

1
2
3
4
5
6
7
8
9
10
11
12
13
14

**MINUTES OF THE MEETING OF THE
THE BOUNTIFUL CITY POWER COMMISSION
January 24, 2023 - 8:00 a.m.**

15
16
17
18
19

Those in Attendance

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
47

Power Commission

Paul C. Summers, Chairman
Susan Becker
Dan Bell
Richard Higginson, CC Rep*
David Irvine
Jed Pitcher

Power Department

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

Excused

John Marc Knight, Commissioner

*via Zoom

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, NOVEMBER 22, 2022

Minutes of the regular meeting of the Bountiful Power Commission held November 22, 2022, were presented, and unanimously approved as written on a motion made by Commissioner Pitcher and seconded by Councilman Becker. Commissioners Becker, Bell, Pitcher and Summers and Councilman Higginson voted “aye”.

ELECTION FOR CHAIRMAN – VICE CHAIRMAN

Mr. Johnson noted that it is time to elect officers for the Power Commission and he opened the floor to nominations for the offices of Chairman and Vice Chairman. Commissioner Pitcher made a motion to re-elect Paul Summers as Chairman and Susan Becker as Vice Chairman. Commissioner Bell seconded the motion and voting was unanimous in the affirmative.

BUDGET REPORT – YEAR TO DATE 5 MONTH PERIOD

Mr. Hansen presented a summarized Budget Report for the Fiscal Year-to-date 5-Month period ended 30 November 2022. Total **Revenues** YTD were \$14,315,133 above its HAB by \$1,181,364. Major items above budget were: Electric Metered Sales, above its HAB by 6.4% --- \$747,374; Air Products, with an average load factor of 79.0% -- above its HAB by \$194,333; Contribution in aid to Construction was above its HAB by \$160,653; Interest Income on Investments was above its HAB by \$70,357—the September allocation was \$36,000.

Total **operating expenses** YTD were \$13,242,297, above its HAB by (\$1,985,821). Major items (above) their HABS were: Power Costs, (above) their HABS by \$(2,646,520),

1 which included Power Generation (\$1.5M) over and Power Resources (\$1.1M) over.
2 Insurance Expense was above its HAB by \$(45,876).

3
4 Major **Operating Expenses** below the HABs included Hydro Transmission
5 Expense, below by \$14,938; Distribution Expense, below by \$236,085; Street Light
6 Expense, below by \$156,685; Transformers Expense, below by \$91,635; Substation
7 Expense, below by \$25,372; Meters Expense, below by \$54,260; and Computer Expense,
8 below by \$49,735.

9
10 Total **Capital Expenditures** were \$688,857 and included: \$430K for Feeder 574,
11 \$133K for Feeder 576, \$47K for Renaissance, and \$34K for the Renaissance MRI.

12
13 Total **Labor & Benefits** YTD expenses was \$1,732,240. As of 12 November 2022,
14 37.0% or \$1,986,254 of the total Labor and Benefits Expense budget could have spent; the
15 actual TL&B was \$254,014 below that target.

16
17 The **Net Margin** for the YTD was \$383,978, down \$(950,199) as on-budget
18 revenues plus many low operating expenses were partially offset by high power costs.

19
20 Total **Cash and cash equivalents** were a net \$20,653,290 at month end, up \$258,377
21 from \$20,394,914 at 30 June 2022 and \$5,545,290 above the \$15,108,000 total reserved
22 cash requirement. Major sources and (uses) of cash at month end compared to fiscal year-
23 end 2022 included: \$596,484 decrease in total Accounts Receivable; \$(109,046) increase in
24 total Inventories; \$209,844 increase in total Accounts Payable; and \$(245,271) decrease in
25 Accrued Benefits and Payroll. Commissioner Pitcher motioned to accept the Budget Report,
26 as presented. Commissioner Bell seconded the motion and voting was unanimous with
27 Commissioners Becker, Bell, Irvine, Pitcher and Summers and Councilman Higginson
28 voting "aye".

29
30 Discussion followed, and it was noted that Net Margin is anticipated to be lower this
31 year than last year mainly due to energy costs. Mr. Johnson stated that the average energy
32 cost in December was \$.25/kWh and we are selling that to our customers for \$.09/kWh.
33 Commissioner Bell made a motion to accept the Budget Report, as presented.
34 Commissioner Irvine seconded the motion and voting was unanimous. Commissioners
35 Becker, Bell, Irvine, Pitcher and Summers and Councilman Higginson voted "aye".

36 37 **2023 CALENDAR UPDATE**

38 Mr. Johnson referred to the 2023 Power Commission Schedule (previously
39 approved) and noted that *the Joint Meeting with the City Council in April has been*
40 *scheduled for the 2nd Tuesday, April 11th*. He also pointed out that the **February** meeting
41 will be on the **third Tuesday, February 21st** and the **November** meeting will be on the
42 **third Tuesday, November 21st**, a departure from the normal fourth Tuesday meeting date.

43 44 **RESOURCE UPDATE**

45 Mr. Johnson reported that he had met with the City Council at their retreat and gave
46 a presentation, and he then shared this same presentation with the Power Commission. He

1 reviewed \$/MWh pricing for the month of December, noting prices as high as nearly
2 \$500/MWh on some days for UAMPS Unplanned Pool Pricing. He also referenced
3 UAMPS Monthly Average Flat Market prices between 1995 and 2022, UAMPS Yearly
4 Average Flat Market Price for the same time period, and general Market Prices for the
5 period May – September 2022. He noted that BCL&P made considerable savings in
6 September 2022 (\$1,841,636) by running the plant, and also by interrupting Air Products
7 (\$504,171 saving in one week), resulting in a total savings of \$2,345,807.

8
9 Mr. Johnson then reviewed additional savings to BCL&P through the use of the IPP
10 resource (\$875,709) and he used a bar chart to demonstrate how the IPP resource influenced
11 this savings. A pie chart was used to show relative percentages of power resources: PX
12 44%, CRSP 25%, Hydro 3%, Plant 14%, IPP 6%, and Solar 8%. Due to a 2-year emergency
13 order to lower power production, the CRSP resource was reduced in December 2021 by
14 50%. Projections for CRSP were then reviewed for the next 24-month period.

15
16 Red Mesa Solar is scheduled to start supplying power in March 2023 and there is an
17 estimated delay with the Steel project until January 2024. The Hydro update included
18 snowpack at 197% for year, with Echo currently running at 400 KW. The San Juan plant
19 shut down in September 2022 and the projected Enchant project (converted San Juan) is no
20 longer viable. IPP repowering is still scheduled to be online June 2025; however, coal
21 delivery is uncertain due to Union Pacific not being able to make deliveries, the Lila mine is
22 still not supplying coal, and contracts are being worked on to get coal from Wyoming.

23
24 The Plant update included information on future gas contracts through BP/PEAK.
25 We currently have contracts June through September (summer 2023 gas will be \$5.55 plus
26 delivery). 5-Year Pool Purchases for LLH and HLH kW were presented on a chart for the
27 period(s) April 2022 – March 2027, anticipating 7000 LLH kW and 12,000 HLH for all
28 months *except December and January at 17,000 HLH*). Prices varied/month at a not to
29 exceed from \$30 to as high as \$100. Flat rate pricing for second tier purchases for the term
30 February 2023 to March 2024 was \$61.89/MWh LLH and \$91.05/MWh for HLH.

31
32 IPP Call Back is scheduled for 8 MW's Summer 2023, 8 MW's Winter 2023-24, and
33 14 MW's Summer 2024. This will be dependent on the ability to get coal. Other options for
34 future power include 15 MW in natural gas in a bigger plant; Solar with batteries (Nextarea
35 10 MW's with 5 MW batteries at an average cost of \$69 -- for both). Subscription for the
36 Carbon Free Project is still an issue; we have signed a nondisclosure agreement for this
37 project with the current off ramp through February 2023.

38
39 Mr. Johnson reviewed a summary of resource pressures (coal availability, major
40 problems with the UAMPS Nebo plant, and natural gas pricing running extremely high.
41 Future power purchases will need to be finalized for the period October 2023 – June 2024.
42 He also noted that the estimated budget will require a 10 percent rate increase and discussion
43 focused on how this should be implemented.

1 Chairman Summers commented that these are very challenging times and he
2 expressed appreciation to Mr. Johnson for his exceptional diligence in pursuing optimal
3 options and solutions for the residents of Bountiful as it pertains to their electrical service.
4

5 *The following items were included in the packet, but not discussed in the meeting:*
6

7 **POWER SYSTEMS OPERATIONS REPORT**

- 8 a. October-November 2022 Resource Reports
 - 9 b. December 2022 Lost Time/Safety Reports
 - 10 c. December 2022 Public Relation Reports
 - 11 d. November 2022 Outage Reports
- 12

13 **OTHER BUSINESS**

14 None

15

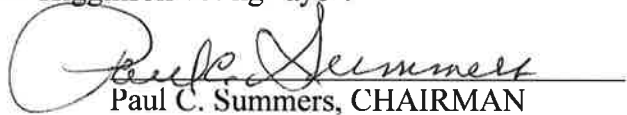
16 **NEXT POWER COMMISSION**

17 The next meeting of the Power Commission will be held on February 21, 2023 at
18 8:00 a.m.

19

20 **ADJOURN**

21 The meeting adjourned at 9:50 a.m. on a motion by Commissioner Pitcher and
22 seconded by Commissioner Bell. Voting was unanimous with Commissioners Becker, Bell,
23 Irvine, Pitcher, and Summers and Councilman Higginson voting "aye".
24

25 
26 Paul C. Summers, CHAIRMAN