

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46

**MINUTES OF THE MEETING OF THE  
THE BOUNTIFUL CITY POWER COMMISSION  
August 23, 2022 - 8:00 a.m.**

**Those in Attendance**

**Power Commission**

Paul C. Summers, Chairman  
Susan Becker  
Dan Bell  
David Irvine  
John Marc Knight  
Jed Pitcher

**Power Department**

Allen Johnson, Director  
Alan Farnes  
Tyrone Hansen  
Jess Pearce  
Luke Veigel

**Excused**

Richard Higginson, City Council Rep

**Recording Secretary**

Nancy T. Lawrence

**WELCOME**

Chairman Summers called the Power Commission meeting to order at 8:00 a.m. and welcomed those in attendance. The invocation was offered by Commissioner Becker.

**MINUTES, June 28, 2022**

Minutes of the regular meeting of the Bountiful Power Commission held June 28, 2022, were presented, and unanimously approved as written on a motion made by Commissioner Becker and seconded by Commissioner Irvine. Commissioners Becker, Bell, Irvine, Knight, Pitcher and Summers voted "aye".

**BUDGET REPORT – YEAR-TO-DATE 12-MONTH PERIOD ENDNG 30 JUNE 2022**

Mr. Hansen presented a summarized Budget Report for the Fiscal Year-to-date 12-Month period ended 30 June 2022, noting that it is preliminary. He reviewed the process of using an estimate for Electric Metered Sales *only*, as part of the fiscal year end process and noted that the EMS estimate of \$600,000.00 for July has been removed from this budget report. (Air Products income, UAMPS power costs, and natural gas costs have been posted to the correct month in the general ledger, which eliminated the need to use estimates for them). He also explained that the FYE 2022 receivable from FEMA of \$24,121.07 for the 2020 Wind Event was written off because some of the original calculations submitted were mis-stated.

Total **Revenues** YTD were \$28,320,626.00, below its HAB by \$(2,848,694). The following items were (below) their HAB as follows: Electric Metered Sales - \$(78,1640); Air Products Income - \$(4,795); Contribution in Aid to Construction - \$(167,955); and Interest Income - \$(32,787).

Total **Operating Expenses** year-to-date were \$27,541,133, below its HAB by \$1,780,187. Major items (above) the HABs were: Power Cost Expense - \$(858,885), which included high market prices in December and January and major repairs to the Echo Hydro

1 in March; transmission expense - \$(21,043); Insurance Expense - \$(43,549); and  
2 Amortization of the Craig-Mona Line - \$(83,872), which had not been budgeted. Major  
3 items below their HAB budget were Distribution Expense - \$516,692; Substation Expense -  
4 \$256,427; and Contingency Expense - \$715,475.

5  
6 Total **Capital Expenses** year-to-date were \$1,250,406 and included: \$90,281 for  
7 BCLP's share of the City's new car wash facilities; \$195,480 for a new tree trimming truck;  
8 \$728,260 for Feeder #575 and \$230,541 for Feeder #272. Total **Labor & Benefits** YTD  
9 expenses was \$4,731,118. As of 30 June 2022 (the last pay period paid in the YTD period),  
10 100% of the TL&B budget -- \$5,291,294 -- could have been spent; the actual TL&B was  
11 \$560,176 below that target. The **Net Margin** YTD was (\$470,912), as on-budget revenues  
12 plus many low operating expenses were partially offset by high power costs Total Cash and  
13 Cash Equivalents were a net \$20,862,630 at month end. After a brief discussion  
14 Commissioner Pitcher motioned to accept the Budget Report. Commissioner Bell seconded  
15 the motion and voting was unanimous. Commissioners Becker, Bell, Irvine, Knight, Pitcher  
16 and Summers voted "aye".

#### 17 18 **500 KVA TRANSFORMER PURCHASE APPROVAL**

19 Mr. Pearce reviewed with the group that transformers continue to be hard to  
20 purchase and the lead time is a critical factor in keeping an adequate inventory. He said  
21 there are currently two 500 KVA transformers in inventory, and one of those will be used  
22 for the Renaissance project. In an effort to maintain minimum inventory, invitations to bid  
23 were sent out to two major suppliers and only one was able to provide a bid. It is the  
24 recommendation of staff to accept the bid from IRBY—ABB for one 500 KVA 208/120  
25 three phase pad mounted transformer at a total cost of \$29,850. Delivery is quoted at 56-58  
26 weeks. Commissioner Knight motioned to support the recommendation of staff,  
27 Commissioner Becker seconded the motion and voting was unanimous. Commissioners  
28 Becker, Bell, Irvine, Knight, Pitcher and Summers voted "aye".

#### 29 30 **1100 URD CABLE PURCHASE APPROVAL**

31 Mr. Pearce explained that the inventory of 1100 URS Primary Cable as a result of  
32 planned projects this summer and the inventory needs to be replaced. The cable is a single  
33 source item and Irby Electric Supply is the only vendor in the state of Utah. Mr. Pearce had  
34 a length of cable that he showed to the group. The cable has a 40-year warranty and has  
35 demonstrated an 80-year life span. An invitation to bid was submitted to Irby and it is the  
36 recommendation of staff to award the bid as follows: three reels (or 4,095 feet) of 1100  
37 URD cable at \$11.75/ft. for a total cost of \$48,116.25. Commissioner Irvine motioned to  
38 support the staff and recommended to City Council that this bid be accepted. Commissioner  
39 Knight seconded the motion and voting was unanimous. Commissioners Becker, Bell,  
40 Irvine, Knight, Pitcher and Summers voted "aye".

#### 41 42 **PME-11 SWITCHGEAR APPROVAL**

43 Mr. Pearce reported that two underground dead front PME-11 switchgear are  
44 scheduled to be installed this summer/fall. One of these switchgears are always kept in  
45 inventory as a backup for emergencies. This gear is a single source item, and a quote was  
46 requested from Irby Electric, the only available vendor. The price for the two PME-11

1 switchgear, fuse holders, and the fiber Crete basement is \$40,562.00. This switchgear is part  
2 of a budgeted upgrade and will be placed into inventory until it is installed on the system. It  
3 is staff recommendation to purchase from Irby for the sum of \$40,562.00. Commissioner  
4 Pitcher motioned to support the staff recommendation to the City Council for this switchgear  
5 purchase. The motion was seconded by Commissioner Bell and voting was unanimous.  
6 Commissioners Becker, Bell, Irvine, Knight, Pitcher and Summers voted “aye”.

7  
8 **DIRECTIONAL BORING APPROVAL**

9 Mr. Veigel explained that while doing system maintenance, there is an area on the  
10 distribution system where the underground cables are direct buried. These cables are over  
11 40 years old and can’t be upgraded without digging or boring in a new conduit. There is  
12 also an additional street light circuit which has failed this summer. To minimize the  
13 inconvenience to residents and limit the restoration of property, a quote has been requested  
14 from Down Under Construction for directional boring services. (This company is currently  
15 working in the City doing work that was previously approved). The additional work  
16 consists of a Distribution System Project and a Streetlight Project bore to install a single  
17 conduit for 900 total linear feet. Mr. Veigel noted that the new lines will be installed in the  
18 park strip. Approval is being requested to add \$30,190 to an existing bid with Down Under  
19 Construction (previously approved in the amount of \$288,777). The additional add-on will  
20 bring the total contract to a sum of \$318,967.

21  
22 This request has been reviewed by the Power Department staff and the City  
23 Manager, and it is staff recommendation to approve an additional \$30,190. Following a  
24 brief discussion, Commissioner Becker motioned to support the recommendation of staff for  
25 approval of an additional \$30,190 for two underground projects to be included in the bid of  
26 Down Under Construction. Commissioner Pitcher seconded the motion which carried  
27 unanimously with Commissioners Becker, Bell, Irvine, Knight, Pitcher and Summers voting  
28 “aye”.

29  
30 **RED MESA REVISED CONTRACT APPROVAL**

31 Mr. Johnson reviewed that in an effort to secure a utility size solar power project for  
32 the City, the City Council approved Resolution #2019-08, approving the Firm Power Supply  
33 Agreement for the Red Mesa Project. This project as per the power sales agreement has  
34 claimed a force majeure due to supply chain problems re: forced labor in China.  
35 Additionally, the project was no longer financeable at the original contract price. UAMPS  
36 had an option to walk away from the contract due to an anticipatory breach of contract.  
37 However, finding a replacement would result in an increased cost and up to five years delay  
38 due to transmission restrictions and equipment availability. Therefore, it is proposed that  
39 the term of the power purchase agreement would be 25 years commencing on the *revised*  
40 *commercial operation date* (COD) which is anticipated to be March 2023, but no later than  
41 September 2023. The purchase price for the project is \$37.00/per megawatt hour (MWH)  
42 for 25 years, which includes all of the renewable energy credits.

43  
44 Mr. Johnson said this amended agreement (via Resolution 2022-13) will allow us to  
45 increase our renewable energy portfolio for the entire City. It will need to be backed up by  
46 the existing Power Department’s power plant to provide power to residents in the afternoons

1 and evenings. It is the recommendation of staff for the City Council to approve Resolution  
2 2022-13, entitled “A RESOLUTION AUTHORIZING THE RED MESA TAPAHA  
3 SOLAR PROJECT AMENDED AND RESTATED TRANSACTION SCHEDULE  
4 UNDER THE POWER SUPPLY AGREEMENT WITH UTAH ASSOCIATED  
5 MUNICIPAL POWER SYSTEMS; AND RELATED MATTERS”, and authorize the  
6 Mayor to sign the amended Red Mesa Tapaha Solar Firm Power Supply Agreement  
7 Transaction Schedule. Commissioner Pitcher motion to recommend approval of Resolution  
8 No. 2022-13 to the City Council and to also recommend authorization for the Mayor to sign  
9 the amended Agreement (as stated above). Commissioner Irvine seconded the motion which  
10 carried unanimously. Commissioners Becker, Bell, Irvine, Knight, Pitcher and Summers  
11 voted “aye”.

12  
13 **RESOURCE UPDATE**

14 Mr. Johnson said that if BCL&P wanted to get back in the Carbon Free Project it  
15 would be possible, but there would be no voting rights. He discussed concerns with the  
16 subscription levels, noting that Energy Northwest had planned to be a partner, but are now  
17 developing their own project. PacifiCorp will also be doing their own. Without a more  
18 positive picture of subscribers, costs could be very high. Commissioner Summers  
19 acknowledged that costs are a major issue; however, he noted that some day we will need  
20 that power and its affordability is not the only factor to consider. He recommended that we  
21 continue to keep in touch with this as a potential future resource. Commissioner Summers  
22 excused himself from the meeting at this time. (9:07 a.m.)

23  
24 The project is planned for a 40-year period, with two 20-year extensions. He noted  
25 that NuScale will be making a presentation and giving tours on October 11 and 12  
26 (Corvallis, Oregon) and asked if any of the Commissioners would be interested in going. If  
27 so, he said he would need to know soon.

28  
29 The Enchant project is experiencing some decommissioning issues, as well as mine  
30 reclamation issues. This is slowing down the shutdown process. San Juan is in the process  
31 of shutting down now and they will need to have a decision by the end of September.

32  
33 As the drought continues, there will be continued changes with the CRSP resource –  
34 however, due to low water levels, it will be 3 -4 years to recover to where we have been. In  
35 the meantime, we can expect to see higher rates and less availability. Commissioner Becker  
36 asked if there was concern about getting power for this winter and he said “No”, the concern  
37 is cost. A brief discussion followed regarding costs rising and how the rate structure would  
38 be impacted.

39  
40 The meeting adjourned at 9:30 p.m. on a motion made and seconded by  
41 Commissioners Irvine and Bell, respectively. Voting was unanimous with Commissioners  
42 Becker, Bell, Irvine, Knight, and Pitcher voting “aye”.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

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

**POWER SYSTEMS OPERATIONS REPORT**

- a. May-June 2022 Resource Reports
- b. June 2022 Lost Time/Safety Reports
- c. June 2022 Public Relation Reports
- d. June 2022 Outage Reports

**OTHER BUSINESS**

None

**NEXT POWER COMMISSION**

The next meeting of the Power Commission will be held on September 27, 2022, at 8:00 a.m.

**ADJOURN**

The meeting adjourned at 9:30 a.m. on a motion by Commissioner Irvine and seconded by Commissioner Bell. Voting was unanimous with Commissioners Becker, Bell, Irvine, Knight, Pitcher, and Summers voting "aye".

  
Paul C. Summers, CHAIRMAN

