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**MEETING OF THE
BOUNTIFUL CITY POWER COMMISSION**
February 19, 2019 - 8:00 a.m.

Those in Attendance

Power Commission

John Cushing, Chairman
Susan Becker
Dan Bell
David Irvine
Jed Pitcher
Paul Summers

Power Department

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

Excused

John Marc Knight, Council Representative

Recording Secretary

Nancy Lawrence

WELCOME

Chairman Cushing called the meeting to order at 8:01 a.m. and welcomed those in attendance. Commissioner Becker offered the invocation.

MINUTES – JANUARY 22, 2019

Minutes of the regular meeting of the Bountiful City Power Commission held January 22, 2019 were presented and unanimously approved on a motion made by Commissioner Becker and seconded by Commissioner Irvine. Commissioners Cushing, Becker, Bell, Irvine, Pitcher, and Summers voted “aye”.

CHAIRMAN UPDATE

Chairman Cushing reminded the group of the Legislative Reception today at the State Capitol at 4:30 p.m. and encouraged any who could to attend. He also noted that the local legislators are being hosted at a dinner/show at the Centerpointe Legacy Theatre tonight at 6:30 p.m.

Chairman Cushing reviewed that there have been various meetings regarding possible nuclear power projects that BCL&P might consider. This topic has received attention from local leaders, the media, and potential suppliers of nuclear power. He asked the Commissioners if they had any reservations/concerns about nuclear power and the possibility of Bountiful participating in a nuclear project. Discussion followed and it was the consensus of the group that nuclear power is the best alternative for future power; however, the one thing that might hinder the City of Bountiful from participating in this resource would be not having enough participants to make it financially worthwhile. If that point can be clarified and there is support that is needed to fund this project, then BCL&P should definitely move forward.

Discussion followed regarding the stance of local leadership on nuclear energy and ideas were shared on the need to continue to educate our community on future power resources.

1 **BUDGET REPORT – YEAR-TO-DATE 7- MONTH PERIOD ENDING 31 JANUARY,**
2 **2019**

3 Mr. Christensen presented the Budget Report for the Fiscal Year-to-Date 7-month Period
4 Ended 31 January, 2019. He noted that July through December 2018 is final (with estimates as
5 shown) and January 2019 is preliminary. (Most YTD line item amounts will not change from
6 this report when they are final. Missing data includes interest income on investments, interest
7 income on rate stabilization, bank & investment account fee expense, credit card merchant fee
8 expense, and the transfer to rate stabilization fund expense, but these are not expected to
9 materially affect the net margin.

10
11 Total revenues YTD were \$18,336,201, above its Historically Allocated Budget (HAB)
12 by \$55,242. Major items above budget were Electric Metered Sales (EMS), \$121,272 or 0.8%
13 above its HAB; and preliminary interest income on investment, \$65,045 above its HAB. These
14 accounts were partially offset by the following revenues that were below their HABs: Air
15 Products (\$55,005); Street Light income (\$47,830); and Contribution in Aid to Construction
16 (\$63,462).

17
18 Total Operating Expenses YTD was \$16,042,688, below its HAB by \$486,891. The
19 major expenses below their HABs were Power Costs, below its HAB by \$414,174; and
20 Distribution below by \$67,513. These were partially offset by Street Light expense which was
21 above its HAB by \$(136,028); and loss on fixed assets, above by \$(95,658) which was the result
22 of the transfer of assets of the traffic signal system and accumulated depreciation to the City's
23 Engineering Department in December 2018.

24
25 Total Capital Expenditures YTD were \$854,381, which included materials, labor, and
26 third-party work on the 138 KV substation, feeder #575, the feeder #673-#271 inter-tie, feeder
27 #37X East, the Culver's project, and several other projects.

28
29 The net margin for the YTD was \$1,439,132, above its HAB by \$377,319, largely due to
30 lower than budgeted power costs and higher than budgeted EMS revenue.

31
32 Changes in Balance Sheet and Cash Flow Statement YTD were briefly reviewed,
33 following which Commissioner Pitcher made a motion to accept the budget report as presented.
34 Commissioner Bell seconded the motion which carried unanimously with Commissioners
35 Becker, Bell, Cushing, Irvine, Pitcher, and Summers voting "aye".

36
37 **138 SUBSTATION UPDATE**

38 Mr. Farnes reported that the second new 100 MVA transformer at the 138 Substation was
39 energized and loaded on February 6th and has been running since then. He reviewed the history
40 of the 138 Substation and improvements which have been made over the years by showing slides
41 of the original substation and the newly updated substation. It was noted that the work which has
42 been done at this substation has been done when the substation was energized, and emphasized
43 that this has required exceptionally careful planning and execution.

44
45 Each of the transformers at the 138 substation can carry the entire City; currently three
46 substations are fed via the north transformer and two are fed from the south transformer. It is

1 anticipated that this configuration will be switched in the future.

2
3 **FEEDER 575 REBUILD, HUNT ELECTRIC APPROVAL**

4 Mr. Veigel reviewed that we have been working on the Feeder 575 Rebuild project this
5 year and are at the point where the overhead section along 200 West between 1800 South and
6 2400 South will be replaced. Bids were sent to four Line Construction Contractors to replace 17
7 poles and re-conductor the line. Three bids were received and it is the recommendation of staff
8 to award the bid to the low bidder, Hunt Electric, in the amount of \$147,844. Following a brief
9 discussion, Commissioner Summers made a motion to recommend approval of the Hunt Electric
10 bid, as presented, to the City Council. Commissioner Irvine seconded the motion which carried
11 unanimously with Commissioners Becker, Bell, Cushing, Irvine, Pitcher, and Summers voting
12 “aye”.

13
14 Comments were made regarding the poor road condition in this area and Mr. Veigel
15 stated that the feeder rebuild project is scheduled to be completed April 12th and the City is
16 planning to re-do the road in May. He also explained that the bid which was just approved
17 covers equipment and labor. All materials for this project will be furnished by BCL&P and the
18 material expenses are also included in the \$450,000 budget for this project.

19
20 **FEEDER 671 AMERICOM CONTRACT EXTENSION APPROVAL**

21 Mr. Veigel explained that due to new developments in Bountiful there is a need to bore
22 conduits along 300 South between 100 West and 100 East for the Alpha Graphic project. In
23 March 2018 the City entered in to a contract with American Technology to install conduits
24 throughout the City. This company has completed all the installs from the original bid package
25 and we have had great success in working with them. The contract was extended in August 2018
26 and it is recommended that it be extended again for the Feeder 671 upgrade project in the amount
27 of \$81,843.00. This project is included in the FY 2018-19 budget. The prices for the extension
28 will be the same as in the original bid. Commissioners Summers motioned to recommend
29 approval of the Americom Contract Extension, as presented. Commissioner Becker seconded
30 the motion and voting was unanimous. Commissioners Becker, Bell, Cushing, Irvine, Pitcher,
31 and Summers voted “aye”.

32
33 **ASPLUNDH TREE TRIMMING CONTRACT EXTENSION APPROVAL**

34 Mr. Pearce reviewed that there are currently two full time three man tree trimming crews
35 from Asplundh Tree Experts who are clearing tree limbs from power lines. This has resulted in
36 lowering the number and frequency of tree related power outages significantly. The Asplundh
37 contract expires with Bountiful City June 30, 2019; however, the original contract provided the
38 option for multiple 12-month extensions at no more than a 4% increase to labor and equipment.
39 Asplundh was asked and agreed to renew their current contract with the City for a three-year
40 extension with the first and second year at a 4% increase each year. For the third year they have
41 proposed a 2.5% increase on labor only or an effective rate of 2%. The current contracted hourly
42 rate is \$131.72 for each crew, with proposed rates as follows:

44	2019-2020	\$136.87/hour per crew	\$569,379.20 Total for both crews
45	2020-2021	\$142.34/hour per crew	\$592,134.40 Total for both crews
46	2021-2022	\$145.13/hour per crew	\$603,740.80 Total for both crews

1
2 Asplundh will supply all the necessary personnel, vehicles, hand tools, ropes, and safety
3 equipment to handle all tree trimming and removal projects. They also provide their own
4 insurance. It is staff recommendation to enter into a contract extension with Asplundh, as
5 explained. Commissioner Bell motioned to recommend approval of the contract extension, as
6 explained. Commissioner Pitcher seconded the motion and voting was unanimous with
7 Commissioners Becker, Bell, Cushing, Irvine, Pitcher, and Summers voting “aye”.

8
9 Supportive comments were made by several commissioners regarding the wisdom of this
10 expense, noting that it assists in BCL&P being able to provide a reliable service to the
11 community. It also contributes to a more safe work environment for our line crews by reducing
12 outages and related repairs which occur during stormy weather.

13
14 **DOUBLE REEL WIRE TRAILER PURCHASE APPROVAL**

15 Mr. Pearce reviewed that the trailer which is currently used for hauling overhead and
16 underground cable is not designed to handle the size of reels that are now used in the industry.
17 Staff has researched the market for a trailer that would meet our needs and requested a proposal
18 from Brooks Brothers Trailers for a double turret reel wire trailer. This trailer would not only
19 accommodate the larger reels, but has a turret feature which will allow crews to work in tight
20 locations or on roadways. The trailer also features a built-in hydraulic take-up and payout
21 system which allows a hydraulic pump to spool or unspool the reels and reduces the manual
22 labor previously used to do this work.

23
24 It is the recommendation of staff that the proposal from Brooks Brothers Trailers for a
25 new double turret reel wire trailer be approved at a total cost of \$50,545.00. Although this was
26 not identified in the capital vehicles budget for 2019-20, funds are available in the Capital
27 Vehicle account and in the Contingency Fund. Purchasing the trailer this year will relieve the
28 stress on next year’s budget and allow for greater efficiency in this year’s projects.
29 Commissioner Pitcher made a motion to recommend approval of this purchase (as presented) to
30 the City Council. Commissioner Summers seconded the motion and voting was unanimous.
31 Commissioners Becker, Bell, Cushing, Irvine, Pitcher, and Summers voted “aye”.

32
33 Mr. Johnson thanked the Commissioners for their support in keeping equipment
34 upgraded. He pointed out that with the right equipment, the department is able to accomplish
35 their required jobs with a smaller crew, thus reducing labor expense.

36
37 **1100 URD CABLE PURCHASE APPROVAL**

38 Mr. Pearce reported that the inventory of 1100 URD Primary cable is running low, and
39 we need to purchase some to replenish it. This cable is manufactured by Okonite and is a single
40 source item. Codale Electric in Salt Lake City has submitted a bid for 7,800 feet of the 1100
41 URD cable at a cost of \$7.92/ft. for a total \$61,776.00. It is the staff recommendation to award
42 the bid to Codale. Following a short discussion, which included the fact that Okonite provides a
43 40-year warranty, Commissioner Becker made a motion that the Power Commission
44 recommends to the City Council that this purchase be approved. Commissioner Bell seconded
45 the motion. Voting was unanimous with Commissioners Becker, Bell, Cushing, Irvine, Pitcher,
46 and Summers voting “aye”.

1
2 **TRANSFORMERS BID APPROVAL**

3 Mr. Pearce reported that bids were requested from two vendors (representing four
4 different transformer manufacturers) for transformers to be placed into inventory for replacement
5 of damaged/leaking transformers on the system and for future construction projects throughout
6 the City. It is the recommendation of staff that the bid be awarded to low bidder, Anixter Power
7 Solutions, in the amount of \$126,281.00. This bid includes 24 pole-mount and 29 pad-mount
8 GE/Prolec transformers. Following a brief discussion, Commissioner Pitcher motioned to
9 recommend to the City Council that this bid be approved. Commissioner Summers seconded the
10 motion which carried unanimously. Commissioners Becker, Bell, Cushing, Irvine, Pitcher, and
11 Summers voted "aye".
12

13 **OSMOSE POLE TESTING EXTENSION**

14 Mr. Veigel reported that with the contract with Osmose Utility Services we have now
15 inspected, tested, and treated approximately 3,700 distribution poles on our system. The contract
16 extension for which approval is being requested is to do the same work on the remaining 1,300
17 poles on our system. In the discussion which followed Mr. Pearce explained that if a pole is
18 extremely bad, it will be replaced as soon as possible. The pole testing program results in greater
19 safety for our crews, increases reliability of service, and provides data for mapping the system
20 electronically. It is the staff recommendation to extend the contract with Osmose for the
21 additional cost of \$70,000. Commissioner Summers made a motion to recommend approval of
22 this quote to the City Council, Commissioner Bell seconded the motion and voting was
23 unanimous. Commissioners Becker, Bell, Cushing, Irvine, Pitcher, and Summers voted "aye".
24 Commissioner Summers was excused at this time.
25

26 **SOLAR INSTALLATIONS UPDATE**

27 Mr. Christensen reviewed the spreadsheets which he had prepared to convey solar
28 activity for the period April 2018 through January 2019. With 196 customers, the residential net
29 metering lost revenue to the City for this time period was \$143,900. The net metering lost
30 revenue from commercial customers for this same time period was \$8,993.00. It was noted that
31 although solar generation is a great resource, it does not come at the right time of day to meet the
32 demand of the City and thus creates losses.
33

34 **RESOURCE UPDATE**

35 Mr. Johnson noted that the IPP project is still moving forward and it is anticipated that
36 the future cost of IPP power will be \$65.00 per megawatt hour. He said he didn't think Bountiful
37 would be taking any of this power. Future costs include the cost to take the coal plant down
38 (estimated at \$380 million dollars).
39

40 Solar projects are still being considered and it appears the cost of solar could be as low as
41 \$0.03/kwh. If that were the case, it could impact the rate currently being paid to Bountiful solar
42 customers (\$0.0925/kwh).
43

44 **POWER SYSTEMS OPERATIONS REPORTS**

45 The following items were included in the packet, but not discussed in the meeting:
46

- 1 a. December 2018 Resource Reports
- 2
- 3 b. January 2019 Lost Time Related Injuries/Safety Report
- 4
- 5 c. January 2019 Public Relations Report
- 6
- 7 d. January 2019 Outage Reports
- 8
- 9

10 **OTHER BUSINESS**

11 Mr. Johnson reminded the Commission of the upcoming APPA conference in Austin on
12 June 8-12, 2019 and the Annual UAMPS conference in Jackson, Wyoming on August 18-21,
13 2019 and urged them to let him know if they planned to go so that reservations could be made in
14 a timely manner.

15

16 **NEXT POWER COMMISSION**

17 The next meeting of the Power Commission will be on March 26, 2019 at 8:00 a.m.

18

19 **ADJOURN**

20 The meeting adjourned at 9:45 a.m.

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John Cushing, CHAIRMAN