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**MEETING OF THE  
BOUNTIFUL CITY POWER COMMISSION**  
March 27, 2018 - 8:00 a.m.

**Those in Attendance**

**Power Commission**

John Cushing, Chairman  
Susan Becker  
Dan Bell  
David Irvine  
John Mark Knight, City Council Rep.  
Jed Pitcher  
Paul Summers

**Power Department**

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

**City Officials**

Clint Drake, City Attorney

**Recording Secretary**

Nancy Lawrence

**WELCOME**

Chairman Cushing called the meeting to order at 8:00 a.m. and welcomed those in attendance. Alan Farnes offered the invocation.

**MINUTES – FEBRUARY 20, 2018 AND MARCH 15, 2018**

Minutes of the regular meeting of the Power Commission held February 20, 2018 and also of the Special Meeting of the Power Commission held March 15, 2018 were presented and unanimously approved on a motion made by Councilman Knight and seconded by Commissioner Summers. Commissioners Cushing, Becker, Bell, Irvine, Pitcher, and Summers, and Councilman Knight voted “aye”.

**BUDGET REPORT – YEAR-TO-DATE 8 MONTH PERIOD ENDING FEBRUARY 28, 2018**

Mr. Christensen presented the Budget Report for the Fiscal Year-to-Date 8-month Period Ended 28 February 2018. He noted that for fiscal year-to-date 2018, July 2017 through January 2018 are final (with estimates for Electric Metered Sales, Air Products, and UAMPS Power Costs). February 2018 is preliminary because it is missing data for interest incomes, credit card merchant fees expense, and the transfer to the rate stabilization fund expense.

Total revenues YTD were \$21,831,459, above its Historically Allocated Budget (HAB) by \$183,785. Major items above budget were Air Products income, above its HAB by \$209,234 or 14.0%; Contributions in Aid to Construction, above its HAB by \$63,638; preliminary Interest Income on Investments, above its HAB by \$84,401 due to interest rates that were higher than budgeted; and Gain on Sale of Fixed Assets, above its HAB \$42,413 with the sale of service trucks and a backhoe. Electric Metered Sales was below its HAB by \$(307,253).

Total Operating Expenses YTD were \$17,346,776, below its HAB by \$1,382,587. The major item below budget was power costs, \$654,325, due to prudent scheduling and mild weather; Distribution was below its HAB by \$139,124; and Transmission was below its HAB by \$88,493 with postponement of two budgeted projects. Substation expenses were temporarily

1 above its HAB by \$(78,451) with the budgeted purchase of four breakers for the substations.

2  
3 Total Capital Expenditures YTD were \$2,777,612, and included \$1,580,317 on the  
4 budgeted 138KV substation project, \$598,569 on the budgeted transmission phase 7 project, and  
5 \$519,065 on the unbudgeted but approved purchase of the Fisher property north of the office and  
6 warehouse.

7  
8 The Net Margin YTD was \$1,707,071, above its HAB by \$955,724 due largely to lower  
9 power costs, higher Air Products income, and many operating expenses that were below budget.  
10 The preliminary net margin for the month was \$263,581.

11  
12 Total cash and cash equivalents were a net \$26,292,729 at the end of the month, down  
13 \$(836,041) from \$27,128,770 at 30 June 2017. The major decrease in cash came from a decrease  
14 in net accounts payable of \$(1,964,071) and the annual \$(675,000) payment on the 2010 Bond,  
15 partially offset by the \$1,707,071 net margin.

16  
17 Commissioner Pitcher asked if the department has a "bucket list" of proposed budget  
18 expenditures, and if so, how is it determined. Mr. Christensen explained that the BCL&P staff  
19 met regularly for the past three months to determine and prioritize needs of the department and  
20 has developed a ten-year proposed budget. Discussion followed regarding the proposed major  
21 projects and needs of the Department. The main focus for determining needs is reliability of the  
22 system.

23  
24 Following discussion, Commissioner Pitcher motioned to approve the budget report as  
25 presented. Commissioner Becker seconded the motion which carried unanimously.  
26 Commissioners Cushing, Becker, Bell, Irvine, Pitcher and Summers, and Councilman Knight  
27 voted "aye".

28  
29 **COMPRESSOR BID APPROVAL**

30 Mr. Pearce reported that the 2017-18 budget includes the purchase of a new towable air  
31 compressor which will be used primarily for maintaining the underground and street lighting  
32 systems. Bids were received from five suppliers for a new 185 cfm compressor and all  
33 supporting auxiliary equipment. It is the recommendation of staff to award the bid to Cate  
34 Equipment Company in the amount of \$24,140.00. This supplier has the State bid and it was  
35 also the lowest bid. Delivery is one week. Commissioner Bell motioned to support the  
36 recommendation of staff and recommend this purchase to the City Council. Commissioner  
37 Pitcher seconded the motion and voting was unanimous. Commissioners Cushing, Becker, Bell,  
38 Irvine, Pitcher and Summers, and Councilman Knight voted "aye".

39  
40 **ECI FAULT STUDY APPROVAL**

41 Alan Farnes explained that it has been a long time since a system wide fault study has  
42 been completed and he noted that fault current analysis is one of the most crucial calculations of  
43 the electrical design process. Information collected in a fault study is used to design and identify  
44 electrical components that can withstand the tremendous forces of faults without harming  
45 occupants and without damaging equipment. Electrical Consultants, Inc. (ECI) has been asked  
46 to provide a proposal to complete a new study. The proposal includes developing a model of the

1 City's entire electrical system and then evaluating all of the relay settings and fuse sizes. ECI  
2 was considered a sole source for this project because a great deal of the information needed is  
3 already in their system due to other projects they have done for BCL&P. It is the  
4 recommendation of staff to approve the proposal from ECI to complete a fault study of the City's  
5 entire electrical system at a cost of \$58,400. Commissioner Summers made a motion to  
6 recommend approval to the City Council of this recommendation. Commissioner Bell seconded  
7 the motion and voting was unanimous. Commissioners Cushing, Becker, Bell, Irvine, Pitcher  
8 and Summers, and Councilman Knight voted "aye".  
9

#### 10 **1100 URD CABLE BID APPROVAL**

11 Mr. Veigel presented a request for purchase of 1100 URD Primary cable for the purpose  
12 of replenishing inventory; this cable will be used on several feeder upgrade projects on the  
13 system this spring and summer. The bid is a single source item and it is recommended by staff  
14 that approval be given to purchase 7,800 feet of 1100 URD cable from Codale at a total cost of  
15 \$61,776. Commissioner Becker made a motion to recommend approval of the purchase of cable,  
16 as requested. Commissioner Irvine seconded the motion which carried unanimously.  
17 Commissioners Cushing, Becker, Bell, Irvine, Pitcher and Summers, and Councilman Knight  
18 voted "aye".  
19

#### 20 **OSMOSE POLE RESTORATION APPROVAL**

21 Mr. Veigel reviewed that in 2015 a test of the transmission poles for strength and  
22 reliability revealed that 23 poles had failed a test and 43 were in poor condition. Sixteen of the  
23 failed poles and 11 of the poles labeled in poor condition have been replaced. In an effort to  
24 continue to replace poles, but not at the expense of the most current budget and in harmony with  
25 the timeline of several other projects, the staff is recommending that Osmose Utilities Services  
26 Inc. be used to reinforce and restore 10 poles. The process used by Osmose is to install a  
27 galvanized steel truss parallel to the butt of the pole which provides strength and stability for an  
28 indefinite time (or until the poles can be replaced).  
29

30 A proposal was requested from Osmose and it is the recommendation of staff that the  
31 proposal in the amount of \$21,770 be accepted, with work scheduled to begin prior to July 1,  
32 2018. This was not a budgeted item but funds are available in the transmission account.  
33 Following a brief slide presentation and then Commission discussion, Councilman Knight made  
34 a motion to recommend approval to the City Council of the \$21,770 proposal. Commissioner  
35 Irvine seconded the motion. Voting was unanimous with Commissioners Cushing, Becker, Bell,  
36 Irvine, Pitcher and Summers, and Councilman Knight voting "aye".  
37

#### 38 **138 KV PROJECT UPDATE**

39 Alan Farnes narrated a slide presentation of the work which is progressing at the 138 kV  
40 Substation. He noted that the original plan for this substation had been changed due to a study  
41 which showed that the larger transformer (proposed to be replaced second) was failing and  
42 needed to be replaced prior to the smaller transformer.  
43

44 The slides showed the relationship of the City system to Rocky Mountain equipment and  
45 clarified that it is a highly advanced project due to proximity to the currently operating high  
46 voltage equipment. The new transformer should be here and online by the first of June, critical

1 to providing a backup system during the peak summer months. (He noted that the old  
2 transformer is being kept on site until the new transformer is installed and operational).

3  
4 **CFPP UPDATE**

5 Mr. Johnson reviewed the resources currently being used in our system, including the  
6 amount of each resource and the length of its contract. CRSP provides 40 percent of our  
7 resources, and is under contract until 2024 with two 20-year extensions after that. He noted that  
8 the percentage of the load that it provides is based on load requirements and will diminish as our  
9 requirements increase. IPP currently provides 30 MW; this resource will be only 13 MW after  
10 2025 and will be impacted in cost as it changes from a coal-fired to a gas-fired plant. The  
11 contract with San Juan is for 5 MW and extends to June 2022; after that, it is anticipated that this  
12 resource will no longer be available. The remainder of our resources are the hydro plants at  
13 Echo and Pineview, customer-generated solar, and the power plant.

14  
15 The critical question as we look to the CFPP is: what is our real need and what is the  
16 budget impact. Basically, we will need replacement power for San Juan, and based on current  
17 values, we are looking at a 7.3 percent rate increase if we were to take 5 MW of nuclear power at  
18 the projected costs. It was noted that there are off-ramps in the CFPP project which could limit  
19 the total investment to \$200,000.

20  
21 Following a lengthy discussion of the resources variables, with projected costs,  
22 Commissioner Summers made a motion that the Power Commission recommend to the City  
23 Council that we continue in negotiations with CFPP at a commitment of 10 MW. Commissioner  
24 Irvine seconded the motion which carried unanimously. Commissioners Becker, Bell, Cushing,  
25 Irvine, Pitcher and Summers and Councilman Knight voted "aye".

26  
27 **IPP UPDATE**

28 Mr. Johnson reported that due to changes in the needs of resources for California, the IPP  
29 project will be changing to a gas-fired plant, to be online in 2025. Our anticipated share of this  
30 resource (14 MW) can be laid off to California, but will be available for call-back. Important to  
31 consider, is that the cost of this resource is unstable; it is therefore important to have diversity in  
32 our portfolio, to include continued consideration of solar projects. Mr. Johnson reviewed the  
33 timeline for IPA Board contract approvals and said we should be prepared to give a  
34 recommendation to the City Council by June 30<sup>th</sup>.

35  
36 **SOLAR INSTALLATIONS UPDATE**

37 Mr. Pearce said that we are adding solar customers at the rate of approximately +2 per  
38 month.

39  
40 **POWER SYSTEMS OPERATIONS REPORTS**

41 a. **January 2018 Resource Reports.** Included in the packet, but not discussed in  
42 the meeting.

43  
44 b. **February 2018 Lost Time Related Injuries/Safety Report.** Mr. Pearce  
45 apprised the Commission of an injury which occurred to the foreman of the metering department  
46 earlier this month. He noted that the employee was assisting the Water Department personnel

1 replace a meter when the meter blew up in his face. The employee received 2<sup>nd</sup> and 3<sup>rd</sup> degree  
2 burns on his face and hands. He was treated at the University of Utah burn center and is  
3 recovering satisfactorily. He has not yet returned to work. The incident is being investigated by  
4 OSHA and additional safety measures are being implemented.

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6 c. **February 2018 Public Relations Report.** Included in the packet, but not  
7 discussed in the meeting.

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9 d. **February 2018 Outage Reports.** Included in the packet, but not discussed in the  
10 meeting.

11  
12 **OTHER BUSINESS**

13 The next Power Commission meeting will be held April 10, 2018 at 8:00 a.m. This will  
14 be a joint meeting with the City Council and will include review of the proposed budget.

15  
16 The meeting adjourned at 10:13 p.m. on a motion made by Commissioner Pitcher and  
17 seconded by Commissioner Summers. Voting was unanimous with Commissioners Becker,  
18 Bell, Cushing, Irvine, Pitcher and Summers and Councilman Knight voting "aye".

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John Cushing, CHAIRMAN

