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**MINUTES OF THE REGULAR MEETING OF THE
BOUNTIFUL BOUNTIFUL CITY POWER COMMISSION
August 25, 2020 - 8:00 a.m.**

Those in Attendance

Power Commission

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

Power Department

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

City Administration

Gary Hill, City Manager
Tyson Beck, City Finance Director*

Recording Secretary

Nancy Lawrence*

Visitors

Millie Bahr, City Councilwoman
Blaine Haacke*
Ray Ward, Utah State House of Representative, Dist. No. 19

*Attended electronically via Zoom, Meeting ID #961.7292.7648, in conformance with COVID-19 guidelines and restrictions.

WELCOME

Chairman Pitcher called the meeting to order at 8:05 a.m., took roll call, and welcomed those in attendance. Councilman Higginson offered the invocation.

MINUTES – MAY 26, 2020 and JUNE 23, 2020

Minutes of the Regular Meeting of the Bountiful Power Commission held June 23, 2020 were presented and unanimously approved as written on a motion made by Commissioner Cushing and seconded by Councilman Higginson. Commissioners Becker, Bell, Cushing, Irvine, Pitcher and Summers, and Councilman Higginson voted “aye”. The corrected minutes of the Regular Meeting of the Bountiful Power Commission held May 26, 2020 were also included in the packet for perusal and included in this approval.

BUDGET REPORT – YEAR-TO-DATE 1-MONTH PERIOD ENDED 31 JULY 2020

Mr. Christensen reported that the Financial Report for the Year-to-date 12 Month period ended June 2020 shows an estimated loss of approximately \$2,000,000, based on GAAP. This loss is due to unbudgeted expenditures for repairs at the power plant and the Echo hydro. Money was available in Capital contingency to fund these repairs, but, according to GAAP, the transaction must be recorded as a loss.

1 FY 2020-2021 is still very preliminary. In the past, we have used estimates for
2 power costs (UAMPS), Electric Metered Sales, and Air Products, because current numbers
3 are not available for another 30+ days. We are going to change the reporting process to
4 reflect *actual revenues and expenses* and those figures lag about 3 to 4 weeks, which puts
5 the reporting process about one month behind. Operating expenses for the month of July
6 look very normal, there is nothing of concern. The budget report for the FY period ended
7 July 31, 2020 will be presented at the Power Commission meeting next month.

8
9 **DIRECTIONAL BORING APPROVAL**

10 Mr. Veigel reviewed that Americom Tech, Inc. has been working on several boring
11 conduit projects throughout the City. He said he would like to add three additional bore
12 projects for them to complete and he reviewed those projects (two distribution bores and one
13 streetlight bore). The streetlight portion is \$24,683 and will be funded from the streetlight
14 maintenance fund. The distribution portion is \$21,630 and will be funded from the
15 distribution accounts. Staff recommends the approval for Americom Tech, Inc to do the
16 three additional directional drillings in the amount of \$46,313. Commissioner Cushing
17 motioned to recommend approval of the directional boring project(s) for Americom Tech,
18 Inc. as recommended by staff. Commissioner Irvine seconded the motion and voting was
19 unanimous. Commissioners Becker, Bell, Cushing, Irvine, Pitcher, and Summers and
20 Councilman Higginson voted “aye”.

21
22 **UAMPS CARBON FREE PROJECT DISCUSSION**

23 Mr. Johnson reviewed that for several years we have been involved with UAMPS
24 and NuScale to develop a Carbon Free Power Project (CFPP) as a zero-carbon emitting
25 power resource option. This project is a small-scale nuclear reactor that will be located in
26 Idaho near Idaho Falls. The Department of Energy (DOE) has been a key partner in the
27 development of the project and currently is paying 50% of the cost to develop the National
28 Regulatory (NRC) license application.

29
30 Mr. Johnson reviewed the timeline of BCL&P’s involvement with this project and
31 the off-ramps available to the City. The UAMPS board approved a notice of Conditional
32 Approval of CFPP Budget and Plan of Finance and we received it on July 16, 2020. This
33 notice is one of the off-ramps that the City has for the project. The Amended Budget & Plan
34 of Finance for the remainder of the first phase is \$129,931,556. DOE is anticipated to
35 provide \$105 million and NuScale will be providing \$5 million. UAMPS share of this after
36 payment by DOE and NuScale are estimated at \$19,933,912. Bountiful City is currently
37 3.2822% of the project and our estimated costs for the remainder of the first phase is an
38 additional \$654,271. These funds are anticipated to cover the project through May 2023.
39 There would be two additional off-ramps for the project.

40
41 Of concern to Mr. Johnson is the lack of subscribers for the project (213 MW of 720
42 MW needed). Many of the municipals in Utah are reducing their subscription or dropping
43 out completely. UAMPS has given BCL&P an extension to September 30, 2020 to notify
44 them of our desire to use the off-ramp. The City will need to meet on September 22, 2020,
45 to leave the project via the off-ramp provision or continue until the next off-ramps
46 opportunity in 2023.

1 UAMPS still needs to finalize the following items: contracts with the DOE, the
2 Development Cost Reimbursement Agreement between UAMPS and NuScale; the
3 Engineering, Procurement and Construction Development Agreement between UAMPS and
4 Fluor Corporation; and finalize the Joint Use Module Project (JUMP).

5
6 The City has three options at this time: (1) pass a resolution to officially increase,
7 decrease, or withdraw from the project; (2) pass a resolution to withdraw from the JUMP
8 program; or (3) do nothing and stay with the project at our current level. Mr. Johnson noted
9 that developing new power resources is critical for the long-term stability and affordability
10 of Bountiful's power system. But the new resources must also be affordable for Bountiful's
11 rate payers. The technology developed by the CFPP is extremely promising, but the
12 financial risks to the City may be too great, particularly as less than 30% of the project is
13 subscribed currently.

14
15 A lengthy discussion followed regarding this project and the impacts it would have
16 on the City (both in terms of resources and financially). It was the consensus of the group
17 that the project is good, but the concern was lack of subscribers. It was noted that the IPP
18 resource could be called back to provide a portion of the firm resource. Mr. Johnson
19 recommended that we delay making a decision until the September 22 meeting so that we
20 will have final input from DOE, etc. The group concurred with this recommendation.

21
22 *The following items were included in the packet, but not discussed in the meeting:*

23
24 **POWER SYSTEMS OPERATIONS REPORT**

- 25
26 a. May-June 2020 Resource Reports
27
28 b. June & July 2020 Lost Time/Safety Report
29
30 c. June & July 2020 Public Relations Report
31
32 d. June 2020 Outage Reports

33
34 **OTHER BUSINESS**

35 None.

36
37 **NEXT POWER COMMISSION**

38 The next meeting of the Power Commission meeting is scheduled for September 22,
39 2020. Depending on conditions of the pandemic, Allen Johnson will confirm the format of
40 the meeting.

41
42 **ADJOURN**

43 The meeting adjourned at 10:07 a.m. on a motion made by Councilman Higginson
44 and seconded by Commissioner Summers. Voting was unanimous with Commissioners
45 Pitcher, Becker, Bell, Cushing, Irvine and Summers, and Councilman Higginson voting
46 "aye".



Jed Pitcher, CHAIRMAN

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