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**MINUTES OF THE REGULAR MEETING OF THE  
BOUNTIFUL CITY POWER COMMISSION  
February 23, 2021 - 8:00 a.m.**

**Those in Attendance**

**Power Commission**

Jed Pitcher, Chairman  
Susan Becker\*  
Dan Bell\*  
Richard Higginson, City Council Rep.  
Paul Summers

**Power Department**

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

**Excused**

John Cushing, Power Commission  
David Irvine, Power Commission

**Recording Secretary**

Nancy Lawrence

\*Attended electronically via Zoom, Meeting #913-6593-8670 in conformance with COVID-19 guidelines and restrictions.

**WELCOME**

Chairman Pitcher called the meeting to order at 8:00 a.m., Allen Johnson took roll call, and Chairman Pitcher welcomed those in attendance. Mr. Christensen offered the invocation.

**MINUTES –NOVEMBER 17, 2020**

Minutes of the Regular Meeting of the Bountiful Power Commission held January 26, 2021 were presented and unanimously approved as written on a motion made by Commissioner Summers and seconded by Councilman Higginson. Commissioners Becker, Bell, Pitcher and Summers, and Councilman Higginson voted “aye”.

**HONOR JOHN CUSHING**

Mr. Johnson announced that John Cushing will be stepping down as chairman and as a member of the Power Commission. Mr. Cushing has served 15 years on the Power Commission, and most currently has served as Chairman. Prior to that he was actively involved for 12 years, as he first was affiliated with the City of Bountiful as a Councilman and later as the City’s mayor. Mr. Johnson said “he (Mr. Cushing) has been extremely involved with public power for many years”, noting that it would be impossible to measure how much he has done for the City with public power. Chairman Pitcher said he has known Mr. Cushing for 35 years and described him as “one outstanding individual, with exceptional integrity”, and stated that he will be greatly missed. Commissioner Summers said he has been associated with John since 1975: this association started as a neighborhood friendship and has continued as John has been a significant mentor in community, government, and church settings and is loved and appreciated more than words can express. Councilman Higginson recalled an experience he had in the eastern US in an Amish

1 community where John reached out to a young child and his family where the child had  
2 been involved in an accident. Although a stranger to the family involved, Mr. Cushing  
3 treated the child as if his own with kind concern and personal interest. Although  
4 Councilman Higginson had not previously known John, he said this was the beginning of a  
5 journey where he witnessed John's ability to provide detailed, focused solutions that make  
6 things better for others – a people person.

7  
8 Mr. Cushing graciously acknowledged by praising the Power Commissioners for  
9 their service and the expertise they bring to BCL&P. He noted that his mother served as  
10 Bountiful City Treasurer and his experience with the City has been long and rewarding. He  
11 recognized BCL&P as the flagship of the City and a great leader of other Utah power  
12 municipals. He expressed appreciation to Mr. Johnson for the similar journeys they have  
13 had as individuals and the support that has come through their association with the City and  
14 public power. Mr. Johnson thanked Mr. Cushing for the wonderful service he has given in  
15 so many different ways and presented him with plaques of recognition. Photographs were  
16 taken and Mr. Cushing was wished well for the coming years.

17  
18 **BUDGET REPORT – YEAR-TO-DATE 6-MONTH PERIOD ENDED 31**  
19 **DECEMBER 2020**

20 Mr. Christensen reported that the Fiscal Year 2020 Budget Report is final and the  
21 independent audit has been completed. The Fiscal Year-to-date (YTD) six month period for  
22 July through December 2020 is also final.

23  
24 The 2010 Bond Principal (\$720,000.00 annual payment) and Interest (\$253,708.75  
25 semi-annual payment) were made on November 1, 2020. And the remaining balance,  
26 \$8,630,000.00, was paid off on November 9, 2020, bringing the balance for the 2010 Bond  
27 to \$0.00. The corresponding Federal Interest Expense subsidy of \$107,432.97 was received  
28 on 21 January 2021. With the payoff of the 2010 Bond, the \$5,686,971.56 rate stabilization  
29 cash was moved into Cash & Investments (operating cash), and the budget for interest  
30 earned on rate stabilization was included with interest income on investments (operating  
31 cash). All financial transactions related to the 2010 Bond are now completed.

32  
33 It was noted that there were significant costs to the Power Department relative to the  
34 high wind event on 8 September 2020. The current estimate for costs incurred is \$700,900  
35 and includes labor, materials, equipment, and 3<sup>rd</sup> party costs for outside crews and  
36 contractors, (included in Operating Expenses and Labor Expenses). BCLP, Bountiful City,  
37 and numerous other Utah government entities are in the process of filing a claim for  
38 reimbursement from the Federal Emergency Management Agency (FEMA). Major  
39 components of the \$700,900 included: Labor, \$221,881; Materials, \$87,178; Equipment,  
40 \$94,638; and 3<sup>rd</sup> party and miscellaneous costs, \$297,202.

41  
42 Total Revenues YTD were \$24,282,893, above its historically allocated budget  
43 (HAB) by \$455,125. Major items above their HABs included: Electric Metered Sales,  
44 \$395,047; Contribution in Aid to Construction, \$44,492. Air Products income was below its  
45 HAB \$(51,288) with an average load factor of 56.9 percent.

1 Total Operating Expenses YTD were \$22,337,245, below its HAB by \$630,358.  
2 Major items below their HABs included: Power Cost Expense, \$372,974, due to careful  
3 purchasing and scheduling of power resources and selective use of the three turbines; and  
4 Street Light expense, \$110,240. Distribution Expense was above its HAB by \$(107,687)  
5 and included \$295,000 of unbudgeted wind expense (\$64,000 for materials plus \$231,000  
6 for 3<sup>rd</sup> party work).

7  
8 Total Capital Expenditures YTD were \$685,049 and included: \$255,430 for a new  
9 double bucket truck; \$292,128 for Feeder #575; \$31,015 for The Cottages on Main St.;  
10 \$24,991 for the Renaissance Center; and \$24,021 for Feeder #272.

11  
12 Total Labor and Benefits Expense YTD (included in YTD Operating Expenses and  
13 Capital Expenditures above) was \$2,268,962. As of 31 December 2020, (the last pay period  
14 in the YTD period), 49.0% or \$2,309,563 of the TL&B could have been spent and the actual  
15 TL&B was \$40,601 below that target.

16  
17 The Net Margin YTD was \$1,260,599 with high EMS, low power and other  
18 operating costs, and low capital expenditures.

19  
20 Total cash and cash equivalents, \$17,604,202, were down \$(8,961,266) from  
21 \$26,565,468 at 30 June 2020. The bond payoff was a significant factor in this decrease. It  
22 is the goal of the City to have 180 days of operating cash on hand.

23  
24 Chairman Pitcher commented that the article in the City newsletter regarding the  
25 bond payoff was well done and he called for a motion on the budget report. Councilman  
26 Higginson motioned to accept the Budget Report, Commissioner Summers seconded the  
27 motion and voting was unanimous. Commissioners Becker, Bell, Pitcher and Summers and  
28 Councilman Higginson voted "aye".

29  
30 **DIRECTIONAL BORING BID APPROVAL**

31 Mr. Veigel reviewed that there are four underground distribution circuits and nine  
32 street light circuits in the system that need to have new conduit installed and repairs made.  
33 He referenced the projects in a slide presentation (photos were also included in the packet).  
34 Five contractors were invited to bid and three responses were received. It is the  
35 recommendation of staff to award the bid to the low bidder, Black and McDonald (Salt Lake  
36 City) in the amount of \$363,485. It was noted that references were checked and the  
37 responses for this company were good. This project is included in the budget.  
38 Commissioner Summers made a motion to recommend approval of this bid to the City  
39 Council. Councilman Higginson seconded the motion which carried unanimously.  
40 Commissioners Becker, Bell, Pitcher and Summers and Councilman Higginson voted "aye".

41  
42 **TRANSFORMER BID APPROVAL**

43 Mr. Pearce reviewed that the inventory of single-phase pad mount and overhead  
44 transformers is running low, and we need to purchase more to replenish it. The transformers  
45 will be used to replace damaged or leaking transformers on the system and future

1 construction projects throughout the City. Three major contractors were asked to bid on the  
2 following:

- 3 10 (ea.) 25kva single phase Overhead
- 4 12 (ea.) 37.5kva single phase Overhead
- 5 10 (ea.) 50kva single phase Overhead
- 6 30 (ea.) 50kva single phase Underground pad Mount

7  
8 Sealed bids were received from all three companies and it is the recommendation of  
9 staff to award the bid to Anixter Power Solutions – GE in the amount of \$104,606.00.

10 Although this was not the low bid, it offered the shortest delivery time of 8-12 weeks. Mr.  
11 Pearce reviewed that the bids were evaluated on purchase price, total owning costs, and  
12 delivery time. He said that the delivery times for the two low bid transformers groups were  
13 longer and the transformer inventory is too low to wait the approximately 4-5 months for  
14 delivery. Commissioner Becker made a motion to recommend to the City Council that the  
15 transformer bid be awarded to Anixter Power solutions-GE. Commissioner Bell seconded  
16 the motion and voting was unanimous. Commissioners Becker, Bell, Pitcher and Summers  
17 and Councilman Higginson voted “aye”. Mr. Pearce thanked the Commission for their  
18 support of replenishing inventory, particularly with recognition of critical delivery time.

19  
20 **COVID UPDATE**

21 Mr. Pearce reported that COVID procedures are continuing to be used (masks, social  
22 distancing, temperature checks, etc.). There have been nine cases of Covid in the Power  
23 Department, and as of yesterday, everyone is back to work. He praised the staff for being  
24 supportive of CDC guidelines and stepping up to assist when work crews needed to be  
25 adjusted.

26  
27 **RESOURCE UPDATE**

28 Mr. Johnson reviewed the three major power grids for North America and noted that  
29 the state of Texas has its own independent grid which is marketed wholesale to its  
30 customers. This fact was devastating to Texas residents during the recent winter/ice storm  
31 which basically disabled most of the State’s resources and left customers at the mercy of  
32 demand/supply rates in an unregulated market. This fact was also felt by BCL&P, but in a  
33 much smaller way due to its hedge purchasing. Mr. Johnson displayed a slide which showed  
34 a power bill for a 9,000 sq. ft. apartment in Texas, totaling \$5,717.90 for one month.  
35 Discussion followed regarding the merits/problems of an unregulated market.

36  
37 *The following items were included in the packet, but not discussed in the meeting:*

38  
39 **POWER SYSTEMS OPERATIONS REPORT**

- 40 a. December 2020 Resource Reports
- 41 b. January 2021 Lost Time/Safety Reports
- 42 c. January 2021 Public Relation Reports
- 43 d. December 2020 Outage Reports

44  
45 **OTHER BUSINESS**

1 Mr. Johnson reported to the Commission that he will be meeting with the City  
2 Council in a work session on April 27, 2021 at 6:00 p.m. to make a presentation on solar  
3 power and associated rate considerations with net metering. He invited the Commissioners  
4 to attend.

5  
6 The APPA June Conference (June 20-23, 2021) will be held live in Orlando. He  
7 asked the Commissioners to let him know if they would like to attend. Commissioners  
8 Summers, Becker, Bell, and Pitcher and Councilman Higginson said they would like to  
9 attend. He noted that he thought the public power conference scheduled July 13 and 14 will  
10 be virtual.

11  
12 **NEXT POWER COMMISSION**

13 The next meeting of the Power Commission will be held on March 23, 2021 at 8:00  
14 a.m.

15  
16 **ADJOURN**

17 The meeting adjourned at 9:15 a.m. by consensus.  
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Jed Pitcher, CHAIRMAN

