

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

**MINUTES OF THE
BOUNTIFUL CITY POWER COMMISSION
January 28, 2020 - 8:00 a.m.**

Those in Attendance

23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44

Power Commission

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

Power Department

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

City Administration

Clinton 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, recognizing specifically Councilman Richard Higginson who will serve as the City Council representative on the Power Commission. Alan Farnes offered the invocation.

MINUTES – November 26, 2019

Minutes of the regular meeting of the Bountiful City Power Commission held November 26, 2019 were presented and approval was tabled to the next meeting to provide for an accurate correction to be made (page 5 of 6—Resource Update).

ELECTION FOR CHAIRMAN AND VICE CHAIRMAN

Chairman Cushing said that he will continue to serve on the Power Commission and complete his term, but he recommended that a new chairman and vice chairman should be elected. Councilman Summers noted that Chairman Cushing has done a fantastic job and has served for a long time. He then made a motion that Jed Pitcher be elected to serve as chairman. Commissioner Irvine seconded the motion. Commissioner Pitcher accepted the nomination based on the condition that the chairmanship be rotated (term to be determined). Voting was unanimous with Commissioners Cushing, Becker, Bell, Irvine, Pitcher, and Summers and Councilman Higginson voting “aye”.

Commissioner Pitcher nominated Paul Summers to serve as Vice Chairman. Commissioner Bell seconded the motion and voting was unanimous. Commissioners Cushing, Becker, Bell, Irvine, Pitcher and Summers and Councilman Higginson voted “aye”.

HONOR COUNCILMAN KNIGHT

Councilman Knight was unable to attend the meeting. This Agenda item was postponed.

BUDGET REPORT – YEAR-TO-DATE 6-MONTH PERIOD ENDED 31, DECEMBER, 2019

Mr. Christensen presented the Budget Report for the Year-do-Date 6-Month Period Ended 31

1 December, 2019 and noted for Fiscal Year 2020 the months of July through November 2019 are final,
2 and December 2019 is preliminary (though most line items YTD amounts will not change from this
3 report when they are final). Mr. Christensen briefly reviewed the practice of tracking budget via a 10-
4 year past history (Historically Allocated Budget, HAB) which gives a more accurate perspective to
5 seasonal and delayed billing items.
6

7 Total revenues YTD were \$14,832,198, below its HAB by \$(659,631). Major items (below)
8 budget were Electric Metered Sales \$(478,356), 3.5% below its HAB due to milder summer weather;
9 Air Products \$(95,679) with a load factor of only 62.8%; and Contribution in Aid to Construction
10 \$(124,748).
11

12 Total Operating Expenses YTD were \$13,751,953, below its HAB by \$1,384,156. The major
13 items below its HAB were power costs, \$1,224,229, and Computer Expense, \$81,779, as budgeted items
14 have not yet been done. Major items (above) budget were Street Light Expense, \$(209,906), with work
15 on budgeted projects—primarily boring by third-party contractors; Substation expense, \$(40,139) with
16 the unbudgeted, but needed \$48,243 purchase of remote racking systems for arc flash safety for the
17 Central and SE substations; and Office and Warehouse Expense temporarily above its HAB \$(12,211),
18 with the \$19,241 purchase and installation of audio/visual equipment.
19

20 Total Capital Expenditures YTD were \$495,400 and included \$240,369 for the Downtown Plaza,
21 \$191,692 for the feeder #673 - #271 inter-tie, \$35,862 for the late completion of the service body for
22 truck #5072, plus work on the NW substation, Feeder #575, the Holbrook pump, and street lights.
23

24 Total Labor and Benefits Expenses YTD was \$2,046,655 (included in Operating Expense and
25 Capital Expenditures). As of December 14, 2019, this account was \$75,283 below the target that could
26 have been spent at that time (45.8%).
27

28 Net Margin YTD was \$584,845, above its HAB by \$517,955, with lower than budgeted power
29 and other costs that more than offset lower than budgeted revenues.
30

31 Mr. Christensen noted that Total cash and cash equivalents were a net \$26,862,895 at month end,
32 up \$815,692 from June 30, 2019 year end. He also mentioned that this positive cash position will offset
33 upcoming repair expenses at the hydro and the power plant. Following a brief discussion,
34 Commissioner Pitcher motioned to approve the Budget Report, as presented. Commissioner Irvine
35 seconded the motion and voting was unanimous, with Commissioners Cushing, Becker, Bell, Irvine,
36 Pitcher, and Summers, and Councilman Higginson voting “aye”.
37

38 Mr. Johnson reported that we have been going through the Fitch bond revue and received their
39 preliminary rating (AA-). This is the same rating given by Standard and Poor’s.
40

41 **VACUUM TRAILER EXCAVATOR APPROVAL**

42 Mr. Pearce reviewed that the 2019-20 budget included the purchase of a new double buck truck,
43 which has been ordered but will not be delivered until August 2020 (in the next budget year). In order
44 to level out capital expenditures it is requested that the staff be granted permission to purchase a new
45 vacuum excavator that had been previously identified in the 2022-2023 budget. This equipment will
46 make it possible to work up to 100 feet away from the unit and have good suction and will be

1 particularly helpful with backyard installations and excavation while repairs are made on the system.
2 Bids were requested from two vendors and it is staff recommendation to approve the bid from Vermeer
3 Rocky Mountain for a total price of \$97,984.90. (The original budget included a truck, approximately
4 \$200,000, which will not be needed with this piece of equipment, thus saving approximately \$100,000).
5 Commissioner Irvine motioned to recommend purchase of the Vacuum Trailer Excavator,
6 Commissioner Becker seconded the motion and voting was unanimous. Commissioners Cushing,
7 Becker, Bell, Irvine, Pitcher, and Summers, and Councilman Higginson voted "aye".
8

9 **TRANSFORMER PURCHASE APPROVAL**

10 Mr. Veigel reported that our inventory of 500 KVA pad mounted transformers is running
11 extremely low and it is the recommendation of staff to purchase two new transformers for inventory.
12 The purchase price each for the transformers is \$12,520.00. The recommended vendor is Anixter Power
13 Solutions (where these transformers are in stock, allowing for the purchase without a 16-week delivery
14 date. The total cost for the two transformers is \$25,040. Commissioner Summers motioned to
15 recommend purchase of two 500 KVA pad mounted transformers, as presented. Commissioner Pitcher
16 seconded the motion and voting was unanimous. Commissioners Cushing, Becker, Bell, Irvine, Pitcher,
17 and Summers, and Councilman Higginson voted "aye".
18

19 **ECHO & POWER PLANT REPAIR UPDATES**

20 Alan Farnes narrated a slide presentation which featured the Echo turbine repair project currently
21 in progress. He noted that permission was given by the Water Users to take both penstocks out of
22 service at the same time, thus allowing us to disassemble Unit 1 and complete the sand blasting and
23 recoating of that unit at the same time Units 2 and 3 were done. (Because this process creates a great
24 deal of mess, this has been a great time-saver). Units 2 and 3 are scheduled to be reassembled starting
25 February 3, and they should be back together in about 3 weeks. (Two of the old turbine runners were on
26 display in the parking area east of the office building). These turbine wheels were put in service about
27 34 years ago; it is not known why they developed cracks or what the ramifications would have been if
28 they were not repaired. However, it was felt that repair of the equipment was prudent to provide
29 reliability of the system and would cost less than potential problems if repairs were not made.
30

31 Mr. Farnes also reported that repair of the two Titan turbines is scheduled to start February 18th
32 and is anticipated to take two to three weeks.
33

34 At the request of the Commission, the staff was asked to prepare a course in "Electrical 101" to
35 explain the basics of electricity.
36

37 **SYSTEM PROBLEM UPDATE**

38 Mr. Pearce reported that we have had some system issues. Five poles have burned (caught on
39 fire) since Thanksgiving. This is caused by hairline cracks that you can't see in the insulators which
40 then allow an electrical charge to catch the poles on fire. Some of the poles that have burned were
41 replaced within the last ten years. The older insulators on the system (and we have thousands of these)
42 were made of porcelain; the new ones are made of polymer. We are looking for a testing device that can
43 be used to locate faulty insulators. We will continue to apprise the Commission regarding this issue in
44 the future.
45

46 **SOLAR INSTALLATIONS UPDATE**

1 Mr. Christensen reported that there are currently a total of 223 solar customers (including
2 residential and commercial net metering, and residential feed-in tariff) and the total lost revenue to date
3 is \$172,020.00. In response to a question from Commissioner Becker, Mr. Christensen confirmed that
4 there is less lost revenue, proportionately, from feed-in tariff customers. The average lost revenue, per
5 customer, is \$786.64/net metering residential customers; \$1,739.97/net metering commercial customers;
6 and \$372.00/residential feed-in tariff customers. Commissioner Irvine asked if it has been determined
7 how long the system will continue to take these losses. Mr. Johnson indicated that small losses will
8 continue for this budget year; when new solar resources come on line in 18 months, stronger
9 adjustments will be made.

10
11 Chairman Cushing was excused at this time and Commissioner Pitcher assumed chairmanship of
12 the meeting.

13
14 **RESOURCE UPDATE**

15 Mr. Johnson reported that there will be another off-ramp for the NuScale project in March 2020
16 and the City will need to make a decision by that time as to its commitment with NuScale. If we stay in
17 the project, it will require no actions from the City; but if we want out, it will require a Resolution.
18

19 Riverside and Anaheim, California have considered getting out of the IPA project, but new
20 discussion has focused on building the new project (which would be obligated to absorb de-
21 commissioning costs of the old plant). However, the IPP power is necessary for operation of the
22 transmission line to California.
23

24 Councilman Higginson asked if numbers were available to help in making a decision. Mr.
25 Johnson said that until the NuScale project has firm numbers, the basis for a decision on future resources
26 will be based on (1) keeping rates low; or (2) going 100 percent green.
27

28 **2020 CALENDAR UPDATE**

29 Mr. Johnson said he included a copy of the 2020 Power Commission Schedule, which includes
30 conferences and UAMPS and IPA meetings, because he needs to make reservations for the APPA
31 National Conference (to be held in Long Beach, California June 6-10, 2020) as soon as possible.
32

33 *The following items were included in the packet, but not discussed in the meeting:*
34

35 **POWER SYSTEMS OPERATIONS REPORTS**

- 36
37 a. **October & November 2019 Resource Reports**
38
39 b. **November & December 2019 Lost Time Related Injuries/Safety Report**
40
41 c. **November & December 2019 Public Relations Report**
42
43 d. **November & December 2019 Outage Reports**
44

45
46 **OTHER BUSINESS**

1 Mr. Johnson noted that Chairman Cushing was recently honored as the Appointed Official of the
2 Year through UAMPS; and the City was honored as recipient of the UAMPS System Improvement
3 Award for the work which was completed on the 138 Substation.
4

5 Commissioner Pitcher asked if anything was coming up in the State House or Senate that needed
6 to be monitored related to public power. Mr. Johnson noted HB66 regarding wildfires could impact the
7 City and needed to be monitored. Another issue, which would involve the City indirectly through
8 UAMPS, relates to the Craig to Mona transmission line and includes REA's, Western, and other
9 providers.
10

11 **NEXT POWER COMMISSION**

12 The next meeting of the Power Commission will be on February 18, 2020 (one week earlier in
13 the month than normal) at 8:00 a.m.
14

15 **ADJOURN**

16 The meeting adjourned at 9:35 a.m. on a motion made and seconded by Commissioners
17 Summers and Bell, respectively. Voting was unanimous with Commissioners Becker, Bell, Irvine,
18 Pitcher and Summers, and Councilman Higginson voting "aye".
19
20
21



John Cushing, CHAIRMAN

