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**MINUTES OF THE MEETING
OF THE
BOUNTIFUL CITY POWER COMMISSION
AUGUST 27, 2024 - 8:00 a.m.**

Those in Attendance

Power Commission

Susan Becker, Acting Chairwoman
Dan Bell, Commissioner
David Irvine, Commissioner
John Marc Knight, Commissioner
Jed Pitcher Commissioner

Power Department

Allen Johnson, Director
Alan Farnes, Generation Superintendent
Dave Farnes, Safety/Customer Service
Tyrone Hansen, Accountant
Jess Pearce, Superintendent of Operations
Luke Veigel, Engineer
Nancy T. Lawrence, Recording Secretary

Visitor

Gary Davis, Bountiful Resident

Excused

Paul Summers, Chairman
Cecilee Price-Huish, Councilwoman

WELCOME

Chairwoman Becker called the meeting to order at 8:00 a.m. and welcomed those in attendance. Commissioners Summers and Councilwoman Price-Huish were excused. The invocation was offered by Alan Farnes.

MINUTES – June 25, 2024

Minutes of the regular meeting of the Bountiful Power Commission held June 25, 2024 were presented and unanimously approved as written. Commissioner Pitcher made the motion to approve, and Commissioner Bell seconded the motion. Commissioners Becker, Bell, Irvine, Knight and Pitcher voted “aye”.

BUDGET REPORT – PRELIMINARY YEAR TO DATE 12-MONTH PERIOD

ENDED JUNE 30, 2024

Mr. Hansen presented the Preliminary Budget Report for the Fiscal Year-to-date 12-Month period ended June 30, 2024. He noted that there will be a “push-back” for June’s Electric Metered Sales, and there will also be adjustments to Capital and Depreciation. Total revenues Year-to-Date were \$33,832,721, below its HAB by (\$563,898). Major Items above their HABs included Air Products, at \$91,294, with an average load factor of 65.0% for the year-to-date period; Sundry Revenues was above by \$59,435; and Interest Income on Investments was above its HAB by \$210,365. He noted that June Interest Income has not yet been posted. Revenues (below) their HABs included Electric Metered Sales, (\$629,412), below its HAB by 2.1%; and Contribution in aid to Construction, at (\$289,192), which included \$80,000 for line extensions, \$63,000 for Bountiful Elementary, and \$17,000 for Utopia Huts.

1 Total Operating Expenses YTD were \$27,473,164, below the HAB by \$5,188,455.
2 Major items (above) budget was Credit Card Merchant Fees, at (\$21,033); and Insurance
3 Expense at (\$34,113). Expenses below budget included Power Cost Expense at \$3,910,295,
4 with Power Generation under by \$1,100,000; and Power Resources was also below budget by
5 \$2,800,000 largely due to the CRSP resource being available. Distribution Expense was below
6 its HAB by \$184,185; Street Light Expense was below its HAB by \$116,031; Substation
7 Expense was below the HAB at \$80,522; and Meters Expense was below the HAB at \$144,074.
8 With Electric Metered Sales being low, the Transfer to the General Fund was below its HAB
9 by \$122,941.

10
11 Total Capital Expenditures YTD were \$761,192 and included \$21,000 for Brooks
12 Fabric Townhomes; \$50,000 for Bountiful Elementary; \$28,000 for 2055 South Main
13 Townhomes; \$180,000 for 572/574 Feeder Tie; \$197,000 for a cable puller; \$103,000 for a
14 service truck; \$45,000 for a Ford Explorer; plus an addition of \$152,000 for the engineering
15 fees for the Northwest substation when they have been posted.

16
17 Total Labor and Benefits was \$5,096,124. As of 30 June (the last pay period paid in the
18 YTD period), 100% or \$5,304,293 of the TL&B could have been spent; the actual TL&B was
19 \$208,169 below that target

20
21 The Net Margin for the YTD was \$5,598,365, as revenues are close to budget and power
22 costs are coming in well under budget. Total cash and equivalents were a net \$22,746,119 at
23 month end, up \$6,299,154 from \$16,446,965 at 30 June 2023, and \$6,300,119 above the
24 \$16,446,000 total reserved cash requirement. Major sources and (uses) of cash at month end
25 compared to fiscal year-end 2023 included the \$737,226 decrease in total accounts receivable;
26 decrease of \$225,314 in total inventories; and decrease of \$99,894 in prepaid expenses. Uses
27 of cash included \$(175,910) in total accounts payable, and \$(368,545) increase in net fixed
28 assets.

29
30 Following a brief discussion regarding the estimated margin at the end of the year,
31 affected dramatically by lower power costs expenses. Commissioner Pitcher made a motion to
32 accept the budget report as presented, and Commissioner Bell seconded the motion which
33 passed unanimously. Commissioners Becker, Bell, Irvine, Knight, and Pitcher voted “aye”.

34
35 **TRANSFORMER PURCHASE APPROVAL**

36 Mr. Veigel reported that there continues to be long lead times for transformers and we
37 are focused on keeping an adequate inventory. Invitations to bid were sent to four vendors to
38 purchase 100 transformers, as follows:

- 39 50 (ea) 50 KVA single phase 240/120 pad mounted, and
40 50 (ea) 100 KVA single phase 240/120 pad mounted

41
42 Bids were evaluated on both the purchase price and delivery (60 weeks) and have been reviewed
43 by staff and the City Manager. It is the recommendation of staff to award the bid to Western
44 United Electrical (Salem, Utah) totaling \$465,304.85 for 100 Ermco transformers. These will
45 be paid for from next year’s budget (based on delivery date). Commissioner Knight made a
46 motion to support the staff recommendation, Commissioner Irvine seconded the motion and

1 voting was unanimous in the affirmative. Commissioners Becker, Bell, Irvine, Knight, and
2 Pitcher voted “aye”.

3
4 **1100 URD CABLE PURCHASE**

5 Mr. Veigel reviewed that costs have been budgeted to upgrade a feeder on 1800 South
6 and 400 East. This cable will be used for the second phase of the project, planned for this fall.
7 Bids were submitted to two vendors for 5,200 feet of 1100 URD Primary cable. It is the
8 recommendation of staff to approve the bid from Irby / Okonite for \$74,000 with a delivery of
9 2-4 weeks. Commissioner Irvine motioned to support this recommendation, Commissioner
10 Pitcher seconded the motion and voting was unanimous. Commissioners Becker, Bell, Irvine,
11 Knight, and Pitcher voted “aye”.

12
13 **PM-11 UNDERGROUND SWITCHGEAR PURCHASE**

14 Mr. Veigel explained that we always keep at least one PME-11 underground switchgear
15 in inventory and we need to replenish our inventory now. This gear is a single source item and
16 is only available from one vendor. The price for the switchgear and fuse holders is \$22,180
17 and delivery is September 2025. It is the recommendation of staff to make this purchase.
18 Commissioner Bell made a motion to support staff recommendation, Commissioner Knight
19 seconded the motion and voting was unanimous. Commissioners Becker, Bell, Irvine, Knight,
20 and Pitcher voted “aye”.

21
22 **LINE CREW SERVICE BODY PURCHASE**

23 Mr. Pearce reviewed that the BCL&P fiscal year 2024-25 budget includes the purchase
24 of a new line crew service truck to replace Unit #5059, a 2012 Line Crew service truck.
25 Invitations to bid on the service body only were sent to two suppliers. Mountain States
26 Industrial Service (SLC) submitted the only bid, in the amount of \$47,644 with a 4-5 month
27 delivery. The bid was reviewed by staff and the City Manager and it was their recommendation
28 that this bid be approved. Mr. Pearce said that the purchase of the cab and chassis will be
29 initiated next month. Commissioner Irvine motioned to support the staff recommendation and
30 Commissioner Pitcher seconded the motion which carried unanimously. Commissioners
31 Becker, Bell, Irvine, Knight, and Pitcher voted “aye”.

32
33 **SMALL DUMP BODY PURCHASE**

34 The BCL&P fiscal year 2024-25 budget includes the purchase of a new small dump
35 truck. This vehicle will replace Unit #5049, a 2008 small dump truck which is used in
36 maintaining and building the electrical system. The cab and chassis will be purchased from a
37 separate supplier for the dump body. Mr. Pearce reported that Reading Truck has the State bid
38 contract for the Rugby 3-4 yard dump body, at a total price of \$22,898.99 with a 30-45 days
39 delivery, *after* chassis delivery on site. It is the staff recommendation to approve this purchase,
40 as part of the overall budget of \$105,000 for this vehicle. Commissioner Knight made a motion
41 to support this recommendation and Commissioner Irvine seconded the motion which carried
42 unanimously. Commissioners Becker, Bell, Irvine, Knight, and Pitcher voted “aye”.

43
44 **ECHO FIRE UPDATE**

45 Mr. Johnson referred to the July 24, 2024 fire on the mountain that involved the 46KV
46 transmission line which runs from Bountiful to the Echo Hydro project. He briefly summarized

1 that the fire burned approximately 360 acres, and the Summit County Fire Investigators have
2 determined it was caused from a power line spark. He noted that the entire department has been
3 impacted and worked together cooperatively in the repair and restoration of this line and he
4 expressed appreciation for their efforts.

5
6 A power point presentation was used by staff to assist in sharing the location, terrain,
7 equipment used, and fire damage. Mr. Veigel explained that the Echo transmission line is 26
8 miles long and the Dikker Hill fire damaged six (6) BCL&P poles; however, due to the terrain
9 and other extenuating factors, 18 poles needed to be replaced. Four private properties were
10 impacted by the fire—one by the fire damage and three were needed for access. One
11 unoccupied structure was threatened.

12
13 Mr. Pearce reviewed the re-construction process. He said that Wasatch Electric is
14 providing a six-man crew that works 16-hour days. The goal is to complete the project this
15 Friday (August 30th). He said BCL&P department linemen have visited the site to get an
16 understanding of the work that is being done by Wasatch Electric.

17
18 Mr. Farnes noted that the transmission line was built in 1986-87 and he explained the
19 process that was used in preparation for bidding fire related expenses. Summarized damages,
20 which do NOT include restoration:

21
22 \$250,000.00 deductible
23 68,887.84 poles
24 86,394.66 transmission line materials
25 498,785.00 power line contractor
26 Plus in-house labor
27

28 He noted that the City's procurement code provides that the City Manager may
29 authorize expenditures in excess of \$20,000 "for emergency expenditures or for actions which
30 require prompt execution to avoid financial harm or loss, or to save cost, as determined by the
31 City Manager". He said that three purchases have been executed that exceed the \$20,000
32 approval threshold, as presented in the following sub-categories:

33
34 **Power Pole Purchase.** The fire damaged 6 poles and impacted 12 others which must
35 be replaced, along with the suspension insulators that cross I-80. We have purchased 18 60-to-
36 80-foot poles from Stella-Jones (Ogden facility) for the sum of \$68,887.84.

37
38 **Alpha Power Purchases.** Alpha Power is the local supplier who keeps an inventory of
39 materials for transmission line. We have met with them to purchase the necessary insulators,
40 arms, and hardware to rebuild the poles. The sum of these materials is \$86,361.66.

41
42 **Contractor Approval.** Five power line contractors were contacted; two responded and
43 the other three did not supply a bid due to manpower and timing. Staff recommended that we
44 accept the low bid from Wasatch Electric for the sum of \$498,785.00.
45

1 Mr. Johnson said that the costs for the repair will be paid from the Power Department
2 Echo Hydro Transmission line account. This repair was not budgeted and will exceed the
3 budget and will require opening the budget at the end of the year. Other costs (in addition to
4 those listed above) will include restoration of the area. Concern was expressed regarding the
5 future costs or renewal of the policy by the insurance company. Following discussion,
6 Commissioner Bell motioned to approve the expenditures/contracts listed above and
7 Commissioner Pitcher seconded the motion. Voting was unanimous with Commissioners
8 Becker, Bell, Irvine, Knight and Pitcher voting "aye". The Commissioners expressed
9 appreciation to the department for all the work that has been involved and in such a timely
10 manner.

11

12 **RESOURCE UPDATE**

13 Mr. Johnson briefly reviewed power resources, noting that UAMPS hit a new peak on
14 July 11, 2024 when we were selling back to the market. The Freemont project is questionable
15 because of network issues. The upgraded IPP plant cannot be operational until Spring-July,
16 2025 and the existing plant is still burning coal. The SB 161 special session of the Legislature
17 took hard dates out and the deadline has been moved to December 2024. The increase in
18 transmission rates (passed on to users as a rate increase) was briefly discussed and it was noted
19 that transmission rates are monitored by FERC.

20

21 *The following items were included in the packet, but not discussed in the meeting.*

22

23 **POWER SYSTEMS OPERATIONS REPORT**

- 24 a. May - June 2024 Resource Reports
- 25 b. July 2024 Lost Time/Safety Reports
- 26 c. July 2024 Public Relation Reports
- 27 d. June 2024 Outage Reports

28

29 **OTHER BUSINESS**

30 None

31

32 **NEXT POWER COMMISSION**

33 The next meeting of the Power Commission will be held on September 24, 2024 at 8:00
34 a.m.

35

36 **ADJOURN**

37 The meeting adjourned at 10:00 a.m. on a motion by Commissioner Pitcher and
38 seconded by Commissioner Bell. Voting was unanimous with Commissioners Becker, Bell,
39 Irvine, Knight, and Pitcher voting "aye."

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Susan Becker, Acting Chairwoman

