

1 **MINUTES OF THE BOUNTIFUL LIGHT AND POWER COMMISSION**
2 **April 23, 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 Lowell Leishman
12 William P. Moore

6 **Power Department**

7 Clifford Michaelis, Director
8 Mark Bradley
9 Allen Johnson
10 Brent Thomas

12 **Recording Secretary**

13 Nancy Lawrence

14 **Guests**

15 Mayor Cushing
16 Tom Hardy, City Manager
17 Galen Rasmussen, Admin. Services Dir.

18
19 **Excused**

20 Ralph Mabey, Commissioner
21 Barbara Holt, Council Rep. to Power Budget Committee

22
23 **WELCOME**

24 Chairman Barton called the meeting to order and welcomed those in attendance.

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26 **INVOCATION**

27 The invocation was offered by Commissioner Foster.

28
29 **MINUTES**

30 Minutes of the regular meeting of the Power Commission held March 26, 1998 were
31 presented and unanimously accepted on a motion made by Commissioner Moore seconded by
32 Commissioner Foster.

33
34 **FINANCE REPORT - April 1998 and Proposed 1998-1999 Budget**

35 Mr. Bradley reported that the total revenue for this fiscal year is anticipated to be below
36 budget, chiefly due to less power purchased by Air Products. Expenses are also below budget
37 and are in line with lower revenues for the year. Capital expenditures are quite low because
38 three of the major capital projects have not been done (approx. \$1.3 million). One major capital
39 project that has been delayed is the remodeling and/or construction of a new Power Department
40 facility. Purchase of the electrical distribution system which services the Val Verda area has
41 been finalized and on initial payment of \$58,000 has been made. The total purchase cost could
42 be decreased about \$150,000 if all of the remaining unincorporated land in the Val Verda area is
43 annexed. The recent annexation accounted for 728 new residential customers. Purchase of the
44 system was not in this year's budget, but will be paid for from the fund balance. These factors
45 were considered when arriving at the revenue figure for next year's budget and it includes a 3

1 percent increase in metered sales. Next year's budget includes an overall increase of 2.5 percent
2 at \$17,136,492.00.

3
4 Expenditure for next year include a 2.5 percent cost-of-living adjustment and a 2 percent
5 increase in the retirement program. Remodeling/construction of a new Power Department
6 facility was included in the budget at \$300,000. Other major capital expenditures were also
7 noted.

8
9 Commissioner Moore asked how our rates compare with our competition and Mr.
10 Michaelis explained that we have the lowest rate for a large city and we are significantly lower
11 than UP&L (approximately 20 percent). However, UP&L rates are down to 6.7 cents/kwh and
12 this figure could go down again. If it does, BCL&P will need to look at reducing our rates. In
13 response to a question from Chairman Barton, Mr. Michaelis said that we plan to purchase our
14 own contract firm power, but at times hope to be able to sell our firm contract power and then
15 pick up spot market power at a lower cost.

16
17 Following a short discussion on the budget, Chairman Barton thanked the staff for the
18 fine job that has been done. Commissioner Leishman made a motion to accept the proposed
19 budget and recommend it to the City Council. Commissioner Moore seconded the motion and
20 voting was unanimous.

21
22 Commissioner Moore then made a motion to approve the finance report for the month of
23 March 1998, as discussed. Councilman Fowler seconded the motion and voting was unanimous.
24 The Commission requested the following reports in the future:

- 25
26 1. That future budgets have all of the revenue section first; then all expenses,
27 etc. so that like amounts are grouped; and
28
29 2. That a comparison of salary to budget, year-to-date (by labor
30 classifications) be included, current year actual against budget.

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32 **46 KV TRANSMISSION LINE SWITCH (Bid Recommendation/Approval)**

33 Mr. Johnson reported that the design and specifications for phase II of the transmission
34 line upgrade are moving along on schedule.

35
36 Bids were received on three sets of 46 kV group operated switches and it is
37 recommended that the bid be awarded to low bidder, Northern Power, for Morpac switches in the
38 amount of \$11,465.00. Two of these switches will be used for the 46 kV line and one will be on
39 the 46 kV line in front of Fred Meyer. SSR and staff reviewed the bids. The switches will carry
40 a 5-year warranty. Commissioner Leishman made a motion to accept the bid as recommended,
41 in the amount of \$11,465.00. Commissioner Foster seconded the motion and voting was
42 unanimous.

43 **POWER SYSTEMS OPERATION REPORT**

44 **Deregulation and Electrical Restructuring Update.** Mr. Michaelis stated that in Utah
45 the momentum going last year for deregulation has decreased and an effort is being made to

1 approach this matter in the correct way. The State Task Force has requested that each power
2 entity in the State provide a draft bill by the end of April.

3
4 **East Canyon Hydro Electric Project Discussion.** Mr. Johnson reported that it is the
5 recommendation of staff to not re-file the license for the East Canyon hydro project, but instead,
6 let it go back to FERC. The cost to develop this resource (60 mill) would require a rate that is
7 too high above the market rate. Councilman Barton noted that the East Canyon hydro project
8 was included as a cost justification in building the transmission line; and if it is not developed,
9 this will increase the cost/unit for Echo power.

10
11 The following Agenda items were in the packet, but not discussed in the meeting:

- 12 Work-Related Injuries/Safety Report
- 13 March 1998 Public Relations Reports
- 14 Outage Report - March 1998
- 15 Systems Resource Report - January 1998

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17 **OTHER BUSINESS**

18 The next Power Commission meeting will be May 21, 1998.

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20 **NEW BUSINESS** - None

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22 The meeting adjourned by official action at 7:20 p.m.