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**MINUTES OF THE REGULAR MEETING OF THE  
THE BOUNTIFUL CITY POWER COMMISSION  
March 22, 2022 - 8:00 a.m.**

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**Those in Attendance**

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**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  
Jay Christensen  
Alan Farnes  
David Farnes  
Jess Pearce  
Luke Veigel  
Tyrone Hansen

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**Visitors**

Julie Christensen  
Tyson Beck

**Recording Secretary**

Nancy Lawrence

**Excused**

Paul Summers, Commissioner

**WELCOME**

Chairman Becker called the meeting to order at 8:00 a.m. and welcomed those in attendance. Commissioner Bell offered the invocation.

**MINUTES – FEBRUARY 22, 2022**

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

**BUDGET REPORT – YEAR-TO-DATE 7-MONTH PERIOD ENDNG 31 JANUARY 2022**

Mr. Christensen presented the Budget Report for the Fiscal Year-to-date 7-Month period ended 31 January 2022, noting that it is final. Total **Revenues** YTD were \$17,544,607 below its HAB by \$(58,061). Major items above their HABs were Electric metered sales, above by \$50,334 at 0.3% above; and Sundry Revenues which was above its HAB with the collection of \$19,430 of various system damage billings in November and January which Dave Farnes has followed up on, and the sale of \$17,828 of scrap metal in January primarily from Feeder #575.

Revenues below its HAB were Contribution in Aid to Construction which was below its HAB by \$(118,109). This was the result of four projects which have not been completed. Interest Income was also below its HAB by \$(29,538) due to a lower YTD interest yield 0.98% actual vs 1.0% budgeted.

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3       **Total Operating Expenses** YTD were \$15,652,790, above its HAB by \$(323,482)  
4 due to the following major items: power cost expense, above its HAB \$(895,068) with  
5 strong Electric Metered Sales and high market prices over peak. Transformers Expense was  
6 above its HAB by \$(14,606) due to high market prices and an effort to replenish inventory  
7 for future needs. He credited Jim Hadlow for being pro-active in acquiring transformers,  
8 noting that he has found “opportunities” to purchase when the market norm was that  
9 companies were not taking orders, or based on a one-year+ delivery date.

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11       **Total Capital Expenditures** YTD were \$1,034,088 and included: \$92,906 for BCLP’s  
12 share of the City’s new car wash facilities; \$195,480 for a new tree trimming truck;  
13 \$726,808 for Feeder #575; and \$18,894 for Feeder #272. (This includes \$616,000 paid to  
14 Black and McDonald for Feeder #575).

15  
16       **Total Labor and Benefits Expense** YTD (included in Operating Expenses YTD and  
17 Capital Expenditures listed above) was \$2,724,262. As of 22 January 2022 (the last pay  
18 period paid in the YTD period), 56.4% or \$2,986,319 of the TL&B budget could have been  
19 spent; the actual TL&B was \$262,058 below that target

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21       **The Net Margin** YTD was \$857,729, as on-budget revenues plus many low  
22 operating expenses were partially offset by high power costs.

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24       **Total cash and cash equivalents** were a net \$20,477,832 at month end, up \$670,453  
25 from \$19,807,379 on 30 June 2021, and \$3,335,832 above the \$17,142,000 total reserved  
26 cash requirement. He noted that inventory costs have gone up in a pro-active step of  
27 acquiring materials when we can.

28  
29       Commissioner Pitcher asked if we would need to re-state the budget and Mr.  
30 Christensen affirmed that it would be re-opened in May. Mr. Johnson said that he estimated  
31 that power costs would be approximately \$2 million over budget. Because we have a  
32 positive margin at this time and other areas are within budget, we will need to address  
33 approximately \$6-700,000 over budget for the department as a whole. He also noted that the  
34 Feeder 575 project was a large portion of expenses and is now complete. The budget will be  
35 adjusted to use capital equipment expenditures (trucks ordered but still do not have a “build”  
36 date), thus reducing capital expenditures. Following a short discussion, Commissioner  
37 Pitcher motioned to accept the budget report, Commissioner Bell seconded the motion and  
38 voting was unanimous. Commissioners Becker, Bell, Knight, Irvine, and Pitcher and  
39 Councilman Higginson voted “aye”.

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41       At this time, it was noted that Mr. Christensen will be retiring in April and he (Mr.  
42 Christensen) introduced Tyrone Hansen who has been selected as the new  
43 analyst/accountant for the Power Department. Mr. Christensen stated that he was very  
44 pleased that Mr. Hansen had accepted the position and said that “he is what I had hoped  
45 for”. Mr. Hansen gave a brief review of his past experience – 17 years with HCA – and said  
46 he was happy to be working in the City where he lives.

1 **DIAMOND TREE EXPERTS BID APPROVAL**

2 Mr. Pearce reviewed that we currently have three (3) tree crews that perform  
3 powerline right-of-way clearance throughout our system: one in-house Bountiful City crew,  
4 and two crews that are currently contracted by Asplundh Tree Experts. He said that  
5 Asplundh's contract ends on June 30, 2022, and they were asked for a proposal for a  
6 contract extension. They proposed a 24% rate increase over their current rates. Due to the  
7 substantial rate increase, we felt it necessary to go out to bid for the tree trimming contract.  
8 Five contractors participated in the bidding process, and it is the recommendation of staff to  
9 award the bid to Diamond Tree Experts, low bidder, at the rate of \$1150.75/hour for Crew  
10 A1 and \$150.75/hour for Crew A2. Tree trimming is funded from the Distribution budget.  
11

12 The bid specifications provide for a three-year contract effective July 1, 2022, for the  
13 power line clearance right-of-way tree trimming at \$150.75 per hour or a total of \$627,120  
14 per year. The contract also provides for multiple 12-month extensions at a negotiated price  
15 increase not to exceed a 4% increase per year on labor and equipment. In response to  
16 questions from the Commissioners, Mr. Pearce said that Diamond has been in business for  
17 20-plus years and are qualified and certified for power line clearance; they also maintain a  
18 large fleet of equipment. Commissioner Irvine made a motion to recommend approval of  
19 the low bid from Diamond Tree Experts, as presented. Commissioner Knight seconded the  
20 motion and voting was unanimous. Commissioners Becker, Bell, Irvine, Knight, and  
21 Pitcher, and Councilman Higginson voted "aye".  
22

23 Councilman Higginson asked if the contract with Black and McDonald was finished  
24 and how did they do. Mr. Pearce reported that they are done and that they did a fantastic  
25 job. He said he would not hesitate to hire them again. Mr. Pearce then gave a brief report  
26 on how difficult it is to get materials needed for power line construction and repair,  
27 including conduit, transformers, wire, poles, insulators—with a 2-year delivery date; and  
28 trucks that no longer offer government pricing and have 2-year build dates.  
29

30 **ENCHANT POWER SALES AGREEMENT**

31 Mr. Johnson reported that a sales agreement for the Enchant project is getting closer  
32 and negotiation on reclamation and decommissioning fees is currently being worked on. It  
33 is anticipated that the Enchant project could start production by October 2022, subject to  
34 contract approval, with the carbon capture provision to be delayed until 2025. It is  
35 anticipated that the San Juan (coal) project (which is currently scheduled to shut down June  
36 30, 2022) will be extended through September 2022, subject to FERC approval. This would  
37 be on the condition that Unit 1 would be temporarily shut down and Unit 4 would continue  
38 to operate. It is very possible that costs could go higher – 3.5 or 4 cents – but this help  
39 offset the loss of CRSP.  
40

41 **RESOURCE UPDATE**

42 Mr. Johnson continued the resource update by noting that in June we will need to  
43 determine if we want to bring IPP back in for the winter. He said he is hoping for the ability  
44 to bring back 10 mW.  
45

1 The Red Mesa Solar project will be delayed due to availability of solar panels and  
2 will not begin commercial operation until January 2023. (This project is also impacted with  
3 increased costs and there is discussion for a possible rate increase).  
4

5 The Steel project will be delayed until approximately June 2023 due to lack of  
6 availability of solar panels. It is currently anticipated to be at 12 mW.  
7

8 The Muddy Creek project is contingent on working out an agreement with Kern  
9 River. There will be a meeting on this Thursday to discuss pricing and the amount of power  
10 required for the FERVO geothermal project. IPP repowering is still scheduled to be online  
11 June 2025. Coal delivery is a major problem, and it is anticipated that only one unit can be  
12 used this summer due to lack of coal. A brief discussion followed regarding the action of the  
13 State legislature and the advisory committee which was appointed to monitor the issues  
14 associated with IPP.  
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16 Mr. Johnson reviewed recent actions of the State legislature, and the posture of  
17 neighboring states that are involved with the IPP project and a brief discussion followed.  
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#### 20 **RECOGNIZE JAY CHRISTENSEN RETIRING**

21 Mr. Johnson reviewed that Mr. Christensen came to BCL&P in 2000, when Enron  
22 had impacted the budget dramatically, leaving a “red ink” bottom line on monthly budget  
23 reports—noting that it was a challenging time for financial accountability. He expressed  
24 appreciation for his diligence and honesty as he professionally fulfilled his duties.  
25

26 Mr. Christensen said this has been the best job he has ever had, making it difficult  
27 to leave. However, he said “it is time to spend time with my wife, focus on church service,  
28 traveling, reading, and musical performing”. He then read the letter which was given to Mr.  
29 Johnson announcing his plan to retire wherein he expressed appreciation for being part of a  
30 great team. He said he knew of no place where he could have had this same opportunity and  
31 expressed sincere appreciation for his co-workers at BCL&P, other Bountiful City staff, and  
32 the Power Commission. The Commissioners each expressed their appreciation for Jay’s  
33 dedicated, professional service and wished him well in his new endeavors.  
34

35 *The following items were included in the packet, but not discussed in the meeting:*  
36

#### 37 **POWER SYSTEMS OPERATIONS REPORT**

- 38 a. January 2022 Resource Reports
- 39 b. February 2022 Lost Time/Safety Reports
- 40 c. February 2022 Public Relation Reports
- 41 d. January 2022 Outage Reports  
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#### 43 **OTHER BUSINESS**

44 Commissioner Irvine noted that the Commission members should give themselves a  
45 pat on the back for their good judgement in selecting the current vice-chairman for the group  
46 and he thanked Commissioner Becker for her expertise in chairing this meeting.

1 **NEXT POWER COMMISSION**

2 The next meeting of the Power Commission will be held on April 26, 2022, at 8:00  
3 a.m.

4

5 **ADJOURN**

6 The meeting adjourned at 9:05 a.m. on a motion by Councilman Higginson and  
7 seconded by Commissioner Bell. Voting was unanimous with Commissioners Becker, Bell,  
8 Irvine, Knight, and Pitcher, and Councilman Higginson voting "aye".

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Susan Becker, ACTING CHAIRMAN

