

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

4 Bountiful City Power Department
5 April 23, 2024 (8:00 a.m.)
6

7 Present:

8 Committee Members: Cecilee Price-Huish (Chair), Richard Higginson,
9 Kendalyn Harris
10 Other City Council Members: Kate Bradshaw
11 Power Commissioners: Paul Summers (Chair), Susan Becker, Dan Bell, Jed
12 Pitcher, David Irvine, John Marc Knight
13 City Manager: Gary Hill
14 Assistant City Manager: Galen Rasmussen
15 Department Personnel: Allen Johnson, Alan Farnes, Jess Pearce,
16 Tyrone Hansen, Luke Veigel, Nancy Lawrence
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20 Official Notice of this meeting had been given by posting a written notice of same and an agenda at
21 the City Hall and providing copies to the following newspapers of general circulation: Davis County
22 Clipper, Standard Examiner, and on the Utah Public Notice Website. This meeting was also conducted
23 as an electronic meeting with David Irvine joining in that forum.
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25 Power Commission chair Paul Summers called the meeting to order at 8:00 a.m. and he welcomed
26 those in attendance.

27 **PRESENTATION OF BUDGET**

28 The meeting was turned over to Allen Johnson, Light & Power Department Director, and the
29 department staff to present the detailed budget for the Light & Power fund.

30 Tyrone Hansen, Light & Power Department Accountant, was asked to review key points of the power
31 system and budget request via PowerPoint presentation.

32 Budget highlights for Fiscal Year 2024-2025 were presented as follows:

- 33 • Overall budget for adoption of \$39,556,787
- 34 • 5% increase in power rates
- 35 • 5% increase in the Feed and Tariff rate
- 36 • Solar Net Metering buy back rate reduced to \$0.075
- 37 • Annual Pole attachment fee increased from \$13 to \$14

- 1 • Customer Service Policies are updated
- 2 • Proposed addition of a 3 person line crew
- 3 • Services are provided to 17,300 total customers (15,652 residential; 1,647 commercial; 1
- 4 industrial)

5 The electrical system includes:

- 6 • 6 substations
- 7 • 42 miles of 46KV transmission lines
- 8 • 90 miles of 15KV overhead distribution lines
- 9 • 135 miles of 15KV underground distribution lines
- 10 • 75 miles of street light circuits

11 Power resources include:

- 12 • Colorado River Storage Project (CRSP)
- 13 • Intermountain Power Project (IPP)
- 14 • Natural gas fired central power plant
- 15 • Hydro Electric plants at Echo and Pineview Reservoirs
- 16 • Red Mesa & Steel solar projects
- 17 • Contracts with industry suppliers

18 Major Roles and Critical Functions were outlined as follows:

- 19 • Ensure the safety of everyone that interacts with the electrical system.
- 20 • Buy and generate electricity at economical prices.
- 21 • Deliver electricity to residential, commercial, and industrial customers.
- 22 • Provide reliable electric service.

23 Items need to fulfill major roles and critical functions:

- 24 • Upgrade feeders #572, #573, #574 and #576.
- 25 • Begin replacement and upgrade of Hydro control systems.
- 26 • Begin a rebuild of the Northwest Substation.
- 27 • Acquire power resources to stabilize the cost of power and increase “Green” and carbon free
- 28 resources.

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1 Jesse Pearce was asked to provide information on field operations for the department:

- 2 • The department has had over six years of no lost work time due to accidents and has received
- 3 awards for their safety record.
- 4 • The five-year average system reliability rate for the Power department is 0.9999992%.
- 5 • Since the year 2000, the department staff has replaced total of 2,257 distribution poles of a
- 6 total 4,938 poles in the system. This averages to 125 poles replaced per year (if the year 2020
- 7 is excluded due to the windstorm which resulted in additional pole damage that needed
- 8 replacement over and above the average).
- 9 • Remaining poles in the system are approximately 50 years old and all need replacement.
- 10 • The underground system for the department is comprised of 1,261,100 feet of cable. This
- 11 includes 239,122 feet of bare concentric cable that was installed between 1970 and 1986. This
- 12 bare concentric cable has a life expectancy of only 20 years and is increasingly in need of
- 13 replacement. Newer, jacketed, cable is being installed now at an average rate of 18,000 feet
- 14 per year. This jacketed cable has a 40-year life expectancy.
- 15 • The tree trimming program is inclusive of one in-house crew and two contracted crews that
- 16 are employed to mitigate tree growth impacts to system resources. Approximately 3,700 trees
- 17 are trimmed or removed per year by these crews.
- 18 • Supply chain issues were noted including a 6-to-8-month delay in receiving poles and 36-to-
- 19 104-week delays in receiving transformers.

20 Luke Veigel was asked to review the capital requests for Fiscal Year 2024-2025:

- 21 • Total capital request is \$5,450,000 which is up by \$3,115,000 from the current fiscal year.
- 22 • The request includes the following:
 - 23 ○ \$290,000 for vehicles
 - 24 ○ \$200,000 for upgrade of Feeder #573
 - 25 ○ \$260,000 for an intertie of Feeder #572 to #574
 - 26 ○ \$100,000 for an upgrade of Feeder #576
 - 27 ○ \$250,000 for distribution at Renaissance Town Center
 - 28 ○ \$200,000 for distribution work at four new business locations

29 Alan Farnes provided an overview of capital improvements scheduled for the Hydro locations as

30 follows:

- 31 • \$400,000 for update of controls at the Echo Hydro
- 32 • \$750,000 for update of controls at Pineview Hydro

33 Other capital improvements included in the request are:

- 1 • \$3,000,000 for the Northwest Substation.

2 Jess Pearce reviewed the request for a one dollar increase in the annual fees for pole attachments.
3 The fee will rise from \$13 to \$14 to assist the department in funding additional maintenance and pole
4 replacement.

5 Additional discussion was held on the changes proposed in customer service policies for:

- 6 • Townhomes, condominiums, and any customer with multi-gang meter bases.
7 • Battery and electric vehicle definitions and inverter driven systems.

8 Tyrone Hansen presented examples of how the electric system load is balanced during two time
9 periods in a typical year and showed a schedule of power costs and metered sales by month. There
10 was also a discussion between management and the commissioners regarding solar power and IPP
11 power resources.

12 The proposed rate increase of 5% will result in Bountiful Power being 8.3% higher than Rocky
13 Mountain Power rates.

14 The meeting concluded with a summary of the budget request which included:

- 15 • Operating revenue of \$34,704,782
16 • Personnel Services costs at \$5,979,963
17 • Operations and Maintenance costs at \$24,847,551 and
18 • A net operating transfer of \$1,077,349
19 • A total of \$42,145,000 in planned capital expenses in the next 10 years

20 Following the discussions, Power Commission chair Paul Summers called for a motion to approve the
21 Fiscal Year 2024-2025 budget request with all items as outlined. Commissioner Pitcher motioned to
22 approve the budget and Commissioner Bell seconded the motion. All commissioners voted aye.

23 City Council Budget Committee chair Cecilee Price-Huish called for a motion on the Power Fund
24 budget with all items as presented. The budget was passed with a motion from Committee member
25 Price-Huish with a second from Committee member Higginson. Voting was unanimous with
26 Committee member Price-Huish voting, Higginson, and Harris aye. The budget review portion of the
27 meeting adjourned at 9:45 a.m. by consent of the Power Commissioners and City Council Budget
28 Committee members.