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**MINUTES OF THE JOINT MEETING OF THE
THE BOUNTIFUL CITY POWER COMMISSION AND
THE CITY COUNCIL POWER BUDGET COMMITTEE
April 26, 2022 - 8:00 a.m.**

Those in Attendance

Power Commission

Susan Becker, Acting Chairman
Dan Bell*
Richard Higginson, City Council Rep
David Irvine**
John Marc Knight
Jed Pitcher

Power Department

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

City Council Power Committee

Kendalyn Harris, Mayor
Cecilee Price-Huish

Recording Secretary

Nancy Lawrence

Other City Officials

Kate Bradshaw, Councilwoman
Millie Bahr, Councilwoman
Gary Hill, City Manager
Galen Rasmussen, Assistant City Manager

Excused

Paul Summers, Commissioner

*Attended via Zoom Meeting - Meeting ID #849-3181-8719

**Attended via Cell Phone

WELCOME

Chairwoman Becker called the Power Commission meeting to order at 8:00 a.m. and welcomed those in attendance. Councilman Higginson then called the Council Power Budget Committee to order. An invocation was offered by Councilman Higginson.

BUDGET PRESENTATION

Mr. Hansen reported that the proposed total balanced budget for the Power Department FY 2022-2023 is \$30,601,221, which includes a 3 percent rate increase, but no changes to Fees or Deposits. Bountiful City Light and Power (BCL&P) provides electrical power to approximately 17,244 total customers (15,585 residential, 1,658 commercial, and 1 industrial). The total system includes six substations, 42 miles of 46KV transmission lines, 90 miles of 15KV overhead distribution lines, 130 miles of 15KV underground distribution lines, and 75 miles of street light circuits.

1 Mr. Hansen then reviewed the power resources, which include Colorado River
2 Storage Project, Intermountain Power Project, San Juan power plant, the city owned and
3 operated natural gas-fired power plant, two city owned and operated hydroelectric projects,
4 and contracts from industry suppliers. He also noted that the major roles and critical
5 functions which drive the budget are: safety of everyone who interacts with BCLP's
6 electrical systems; to buy and generate at economical prices; reliable delivery to all electrical
7 customers. The priorities for the coming fiscal year are: Add a 3-person line crew and
8 necessary equipment (this item was in the 2021-22 budget, but was not accomplished and is
9 being moved to the 2022-23 budget); upgrade feeders #574, #576, #274, and #373; begin
10 replacement and upgrade of Echo control system; begin engineering for the Northwest
11 Substation rebuild; and acquire power resources to stabilize the cost of power and increase
12 "green" and carbon-free resources.

13
14 Mr. Pearce reviewed the history of BCL&P Department safety and training, noting
15 that there have been no lost-time accidents over the past four years, a remarkable record
16 with consideration of 70,000 hours worked *per year*. He reviewed the training which is
17 done regularly and reported that the BCL&P is Department of Labor certified. Photographs
18 of different types of working situations related to outage restoration were shown and it was
19 noted that the system reliability on a 5-year average was .9999984 percent!

20
21 Mr. Pearce reviewed the transmission and distribution (both overhead and
22 underground) systems, particularly as they relate to the budget and the
23 maintenance/replacement program. Discussion followed regarding the future outlook for
24 poles that need to be replaced and issues related to supply chain. Some vendors are not
25 accepting any orders until 2024 and delivery times vary from 6 months to 50 weeks, when
26 orders are accepted. Many supply items have increased dramatically in cost with wire prices
27 increasing by approximately 35 percent. Mr. Pearce also discussed the tree trimming
28 program, which consists of one in-house and two contract tree crews. With three crews
29 working, it is the goal to complete one rotation through the City every three years. Diamond
30 Tree Experts has been awarded the bid for the two contract crews for the FY 2022-23 budget
31 year.

32
33 Mr. Veigel reviewed the Distribution System/ Feeder upgrades included in the
34 Budget under Capital Expenditures, as follows: Feeder #272/273, \$131,000; Feeder #574,
35 \$687,500; Feeder #576, \$263,000; Renaissance Distribution, \$70,000; Feeder #373,
36 \$80,000; and Stone Creek Phase 4 Distribution, \$50,000. He noted that the Stone Creek
37 project will be reimbursed to the City by the developer.

38
39 Alan Farnes presented additional capital upgrades, as follows: Echo hydro controls
40 upgrade to replace 35-year old control system, with engineering *only* included in this budget
41 at \$420,000. This will be a 3-year project. The Northwest Substation will be re-built and the
42 design phase is included in this year's budget - \$615,000. This total project is estimated to
43 cost \$ 3 ½ to 4 million. It is necessary because of outdated equipment for which
44 repair/maintenance parts are no longer available and the design of the low bus is a safety
45 hazard. Capital expenditures of \$2,904,500 is up \$1,056,500 from the 2021-22 budget,
46 including the office and warehouse at \$200,000 to evaluate site development options and

1 M&E Vehicles at \$188,000. Three vehicles were included in the 2021-22 budget, but
2 postponed due to not being available from the supplier(s).
3

4 Mr. Farnes reviewed power resources currently used and discussed how these
5 resources are being impacted by current factors – drought, supply chain, and the move
6 toward renewable resources. In summary, hydro power is down, natural gas pricing is high,
7 coal availability is low, market power is high, the Enchant resource has an undetermined
8 availability date, and solar projects have been delayed. All of these factors have a negative
9 impact on our resources.
10

11 Mr. Hansen reported that Operating Revenues are budgeted at \$28,928,073, up
12 \$666,978, with major increases coming from Electric Metered Sales at \$25,820,799, up
13 \$587,104 with a 3 percent rate increase and 0.2 percent growth. Air Products Income at
14 \$2,255,018 is up \$75,962 with the 3 percent rate increase and an estimated 59 percent load
15 factor. Commissioner Pitcher asked how BCL&P budgeted rates compare with Rocky
16 Mountain rates. Mr. Hansen briefly explained the differences between the billing rate
17 structures of BCL&P and Rocky Mountain Power, and said that with the rate increase,
18 BCL&P's rates are still lower by 1.94 percent. Commissioner Pitcher asked how Bountiful
19 customers will be informed of the rate increase and discussion followed. In addition to the
20 rate increase being part of the presentation at the budget hearing, it was suggested that an
21 insert be included in the utility billing statements which explains the change of resources
22 brought on by the drought – which is beyond our control—and the change of allocation from
23 the Colorado River Storage Project, our basic load resource.
24

25 Operating Expenses Personnel Services is proposed at \$5,370,241, up \$78,947,
26 supports the additional 3-man crew, (moved forward from the 2021-22 budget), a 3.0
27 percent cost of living adjustment, 4 percent increase for medical insurance, and merit
28 increases for eligible employees.
29

30 Operating Expenses Operations and Maintenance at \$19,654,900 is down \$(511,356)
31 due to a decrease in power purchased from CRSP and San Juan; however this decrease is
32 offset by an additional power purchased from UAMPS which is up \$1,423,403 to replace the
33 CRSP and San Juan power; Power purchases from IPP which is up \$660,908; and
34 Distribution is up \$55,380 with material for the new 3-man crew.
35

36 Net Operating Transfers at (\$1,216,080) includes \$1,266,000 transfer in Use of
37 Retained Earning and \$(2,582,080) transfer (out) to the General Fund. The 10-year Capital
38 Plan of \$36,849,500 includes NW and NE substation rebuilds, plus new feeders, upgrades to
39 the transmission and distribution systems, street light system upgrades, and upgrades for the
40 control systems for Echo and PineView hydros (as noted earlier in the presentation), and
41 replacement of the No. 1 turbine at the Power Plant.
42

43 In summary, Mr. Hansen said it is the recommendation of staff to accept the
44 proposed FY 2023 budget, balanced at \$30,601,221, which includes a 3 percent rate
45 increase, adds a 3-person line crew w/necessary equipment, and continued emphasis on
46 maintenance and upgrades of transmission, distribution, and street light systems.

1 Commissioner Pitcher asked what impact the proposed budget has on cash. Mr. Johnson
2 said that cash will still be above the 6-month average \$18 million. Commissioner Pitcher
3 motioned to recommend approval of the proposed 2022-23 budget, as presented.
4 Commissioner Knight seconded the motion and voting was unanimous. Commissioners
5 Becker, Bell, Irvine, Knight and Pitcher, and Councilman Higginson voted “aye”.

6
7 On behalf of the Council Power Committee, Councilwoman Price-Huish made a
8 motion to accept the recommendation of the Power Commission and approve the Proposed
9 FY 2022-2023 Budget, as presented, and specifically to approve the 3 percent rate increase.
10 Mayor Harris seconded the motion and voting was unanimous. Mayor Harris,
11 Councilwoman Price-Huish, and Councilman Higginson voted “aye”.

12
13 Members of the Council Power Committee expressed appreciation to the Power
14 Department staff for their insight, forward planning, and dedication. The budget review
15 portion of the meeting adjourned at 9:24 a.m. on a motion from Committee member Harris
16 and seconded by Committee member Price-Huish.

17
18 **MINUTES – March 22, 2022**

19 Minutes of the regular meeting of the Bountiful Power Commission held March 22,
20 2022, were presented, and unanimously approved as corrected on a motion made by
21 Commissioner Pitcher and seconded by Councilman Higginson. Commissioners Becker,
22 Bell, Irvine, Knight and Pitcher, and Councilman Higginson voted “aye”.

23
24 **BUDGET REPORT – YEAR-TO-DATE 8-MONTH PERIOD ENDING 28**
25 **FEBRUARY 2022**

26 Mr. Hansen presented the Budget Report for the Fiscal Year-to-date 8-Month period
27 ended 28 February 2022, noting that it is final. Total **Revenues** YTD were \$19,736,128,
28 below its HAB by \$(38,086). Major items above their HABs were Electric metered sales,
29 above by \$96,809 at 0.6% above; and Sundry Revenues which was above its HAB with the
30 collection of \$19,430 of various system damage billings in November and January which
31 Dave Farnes has followed up on, and the sale of \$17,828 of scrap metal in January primarily
32 from Feeder #575.

33
34 Revenues below its HAB were Contribution in Aid to Construction which was below
35 its HAB by \$(123,922). This was the result of four projects which have not been completed.
36 Air Products income was below its HAB by \$(19,981) with an average load factor of 58.0%.

37
38
39 Total **Operating Expenses** YTD were \$17,456,066, above its HAB by \$(43,077)
40 due to the following major items: power cost expense, above its HAB \$(835,208) with
41 strong Electric Metered Sales and high market prices over peak. Operating Expenses below
42 budget included Distribution Expense by \$300,505; Substation Expense by \$88,088; and
43 Meters Expense by \$77,214.
44

1 Total **Capital Expenditures** YTD were \$1,038,160 and included: \$92,906 for
2 BCLP's share of the City's new car wash facilities; \$195,480 for a new tree trimming truck;
3 \$724,156 for Feeder #575; and \$18,894 for Feeder #272.
4

5 Total **Labor and Benefits Expense** YTD (included in Operating Expenses YTD and
6 Capital Expenditures listed above) was \$3,069,382. As of 19 February 2022 (the last pay
7 period paid in the YTD period), 64.1% or \$3,392,227 of the TL&B budget could have been
8 spent; the actual TL&B was \$322,845 below that target
9

10 The **Net Margin** YTD was \$1,241,903, as on-budget revenues plus many low
11 operating expenses were partially offset by high power costs.
12

13 Total **cash and cash equivalents** were a net \$21,977,515 at month end, up
14 \$2,170,136 from \$19,807,379 on 30 June 2021, and \$4,835,515 above the \$17,142,000 total
15 reserved cash requirement. A major use of cash at month end compared to fiscal year-end
16 2021 was an increase of \$(311,285) in inventories (T&D inventory from \$1,952,502 to
17 \$2,247,631). Following a brief discussion, Commissioner Knight motioned to accept the
18 Budget Report. Councilman Higginson seconded the motion and voting was unanimous.
19 Commissioners Becker, Bell, Irvine, Knight and Pitcher, and Councilman Higginson voted
20 "aye".
21

22 **POWER POLE PURCHASE APPROVAL**

23 Mr. Pearce reported that our inventory of power poles is running low and needs to be
24 replenished. He explained the pole bid specifications (Western red or yellow cedar butt
25 treated) with 20 (ea.) 35' class 3 poles, 25 (ea.) 45' class 3 poles, and 5 (ea.) 45' class 1
26 poles. This is a single source bid as Stella-Jones, Tacoma, Washington is the only vendor
27 able to bid butt treated poles. The butt treated poles are preferred because they are easier to
28 climb and due many of the ones on our system are in back yards where climbing is required.
29 It is the staff recommendation to approve the quote for 50 butt treated poles from Stella
30 Jones for the total sum of \$42,270.00. Councilman Higginson made a motion to recommend
31 approval of the Stella-Jones bid, as presented by staff. Commissioner Knight seconded the
32 motion which carried unanimously. Commissioners Becker, Bell, Irvine, Knight and Pitcher
33 and Councilman Higginson voted "aye".
34

35 **1100 URD CABLE PURCHASE APPROVAL**

36 Mr. Pearce explained that 1100 URD primary cable is also running low and needs to
37 be purchased to replenish inventory. The cable to be purchased is a 600 amp jacketed cable
38 with one third neutral with a 40-year warranty. It is manufactured by Okonite and is a single
39 source item, sold by Irby Electric Supply. Staff recommends the approval of the quote for
40 20,800 feet of 1100 URD cable from Irby Electrical Supply for the total sum of \$211,264.00
41 (\$10.205/ft.). Commissioner Knight made a motion to support the staff recommendation.
42 Councilman Higginson seconded the motion and voting was unanimous. Commissioners
43 Becker, Bell, Irvine, Knight and Pitcher, and Councilman Higginson voted "aye".
44

45 **POWER TRANSFORMER PURCHASE APPROVAL**

1 Mr. Pearce explained that transformers are beginning to be hard to purchase and their
2 lead times are becoming a factor in keeping an adequate inventory. Specifications and an
3 invitation to bid were sent out to three (3) major suppliers, two of which responded. It is the
4 recommendation of staff to accept the low bid of \$62,190 for 30 transformers--15 (ea.) 37.5
5 KVA single phase Overhead and 15 (ea.) 50 KVA single phase Overhead-- from
6 Wesco/Anixter Power Solutions. Delivery is quoted at 15 – 25 weeks. The transformers
7 will be placed in inventory until needed. (Prior to Covid, the normal delivery time was 3
8 months). Commissioner Pitcher motioned to approve the purchase of the 30 transformers
9 from Wesco, as presented. Councilman Higginson seconded the motion. Voting was
10 unanimous with Commissioners Becker, Bell, Irvine, Knight, and Irvine, and Councilman
11 Higginson voting “aye”.

12
13 **DIRECTIONAL BORING BID APPROVAL**

14 Mr. Veigel reported that there are several underground distribution circuits and
15 streetlight circuits throughout the system that need to have a new conduit, wire, and lights
16 installed. To minimize the inconvenience to residents and limit the restoration of property,
17 bids have been requested from contractors to install these conduits using directional boring.
18 He said there are three Distribution system projects and two Streetlight projects, and that
19 each bore consists of 1 to 3 conduits, with 6,100 total linear feet. Bids were requested from
20 five contractors and three responded. It is staff recommendation to approve the low bid
21 from Down Under Construction of North Salt Lake in the amount of \$288,777.00. The
22 work is identified in the FY 2021-22 budget and is within budget. The projects will be
23 funded from three different accounts: 575 Feeder Upgrade, 272/273 Feeder Upgrade,
24 Distribution and Streetlight. Commissioner Pitcher made a motion to support the staff
25 recommendation and award the bid to Down Under Construction, as presented. Councilman
26 Higginson seconded the motion which carried unanimously. Commissioners Becker, Bell,
27 Irvine, Knight and Pitcher, and Councilman Higginson voted “aye”.

28
29 **ENCHANT POWER SALES AGREEMENT**

30 Mr. Johnson explained that it was anticipated that the Enchant Power Sales
31 Agreement would be finalized and ready for consideration at this meeting. However, issues
32 related to reclamation and de-commissioning associated with the transmission from the San
33 Juan to the Enchant project are still being worked out. It is anticipated that this resource will
34 be available by November.

35
36 **RESOURCE UPDATE**

37 Commissioner Becker asked how our resources rank in terms of least costly up to
38 most expensive. Mr. Johnson said the hydros are the cheapest and included in the base load.
39 However the reduction of CRSP allotment due to the drought has critically impacted power
40 cost expense. Solar is ranked next, but is not a firm source. San Juan and IPP, our firm
41 resources, come next, and purchasing on the market to cover peak is the most expensive.
42 Discussion followed regarding the anticipated use of these resources for the coming budget
43 year.

44
45 *The following items were included in the packet, but not discussed in the meeting:*
46

1 **POWER SYSTEMS OPERATIONS REPORT**

- 2 a. February 2022 Resource Reports
3 b. March 2022 Lost Time/Safety Reports
4 c. March 2022 Public Relation Reports
5 d. February 2022 Outage Reports
6

7 **OTHER BUSINESS**

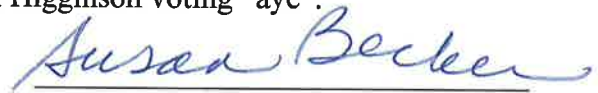
8 None
9

10 **NEXT POWER COMMISSION**

11 The next meeting of the Power Commission will be held on May 24, 2022, at 8:00
12 a.m.
13

14 **ADJOURN**

15 The meeting adjourned at 10:00 a.m. on a motion by Councilman Higginson and
16 seconded by Commissioner Knight. Voting was unanimous with Commissioners Becker,
17 Bell, Irvine, Knight, and Pitcher, and Councilman Higginson voting "aye".
18

19 
20 Susan Becker, ACTING CHAIRMAN
21

