

1                                   **MINUTES OF THE JOINT MEETING OF THE**  
2                                   **BOUNTIFUL CITY COUNCIL AND THE**  
3                                   **BOUNTIFUL LIGHT AND POWER COMMISSION**  
4                                   **April 27, 2004**

5  
6                                   **Those in Attendance**

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8                   **Power Commission**

9                   H. Keith Barton, Chairman  
10                  Richard Foster  
11                  David Irvine  
12                  Lowell Leishman  
13                  R. Fred Moss  
14                  Paul Summers

8                   **Power Department**

                  Clifford Michaelis, Director  
Mark Athay  
Jay Christensen  
Allen Johnson  
Kent Servoss  
Brent Thomas

15  
16                  **City Officials**

17                  Mayor Joe L. Johnson  
18                  Richard Higginson, Councilman  
19                  Barbara Holt, Councilwoman  
20                  John Pitt, Councilman  
21                  Thomas Tolman, Councilman  
22                  R. Fred Moss, Councilman  
23                  Tom Hardy, City Manager  
24                  Russell Mahan, City Attorney  
25                  Galen Rasmussen, Admin. Serv. Director

16                  **Recording Secretary**

Nancy T. Lawrence

26  
27                  **Excused**

28                  Ralph Mabey, Power Commissioner

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30                  **WELCOME**

31                  Chairman Barton called the meeting to order at 6:00 p.m. and welcomed those in  
32                  attendance.

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34                  **INVOCATION**

35                  The invocation was offered by Commissioner Summers.

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37                  **2004-2005 BUDGET**

38                  Mr. Michaelis narrated a PowerPoint presentation which started with the mission  
39                  statement of the Bountiful Power Department. In summary, the goal of the Department is to  
40                  provide a highly reliable service, at the lowest cost, with the excellent customer service. He then  
41                  reviewed the following philosophies related to achieving these goals and the rationale for the  
42                  philosophies:

- 43                  a) The distribution substation transformers should not be loaded to their full name  
44                  plate capacity under normal operation.  
45                  b) The normal loading on feeders should be limited to a balanced 230 amps or below at

1 peak.

- 2 c) The City should be able to operate on either one of the two 138/46kV transformers at  
3 the 138 substation.
- 4 d) The entire load of the City should be able to be carried on either the north or south  
5 loop, with the Central Substation being at the center.
- 6 e) As substations are re-built or upgraded, the mobile interconnections used with the  
7 mobile transformer need to be available.
- 8 f) The feeders in the Central Substation and especially Feeder 671 which feeds the  
9 hospital should not be fully loaded so that the plant can be black started.

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11 Mr. Michaelis then identified known deficiencies or deviations from these philosophies  
12 and the work necessary to correct the problems along with projected costs. The proposed  
13 projects were planned over a five-year period and included substations, the transmission system,  
14 overhead and underground distribution systems, the mobile transformer, tree trimming, the plant  
15 and hydros, and the SCADA system.

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17 The following projects are recommended for the summer of 2004:

- 18 1) Repair the transformer and its load tap changer at the northeast substation.
- 19 2) Begin installing ground rods at all transformers and riser poles along with bonding  
20 the metallic conduits on underground dips.
- 21 3) Install a new switch and move the underground dip at 1542 East Lakeview Drive.
- 22 4) Move the load from feeder 371 to feeder 372 on the area at about 800 East between  
23 400 North and 500 South.
- 24 5) Install two phases down Millbrook Way to balance underground system in Bountiful  
25 Hills.
- 26 6) Run a new feeder up 1800 South from Feeder 473.
- 27 7) Install new single conduit and conductors on the dip on the west side of the golf  
28 course on Feeder 472.

29  
30 Mr. Michaelis reviewed that electric metered sales is up 11.5 percent in the 2004-05  
31 proposed budget. This includes a 10.8% increase in rate increase to cover the higher cost of  
32 purchased power and to provide a \$330,000 allocation to proposed capital improvement costs of  
33 the 5-year plan. Air Products's rate factor will be adjusted to bring them to average system  
34 costs. Total revenue is budgeted to increase 12.3 percent.

35  
36 Generation costs are projected to increase 11.2 percent, due to higher cost of power to  
37 replace CRSP's reduced allocation because of the drought, and to the rising costs of natural gas  
38 and coal. Mr. Michaelis reviewed the major firm resources and their costs, as well as  
39 contributions to the General Fund, Future Power Fund, and Emergency Equipment Fund.  
40 Transfers identified in the 2004-05 budget include \$60,000 from Future power for the Echo  
41 hydro upgrades (Bountiful's share) and \$40,458 from the emergency equipment fund for the  
42 insurance payment for boiler and machinery coverage. Operating Expenses include a 2 percent  
43 cost-of-living increase for 34 full time employees.

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In response to a question from Mayor Johnson, Mr. Hardy stated that the ten percent rate increase will become effective for all billings beginning July 1, 2004, this would include June 2004 usage. Discussion focused on the possibility of bonding in order to accelerate the timetable for the five-year capital improvements, and it was noted that bond rates are very favorable at this time. Mr. Hardy suggested that within the next two years we will have a better feel for where the system is in terms of funding capital improvements.

In an effort to reduce accounts receivable bad debt, Mr. Michaelis reviewed proposed changes in deposits, and proposed fees were also presented as part of the budget package. Councilman Moss motioned that the budget, as presented, be recommended to the City Council for approval. Commissioner Summers seconded the motion and the Commission voted unanimously in support of the motion.

Councilman Moss, as chairman, then motioned that the Budget Committee accept the proposed changes to rates, fees, and deposits, the budget as presented. Councilman Pitt seconded the motion and voting was unanimous.

The Council was excused at this time (7:05 p.m.) to their regular City Council meeting.

JOE L. JOHNSON, Mayor

KIM J. COLEMAN, City Recorder

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