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**MEETING OF THE  
BOUNTIFUL CITY POWER COMMISSION**  
August 28, 2018 - 8:00 a.m.

**Those in Attendance**

**Power Commission**

John Cushing, Chairman  
Susan Becker  
Dan Bell  
David Irvine  
John Marc Knight, Council Representative  
Jed Pitcher  
Paul Summers

**Power Department**

Allen Johnson, Director  
Jay Christensen  
Alan Farnes  
Dave Farnes  
Jess Pearce  
Luke Veigel

**Recording Secretary**

Nancy Lawrence

**WELCOME**

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

**MINUTES – June 26, 2018**

Minutes of the regular meeting of the Bountiful City Power Commission held June 26, 2018 were presented and unanimously approved on a motion made by Commissioner Becker and seconded by Commissioner Summers. Commissioners Cushing, Becker, Bell, Irvine, Pitcher and Summers, and Councilman Knight voted “aye”.

Chairman Cushing requested that Agenda Item No. 3 (Budget Report) be postponed to later in the meeting to allow for other business items to be handled while a full quorum was present.

**138 KV PROJECT UPDATE – CACHE VALLEY FIBER OPTIC SPLICE APPROVAL**

Mr. Farnes reported that everything is getting lined up for the demolition and reconstruction of the south bay of the 138 KV Substation. It is planned that the south bay will be de-energized on September 14<sup>th</sup>. The second new 100 MVA transformer is scheduled to be delivered the end of October. The load of the entire City will be on the new north bay transformer only for about 3 months. It is hoped that the 138 KV Substation upgrade will be completed before the end of the year.

Splicing and terminating the fiber optic line which follows the transmission line running from the 138 KV Substation to the three way junction at Smith’s Market Place has been included in the 138 KV Substation rebuild project and is included in the fiscal year 2018-19 budget. Cache Valley Electric has provided a quote of \$20,206.00 to provide the labor, equipment, and materials to complete the four splices and one termination needed to activate the fiber communication lines. This quote has been reviewed by the staff and is recommended for approval. Commissioner Summers motioned to approve the quote from Cache Valley Electric in the amount of \$20,206.00. Commissioner Pitcher seconded the motion and voting was unanimous with Commissioners Becker, Bell, Cushing, Irvine, Pitcher, and Summers and Councilman Knight voting “aye”.

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2 **AMERICOM TECHNOLOGIES BID EXTENSION APPROVAL**

3 Mr. Veigel reported that there are several projects in the City that need to have conduit  
4 installed. In an attempt to minimize the inconvenience to residents and limit the restoration of  
5 property, including streets, it was determined that these projects should be completed via boring,  
6 as opposed to digging open trenches. It is the staff's recommendation that the bid received from  
7 Americom (an extension of an existing contract) in the amount of \$314,435 be approved. The  
8 bid includes one capital project, two distribution lines, and five street light circuits. Following a  
9 brief discussion, Commissioner Bell made a motion that the Power Commission recommend  
10 approval of this bid extension to the City Council. Commissioner Irvine seconded the motion  
11 and voting was unanimous with Commissioners Becker, Bell, Cushing, Irvine, Pitcher, and  
12 Summers and Councilman Knight voting "aye".  
13

14 **OSMOSE POLE TESTING APPROVAL**

15 Mr. Veigel reviewed that Osmose Utility Services has previously worked with BCL&P  
16 inspecting, reinforcing, and restoring *transmission* poles. In an effort to be more safe and  
17 reliable, we have requested a quote from Osmose to test, inspect, and treat our wood *distribution*  
18 poles. Upon completion of this project, we will have full condition reports for all our wood  
19 poles, as well as GPS coordinates, which will greatly enhance our mapping system. The quote  
20 from Osmose Utilities is \$160,000 and it is the recommendation of staff to approve this bid. (He  
21 noted that this bid does not include any poles that have been installed in the last ten years).  
22 Commissioner Summers made a motion that the Commission recommend to the City Council  
23 that this bid from Osmose in the amount of \$160,000 be approved. Commissioner Becker  
24 seconded the motion. Voting was unanimous with Commissioners Becker, Bell, Cushing, Irvine,  
25 Pitcher, and Summers, and Councilman Knight voting "aye".  
26

27 **MOUNTAIN STATES TRUCK BED APPROVAL**

28 Mr. Pearce presented a staff recommendation to approve a bid from Mountain States  
29 Industrial Supply/B/G for a service body (included in the FY 2018-19 budget) for \$35,862.00.  
30 The cab and chassis will be purchased from a separate supplier, but does not need the lead time  
31 required for the service body. This vehicle will be used for substation maintenance.  
32 Commissioner Pitcher motioned to recommend approval of the bid from Mountain States  
33 Industrial Supply as presented. Commissioner Summers seconded the motion which carried  
34 unanimously. Commissioners Becker, Bell, Cushing, Irvine, Pitcher, and Summers, and  
35 Councilman Knight voted "aye".  
36

37 In response to a question from the Commission, Mr. Pearce noted that the older truck  
38 being replaced will be taken to the T and T auction.  
39

40 **BUDGET REPORT – YEAR-TO-DATE 12- MONTH PERIOD ENDING JUNE 30, 2018**

41 Mr. Christensen presented the Budget Report for the Fiscal Year-to-Date 12-month  
42 Period Ended 30 June, 2018. He noted that this report is preliminary until the independent audit  
43 is completed (expected by November). He reported that the year-to-date figures are final  
44 through May 2018 (noting that this includes estimates for Electric Metered Sales, Air Products,  
45 and UAMPS power costs for July and August's EMS). He explained the process of using  
46 estimates for these two months in an attempt to create more accurate comparisons to budget and

1 noted that they are used only in the income statement. They are not included in customer  
2 accounts receivable and accounts payable on the balance sheet and cash flow statement.  
3 Discussion followed regarding how this process is tied to GASB in accounting for the potential  
4 income/(loss) generated by the Power and Light enterprise fund.  
5

6 Fiscal Year to Date Total Revenues were \$30,868,360, below its historically allocated  
7 budget (HAB) by \$(4,150,911). Major items above or (below) their HABs included: EMS  
8 (including estimates) \$(375,801) due to mild weather; Air Products (including estimates)  
9 \$208,918; Interest Income on Investments \$209,307; and Use of Retained Earnings \$(4,343,256)  
10 as the preliminary net margin for the year was sufficient to fund more capital expenditures than  
11 planned.  
12

13 Total Operating Expenses YTD were \$25,041,593, below its HAB by \$3,619,113. Major  
14 items (above) or below their HABs included: Power Costs \$1,124,224 due to careful purchasing  
15 and scheduling of power resources, selective use of our three turbines, and mild winter weather;  
16 Transmission \$901,257 as work was postponed on budgeted projects; Streetlight \$72,308;  
17 Substation \$89,329; Transfer to the Rate Stabilization Bond fund \$(55,475) due to higher than  
18 anticipated interest earnings; Contingency \$668,426 not used; and total labor and benefits  
19 \$169,228.  
20

21 Total Capital Expenditures YTD were \$5,616,256, compared to \$1,283,469 for the same  
22 period last year. The most significant items included in this figure were the 138 KV substation  
23 rebuild project at \$3,720,263 (work in progress); completion of the transmission phase 7 project  
24 at \$598,569; and purchase of the Fisher property north of the office/warehouse at \$519,065 (and  
25 approved by the City Council on June 12, 2018 as a budget amendment).  
26

27 The net margin YTD (June 2018 is preliminary) was \$210,512, above its HAB by  
28 \$613,012. This was due to lower power costs, many operating expenses that were below budget,  
29 higher interest incomes, higher Air Products income, and lower labor and benefits expense,  
30 mostly offset by lower use of retained earnings and lower EMS. The preliminary net margin for  
31 the month was \$(2,292,165) as there was no use of retained earnings to fund capital  
32 expenditures.  
33

34 The report also included changes in Balance Sheet and Cash Flow Statements YTD.  
35

36 Following discussion, Commissioner Pitcher made a motion to approve the budget report  
37 for the YTD period ended June 30, 2018. Commissioner Bell seconded the motion and voting  
38 was unanimous with Commissioners Becker, Bell, Cushing, Irvine, Pitcher, and Summers, and  
39 Councilman Knight voting "aye".  
40

41 **BUDGET REPORT – YEAR-TO-DATE 1-MONTH PERIOD ENDING JULY 31, 2019**

42 Mr. Christensen presented the Budget Report for the Fiscal Year-to-Date 1-month Period  
43 Ended 31 July, 2018. He noted that this report is preliminary due to the use of estimates for  
44 Electric Metered Sales, Air Products Income, and UAMPS power costs.  
45

46 Total Revenues YTD were \$2,456,880, below its HAB by \$(24,915). Major items

1 above/below) their HAB included: EMS above its HAB by \$63,064 due to hot weather; street  
2 light income below by \$(33,800) due to billings not starting until August instead of July as  
3 anticipated; and Air Products below by \$(21,933).  
4

5 Total Operating Expenses YTD were \$2,211,221, below its HAB by \$50,879. The two  
6 major accounts related to this were Power Costs below by \$38,164; and the transfer to the  
7 General Fund was above by \$(24,033) with higher EMS than anticipated.  
8

9 Total Capital Expenditures YTD were \$11,908, compared to \$1,813 for the same period  
10 last year, due mostly to labor for various projects.  
11

12 The Net Margin YTD was \$233,751, above its HAB by \$14,104, due largely to higher  
13 EMS revenue, lower power costs, and lower labor and benefits expense.  
14

15 Following discussion, Commissioner Bell motioned to accept the Budget Report for the  
16 Month of July, 2018, as presented. Commissioner Pitcher seconded the motion and voting was  
17 unanimous. Commissioners Becker, Bell, Cushing, Irvine, Pitcher, and Summers, and  
18 Councilman Knight voted “aye”.  
19

#### 20 **SOLAR INSTALLATIONS UPDATE**

21 Mr. Christensen presented a comprehensive report on Solar Customer Production and  
22 Usage Report (residential net metering customers only) for billings April, May, and June 2018.  
23 195 customers were identified numerically and the data reflected: total KWH production; KWH  
24 sold to BCL&P (KWH and %); KWH sold to Customers; Total KWH Consumption; and Excess  
25 Generation (KWH and \$s). This report reflected that the total revenue lost to the City as a result  
26 of solar customers and net metering was \$61,607.87, or 59.0% of their total production being  
27 sold back to the City.  
28

29 Discussion followed and the Commission expressed appreciation for this report, noting  
30 that not only does it demonstrate the financial impact of solar net metering, but any errors in the  
31 system are more easily recognized. It was noted that about 1 to 2 solar customers have been  
32 added each month.  
33

34 Chairman Cushing was excused at this time (9:15 a.m.)  
35

#### 36 **RESOURCE REPORT**

37 Allen Johnson presented an update on all resources which are currently being used,  
38 including permanent and peaking power. He emphasized that weather, gas prices, and other  
39 resource prices play importantly in how we project our needs, scheduled on years/hours in  
40 advance. He emphasized how hedging assists in stabilizing power costs—an advantage granted  
41 to enterprise funds. The 5 MW we currently get from San Juan will most likely “die a natural  
42 death” when new coal contracts are not executed. California’s carbon tax which will be totally  
43 implemented by 2026 will impact the IPP power. Bountiful will not be participating in the solar  
44 project near Beaver, Utah due to the purchase of that resource by one single entity. The  
45 proposed nuclear project in Idaho will remain as a potential resource; Mr. Johnson reviewed the  
46 timeline/resources for participating in that project. No action was taken on this Agenda item.

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2 **POWER SYSTEMS OPERATIONS REPORTS**

3 The following items were included in the packet, but not discussed in the meeting:  
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- 5 a. **May and June 2018 Resource Reports**  
6  
7 b. **June and July 2018 Lost Time Related Injuries/Safety Report**  
8  
9 c. **June and July 2018 Public Relations Report**  
10  
11 d. **June and July 2018 Outage Reports**  
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13 **OTHER BUSINESS**

14 UAMPS will sponsor a Municipal Toolkit Workshop on September 11, 2018 at the Salt  
15 Lake City Center Marriott, starting with a lunch at 12:30 p.m. Mr. Johnson said BCL&P will  
16 register any commissioners who would like to attend. Commissioners Bell and Summers  
17 expressed interest.  
18

19 **NEXT POWER COMMISSION**

20 The next meeting of the Power Commission will be on September 25, 2018 at 8:00 a.m.  
21

22 **ADJOURN**

23 The meeting adjourned at 9:50 a.m. on a motion made by Commissioner Summers and  
24 seconded by Commissioner Bell. Voting was unanimous with Commissioners Becker, Bell,  
25 Irvine, Pitcher, and Summers, and Councilman Knight voting "aye".  
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30 John Cushing, CHAIRMAN