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**MINUTES OF THE MEETING
OF THE
BOUNTIFUL CITY POWER COMMISSION
September 26, 2023 - 8:00 a.m.**

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Those in Attendance

8 **Power Commission**

9 Paul C. Summers, Chairman
10 Susan Becker, Commissioner
11 Dan Bell, Commissioner
12 Richard Higginson, Councilman
13 David Irvine, Commissioner
14 John Marc Knight, Commissioner
15 Jed Pitcher, Commissioner

Power Department

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

Recording Secretary

Nancy T. Lawrence

Visitors

Gary Davis, City Resident
Ron Mortensen, City Resident

22 **WELCOME**

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

26 **MINUTES. June 27, 2023**

27 Minutes of the regular meeting of the Bountiful Power Commission held August 22,
28 2023, were presented, and unanimously approved as written on a motion made by
29 Commissioner Pitcher and seconded by Commissioner Bell. Commissioners Bell, Becker,
30 Irvine, Knight, Pitcher and Summers, and Councilman Higginson voted "aye".

32 **BUDGET REPORT – YEAR TO DATE 1-MONTH PERIOD**

33 Mr. Hansen presented a summarized Budget Report for the Fiscal Year-to-date 1-
34 Month period ending July 31 2023. Total revenues Year-to-Date were \$3,108,362, below its
35 HAB by (\$434,755). Major items (below) their HABS were: Electric Metered Sales
36 (EMS), by (324,877), 10.1 percent below its HAB. This included the \$600,000 estimate for
37 EMS to more accurately represent the Income Statement. Air Products was below its HAB
38 with an average load factor of 59.7%, at \$(25,935); Contribution in Aid to Construction was
39 below its HAB at \$(38,424), which included the \$7,000 line extension at 1227 Lorien Court;
40 and Interest Income on Investments was below its HAB by \$(54,85), with July interest
41 allocation not yet posted.

42
43 Total Operating Expenses, YTD, were \$3,256,949, above its HAB by (\$9,164).
44 Major items (above) or below their HABS included: Power Expense was below by \$473
45 with Power Generation being over by (\$364,000) --gas sold at a loss--, and Power Resources
46 being \$365,000 under; hydro transmission expense was also below its HAB by \$11,847;

1 Meters Expense was below its HAB by \$11,043; Computer Expense was below its HAB by
2 \$26,648; and the Transfer to the General Fund was below its HAB by \$23,997 with lower
3 EMS. Expenses above the HAB were: Distribution Expense by \$(16,459); Transformers
4 Expense by \$(13,813); and Insurance Expense (which had been budgeted higher, but the
5 annual payment was still was over budget) by \$(34,544).

6
7 Total Capital Expenditures YTD were \$28,194 and included \$28,000 for the 2055
8 South Main Townhomes.

9
10 Total Labor and Benefits was \$311,746. As of 22 July 2023 (the last pay period paid
11 in the YTD period), 6.0% of \$319,711 of the TL&B could have been spent; the actual
12 TL&B was \$7,965 below that target.

13
14 The Net Margin for the YTD was (\$176,780), which included the \$600,000 lower
15 EMS estimate, as revenues came in lower due to cooler summer temperatures. Total Cash &
16 Cash Equivalents were a net \$16,209,504 at month end, down (\$237,459) from \$16,446,964
17 at 30 June 2023, and (\$236,495) below the \$16,446,000 total reserved cash requirement.
18 Discussion followed related to the Cash Reserve requirement and it was noted that this
19 reserve is critical to the City in terms of the bond rating. Mr. Johnson explained that, if
20 necessary, the City has two years to get back to the minimum reserve requirement; and he
21 also noted that he did not feel we were in an alarming position at this time. He said the rate
22 increase will assist in getting us back to where we need to be, which favors us both in
23 revenues and the formula which is used to establish the reserve amount.

24
25 Commissioner Pitcher asked about the Accounts Receivable footnote of a \$199,455
26 decrease in Accounts Receivable. Mr. Johnson explained that UAMPS credits our bill at the
27 end of the year for anything we have over-paid. We had a credit of \$435,000 from UAMPS
28 which was recognized at the end of 2023. Commissioner Pitcher made a motion to accept
29 the Budget Report, as presented. Councilman Higginson seconded the motion and voting
30 was unanimous. Commissioners Becker, Bell, Irvine, Knight, Pitcher and Summers, and
31 Councilman Higginson voted "aye".

32
33 **CABLE PULLING TRAILER PURCHASE APPROVAL**

34 Mr. Pearce reviewed that the 2023-24 Fiscal Year budget includes the purchase of a
35 new cable pulling trail. This unit will replace Unit #5913, a 1990 cable puller that is
36 unreliable and we are not able to obtain replacement parts when necessary. Mr. Pearce
37 noted that this unit will be vital in the replacement of approximately 250,000 feet of bare
38 concentric cable left on the underground system and will be used to install new cables
39 throughout the City. Bid specifications were sent to two vendors. It is the recommendation
40 of staff that we approve the low bid from Hee's Enterprises, Inc. for a Condux puller in the
41 amount of \$197,000.00. Delivery time is 8 weeks. It was noted that the cable will most
42 likely not be installed until next spring; however the industry has indicated that there will be
43 a 7 percent rate increase in January 2024. Therefore, purchasing now will result in a saving
44 of approximately \$15,000. Commissioner Irvine made a motion to recommend to the City
45 Council approval of this equipment, at this time. Commissioner Bell seconded the motion

1 and voting was unanimous. Commissioners Becker, Bell, Irvine, Knight, Pitcher and
2 Summers, and Councilman Higginson voted “aye”.

3
4 **ANIXTER TRANSFORMER PURCHASE APPROVAL**

5 Mr. Pearce presented a request to purchase 23 transformers (20 ea. 100 kva single
6 phase pad; 2 ea. 300 kva three phase pad; and 1 ea. 500 kva three phase pad). He noted that
7 transformers continue to be hard to purchase and their lead times are a factor in keeping an
8 adequate inventory. Three vendors responded to the bid request and it is the
9 recommendation of staff to approve the bid from Anixter Power Solutions (for GE
10 transformers) in the amount of \$227,098.00. This was the high bid, based on a delivery time
11 of 26-28 weeks. (The two other qualifying bids had a delivery time of 50 – 114 weeks).
12 Bids were evaluated on both the purchase price and the delivery. Mr. Pearce noted that
13 almost 1/3 of these new transformers have been identified to go out on the system.
14

15 Councilman Higginson asked about also approving the bid from Irby for Howard
16 transformers (considering the long lead time for delivery). Following discussion, it was
17 noted that the 100 kva transformers are the ones critical to inventory and others could be
18 considered later. Commissioner Knight made a motion to recommend approval of the
19 Anixter Power Solutions bid in the amount of \$227,098.00. Commissioner Becker seconded
20 the motion and voting was unanimous with Commissioners Becker, Bell, Irvine, Knight,
21 Pitcher and Summers, and Councilman Higginson voting “aye”.

22
23 **LED POST TOP FIXTURE PURCHASE APPROVAL**

24 Mr. Pearce presented a request for approval to purchase 200 LED post-top light
25 fixtures to replace the existing high-pressure sodium and mercury pole top streetlights on
26 our system. He explained that this will lower both our power costs and the maintenance cost
27 to maintain the system. Invitations to bid were sent to two suppliers and it is the
28 recommendation of staff to accept the low bid from Anixter Power Solutions (Salt Lake
29 City) in the amount of \$71,956.00. Delivery is quoted at 5-6 weeks. He said that the
30 fixtures will be put in inventory and billed our when they go into the system. (It was noted
31 that in the past a “purple-ish” light was mistakenly delivered to Bountiful – and these
32 fixtures will not be purple). Commissioner Becker made a motion to recommend to the City
33 Council that the bid from Anixter Power Solutions for 200 (ea.) LED Multi-volt Post Top
34 Fixtures in the amount of \$71,956.00 be approved. Councilman Higginson seconded the
35 motion and voting was unanimous. Commissioners Becker, Bell, Irvine, Knight, Pitcher,
36 and Summers, and Councilman Higginson voted “aye”.

37
38 **PINEVIEW GENERATOR REPAIR APPROVAL**

39 Alan Farnes reviewed that last July the generator at the Pineview Hydroelectric
40 power plant tripped offline. Sidewinders, a company that specializes in generator
41 maintenance, was hired and a temporary repair was made. It was also recommended that a
42 more permanent repair would need to be made after the Pineview plant was no longer
43 generating for the summer season. Sidewinders has provided a quote (\$39,790) to complete
44 the permanent replacement of the entire wire between the exciter and the rotor. This quote
45 also includes cleaning, painting, and testing the stator, and cleaning, painting, and testing the
46 rotor. Mr. Farnes referred to colored photos of the exciter and rotor and the proposed work.

1 It is the recommendation of staff to approve the Sidewinder quote. Commissioner
2 Knight made a motion that the Power Commission recommend to the City Council that this
3 quote be approved. Councilman Higginson seconded the motion and voting was unanimous.
4 Commissioners Becker, Bell, Irvine, Knight, Pitcher, and Summers, and Councilman
5 Higginson voted “aye”. Sidewinders will be available in November to do this work which
6 will take approximately six (6) days.

7
8 **RESOLUTION 2023-14 STEEL SOLAR APPROVAL**

9 Mr. Johnson reviewed that the proposal to secure a utility size solar power project
10 has been worked on for several years, and in November 2020, we secured a twenty-five (25)
11 year power purchase agreement with Steel Solar, LLC. He briefly reviewed these previous
12 actions with regard to this project: (1) the City Council approved Resolution #1010-22 to
13 approve the power sales contract through UAMPS for 16.15% of the 40,000 kW output from
14 the “Steel Solar Project”; and (2) the City Council approved Resolution 2022-11 on July 12,
15 2022, amending the contract because Steel Solar claimed a force majeure due to supply
16 chain problems as it related to not using forced labor in China, and the revised contract
17 purchase price for the project went from \$31.35/per megawatt hour to \$34.66/per MWH for
18 the 25 years.

19
20 The developer of this project, D.E. Shaw Renewable Investments (DESRI) has now
21 requested a change in the current PPA to allow them to take advantage of production tax
22 credits and associated financing based on PTCs. This option was not available until now
23 and DESRI and UAMPS have agreed on contract changes which will require approval of a
24 Second Amended PPA. Mr. Johnson reviewed the basic points of Res. No. 2023-14, *A*
25 *RESOLUTION AUTHORIZING THE STEEL SOLAR 1A PROJECT SECOND AMENDED*
26 *AND RESTATED TRANSACTION SCHEDULE UNDER THE MASTER FIRM POWER*
27 *SUPPLY AGREEMENT WITH UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS; AND*
28 *RELATED MATTER.*

29
30 Based on an analysis of this second amendment and our desire to participate in a
31 utility size solar project, it is the recommendation of staff to approve the Steel Solar 1A
32 Project Resolution, “Authorizing the Steel Solar 1A Project Second Amended and Restated
33 Transaction Schedule”, and to approve Resolution #2023-14, and authorize the Mayor to
34 sign on behalf of the City. He noted that this project will allow us to increase our renewable
35 energy portfolio for the entire city. The project will need to be backed up by the existing
36 Power Department’s power plant to provide power to residents in the afternoons and
37 evenings. The transmission rights for this project have been secured, the price is
38 competitive (\$34.66/mWh) with other solar projects of the same size and includes both
39 energy and renewable energy credits (RECs). The Second Amended PPA does not raise or
40 change the Contract Price. Following discussion, Commissioner Pitcher made a motion to
41 support the staff recommendation and to send a positive recommendation to the City
42 Council to approve the Steel Solar 1A Project Resolution “AUTHORIZING THE STEEL
43 SOLAR 1A PROJECT SECOND AMENDED AND RESTATED TRANSACTION
44 SCHEDULE”, and approve Resolution #2023-14, and to authorize the Mayor to sign on
45 behalf of the City. Commissioner Irvine seconded the motion which carried unanimously.

1 Commissioners Becker, Bell, Irvine, Knight, Pitcher, and Summers, and Councilman
2 Higginson voted “aye”.

3
4 **RESOURCE UPDATE**

5 Mr. Johnson reported that **Lake Powell** is still below the spillway by 126 feet (which
6 is 84 feet above the penstock intake level. The current storage of 8.8 million acre-feet is
7 38% of the reservoir capacity (down about half-way from full). The current **CRSP** rate will
8 be effective through year 2023 and will stay in effect for two more years, which is good
9 news. There will also be no rate change with WAPA (\$5.25/kW-month, and \$12.36/mWh .
10 **Echo** and **Pineview** are currently operating with great water levels and expect to run both
11 hydro’s through the winter, weather dependent.

12
13 Mr. Johnson recommended that we do not become involved with the **Sunny Side**
14 **Coal** project (located near Price, Utah. We would need to commit to a flat rate of \$71.25
15 from October until December, 2026 and this would put us in a long position most months.
16 He said we would be better off to buy power at a more expensive rate, just when there is a
17 need. **Solar** power has been reviewed (see above) and recommended for continued
18 consideration. This will necessitate adoption of the Resolution as noted.

19
20 Another future power option is the **geothermal** project through UAMPS which is
21 located near Fallon, Nevada. This 5 mW option would be available starting in 2027 with a
22 25-year PPA. The **Lila Mine (coal)** is still not producing coal, and amount and timing is
23 unknown. **Hunter** (through UAMPS) has not been scheduled from October – November.
24 The **IPP** resource is also dependent on coal and is limited due to delivery issues and the
25 legislative pressures on repowering. There are currently two units operating through
26 October and our summer season ended September 2, 2023. We have not recalled any of this
27 resource for winter 2023-24, but have called back 14 mW’s for summer 2024. He reviewed
28 State legislative attempts to disband the IPA Board and put IPP under the
29 supervision/control of the Public Service Commission. He noted that our representatives
30 support IPP as currently governed and that he anticipates a “very interesting” legislative
31 session. The effort to convert the IPP project to gas is still underway and the \$750 million
32 bonding was completed August 2023.

33
34 See information regarding the **CFPP**, a **solar** resource, previously discussed, above.
35 He said that subscription is still a major issue and that we have signed a non-disclosure
36 agreement.

37
38 Commissioner Bell was excused at this time – 9:16 p.m.

39
40 *The following items were included in the packet, but not discussed in the meeting:*

41
42 **POWER SYSTEMS OPERATIONS REPORT**

- 43 a. July 2023 Resource Reports
44 b. August 2023 Lost Time/Safety Reports
45 c. August 2023 Public Relation Reports
46 d. July 2023 Outage Reports

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OTHER BUSINESS

Commissioner Irvine referenced the presentation which was made in the Seattle conference regarding cash flow and how it will impact cash flow. Mr. Johnson said that we will schedule a discussion of this item in the November meeting.

NEXT POWER COMMISSION

The next meeting of the Power Commission will be held on October 24, 2023 at 8:00 a.m.

ADJOURN

The meeting adjourned at 9:20 a.m. on a motion by Councilman Higginson and seconded by Commissioner Pitcher. Voting was unanimous with Commissioners Becker, Irvine, Knight, Pitcher and Summers, and Councilman Higginson voting “aye”. Commissioner Bell had been excused from the meeting at 9:16 a.m. and was not included in the vote.


Paul C. Summers, CHAIRMAN