

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44

**MINUTES OF THE COMBINED MEETING OF THE
BOUNTIFUL CITY COUNCIL POWER COMMITTEE AND THE
BOUNTIFUL CITY POWER COMMISSION
April 7, 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
Alan Farnes*
Jess Pearce*
Luke Veigel*

Recording Secretary

Nancy Lawrence*

City Council/Mayor

Randy Lewis, Mayor*
Kendalynn Harris*

City Administration

Gary Hill, City Manager
Galen Rasmussen, Assistant City Manager

*Attended electronically via Zoom, Meeting ID #575 098 928, in conformance with COVID-19 guidelines and restrictions.

WELCOME

Chairman Pitcher called the meeting to order at 8:10 a.m., took roll call, and welcomed those in attendance. Jay Christensen offered the invocation.

BUDGET PRESENTATION

Mr. Johnson welcomed the attendees and thanked them for their attendance. He noted that the staff has worked for several months in preparing the FY 2021 Budget Overview and he thanked them for their hard work. He then turned the time to Jay Christensen to present the proposed budget overview. Mr. Christensen narrated a PowerPoint presentation of the FY 2021 proposed budget for Bountiful City Light & Power, balanced at \$42,210,748. This proposed budget, which is up \$8,006,502, includes:

- 2.0 % increase to Rates (with a two-tier KWH rate system for residential customers)
- Increases to two Connection Fees
- No change to Deposits
- Paying off the 2010 Bond (\$9,350,000)
- Continued emphasis on maintenance and upgrades of transmission and distribution systems; and
- Proposed changes to Electric Rate Schedules and Electric Service Policies & Agreements

1 The bulleted categories above were then presented in greater detail, as follows.
2

3 **Operating Revenue** is proposed at \$28,342,893, up \$142,136 with the proposed rate
4 increase. This includes Electric Metered Sales of \$25,108,154, up \$208,154, and Air Products
5 Income of \$2,413,073, up \$35,997, partially offset by Contribution in Aid to Construction of
6 \$250,000, down \$100,000 with fewer projects being done.
7

8 **Personnel Services** (included in **Operating Expenses**) is proposed at \$4,849,728, up
9 \$211,960 and includes merit increases for 10 employees, a 2.0% Cola for all employees, an
10 adjustment to Tier 2 retirement benefits, and a 6.0% increase for employee medical insurance.
11 There is no proposed change in the number of employees.
12

13 **Operations and Maintenance** (also included in **Operating Expenses**), is proposed at
14 \$19,617,136, down by \$(102,219). Major expense categories in this sub-section are Power
15 Generation & Resources, Distribution, Street Lights, Special Equipment, Substation, and
16 Contingency.
17

18 **Non-Operating Revenues & Expenses** are proposed at a net expense of \$(9,225,214),
19 and are up \$(8,707,595). This category includes bond principal and interest payments and the
20 proposal to pay off the 2010 Bond on 01 November 2020. Paying off the bond at this time will
21 produce a net financial gain.
22

23 **Capital Expenditures**, \$4,320,000, are down by \$(386,000) from the current year and
24 include the following:

- 25 • \$1,100,000 for buildings (security wall, paving, and landscaping)
- 26 • \$200,000 for the Distribution system to begin remote meter collector system
- 27 • \$30,000 Distribution Street Lights for 10 new street lights on Bountiful Blvd.
- 28 • \$450,000 for a new double bucket truck and a tree trimming truck
- 29 • \$1,500,000 to start rebuild of the NW Substation
- 30 • \$550,000 to continue the upgrade of Feeder #575 along 3100 South
- 31 • \$200,000 for upgrade of the Distribution system for Feeder #272 (from the NW
32 substation to 400 East and 1100 North
- 33 • \$50,000 for the Distribution System on Stone Creek Property
- 34 • \$40,000 for the Distribution System Feeder #373 East
- 35 • \$200,000 for the Distribution System to begin a study for a photovoltaic system and
36 possible battery system.
37

38 **Operating Transfers In (Out)**, is proposed at \$10,881,420 net transfers in to the Power
39 Department, and includes \$13,392,235 from Retained Earnings (to pay off the 2010 Bond, the
40 amortization of the San Juan power plant, and to fund several of the capital Expenditure
41 projects), and the \$(2,510,815) transfer out to the general fund.
42

43 Mr. Christensen reviewed the **10-year Capital Plan**, proposed at \$31,670,000 total
44 capital expenditures, noting that many of those projects will be started during the 2020-21 budget
45 year. A lengthy discussion followed regarding the merits of paying off the 2010 bond, with the
46 most significant being the future savings of approximately \$1 million per year. There are

1 currently no plans to take on additional debt. Concerns about the Cash Flow projection were
2 voiced and it was the general consensus that the plan, as presented, would be okay.

4 The proposed rate increase of 2.0% on all monthly customer charges (with a two-tier
5 KWH rate system for residential customers) was discussed in terms of how it impacts BCL&P
6 customers, and rate comparisons with Rocky Mountain Power. It was noted that the increase in a
7 base cost factor would provide more stability than attaching the increase to usage. Discussion
8 followed with an exploration of tweaking the rate schedule to minimize any negative impact to
9 low income customers. The proposal has almost zero impact on users up to 800 KWH and it still
10 provides for funding to maintain the system and plan for future resources.

12 The proposed budget addresses COVID 19 by allowing for re-allocation of personnel to
13 maintain pandemic guidelines and still provide essential electrical services to the City and its
14 citizens.

16 In conclusion, Mr. Christensen stated that it is the staff recommendation to approve the
17 proposed FY 2021 Budget (as stated on page 1, lines 36-45). Councilman Higginson asked
18 again about delaying paying off the bond, with concern regarding the Cash Flow. Following
19 discussion, Mr. Hill said that he felt comfortable with the cash position if the bond were to be
20 paid off in FY 2021. Commissioner Pitcher asked about the timing of a rate increase with regard
21 to COVID-19 ramifications. Again Mr. Hill supported the proposed plan, noting that a small,
22 consistent rate increase had been planned in to the budgeting process and is necessary to
23 maintain a reliable power resource for Bountiful residents. Even with the rate increase,
24 Bountiful residents will enjoy a less expensive power resource, with prudent infrastructure
25 maintenance included, and an annual contribution from the Power Department to the General
26 Fund of the City.

28 Commissioner Irvine made a motion to approve the BCL&P Proposed FY 2021 Budget
29 as presented and discussed, with the stipulation that at the end of May (and again in September if
30 deemed necessary) the rate structure be re-visited just in case the economic uncertainty gets
31 worse. Commissioner Cushing voiced approval of this motion and the motion was seconded by
32 Commissioners Summers. Voting was unanimous with Commissioners Pitcher, Becker, Bell,
33 Cushing, Irvine, and Summers and Councilman Higginson voting "aye".

35 The City Council Power Committee then took action as follows: Councilwoman Harris
36 made a motion to accept BCLP's Proposed FY 2012 Budget as presented and discussed. Mayor
37 Lewis seconded the motion which carried unanimously with Councilpersons Higginson and
38 Harris and Mayor Lewis voting "aye".

40 **The Joint Meeting concluded at 9:30 a.m., the City Council Power**
41 **Committee was excused, and the BCL&P Power Commission continued its**
42 **regular meeting.**

1 **MINUTES – November 26, 2019 and February 18, 2020**

2 Minutes of the regular meeting of the Bountiful City Power Commission held November
3 26, 2019 were presented and unanimously approved on a motion made by Commissioner
4 Summers and seconded by Commissioner Bell. Voting was unanimous with Commissioners
5 Pitcher, Becker, Bell, Cushing, Irvine, Pitcher and Summers and Councilman Higginson voting
6 “aye”.
7

8 Minutes of the meeting of the Bountiful City Power Commission held February 18, 2020
9 were presented and approved, with the **correction** that Jed Pitcher was the Chairman of the
10 subject meeting, **not** John Cushing. Councilman Higginson motioned for the approval and
11 Commissioner Becker seconded the motion. Voting was unanimous with Commissioners
12 Cushing, Becker, Bell, Irvine, Pitcher and Summers and Councilman Higginson voting “aye”.
13

14 **BUDGET REPORT – YEAR-TO-DATE 8-MONTH PERIOD ENDED 29 FEBRUARY**
15 **2020**

16 Mr. Christensen presented the Budget Report for the Year-To-Date (YTD) 8-Month
17 Period Ended 29 February 2020. He noted that July through January 2020 is final, and February
18 2020 is preliminary, though most line item YTD amounts will not change from this report when
19 they are final.
20

21 Total Revenues YTD were \$19,509,365, below its historically allocated budget (HAB) by
22 \$(790,051). Major items (below) budget included: electric metered sales (EMS), below its HAB
23 by \$(656,836) or 3.7%; Air Products, below its HAB by \$(102,235) with a load factor of 63.0%;
24 and Contribution in Aid to Construction, below its HAB by \$(131,249).
25

26 Total Operating Expenses YTD were \$18,302,305, below its HAB by \$1,587,633. Major
27 items (above) or below their HAB’s included: power costs, below its HAB by \$1,286,171 with
28 the lower EMS plus careful purchasing and scheduling of power resources; and distribution
29 expense, below its HAB by \$140,239 with work on budgeted projects. Street light expense was
30 above its HAB by \$(162,840) with work on budgeted projects.
31

32 Total Capital Expenditures YTD were \$627,612.
33

34 The Net Margin YTD was \$549,447, above its HAB by \$502,049, with lower than
35 budgeted power and other costs that more than offset lower than budgeted revenues.
36

37 Total cash and cash equivalents were a net \$26,897,370 at month end, up \$850,167 from
38 \$26,047,203 at 30 June 2019.
39

40 Following a brief discussion, Commissioner Irvine made a motion to accept the Budget
41 Report as presented. Commissioner Bell seconded the motion which carried unanimously.
42 Commissioners Pitcher, Becker, Bell, Cushing, Irvine, and Summers and Councilman Higginson
43 voted “aye”.
44
45
46

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
ECHO TURBINE REPAIR APPROVAL

Alan Farnes reported that Prime Machine should be completed with the reassembly of all three turbines by April 13th. A refurbished runner was installed in Unit 1 (the new runner that was ordered from China still does not have a delivery date). He said that the scope of the work done by Prime Machine has grown (due to the need to refurbish an old runner and then remove it and replace it with the new runner next winter) and therefore additional work needs to be approved by the City Council. He reviewed the additional work that Prime Machine will do, (\$475,302) as well as additional required work by other contractors (\$133,163) and stated that the total project cost to repair all three turbines will be approximately \$1,227,232.

It is the staff recommendation that the additional \$475,302 for Prime Machine Inc. be approved. Following a short discussion, Commissioner Summers made a motion to recommend to the City Council that the additional expenses to Prime Machine Inc. be approved, as recommended. Commissioner Bell seconded the motion which carried unanimously. Commissioners Pitcher, Becker, Bell, Cushing, Irvine and Summers, and Councilman Higginson voted "aye".

19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
PACIFICORP 138 KV SUBSTATION EXPENSES

Alan Farnes reported that the 138 KV Substation rebuild project was substantially completed and fully operational in May 2019. However, we recently received an invoice from PacifiCorp for their engineering costs associated with the substation upgrade (as per our operating agreement with them). They also had to remove a significant number of control cables that ran between our old control building and their control building and then install new control cables running from our new control building to their control building. This required a significant amount of work by their Substation Technicians.

It is the recommendation of staff that this invoice in the amount of \$31,205.15 be approved. Councilman Higginson made a motion to recommend to the City Council payment of the PacifiCorp invoice, as presented. Commissioner Summers seconded the motion and voting was unanimous. Commissioners Pitcher, Becker, Bell, Cushing, Irvine and Summers, and Councilman Higginson voted "aye". It was noted that the total for this project came in under budget.

35
36
37
38
39
40
41
42
43
TRANSFORMER BID PURCHASE

Mr. Pearce reviewed that our inventory of overhead and pad mount transformers is running low and bids were received from two vendors for the needed transformers:

- 6 ea. 37.5 KVA pole mount
- 10 ea. 50 KVA pad mount
- 14 ea. 50 KVA pole mount
- 1 ea. 150 KVA pad mount
- 1 ea. 300 KVA pad mount
- 1 ea. 500 KVA pad mount

It is the recommendation of staff to accept the low bid from Anixter Power Solutions for ERMCO transformers at a total cost of \$78,535.00. Commissioner Cushing made a motion to recommend to the City Council that the bid from Anixter Power be approved as recommended.

1 Commissioners Summers seconded the motion and voting was unanimous. Commissioners
2 Pitcher, Becker, Bell, Cushing, Irvine and Summers, and Councilman Higginson voted “aye”.
3

4 **STEEL POLE PURCHASE**

5 Mr. Veigel reported that 29 new poles (7 of which are steel) are needed as part of the
6 complete rebuild of Feeder 575 on 3100 South between Orchard Drive and 400 East. An
7 invitation to bid for the 7 steel poles was sent out to five vendors and three responded. It is the
8 recommendation of staff to accept the low bid of \$169,000 for seven (7) 24-inch steel poles.
9

10 Discussion followed regarding the need for steel poles vs wood (wood poles are 18” in
11 diameter) and vs a 30-inch steel pole, Mr. Veigel explained that the objective is to use a pole
12 strong enough to hold up better to a car collision, and yet minimize blocking vision. The more
13 narrow a pole is at its base, the thicker the steel will be. Commissioner Summers made a motion
14 to recommend approval of the bid from MICA Steelworks, Inc. in the amount of \$169,000.00
15 and Commissioner Cushing seconded the motion which carried unanimously. Commissioners
16 Pitcher, Becker, Bell, Cushing, Irvine and Summers, and Councilman Higginson voted “aye”.
17

18 **DIRECTIONAL BORING BID APPROVAL**

19 Mr. Veigel reviewed that there are several underground distribution circuits and
20 streetlight circuits throughout the system that need to have new conduit installed and repairs
21 made. These projects are designed to increase the system reliability, provide additional capacity
22 and back up to the system, add additional lights to Bountiful Blvd., and to repair existing lights
23 that no longer work. To minimize the inconvenience to residents and limit the restoration of
24 property, bids have been requested from contractors to install these conduits using directional
25 boring.
26

27 Bids were received from four contractors and it is the recommendation of staff to award
28 the bid to Americom Technology, Inc. (low bidder) in the amount of \$261,077. This work is
29 included in the FY 2019-20 budget. Following a short discussion, Commissioner Bell motioned
30 to recommend to the City Council that the bid be awarded to Americom Technology, Inc., as
31 presented. Commissioner Becker seconded the motion and voting was unanimous.
32 Commissioners Pitcher, Becker, Bell, Cushing, Irvine and Summers, and Councilman Higginson
33 voted “aye”.
34

35 **PLANT UPDATE**

36 Alan Farnes reported that the two Titan turbines at the Power Plant have been repaired
37 and are now available for operation. Solar Turbines submitted a quote of \$2,280,610.06 for this
38 project, but have invoiced us for \$1,697,144.46, for a total savings of \$583,465.60. The bulk of
39 this savings was the result of our Power Plant staff assisting with the work, thereby reducing the
40 labor from Solar Turbines, Inc. included in the initial bid.
41

42 Mr. Farnes also gave an update on repair work which is being done at the Pineview
43 Hydro plant. He explained that two actuators had failed, and two new actuators were ordered
44 from Germany in November. They arrived in March and it is hoped that they will be re-installed
45 and ready to run the first part of next week. The cost of this project is just over \$35,000 and was
46 approved last November.

1
2 **RESOURCE UPDATE**

3 Mr. Johnson reported that there is nothing new from UAMPS – they will be operating
4 and our contracted power has not been changed.
5

6 The trip to Corvallis to view the proposed nuclear project has been cancelled and will be
7 re-scheduled.
8

9
10 *The following items were included in the packet, but not discussed in the meeting:*
11

12 **POWER SYSTEMS OPERATIONS REPORT**

- 13
14 a. January and February Resource Report
15
16 b. February 2020 Lost Time/Safety Report
17
18 c. February 2020 Public Relations Report
19
20 d. February 2020 Outage Reports
21
22

23 **OTHER BUSINESS**

24 The APPA national conference has not been cancelled, but Mr. Johnson suggested that
25 airlines reservations not be made at this point.
26

27 Commissioner Becker reported that in a department meeting at her work, it was noted
28 that Standard and Poor's and Goldman Sachs sources had predicted a more optimistic outlook
29 about the economy.
30

31 **NEXT POWER COMMISSION**

32 The next meeting of the Power Commission meeting is scheduled for May 26, 2020.
33 Depending on conditions of the pandemic, Allen Johnson will confirm whether or not the
34 meeting will be held; and in which format.
35

36 **ADJOURN**

37 The meeting adjourned at 10:00 a.m. on a motion made by Commissioner Summers and
38 seconded by Commissioner Cushing. Voting was unanimous with Commissioners Pitcher,
39 Becker, Bell, Cushing, Irvine and Summers, and Councilman Higginson voting "aye".
40

41
42
43
44


45
46
47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100
101
102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123
124
125
126
127
128
129
130
131
132
133
134
135
136
137
138
139
140
141
142
143
144
145
146
147
148
149
150
151
152
153
154
155
156
157
158
159
160
161
162
163
164
165
166
167
168
169
170
171
172
173
174
175
176
177
178
179
180
181
182
183
184
185
186
187
188
189
190
191
192
193
194
195
196
197
198
199
200
201
202
203
204
205
206
207
208
209
210
211
212
213
214
215
216
217
218
219
220
221
222
223
224
225
226
227
228
229
230
231
232
233
234
235
236
237
238
239
240
241
242
243
244
245
246
247
248
249
250
251
252
253
254
255
256
257
258
259
260
261
262
263
264
265
266
267
268
269
270
271
272
273
274
275
276
277
278
279
280
281
282
283
284
285
286
287
288
289
290
291
292
293
294
295
296
297
298
299
300
301
302
303
304
305
306
307
308
309
310
311
312
313
314
315
316
317
318
319
320
321
322
323
324
325
326
327
328
329
330
331
332
333
334
335
336
337
338
339
340
341
342
343
344
345
346
347
348
349
350
351
352
353
354
355
356
357
358
359
360
361
362
363
364
365
366
367
368
369
370
371
372
373
374
375
376
377
378
379
380
381
382
383
384
385
386
387
388
389
390
391
392
393
394
395
396
397
398
399
400
401
402
403
404
405
406
407
408
409
410
411
412
413
414
415
416
417
418
419
420
421
422
423
424
425
426
427
428
429
430
431
432
433
434
435
436
437
438
439
440
441
442
443
444
445
446
447
448
449
450
451
452
453
454
455
456
457
458
459
460
461
462
463
464
465
466
467
468
469
470
471
472
473
474
475
476
477
478
479
480
481
482
483
484
485
486
487
488
489
490
491
492
493
494
495
496
497
498
499
500
501
502
503
504
505
506
507
508
509
510
511
512
513
514
515
516
517
518
519
520
521
522
523
524
525
526
527
528
529
530
531
532
533
534
535
536
537
538
539
540
541
542
543
544
545
546
547
548
549
550
551
552
553
554
555
556
557
558
559
560
561
562
563
564
565
566
567
568
569
570
571
572
573
574
575
576
577
578
579
580
581
582
583
584
585
586
587
588
589
590
591
592
593
594
595
596
597
598
599
600
601
602
603
604
605
606
607
608
609
610
611
612
613
614
615
616
617
618
619
620
621
622
623
624
625
626
627
628
629
630
631
632
633
634
635
636
637
638
639
640
641
642
643
644
645
646
647
648
649
650
651
652
653
654
655
656
657
658
659
660
661
662
663
664
665
666
667
668
669
670
671
672
673
674
675
676
677
678
679
680
681
682
683
684
685
686
687
688
689
690
691
692
693
694
695
696
697
698
699
700
701
702
703
704
705
706
707
708
709
710
711
712
713
714
715
716
717
718
719
720
721
722
723
724
725
726
727
728
729
730
731
732
733
734
735
736
737
738
739
740
741
742
743
744
745
746
747
748
749
750
751
752
753
754
755
756
757
758
759
760
761
762
763
764
765
766
767
768
769
770
771
772
773
774
775
776
777
778
779
780
781
782
783
784
785
786
787
788
789
790
791
792
793
794
795
796
797
798
799
800
801
802
803
804
805
806
807
808
809
810
811
812
813
814
815
816
817
818
819
820
821
822
823
824
825
826
827
828
829
830
831
832
833
834
835
836
837
838
839
840
841
842
843
844
845
846
847
848
849
850
851
852
853
854
855
856
857
858
859
860
861
862
863
864
865
866
867
868
869
870
871
872
873
874
875
876
877
878
879
880
881
882
883
884
885
886
887
888
889
890
891
892
893
894
895
896
897
898
899
900
901
902
903
904
905
906
907
908
909
910
911
912
913
914
915
916
917
918
919
920
921
922
923
924
925
926
927
928
929
930
931
932
933
934
935
936
937
938
939
940
941
942
943
944
945
946
947
948
949
950
951
952
953
954
955
956
957
958
959
960
961
962
963
964
965
966
967
968
969
970
971
972
973
974
975
976
977
978
979
980
981
982
983
984
985
986
987
988
989
990
991
992
993
994
995
996
997
998
999
1000

Jed Pitcher, CHAIRMAN

