AGENDA
ENERGY BOARD MEETING
PROVO POWER
251 W 800 N
Monday, April 10, 2023
4:00 P.M.

1. Welcome & Introductions - Chairman Gary Winterton
2. Review & Approval of Minutes – February 6, 2023
3. Financial Report – Charlie Little
4. KPI Report – Charlie Little
5. Manager Report – Travis Ball
   - Review of UMPA Meetings/Rate Discussion
6. Calendar & Scheduling
   - Next Board Meeting: TBD
   - APPA National Conference, Seattle, WA. - June 15-21, 2023

A copy of the agenda was posted in the Civic Center, and the Provo City Library, on April 5, 2023, 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
February 6, 2023

Energy Board Members		**City Staff & Administration**		**Municipal Council & Staff**
Gary Winterton	Julie Radle	Travis Ball	Tad Smallcomb	
Erin Hernandez	Carol-Lyn Jardine	Charlie Little	Hannah Salzl	
Ned Hill	Julie Rash	Scott Bunker	Matt Griffiths	
			Wayne Parker	

Welcome & Introduction
Chairman Gary Winterton conducted the meeting.

Approval of Minutes
Julie Radle motioned to approve the minutes from January 9, 2023; Erin Hernandez seconded, all approved. (6:0)

Financial Report
Charlie Little gave the financial report through December 2022.

There are several items that we need to purchase over the next three years including substation components and meters (capital expenditures). We have the money budgeted, however the software doesn't allow us to encumber the funds appropriately over multiple years.

In previous reports, we have discussed the telecom debt charge issue where finance wasn't taking out the appropriate amounts from our accounts. We thought that it was resolved on this report, however there is still a discrepancy that we'll discuss with finance again.

Gary Winterton inquired about where the funding comes from under Miscellaneous Revenue. These funds come from reselling wire, equipment sales, etc.

Energy purchased power is at 53% rather than 50% for six months. It is anticipated that power costs will continue to be more expensive than budgeted. Provo has been in a good place due to power resource planning by UMPA, and our ability to utilize the new solar plants to offset the market costs. We are watching it closely and will adjust accordingly if necessary.

Another deficit was posted in December. For the Fiscal Year 23 budget, we had budgeted a deficit, however we are tracking with a surplus so far. Even though the energy costs are higher this year, the revenue in the fund summary is still farther ahead than we were at this same time last year.

KPI Report
Charlie Little reported on the KPI's through December 2022.

Travis Ball defined the following:
CAIDI: Customer Average Interruption Duration Index (the duration of any outage)
Our goal is to be 70 minutes or under for an outage. On average, outages in October were 38 minutes, November was 70, and December was longer. During the winter months it is harder to assess, repair, so it typically takes longer for power restoration.

SAIDI: System Average Interruption Duration Index (total for the year)
An average SAIDI should be a 4 to 5, so our numbers at 2.9, 3.8 and .2 are very low. We multiply our SAIDI by 12 which then gives our annual average. If we are below a 60-minute yearly average, that is good.

SAIFI: System Average Interruption Frequency Index (customer outage frequency)
If a "1" is reported, then every customer would have experienced an outage during that month. Over the last three months our SAIFI was .08 and below, so our SAIFI numbers are in line. Our benchmark is 0.11, which equates to less than one outage per year per customer.

The benchmarks are established by APPA; however, we lowered the benchmark to be even better on a national scale.

The October power cost adjustment (PCA) estimate was quite a bit higher than the actual charges, but it balanced out in our favor through October. When the December/January actuals come in we'll have to see where we stand.

During the previous board meeting, there was a question raised regarding what the reporting percentage included on line 18, Delinquent Revenue. The percentage is the amount of revenue that is owed to us by customers that is 90+ days old and is still on the books. The benchmark is only set at 1%, and we typically stay under that. It was decided by the board members to keep this reporting measure but add a line item to show the actual dollar amount for perspective.

Gary Winterton inquired about the "connections per employee" and that we are well above the APPA benchmark. The concern is if Provo Power has enough employees to get the work done safely and efficiently. Travis mentioned that there have been some current issues raised and we appreciate that Customer Service has helped cover us, but we need to investigate some succession planning in all our divisions to continue our service levels in the future.

CIP Budget Report

Tad Smallcomb gave a report on the Capital Improvement Planning Budget. The CIP budget is a rolling five-year budget that we use to fund upcoming big projects.

As has been discussed in previous meetings, there is need for updates to a couple substations as they are now old and undersized for our needs. Due to the backlog of ordering the transformers and other required components, we are having to start the bidding and budgeting process now which will span over the next several years.

Other projects include converting overhead lines to underground, implementing conduits for communications lines to our substations, security surveillance and proper fencing at the substations, etc.

Manager Report

Travis Ball shared with the board the issues that have been happening with the meters and the wireless communications on the west side. The signals from the AMI Meters are sent wirelessly through a mesh network so that we can get the consumption data for billing. Last week, interference, and the data was not able to get back to us. We sent out our staff to troubleshoot and hired an engineer to assist with the issue. We haven't found out one exact cause for the issue yet but have found that the noise floor on the 900mhz radio signals that we use has increased significantly which could be a potential issue.

In the meantime, we are having our staff go out and take down the collector modules and bring them back to the city for download. It is a slow process as we can only do six at a time. We are looking into extending our antennas to increase the signals to the collectors, and in addition, we have ordered a new cellular system to circumvent the radios completely which would be a more permanent solution.

The last five days billing data has been the biggest issue for Customer Service, and they've had to assign employees to work over the weekend to manually input every read. We've heard that other utilities to the north have also experienced the same issues so it's a widespread issue. We have contacted the FCC and will continue to investigate the cause. It has been a labor-intensive process, but we hope to get a resolution quickly.

Calendaring and Scheduling

Next meeting: UMPA Annual Meetings in St. George, March 29th – 31st, 2023

Meeting adjourned at 5:24pm.

Fund Summary Report

	February		YTD					
REVENUES	**FY23**	FY22	**FY23**	FY22	**FY23 Budget**	**Balance**	**% Budget**	**Notes**
303 CHARGES FOR SERVICES	1,195	3,570	42,250	69,735	156,000	113,750	27%	
305 INVESTMENT INCOME	152,189	13,824	715,769	152,638	335,000	(380,769)	214%	
3551 GENERAL SERVICE SALES	2,645,171	2,614,396	24,579,957	23,806,059	33,946,964	9,367,007	72%	
3552 RESIDENTIAL SERVICE SALES	2,470,342	2,389,266	20,706,388	19,648,605	26,217,763	5,511,375	79%	
3553 INDUSTRIAL SERVICE SALES	665,758	671,317	5,805,225	5,045,262	9,156,857	3,351,632	63%	
3554 TELECOM DEBT CHARGE	292,422	317,312	2,411,579	2,408,258	3,500,000	1,088,421	69%	
3556 SECURITY LIGHT SALE	17,353	17,912	139,619	139,431	250,000	110,381	56%	
307 OTHER FINANCING	-	-	-	(750)	2,000	2,000	0%	
308 MISCELLANEOUS	41,597	138,576	2,072,402	2,054,172	2,435,000	362,598	85%	
TOTAL REVENUE	**6,286,027**	**6,166,173**	**56,473,189**	**53,323,410**	**75,999,584**	**19,526,395**	**74%**	67%

OPERATING EXPENDITURES								
ENERGY ADMINISTRATION	138,092	1,191,732	907,907	2,208,528	3,064,369	2,156,462	30%	
ENERGY OFFICE BUILDINGS	22,830	13,848	160,881	130,668	266,951	106,070	60%	
ENERGY BUDGET & RATE ANALYSIS	14,492	12,508	125,520	106,342	216,991	91,471	58%	
ENERGY CUSTOMER ASSISTANCE	10,221	12,927	188,540	216,747	427,815	239,275	44%	
ENERGY WAREHOUSE OPERATIONS	15,806	8,652	141,013	113,139	226,140	85,127	62%	
ENERGY WAREHOUSE INVENTORY	-	(23,650)	(182)	42,514	10,000	10,182	-2%	
ENERGY SYSTEM ENGINEERING	29,927	29,850	265,808	244,372	428,041	162,233	62%	
ENERGY SERVICE ENGINEERING	55,554	53,134	468,066	439,863	753,082	285,016	62%	
ENERGY GIS/CAD	15,767	8,590	162,969	115,395	272,227	109,258	60%	
ENERGY PURCHASED POWER	3,752,133	4,039,654	32,837,999	32,810,220	46,338,914	13,500,915	71%	
DISPATCH	53,053	47,197	503,123	448,515	770,940	267,817	65%	
SUBSTATIONS	64,496	60,231	557,202	536,914	943,014	385,812	59%	
SMART GRID	20,142	23,726	223,447	252,840	501,479	278,032	45%	
STREET LIGHTING	11,708	11,748	139,175	97,353	195,091	55,916	71%	
ENERGY DISTRIBUTION - METERS	20,048	19,691	173,177	260,896	420,055	246,878	41%	
STREET TREES	15,724	6,344	164,860	58,460	409,484	244,624	40%	
FORESTRY	98,133	98,747	821,696	798,645	1,209,040	387,344	68%	
TRANSMISSION & DISTRIBUTION	242,184	182,688	1,874,982	1,721,984	3,482,585	1,607,603	54%	
TOTAL OPERATING EXPENDITURES	**4,580,310**	**5,797,616**	**39,716,183**	**40,603,396**	**59,936,218**	**20,220,035**	**66%**	67%

CAPITAL EXPENDITURES								
DISTRIBUTION SYSTEM	3,078	281,871	1,360,293	1,819,745	3,548,850	2,188,557	38%	
TRANSMISSION SYSTEM	-	3,829	441	104,674	241,000	240,559	0%	
SUBSTATIONS	-	-	17,347	18,456	2,989,500	2,972,153	1%	
CITY PROJECTS	344	13,877	75,706	783,282	1,230,000	1,154,294	6%	
SCADA/AMI	-	1,591	-	5,880	200,000	200,000	0%	
ADMIN	-	28,186	62,701	79,883	1,507,117	1,444,416	4%	
TOTAL CAPITAL EXPENDITURES	**3,422**	**329,354**	**1,516,488**	**2,811,920**	**9,716,467**	**8,199,979**	**16%**	67%

CHARGEBACKS & TRANSFERS								
4752 ADMINISTRATIVE OVERHEAD	44,221	39,583	397,986	316,665	530,647	49,712,956	75%	
4753 UTILITY BILLING CHARGEBACK	180,719	156,338	1,735,473	1,250,705	2,168,631	165,911	80%	
6110 TRANSFER TO GENERAL FUND	635,940	552,469	4,559,731	5,371,601	7,625,374	20,068,221	60%	
6332 TRANSFER TO ERP DEBT SERVICE	9,797	37,258	78,379	298,063	117,568	3,354,751	67%	
6360 TRANSFER TO TELECOM DEBT SERV.	292,422	260,822	3,722,761	1,945,888	3,250,000	474,997	115%	
TOTAL CHARGEBACKS & TRANSFERS	**1,163,099**	**1,046,470**	**10,494,329**	**9,182,922**	**13,692,220**	**3,197,891**	**77%**	67%

SUMMARY								
Total Revenues	**6,286,027**	**6,166,173**	**56,473,189**	**53,323,410**	**75,999,584**	**19,526,395**	**74%**	
Total Expenditures	**5,746,831**	**7,173,440**	**51,727,000**	**52,598,238**	**83,344,905**	**31,617,905**	**62%**	
TOTAL SURPLUS (DEFICIT)	**539,196**	**(1,007,267)**	**4,746,189**	**725,172**	**(7,345,321)**			

FUND BALANCE		
Beginning Fund Balance	35,937,552	36,775,109
YTD Surplus (Deficit)	4,746,189	725,172
Outstanding Interfund Loans	(14,196,655)	(5,796,562)
CIP Assigned Fund Balance	(8,199,979)	(17,256,301)
ENDING FUND BALANCE	**18,287,107**	**14,447,418**
Days Cash on Hand	111	85

KPI Dec-Feb

Key:
Good
In Progress
Needs Improvement

	Customer	December	January	February	Benchmark	Units
1	Meter Count	38,993	38,993	39,096	18	Meters
2	CAIDI	83	73	88	120	minutes/outage
3	SAIDI	0.20	2.70	0.14	12	minutes/customer
4	SAIFI	0.00	0.04	0.00	0.11	outages/customer

	Financial	December	January	February	Benchmark	Units
5	Overtime Cost	0.22%	0.27%	0.07%	3%	percent of revenue
6	Days Cash on Hand	82	78	90	120	days
7	Debt Service Coverage Ratio	1.25	1.19	1.38	1.75	surplus dollars per debt
8	Unrestricted Fund Balance	$ 16,594,281	$ 15,713,063	$ 18,287,107	$25,000,000	dollars of balance
9	Net Margin	7.86%	5.12%	8.40%	2.75%	percent of revenue

	Employee & Organization Capacity	December	January	February	Benchmark	Units
10	Hours Worked without a lost Workday Injury	280,772	290,131	299,491	1,000,000	hours
11	Restricted Workday Injuries	0	0	0	0	days

	Internal Business Proccess	December	January	February	Benchmark	Units
12	Connections per Employee	573	573	575	400	connections
13	Operating Cost per Customer	$164	$162	$147	$350	dollars per customer
14	Preventable Vehicle Accident Rate	0	0	0	0	accidents

	Power Supply	December	January	February	Benchmark	Units
15	Energy Consumption	64,995,799	65,657,155	58,911,259	N/A	kiloWatt Hours
16	Peak Demand	110,433	112,630	109,011	N/A	kiloWatts
17	System Load Factor	81%	80%	74%	65%	load factor

	Billing	December	January	February	Benchmark	Units
18	Delinquent Revenue	0.9%	0.1%	0.3%	1.0%	percent of revenue
19	Revenue Write Offs	$ 7,649	$ 26,295	$ 170	$ 25,000	dollars written off

	UMPA	October	November	December	Benchmark	Units
20	Monthly S-1 Payment	$ 575,302	$ 1,782,724	$ 1,537,801	N/A	dollars
21	Estimated S-1 Payment	$ 1,155,437	$ 1,876,553	$ 1,094,751	N/A	dollars
22	Accuracy of Estimate	101%	5%	-29%	±10%	percent of power bill