8:00 a.m.**

Those in Attendance

Power Commission

Paul C. Summers, Chairman
Susan Becker
Richard Higginson, City Council Rep
David Irvine (via Zoom)
John Marc Knight

Power Department

Allen Johnson, Director
Alan Farnes (via Zoom)
Jess Pearce

Recording Secretary

Nancy T. Lawrence

Excused

Dan Bell, Commissioner
Jed Pitcher, Commissioner
Tyrone Hansen

WELCOME

Chairman Summers called the Power Commission meeting to order at 8:00 a.m. and welcomed those in attendance. He noted that Alan Farnes and David Irvine are joining the meeting via Zoom, Meeting ID No. 873-6844-8722. He excused Commissioners Dan Bell and Jed Pitcher, and Tyrone Hansen, Power Department staff. The invocation was offered by Councilman Higginson.

MINUTES, May 24, 2022

Minutes of the regular meeting of the Bountiful Power Commission held May 24, 2022, were presented, and unanimously approved as written on a motion made by Commissioner Becker and seconded by Councilman Higginson. Commissioners Becker, Irvine, Knight, Summers, and Councilman Higginson voted "aye".

BUDGET REPORT – YEAR-TO-DATE -MONTH PERIOD ENDNG 30 APRIL 2022

Mr. Johnson presented a summarized Budget Report for the Fiscal Year-to-date 10-Month period ended 30 April 2022, noting that it is final. Total **Revenues** YTD were \$23,770,024.00, below its HAB by \$(23,687). He noted that the end-of-year picture looks quite bleak –May’s power bill will be over \$1 million, and June will most likely be higher than budgeted. The budget has already been opened (per approval at public hearing) to cover the higher power costs for the current year. Some Capital Expenditures have been delayed offsetting those costs as an added measure to meet budget; however necessary projects have been completed. Delivery of transformers which were scheduled for delivery in the current year budget have been cancelled by the manufacturer. The projected delivery date is April 2023. In response to a question from Commissioner Becker, Mr. Johnson said that the 3 percent rate increase approved for the FY 2022-23 budget will be in effect for July and will show up in August 2022. Total additional revenue from the rate increase will be \$600,000 for the calendar year. Power costs remain volatile.

1 Total **Operating Expenses** year-to-date were \$21,471,744; and Total **Capital**
2 **Expenses** year-to-date were \$1,062,070, leaving a **Net Margin** YTD of \$1,236,210. Total
3 Cash and Cash Equivalents were a net \$20,862,630 at month end. After further discussion,
4 Commissioner Knight motioned to accept the Budget Report. Councilman Higginson
5 seconded the motion and voting was unanimous. Commissioners Becker, Irvine, Knight and
6 Summers, and Councilman Higginson voted “aye”.

7
8 **TRANSFORMER PURCHASE**

9 Mr. Pearce reviewed that transformers continue to be hard to purchase and their lead
10 times are a factor in keeping an adequate inventory. The transformer that is being requested
11 is to be used for an addition to the system in the spring and is being ordered now to adjust
12 for industry uncertainties on delivery. Two vendors were asked for bids, and it is the staff
13 recommendation to accept the low bid from IRBY-ABB for one 750 Kva three-phase pad
14 mounted transformer at a cost of \$26,500, delivery of 12-14 weeks.

15
16 Discussion followed on the current transformer inventory and replacement practices.
17 Mr. Pearce noted that as long as acquisition of new transformers is unreliable, transformers
18 currently in use are not being changed out unless they have failed. The average life of a
19 transformer is 20 -25 years. Councilman Higginson made a motion to recommend approval
20 of this purchase to the City Council, as recommended. Commissioner Becker seconded the
21 motion and voting was unanimous. Commissioners Becker, Irvine, Knight, and Summers,
22 and Councilman Higginson voted “aye”.

23
24 **WOOD POLE PURCHASE**

25 Mr. Pearce explained that it has been difficult to get poles to replace the ones that are
26 being installed by our crews on a daily basis. We purchase butt-treated poles (not fully
27 treated) because most of our poles are located in the back yards and have to be climbed.
28 Treated poles become extremely hard after a couple of years and it is very difficult to climb
29 them; therefore, using the butt-treated-only pole gives the advantage of protection to the
30 pole being in the ground but provides an easier climb for the linemen.

31
32 “Stella”, the sole source for butt-treated poles, has indicated that they are again able
33 to supply poles and we would like to order 24 35-foot poles and 44 45-foot poles, for a total
34 of 64 poles, to bring our inventory back up before winter and the start of the east wind
35 season. The total to purchase these poles is \$57,528.00, with an October delivery date.
36 Following a brief discussion, Commissioner Knight made a motion to recommend approval
37 of this purchase to the City Council, as presented. Councilman Higginson seconded the
38 motion which carried unanimously. Commissioners Becker, Irvine, Knight, and Summers,
39 and Councilman Higginson voted “aye”.

40
41 **SOLAR REPAIR PARTS**

42 Alan Farnes reviewed that we have developed a problem with both of our two Titan
43 generation units at the Power Plant. The guide vain actuators and the main gas valve for
44 both units have stopped working. He said that both of the units have similar hours, and it is
45 not uncommon to see equipment failures close together. We need both of these units for the
46 24 Mw’s of capacity to meet the anticipated summer load.

1
2 Solar had the parts in stock and was able to ship them out overnight. The total cost
3 for the parts is \$76,260.01, plus \$500 shipping. The replacement of these units (available
4 only from the factory) will allow us to bring the generation units back in operating
5 condition. There were no additional labor charges as the work was done in-house. The staff
6 recommends approval of this purchase. Commissioner Becker motioned to approve this
7 purchase, as recommended. Councilman Higginson seconded the motion and voting was
8 unanimous. Commissioners Becker, Irvine, Knight, and Summers, and Councilman
9 Higginson voted “aye”.

10
11 **RESOURCE UPDATE**

12 Mr. Johnson reviewed issues related to the supply chain (e.g., the U.S. requiring
13 China to prove that forced labor is not being used on products that are imported), and the
14 impact that this is having on contracts. Hence, contractors are being forced to cancel
15 contracts, rather than pay the penalty for the delay. He noted that the Power department has
16 been working to secure a utility size solar power project for several years and in November
17 2020, we were able to secure a 25-year power purchase agreement with **Steel Solar, LLC**
18 (located in Box Elder County). Transmission rights for this project have been secured;
19 however, the timing of the contract has been delayed due to supply chain issues with China.
20

21 It is the recommendation of staff that the Power Commission approve Resolution
22 #2022-11 to approve the UAMPS **AMENDED** Steel Power Supply Agreement, the
23 Amended and Restated Transaction Agreement and to authorize the mayor to sign the
24 resolution and the Firm Power Supply Agreement. The major changes to the original
25 resolution is the (1) revised term of the power purchase agreement (anticipated to be
26 September 30, 2023, but no later than March 31, 2024); and (2) the purchase price for the
27 project has gone from \$31.35/per megawatt hour (MWH) to \$34.66/per megawatt hour for
28 the 25 years. This pricing included all of the renewable energy credits.
29

30 In response to a question from Commissioner Becker, Mr. Johnson stated that he
31 feels this is a firm project which has a 90 percent chance of going through. We have
32 requested. 6.4 MW. Commissioner Knight made a motion to support the staff
33 recommendation and recommend to the City Council approval of Resolution #2022-11 to
34 approve the UAMPS Amended Steel Power Supply Agreement, the Amended and Restated
35 Transaction Agreement, and to authorize the mayor to sign said documents. Commissioner
36 Irvine seconded the motion and voting was unanimous with Commissioners Becker, Irvine,
37 Knight and Summers, and Councilman Higginson voting “aye”.
38

39 Negotiations on reclamation and decommissioning fee is continuing for **the Enchant**
40 project (currently San Juan). FERC has approved the **San Juan extension** until September.
41 The estimate to restore to grade is \$130 million, with BCLP share being \$357,000. In the
42 meantime, the unit is being curtailed due to coal inventory. Enchant will be ready to go
43 online in October, creating a resource gap for about a month. The carbon capture phase of
44 Enchant is anticipated to be implemented by 2025.
45

1 The **Red Mesa Solar** project will be delayed which will result in an increase in costs
2 – UAMPS is in contract discussions regarding costs. Once the costs have been established,
3 we will need to get them approved through the City Council. It is hoped that this project
4 will still be completed, but it is not as solid as is the Steel solar project.

5
6 As was discussed earlier, the **Steel** project will be delayed until approximately March
7 2024 due to lack of availability of solar panels. The **Muddy Creek** project is still working
8 on an agreement with Kern River; and the **FERVO** geothermal project is still active. The
9 **IPP** repowering is still scheduled to be online by June 2025 and it is anticipated that it will
10 be able to run 30% hydrogen. IPP is operating only one unit this summer due to coal
11 availability. We anticipate a call back from IPP for winter 2022-23. Availability of **CRSP**
12 is questionable due to the lack of water this year.

13
14 *The following items were included in the packet, but not discussed in the meeting:*

15
16 **POWER SYSTEMS OPERATIONS REPORT**

- 17 a. April 2022 Resource Reports
18 b. May 2022 Lost Time/Safety Reports
19 c. May 2022 Public Relation Reports
20 d. April 2022 Outage Reports

21
22 **OTHER BUSINESS**

23 Mr. Johnson reminded the group of the Annual UAMPS meeting to be held in
24 Logan, August 14-15, and encouraged anyone interested in attending to complete the
25 registration handout and return the forms to him.

26
27 **NEXT POWER COMMISSION**

28 The next meeting of the Power Commission will be held on August 23, 2022, at 8:00
29 a.m.

30
31 **ADJOURN**

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

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Paul C. Summers, CHAIRMAN