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

1. Welcome & Introductions - Chairman Gary Winterton
2. Review & Approval of Minutes – April 10, 2023
3. Financial Report – Charlie Little
4. KPI Report – Charlie Little
5. APPA National Conference Reports
   - Carol-Lyn Jardine
   - Shannon Ellsworth
   - Travis Ball
6. Manager Report – Travis Ball
7. Calendar & Scheduling
   - Next Board Meeting: September 11th, 2023

A copy of the agenda was posted in the Civic Center, and the Provo City Library, on July 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
April 10, 2023

Energy Board Members		**City Staff & Administration**		**Municipal Council & Staff**
Gary Winterton	Julie Rash	Travis Ball	Tad Smallcomb	
Erin Hernandez	Cheryl Taylor	Charlie Little	Hannah Salzl	
Ned Hill		Scott Bunker	Wayne Parker	
		Kat Linford	Matt Griffiths	

Welcome & Introduction
Chairman Gary Winterton conducted the meeting. Julie Radle and Carol-Lyn Jardine were excused.

Guest: Robert Todd

Approval of Minutes
Ned Hill motioned to approve the minutes from February 6, 2023; Cheryl Taylor seconded, all approved. (5:0)

Review from last meeting: Gary Winterton inquired how the communications from the issues in the past? Travis Ball reported that all the wireless sites have been changed to cellular sites which has helped to gather the data. There are still two collectors causing us issues, but we are working through that to gather the data from the last 90-100 meters until the collectors are changed out to wireless.

Financial Report
Charlie Little gave the financial report through January 2023.

On the fund summary report, we are ahead on revenue and on track with operating and maintenance. One line item to note is that our YTD reflects a $4.7 million surplus. However, under the Energy Administration account in FY22 there is a $2.2 million bond payment, but it hasn’t hit the FY23 budget yet, so this will change the surplus balance.

Travis Ball highlighted that because of the higher interest rates our interest income is higher than normal.

The CIP budget also reflects a large surplus amount. We knew that it was going to be a light spending year but we still needed to budget for new projects and inventory. Last year, we had planned for transformers and thought we were ahead of the game with the current state of the economy; however, the vendor cancelled the contract 8 months after initiation, so now we are looking at other vendors to help us backfill our inventory. We should be in good shape as far as redundancy and supply, but we will be projecting forward as the turnaround time is over 40 months.

Draft awaiting approval

KPI Report
Charlie Little reported on the KPI's through January 2023.

The budget for days cash on hand is fluctuating a little bit but with our low CIP spending and other savings we are seeing some increase in the budget.

With the new UMPA budget, this year we have seen high PCA's (Power Cost Adjustments). Because UMPA is increasing rates, this will help stabilize the PCA's so they aren't so erratic.

From our last board meeting it was discussed to add a new reporting line for collections/delinquent revenue. Charlie explained that under delinquent revenue (line 18), this is the percentage of money we are still looking to collect but is late. The write-off's (line 19) is the actual dollar amount being written off as bad debt.

Manager Report
Travis Ball wanted to recognize our line crews and our engineering staff for the work they have done to work on preventative maintenance. Because of their efforts of being proactive, our reliability is much better overall.

Travis also wanted to recognize Scott Bunker for his management of fleet maintenance. The changes he has made has had a positive impact on our budgets and our trucks are being maintained on a regular schedule and is getting more life out of the trucks.

Travis mentioned that we are glad that we have not had to use our power cost adjustment (PCA). Other surrounding utilities have had to put a PCA into their monthly billing, but fortunately, we have not had to do this for Provo Customers thus far. Giving credit to UMPA, they've been able to buy and sell power accordingly so that it hasn't affected Provo negatively.

From the UMPA budget report, our power costs will be rising by 5% which means that we will need to increase our rates as well.

Charlie ran some models to reflect an estimated increase of 1% and 2% and presented to the board the differences and how each one affects our bottom line.

Based on UMPA's increase, and if we do nothing, we are looking at an operating deficit of around $300k.

The good news is that even with both projected rate increases, Provo is now one of the lowest cost power providers in the state.

Gary Winterton brought up the point of how we explain to our customers the $1.2 million surplus and why we are raising rates. Travis explained that the surplus we have is for capital expenditures, but any rate increase is associated only with actual power costs.

The staff of the energy department is looking for a recommendation from the energy board to take to the municipal council.

After board member discussion, it was determined to be negligible to not opt for a 2% rate increase to protect our budgets going forward.

Ned Hill made a motion to recommend a 2% rate increase to the Municipal Council for approval. Cheryl Taylor seconded the motion. All approved (5:0). By call-in, Carol-Lyn Jardine also supports the 2% rate increase as per the information received during the UMPA meetings.

Calendaring and Scheduling

Next meeting: Tentative for May 1st if rate increase does not go through.

APPA National Conference, Seattle WA. June 15-21, 2023
(Travis Ball, Carol-Lyn Jardine)

New meeting scheduled July 10th to review APPA National Conference findings.

Meeting adjourned at 5:17pm

Fund Summary Report

	May		YTD					
REVENUES	**FY23**	FY22	**FY23**	FY22	**FY23 Budget**	**Balance**	**% Budget**	**Notes**
303 CHARGES FOR SERVICES	7,140	4,845	50,410	84,780	156,000	105,590	32%	
305 INVESTMENT INCOME	141,158	20,378	1,150,879	226,625	335,000	(815,879)	344%	
3551 GENERAL SERVICE SALES	2,702,922	2,434,631	32,415,006	31,514,061	33,946,964	1,531,958	95%	
3552 RESIDENTIAL SERVICE SALES	1,820,374	2,093,042	26,554,782	24,999,241	26,217,763	(337,019)	101%	
3553 INDUSTRIAL SERVICE SALES	688,377	2,029,329	7,805,526	7,726,819	9,156,857	1,351,331	85%	
3554 TELECOM DEBT CHARGE	295,075	345,616	3,292,244	3,276,543	3,500,000	207,756	94%	
3556 SECURITY LIGHT SALE	17,153	17,797	191,275	191,339	250,000	58,725	77%	
307 OTHER FINANCING	-	-	-	(750)	2,000	2,000	0%	
308 MISCELLANEOUS	245,132	163,725	2,531,276	2,617,546	2,435,000	(96,276)	104%	
TOTAL REVENUE	**5,917,330**	**7,109,364**	**73,991,398**	**70,636,204**	**75,999,584**	**2,008,186**	**97%**	92%
OPERATING EXPENDITURES								
ENERGY ADMINISTRATION	89,323	106,648	2,668,524	2,531,128	3,064,369	395,845	87%	
ENERGY OFFICE BUILDINGS	45,788	12,786	239,440	178,290	266,951	27,511	90%	
ENERGY BUDGET & RATE ANALYSIS	14,742	13,651	169,729	150,927	216,991	47,262	78%	
ENERGY CUSTOMER ASSISTANCE	22,495	24,874	247,884	285,241	427,815	179,931	58%	
ENERGY WAREHOUSE OPERATIONS	15,530	37,475	186,713	192,001	226,140	39,427	83%	
ENERGY WAREHOUSE INVENTORY	-	-	(182)	27,967	10,000	10,182	-2%	
ENERGY SYSTEM ENGINEERING	33,551	28,983	358,775	338,276	428,041	69,266	84%	
ENERGY SERVICE ENGINEERING	56,825	52,940	639,416	604,662	753,082	113,666	85%	
ENERGY GIS/CAD	16,376	15,120	215,220	145,739	272,227	57,007	79%	
ENERGY PURCHASED POWER	3,592,194	3,526,190	43,570,762	47,140,685	46,338,914	2,768,152	94%	
DISPATCH	56,712	58,435	667,180	612,806	770,940	103,760	87%	
SUBSTATIONS	80,841	76,811	772,943	736,744	943,014	170,071	82%	
SMART GRID	24,412	22,275	293,477	356,091	501,479	208,002	59%	
STREET LIGHTING	11,708	11,580	174,298	136,782	195,091	20,793	89%	
ENERGY DISTRIBUTION - METERS	25,405	18,535	239,239	318,873	420,055	180,816	57%	
STREET TREES	27,144	20,420	229,999	93,890	409,484	179,485	56%	
FORESTRY	95,385	94,301	1,121,737	1,090,959	1,209,040	87,303	93%	
TRANSMISSION & DISTRIBUTION	225,189	196,989	2,606,468	2,283,267	3,482,585	876,117	75%	
TOTAL OPERATING EXPENDITURES	**4,433,618**	**4,318,013**	**54,401,621**	**57,224,328**	**59,936,218**	**5,534,597**	**91%**	92%
CAPITAL EXPENDITURES								
DISTRIBUTION SYSTEM	80,067	329,009	1,927,207	2,762,201	4,143,850	2,216,643	47%	
TRANSMISSION SYSTEM	-	2,447	11,975	115,895	267,000	255,025	4%	
SUBSTATIONS	20,784	584	715,754	19,039	2,989,500	2,273,746	24%	
CITY PROJECTS	-	24,080	76,293	833,014	1,710,000	1,633,707	4%	
SCADA/AMI	-	-	-	5,880	200,000	200,000	0%	
ADMIN	23,585	5,330	94,117	92,849	1,507,117	1,413,000	6%	
TOTAL CAPITAL EXPENDITURES	**124,435**	**361,449**	**2,825,347**	**3,828,879**	**10,817,467**	**7,992,120**	**26%**	92%
CHARGEBACKS & TRANSFERS								
4752 ADMINISTRATIVE OVERHEAD	44,221	39,583	486,426	435,414	530,647	44,221	92%	
4753 UTILITY BILLING CHARGEBACK	180,719	156,338	1,987,912	1,719,720	2,168,631	180,719	92%	
6110 TRANSFER TO GENERAL FUND	573,284	652,605	7,691,729	7,198,534	7,625,374	(66,355)	101%	
6332 TRANSFER TO ERP DEBT SERVICE	9,797	37,258	107,771	409,837	117,568	9,797	92%	
6360 TRANSFER TO TELECOM DEBT SERV.	295,075	260,822	3,876,885	2,728,355	3,250,000	(626,885)	119%	
TOTAL CHARGEBACKS & TRANSFERS	**1,103,096**	**1,146,607**	**14,150,723**	**12,491,860**	**13,692,220**	**(458,503)**	**103%**	92%
SUMMARY								
Total Revenues	**5,917,330**	**7,109,364**	**73,991,398**	**70,636,204**	**75,999,584**	**2,008,186**	**97%**	
Total Expenditures	**5,661,149**	**5,826,069**	**71,377,691**	**73,545,067**	**84,445,905**	**13,068,214**	**85%**	
TOTAL SURPLUS (DEFICIT)	**256,181**	**1,283,295**	**2,613,706**	**(2,908,863)**	**(8,446,321)**			
FUND BALANCE								
Beginning Fund Balance			35,937,552	36,775,109				
YTD Surplus (Deficit)			2,613,706	(2,908,863)				
Outstanding Interfund Loans			(13,809,955)	(5,312,947)				
CIP Assigned Fund Balance			(7,992,120)	(16,239,342)				
ENDING FUND BALANCE			**16,749,183**	**12,313,956**				
Days Cash on Hand			102	71				

KPI March-May

Key:

Key
Good
In Progress
Needs Improvement

	Customer	March	April	May	Benchmark	Units
1	Meter Count	39,099	39,270	39,288	18	Meters
2	CAIDI	74	134	55	120	minutes/outage
3	SAIDI	6.39	1.20	4.52	12	minutes/customer
4	SAIFI	0.09	0.01	0.02	0.11	outages/customer

	Financial	March	April	May	Benchmark	Units
5	Overtime Cost	0.14%	0.18%	0.21%	3%	percent of revenue
6	Days Cash on Hand	78	78	83	120	days
7	Debt Service Coverage Ratio	1.20	1.20	1.27	1.75	surplus dollars per debt
8	Unrestricted Fund Balance	$ 15,828,888	$ 15,822,101	$ 16,749,183	$25,000,000	dollars of balance
9	Net Margin	4.19%	2.58%	3.53%	2.75%	percent of revenue

	Employee & Organization Capacity	March	April	May	Benchmark	Units
10	Hours Worked without a lost Workday Injury	308,850	318,209	327,569	1,000,000	hours
11	Restricted Workday Injuries	0	0	0	0	days

	Internal Business Proccess	March	April	May	Benchmark	Units
12	Connections per Employee	575	578	578	400	connections
13	Operating Cost per Customer	$141	$173	$144	$350	dollars per customer
14	Preventable Vehicle Accident Rate	0	0	1	0	accidents

	Power Supply	March	April	May	Benchmark	Units
15	Energy Consumption	62,604,196	57,075,273	62,079,497	N/A	kiloWatt Hours
16	Peak Demand	102,040	102,531	124,991	N/A	kiloWatts
17	System Load Factor	84%	76%	68%	65%	load factor

	Billing	March	April	May	Benchmark	Units
18	Delinquent Revenue	0.1%	0.1%	0.1%	1.0%	percent of revenue
19	Revenue Write Offs	$ 27,938	$ 68,493	$ 68,493	$ 25,000	dollars written off

	UMPA	January	February	March	Benchmark	Units
20	Monthly S-1 Payment	$ 1,579,711	$ 932,565	$ (135,225)	N/A	dollars
21	Estimated S-1 Payment	$ 990,014	$ 955,954	$ 618,512	N/A	dollars
22	Accuracy of Estimate	-37%	3%	-557%	±10%	percent of power bill