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POWER COMMISSION BOARD MEETING

Meeting Minutes February 7, 2017

Minutes of the Kaysville Power Commission Board meeting held Tuesday, February 7, 2017 at 7:00 P.M. in the City Council Chambers of the Kaysville City Municipal Center at 23 East Center St. Kaysville, Utah 84037.

Present: Mayor Steve Hiatt, Council Member Susan Lee, Board Member Sean Chilcote, Board Member Alan Farnes, Board Member Patrick Hein, Board Member John Loveless, Board Member Jordan Stephenson, Board Member Brok Thayn.

Others present: City Manager Shayne Scott, Power Superintendent Gary Hatch, Resource and Service Manager Bruce Rigby, Administrative Assistant Stacie Harward, City Recorder Maria Devereux, Greg Lewis, Tanalie Hein.

Opening Provided by Council Member Lee.

Board Member Patrick Hein needed to be excused at 7:25 for a few minutes for a family matter

Prayer Given by Sean Chilcote.

APPROVAL OF MINUTES

No minutes to approve

Council Member Lee recommended that everyone in attendance publically state their names.

Mayor Steve Hiatt was in attendance and asked if he could say a few words. He welcomed all to the board and thanked them for their willingness to serve on the board.

SELECTION OF OFFICERS

Council Member Lee recommended that this item either be postponed for another meeting or maybe wait until the end of the meeting before a selection is made. The board members decided to wait until the end of the meeting to make the selections of officers. The Chairman will be responsible for the conduct of the meeting. A Chairman and a Vice Chairman will need to be chosen. Duties will include the direction of the meeting following the agenda.

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REGULAR MEETING DAY AND TIME

Council Member Lee proposed that the meeting be held the first Tuesday of the Month at 7:00 PM. Everyone agreed that the time and date proposed would be the best option.

MEMBER COMPENSATION

Council Member Lee turned this agenda item over to the City Manager Shane Scott. City Manager Scott stated that the city ordinance will be set by resolution of \$50.00 dollars per meeting. This compensation will need to be approved by the City Council. It was recommended that the compensation be in line with the other commissions in the city (Planning Commission). Council Member Lee had also been informed that other Power Commission Boards in other cities have paid for the board to attend the UAMPS Power Retreat that takes place once a year. That Recommendation was put on hold and tabled for another time to discuss.

It was recommended that the meetings be only 2 hours or less.

Board Member Loveless made a motion to approve the Member compensation and follow the guidelines of the other commissions involved within the city of \$50.00 dollars per meeting, second by Board Member Sean Chilcote.

EXPLANATION OF STAGGERED TERMS

City Manager Scott explained to the Commission that there is a concern with everyone starting at the same time. He described how this would lead to everyone's terms of service expiring at the same time. The decision was made that the terms of service will be as follows.. Three (3) members will be assigned for Two (2) years of service and Three (3) members will be assigned to Four (4) years of service. City Manager Scott will make the selection and will inform the members of their particular terms.

CONFLICTS OF INTEREST

City Manager Shayne Scott explained to the Board Members that they need to be aware of the importance in Government Transparency. Board Members need to be aware of their potential conflicts of interest and keep the best interests of the City in mind when it comes to conflict of interest. Remember to keep things transparent.

ORGANIZATIONAL SETUP OF POWER DEPARTMENT

Power Superintendent Gary Hatch presented how the Power Department is set up.

There is 15 employees at this time employed by the Power Department.

Power Superintendent- Gary Hatch

Resource and Service Manager – Bruce Rigby

Operations Supervisor- Brett Thomas

Administrative Assistant – Stacie Harward

Lead Lineman-Brandon Child

Lead Lineman-Danny Black

Lead Lineman-Tyler Parkin

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Journeyman- Steve Rice
Journeyman-Wesley Jones
Journeyman-Josh Ferrin
Lineman Apprentice-Brian Johnson-4th Year
Lineman Apprentice-Garrett Millward-2nd Year
Lineman Apprentice-Chris Banz-1st Year

Meter Reader- Jeff Fillin
Blue Stakes- Marty Willey

Council Member Lee asked if they have any questions or concerns who should they contact?
Power Superintendent Gary Hatch recommended questions be directed to him and he will either answer the question or refer it to Resource and Service Manager Bruce Rigby.

On call/standby list will be provided to the Board Members.

Resource and Service Manager Bruce Rigby provided the following information (Approximate Figures) to the Board Members.

Residential Customers – 8400 (changes on a daily basis)
Commercial Meters- 800 (Single Phases and Three Phases)
Industrial Meters-1 (LDS Church Mill)
Exact Numbers will be provided in the next meeting.
46 Megawatts is the peak demand. This happened in the summer of 2016.

Board Member Thayn stated he would like to know more in depth information about hourly data.

SOLAR DISCUSSION

Councilman Lee wanted the board to be aware that the City Council will be relying heavily on the Board's recommendations and expertise in this matter. City Manager Scott started the discussion with the Net Metering Program. This has been a major topic and there have been many discussions among the City Council over the last couple of years. A Net Metering program has been established between the City and the Solar Power user. A moratorium has also been discussed but not put in place by the City Council as an alternative until the matter can be resolved. They are looking for recommendations on the best way to handle the roof top solar user and the impact it will have on the non-solar user customer. The City Council is looking for recommendations on how to proceed with this program. What will be in the best interest of the City and the residents involved in the program. City Manager Scott stated that the City Council is very aware of the importance of the Solar Power Issue and is looking for guidance in this matter. The City Council is aware of the checks and balances that comes with this issue. He understands that there will not be a resolution in this matter during this meeting but that it will start a discussion. He pointed out that Rocky Mountain Power has requested from the Public Service Commission a decision about the Solar Power Issue. Their decision is expected in August and are hoping that their decision will be well received. He feels that we should not base our decision on what other cities or organizations have decided but it is something to take in consideration. Bruce Rigby pointed out

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that a study had been conducted on this matter for Kaysville City Power and Light. The Board Members have been given a copy of that Study. The Report included the final cost alternatives, It also addresses the questions of What the Solar Companies want, What the City wants, and What is basically the middle of the road. It comes down to how much is the city willing to subsidize the Solar Power Customer. The company that provided the information for this study has done 1000's of these studies throughout the country. They were asked to compile a list of questions that they might have. The individual that compiled the report would be willing to call in with a conference call and answer any questions that they might have.

It was pointed out that other cities with Power Utilities are waiting for us to make a decision. We are possibly setting a precedent in this matter.

Board Member Thayn wanted to know if the study provided the number of solar customers we have on our system. Bruce Rigby was able to provide the following information. As of the day of this meeting we had 132 customers, mostly residential. We have One (1) Elementary School that has been on the system for 3 months with a 265 KW PV System, Davis Applied Technology College with a 60 KW PV System and the Utah State Botanical Gardens with a small system. Board Member Farnes asked if we have limitations to our city billing software. Bruce Rigby indicated that the Net Metering figures are at the moment being hand entered by Holly Henderson in our billing department. Bills are being hand calculated at the moment due to the billing software cannot handle the reverse readings.

Board Member Thayn wanted to know what the Mission Statement and main goal of the Power Company is for our customers. Bruce Rigby commented that it should be "Keep rates as low as possible and service as high as possible."

Council Member Lee suggested that we have by the next meeting a few ideas drawn up to start establishing our official Mission Statement for the Power Department.

Board Member Stephenson asked what is the most complex issue or risk to managing the Power Company. What is the biggest difficulty in making sure power is there for our customers? Is it a certain time of the day? What is the peak demand? What is the biggest fear of the Power Department?

Board Member Chilcote asked about the Equipment. Power Superintendent Gary Hatch responded that the biggest issue is making sure that our system is reliable especially during our peak demand time. Power Superintendent reassured the Board that the infrastructure at the moment has enough capacity to handle the load.

Board Member Loveless feels that the study sheds a bad light on solar power. 1.6 percent of our customers are solar power users. He feels we need to focus on encouraging customers to conserve energy and encourage them to find alternative power sources.

Board Member Farnes wanted to know how many solar power customers we had a year ago compared to our customers as of this date. Bruce Rigby commented that we had 50 customers a year and half ago in July and now we have over 100 customers. Solar is a concern because of the rapid growth. We have a Net Metering Agreement between the Customer and Kaysville City Power and Light. Either party can change the agreement with a 30 day notice.

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Board Member Stephenson commented that his profession is in the Gas Utility Sector with Questar Gas Company. He wanted to know what the wholesale cost compared to the retail cost is. The wholesale cost of power is 6.5 cents and the retail cost is 9.4 cents which that includes the cost of infrastructure and fixed costs.

Board Member Thayn wanted to know where our resources come from and how we obtain it. Bruce Rigby will provide that information in a document by the next meeting in March. A discussion was held about whether or not a solar power user is on the power grid. Board Member Farnes pointed out that the solar power user is technically on the grid and should be paying a fee to be on the grid whether or not the customer is using it sporadically or all of the time. Solar batteries and storage of energy was brought into the discussion.

Council Member Lee commented that the City Council's main concern is how do we take care of our Solar Power Customers and not be a burden to our other customers that are connected to the grid. How do you tell a customer that their power rates are going up because of the Solar Power users that need the grid to be in place just in case they need it at a future date. The City Council is trying to find that line that benefits both sides and is fair.

Board Member Stephenson commented that on a regulatory perspective normally the rule of thumb is whoever causes the cost should bear the cost.

Board Member Thayn wants to know what is our main focus and main objective. This is something that needs to be discussed. Also what are the biggest risk to the Power Company when it comes to the Solar Power User.

Board Member Chilcote suggested to the other board members that they need to come up with ideas and questions that pertain to what is fair for everyone when it comes to Solar Power and what are the main risks also. What are the recommendations and solutions that we can consider. What are the costs are including the hidden costs that need to be considered.

City Manager Scott commented on the fact that the city has been looking into Automated Meters and is hopeful to start meter upgrade in the fall. This process could take months or maybe even years. It is something that is being considered and is in the process of being implemented. He did not want to give a certain time line of when this could or would be accomplished. This is a process that could take months or maybe even years. All depending on costs and the technology needs.

Board Member Hein wanted to disclose that he works for a company that sells equipment and supplies materials for substations. His opinion is that Solar Power is for supplementing your needs. He does not agree with subsidizing the Solar Power User. The subsidies are already there for the end user by going off the grid and producing their own power and not paying the power company for that power. Society said that lets encourage people to do this and we will give them a rebate, But who is ultimately paying for that rebate are people that are not on Solar Power. The Non- Solar customer does not get any benefits from this rebate. He feels that solar power is still unproven and feels that it is unfair for everyone to pay someone a rebate thru the power rates. The Federal Government and State

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Government are already subsidizing the Solar Power User. Why is the city subsidizing when it is already being done? The question was asked what are other cities doing about subsidizing solar power. Bruce Rigby commented that other cities and municipalities are going thru this same process that we are at the moment. It was suggested that by the next meeting, that information from other entities can be gathered and can be looked at for ideas and solutions and used as a reference point.

Council Member Lee suggested that the discussion on Solar Power be brought to a close for this meeting and put on another agenda for more discussion.

OTHER DISCUSSION ITEMS FOR UPCOMING MEETINGS

Board Members were asked that in the coming weeks before the next meeting to come up with ideas and information that they are looking for and to contact Power Superintendent Gary Hatch, Resource and Service Manager Bruce Rigby or City Manager Shayne Scott with these requests. Email these individuals with your requests and the information will be sent to you and the other members of the board. Council Member Lee suggested topics for future meetings. The topics are Goals and Objectives, Finances of the Power Company, Breakdown of the Budget, Resource Sources, Service Charges, Benefits and Hidden Costs of Solar Power and where we are at with Advanced Meters.

Board Member Thayne would like to have a One Line distribution map to be available to look at.

SELECTIONS OF OFFICERS

Board Member Stephenson asked that everyone take a moment and briefly explain their backgrounds and experience in the power industry before nominating individuals for offices.

Jordan Stephenson- CPA for the Regulatory Affairs for Questar Gas Company. Has been involved for the last 5 years in regulatory proceedings.

Sean Chilcote- Electrical Engineer P.E Self Employed. Started his own company about 9 years ago specializing in Substations and Power Generation.

Patrick Hein-Partner in Alpha Power System. Supply materials for substations distributions lines and transmission lines. Dealing mostly with manufactures that build these systems.

John Loveless-L3 Communications, Satellite links and line of sight links. Adjunct Professor at Weber State University. Teaches RF Type Communication Classes.

Alan Farnes-Works for Bountiful Power Company, Has been there 39 years and over the Generation, Substation and Engineering Department.

Brok Thayne- P.E Electrical Engineer. Has worked for numerous Power Distribution Companies. Started the Renewable Energy Branch at Hunt Electric. Hunt Electric is the second largest solar installer in the nation. Adjunct Professor at Salt Lake Community College in Renewable Energy Program.

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Board Member Sean Chilcote nominated Brok Thayn for Chairman. Second by Board Member Patrick Hein.

The vote on the motion was as follows:

Board Member Jordan Stephenson , Yea
Board Member Sean Chilcote, Yea
Board Member Patrick Hein, Yea
Board Member John Loveless, Yea
Board Member R. Alan Farnes, Yea
Board Member Brok Thayn, Yea

Board Member Alan Farnes nominated Sean Chilcote for Vice Chairman. Second by Board Member Jordan Stephenson.

The vote on the motion was as follow:

Board Member Jordan Stephenson , Yea
Board Member Sean Chilcote, Yea
Board Member Patrick Hein, Yea
Board Member John Loveless, Yea
Board Member R. Alan Farnes, Yea
Board Member Brok Thayn, Yea

Chairman Brok Thayn will conduct the Power Commission Board Meeting according to the posted agenda. Vice Chairman Sean Chilcote will conduct meeting in the absence of the chairman.

CALL TO THE PUBLIC

Greg Lewis would like to see peak mandated on time of the day and time of the year. Would like to know if the power rates differ during the peak times and non-peak times. Would like to see a set surcharge and not a variable rate. He would also like to talk to Board Member John Loveless about his solar power system that he has on his home. Would also like to see a “feel good” box on our power bill that can be checked if the customer would like to buy more of green power at a higher rate.

Board Member Brok Thayn made a motion for adjournment at 9:10 P.M. Second by Board Member Alan Farnes and passed unanimously.

Stacie Harward, Administrative Assistant