

1 **MINUTES OF THE BOUNTIFUL LIGHT AND POWER COMMISSION**
2 **February 19, 1998**

3
4 **Those in Attendance**

5
6 **Power Commission**

7 H. Keith Barton, Chairman
8 Richard Foster
9 Sam Fowler, Council Representative
10 David Irvine
11 Ralph Mabey
12 William P. Moore

6 **Power Department**

7 Clifford Michaelis, Director
8 Alan Farnes (ar. 7:42 p.m.)
9 Vernile Hess
10 Allen Johnson

12 **Recording Secretary**

13 Pat Wood/Nancy Lawrence

14 **Guests**

15 Mayor Cushing (ar. 7:40 p.m.)

16
17 **Excused**

18 Lowell Leishman, Commissioner
19 Brent Thomas, Manager of Operations

20
21 **WELCOME**

22 Chairman Barton welcomed those in attendance, giving a special acknowledgement to
23 David Irvine, newly appointed to the Power Commission. He reviewed Mr. Irvine's credentials
24 and expressed appreciation for his willingness to serve on the Power Commission.

25
26 **INVOCATION**

27 Councilman Fowler offered the invocation.

28
29 **RECOGNITION FOR "TIME IN SERVICE" ON THE POWER COMMISSION**
30 **(JED PITCHER)**

31 Mr. Pitcher was unable to attend tonight's meeting and this item will be postponed to a
32 future time.

33
34 **MINUTES**

35 Minutes of the regular meeting of the Power Commission held January 1998 were
36 distributed to each commissioner and they will be approved at the next regular meeting.

37
38 **FINANCE REPORT - January 1998**

39 Chairman Barton presented the Finance Report for Period Ending January 31, 1998 and
40 asked if there were any questions on the revenue items. There were none. He then moved on to
41 the expenses, noting that he did not see anything that merited discussion. Revenues for the year
42 to date exceed expenses and capital in the amount of \$1,146,188.00. Commissioner Foster asked
43 why the Capital Expenditures were so low, compared to budget, and Mr. Michaelis explained
44 that the new office building is being put on hold in an attempt to build up the money and pay
45 cash for that building. In the meantime, for the next two to three years the existing plant facility

1 will be refurbished. For the benefit of Commissioner Irvine, Chairman Barton reviewed capital
2 outlay accounts. Mr. Hess pointed out that the Reserve accounts have been invested and are
3 yielding a good return in the form of interest income. Councilman Fowler made a motion to
4 approve the Finance Report, as presented. Commissioner Moore seconded the motion and
5 voting was unanimous.

6
7 **SOUTH EAST SUBSTATION UPDATE**

8 Mr. Johnson reviewed that we are working to finalize the Southeast substation. There is
9 still some landscaping that needs to be done and the second transformer (around \$300,000) has
10 not yet been purchased and installed. He noted that when this transformer is purchased, the
11 capital expenditures will reflect the change and net income will decrease. He stated that the
12 completed project should come in very close to budget.

13
14 One of the items that was not included in the original proposal was for the final as-built
15 drawing completion. We have changed the engineering software since the beginning of the
16 project and are desirous at this time of converting the drawings to AutoCAD and have originals
17 reproduced. SSR Engineering estimates that the cost to do this work will be \$11,540. It is the
18 staff recommendation that approval be given for this expenditure. Commissioner Foster made a
19 motion to this effect, Councilman Fowler seconded the motion and voting was unanimous.

20
21 Chairman Barton asked what the final completion date will be and Mr. Johnson estimated
22 about ten months.

23
24 **138 KV SUBSTATION REBUILD UPDATE**

25 Mr. Johnson reviewed the three options which were received from SSR Engineers for the
26 “Detailed Construction Estimates”. Option 1 (estimated cost \$725,500) and Option 2 (est. cost
27 \$1,875,000) are identical except for the fact that the existing 55.8 MVA transformer in Bay 2
28 will be replaced with a new 100 MVA unit . All 46 kV bus not rated for 1200 amps will be
29 replaced.

30
31 Option 3 (est. cost is \$1,215,000) is identical to Option 1, with the exception that the
32 existing transformer in Bay 2 will be paralleled with an existing 40 MVA transformer. He
33 pointed out that the third option will increase the capacity of the second 138 kV source.
34 However, BCL&P will be limited to 84 MVA due to the difference in impedance between the
35 two transformers.

36
37 Discussion followed regarding the three options and environmental and financial
38 implications for this project. It is the staff recommendation to go with Option No. 2 with a 112
39 MVA transformer, and with the condition that the transformers which are being taken out of
40 service will be marketed, which should bring down the cost of Option 2 to within \$200,000 -
41 300,000 of Option 3. Commissioner Foster made a motion that a recommendation be given to
42 move ahead under Option 2; more refined costs will be presented later. Mr. Michaelis also
43 requested the go-ahead to continue negotiations with UP&L. Commissioner Moore seconded
44 the motion and voting was unanimous.

1 **POWER SYSTEMS OPERATIONS REPORT**

2 **Deregulation and Electrical Restructuring Update.** Mr. Michaelis reported that
3 House Joint Resolution HJR 7 was passed by both the House and Senate. Senate Bill 67 ,
4 which provides for restructuring to begin, has not yet been adopted. He said that he is hopeful
5 that Utah will not embark on deregulation without first monitoring that process as other states
6 deregulate.

7
8 **New Logo Recommendation.** Mr. Michaelis reported that some have expressed concern
9 regarding the logo for the Power Department and he presented two different proposals of a new
10 logo for the Commission’s consideration. He explained that the intent of the proposed logos is
11 to assist in providing a high profile to Bountiful City Light and Power. In a straw vote by
12 department members, the two proposals were about the same. Chairman Barton suggested that
13 the features of the two proposals be combined and brought back to the Commission.

14
15 **East Canyon Legal.** Mr. Michaelis reviewed that we hold a construction license on East
16 Canyon and nothing has been done pending the safety evaluation of the existing dams. The
17 study is complete enough that it appears that it will not have a negative effect on the dam; we
18 would like to maintain our license and need to receive another two year expansion. He also
19 noted that Mac Watkins, attorney for the hydro projects, will be retiring and will need to be
20 replaced. Arrangements were made for Mr. Michaelis to call the Power Commission and get a
21 phone response regrading the selection of legal counsel.

22
23 **The following items were in the packet, but not discussed in the meeting:**

- 24 Work Related Injuries/Safety Report
- 25 January 1998 Public Relations Reports
- 26 Outage Report - January 1998
- 27 Systems Resource Report - November 1997

28
29 **NEW BUSINESS**

30 Chairman Barton indicated that the next regular meeting will be March 19, 1998
31 (Thursday).

32
33 He referred to the upcoming APPA convention in San Antonio (June 15-17) and noted
34 that Commissioner Moore and Commissioner Mabey are scheduled to attend this event.

35
36 **OTHER BUSINESS - EXECUTIVE SESSION**

37 At the request of Commissioner Barton, the meeting adjourned at 7:40 p.m. to executive
38 session for the purpose of discussing potential litigation.