

1 **Minutes of the**
2 **Power Committee Budget Review Meeting**
3 **(Joint Meeting with Power Commission)**

4 Bountiful City Power Department
5 April 13, 2021 (8:00 a.m.)
6

7 Present:

8 Committee Members:	Richard Higginson, Randy Lewis, Kendalyn Harris, 9 Kate Bradshaw
10 Power Commissioners	Susan Becker, Paul Summers, 11 David Irvine, Dan Bell, John Knight
12 City Manager:	Gary Hill
13 Assistant City Manager:	Galen Rasmussen
14 Department Personnel:	Allen Johnson, Alan Farnes, Jess Pearce, 15 Jay Christensen, Luke Veigel, David Farnes, 16 Nancy Lawrence

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18 Official Notice of this meeting had been given by posting a written notice of same and an agenda at
19 the City Hall and providing copies to the following newspapers of general circulation: Davis County
20 Clipper, Standard Examiner, and on the Utah Public Notice Website. This meeting was also conducted
21 as an electronic meeting with some participants joining in that forum.
22

23 Power Commission acting chair Paul Summers called the meeting to order at 8:02 a.m. and welcomed
24 those in attendance. Some meeting attendees participated in the meeting electronically via Zoom.

25 **PRESENTATION OF BUDGET**

26 The meeting was turned over to Allen Johnson, Light & Power Department Director, and the
27 department staff to present the detailed budget for the Light & Power fund. The meeting started with
28 a brief video of Power crews rescuing a young man from a power pole that had climbed the pole the
29 day before yesterday.

30 Jay Christensen, Light & Power Department Accountant, reviewed key points of the power system via
31 PowerPoint presentation. Major Roles and Critical Functions were outlined as follows:

- 32 • Ensure the safety of everyone that interacts with the electrical system.
- 33 • Buy and generate electricity at economical prices.
- 34 • Deliver electricity to residential, commercial, and industrial customers.
- 35 • Provide reliable electric service by designing, building, and maintaining the electrical
36 transmission, distribution, and street lighting systems, and by providing 24/7 dispatching and
37 outage management.

1 Budget highlights for Fiscal Year 2021-2022 were presented as follows:

- 2 • Overall budget for adoption of \$31,130,455.
- 3 • Operating revenues of \$28,261,095 (down \$81,798 from the prior year).
- 4 • Personnel Services of \$5,291,294 (up \$581,850). Category includes a 2% cost-of-living
5 adjustment, merit increases for 14 employees and market adjustments for 19 employees. The
6 department is authorized at 37 employees full-time (up by 3 as requested this year) and 5
7 part-time employees.
- 8 • Operating Expenses of \$20,166,256 (up \$650,143). The category is comprised mostly of the
9 cost of power purchases; a major repair to the Echo Hydro unit in the amount t of \$750,000
10 and distribution expenses including material for a new line crew proposed in the budget.

11 To provide further detail on the budget, Alan Farnes, Power Systems and Generation Superintendent,
12 reviewed the upcoming engineering and design work related to the Echo Hydro turbine control
13 systems. Work will include a programmable controller, breakers, relays, hydraulics, and related
14 equipment. Costs for the actual replacement of the controls will be in a future budget request. Water
15 levels at the hydro are low and are currently near the level that necessitates shutdown. Current levels
16 of water could possibly allow operations until July.

17 Following the presentation by Alan Farnes, Jess Pearce, Superintendent of Operations, outlined the
18 request for an additional line crew of three. A summary of the distribution and transmission system
19 was provided wherein it was noted that there are 4,938 poles in the distribution system. Since 2009
20 1,337 poles have been replaced. Osmose (a contractor) was hired to identify poles in need of repair
21 and replacing and they discovered 32 priority reject poles, along with 265 reject poles. Many of the
22 poles from this study are still yet to be replaced by department crews due to department workload
23 requirements.

24 As for electric lines in the system, there are currently 87 miles of overhead distribution lines. An
25 average of 114 poles are replaced per year. At this rate it will take 27 years to replace the remaining
26 3,086 poles on the system. The remaining poles are nearly 50 years old now. Slides with illustrative
27 pictures of poles in need of replacement were shown with evidence of internal decay. Questions from
28 the Power Commission and Budget Committee about specifics of the system were asked and
29 responded to. It was noted that the proposed new crew will be used to catch up on pole
30 replacements and to maintain the system ongoing.

31 The underground system of electric lines includes 1,241,000 of cable installed. Much of this
32 underground system is comprised of bare concentric cable (264,000 feet) which had a 20-year life
33 expectancy. New jacketed cable is installed now and has a warranty of 40 years and an 80-year life
34 expectancy. An average of 18,000 feet of cable has been installed/replaced per year since 1995. The

1 department needs to continue to replace the bare concentric cable as quickly as possible and the
2 additional crew will also help speed this process up.

3 In addition to aging cable, other components such as pad mounted transformers can be problematic
4 due to aging of components, rusting of cases, and leaking oil. These conditions contribute to overall
5 system outages. Questions from the Power Commission and the Budget Committee were responded
6 to by staff. It was noted that conversion of overhead lines to underground is not undertaken often
7 due to the costs and effort involved.

8 The resources needed for a new crew of three will require provision of all associated equipment,
9 materials, tools, and safety gear. Benefits of a new crew include faster replacement of aging
10 infrastructure, cost savings versus use of outside contractors and more staff to respond in
11 emergencies. It was noted that contractors would still be used for department work on occasion.

12 Luke Veigel, Power Systems Electrical Engineer, reviewed planned capital expenditures in the amount
13 of \$1,848,000 for Fiscal Year 2021-2022. This category is down \$2,472,000 from the previous budget
14 year. The department's capital plan includes work on the building and office warehouse; acquisition
15 of vehicles and equipment and work on system infrastructure including:

- 16 • \$450,000 for Feeder #575 to upgrade along 3100 South.
- 17 • \$200,000 for Feeder #272 upgrade.
- 18 • \$140,000 for Distribution System Feeder #576 upgrade.
- 19 • \$70,000 for Renaissance Distribution (paid for by developer).
- 20 • \$80,000 Feeder #373 upgrade.
- 21 • \$50,000 Stone Creek Phase 4 related to a subdivision (paid by developer).
- 22 • \$60,000 for Street Lights.

23 Jay Christensen also outlined operating transfers in and out including a \$2,562,235 transfer in use of
24 Retained Earnings and a \$2,523,371 transfer out to the General Fund. The long-term capital plan was
25 also reviewed in the meeting. The plan totals \$36,038,000 to be spent over ten years. There are no
26 changes in the schedule of rates, fees, or deposits. The budget does include the request for the
27 addition of a 3-person line crew and maintenance and upgrades to the electrical system.

28 Power Commission acting chair Paul Summers called for a motion to approve the Fiscal Year 2021-
29 2022 budget. Commissioner John Marc Knight made a motion to approve the budget and City
30 Councilman Richard Higginson seconded the motion. All commissioners voted aye.

31 City Council Budget Committee chair Higginson called for a motion on the Power Fund budget. The
32 budget was passed with a motion from Committee member Lewis with a second from Committee
33 member Harris. Voting was unanimous with Committee member Higginson, Harris and Lewis voting
34 aye. An additional question was asked about plans to include vehicle charging stations in the future.

- 1 Allen Johnson noted that this is a future issue that is being watched by the department as it is a
- 2 desired service and could support economic development and other purposes.
- 3 The budget review portion of the meeting adjourned at 9:10 a.m.