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**MINUTES OF THE JOINT MEETING OF THE
BOUNTIFUL CITY COUNCIL POWER COMMITTEE AND
THE BOUNTIFUL CITY POWER COMMISSION
April 13, 2021 - 8:00 a.m.**

Those in Attendance

Power Commission

Paul Summers, Vice-Chairman
Susan Becker*
Dan Bell*
Richard Higginson, City Council Rep.
David Irvine*
John Marc Knight

Power Department

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

Mayer and City Council

Randy Lewis, Mayor
Kate Bradshaw, Councilwoman
Kendalyn Harris, Councilwoman

Recording Secretary

Nancy Lawrence

Other

Gary Hill, City Manager*
Galen Rasmussen, Assistant City Manager

Excused

Jed Pitcher, Power Commission, Chairman

*Attended electronically via Zoom, Meeting #957-7316-2026, in conformance with COVID-19 guidelines and restrictions.

WELCOME

Vice-Chairman Summers called the meeting to order at 8:00 a.m. and welcomed those in attendance. Allen Johnson took roll call. Commissioner Summers offered the invocation.

Mr. Johnson took a few minutes to share with the group an “event” that happened yesterday in Bountiful. He showed a video of a teenager being “rescued/removed” from the top of a BCL&P power pole. The young man (16 years old) had climbed the pole, threading himself through three energized lines, for the purpose of taking a photo from the top. The Police Department contacted the Power Department, the lines were de-energized, and the subject was brought safely down via a bucket truck. This resulted in an outage of a rather large area of the City, but, thankfully and luckily, with no injuries.

BUDGET PRESENTATION

Mr. Christensen presented the Bountiful City Power Department FY 2021-2022 Proposed Budget, balanced at \$31,130,455 with no changes to rates, fees, or deposits. He

1 briefly reviewed that the department serves 17,150 total customers, the composition of
2 power resources, and the electrical system, which includes 6 substations, 42 miles of 46KV
3 transmission lines, 87 miles of 15KV overhead distribution lines, 120 miles of 15KV
4 underground distribution lines, and 75 miles of street light circuits. The major roles and
5 critical functions of the department are to (1) ensure the safety of everyone that interacts
6 with the system; (2) buy and generate electricity at economical prices; (3) deliver electricity
7 to residential, commercial, and industrial customers; and (4) provide long-term reliable
8 electric service, which is the product of long-term planning, budgeting, and project
9 completion.

10
11 The major fiscal year priorities are: (1) add a 3-person line crew and necessary
12 equipment, tools, and safety gear; (2) upgrade feeders #575, #576, #272, and #373; (3) begin
13 replacement and upgrade of the Echo hydro's control system (a two-year project); and (4)
14 acquire power resources to stabilize the cost of power and increase "green" and carbon-free
15 resources.

16
17 The proposed budget includes: **Operating Revenue** at \$28,261,095, down \$(81,798)
18 from the current year; **Operating Expenses/Personnel Services** at \$5,291,294, up \$581,850
19 (which includes the additional 3-man crew, COLA of 2.0%, an increase in medical
20 insurance rates, merit increases for 14 employees, and market adjustments for 19 employees.
21 Total employees are proposed at 37 full-time (up 3) and 5 part-time. Commissioner
22 Summers asked if the department would be able to find three new employees (linemen) and
23 Mr. Johnson explained that they are hopeful of finding younger, less-experienced workers,
24 with the hope that current experienced employees who might otherwise leave the department
25 can be retained through the salary market adjustments proposed.

26
27 Continuing with the proposed budget, **Operating Expenses/Operations and**
28 **Maintenance** is at \$20,166,256, up \$650,143 and includes costs for natural gas, the Echo
29 Hydro major repair, power purchase from San Juan and UAMPS, and Distribution expenses.
30 Alan Farnes reviewed the proposed upgrade for the Echo hydro, noting that this year's
31 expenses are focused on engineering required to replace the 35-year-old control system.
32 The full upgrade will include programmable controller, breakers, relays, hydraulics,
33 synchronizers, and batteries and is scheduled for completion in the winter of 2023.

34
35 Mr. Pearce reviewed that an additional crew is needed to provide on-going
36 maintenance of the distribution system. He said there are 3,086 poles that need to be
37 replaced and with current resources, this will take 27 years. The poles needing to be
38 replaced are approximately 50 years old and will not last another 27 years. Consideration
39 was given to hiring a contractor; however, that would be more costly than the option of
40 adding another crew. The 264,000 feet of bare concentric underground cable which was
41 installed from 1970 to 1986 has a life expectancy of 20 years. With current resources, it
42 would take an additional 20+ years to replace this cable.

43
44 In summary, Mr. Pearce said that a new 3-person line crew, with equipment,
45 materials, tools, and safety gear will increase the capacity to replace poles and underground
46 cable, will provide additional manpower for emergencies, be less expensive than a contract

1 crew, and improve maintenance over the long term. He also noted that productivity will
2 increase with training and experience. He expressed appreciation to Mr. Hill and Shannon
3 Cottam for the help in performing a market salary adjustment study.
4

5 Continuing with the proposed budget, Mr. Veigel reviewed **Capital Expenditures**
6 proposed at \$1,848,000, down \$2,472,000. He presented photographs of each project and
7 described the work that will be done. These upgrades include wood and steel poles,
8 overhead distribution cable, and underground improvements. Included in Capital
9 Expenditures is \$200,000 for JRCA to evaluate site development options for the
10 Office/Warehouse site; maintenance and equipment vehicles at \$398,000; and feeder
11 upgrades as follows: Feeder #575, \$450,000; Feeder #272, \$200,000; Feeder #576,
12 \$140,000; Renaissance Distribution, \$70,000; Feeder #373, \$80,000; Stone Creek Phase 4
13 Distribution, \$50,000; and \$60,000 for Street Lights.
14

15 Continuing with the proposed budget, Mr. Christensen reviewed **Operating**
16 **Transfers In** of \$2,562,235, as follows: \$1,212,235 amortize San Juan power plant
17 intangible asset; \$200,000 buildings security wall, paving, and landscaping; \$200,000
18 Distribution Systems begin remote meter collector system; \$750,000 Echo hydro to begin
19 controls upgrade; \$200,000 Distribution System Feeder #272 upgrade. **Operating transfers**
20 **out** to the general fund is budgeted at \$(2,523,370), resulting in a net transfer into the Power
21 Department of \$38,865. Mr. Christensen also reviewed the 10-year Capital Expenditures
22 plan of \$36,038,000.00.
23

24 In summary, Mr. Christensen reported that it is the staff recommendation to approve
25 the proposed balanced Fiscal Year 2022 budget in the amount of \$31,130,455 (with no
26 changes to Rates, Fees, or Deposits). This proposed budget includes adding a 3-person line
27 crew and necessary equipment, and continues to emphasize maintenance and upgrades of
28 transmission, distribution, and street light systems.
29

30 Following a brief discussion, Commissioner Knight made a motion to approve
31 BCLP's Proposed FY 2022 Budget as presented and discussed to send to the Power
32 Committee. Councilman Higginson seconded the motion which carried unanimously.
33 Commissioners Becker, Bell, Irvine, Knight and Summers, and Councilman Higginson
34 voted "aye".
35

36 The Power Committee then voted to recommend approval of the Proposed FY 2022
37 balanced budget on a motion made by Mayor Lewis and seconded by Councilwoman Harris.
38 Voting was unanimous with Mayor Lewis and Councilpersons Harris and Higginson voting
39 "aye".
40

41 Commissioner Summers applauded the efforts of Mr. Johnson and the Power
42 Department staff for the successful operation of the "complicated and expensive power
43 system", and acknowledged the great benefit it is to the citizens of Bountiful. In turn, Mr.
44 Johnson expressed gratitude for the support of the elected officials and those in the past who
45 have led, guided, and supported this operation. Mayor Lewis then expressed appreciation

1 for the employees of the Power Department and the great work that they do and the Power
2 Committee meeting was adjourned at 9:10 a.m.

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6 **MINUTES –MARCH 23, 2021**

7 Minutes of the Regular Meeting of the Bountiful Power Commission held March 23,
8 2021 were presented and unanimously approved as written on a motion made by
9 Commissioner Irvine and seconded by Commissioner Becker. Commissioners Becker, Bell,
10 Irvine, Knight and Summers, and Councilman Higginson voted “aye”.

11
12 **BUDGET REPORT – YEAR-TO-DATE 8-MONTH PERIOD ENDED 28**
13 **FEBRUARY 2021**

14 Mr. Christensen presented the Budget Report for the Fiscal Year-to-date (YTD) 8-
15 month period ended February 2021. He referred to the detailed report in the packet which
16 addresses the Historical Budget, FY 2021 estimates for Electric Metered Sales, Air Products,
17 and UAMPS Power Costs and the 2010 Bond and Interest Earned on Rate Stabilization. It
18 was noted that Wind Event Costs (September 8, 2020 event) were estimated at \$700,838 and
19 includes labor, materials, equipment, and 3rd party costs for outside crews and contractors.
20 Bountiful City, BCLP, and numerous other Utah government entities are in the process of
21 filing a claim for reimbursement from the Federal Emergency Management Agency
22 (FEMA).

23
24 Total revenues YTD were \$28,839,189, above its HAB by \$293,300. Major items
25 above or (below) budget included: Electric Metered Sales, above its historically allocated
26 budget (HAB) by \$362,176; and Air Products income, below its HAB by \$(171,634) with an
27 average load factor of 51.8 percent. (Additional detail in packet report).

28
29 Total operating expenses YTD were \$25,905,022, below its HAB by \$1,387,133.
30 Major items below their HABs included: Power Cost Expense, below by \$759,042, due to
31 careful purchasing and scheduling of power resources and selective use of the three turbines;
32 Street Light expense, below by \$131,388; and Substation Expense, below by \$140,877, due
33 to timing differences. (Additional detail in packet report).

34
35 Total Capital Expenditures YTD were \$685,642 and included major items (excluding
36 labor) of \$255,430 for a new double bucket truck; \$292,128 for feeder #575; \$32,129 for
37 The Cottages on Main St. \$24,991 for the Renaissance Center; \$24,021 for feeder #272;
38 \$15,509 for 500 W. Orchard; and \$14,498 for the 400 N. Pump.

39
40 Total Labor and Benefits Expense YTD (included in Operating Expenses YTD and
41 Capital Expenditures listed above) was \$3,013,252. As of 20 February 2021, (the last pay
42 period in the YTD period), 64.4% or \$3,032,108 of the TL&B could have been spent and the
43 actual TL&B was \$18,856 below that target.

44
45 The Net Margin YTD was \$2,248,526 with high EMS, low power costs, and low
46 other operating costs.

1
2 Total cash and cash equivalents, \$19,496,910, were down \$(7,068,558) from
3 \$26,565,468 at 30 June 2020. The Net Margin and the bond payoff were significant factors
4 in this item. It is the goal of the City to have 180 days of operating cash on hand.
5

6 Following a brief discussion, Councilman Higginson motioned to accept the Budget
7 Report, Commissioner Bell seconded the motion and voting was unanimous.
8 Commissioners Becker, Bell, Irvine, Knight and Summers and Councilman Higginson voted
9 "aye".

10
11 **TRANSFORMER PURCHASE APPROVAL.**

12 Mr. Veigel reviewed that the inventory of three phase pad mount transformers is
13 running low and needs to be replenished. The transformers will be used to replace
14 transformers that have been used on our system. Invitations to bid were sent to two major
15 suppliers and it is recommended by staff that the low bid from Anixter Power Solutions (Salt
16 Lake City) in the amount of \$43,238 (with an 18-20 week delivery) be approved. The bid
17 includes:

- 18 1 (ea) 75 KVA 120/208 three phase pad mount
19 1 (ea) 150 KVA 120/208 three phase pad mount
20 2 (ea) 300 KVA 120/208 three phase pad mount
21

22 Commissioner Becker motioned to accept the recommendation of staff to award the
23 bid to Anixter Power Solutions (ERMCO) for four (4) transformers for the sum of \$43,238;
24 and to recommend this purchase to the City Council. Commissioner Irvine seconded the
25 motion and voting was unanimous. Commissioners Becker, Bell, Irvine, Knight and Summers,
26 and Councilman Higginson voted "aye".
27

28 **COVID UPDATE**

29 Mr. Pearce reported that the Department continues to maintain a status quo posture
30 related to COVID. There are currently no infections and numerous employees have received
31 or are in the process of getting their vaccination. He noted that the City Council will have a
32 Work Session to discuss future City protocol related to COVID.
33

34 **RESOURCE UPDATE**

35 Mr. Johnson noted that no UAMPS-related meetings have been held and he will have
36 more information at the next Power Commission meeting.
37

38 *The following items were included in the packet, but not discussed in the meeting:*
39

40 **POWER SYSTEMS OPERATIONS REPORT**

- 41 a. February 2021 Resource Reports
42 b. March 2021 Lost Time/Safety Reports
43 c. March 2021 Public Relation Reports
44 d. February 2021 Outage Reports
45

46 **OTHER BUSINESS**

1 Mr. Johnson reminded the Commissioners of the work meeting with the City Council
2 on April 27, 2021 for the purpose of discussing solar metering and invited them to attend.

3
4 The APPA June Conference (June 20-23, 2021) will be held live in Orlando, Florida.

5
6 **NEXT POWER COMMISSION**

7 The next meeting of the Power Commission will be held on May 25, at 8:00 a.m.

8
9 **ADJOURN**

10 The meeting adjourned at 9:20 a.m. on a motion by Councilman Higginson and
11 seconded by Commissioner Becker. Voting was unanimous with Commissioners Becker,
12 Bell, Irvine, Knight and Summers and Councilman Higginson voting "aye".

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15 Paul Summers, VICE CHAIRMAN
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