



AGENDA
ENERGY BOARD MEETING
PROVO POWER
Monday, April 12, 2021
4:00 P.M.

1. Welcome & Introductions - Chairman Ned Hill
2. Review & Approval of Minutes – January 11, 2021
3. Financial Report – Charlie Fuller
4. KPI Report – Charlie Fuller
5. Annual Disclosures
6. Manager Report – Travis Ball
7. Calendar & Scheduling Discussion
 - Next board meeting: TBD

*A copy of the agenda was posted in the Civic Center, and the Provo City Library,
on April 8, 2021 and also delivered to the Mayor,
City Council Members, required news media, and adjacent cities in
compliance with the Utah Code 52-4-202*

The City of Provo
Department of Energy
Minutes of the Provo City Energy Board Meeting
January 11, 2021
Meeting Hosted via ZOOM

Energy Board Members

Ned Hill
Cheryl Taylor
Gary Winterton
Julie Radle
Jeff Rose

City Staff & Administration

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

Municipal Council & Staff

Bill Fillmore - Excused

Welcome & Introduction

Chairman Ned Hill conducted the meeting and welcomed everyone.

Approval of Minutes

Approval of the minutes for November 9, 2020: Gary Winterton motioned to approve; Julie Radle seconded, all approved. 5:0

Board Chair Elections

Cheryl Taylor motioned to extend the existing chair/vice chair positions for another two years (Chairman Ned Hill, Vice Chair Julie Radle). Jeff Rose Seconded. All approved 5:0

Financial Report

Charlie Fuller gave the financial report through the end of November 2020.

Special note that the industrial service sales reflect the two payments from BYU in July so it will throw the numbers until next fiscal year.

General service sales are on par, and residential sales are up. Covid has not hurt the revenues and we are still posting a surplus. We are buying less power in addition to power being very cheap with another refund being issued through the power cost adjustment from UMPA.

Communication attachments show an increase of over \$100K. This is due to a write off from Century Link from an old contract. We have renegotiated their franchise agreement contract terms which now include a higher rate for their attachments on our poles.

CIP projects will fluctuate significantly this year over last because of the work being done for the sub stations and other projects under capital expenses.

The surplus balance is building which has been unexpected due to expectations from Covid. This will change through the shoulder months and also true ups with finance and UMPA, but so far is looking good.

Gary Winterton asked about the warehouse inventory line item as it reflects a -2% balance. There was an issue last year with the Cayenta system not tracking appropriately so it is showing a

difference in this year's budget. Realistically that line item should be as close to zero throughout the year and isn't a concern at this point.

KPI Report

Charlie summarized the KPI's for September through November 2020. Because of the surplus, the financial numbers are looking really good. We have almost hit the 180 days cash on hand goal, and the debt service coverage is above two which the lending agencies like to see.

The Load factor in October and November was good, no major peaking or issues. Billing is still not doing disconnects due to Covid, and the Cayenta reporting is still having issues. We are working with Karen Larsen to get these items resolved in Cayenta.

Gary Winterton wanted to make note to Karen Larsen that he appreciated his utility bill was finally correct after six months. There are still some issues with the bill print that Karen is working on both with Cayenta and InfoSend.

Energy costs were lower than anticipated. In July we paid nearly half of what we budgeted, and August was low as well. September increased to normal levels, so this is where the surplus is coming from.

Gary Winterton inquired about the rate stabilization fund and if there were concerns about others wanting to use this money. Travis mentioned that the loans we have offered to the city aren't reflected in this amount and that the cash isn't available. Cheryl Taylor requested to have a report on the loans/status. Charlie will look into adding this into the fund balance report.

Open Meetings Act

Brian Jones from the City Legal Department gave the required open and public meetings act presentation.

Manager Report

Travis Ball gave a status update on the following:

- **BYU Co-Gen Contract**

After a couple years of negotiation, the BYU contract has finally been agreed upon and signed by all parties. The contract will be good for the next five years. It has been established as a buy-all/sell-all contract to UMPA with a \$35 a day fee to Provo Power. This will be a great addition as it is considered a clean power resource and low-cost generation for the City of Provo.

- **Clover Creek Project**

Travis showed the project outline for the 566 Acre Clover Creek Solar Farm. In July 2019, UMPA entered into a PPA with sPower to purchase solar energy from the 80 MW Clover Creek Solar Project located in Mona, Utah. The project is scheduled to be operational by November 2021.

- **Shared Solar Program**

The Shared Solar program has started construction and completion of the 4MW project is scheduled for April of 2021 and going online in the summer. Marketing material will be prepared and sent out in the spring of next year. This is a great option for customers that want to get the benefits of solar but for other reasons they can't install on their homes or businesses. There are several business customers that are interested, and it looks like their initial agreements will fund the program.

- **Cayenta Billing System**

Despite the challenges with the new billing software, there was one item that we were excited to implement regarding the solar/net metering rates. The old billing system didn't allow us to charge for the customer service charges and other fees correctly, even giving a negative value for taxes which should have never been allowed. We knew that with the software conversion we would be able to fix this issue as these customers should be paying for their connection to the grid and not continuing a subsidization from everyone else.

When Cayenta went live in June, we were able to confirm that the billing codes were correct for the customer service charges and the taxes, however, when the bills went out the printed bill amounts were incorrect which caused some of the net metering customers to receive a delinquency notice. We were aware that this was going to happen and put notice out on social media, however we struggled with billing to get this corrected and notice to the customers in a timely fashion.

We believe that the bill print issues are now fixed, however we are now working with the customers that had issues and didn't know that they were delinquent. We will be writing off these balances but there has been an issue of trying to explain this to the customers and their understanding of what fees they should have been paying all along, and why they weren't being charged this from the beginning.

- **Rate Study**

We have a consultant looking at the rates now to assess the EV Vehicle rates, Time of Use Rates, etc. We'll have a cost of service study completed by next month to report to the board before going to the council for new rates.

Calendaring and Scheduling

UMPA Annual Meetings: March 24-26, 2021. Still to be finalized and determined whether this will be online. We will update the board when we know more from UMPA.

Next proposed board meeting: March 2021. Because of Covid, we are hesitant to regularly schedule meetings. We propose to hold meetings every other month depending on topic and urgency.

Cheryl Taylor motioned to adjourn; Julie Radle seconded. Meeting adjourned at 5:04pm.

February FY 2021

Operating Revenues	February	YTD 2021	YTD 2020	Budget	Balance		
3501 INTEREST INCOME	9,535	88,153	939,507	700,000	611,847	13%	
3551 GENERAL SERVICE SALES	2,544,533	22,778,432	22,924,847	36,656,204	13,877,772	62%	
3552 RESIDENTIAL SERVICE SALES	1,369,990	18,883,333	17,835,451	25,322,833	6,439,500	75%	
3553 INDUSTRIAL SERVICE SALES	643,544	5,542,934	6,787,169	9,134,105	3,591,171	61%	
3554 TELECOM DEBT CHARGE	221,324	2,254,104	2,302,936	3,250,000	995,896	69%	
3753 COMMUNICATION ATTACHMENTS	531,689	596,716	750,659	850,000	253,284	70%	
OTHER REVENUE	59,466	949,017	837,352	619,000	(330,017)	153%	
Total Operating Revenue	5,380,081	51,092,689	52,377,921	76,532,142	25,439,453	67%	67%
Operating Expenditures							
001 POWER ADMINISTRATION	305,718	2,795,263	2,711,929	5,498,784	2,703,521	51%	
002 ENERGY OFFICE BUILDINGS	12,437	122,860	115,556	231,961	109,101	53%	
003 ENERGY BUDGET & RATE ANALYSIS	11,861	103,931	121,142	260,681	156,750	40%	
004 ENERGY CUSTOMER ASSISTANCE	31,914	234,565	117,807	448,091	213,526	52%	
005 ENERGY WAREHOUSE OPERATIONS	12,173	106,336	110,498	177,059	70,723	60%	
006 ENERGY WAREHOUSE INVENTORY	104	(64)	(5,385)	10,000	10,064	-1%	
007 ENERGY SYSTEM ENGINEERING	25,872	218,034	284,497	365,437	147,403	60%	
008 ENERGY SERVICE ENGINEERING	38,477	330,101	322,016	593,597	263,496	56%	
009 ENERGY GIS/CAD	14,227	179,263	189,350	289,990	110,727	62%	
011 ENERGY PURCHASED POWER	3,176,093	27,445,420	32,151,350	45,719,301	18,273,881	60%	
012 DISPATCH	48,223	436,129	434,362	785,253	349,124	56%	
013 SUBSTATIONS	62,197	498,468	492,808	823,276	324,808	61%	
016 STREET LIGHTING	1,041	8,757	16,437	174,472	165,715	5%	
017 SMART GRID	48,965	417,640	323,670	711,719	294,079	59%	
018 STREET TREES	16,978	140,356	128,887	274,431	134,075	51%	
019 FORESTRY	94,094	701,249	636,935	1,175,083	473,834	60%	
020 TRANSMISSION & DISTRIBUTION	197,128	1,627,377	1,507,162	2,994,613	1,367,236	54%	
Total Operating Expenditures	4,097,502	35,365,685	39,659,021	60,533,748	25,168,063	58%	67%
Capital Revenues							
3651 AID TO CONSTRUCTION	90,878	614,746	751,182	1,250,000	635,254	49%	
3754 IMPACT FEES	87,757	355,917	425,658	500,000	144,083	71%	
3761 HOOK-UP FEES	300	10,267	300	25,000	14,733	41%	
3803 CONNECTION FEES	63,306	236,347	-	-	(236,347)	0%	
OTHER REVENUE	25,365	41,919	429,087	515,000	473,081	8%	
Total CIP Revenue	267,606	1,259,196	1,606,227	2,290,000	1,030,804	55%	67%
Capital Expenditures							
001 DISTRIBUTION SYSTEM	224,703	1,726,464	2,061,022	3,382,105	1,655,641	51%	
002 TRANSMISSION SYSTEM	195	318,954	87,670	2,695,061	2,376,107	12%	
003 SUBSTATIONS	53,415	2,688,489	1,821,010	8,047,607	5,359,118	33%	
004 CITY PROJECTS	14,000	94,130	584,861	630,372	536,242	15%	
005 SCADA/AMI	-	-	24,917	222,449	222,449	0%	
006 ADMIN	9,469	116,461	3,519	1,830,094	1,713,633	6%	
Total CIP Expenditures	301,782	4,944,498	4,582,999	16,807,688	11,863,190	29%	67%
Transfers Out							
6110 TRANSFER TO GENERAL FUND	501,387	5,192,517	5,230,221	7,822,446	2,629,929	66%	
6332 TRANSFER TO ERP DEBT SERVICE	25,161	201,285	201,284.64	301,927	100,642	67%	
6360 TRANSFER TO TELECOM DEBT SERV.	221,324	2,254,104	2,302,936	3,250,000	995,896	69%	
Total Transfer Out	747,872	7,647,905	7,734,442	11,374,373	3,726,467	67%	67%
SUMMARY							
Total Revenues	5,647,687	52,351,885	53,984,148	78,822,142	26,470,257	66%	67%
Total Expenditures & Transfers Out	5,147,156	47,958,089	51,976,462	88,715,809	40,757,720	54%	67%
Total Surplus (Deficit)	500,532	4,393,796	2,007,686	(9,893,667)	(14,287,463)	-44%	67%
FUND BALANCE							
Beginning Fund Balance		38,873,291	36,970,349				
CIP Surplus (Deficit)		(3,685,302)	(2,976,772)				
Operating Surplus (Deficit)		8,079,098	4,984,458				
Ending Fund Balance		43,267,087	38,978,035				
Outstanding Interfund Loans		(6,207,399)	(1,159,489)				
CIP Assigned Fund Balance		(11,863,190)	(11,893,824)				
Unrestricted Fund Balance		25,196,498	25,924,722				



KPI Dec-Feb

Key:	Good
	In Progress
	Needs Improvement

Customer	December	January	February
1 Meter Count	38,054	38,067	38,149
2 CAIDI	226	31	73
3 SAIDI	0.74	4.82	0.48
4 SAIFI	0.00	0.16	0.01

Benchmark	Units
18	Meters
120	minutes/outage
12	minutes/customer
0.11	outages/customer

Financial	December	January	February
5 Overtime Cost	0.30%	0.16%	0.28%
6 Days Cash on Hand	257	144	152
7 Debt Service Coverage	2.59	1.45	1.53
8 Fund Balance	\$ 42,575,465	\$ 23,846,708	\$ 25,196,498
9 Net Margin	9.07%	8.21%	8.39%

Benchmark	Units
3%	percent of revenue
120	days
1.75	surplus dollars per debt
\$25,000,000	dollars of balance
2.75%	percent of revenue

Employee & Organization Capacity	December	January	February
10 Hours Worked without a lost Workday Injury	56,156	65,516	74,875
11 Restricted Workday injuries	0	0	0

Benchmark	Units
1,000,000	hours
0	days

Internal Business Process	December	January	February
12 Connections per Employee	544	544	545
13 Operating Cost per Customer	\$150	\$152	\$135
14 Preventable Vehicle Accident Rate	0	0	0

Benchmark	Units
400	connections
\$350	dollars per customer
0	accidents

Power Supply	December	January	February
15 Energy Consumption	61,811,258	63,182,558	58,773,492
16 Peak Demand	107,578	104,690	107,509
17 System Load Factor	79%	83%	75%

Benchmark	Units
N/A	kiloWatt Hours
N/A	kiloWatts
65%	load factor

Billing	December	January	February
18 Delinquent Revenue	0.0%	0.0%	0.0%
19 Credit Disconnects	-	-	-

Benchmark	Units
1.0%	percent of revenue
1000	disconnects

UMPA	October	November	December
20 Monthly S-1 Payment	\$ 913,861	\$ 889,046	\$ 885,137
21 Estimated S-1 Payment	\$ 975,252	\$ 1,133,859	\$ 950,073
22 Accuracy of Estimate	7%	28%	7%

Benchmark	Units
N/A	dollars
N/A	dollars
±10%	percent of power bill



PROVO CITY BOARD AND COMMISSION MEMBERS CONFLICT OF INTEREST DISCLOSURE FORM

This conflict of interest disclosure form is intended to assist members of Provo City Boards and Commissions make conflict and potential conflict of interest disclosures in compliance with the Municipal Officers' and Employees' Ethics Act (Utah Code §10-3-1301 *et seq.*). Attach additional page(s) if more space is necessary.

1. Disclose any personal benefits, special privileges or compensation received for assisting any person or business in transactions involving Provo City, giving your name, the name of the person or business and a description of the transaction, activity or involvement: _____

2. Disclose whether or not you are an officer, director, agent, employee or owner of a "substantial interest"* of a business entity regulated by Provo City: _____

3. Disclose whether or not you are an officer, director, agent, employee or owner of a "substantial interest"* of a business entity doing business with Provo City: _____

4. Disclose any personal interest or investment that creates a conflict between public duties and such personal interest _____

Date: _____

(Signature)

Department: _____

Print Name: _____

* "Substantial interest" means the ownership, either legally or equitably, by an individual, the individual's spouse, or the individual's minor children, of at least 10% of the outstanding shares of a corporation or 10% interest in any other business entity. See Utah Code § 10-3-1303 (9).

Sign and deliver this form to your department director who will retain a copy for six years.