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**MINUTES OF THE REGULAR MEETING OF THE
BOUNTIFUL CITY POWER COMMISSION
November 17, 2020 - 8:00 a.m.**

Those in Attendance

Power Commission

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

Power Department

Allen Johnson, Director
Jay Christensen
Jess Pearce*
Luke Veigel*

Recording Secretary

Nancy Lawrence

Excused

Alan Farnes

*Attended electronically via Zoom, Meeting #913 6881 0857 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. Johnson offered the invocation.

MINUTES –OCTOBER 27, 2020

Minutes of the Regular Meeting of the Bountiful Power Commission held October 27, 2020 were presented and following a brief discussion regarding the status of the FEMA reimbursement for wind damage, the minutes were unanimously approved as written on a motion made by Councilman Higginson and seconded by Commissioner Irvine. Commissioners Becker, Bell, Cushing, Irvine, Pitcher and Summers, and Councilman Higginson voted “aye”.

**BUDGET REPORT – YEAR-TO-DATE 3-MONTH PERIOD ENDED 30
SEPTEMBER 2020**

Mr. Christensen reported that the Fiscal Year 2020 Budget Report is final as of yesterday. The Fiscal Year-to-Date 3-Month Period Ended 30 September 2020 is also final. He noted that changes have been made to the way that Air Products Income and UAMPS power costs are posted to the general ledger, and EMS are recorded as an estimate on the Income Statement. This results in these accounts being reported the second month after they are earned or incurred. This change in recording has resulted in improved accuracy of the financial statements and this budget report. This change is a ‘work in progress’ and further changes will be made as needed.

1 The 2010 Bond Principal (\$720,000.00 annual payment) and Interest (\$253,708.75
2 semi-annual payment) were made on November 1, 2020. And the remaining balance,
3 \$8,630,000, was paid off on November 9, 2020. The corresponding Federal Interest
4 Expense subsidy of \$107,432.97 is expected during November. This will bring the balance
5 for the 2010 Bond to \$0.00.

6
7 Total revenues YTD were \$9,072,664, above its historically allocated budget (HAB)
8 by \$474,036. Major items above or (below) budget included: Electric Metered Sales,
9 \$403,939; Air Products, \$26,099; Street Light Income, \$29,234; Interest Income on
10 Investments, which now includes interest income on rate stabilization, \$28,664; and
11 Contribution in Aid to Construction was below by \$(29,881).

12
13 Total operating expenses YTD were \$7,112,465, below its HAB by \$483,626. Major
14 items below their HABs included: Power Cost Expense, \$223,066, due to careful purchasing
15 and scheduling of power resources and selective use of the three turbines; Computer
16 Expense, \$66,886, as budgeted items have not yet been completed; Street Light Expense,
17 \$44,149; and Transformer Expense, \$38,238.

18
19 Total Capital Expenditures YTD were \$169,045 with no significant change from last
20 month.

21
22 Total Labor and Benefits Expense YTD (included in Operating Expenses YTD and
23 Capital Expenditures listed above) was \$1,016,699. As of 19 September 2020, the last pay
24 period in the YTD period, 22.1% or \$1,045,109 of the TL&B could have been spent and the
25 actual was \$28,410 below that target.

26
27 The Net Margin YTD was \$1,791,153 with high EMS, low power costs, and low
28 capital expenditures. Mr. Christensen noted that this is expected to be materially reduced in
29 future months with true ups of natural gas and windstorm costs.

30
31 Total cash and cash equivalents, \$26,008,931, were down \$(556,537) from fiscal
32 year end 2020, with major sources of difference including the \$1,791,153 net margin, a
33 \$(504,340) increase in accounts receivables; a \$(1,429,499) decrease in accounts payable;
34 and other FYE 2020 changes.

35
36 The impact of paying off the bond was discussed as it relates to cash flow and Mr.
37 Christensen noted that both the City Manager and the City Finance Director have reviewed
38 the changes in Balance Sheet and Cash Flow Statement data for YTD and feel comfortable
39 with the net cash position of the City. The target for operating cash is to cover operating
40 costs for 180 days. It was suggested that the citizens be made aware of the bond payoff and
41 this will be done via the weekly report and posting on Facebook and Twitter.

42
43 Following discussion, the Budget Report was accepted unanimously on a motion
44 made by Commissioner Irvine and seconded by Councilman Higginson. Commissioners
45 Becker, Bell, Cushing, Irvine, Pitcher and Summers, and Councilman Higginson voted
46 "aye".

1
2 **PINEVIEW ACCUSONIC FLOW METER CONSOLE**

3 Mr. Veigel reported that BCL&P has two sets of Accusonic flow meter consoles at
4 the Pineview Hydro power plant which are outdated and for which parts are no longer
5 available. The flow meters are currently working, but if they were to fail, with no ability to
6 repair them, the hydro could not be operated safely and there is a potential for flooding
7 downstream.

8
9 It is the recommendation of staff to purchase two new consoles which cost \$21,170
10 each, plus \$8,460 for onsite support for a total of \$50,800. The delivery for the flow meters
11 is 4 to 6 weeks, which should provide adequate time to get them installed prior to the 2021
12 generation season. Commissioner Cushing made a motion to recommend to the City
13 Council that this purchase be approved. Councilman Higginson seconded the motion and
14 voting was unanimous. Commissioners Becker, Bell, Cushing, Irvine, Pitcher and
15 Summers, and Councilman Higginson voted “aye”.

16
17 **UAMPS STEEL SOLAR PROJECT**

18 Mr. Johnson reviewed that the Power department has been working to secure a utility
19 size solar power project for several years. We now have an opportunity purchase 16.15%
20 (6,459 kW) of the 40 MW output from the “Steel Solar Project” which is in Box Elder
21 county. The transmission rights have been secured and the power will be delivered as a
22 network resource under UAMPS’ Transmission Service Operating Agreement (TSOA). The
23 term of the power purchase agreement would be 25 years and would be a flat price for the
24 entirety of the contract. The purchase price is competitive with other solar projects of the
25 same size. The commercial operation date is anticipated to be December 31, 2022.

26
27 This project would allow BCL&P to increase our renewable energy portfolio for the
28 entire city and will need to be backed up by the existing Power Department power plant to
29 provide power to residents in the afternoons and evenings.

30
31 It is the recommendation of staff to approve moving forward with this project via
32 approval of a resolution. Commissioner Becker noted that Box Elder County has given
33 approval for the project and the county will be receiving revenue from the developer for this
34 and one other project to be in Box Elder County.

35
36 Commissioner Irvine made a motion that the Power Commission recommend to the
37 City Council approval of Resolution 2020-21, entitled A RESOLUTION AUTHORIZING THE
38 STEEL SOLAR PROJECT TRANSACTION SCHEDULE UNDER THE MASTER FIRM POWER SUPPLY
39 AGREEMENT WITH UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS; AND RELATED MATTERS.
40 Councilman Higginson seconded the motion and voting was unanimous. Commissioners
41 Becker, Bell, Cushing, Irvine, Pitcher and Summers, and Councilman Higginson voted
42 “aye”.

43
44 **2021 MEETING CALENDAR**

45 Mr. Johnson presented a proposed Meeting Schedule for the Power Commission
46 meetings in calendar year 2021, as follows:

1		
2	January 26, 2021	Tuesday, 8:00 a.m.
3	February 23, 2021	Tuesday, 8:00 a.m.
4	March 23, 2021	Tuesday, 8:00 a.m.
5	<i>April 6, 2021</i>	<i>Tuesday, 8:00 a.m. Joint PC and CC budget meeting</i>
6		<i>(Dependent on CC budget schedule)</i>
7	May 25, 2021	Tuesday, 8:00 a.m.
8	APPA National Conference	June 20-23, 2021; Chicago, IL
9	June 29, 2021	Tuesday, 8:00 a.m.
10	<i>July 2021</i>	<i>No PC meeting Scheduled</i>
11	UAMPS Annual Meeting	August 15-17, 2021; Squaw Valley
12	August 24, 2021	Tuesday, 8:00 a.m.
13	September 28, 2021	Tuesday, 8:00 a.m.
14	October 26, 2021	Tuesday, 8:00 a.m.
15	<i>November 16, 2021</i>	<i>Tuesday, 8:00 a.m.</i>
16	IPA Annual Meeting	December 7, 2021
17	UAMPS Annual Meeting	December 15, 2021
18	December 2021	<i>No PC meeting Scheduled</i>
19		

20 Following a brief discussion, Commissioner Irvine made a motion to approve the
 21 Proposed meeting schedule, as presented. Councilman Higginson seconded the motion and
 22 voting was unanimous. Commissioners Becker, Bell, Cushing, Irvine, Pitcher and
 23 Summers, and Councilman Higginson voted “aye”.

24
 25 *The following items were included in the packet, but not discussed in the meeting:*

26
 27 **POWER SYSTEMS OPERATIONS REPORT**

- 28 a. September 2020 Resource Reports
- 29
- 30 b. October 2020 Lost Time/Safety Report
- 31
- 32 c. October 2020 Public Relations Report
- 33
- 34 d. October 2020 Outage Reports
- 35

36 **OTHER BUSINESS**

37 Mr. Pearce reported to the Commission the COVID practices which have been
 38 adopted per State mandates. The only exception to masks at this time are crew members
 39 who are working outside and where fire resistant apparel is required. One employee has
 40 COVID and is in quarantine. Tracking established that no other employees were in contact
 41 during the contagious phase.

42
 43 Mr. Johnson noted that the upcoming IPA meeting will be virtual, and he asked the
 44 commissioners to let him know if they wanted to be included.

45

1 Commissioner Summers asked for updated information regarding the UAMPS
2 Carbon Free project. Mr. Johnson reported on other cities that had dropped off the list and
3 that it was his understanding that subscriptions are still under 100 mW. The potential for
4 future participation was also discussed, should the subscription level go up.
5

6 **NEXT POWER COMMISSION**

7 The next meeting of the Power Commission is scheduled for January 26, 2021.
8 Depending on conditions of the pandemic, Allen Johnson will confirm the format of the
9 meeting.
10

11 **ADJOURN**

12 The meeting adjourned at 8:45 a.m. on a motion made by Councilman Higginson and
13 seconded by Commissioner Cushing. Voting was unanimous with Commissioners
14 Becker, Bell, Cushing, Irvine, Pitcher, and Summers, and Councilman Higginson voting
15 "aye".
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Jed Pitcher, CHAIRMAN

