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**MINUTES OF THE MEETING  
OF THE  
BOUNTIFUL CITY POWER COMMISSION  
January 23, 2024 - 8:00 a.m.**

**Those in Attendance**

**Power Commission**

Paul C. Summers, Chairman  
Susan Becker, Commissioner  
Dan Bell, Commissioner  
David Irvine, Commissioner  
John Marc Knight, Commissioner (Zoom)  
Jed Pitcher, Commissioner  
Cecilee Price-Huish, Councilwoman (Zoom)

**Power Department**

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

**Recording Secretary**

Nancy T. Lawrence

**Visitors**

Gary Davis, City Resident  
Ron Mortensen, City Resident

**WELCOME**

Chairman Summers called the meeting to order at 8:00 a.m. and welcomed those in attendance. He noted that Commissioner Knight and Councilwoman Price-Huish are in attendance via Zoom.

Chairman Summers welcomed Councilwoman Price-Huish as the newly appointed City Council representative and noted that Commissioner Irvine has graciously accepted another four-year term on the Power Commission. The invocation was offered by Commissioner Bell.

**MINUTES – November 21, 2023**

Minutes of the regular meeting of the Bountiful Power Commission held November 21, 2023, were presented, and unanimously approved as written on a motion made by Commissioner Pitcher and seconded by Commissioner Irvine. Commissioners Becker, Bell, Irvine, Knight, Pitcher and Summers, and Councilwoman Price-Huish voted “aye”.

**ELECTION FOR CHAIRMAN – VICE CHAIRMAN**

Chairman Summers explained that at the beginning of a new year, it is policy for the Power Commission to elect a chairman and vice-chairman and he opened the floor for nominations for chairman. Following a short discussion, Commissioner Pitcher made a motion to re-elect Paul Summers as Chairman and Susan Becker as Vice-chairman. Commissioner Bell seconded the motion and voting was unanimous. Commissioners Becker, Bell, Irvine, Knight, Pitcher and Summers, and Councilwoman Price-Huish voted “aye”.

**BUDGET REPORT – YEAR TO DATE 5-MONTH PERIOD**

Mr. Hansen presented a summarized Budget Report for the Fiscal Year-to-date 5-Month period ending November 30, 2023. Total revenues Year-to-Date were \$15,238,195, below its

1 HAB by (\$204,505). Major Items above their HABs included Air Products, at \$56,287, with  
2 an average load factor of 71.1 % for the year-to-date period; Sundry Revenues was above by  
3 \$32,148; and Interest Income on Investments was above its HAB by \$100,712. Revenues  
4 (below) their HABs included Electric Metered Sales, (\$128,868), below its HAB by 0.9%; and  
5 Contribution in aid to Construction, at (\$270,194), which included three-line extensions and  
6 \$10K for Utopia Huts.

7  
8 Total Operating Expenses, YTD, were \$12,741,374, below the HAB by \$1,086,719.  
9 Major items (above) budget were Transformer Expense at (\$14,490); Substation Expense at  
10 (\$12,667); Credit Card Merchant Fees, at (\$16,707); and Insurance Expense at (\$35,023).  
11 Expenses below budget included Power Cost Expense at \$769,138. Power Generation was  
12 \$337,000 under, with a major factor being hedging on gas purchases and being able to use the  
13 plant generation rather than buying off the market. Power Resources were also below budget  
14 by \$432,000, largely due to the CRSP resource being available. Street Light Expense was below  
15 its HAB by \$107,661; Meters Expense was below the HAB at \$62,785; and Computer Expense  
16 was below its HAB at \$29,960.

17  
18 Total Capital Expenditures YTD were \$326,392 and included \$28,000 for 2055 South  
19 Main Townhomes, \$197,000 for a cable puller, and \$98,000 for a service truck. Commissioner  
20 Pitcher asked how much of the revenue was a result of the rate increase. Mr. Hansen said that  
21 the 15 percent increase generated \$3 million for the year and we are at 5/12 of the year.

22  
23 Total Labor and Benefits was \$1,894,014. As of November 11, 2023 (the last pay period  
24 paid in the YTD period), 36.7% or \$1,947,329 of the TL&B could have been spent; the actual  
25 TL&B was \$53,315 below that target.

26  
27 The Net Margin for the YTD was \$2,170,429. Total Cash & Cash Equivalents were a  
28 net \$18,875,639 at month end, up \$2,428,675 from \$16,446,965 at 30 June 2023, and  
29 \$2,429,639 above the \$16,446,000 total reserved cash requirement. Major sources and (uses)  
30 of cash at month end compared to fiscal year-end 2023 included the net margin YTD of  
31 \$2,170,429; \$1,014,804 decrease in total accounts receivable; decrease of \$37,571 in total  
32 inventories; and a decrease of (\$123,931) in total accounts payable.

33  
34 A question was raised about whether capital projects were being put off for budgetary  
35 reasons. Mr. Johnson said “no” and he explained that timing, and the inability to purchase  
36 materials, account for the delay of these projects. Commissioner Summers noted that the  
37 additional crew which was requested in the budget was not funded. Mr. Johnson said that we  
38 are attempting to get that item in the next budget year (July 2024 to July 2025). Commissioner  
39 Bell made a motion to accept the budget report. Commissioner Pitcher seconded the motion  
40 and voting was unanimous. Commissioners Bell, Becker, Irvine, Knight, Pitcher and Summers,  
41 and Councilwoman Price-Huish voted “aye”.

42  
43 **DEPARTMENT FINANCIAL UPDATE**

44 In response to a request from the Commissioners, Mr. Hansen presented a review of  
45 financial policies which are used as a framework to guide the department in providing reliable,  
46 cost-effective electrical service to Bountiful. A lack of policies, he noted, results in operating

1 at a loss, spending down cash, foregoing capital investment, and system aging. Good financial  
2 planning can be deterred by a lack of employees with specialized knowledge and volatility in  
3 the market. He said that fear of public backlash for increases, and the impact of rate increases  
4 on low income and senior citizens can be a hindrance to good financial planning.  
5

6 Areas for improvement that APPA has focused on include the regular transfer of revenue  
7 to the City. This practice (made possible via the City-owned utility) provides revenue otherwise  
8 generated by taxes and using a fixed percentage (10 percent) allows for ease in budgeting and  
9 establishment of rates. Having a minimum cash reserve policy, as adopted by the City Council,  
10 establishes minimum balances of unrestricted net position in each of the enterprise funds. The  
11 policy established two levels of minimum unrestricted net position in each fund. The first level  
12 is calculated as six months of current operating expenses, and the second level is a capital  
13 reserve calculated as one year of average capital expenses. He noted that this fund has been  
14 drawn down (though still over the required balance) but that additional funds (\$1.5 - \$2 M) need  
15 to be put into cash.  
16

17 A Capital Asset Management plan was defined, based on project prioritization, overall  
18 cost of each project, funding sources, operational and maintenance costs for each project, project  
19 timelines, any revenues from the project, and the need to regularly updated. By using the capital  
20 plan, capital and operating budgets can be used more effectively, cash reserves can be based on  
21 critical order of replacement, ratepayers are more easily given information, and opportunities to  
22 take advantage of grant programs are facilitated.  
23

24 Mr. Hansen reviewed a table showing the 10-Year capital plan (2024 – 2033). This  
25 provided a concise, clear picture of the capital needs/priorities which are included during the  
26 annual budgeting process. The implementation of rate increases was discussed, and it was noted  
27 that this process is more effective when based on regular power cost adjustments versus a desire  
28 to provide the “lowest” rate when compared with commercial, private utilities. Areas of  
29 planning which could be improved (as noted by APPA) include metering and billing integration  
30 (which is a benefit to both the department and the users) and implementing an impact fee when  
31 line extensions are needed. Discussion followed with the Commissioners affirming the need  
32 for regular rate increases to offset power costs beyond the control of the City.  
33

#### 34 **2024 CALENDAR**

35 Mr. Johnson referred to the 2024 Power Commission schedule which was previously  
36 approved and noted that the joint meeting between the City Council and Power Commission  
37 **has been rescheduled from April 16, 2024 to April 23, 2024.** This change was made to  
38 accommodate the Council’s budget preparation schedule.  
39

#### 40 **RESOURCE UPDATE**

41 Mr. Johnson briefly reviewed the status of resources we are currently using and/or are  
42 following for possible future use. Of major concern is the IPP project and the political issues  
43 facing the IPP Renewed project. Commissioner Becker referred to an article in the Salt Lake  
44 Tribune (authored by Commissioner Irvine) and thanked him for this timely contribution.  
45 Discussion focused on the critical need for the City to be involved in the legislative process.  
46

1 *The following items were included in the packet, but not discussed in the meeting.*  
2

3 **POWER SYSTEMS OPERATIONS REPORT**

- 4 a. October-November 2023 Resource Reports  
5 b. December 2023 Lost Time/Safety Reports  
6 c. December 2023 Public Relation Reports  
7 d. October-November 2023 Outage Reports  
8

9 **OTHER BUSINESS**

10 Mr. Johnson referred to the APPA national conference which will be held in San Diego  
11 June 9-12, 2024 and said that we need to make hotel reservations early. He requested that the  
12 Commissioners let him know as soon as possible if they are planning to go. Commissioners  
13 Bell and Summers confirmed their attendance; others said they will get back to him.  
14

15 **NEXT POWER COMMISSION**

16 The next meeting of the Power Commission will be held on February 20, 2024 at 8:00  
17 a.m.  
18

19 **ADJOURN**

20 The meeting adjourned at 10:00 a.m. on a motion by Commissioner Pitcher and  
21 seconded by Commissioner Becker. Voting was unanimous with Commissioners Becker, Bell,  
22 Irvine, Knight, Pitcher and Summers, and Councilwoman Price-Huish voting "aye".  
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Paul C. Summers, CHAIRMAN