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**MINUTES OF THE JOINT MEETING OF THE
THE BOUNTIFUL CITY COUNCIL POWER COMMITTEE
AND THE BOUNTIFUL POWER COMMISSION**

April 11, 2023 - 8:00 a.m.

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Those in Attendance

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Council Power Committee

Kendalyn Harris, Mayor
Richard Higginson, Councilman
Cecilee Price-Huish, Councilwoman

Power Commission

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

Power Department

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

Recording Secretary

Nancy T. Lawrence

Visitor

Gary Davis, City Resident

Other

Jesse Bell, Councilman
Kate Bradshaw, Councilwoman
Gary Hill, City Manager
Galen Rasmussen, Assistant City Manager

WELCOME

Chairman Summers called the meeting to order at 8:00 a.m. and welcomed those in attendance. The invocation was offered by Commissioner Bell.

MINUTES, FEBRUARY 21, 2023

Minutes of the regular meeting of the Bountiful Power Commission held February 21, 2023, were presented, and unanimously approved as written 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".

BUDGET PRESENTATION

Mr. Hansen gave an overview of the proposed budget for Fiscal Year 2024, balanced at \$36,595,491. The budget includes a 15 percent rate increase, a \$1.00 increase in the Pole Attachment Fee, and minor changes of policy regarding security lights, residential underground electric service, and decorative street lights. Bountiful City Light & Power provides electrical power to approximately 15,616 residential customers, 1,654 commercial customers, and one industrial customer (a total of 17,271 customers).

1 Mr. Hansen reviewed the components of the City's electrical system (substations,
2 transmission lines, overhead and underground distribution lines, and miles of street light
3 circuits. Resources are acquired from the Colorado River Storage Project (CRSP),
4 Intermountain Power Project (IPP), a natural gas fired power plant, two hydroelectric
5 projects, the Red Mesa Solar Project, and contracts from industry suppliers. He concluded
6 this portion of his presentation with a review of the major role and critical function of the
7 department: (1) to ensure the safety of everyone that interacts with BCLP's electrical
8 systems; (2) to buy and generate electricity at economical prices; (3) to deliver electricity to
9 residential, commercial, and industrial customers; and (4) to provide long-term reliable
10 electric service. The priorities for the fiscal year include upgrading feeders, beginning
11 replacement and upgrading of the hydro control systems; starting the engineering for the
12 rebuild of the Northwest Substation; and acquiring power resources to stabilize the cost of
13 power and increase "green" and carbon-free resources.
14

15 Mr. Pearce continued the Budget presentation by reporting the very notable
16 achievement of having no lost-time accidents for over 5 years (over 1,825 days with
17 70,000+ hours worked per year). The group expressed "major Kudos" for this remarkable
18 achievement – noting that during this time we experienced the 2020 wind storm and had as
19 many as 100 people working on some days.
20

21 Mr. Pearce reviewed the history of restoring outages for the past six years, and the
22 progress which is being made on distribution pole replacements. At the current rate, it will
23 take 23 years to replace the 2,804 remaining poles and many of those poles will not last that
24 long – documenting a need to step up the pole replacement program. Underground
25 maintenance includes an aggressive plan to replace bare concentric cable with jacketed
26 cable. Again, this program needs to be accelerated to avoid potential major reliability
27 issues. The tree trimming program is supported by one in-house and two contract crews and
28 completes a city cycle approximately every four years. One of the major issues facing
29 maintenance and operation since Covid is supply chain and this has created a need for
30 advance planning when ordering supplies and materials.
31

32 The proposed budget includes \$2,335,000 (down \$(569,500)) for Capital
33 Expenditures, based on a 10-year long-term plan. Mr. Veigel reviewed the proposed
34 upgrades for the Distribution System, hydro upgrades, and substation upgrades. Many of
35 these proposed expenses are necessitated by outdated/aging equipment and are essential to
36 the reliability of our system. Mr. Pearce explained that \$400,000 is included to install a 6-
37 bay garage extension and replace three vehicles. He noted a proposed increase of \$1.00
38 (from \$12 to \$13) for the annual pole attachment fees will help in offsetting pole
39 maintenance and replacement costs.
40

41 Mr. Pearce also reviewed a concern regarding a current maintenance policy for
42 underground security lights. There are approximately 16 lights of this nature and he
43 explained the issues associated with the City providing maintenance for these lights, which
44 are basically parking lot lights. When it is necessary to repair/replace the underground wire,
45 costs can become prohibitive where there are retaining walls, driveways, etc. that are
46 disturbed. It is proposed that the City will continue to repair a 200 amp or smaller service

1 (2) times before it becomes the homeowner's responsibility for repairs. After (2) repairs
2 have been made, the City will temporarily connect power and the owner will have 30 days to
3 make repairs. Landscaping, concrete, retaining walls, sod, etc., will be the homeowner's
4 responsibility. The proposed budget also provides that no new decorative light poles will be
5 installed except for a 4-block downtown Main Street area. It is the current policy that all
6 replacement bulbs are LED.

7
8 Mr. Hansen opened a discussion on Resources and Mr. Johnson reviewed the costing
9 structure of UAMPS Unplanned Pool Pricing, noting a variance of 4 ½ cents to 11 cents for
10 the month of December 2022. This resource is used to cover gaps in firm resources and is
11 monitored hourly by the dispatchers and Mr. Johnson. Several charts were reviewed which
12 showed the projected resources for the coming year, the cost of those resources and the need
13 for a rate increase. A minimum rate increase of 15 percent is recommended, and will be
14 considered for approval by the City Council on May 9, 2023. Several of the commissioners
15 voiced concern that this may not be enough to maintain the contingency that has been set in
16 the past. Discussion followed regarding Operating Revenues, proposed at \$33,861,930, up
17 from the past year by \$4,933,857. This includes Electric Metered Sales at \$30,152,560
18 (with the 15% rate increase) and Air Products Income at \$2,669,814, also with the 15% rate
19 increase, and a 62% estimated load factor (which is subject to change).

20
21 Mr. Hansen continued with a review of proposed Operating Expenses: Personnel
22 Services at \$5,304,293; and Operations and Maintenance at \$25,748,750, up \$6,084,776;
23 Net Operating Transfers In (Out) at \$(816,384). The 10-year Capital Plan includes
24 \$37,985,000 for the next ten years. This includes rebuilds of substations, transmission
25 system rebuilds and reconductoring, upgrades to the distribution and street light systems,
26 replacement of the No. 1 turbine at the Plant, control systems for Echo and PineView
27 hydro's, and ongoing vehicle/equipment replacement program. He said it is the staff
28 recommendation that approval be given to a proposed total balanced budget of \$36,595,491
29 which includes: 15% rate increase, increase Pole Attachment Fee from \$12 to \$13, change
30 in security light policy, residential Underground Electric Service Policy, and Decorative
31 Street Light Policy. It is also recommended that approval by the City Council of rates, fees,
32 and policy changes on May 9, 2023 be effective for June 1, 2023 usage.

33
34 Mr. Johnson noted that a public hearing will be set for June 13th to open the current
35 fiscal year budget and to make the necessary transfers to cover shortfalls in the current year.
36 He suggested that another rate increase would be needed next year to start building reserves
37 back up. The Council and Commissioners thanked the Power Department Staff for their
38 report and for their outstanding efforts on behalf of the City. Commissioner Knight made a
39 motion to approve Bountiful City Light and Power Proposed Fiscal Year 2024 Budget, as
40 presented and discussed, and send it to the Power Committee including:

- 41 15% rate increase effective June 1, 2023
- 42 Annual Pole attachment fee increase from \$12 to \$13
- 43 Security Light Policy Change
- 44 Residential Underground Policy Change
- 45 Decorative Street Light Policy Change.

46

1 Commissioner Becker seconded the motion which carried unanimously. Commissioners
2 Becker, Bell, Knight, Irvine, Pitcher, and Summers, and Councilman Higginson voted
3 “aye”.
4

5 The matter was then referred to the City Council Committee for approval. Mayor
6 Harris made a motion to BCLP’s proposed FY 2024 budget, as presented and discussed, and
7 send it to the City Council including:

- 8 15% rate increase effective June 1, 2023
- 9 Annual Pole attachment fee increase from \$12 to \$13
- 10 Security Light Policy Change
- 11 Residential Underground Policy Change
- 12 Decorative Street Light Policy Change.

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14 Councilwoman Cecilee Price-Huish seconded the motion which carried unanimously.
15 Councilpersons Higginson, Price-Huish, and Mayor Harris voted “aye”.
16

17 The Council Power Committee all expressed appreciation for the dedication and
18 professionalism of the Power Department and this portion of the meeting adjourned at
19 10:03 a.m.
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21 **BUDGET REPORT – YEAR TO DATE 8-MONTH PERIOD**

22 Mr. Hansen presented a summarized Budget Report for the Fiscal Year-to-date 8-
23 Month period ending February 28, 2023. Total **Revenues** YTD were \$21,923,405, above its
24 HAB by \$1,677,092. Major items above budget were: Electric Metered Sales, at
25 \$1,076,451, above budget by 6 %; Air Products income, at \$253,848, above budget with an
26 average load factor of 74.3% for the YTD period, compared to 56.6% for this time last year;
27 Contribution in Aid to Construction is above its HAB by \$123, 427; and Interest Income on
28 Investments above its HAB by \$204,562, with February interest allocation of \$94,000.
29

30 Total Operating Expenses YTD were \$22,537,249, above the HAB by (\$4,800,473).
31 Major items (above) budget included Power Costs Expense at (\$5,669,930), above its HAB
32 by (\$5.6M); Credit Card Merchant Fees of (\$10,297; Insurance Expense at (\$45,876), and
33 Transfer to the General Fund Expense at (\$26,589).
34

35 Total Capital Expenditures YTD were \$693,751 and included: \$432,000 for Feeder
36 574; \$135,000 for Feeder 576; \$49,000 for Renaissance; \$35,000 for the Renaissance MRI;
37 and \$17,000 for the Main Street MRI.
38

39 Labor and Benefits Expense YTD (included in Operating Expenses YDT and Capital
40 Expenditures YTD presented above) was \$3,018,383. As of 18 February 2023, 63.8% or
41 \$3,428,126 of the total Labor and Benefits budget could have been spent; the actual TL&B
42 was \$409,744 below that target.
43

44 The Net Margin YTD was (\$1,307,595), as above-budget revenues and many below-
45 budget operating expenses weren’t enough to overcome the high power costs. The total
46 Cash and Cash Equivalents were at a net \$20,472,919 at month end, up \$78,005 from

1 \$202,394,914 at 30 June 2022 and \$5,364,919 above the \$15,108,000 total reserved cash
2 requirement.

3
4 Following a brief discussion, Commissioner Pitcher made a motion to accept the
5 Budget Report for the Year-to-Date 8-Month Period as presented. Councilman Higginson
6 seconded the motion and voting was unanimous. Commissioners Becker, Bell, Irvine,
7 Knight, Pitcher, and Summers, and Councilman Higginson voted “aye”.

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10 **POWER POLE PURCHASE APPROVAL**

11 Mr. Pearce presented a request to purchase 78 poles (15 35-foot, 6 40-foot, 42 45-
12 foot Class 3, and 15 45-foot Class 1 Western Red Cedar poles. He said this is a single
13 source bid as the vendor, Stella-Jones, is still the only vendor able to bid butt treated poles.
14 The bid from Stella-Jones, Tacoma, Washington, has been reviewed by the Power
15 Department staff and the City Manager and is recommended for approval for the total sum
16 of \$98,982. Commissioner Pitcher made a motion to recommend to the City Council that
17 the bid from Stella-Jones, be approved, as presented. Councilman Higginson seconded the
18 motion and voting was unanimous. Commissioners Becker, Bell, Irvine, Knight, Pitcher,
19 and Summers, and Councilman Higginson voted “aye”.

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21 **EATON ENGINEERING APPROVAL**

22 Mr. Johnson reported that necessary information to move forward with hydro
23 engineering has not yet been obtained and this item was tabled.

24
25 **DIRECTIONAL BORING BID APPROVAL**

26 Mr. Pearce reviewed that we have an underground distribution circuit and two
27 streetlight circuits that need to have an underground conduit installed so that new wire can
28 be installed. A request for bids was sent to five contractors and it is recommended the bid
29 be awarded to Americom Technology, Inc. from Murray in the amount of 209,935.00. The
30 work will include installation of one Distribution System project and two Streetlight Project
31 sites, with a total of 3,400 linear feet of boring. Councilman Higginson motioned to
32 recommend approval of this bid to the City Council. Commissioner Irvine seconded the
33 motion and voting was unanimous. Commissioners Becker, Bell, Irvine, Knight, Pitcher,
34 and Summers, and Councilman Higginson voted “aye”.

35
36 *The following items were included in the packet, but not discussed in the meeting:*

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38 **POWER SYSTEMS OPERATIONS REPORT**

- 39 a. February 2023 Resource Reports
40 b. March 2023 Lost Time/Safety Reports
41 c. March 2023 Public Relation Reports
42 d. February 2023 Outage Reports

1 **OTHER BUSINESS**

2 For information only, Mr. Johnson reported that the Echo hydro has been shut down
3 due to water releases necessary to management of the reservoir) causing vibration of the
4 penstocks.

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6 **NEXT POWER COMMISSION**

7 The next meeting of the Power Commission will be held on May 23, 2023, at 8:00
8 a.m.

9
10 **ADJOURN**

11 The meeting adjourned at 10:15 a.m. on a motion by Commissioner Pitcher and
12 seconded by Commissioner Bell. Voting was unanimous with Commissioners Becker, Bell,
13 Irvine, Knight, Pitcher, and Summers and Councilman Higginson voting "aye".

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Paul C. Summers, CHAIRMAN