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MINUTES
OF JOINT MEETING OF
BOUNTIFUL LIGHT AND POWER COMMISSION
AND
BOUNTIFUL CITY COUNCIL

February 16, 1988
6:00 P.M.

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Those in Attendance

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Power Commission

Paul Allen
Vaughn Bate, Acting Chrmn.
Robert Dewey
Earl Tingey

City Council

Mayor Dean Stahle
Bob Gramoll
Barbara Holt
Harold Shafter
Phyllis Southwick

Power Department

Clifford Michaelis, Director
Gene Birkenfeld
Alan Fames
Kevin Garlick
Vernile Hess
Allen Johnson
Kent Servoss
Brent Thomas
Nancy T. Lawrence, Rec. Secretary

Excused:

Harold Pope, Power Commission Chairman
H. Keith Barton, City Council Representative

Visitors:

Tom Hardy, City Manager
Christ Konstantellos, HARZA
Bob Ivarson, HARZA
Ken Fonesbeck, Bingham Engineering
Ralph W. Bird, Weber Box Elder Cons. Dist.
Ed Southwick, Weber Box Elder Cons. Dist.
David Tuttle, UAMPS
Gary Blodgett, Clipper
Kathy Kapos, Salt Lake Tribune
Wil Grey, Deseret News
Brooks Glenn, University of Utah journalism student

INVOCATION: Robert Dewey

WELCOME

Acting Chairman Bate welcomed those in attendance, giving a special welcome to the City Council and Mayor

FINANCE REPORT

Mr. Hess referred to the Budget Analysis for the Period ending January 31, 1988 and responded to questions from the Commission regarding the past month's expenditures and income. He noted that

1 Dispatcher Materials and Distribution Supplies are over budget for
2 this time of year and will be monitored closely; however, it is
3 imperative that the system stay up and running. Expenses are at 53%
4 of budget and revenue exceeds expenditures by \$423,000.00.

5
6 Mr. Hess referred to a copy of the Audit Report which focused on
7 the Power Department and noted that it was very positive in its
8 representation of the department. He expressed appreciation to those
9 in the department who had assisted in preparation of the audit and
10 doing the inventory, and Mr. Michaelis gave special thanks to
11 Commissioner Allen for his help with the inventory.

12
13 Commissioner Allen made the motion that the finance and audit
14 report be accepted as presented, Commissioner Bingham seconded the
15 motion and voting was unanimous.

16 17 MINUTES

18
19 Acting Chairman Bate called for approval of the minutes of January
20 19, 1988 and they were unanimously approved as written on a motion
21 made by Commissioner Bate and seconded by Commissioner Allen.

22 23 HYDROELECTRIC PROJECTS

24
25 East Canyon - HARZA Engineering Report: Bob Ivarson, representing
26 HARZA Engineering, reviewed that they completed the feasibility study
27 for the proposed East Canyon hydroelectric project late last year and
28 confirmed the theory of the BL&P staff that it is a feasible project.
29 He said that development of the hydro plant consists of drilling a
30 48" diameter hole through East Canyon dam and attaching to a penstock
31 which will deliver the water to a reinforced concrete power house
32 containing a horizontal Francis generating unit. The plant is
33 proposed to have a generating capacity of 2,000 Kw. He recognized
34 that penetration of the dam is a major concern to the residents in
35 the Morgan area and assured the Commission and Council that it would
36 be safe. He estimated the total project cost to be \$3,750,000.00,
37 including a \$590,000 contingency.

38
39 The license for the project requires that construction start in
40 mid-August and they are pointing for August 1st. He reviewed the
41 proposed project schedule, including bid dates and noted that the
42 schedule ties to the fact that the penetration can best be done next
43 fall when the reservoir is low.

44
45 Mr. Ivarson presented slides from a similar job which was done by
46 HARZA in New York state, noting that the penetration was considerably
47 larger--16 feet in diameter with a 20-ft. bulkhead.

48
49 Commissioner Tingey asked if consideration had been given to the
50 lead time necessary in getting approvals from the BOR, in the event
51 that there was a delay. Mr. Ivarson said that the proposed schedule
52 anticipates timely approvals and they feel confident that the BOR
53 will give their approval. If, for some reason, there is a delay in
54 approval of the penetration, work on the project could be started at
55 another phase. In response to questions from the Commission and

1 Council, Mr. Ivarson confirmed that an on-site engineer from HARZA
2 will be on the project site whenever there is construction.

3
4 Mr. Michaelis reported to the City Council that this project had
5 previously been discussed by the Commission and it is their
6 recommendation that it be approved. Councilman Shafter made the
7 motion that the East Canyon hydroelectric project as presented by
8 HARZA engineering be approved and that authorization be given for
9 the project to get under way. Councilman Gramoll seconded the motion
10 which carried unanimously. Mayor Stahle noted that although
11 Councilman Barton was not in attendance, he is supportive of this
12 project.

13
14 Lost Creek - Bingham Engineering Report: Ken Fannesbeck,
15 representing Bingham Engineering, reviewed the background of the
16 proposed Lost Creek hydroelectric project and showed its location on
17 an aerial map, particularly as it relates to the other hydroelectric
18 projects. The dam was built 22 years ago and has been operated by
19 the Weber Basin Water Conservancy District for the purpose of
20 irrigation. It is proposed that the hydroelectric project would
21 attach to an existing spillway with two outlet valves, running the
22 penstock the length of the outlet tunnel and then bury the penstock
23 and bring it to the proposed power house site which would be located
24 on a small peninsula with an access bridge to it.

25
26 It is proposed that the power house would contain a single
27 horizontal Francis turbine which could generate 850 Kw or 3 Gwh per
28 year. Construction of the plant would be similar to the Echo
29 hydroelectric project. He said the most difficult aspect of the
30 project would be the actual connection to the outlet works. He
31 reviewed how Bingham proposed that this would be done and noted that
32 the plan provided for the flows to be diverted around the turbine if
33 it was necessary to bypass.

34
35 Mr. Fannesbeck said that the BOR has given tentative approval to
36 the concept of this project and he recommended that BL&P continue
37 with the project to the final design phase, acquire final approval
38 from the BOR, and then concentrate on the other proposed hydro
39 projects. The license for Lost Creek requires that construction
40 commence by August 1989. Mr. Michaelis reported that the Power
41 Commission has recommended this approach also, noting that it will
42 give time for the Pineview and East Canyon projects to be done.
43 Discussion followed on transmission of the power from Lost Creek and
44 anticipated funding for this project. Commissioner Tingey noted that
45 if a transmission line were built from Lost Creek to tie in to Echo,
46 the cost of the power would almost double.

47
48 Pineview Hydroelectric Project: Ralph Bird, representing the
49 Pineview Water System (a group composed of the Ogden River Water
50 Users Association, Weber/Box Elder Conservancy District, and the
51 Weber Basin Conservancy District) said that this group is hopeful of
52 working with Bountiful City on the development of a hydroelectric
53 project located at the Pineview dam and reservoir. The Weber/Box
54 Elder Conservancy District holds a license for this project which
55 must be commenced by March 16, 1988.

1 Ed Southwick, former general manager of the Ogden River Water
2 Users Association and presently a consulting engineer for the
3 Pineview group, reviewed the proposed project and the background on
4 the license. He said that the capacity of this project would be 1.8
5 Mw and he expressed concern about meeting the FERC deadline, inasmuch
6 as one two-year extension has already been granted. He proposed that
7 the project could be started by doing some work on the site
8 preparation for the power house and extending the penstock 300 ft.
9 west of the dam. He also suggested that the valves could be
10 purchased which will permit bifurcation of the line which runs down
11 Ogden canyon. The BOB has given tentative approval to this proposal
12 which hopefully will have a positive affect on the decision of FERC.
13 Mr. Southwick said that the Board of Directors of the Water Users
14 association has recently approved the proposed Power Sales Agreement
15 which provides for Bountiful to purchase all of the power from this
16 project (above their ownership share).

17
18 Mr. Bird indicated that Bingham Engineering has been retained by
19 the Water Users to assist with this project and Commissioner Bingham
20 stated that he felt it would be to Bountiful's advantage to join with
21 the Pineview Group in development of this project. He said that if
22 the Commission and Council did choose to go forward with this
23 project, they would not find a more competent water management group
24 than the Pineview group. He stated that the water is managed well
25 and the project would be profitable. He pointed out that the
26 Association not only has the authority, but the desire to provide an
27 additional \$40-50,000 worth of power production which would otherwise
28 not be there without good water management.

29
30 Commissioner Bingham stated that the project would use a single
31 horizontal Francis turbine with a projected total project cost of
32 \$3,273,000.00. Councilman Gramoll asked if there would be any
33 conflict between the hydroelectric project and the UP&L facility
34 downstream on the Ogden River, and Mr. Southwick explained that there
35 would be no interference because UP&L's water rights are for the
36 water at the "top of the reservoir". He also noted that the Pineview
37 Group has a good working relationship with UP&L. Commission Bingham
38 also pointed out that another favorable aspect of this project is
39 that it will put power into the UP&L system at a point which will
40 reduce present wheeling demands.

41
42 Mr. Southwick pointed out that this is an excellent facility for
43 a hydro project because the 321 sq. mile drainage area can produce
44 170,000 acre feet of water per year and can fill the reservoir with
45 60-70 percent of normal precipitation on an annual basis.

46
47 Mr. Michaelis explained that Bountiful would build the project
48 and take all of the power and at the conclusion of construction of
49 the project, an Agreement would be worked out for the ownership
50 transfer. Mr. Garlic reviewed the projected cost breakdown for the
51 project, with financing over a 15-year period. The initial cost of
52 the power would be approximately 67 mills, and would reduce to 28
53 mills after 15 years. Mr. Michaelis said it is the recommendation
54 of the staff that the project be financed through the Future Power
55 Fund; and if there is not sufficient money in that fund, that money

1 be borrowed from the City General Fund with interest. The initial
2 cost to start the project would be \$290,000.00.
3

4 Mr. Michaelis reported to the City Council that it is the
5 recommendation of the Power Commission that we go ahead with the
6 Pineview project. Councilman Shafter made the motion that \$290,000
7 be approved for the Pineview project. Commissioner Tingey noted that
8 there several items were not addressed in the proposed Agreement and
9 after pointing those out, Councilman Shafter amended his motion to
10 include that approval of the project be subject to the following
11 conditions:
12

13 (1) That the contract define the following points: (a)
14 relationship of the parties; (b) the specific rights and
15 responsibilities of each of the parties; (c) management for the
16 project; and (d) ownership.
17

18 (2) Approval of the contract by the City Attorney and Mac
19 Watkins.
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21 (3) A positive recommendation from Joe Novak, the water ricjts
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25 The motion also provided for authorization for the Mayor and City
26 Recorder to sign the Agreement and that the final document be brought
27 back to the Council in its final draft. Councilwoman Southwick
28 seconded the motion which carried unanimously.
29

30 Weber. This item will be discussed in Executive Session.
31

32 At this time the meeting recessed for a short break.
33

34 **POWER SYSTEMS OPERATION REPORT**
35

36 UAMPS Joint Cooperative Action Agreement Change. Mr. Michaelis
37 explained that a change in the referenced Agreement has been proposed
38 which would provide for members of the Board of Directors to be
39 elected by a vote of the majority of the number of representatives
40 in attendance at a meeting, rather than requiring a majority of all
41 members. He recommended that the Amendment to the Agreement be
42 approved and the Commission confirmed this recommendation on a motion
43 made by Commissioner Bingham and seconded by Commissioner Allen.
44 Voting was unanimous.
45

46 A motion was then made by Councilman Gramoll that the Amendment
47 be approved as recommended, Councilwoman Southwick seconded the
48 motion and voting was unanimous.
49

50 Bid Approval for Equipment Storage Shed. Mr. Thomas reviewed that
51 bids had been received for a new 6-bay storage shed, included in the
52 budget, which is being proposed for the purpose of housing equipment
53 and the portable transformer. He recommended that the bid be awarded
54 to low bidder, B & C Building, in the amount of \$43,900.00. He said
55 that the Pineview Water User group has a similar building (wood-
56 framed with a steel cover) constructed by the contractor and he feels

1 comfortable with this recommendation. Commissioner Allen made a
2 motion that this bid be presented to the Council for acceptance.
3 Commissioner Dewey seconded the motion and voting was unanimous.
4 Councilman Shafter then made the motion that the bid be approved.
5 Councilwoman Southwick seconded the motion and voting was unanimous.
6

7 Bid Approval for New Backhoe: Mr. Thomas reported that bids were
8 received for a new backhoe and he recommended that the bid from Scott
9 Machinery for a John Deere be approved in the amount of \$27,652.00.
10 He noted that there was one lower bid (Century Equipment); however,
11 it was felt that the braking system was better in the John Deere and
12 the Case did not meet all of the specifications. Following
13 discussion of this recommendation, Commissioner Bingham made the
14 motion that the bid be awarded as recommended by staff and that a
15 recommendation be given to the City Council to this effect.
16 Commissioner Tingey seconded the motion which carried unanimously.
17 The Council then confirmed this action with a unanimous vote on a
18 motion made and seconded by Councilwoman Holt and Councilman Gramoll,
19 respectively.
20

21 Cost of Service Rate Study Report. Mr. Hardy reviewed that it is
22 the policy of the City that people should pay for what they get based
23 on what the cost of the service is. In an effort to fairly
24 distribute costs for serving power to the residents of the City, a
25 cost of service rate study has been made by David Tuttle, a UAMPS
26 staff member. Mr. Hardy reviewed the results of the study which
27 pointed out that due to the rate structure which the City has been
28 using, those persons who use the most power pay at the lowest rate,
29 and those who use only the minimum of power pay at the highest rate.
30 He pointed out that other municipalities and privately-owned utility
31 companies have switched to a rate structure which provides an
32 incentive for energy conservation and higher rates are applied to
33 those who use more power.
34

35 Mr. Hardy reviewed in detail the number of users in low, average,
36 and high-user categories and the affect the present rate structure
37 has on them--for residential, small commercial, and large commercial
38 groups. He then recommended that a new rate structure be adopted
39 which would provide for the rate to be based on the cost of service.
40 He reviewed how this would affect the monthly bill of each group and
41 recommended that the new rate structure be implemented. Discussion
42 followed on the impact this would have on the various user groups and
43 how the new rates should be implemented. Mr. Hardy recommended that
44 the new rates become effective either April 1st or May 1st. It was
45 the suggestion of Commissioner Tingey that a personal visit be made
46 to those who will be affected most greatly. Mr. Hardy suggested that
47 a notice could be sent in all three billing cycles to inform the
48 users of the new rate structure. It was noted that the new rates
49 would be revenue neutral. Mr. Michaelis noted that WAPA requires us
50 to perform in the area of Energy Conservation or we are subject to
51 lose 10% of our CRSP allocation and this is one area which helps us
52 to comply. He then recommended that the flat rate be adopted as
53 recommended.
54

1 Commissioner Bingham made a motion that a recommendation be made
2 to the City Council to implement a new rate structure, as discussed.
3 Commissioner Allen seconded the motion and voting was unanimous.
4

5 Councilman Gramoll then made the motion that the Council adopt
6 the new rate structure as discussed and recommended, with the
7 stipulation that it be implemented on May 1, 1988 and that notice be
8 given to the users as outlined. Councilman Shafter seconded the
9 motion. He also suggested that users be provided with energy
10 conservation tips. The motion carried unanimously.
11

12 Outage Report - Month of January, 1988. Mr. Michaelis asked if
13 there were any questions on the outage report in the packet and
14 Commissioner Allen commended the staff for their diligence in keeping
15 the power on. Mayor Stahle also expressed appreciation to the staff
16 for the excellent job which is being done in the Power Department.
17

18 Systems Resource Report - Month of December, 1987. This item was
19 not discussed in the meeting.
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21 **ADJOURN**

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23 The meeting adjourned to Executive Session at 9:30 p.m.
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25 /s/ _____
26 Vaughn Bate, Acting Chairman
27 er Commission
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31 **MAYOR**

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36 CITY RECORDER
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