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**MINUTES OF THE
JOINT MEETING OF THE BOUNTIFUL CITY COUNCIL
AND
BOUNTIFUL LIGHT AND POWER COMMISSION
April 26, 2005 - 6:00 p.m.**

Those in Attendance

City Council

Mayor: Joe Johnson
Council Members: Richard Higginson
Barbara Holt
R. Fred Moss (Power Commission representative)
Thomas Tolman
City Manager: Tom Hardy
City Attorney: Russell Mahan
Admin. Services Dir: Galen Rasmussen
City Recorder: Kim J. Coleman

Power Commission

Lowell Leishman, Chairman
Richard Foster
David Irvine
Jed Pitcher
Paul Summers

Power Department

Clifford Michaelis, Director
Mark Athay
Greg Bellon
Jay Christensen
Allen Johnson
Brent Thomas

Excused

John Pitt, Councilman
Ralph Mabey, Power Commissioner

Recording Secretary

Nancy T. Lawrence

WELCOME

Chairman Leishman recognized the Mayor and City Council and called the meeting to order at 6:00 p.m., welcoming those in attendance.

INVOCATION

Commissioner Foster offered the invocation.

MINUTES

Minutes of the regular meeting of the Power Commission held March 29, 2005 were presented and unanimously approved as written on a motion made by Commissioner Summers and seconded by Commissioner Foster.

2005-2006 BUDGET

Mr. Michaelis reviewed problems (industry fraud, drought, mild weather patterns, etc.) over the past five years which have resulted in net deficits for Bountiful City Light and Power. In preparing the 2005-06 budget, several scenarios were considered, including (1) *no rate increase*, (2) *a 3.5% rate increase*, and (3) *a 5% rate increase*. Operating deficits would exist

1 with both the 0% and the 3 percent rate increase; however, with a 5 percent rate increase,
2 projected revenue would exceed expenses by \$173,504.00, some capital projects could be funded
3 and contributions could be made to the reserve accounts. A five percent rate increase would
4 increase BCL&P rates compared to the competition.

5
6 The operating philosophy of Bountiful City Light and Power has encompassed three
7 main goals: to provide (1) low cost electricity; with (2) excellent customer service, and (3) the
8 most reliable electrical service. The group discussed these goals and it was noted that reliable
9 service was the most critical component. Mr. Michaelis explained that the proposed budget is
10 based on a very conservative revenue picture (recognizing the potential of high energy prices and
11 low demands for electric metered sales (EMS). The final payment to UAMPS of its Cost
12 Recovery Charge is scheduled for April 2006 and after that time, additional revenue will be
13 available.

14
15 Mr. Michaelis reviewed the power resources and contributions to Future Power and
16 Emergency Equipment funds. He noted that the proposed 2005-06 budget, with a five percent
17 rate increase, includes 34 full time employees (no change from the 2004-05 budget), a three
18 percent cost-of-living adjustment, and eliminates the contract tree crew. Discussion focused on
19 the critical need to keep the trees trimmed in order to provide reliable service. Following a
20 penetrating discussion, Commissioner Pitcher recommended consideration of a rate increase of 7
21 - 8 percent to provide for necessary maintenance and the possibility of increased costs of future
22 power resources. In response to a question from Councilwoman Holt, Mr. Thomas stated that
23 the crews are currently behind in the tree trimming work, with only two of sixteen major feeders
24 completed. And once the entire system has been trimmed, a three-year return cycle should be
25 implemented. Based on the fact that tree trimming is critical to maintaining reliability,
26 Commissioner Paul Summers made a motion to recommend a six (6) percent rate increase for the
27 2005-06 FY with one percent allocated specifically to tree trimming. Commissioner Pitcher
28 seconded the motion and voting was unanimous.

29
30 The Council was excused at this time (7:15 p.m.).

31
32 There were no further action items. The following items were included in the packet
33 which was presented to the Commissioners, but were discussed briefly:

34
35 UAMPS PX Report
36 Echo/Pine View Update
37 March 2005 Work Related Injuries/Safety Report
38 March 2005 Public Relations Report
39 March 2005 Outage Report
40 February 2005 Systems Resource Report

41
42 The meeting adjourned at 7:45 p.m.

