

1                   **MINUTES OF THE JOINT MEETING OF THE CITY COUNCIL**  
2                   **AND BOUNTIFUL LIGHT AND POWER COMMISSION**  
3                   **April 25, 2000**

4  
5                   **Those in Attendance**

6  
7                   **Power Commission**

8                   H. Keith Barton, Chairman  
9                   Jack Barnett  
10                  Richard Foster  
11                  Sam Fowler, Council Representative  
12                  David Irvine  
13                  Lowell Leishman  
14                  Ralph Mabey

15  
16                  **Mayor City Council**

17                  Mayor John Cushing  
18                  Barbara Holt  
19                  Stewart Knowlton  
20                  J. Gordon Thomas

21  
22                  **Visitors**

23                  Tom Hardy, City Manager  
24                  Galen Rasmussen, Administrative Services Director  
25                  Julie Christensen

26  
27                  **WELCOME**

28                  Chairman Barton called the meeting to order at 6:30 p.m. and welcomed those in  
29                  attendance.

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31                  **INVOCATION**

32                  The invocation was offered by Councilman Fowler.

33  
34                  **REVIEW & RECOMMENDATION FOR APPROVAL OF THE 2000-2001**  
35                  **FISCAL YEAR BUDGET**

36                  Mr. Michaelis stated that our CRSP resource is our most significant (both in terms of cost  
37                  and volume) and he reviewed the events which have occurred since CRSP was required to do an  
38                  Environmental Impact Study in 1989. The very existence of this resource was threatened and  
39                  after 11 years of study and consideration, we have received a new contract which extends our  
40                  CRSP allocation to the year 2024. (The resource is guaranteed for that period, but the price is  
41                  not).

42  
43                  Mr. Michaelis presented the proposed Bountiful City Light and Power Budget for FY  
44                  2000-2001 and summarized that this is its tenth revision and is very tight. However, it does not  
45                  compromise the system and allows for upgrading to keep the system reliable. The budget,  
46                  balanced at **\$17,949,381.00**, includes a 2 percent projected increase over 1999-2000 actual

1 electric metered sales (EMS), and a 2.46 percent projected increase for Air Products. These  
2 increases were based on volume growth only; *there were no increases in rates*. Mr. Christensen  
3 reviewed highlights of the proposed budget, including power generation and resources, with a  
4 projected 3.48% increase due to growth in EMS and higher spot market prices. Operating  
5 Expenses reflect a 3 percent cost of living adjustment, as well as a contribution of \$126,142  
6 toward a new office building. Capital Expenditures include the underground distribution line on  
7 200 West, Phase 5 of the 46 kV transmission line project, impact of Legacy Highway on the 138  
8 kV substation and transmission line, installation of fiber optic cable (if and when needed), and an  
9 upgrade of the SCADA system.

10  
11 BCL&P will continue to make a double principal payment and the interest payment on  
12 the loan from the City for the San Juan Project. BCL&P will continue to make contribution of  
13 15% of electric metered sales to the City General Fund. An allocation of \$950,000 to the Future  
14 Power fund is also included in the proposed budget. The (\$1,317,580.00) actual costs for the  
15 purchase of the Val Verda Annexation, and including separation costs, were less than estimated  
16 (\$1,324,200.00) and Bountiful Power requests that its budget be opened and balanced in this  
17 amount from the Operating Fund "Cash in Bank" account.

18  
19 Mr. Christensen concluded the budget presentation with a brief review of the five-year  
20 capital projects plan, which includes paying off the San Juan Project loan (intra-city),  
21 construction of a second 138-kV substation, minor rebuild of the Northwest and Southwest  
22 substations, completion of the rebuild of the 46 kV transmission line, construction of a new  
23 office building for BCL&P, and a possible future power resource capable of supplying 5  
24 megawatts plus.

25  
26 Mr. Michaelis and Mr. Christensen responded to questions from the group, and Mayor  
27 Cushing expressed appreciation for the work of the staff and Committee in preparing this budget.  
28 As a member of the Power Committee and representing Councilmen Fowler and Thomas on that  
29 committee, Mayor Cushing made a motion to approve the budget as presented. Councilman  
30 Fowler seconded the motion and it was unanimously approved. Mayor Cushing also expressed  
31 appreciation to the members of the Power Commission for their service to the City staff and the  
32 citizens of the community. The Mayor and City Council members were excused at this time.

33  
34 **MINUTES - MARCH 2000**

35 Minutes of the regular meeting of the Power Commission held March 21, 2000, were  
36 presented and unanimously approved with one correction on a motion made by Commissioner  
37 Foster and seconded by Councilman Fowler.

38  
39 **FINANCES REPORT - MARCH 2000**

40 Mr. Christensen presented the Review of Financial Statements for the Year-to-Date Eight  
41 Month Period Ended February 29, 2000 which resulted in a net difference between total revenue  
42 and total operating expenses and capital expenses of \$<487,799> (a negative figure). He  
43 explained that the effects of the Val Verda annexation and less income from Air Products than

1 expected accounted for the shortfall, which was partially offset by Electric Metered Sales which  
2 was 1.05% over budget. Capital Expenditures at this point are slightly over the YTD budget  
3 (2.02%) due to the annexation and one-time adjustments of \$339,434 to various capital accounts  
4 to reflect actual inventory usage which had not been previously recorded. Following a brief  
5 discussion, Commissioner Leishman made a motion to accept the financial statement review as  
6 presented. Commissioner Barnett seconded the motion and voting was unanimous.

7  
8 **46 KV TRANSMISSION ENGINEERING BID APPROVAL**  
9 **PHASE V / 138 SUBSTATION/ LEGACY HIGHWAY UPDATE**

10 Mr. Velarde reported that Phase 3 of the 46 kV transmission line is complete, with the  
11 exception of a hold on the optic guy wire due to uncertainties regarding the Legacy Parkway  
12 project.

13  
14 Conceptual plans (including costs) have been prepared for the relocation of the impacted  
15 facilities as it relates to the 138 substation and impacts from the Legacy Highway. Both cost  
16 estimates for overhead and underground alternatives were developed and forwarded to UDOT  
17 this week.

18  
19 Due to recent developments with plans for reconstruction of State Highway SR 102 (200  
20 West) between 500 South and 400 North, construction of Phase IV will be placed on hold until  
21 fall of 2001. Finalization of the engineering for the project cannot be completed until materials  
22 are purchased and geotechnical work has been performed.

23  
24 Phase V of the 46 kV transmission project has been prioritized due to the reconstruction  
25 of 200 West street between 400 North and 500 South. This project includes widening of the road  
26 and necessitates relocating the power facilities. The under built distribution system will be  
27 placed underground. This work, as well as the steel transmission structure foundations for the  
28 transmission lines, will remain overhead and need to be installed prior to hard winter conditions  
29 (fall 2000). In response to a request from BCL&P, SSR Engineering submitted a proposal to  
30 provide the engineering services for Phase V in the amount of \$29,663.00. It is staff  
31 recommendation to approve this proposal. Commissioner Barnett made a motion to this effect,  
32 Commissioner Leishman seconded it and voting was unanimous. In response to a question from  
33 Chairman Barton, Mr. Michaelis said that the State will be participating in the costs of this  
34 project, replacing overhead with overhead construction. The costs of putting the distribution  
35 system underground will be greater than if we were to have remained with overhead construction  
36 and this cost difference will come from the BCL&P budget.

37  
38 Mr. Velarde explained that the staff has asked SSR Engineering to provide a proposal to  
39 implement drawing changes to the Power Plant, Central Substation, and Southeast Substation  
40 drawing sets. The drawing updates include 63 drawings, and are to be performed in conjunction  
41 with As-built updates that are to be performed by SSR Engineering for previous projects. It is  
42 the staff recommendation that the proposal from SSR in the amount of \$1,284.00 be approved.  
43 Commissioner Leishman motioned for approval of the \$1,284.00 proposal, Commissioner

1 Mabey seconded the motion and voting was unanimous.

2  
3 **POWER SYSTEMS OPERATIONS REPORT**

4 **UAMPS PX Report.** Mr. Michaelis referred to the write-up in the packet and noted that  
5 a more formal report will be given at the next meeting.

6  
7 The following sub-reports were referenced in the packet, but not discussed in the  
8 meeting:

- 9
- 10 March 2000 Work Related Injuries/Safety Report
- 11 March 2000 Public Relations Report
- 12 Outage Report - March 2000
- 13 Systems Resource Report - February 2000
- 14

15 **OTHER BUSINESS**

16 The next meeting of the Power Commission will be held May 16<sup>th</sup>. Commissioner  
17 Mabey indicated that he may be out of town that evening.

18  
19 Mr. Michaelis asked if members of the Commission would let him know if they would  
20 like to attend the national conference in Orlando. Reported as attendees at this time are Mayor  
21 Cushing, Councilman Fowler, and Commissioners Barton and Foster.

22  
23 Mr. Michaelis expressed appreciation to the Power Commission members for the  
24 tremendous support that they give to the City and specifically, to the operation of BCL&P.

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26 **NEW BUSINESS**

27 None

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29 **ADJOURN**

30 The meeting adjourned at 7:56 p.m. on a motion made by Commissioner Leishman and  
31 seconded by Commissioner Foster.

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35 H. KEITH BARTON, Chairman

JOHN R. CUSHING, Mayor

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37  
38 KIM J. COLEMAN, City Recorder

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