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**MINUTES OF THE MEETING OF THE  
THE BOUNTIFUL CITY POWER COMMISSION  
November 22, 2022 - 8:00 a.m.**

**Those in Attendance**

**Power Commission**

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

**Power Department**

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

**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 Bell.

**MINUTES, OCTOBER 25, 2022**

Minutes of the regular meeting of the Bountiful Power Commission held September 27, 2022, were presented, and unanimously approved as corrected on a motion made by Commissioner Pitcher and seconded by Councilman Higginson. Commissioners Becker, Bell, Irvine, Knight, Pitcher and Summers and Councilman Higginson voted “aye”.

Mr. Hansen presented a summarized Budget Report for the Fiscal Year-to-date 3-Month period ended 30 September 2022. Total **Revenues** YTD were \$9,861,765, above its HAB by \$1,042,195. Major items above budget were: Electric Metered Sales, above its HAB by 8.6% --- \$688,576; Air Products, with an average load factor of 75.2% -- above its HAB by \$75,773; Contribution in aid to Construction was above its HAB by \$226,678; Interest Income on Investments was above its HAB by \$18,545—the September allocation was \$27,000.

Total **operating expenses** YTD were \$8,462,442, above its HAB by \$(1,071,281). Major items (above) their HABS were: Power Costs, (above) their HABs by \$(1,344,438), which included natural gas and plant repair costs; Insurance Expense was (above) budget by \$(45,876); and the transfer to the General Fund was (above) budget by \$(21,243) due to higher EMS.

Major Operating Expenses below the HABs included Hydro Transmission Expense, below by \$12,867; Distribution Expense, below by \$74,282; Transformers Expense, below by \$58,147; Substation Expense, below by \$14,642; Meters Expense, below by \$30,075; and Computer Expense, below by \$42,538.  
Distribution Expense--\$47,566; Street Light Expense--\$13,712; Transformers Expense--\$52,577.

1  
2 Total **Capital Expenditures** were \$250,291 and included: \$14,000 for Creekside  
3 Views Cul-de-sac; \$200,000 for Feeder 574; and \$34,000 for the Renaissance MRI.  
4

5 Total **Labor & Benefits** YTD expenses was \$1,000,350. As of 17 September 2022,  
6 21.6% or \$1,162,326 of the total Labor and Benefits Expense budget could have spent; the  
7 actual TL&B was \$161,976 below that target.  
8

9 The **Net Margin** for the YTD was \$1,149,032, as on-budget revenues plus many low  
10 operating expenses were partially offset by high power costs.  
11

12 Total **Cash and cash equivalents** were a net \$20,072,238 at month end, down  
13 \$322,676 from \$20,394,914 at 30 June 2022 and \$4,964,238 above the \$15,108,000 total  
14 reserved cash requirement. Major sources and (uses) of cash at month end compared to  
15 fiscal year-end 2022 included: \$(377,422) increase in total Accounts Receivable; \$(196,848)  
16 increase in total Inventories; \$(56,359) decrease in total Accounts Payable; and \$(245,271)  
17 decrease in Accrued Benefits and Payroll. Commissioner Pitcher motioned to accept the  
18 Budget Report, as presented. Commissioner Bell seconded the motion and voting was  
19 unanimous with Commissioners Becker, Bell, Irvine, Knight, Pitcher and Summers and  
20 Councilman Higginson voting "aye".  
21

## 22 **AUDIT REPORT – YEAR ENDING JUNE 2022**

23 Mr. Hansen presented the Annual Comprehensive Financial Report for the Fiscal  
24 Year Ended June 30, 2022 (Bountiful City, Utah) and noted that the independent auditors  
25 found no material weaknesses in the financial activities of the City. He pointed out  
26 information throughout the audit that was relative to business-type activities (which included  
27 the Light & Power Department), as follows (with audit document page numbers referenced):

- 28 - A decrease from business-type activities of \$32,005 (fiscal year 2022 less than  
29 fiscal year 2021) p. 7
- 30 - A pie chart showing that the Light & Power department accounted for 41 percent  
31 of City-wide expenses, by source. p. 8
- 32 - A decrease of \$564,214 in charges for services revenue in the Light and Power  
33 department, due to a decrease in Electric Metered Sales from the prior year. p. 12
- 34 - The Light and Power fund expenses increased \$1,366,859 due to a decrease in:  
35 personnel wages and benefits, repairs and maintenance expense, and a decrease  
36 in interest expense, which were offset by a 10.77% increase of \$1,293,876 in  
37 power purchases; a \$827,076 increase in power generation expenses, and a net  
38 increase of operating expenses too small and numerous to warrant further  
39 explanation. p. 13-14
- 40 - Light & Power accounts for 69% of business-type expenses. p. 15
- 41 - Light and Power unrestricted proprietary funds (available for spending), was  
42 \$23,255,222, a negative change of \$1,351,707 from the previous year. p. 19
- 43 - A review of the Balance Sheet reflected total assets (Light & Power Fund) of  
44 \$67,253,706, less liabilities for net capital assets of \$39,006,060; plus  
45 unrestricted funds (\$23,255,222), with a total net position of \$62,829,061. p. 32-  
46 33

- 1 - Revenues, Expenses, and Changes in Net Position (Income Statement) reflected a  
2 net ending position of \$62,387,353. p. 34-35
- 3 - Within the Notes to the Financial Statements, Mr. Hansen reviewed Intangible  
4 Assets which include power projects and/or related contracts with the  
5 Intermountain Power Agency, Western Area Power Administration, the Utah  
6 Associated Municipal Power Systems, and BP Energy Company related to  
7 resources. p. 54
- 8 - City self-insurance (which includes the Light and Power department) was  
9 explained in the notes on p. 70-71
- 10 - Included in the Notes was a brief explanation of Minimum Unrestricted Net  
11 position policy, and Mr. Hansen noted that the Light and Power fund is required  
12 to have just over \$15,000,000. p. 74
- 13 - Changes in Net Position, 2013 – 2022, were reviewed on pages 102-103.
- 14 - A comparison of Light and Power charges for services over the last ten fiscal  
15 years was referenced from p. 112
- 16 - A ten-year comparison of capital Assets (by Function) and Operating Indicators  
17 (by Function) was reviewed on pp. 121 and 122

18  
19 In summary, Councilman Higginson noted that the City received a totally clean  
20 executive summary for this year’s audit.

21

## 22 RESOURCE UPDATE

23 Mr. Johnson reviewed that **CRSP** continues with a reduced power output and noted  
24 there is a 50% chance of reaching dead pool this year – which is a higher chance than last  
25 year. **Red Mesa** Solar has been delayed due to inability to get solar panels; however, it is  
26 currently scheduled to start supplying power in March 2023. The **Steel** project has filed an  
27 additional force majeure due to supply issues, which could delay this project an additional  
28 three months (January 2024). The **San Juan** plant shut down September 28, 2022, and there  
29 are currently legal breach of contract issues with Enchant being addressed. He said there  
30 will probably be additional “end of life costs” that will be pushed back to us (via UAMPS).  
31 The **Muddy Creek** project has been canceled due to the high cost of insurance required for  
32 the project.

33

34 The IPP repowering is still scheduled to be online June 2025. Coal delivery is still a  
35 major issue and efforts are being made to get coal from Wyoming – which will result in  
36 higher costs. The Lila Mine fire is out; however, they are not letting workers in and no coal  
37 is coming from there. There are also delivery issues related to the railroad and the potential  
38 strike. IPP is only running one unit at minimum due to coal supply issues.

39

40 The Carbon Free Power Project (CFPP) is still a possibility, but pricing has gone up  
41 substantially due to interest and materials. We have signed a nondisclosure agreement for  
42 the project, but the subscription rate is still a major concern. Commissioner Irvine posed the  
43 question of why UAMPS and Rocky Mountain couldn’t participate in a joint nuclear project.  
44 It was noted that UAMPS will have a change of administrator in January which could result  
45 in UAMPS taking a more active role with nuclear resources. Commissioner Pitcher was  
46 excused at this time (8:58 a.m.). Mr. Johnson reported that consideration is also being given

1 to participate in a bigger natural gas plant (15 MW) and a commitment of 10 MW+ 5 MW  
2 batteries in the Nextarea solar project. The average cost for both is \$69.00 and it is available  
3 23 hrs./day.  
4

5 A bar graph of UAMPS Billing (Average Rate by Member) for the third quarter of  
6 2022 showed that BCLP's average rate was \$61.5/MWh, one of the lowest of the UAMPS  
7 group, compared with the highest rate (Lehi City) of \$140/MWh. Mr. Johnson noted that by  
8 running the plant in the month of September (and interrupting Air Products for 6 days),  
9 BCLP had a total savings of \$2,345,807 for that month. Another savings of \$875,709 came  
10 at this time by using IPP callback instead of the market. He noted that we will use the IPP  
11 callback for Summer 2023; notices for short-term and long-term IPP power are due to  
12 UAMPS by December 19, 2022. (Coal availability will be a consideration for this resource).  
13 It is Mr. Johnson's recommendation that we call back 8 MWs for Summer 2023; 4 MWs for  
14 Winter 2023-24; and 10-15 MW's for Summer 2024. We have gas purchased through  
15 March 2024. A brief discussion followed relating to the need for a rate increase, and what  
16 percentage. The estimated budget for the next fiscal year would require a 10 percent rate  
17 increase. The drought accounts for the major resource crisis. Mr. Johnson advised that there  
18 will be a work meeting with the City Council on December 13, 2022, at 5 p.m. to discuss the  
19 power resource issues. IPA representatives will be in attendance, as well as our State  
20 elected officials, Mellissa Ballard, Todd Weiler and Ray Ward. The Commissioners were  
21 invited and encouraged to attend this meeting.  
22

23 The Zoom meeting(s) last week related to Enchant addressed environmental  
24 concerns related to Air Quality, the settling ponds, and other legislative concerns. IPP is  
25 currently permitted to operate until June 2025.  
26

27 *The following items were included in the packet, but not discussed in the meeting:*  
28

29 **POWER SYSTEMS OPERATIONS REPORT**

- 30 a. September 2022 Resource Reports
- 31 b. October 2022 Lost Time/Safety Reports
- 32 c. October 2022 Public Relation Reports
- 33 d. September 2022 Outage Reports  
34

35 **OTHER BUSINESS**

36 Mr. Johnson reminded the group of the following upcoming meetings/gatherings:  
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- 38 UAMPS Annual meeting, December 13 and 14 2022
- 39 IPA Annual meeting, December 6, 2022
- 40 Department Christmas Party, December 15, 2022  
41

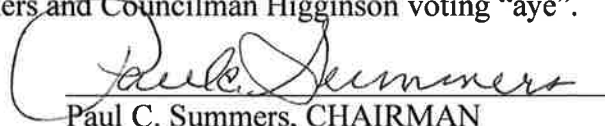
42 **NEXT POWER COMMISSION**

43 The next meeting of the Power Commission will be held on January 24, 2023, at  
44 8:00 a.m.  
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1 **ADJOURN**

2 The meeting adjourned at 9:37 a.m. on a motion by Commissioner Becker and  
3 seconded by Commissioner Irvine. Voting was unanimous with Commissioners Becker,  
4 Bell, Irvine, Knight, Pitcher, and Summers and Councilman Higginson voting "aye".

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Paul C. Summers, CHAIRMAN

