



AGENDA
ENERGY BOARD MEETING
PROVO POWER
Monday, September 13, 2021
4:00 P.M.

1. Welcome & Introductions - Chairman Ned Hill
2. Review & Approval of Minutes – April 2021
3. Financial Report – Charlie Fuller
4. KPI Report – Charlie Fuller
5. APPA National Conference Reports
 - Gary Winterton
 - Cheryl Taylor
 - David Shipley
 - Travis Ball
6. Manager Report – Travis Ball
7. Calendar & Scheduling
 - Next board meeting: October 4, 2021
 - Energy Department Thanksgiving Luncheon: November 10, 2021
 - Energy Department Christmas Luncheon: December 15, 2021

*A copy of the agenda was posted in the Civic Center, and the Provo City Library,
on September 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
April 12, 2021
Meeting Hosted in person and via ZOOM

Energy Board Members

Ned Hill
Cheryl Taylor
Gary Winterton
Julie Radle

City Staff & Administration

Travis Ball
Kat Linford
Charlie Fuller
Scott Bunker
Marcus Draper

Municipal Council & Staff

David Shipley

Welcome & Introduction

Chairman Ned Hill conducted the meeting and welcomed everyone.

Approval of Minutes

Cheryl Taylor motioned to approve the minutes from January 11, 2021. Gary Winterton seconded, all approved. (4:0)

Financial Report

Charlie Fuller gave the financial report through the end of February 2021. During the last board meeting there was a request by the board to modify the report to reflect a more accurate reflection of cash on hand and the outstanding loans to other departments. The ending fund balance is 43 million, however when taking into consideration the loans and the reserved CIP fund balance, the balance is actually 25 million which is only just slightly above the established cash on hand goal.

During the budget presentation to the Municipal Council, the question was brought up as to why the Energy Department had so much excess cash. At the time, we did not have the correct numbers to report what the totals actually were; however, it was brought to the council's attention that a big portion of the fund balance was due to the outstanding loans to other departments.

Our revenues are on track however the expenditures are around 10% behind from last year. UMPA is forecasting an increase in market costs and is looking at a 5% increase. The Hunter Power Plant will be going down for repairs causing an outage in the books and UMPA will have to cover the power resource elsewhere in addition to possible rise in power costs. Even though they are proposing a 5% rate increase, it is not definite that it will need to be done at this time because we have a good surplus budget in addition to the Power Cost Adjustment (PCA) that is in place between Provo and UMPA. In addition, UMPA has been purchasing power on the market and then turning around and selling it for a higher rate. They were very proactive and have made quite a bit of extra money that wasn't budgeted for.

We are conducting a cost-of-service study and hope to have that completed in the next few months which will include time of use and Electric Vehicle (EV) rates. We will watch the

financials closely and work with UMPA, however if a rate increase is necessary, we will work closely communicate with the board and council members, and make sure to get the word out to all of our customers in addition to timing the increase so it does not go into effect in the hotter summer months when demand is high.

KPI Report

Charlie summarized the KPI's for December through February 2021. Because of the questions regarding the cash on hand amounts, the chart was changed to reflect the fund balance and outstanding loans. The days cash on hand goal of 25 million may need to be adjusted accordingly to align better with the debt service coverage goal. This can be discussed further at a later date if there is interest in increasing the bond rating. Overall, the net margin is consistent with revenues vs expenditures.

The PCA estimate was much less than expected due to UMPA's market strategy. The line item shows a high percentage but in actuality, the numbers are good.

Travis reported that we received a national recognition from APPA for being in the top 25% of reliability for all public power utilities which they look at our CAIDI, SAIDI and SAIFI numbers.

Manager Report

Travis Ball gave a status update on the following:

- **Municipal Council Budget Meetings**

Travis reviewed the budget presentation he gave to the council. One of the major budget requests is to update the fault indicators and system so that when there is a fault on the lines the system can communicate a more precise location (i.e. a fuse or transformer). Generally, during an outage, it takes a lot of time to find the problem before they can even begin to work on it. The new fault indicators will reduce outage times so that the crews are directed to where the specific problem is instead of them visually searching for an issue.

- **Conservation and sustainability**

We are on our way to the established goal of green power resources. The Municipal Council's goal of 60% is stretching us, however when the two solar farms are fully operational, we should be really close to that goal.

- **GreenXchange Small gas-powered device exchange program**

Kat Linford has processed over \$120,000 in rebates since last July and continues to work with UMPA and the other member cities on the website and marketing campaigns for the program.

- **Personnel Comparison**

In 2006, the Energy Department had 120 employees. Since then, we have eliminated positions and are now down to 67. Some of this was due to software automation, the division of customer service, retirees, etc. Our operation is lean, and our staff and crews have the ability to do a lot of the labor instead of contracting it out which in turn also saves money.

- **Total Budget**

The final budget reflects 73 million in revenues. The revenues come from the power bills, pole attachments, impact fees, etc. Our expenditures are 74 million. 8 million is for personnel costs, 11 million for the general fund transfer, 3 million for chargebacks and the remaining is power costs and capital expenditures. At the end of the year, we are projecting a \$578 thousand dollar deficit, but this could be different because of UMPA's power costs.

- **Shared Solar Program**

The Shared Solar program has started construction and completion of the 4MW project is scheduled to go online in the summer. Marketing material is being prepared to introduce the program to our customers. This is a great option for those that want to get the benefits of solar but for other reasons they can't install on their homes or businesses.

- **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.

Calendaring and Scheduling

Next board meeting: May 3, 2021. Arrangements will be made to go on a field trip to the UMPA solar plant in Spanish Fork and the substation in south Provo

The APPA National Conference is June 18-23 in Orlando, Florida. Travis Ball, Gary Winterton, and Cheryl Taylor will be attending.

Meeting adjourned at 5:29pm.

June FY 2021

Operating Revenues	June	YTD 2021	YTD 2020	Budget	Balance		
3501 INTEREST INCOME	12,063	138,108	620,317	700,000	561,892	20%	
3551 GENERAL SERVICE SALES	2,833,079	33,213,993	32,434,134	36,656,204	3,442,211	91%	
3552 RESIDENTIAL SERVICE SALES	2,375,302	27,264,784	25,001,867	25,322,833	(1,941,951)	108%	
3553 INDUSTRIAL SERVICE SALES	772,101	8,248,440	9,307,094	9,134,105	885,665	90%	
3554 TELECOM DEBT CHARGE	298,987	3,494,632	3,382,212	3,250,000	(244,632)	108%	
3753 COMMUNICATION ATTACHMENTS	12,487	12,487	853,054	850,000	837,513	1%	
OTHER REVENUE	<u>117,722</u>	<u>2,048,562</u>	<u>1,121,489</u>	<u>619,000</u>	<u>(1,429,562)</u>	<u>331%</u>	
Total Operating Revenue	6,421,741	74,421,006	72,720,167	76,532,142	2,111,136	97%	100%

Operating Expenditures

001 POWER ADMINISTRATION	346,217	5,144,761	4,320,092	5,414,725	269,964	95%	
002 ENERGY OFFICE BUILDINGS	23,720	196,763	172,803	225,770	29,007	87%	
003 ENERGY BUDGET & RATE ANALYSIS	19,809	159,503	182,767	260,681	101,178	61%	
004 ENERGY CUSTOMER ASSISTANCE	35,099	336,592	186,705	448,091	111,499	75%	
005 ENERGY WAREHOUSE OPERATIONS	19,313	162,126	168,668	177,059	14,933	92%	
006 ENERGY WAREHOUSE INVENTORY	(2,293)	(4,794)	(7,645)	10,000	14,794	-48%	
007 ENERGY SYSTEM ENGINEERING	40,326	345,299	435,697	365,437	20,138	94%	
008 ENERGY SERVICE ENGINEERING	67,708	514,514	489,414	593,597	79,083	87%	
009 ENERGY GIS/CAD	20,890	244,148	273,585	289,990	45,842	84%	
011 ENERGY PURCHASED POWER	5,047,766	41,818,110	44,737,686	45,719,301	3,901,191	91%	
012 DISPATCH	83,561	661,176	651,811	785,253	124,077	84%	
013 SUBSTATIONS	99,118	784,203	771,473	824,776	40,573	95%	
016 STREET LIGHTING	(648)	10,953	23,326	174,472	163,519	6%	
017 SMART GRID	80,681	684,016	450,173	713,469	29,453	96%	
018 STREET TREES	50,344	254,343	220,225	274,431	20,088	93%	
019 FORESTRY	134,537	1,074,943	1,030,246	1,190,083	115,140	90%	
020 TRANSMISSION & DISTRIBUTION	<u>269,291</u>	<u>2,422,135</u>	<u>2,246,680</u>	<u>3,066,613</u>	<u>644,478</u>	<u>79%</u>	
Total Operating Expenditures	6,335,439	54,808,791	56,353,706	60,533,748	5,724,957	91%	100%

Capital Revenues

3651 AID TO CONSTRUCTION	70,028	1,244,260	2,160,378	1,250,000	5,740	100%	
3754 IMPACT FEES	100,673	869,681	889,269	500,000	(369,681)	174%	
3761 HOOK-UP FEES	3,300	15,902	2,350	25,000	9,098	64%	
3803 CONNECTION FEES	36,584	451,135	-	-	(451,135)	0%	
OTHER REVENUE	<u>73,347</u>	<u>270,990</u>	<u>793,129</u>	<u>515,000</u>	<u>244,010</u>	<u>53%</u>	
Total CIP Revenue	283,932	2,851,968	3,845,126	2,290,000	(561,968)	125%	100%

Capital Expenditures

001 DISTRIBUTION SYSTEM	928,029	3,401,669	3,077,053	3,382,105	(19,564)	101%	
002 TRANSMISSION SYSTEM	46,895	522,840	140,939	2,695,061	2,172,221	19%	
003 SUBSTATIONS	80,796	2,885,022	2,887,794	8,047,607	5,162,585	36%	
004 CITY PROJECTS	182,994	345,990	954,628	630,372	284,382	55%	
005 SCADA/AMI	-	4,289	44,218	222,449	218,160	2%	
006 ADMIN	<u>-</u>	<u>185,317</u>	<u>178,134</u>	<u>1,830,094</u>	<u>1,644,777</u>	<u>10%</u>	
Total CIP Expenditures	1,238,714	7,345,127	7,282,766	16,807,688	9,462,561	44%	100%

Transfers Out

6110 TRANSFER TO GENERAL FUND	657,853	7,559,994	7,341,740	7,822,446	262,452	97%	
6332 TRANSFER TO ERP DEBT SERVICE	25,161	301,927	301,927	301,927	-	100%	
6360 TRANSFER TO TELECOM DEBT SERV.	<u>298,987</u>	<u>3,494,632</u>	<u>3,382,212</u>	<u>3,250,000</u>	<u>(244,632)</u>	<u>108%</u>	
Total Transfer Out	982,001	11,356,553	11,025,879	11,374,373	17,820	100%	100%

SUMMARY

Total Revenues	6,705,673	77,272,974	76,565,293	78,822,142	1,549,168	98%	100%
Total Expenditures & Transfers Out	<u>8,556,154</u>	<u>73,510,471</u>	<u>74,662,351</u>	<u>88,715,809</u>	<u>15,205,338</u>	<u>83%</u>	<u>100%</u>
Total Surplus (Deficit)	(1,850,481)	3,762,503	1,902,942	(9,893,667)	(13,656,170)	-38%	100%

FUND BALANCE

Beginning Fund Balance	38,873,291	36,970,349	
CIP Surplus (Deficit)	(4,493,159)	(3,437,640)	
Operating Surplus (Deficit)	<u>8,255,662</u>	<u>5,340,582</u>	
Ending Fund Balance	42,635,794	38,873,291	
Outstanding Interfund Loans	(6,210,867)	(1,159,489)	
CIP Assigned Fund Balance	<u>(9,462,561)</u>	<u>(9,194,057)</u>	
Unrestricted Fund Balance	26,962,366	28,519,744	

July FY 2022

Operating Revenues	July	YTD 2022	YTD 2021	Budget	Balance		
3501 INTEREST INCOME	12,523	12,523	206	120,000	107,477	10%	
3551 GENERAL SERVICE SALES	3,272,665	3,272,665	2,608,453	33,583,711	30,311,046	10%	
3552 RESIDENTIAL SERVICE SALES	3,568,571	3,568,571	2,457,725	25,520,323	21,951,752	14%	
3553 INDUSTRIAL SERVICE SALES	785,610	785,610	730,792	9,019,374	8,233,764	9%	
3554 TELECOM DEBT CHARGE	308,955	308,955	267,232	3,250,000	2,941,045	10%	
3753 COMMUNICATION ATTACHMENTS	104,980	104,980	110,920	850,000	745,020	12%	
OTHER REVENUE	<u>156,300</u>	<u>156,300</u>	<u>138,887</u>	<u>1,073,381</u>	<u>917,081</u>	<u>15%</u>	
Total Operating Revenue	8,209,604	8,209,604	6,314,215	73,416,789	65,207,185	11%	8%
Operating Expenditures							
001 POWER ADMINISTRATION	75,816	75,816	331,764	5,333,640	5,257,824	1%	
002 ENERGY OFFICE BUILDINGS	9,616	9,616	11,161	256,127	246,511	4%	
003 ENERGY BUDGET & RATE ANALYSIS	13,302	13,302	12,567	192,893	179,591	7%	
004 ENERGY CUSTOMER ASSISTANCE	50,272	50,272	8,770	351,328	301,056	14%	
005 ENERGY WAREHOUSE OPERATIONS	13,383	13,383	17,306	173,673	160,290	8%	
006 ENERGY WAREHOUSE INVENTORY	(114)	(114)	(478)	10,000	10,114	-1%	
007 ENERGY SYSTEM ENGINEERING	879	879	25,701	390,833	389,954	0%	
008 ENERGY SERVICE ENGINEERING	53,493	53,493	38,795	684,529	631,036	8%	
009 ENERGY GIS/CAD	28,256	28,256	30,877	325,860	297,604	9%	
011 ENERGY PURCHASED POWER	5,205,245	5,205,245	5,062,335	47,968,874	42,763,629	11%	
012 DISPATCH	50,201	50,201	48,983	706,128	655,927	7%	
013 SUBSTATIONS	59,610	59,610	58,325	873,110	813,500	7%	
016 STREET LIGHTING	644	644	1,331	182,409	181,765	0%	
017 SMART GRID	-	-	48,897	-	-	0%	
018 STREET TREES	15,144	15,144	14,922	287,387	272,243	5%	
019 FORESTRY	87,069	87,069	78,964	1,244,722	1,157,653	7%	
020 TRANSMISSION & DISTRIBUTION	<u>262,858</u>	<u>262,858</u>	<u>179,293</u>	<u>3,148,152</u>	<u>2,885,294</u>	<u>8%</u>	
Total Operating Expenditures	5,925,674	5,925,674	5,969,513	62,129,665	56,203,991	10%	8%
Capital Revenues							
3651 AID TO CONSTRUCTION	11,770	11,770	183,779	1,250,000	1,238,230	1%	
3754 IMPACT FEES	26,066	26,066	31,880	500,000	473,934	5%	
3761 HOOK-UP FEES	-	-	-	25,000	25,000	0%	
3803 CONNECTION FEES	21,524	21,524	-	225,000	203,476	10%	
OTHER REVENUE	<u>-</u>	<u>-</u>	<u>44,511</u>	<u>721,674</u>	<u>721,674</u>	<u>0%</u>	
Total CIP Revenue	59,360	59,360	260,170	2,721,674	2,662,314	2%	8%
Capital Expenditures							
001 DISTRIBUTION SYSTEM	15,587	15,587	109,145	3,053,238	3,037,651	1%	
002 TRANSMISSION SYSTEM	-	-	33,821	286,000	286,000	0%	
003 SUBSTATIONS	(1,533)	(1,533)	-	5,329,500	5,331,033	0%	
004 CITY PROJECTS	63,521	63,521	8,013	1,230,000	1,166,479	5%	
005 SCADA/AMI	-	-	-	200,000	200,000	0%	
006 ADMIN	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,541,100</u>	<u>1,541,100</u>	<u>0%</u>	
Total CIP Expenditures	77,575	77,575	150,979	11,639,838	11,562,263	1%	8%
Transfers Out							
6110 TRANSFER TO GENERAL FUND	838,953	838,953	637,667	7,493,575	6,654,622	11%	
6332 TRANSFER TO ERP DEBT SERVICE	37,258	37,258	25,161	447,095	409,837	8%	
6360 TRANSFER TO TELECOM DEBT SERV.	<u>308,955</u>	<u>308,955</u>	<u>267,232</u>	<u>3,250,000</u>	<u>2,941,045</u>	<u>10%</u>	
Total Transfer Out	1,185,166	1,185,166	930,060	11,190,670	10,005,504	11%	8%
SUMMARY							
Total Revenues	8,268,964	8,268,964	6,574,385	76,138,463	67,869,499	11%	8%
Total Expenditures & Transfers Out	<u>7,188,415</u>	<u>7,188,415</u>	<u>7,050,552</u>	<u>84,960,173</u>	<u>77,771,758</u>	8%	8%
Total Surplus (Deficit)	1,080,549	1,080,549	(476,166)	(8,821,710)	(9,902,259)	-12%	8%
FUND BALANCE							
Beginning Fund Balance		38,687,601	38,873,291				
CIP Surplus (Deficit)		(18,215)	109,191				
Operating Surplus (Deficit)		<u>1,098,764</u>	<u>(585,357)</u>				
Ending Fund Balance		39,768,150	38,397,124				
Outstanding Interfund Loans		(6,213,344)	(7,019,133)				
CIP Assigned Fund Balance		<u>(11,562,263)</u>	<u>(13,278,966)</u>				
Unrestricted Fund Balance		21,992,543	18,099,025				