

The City of Provo
Department of Energy
Minutes of the Provo City Energy Board Meeting
February 4th, 2019

Energy Board Members

Ned Hill
Julie Radle
Norm Wright
Cheryl Taylor
Mary Rasband
Jeff Rose

City Staff & Administration

Travis Ball Brian Jones
Scott Bunker
Kat Linford
Charlie Fuller
Tad Smallcomb

Municipal Council & Staff

Gary Winterton
George Handley

Visitors:

Don Jarvis, Provo City Sustainability Chair
Ryan King, Resident

Welcome & Introduction

Chairman Ned Hill conducted the meeting and welcomed everyone.

Approval of Minutes

Approval of the minutes from the December 3rd, 2018 meeting. Cheryl Taylor motioned to approve the minutes, Mary Rasband seconded, all approved (5:0).

Financial Report

Travis recognized Charlie for her hard work in going back several years to find where the issues in the reports have stemmed from. Charlie found where some of the problems began (when the city switched from PeopleSoft to Cayenta) and is now working with finance to address the issues. It is our belief that now that the financials are the most accurate as they have ever been.

The ending fund balance and beginning fund balance from end of year fiscal year 2018 (June 30, 2018) still has a discrepancy of around 2 million dollars. It is possible that there was an error in the data entry from the end of year financials. Part of the struggles that our team has had is that we haven't been granted access to the financial system. We have been behold to finance to send reports and data. A request has been made to the financial department for permissions and access to our accounts so that we can find this particular discrepancy from end of FY2018, but to also have continued access for better reports and tracking.

A few changes have been made to the report which includes a monthly chargeback line (instead of annually), and a new line item of a two-month Estimated PCA (Power Cost Adjustment). These are corrections we requested which makes for better tracking and a more accurate report of the bottom line on a monthly basis.

Overall there is a deficit of about \$170K mostly due to a higher PCA that is coming from the three months prior (summer). Overall throughout the year we have carried about a 2.5 million dollar surplus. The surplus number is encouraging now that everything has been added up

correctly, and it is good to know that there isn't an extraordinary amount as the prior reports were indicating.

Chairman Hill requested meeting with the financial auditors this year. We will work with our finance team to schedule a meeting with them in August.

Key Performance Indicators (KPI's)

Charlie modified the KPI reporting to reflect more realistic benchmark numbers as updated by APPA (American Public Power Association). Our dispatch reports are based off of these numbers so the charts and graphs produced and reported on occasionally will match with the modified version. The new indices are less strict than from before and more realistic.

Julie Radle asked if and how we would implement these benchmarks and other items in the strategic plan. Currently the KPI's and indices are measured on a national level where Provo Power falls in the top 25%. This can be addressed with the new strategic plan and modified as deemed appropriate.

Jeff Rose stated that it isn't entirely bad to have a higher goal that is more in line with daily/monthly numbers, but not so strict that we couldn't ever meet those goals. This too can be addressed during the strategic planning process with a change and directive.

Sustainability Presentation

Don Jarvis presented to the board the items the Sustainability Committee has discussed and their vision going forward. The committee would like to make the following recommendations to the Energy Board for future discussions with Provo Power, the Municipal Council and the City Administration.

The Provo Sustainability Committee Recommends that Provo Power

- Supply 50% of its electricity from low-carbon sources by 2030
- Mount a vigorous advertising campaign for Renew Choice
- Include data on climate change in sourcing decisions
- Work towards sourcing 100% of its electricity from low-carbon sources as technology allows it

Questions from the Board & Council Members:

- What is making coal pricing go up?
 - Federal Regulations and Labor
- Travis weighed in that as utilities move to a less diverse portfolio by eliminating coal and moving to other resources specifically natural gas, these other resources will become more expensive because they would be in essence the only base load resource available. As a utility, moving solely to natural gas is very high risk due to the fact that no one knows how much/how long natural gas will be readily available.
- Clarifying what is classified as low-carbon sources:
 - Wind, solar, hydro, nuclear, and geothermal

- Hydro isn't recognized as renewable?
- Travis explained that hydro plants aren't federally recognized as "hydro" unless they were built after a certain time. New hydro plants (like the Olmsted at the mouth of Provo Canyon) are federally recognized.
- Snow pack and water levels are going down which also can affect hydro plants.

Councilman Winterton requests knowing what 50% low-carbon looks like in our resource portfolio.

George Handley mentioned that the Municipal Council and City Administration appear to be on board with moving forward with discussions such as this and setting goals for our future.

Julie Radle wants to be a leader and pursue some of these goals but is interested in discussing further before instituting any plans.

From the conversation of the group, it was decided to discuss this further both at the UMPA Annual Meeting in St. George and again at the next board meeting when more board members are present to make a formal recommendation.

Strategic Plan RFP

Travis is working on an RFP (Request for Proposal) for an outside consulting firm to help with the Energy Department Strategic Plan. This is a rough draft, but the proposal would be written in scope of work phases, so at any time once the staff and Energy Board feels that the plan is coming together, and if in the instance we wouldn't need more work done with the aid of the firm, we could finish the agreement and finalize the strategic plan in-house.

We will send this draft to the board members who can weigh in with their thoughts, and then it will be sent to the Legal Department to finalize the official language. Most likely this won't be published until March and then allowing for the selection of the firm, it could be April or May before we are ready to move forward. We want the Energy Board to weigh in during the selection process and we'll keep everyone up to date as this moves forward.

Calendaring and Scheduling

- UMPA Annual Meetings (St. George)
 - Wednesday, Thursday & Friday March 20-22, 2019
- Next Energy Board Meeting
 - Thursday, March 21st, 2019 at 7:00am (St. George)
 - Monday, April 29th, 2019 at 4:00pm

Mary Rasband motioned to adjourn. Julie Radle approved. Meeting adjourned at 5:22pm.