

**MINUTES OF THE
BOUNTIFUL CITY POWER COMMISSION**

February 20, 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
Jed Pitcher, Commissioner
Cecilee Price-Huish, Councilwoman (Zoom)

Power Department

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

Recording Secretary

Nancy T. Lawrence

WELCOME

Chairman Summers called the meeting to order at 8:00 a.m. and welcomed those in attendance. He noted that Councilwoman Price-Huish is in attendance via Zoom. The invocation was offered by Commissioner Becker.

MINUTES – January 23, 2024

Minutes of the regular meeting of the Bountiful Power Commission held January 23, 2024, were presented, and unanimously approved as written on a motion made by Commissioner Irvine and seconded by Commissioner Pitcher. Commissioners Becker, Bell, Irvine, Knight, Pitcher and Summers, and Councilwoman Price-Huish voted “aye”.

BUDGET REPORT – YEAR TO DATE 6-MONTH PERIOD

Mr. Hansen presented a summarized Budget Report for the Fiscal Year-to-date 6-Month period ending December 31, 2023. Total revenues Year-to-Date were \$17,945,214, below its HAB by (\$366,980). Major items above (below) their HABs were: Electric Metered Sales (EMS) at \$(270,899) which was 1.7 % below its HAB; Contribution in Aid to Construction at \$(277,503) with line extensions at 1227 Lorien Court--\$7K, 344 South 500 West--\$12K, and 952 East 500 South--\$10K, and Utopia Huts at \$10K. Revenues above budget were Air Products, above its HAB by \$99,766 with an average load factor of 71.9% for the YTD period; Sundry Revenues were above HAB by \$11,844; and Interest Income was above its HAB by \$100,638. December’s interest allocation was \$40K.

Total Operating Expenses YTD were \$15,272,604, below its HAB by \$1,285,181. Major items below their HABs included Power Cost Expense--\$932,457, Distribution Expense--\$75,398, Street Light Expense--\$76,212, Meters Expense at \$78,093, and Transfer to the General Fund Expense at \$76,055. Major items (above) budget were Credit Card Merchant fees at \$(18,121), and Insurance Expense at \$(35,023).

Total Capital Expenditures YTD were \$355,161 and included \$28K for 2055 S. Main Townhomes, \$197K for a cable puller and \$98K for a service truck.

1 Total Labor and Benefits Expense YTD was \$2,484,330. This was \$73,356 below the target
2 (48.2% of the total Labor and Benefits budget for the last pay period paid in the YTD period). The Net
3 Margin for the YTD period was \$2,337,449, as revenues are on budget and power costs are coming in
4 under budget. Total Cash Equivalents were a net \$18,913,771 at month end, up \$2,466,806 from June
5 30, 2023 and \$2,467,771 above the \$16,446,000 total reserved cash requirement. Major sources and
6 (uses) of cash at month end compared to fiscal year-end 2023 included \$2,337,449 Net Margin YTD,
7 decrease in total accounts receivable \$711,779, decrease in total inventories \$53,048, increase in total
8 accounts payable, \$33,032, \$(317,905) increase in net fixed assets, and \$(305,095) decrease in other
9 equity—excluding the net margin. Following a short discussion, Commissioner Pitcher made a motion
10 to accept the financial report as presented. Commissioner Bell seconded the motion which carried
11 unanimously. Commissioners Becker, Bell, Irvine, Knight, Pitcher and Summers, and Councilwoman
12 Price-Huish voted “aye”.

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14 **RESOURCE UPDATE**

15 **Steel Solar Update:** Mr. Johnson reported that the scheduled operation date for Steel Solar is
16 March 1, 2024. It has been behind schedule (at an extremely high penalty cost to Steel -- \$87,422.91
17 thus far for missing the scheduled dates since October). This project is located near Plymouth, Utah and
18 is almost twice as big as Red Mesa. The solar panels on this project will rotate to give full exposure
19 during daylight hours. It is a two-phase project (A and B) and UAMPS will take all of solar A and B
20 and most of “B” is assigned to St. George. Scheduling will necessitate weather tracking here as well as
21 Four Corners.

22
23 Councilwoman Price-Huish asked how much of this resource we might use. Mr. Johnson
24 explained that it is critical to schedule resources that cover our evening loads when residential demand
25 goes up. We can use solar as a back-up, but do not anticipate scheduling firm power from solar without
26 battery storage being available. He reported that Freemont Solar and Batteries is anticipating having
27 battery storage for 4 years by June of 2026. We are still following the possibility of a geothermal
28 project through UAMPS.

29
30 UAMPS is also looking for a site for a gas plant which could be five or six years out. Equipment
31 and transmission would be key needs. It was noted that transmission is a key for all resources.
32 Commissioner Irvine asked if anyone was working on transmission and Mr. Johnson reported that
33 Pacificorp is, but the effort is moving slowly, based on current needs.

34
35 Coal plants are hampered due to lack of availability to coal; the Lila Canyon mine is officially
36 closed. Skyline Shut down due to flooding and is hoped to be back in full operation by February.
37 Wolverine is trying to avoid bankruptcy, but anticipates about double costs and higher maintenance
38 costs. Coal is being looked for as far as the Illinois Basin. He said that both IPP units will be off line
39 the first 2 weeks of April; however, we will still have to pay maintenance costs. We are hoping to have
40 enough coal to run two units through the summer. No power has been recalled for Winter 2023-24, 12
41 MW’s have been called back for Summer 2024 and one unit through the winter months. We will
42 depend on natural gas operation for Summer 2025; and we do not have anything called back for Winter
43 2025-26. IPP Renewed is working on gas procedures for that facility. Mr. Johnson went over a
44 generation project schedule, which projected Start Up and Commissioning between February 2024 and
45 March 2025, with a Hydrogen Start Up by August 2025. Commissioner Irvine asked about the status of

1 water availability for the hydros, and Mr. Johnson reported that one week ago, we had reached the 100%
2 mark for water, thus anticipating normal resources available from CRSP.

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4 **Legislative Update.** Mr. Johnson reviewed the major points of proposed legislation (SB 161)
5 which would Mandate IPA to submit an application for an air permit no later than 7/1/24, the State
6 would take control of the IPA board. This would require a DAQ review to determine if it would have
7 issued a permit—and this must be done no later than November 2024. The bill includes that IPA would
8 offer the State an option to purchase the plant. The pros and cons of this proposed legislation were
9 discussed, noting that all studies included would be very expensive.

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

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13 **POWER SYSTEMS OPERATIONS REPORT**

- 14 a. December 2023 Resource Reports
15 b. January 2024 Lost Time/Safety Reports
16 c. January 2024 Public Relation Reports
17 d. December 2023 Outage Reports

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19 **OTHER BUSINESS**

20 Mr. Johnson referred to the APPA national conference which will be held in San Diego June 9-
21 12, 2024 and asked who would be going. Commission Pitcher will not, Councilwoman Price-Huish is
22 not sure. Others will get back to Mr. Johnson, or already have done so.

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24 **NEXT POWER COMMISSION**

25 The next meeting of the Power Commission will be held on March 26, 2024 .at 8:00 a.m.

26
27 **ADJOURN**

28 The meeting adjourned at 9:20 a.m. on a motion by Commissioner Bell and seconded by
29 Commissioner Pitcher. Voting was unanimous with Commissioners, Bell, Irvine, Knight, Pitcher and
30 Summers, and Councilwoman Price-Huish voting “aye”. (Commissioner Becker was excused from the
31 meeting at 8:50 a.m. and was not included in the vote).

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Paul C. Summers, CHAIRMAN