

1. Power Commission Meeting Materials

Documents:

[PACKET.PDF](#)
[AGENDA.PDF](#)

2. Meeting Audio & Video

- [MEETING AUDIO](#)
- [MEETING VIDEO](#)



MEETING NOTICE AND AGENDA

Notice is hereby given that the Kaysville City Power Commission will hold a regular meeting on Tuesday, April 4, 2017 starting at 7:00 p.m. in the Council Room of the Kaysville City Municipal Center, 23 East Center Street, Kaysville, UT.

The agenda shall be as follows:

1. Opening Ceremonies.
2. Conference Call with Mark Beauchamp UFS
3. Presentation by Board Member Jordan Stephenson.
4. Mission Statement.
5. Election Terms.
6. UAMPS Conference.
7. Regulatory Assistant Project Training.
8. Other Discussion Items for Upcoming Meetings.
9. Approval of Minutes.
10. Call to the Public.
11. Adjournment.

Kaysville City is dedicated to a policy of non-discrimination in admission to, access to, or operations of its programs, services or activities. If you need special assistance due to a disability, please contact the Kaysville City Offices at (801) 546-1235.

I hereby certify that I posted a copy of the foregoing Notice and Agenda at City Hall.

Stacie Harward

Stacie Harward
Administrative Assistant
Kaysville City Power Department

Kaysville City, UT

Electric Rate Study Results

Mark Beauchamp, CPA, CMA, MBA
President
Utility Financial Solutions
616-393-9722

Assumptions

- Purchase Power
 - 2.5% increase through 2021
- Annual Inflation
 - 2.5% increase through 2021
- Annual Growth
 - 1.5% increase through 2021
- Financing New Building
 - Start building in 2020
 - Over 12 years
 - 6% interest rate
- Capital Plan
 - 2017 – With and Without AMI
 - Excluded building cost of \$4.6M

Projection without Rate Change

Capital including AMI

Fiscal Year	Projected Rate Adjustments	Debt Coverage Ratio	Projected Expenses	Projected Revenues	Adjusted Operating Income	Target Operating Income	Projected Cash Balances	Recommended Minimum Cash
2017	0.0%	-	\$ 14,089,552	\$ 12,350,988	\$ (998,015)	\$ 986,760	\$ 4,288,102	\$ 3,253,895
2018	0.0%	-	14,647,547	12,537,253	(1,366,043)	1,072,010	1,369,087	3,065,123
2019	0.0%	-	15,199,605	12,726,337	(1,725,296)	1,095,260	129,299	2,778,385
2020	0.0%	-	15,740,377	12,918,283	(2,070,382)	1,118,510	(1,439,001)	2,893,759
2021	0.0%	-	16,300,905	13,113,134	(2,432,300)	1,141,760	(3,347,094)	3,011,326

Capital Excluding AMI

Fiscal Year	Projected Rate Adjustments	Debt Coverage Ratio	Projected Expenses	Projected Revenues	Adjusted Operating Income	Target Operating Income	Projected Cash Balances	Recommended Minimum Cash
2017	0.0%	-	\$ 14,089,552	\$ 12,350,988	\$ (998,015)	\$ 986,760	\$ 5,888,102	\$ 2,933,895
2018	0.0%	-	14,623,305	12,537,253	(1,341,800)	1,072,010	2,977,087	3,065,123
2019	0.0%	-	15,175,363	12,726,337	(1,701,053)	1,095,260	1,745,339	2,778,385
2020	0.0%	-	15,716,134	12,918,283	(2,046,139)	1,118,510	185,119	2,893,759
2021	0.0%	-	16,276,662	13,113,134	(2,408,057)	1,141,760	(1,722,048)	3,011,326

Recommended Rate Track

Capital including AMI

Fiscal Year	Projected Rate Adjustments	Debt Coverage Ratio	Projected Expenses	Projected Revenues	Adjusted Operating Income	Target Operating Income	Projected Cash Balances	Recommended Minimum Cash
2017	4.4%	-	\$ 14,089,552	\$ 12,890,032	\$ (458,972)	\$ 986,760	\$ 4,827,146	\$ 3,253,895
2018	4.4%	-	14,647,547	13,655,585	(247,711)	1,072,010	3,029,158	3,065,123
2019	4.4%	-	15,199,605	14,466,725	15,092	1,095,260	3,538,058	2,778,385
2020	2.2%	-	15,740,377	15,005,472	16,808	1,118,510	4,073,991	2,893,759
2021	2.2%	-	16,300,905	15,564,299	18,865	1,141,760	4,637,433	3,011,326

Capital Excluding AMI

Fiscal Year	Projected Rate Adjustments	Debt Coverage Ratio	Projected Expenses	Projected Revenues	Adjusted Operating Income	Target Operating Income	Projected Cash Balances	Recommended Minimum Cash
2017	4.3%	-	\$ 14,089,552	\$ 12,877,781	\$ (471,223)	\$ 986,760	\$ 6,414,895	\$ 2,933,895
2018	4.3%	-	14,623,305	13,629,634	(249,420)	1,072,010	4,598,894	3,065,123
2019	4.3%	-	15,175,363	14,425,495	(1,895)	1,095,260	5,074,414	2,778,385
2020	2.2%	-	15,716,134	14,962,703	(1,719)	1,118,510	5,575,259	2,893,759
2021	2.2%	-	16,276,662	15,519,933	(1,258)	1,141,760	6,101,842	3,011,326

Electric Cost of Service Results

Customer Class	Cost of Service	Projected Revenues	% Change
Residential	\$ 8,912,364	\$ 8,210,895	8.5%
Commercial	4,973,222	3,765,593	32.1%
Industrial	190,332	124,755	52.6%
Area Lights	14,425	13,308	8.4%
Street Lights	145,421	136,437	6.6%
Total	\$ 14,235,764	\$ 12,250,988	16.2%

Energy Charges

Customer Class	Cost of Service \$/kWh	Projected Revenues \$/kWh
Residential	0.1023	0.0943
Area Lights	0.1695	0.1563
Street Lights	0.2933	0.2752
Commercial	0.1082	0.0820
Industrial	0.1035	0.0679

Monthly Charge

Customer Class	Current Customer Charge	COS Customer Charge
Residential	\$ -	\$ 13.05
Commercial	-	53.62
Industrial	-	139.20

Alternative One

Continue Subsidizing Roof Top Solar Customers

- Kaysville currently “net meters” customers allowing production from solar unit to be netted against the retail electric rates
- Solar companies and customers with roof top solar prefer this practice as it improves the economics to install solar
- As solar continues to grow the subsidy and rate impacts can grow uncontrollably and may result in substantial rate increases to non-solar customers

Impacts of Cost Shift Continued program

	Installed Solar			
Installed kW	700	1,000	2,000	4,000
Cost Shift - kW	4.51	4.51	4.51	4.51
Total Cost Shift	37,883	54,118	108,236	216,472
Percent Increase to Non-Solar Customers	0.3%	0.4%	0.9%	1.8%
Monthly dollar impact on residential	0.25	0.36	0.72	1.44

* Note that the installed solar as of 02/13/2017 was 1,000 kW

Alternative One

Pros and cons

- Pros:
 - Promotes roof top solar installations
 - Can continue with current practice of crediting at retail electric rates
- Cons:
 - Non-Solar customers will be providing a subsidy to customers installing roof top solar
 - Low income customers typically do not install roof top solar and may provide subsidies to more affluent customers installing roof top solar
 - Subsidy of \$4.51/month per installed kW of solar will need to be recovered from other ratepayers

Alternative Two

Up-Front Charge for roof top solar customers

- Solar Companies expressed a desire to implement an upfront charge when customers install a solar array to recover the un recovered costs and continue to net meter and bill customers under the current method
- Two difficulties are encountered under this scenario:
 - Discount rate used in the present value – 4% discount rate was used
 - Period of time to recover stranded costs – 20 year recovery was used in the determination

Alternative Two

Up-Front Charge for roof top solar customers

Up Front Charges	
Period	No Subsidy kW-Solar Monthly
1 \$	4.51
2 \$	4.51
3 \$	4.51
4 \$	4.51
5 \$	4.51
6 \$	4.51
7 \$	4.51
8 \$	4.51
9 \$	4.51
10 \$	4.51
11 \$	4.51
12 \$	4.51
13 \$	4.51
14 \$	4.51
15 \$	4.51
16 \$	4.51
17 \$	4.51
18 \$	4.51
19 \$	4.51
20 \$	4.51
Discount Rate	
4.0%	
Rate per kW-Month	
\$61.29	
Up Front Charges - kW \$	
735.48	

Alternative One

Pros and Cons

- Pros:
 - Allows use of continued net metering program
 - Can continue with current practice of crediting at retail electric rates
 - Prevents subsidy to solar customers
- Cons:
 - Up front cost would result in a cost barrier for customers considering the installation of roof top solar

Alternative Three

eliminate subsidy to roof top solar customers

- Kaysville would continue “net metering” residential customers and allow production from solar unit to be netted against electric rates
- Rates would include an additional monthly customer charge based on the size of the solar array of \$4.51/Month – kW of installed solar
- Electric Companies prefer this approach as it eliminates the subsidy to customers installing roof top solar

Alternative Three

Eliminate Subsidizing roof top solar customers

- Set credit for production at the avoided cost value of solar. Charge under-recovery as an additional monthly charge per kW of installed solar

Residential Charge per kW of Solar Installation		
Average Residential Rate *	\$	0.09429
PCA	\$	-
Average Net Rate (Residential and PCA)	\$	0.09429
Avoided Cost Long-Run		0.05546
Lost Revenues per kWh		0.03883
Annual kWh production from 1 kW of Solar		1,394
Annual Under-Recovery from Solar	\$	54.12
Additional Monthly Charge per kW of installed Solar	\$	4.51

Alternative three

Pros and Cons

- Pros:
 - Eliminates subsidy to roof top solar
 - Prevents additional rate increases to other customers
 - Fixed monthly charge simplifies the billings
- Cons:
 - Discourages roof top solar installations
 - Current roof top solar customers may see a large increase in their monthly bills

Cost Shift and Rate Impacts

UFS Option Capped Cost Shift

Council Approved Cost Shift	25,000	0.20%
	Solar	Monthly
Installed Solar kW	700	1.53
Installed Solar kW	1,000	2.43
Installed Solar kW	2,000	3.47
Installed Solar kW	4,000	3.99
Additional Residential Charges per month without solar		0.17

Council Approved Cost Shift	50,000	0.41%
	Solar	Monthly
Installed Solar kW	700	-
Installed Solar kW	1,000	0.34
Installed Solar kW	2,000	2.43
Installed Solar kW	4,000	3.47
Additional Residential Charges per month without solar		0.33

Council Approved Cost Shift	100,000	0.82%
	Solar	Monthly
Installed Solar kW	700	-
Installed Solar kW	1,000	-
Installed Solar kW	2,000	0.34
Installed Solar kW	4,000	2.43
Additional Residential Charges per month without solar		0.67

Alternative four

Pros and Cons

- Pros:
 - Limits the subsidy to roof top sola
 - Additional rate increases to other customers are pre-determined and capped
 - Current roof top solar customers will see no immediate impact on charges
 - Future increases should be small depending on roof top solar installations
 - Fixed monthly charge simplifies the billings
- Cons:
 - Calculation has to be reviewed annually to determine the next years charges (if any)
 - Non Solar customers will see a small increase in electric rates in the long term
 - Periodic revue of avoided cost should be done every three years, with calculation completed each year

Option Eliminate Subsidy with Upfront Charge and Monthly kW Charge

Up Front Charge	Percent Reduction of Subsidy	Current Subsidy - kW	Adjusted Subsidy	Monthly Charge - kW	Cost Shift - kW	Monthly Charge per kW to Remove Cost Shft
100	14%	\$ 4.51	\$ 3.90	2.06	1.84	3.90
200	27%	\$ 4.51	\$ 3.28	2.06	1.22	3.28
300	41%	\$ 4.51	\$ 2.67	2.06	0.61	2.67
400	54%	\$ 4.51	\$ 2.06	2.06	(0.00)	2.06

Solar Companies Preferred Option

- Increase Residential Customer Charges to \$5.00 per Month (Cost of Service \$13.05)
- This will reduce subsidy per kW of Installed Solar from \$4.51 to \$3.91

	Installed Solar			
Installed kW	700	1,000	2,000	4,000
Cost Shift - kW	3.91	3.91	3.91	3.91
Total Cost Shift	32,844	46,920	93,840	187,680
Percent Increase to Non-Solar Customers	0.3%	0.4%	0.8%	1.5%
Monthly dollar impact on residential	0.22	0.31	0.63	1.25

* Note that the installed solar as of 02/13/2017 was 1,000 kW

Solar Companies Option Three

- Include a charge per kW of installed solar:
 - \$1.00 for first three kW
 - \$1.00 per additional kW
 - Reduce cost shift by an additional 0.60/kW
 - Combined reduction in cost s

	Installed Solar			
Installed kW	700	1,000	2,000	4,000
Cost Shift - kW	3.31	3.31	3.31	3.31
Total Cost Shift	27,804	39,720	79,440	158,880
Percent Increase to Non-Solar Customers	0.2%	0.3%	0.6%	1.3%
Monthly dollar impact on residential	0.19	0.26	0.53	1.06

* Note that the installed solar as of 02/13/2017 was 1,000 kW

Right Sizing Solar Array

- City Council should limit the size of the array on customers to a certain percentage of customers usage
 - Many Utilities limit the size by reviewing the customers hourly load data or annual usage prior to installing solar vs. the projected solar production.
 - The main factors to review would be:
 - Customer annual maximum demand – limit solar to a percentage of max demand.
 - Customer total annual kWh usage – limit solar to a percentage of total consumption prior to solar.
 - Customer hourly usage vs. the projected solar production to limit percent of solar being sent back to the grid.

Utility Rate Making Framework

For Kaysville Power Board

Jordan Stephenson

4/4/2017

Contents – 6 Slides

- Rate Making Overview – 1 Slide
- Revenue Requirement Makeup – 1 Slide
- Cost-to-Serve and Rate Design – 1 Slide
- Example: Net-Metering COS and Rate Design – 2 Slides
- Next Steps

Rate Making Overview

Step 1

Revenue Requirement

Determine the total amount of expense/cash needs.

- O&M
- + Depreciation
- + Future Capital needs
- + Repayment of debt
- = Total Revenue Requirements



Step 2

Cost-of-Service

Allocate the revenue requirement to specific customer classes (residential, commercial, industrial, etc.)



Step 3

Rate Design

Rates are designed for each customer class to collect that classes portion of the revenue requirement. The sum of the revenue from each class equals the total revenue requirement of the utility.

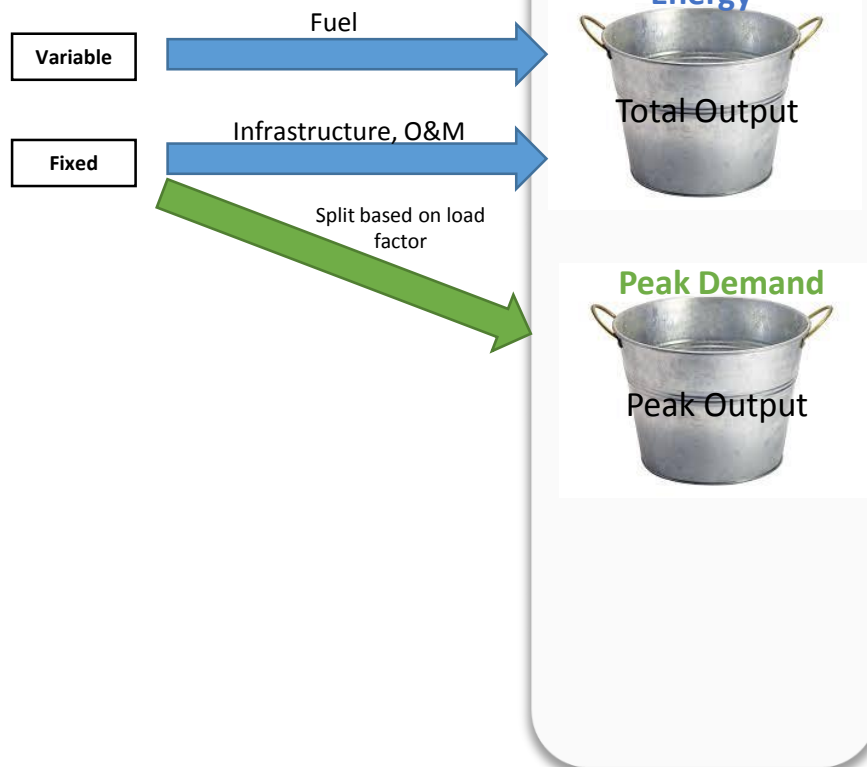


Step 1 – Revenue Requirement Makeup

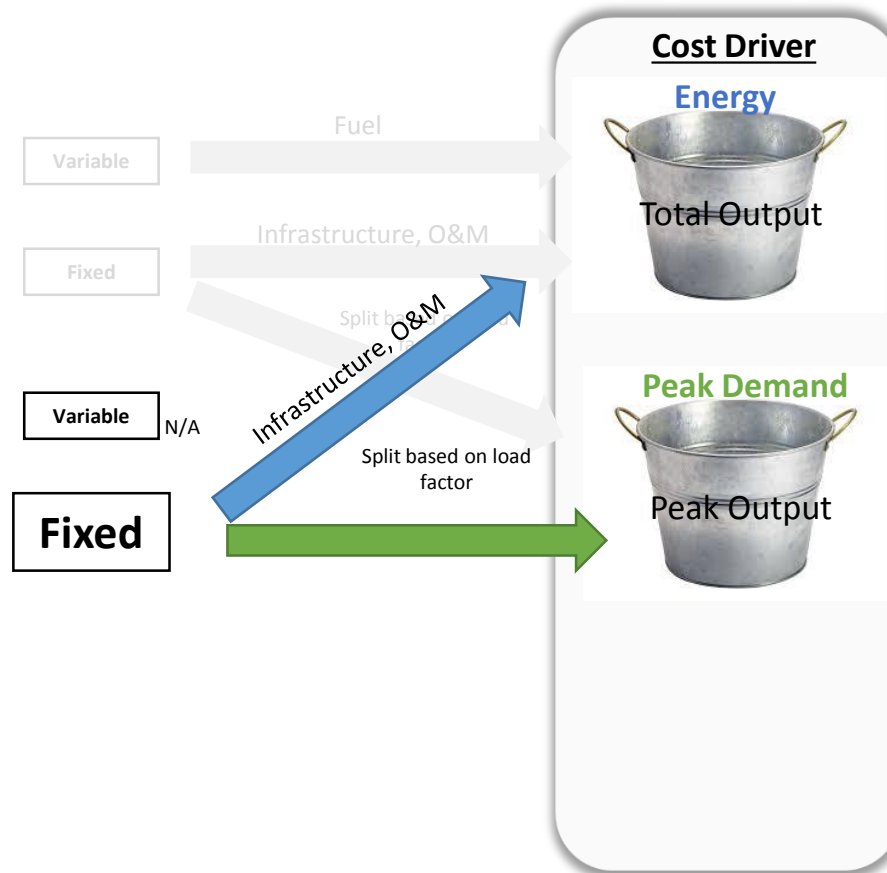


Total Revenue Requirement

Cost-to-Serve and Rate Design

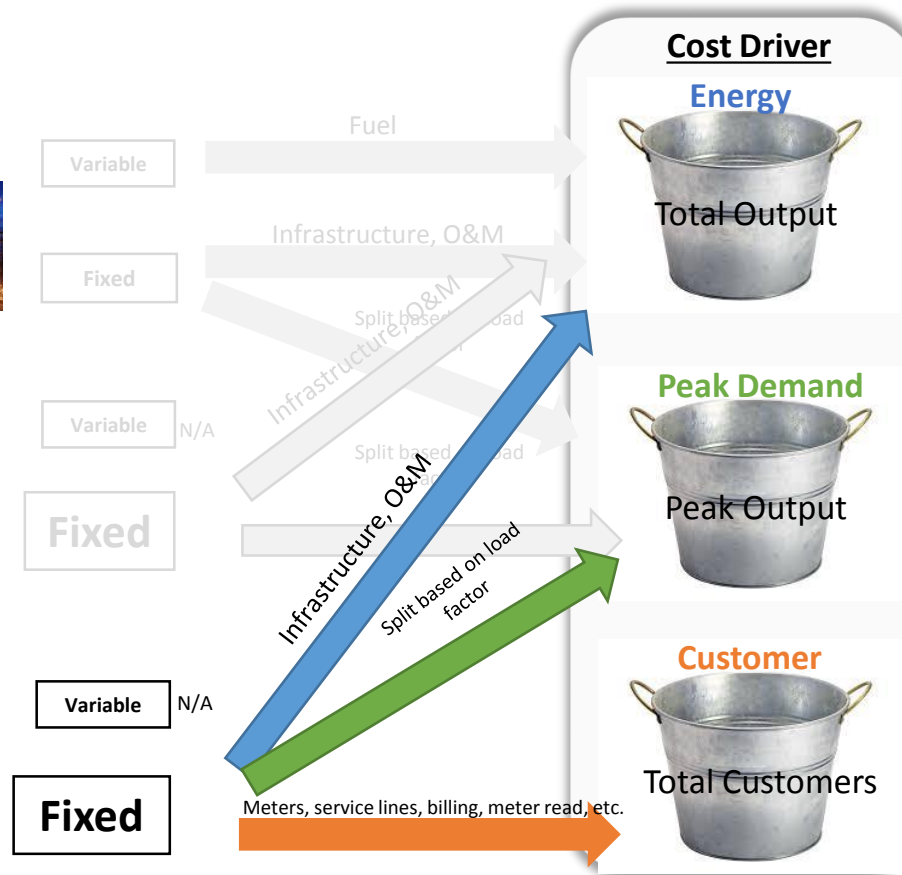
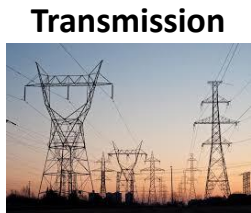


Cost-to-Serve and Rate Design



Cost-to-Serve and Rate Design

Total Revenue Requirement



Cost-to-Serve and Rate Design

Generation



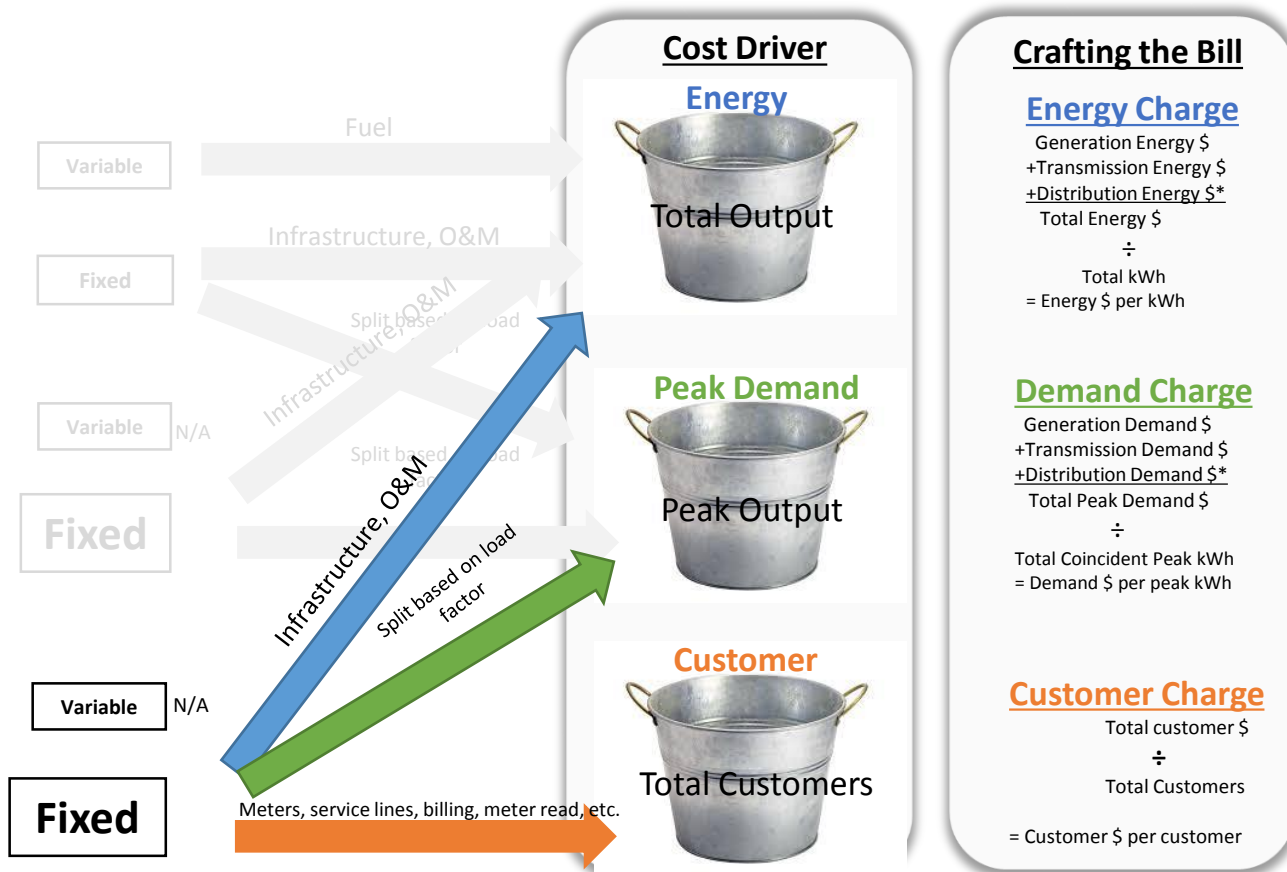
Transmission



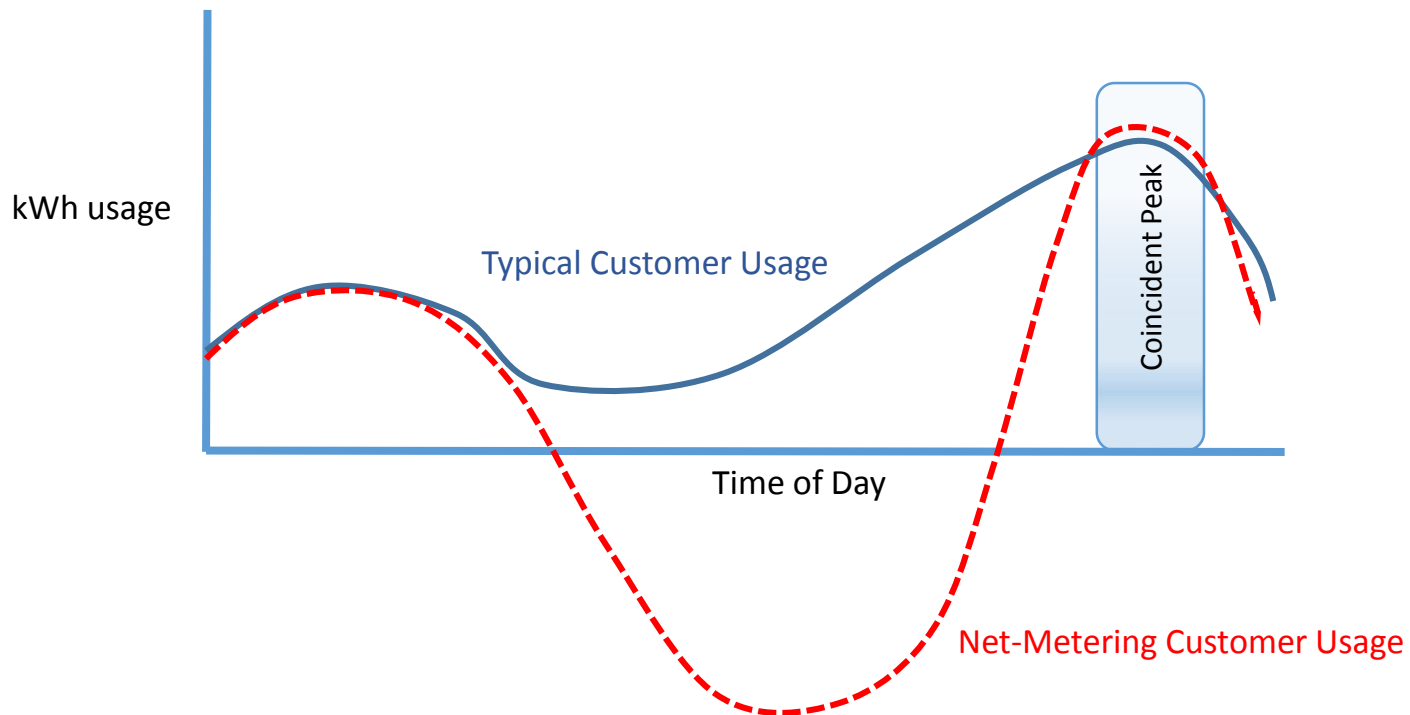
Distribution



Total Revenue Requirement



Example: Net Metering Cost-to-Serve and Rate Design



Example: Net-Metering Cost-to-Serve and Rate Design

Scenario: Customer offsets total usage while net-metering, but peak usage remains unchanged



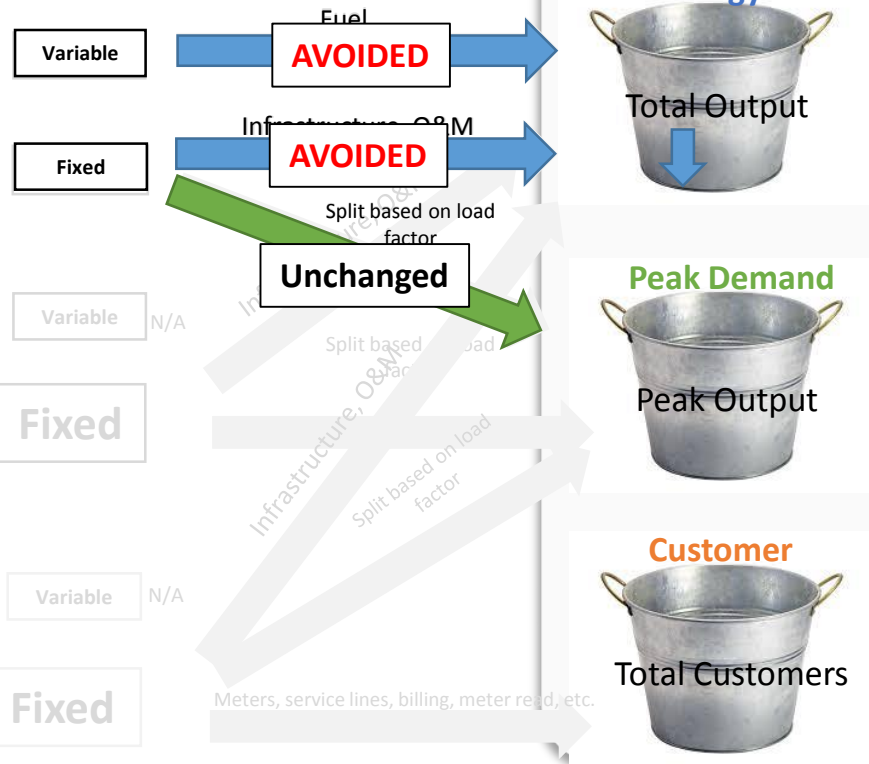
Generation



Transmission



Distribution



Crafting the Bill

Energy Charge

Generation Energy \$
+Transmission Energy \$
+Distribution Energy \$*
Total Energy \$
÷
Total kWh
= Energy \$ per kWh

Demand Charge

Generation Demand \$
+Transmission Demand \$
+Distribution Demand \$*
Total Peak Demand \$
÷
Total Coincident Peak kWh
= Demand \$ per peak kWh

Customer Charge

Total customer \$
÷
Total Customers
= Customer \$ per customer



Example: Net-Metering Cost-to-Serve and Rate Design

Scenario: Customer offsets total usage while net-metering, but peak usage remains unchanged

Generation



Transmission



Distribution



Variable

Fixed

Variable N/A

Fixed

Variable N/A

Fixed

Fuel
AVOIDED

Infrastructure O&M
AVOIDED

Split based on load factor
AVOIDED

Infrastructure O&M
AVOIDED

Split based on load factor

Infrastructure O&M
Unchanged

Split based on load factor

Infrastructure O&M

Split based on load factor

Infrastructure O&M

Split based on load factor

Infrastructure O&M

Split based on load factor

Infrastructure O&M

Split based on load factor

Infrastructure O&M

Split based on load factor

Cost Driver

Energy



Total Output

Peak Demand



Peak Output

Customer



Total Customers

Crafting the Bill

Energy Charge

Generation Energy \$
+Transmission Energy \$
+Distribution Energy \$*
Total Energy \$
÷
Total kWh
= Energy \$ per kWh

Demand Charge

Generation Demand \$
+Transmission Demand \$
+Distribution Demand \$*
Total Peak Demand \$
÷
Total Coincident Peak kWh
= Demand \$ per peak kWh

Customer Charge

Total customer \$
÷
Total Customers
= Customer \$ per customer



Example: Net-Metering Cost-to-Serve and Rate Design

Scenario: Customer offsets total usage while net-metering, but peak usage remains unchanged

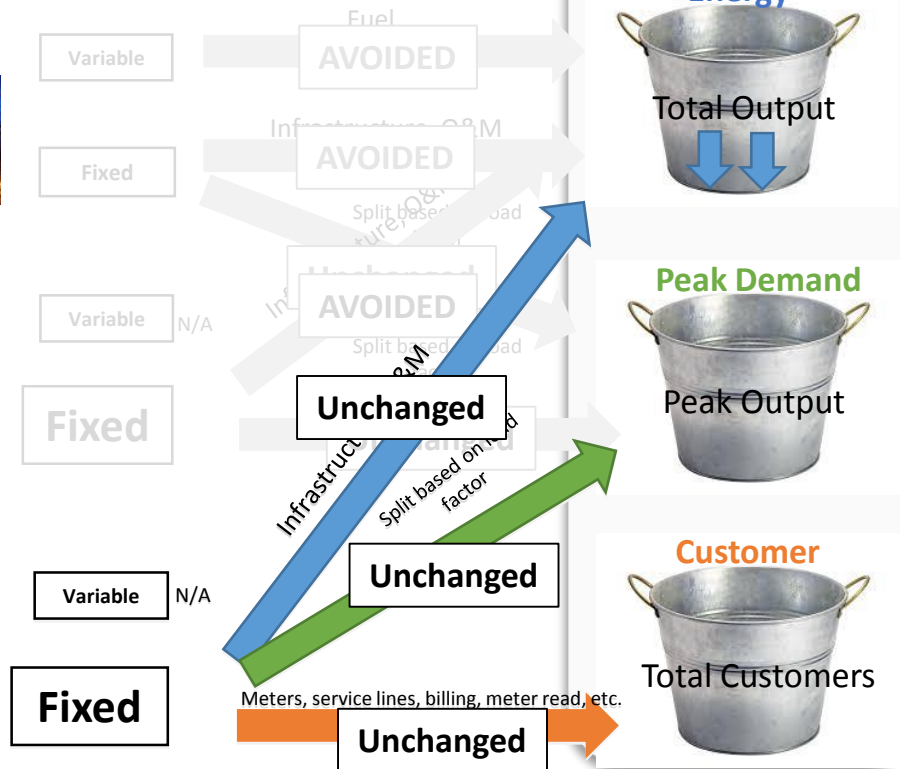
Generation



Transmission



Distribution



Crafting the Bill

Energy Charge

Generation Energy \$
+Transmission Energy \$
+Distribution Energy \$*
Total Energy \$
÷
Total kWh
= Energy \$ per kWh

Demand Charge

Generation Demand \$
+Transmission Demand \$
+Distribution Demand \$*
Total Peak Demand \$
÷
Total Coincident Peak kWh
= Demand \$ per peak kWh

Customer Charge

Total customer \$
÷
Total Customers
= Customer \$ per customer



Next Steps

1. “Functionalize” the books – Organize the costs-to-serve (balance sheet and O&M) into major functions (see matrix)
2. Identify cost behavior (cost causation)
3. Determine appropriate billing component

Mission Statement

Kaysville City Power and Light mission is to provide reliable electricity with superior customer service at a competitive price to the residents and businesses in Kaysville City.

ANNUAL MEMBER CONFERENCE

August 13-16, 2017

*The Village at Squaw Valley
Olympic Valley, California*

MUNICIPAL TOOLKIT WORKSHOP

September 12, 2017

Salt Lake City, Utah

(Held in conjunction with the ULCT Annual Convention)





1

POWER COMMISSION BOARD MEETING

Meeting Minutes

March 7, 2017

Minutes of the Kaysville Power Commission Board meeting held Tuesday, March 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: , 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, Deb Henry, Brigg Lewis, Kate Bowman Utah Clean Energy, Jason Lewis.

Opening Provided by Board Chairman Brok Thayn
Board Member John Loveless was excused until 7:10 P.M.

Prayer Given by Jordan Stephenson

Chairman Thayn asked that the individuals that have not provided a headshot for the website to please provide one to Stacie Harward as soon as possible.

CONFERENCE CALL WITH MR. MARK BEAUCHAMP- UFS

Mr. Beauchamp (President) from Utility Financial Solutions, LLC (UFS) phoned into the meeting to answer questions and explain his findings while doing an Electric Cost of Service Study and Financial Protection in June of 2016. The company also followed up with a Solar Energy Study. He asked that questions be asked as the presentation was being presented. He is the President of UFS and has been doing these kind of studies since 2001. UFS has done well over 500 Electric Rate Studies throughout the country. His company has done studies in 43 States, Guam, Caribbean and Bermuda.

The first half of the presentation will be on The Electric Cost of Service and the second half is on Solar Power Cost. The Solar part is quite in-depth. Mr. Beauchamp started out with pointing out about the Long Term Financial Protection Study. Some assumptions have been made. UFS projects purchase of power at a 2.5% increase through 2021. A 2.5 % inflation rate was assumed for the same span of time. 1.5 % increase through 2021 of growth. Mr. Beauchamp indicated that Kaysville City Power and Light is projecting growth which is something that only 1 other power utility company in the country is

projecting growth. Most of the power utilities in the country are not expecting any growth. Also In the projections it is assumed that we will be financing a new facility/building. This building is projected to begin construction in the year 2020. This is something that is an unknown when or if it will happen, but is still part of the future projections. It is assumed that the building will be financed over a 12 year time period at a 6% interest rate. Assumptions are also made for capital plan areas.

All projections are made with AMI and Non-AMI. AMI means Automated Meter Reading Infrastructure. Allows to read meters automatically and offer different rate forms. It also gives the ability to control your system better. There are three main financial targets but only two apply to Kaysville Power and Light. The first target is Debt Coverage Ratio. Kaysville Power is a debt free Utility which means we don't have to worry about debt coverage. The second target is Cash Reserves. The study identifies the minimum level of cash the utility should maintain in reserves. This gives the utility the ability to pay bills in a timely fashion. Also if a catastrophic event were to occur such as an ice storm/wind storm there would be enough money in reserve to start rebuilding but not necessarily be able to fund the whole amount but a good starting point and beginning. Minimum level of cash that a Utility should have is approx. \$3 Million dollars. In 2017 our cash reserves are projected to be \$ 4.3 Million dollars. But in 2018 and the following years we fall below the minimum amount. In 2021 the reserves are at a negative balance \$3.3 million. The third target is Utility Basis Target is to attempt to fund depreciation expense and inflationary replacement cost of assets. Operating income includes depreciation and appreciation of assets. AMI will help with more accurate reading and billings of customer. Residential rate needs to increase but not a lot. Industrial rates are very low and need to also increase. Sean Chilcote wanted to confirm that we only have 1 Industrial customer. It is the LDS Church Pasta Mill. Mr. Beauchamp commented that the city council indicated in a previous meeting that they don't want to increase any class drastically and quickly. It needs to be structured over a period of time. Industrial rates are very low compared to residential rates. Rates have needed to be raised for a long time.

Board Member John Loveless inquired about Area Lights and Street Lights and who was being charged for their usage. Kaysville City is being charged for these lights. Board Member Loveless also wanted to know why the KWH cost is so expensive. Bruce Rigby responded to his question that It is at 27 Cents per KWH even at low demand peak time. Bruce Rigby pointed out that the increased cost is needed to recover the cost of the street light installation and investment. It cost 24 Cents a kilowatt to recover the initial investment, maintenance and the cost of getting power to the light.

Mr. Beauchamp pointed out that the cost is 06.6 cents per KWh to buy power and the generation of the power. He pointed out that our rates are below average and very low compared to other parts of the country. He also related a story that in the Early 1900's the cost of KWH was over \$1.00 per KWH and now it is at an average of .09 per KWH. He suggested that we should be charging a residential service charge which we are not. He suggested that for Residential it should be \$13.05 per month, Commercial \$53.62 per month and Industrial \$139.20 per month. This is considered to be fixed costs per month. The Average service charge is between \$12.00 and \$20.00 per month. We would be on the low end of customer service charge if we charged \$13.05 per month.

Board Member Jordan Stephenson wanted to know the exact costs of what the \$13.00 Service Charge included. Mr. Beauchamp gave the following details. There are 8 different components: \$1.94 Meter or Net Meter, .90 cents Meter Reading, .03 Cents billing Cost Service Drop, \$1.45 Customer Service. Add Minimum System Cost- For Example getting one wire to a home and that home using 1

KWH. \$1.49 Distribution Costs, \$5.18 Transformer Cost and \$1.18 Substation Costs. These amounts equate to just over \$13.00.

Board Member Farnes wanted to know what the other overhead costs are. Administrative costs are buried in with all the other cost. It's hard to establish how customer service is determined and valued. Mr. Beauchamp suggested that we have another meeting where only solar is discussed. Solar is very politically driven. He really wants to educate this board so that the board can make an educated decision which in turn can help the council make an educated decision with the board recommendations.

Board Member Jordan Stephenson is interested in the long run infrastructure costs.
Board Member Chilcote wants more possible past data. The years of 2015-2016 past history.

Chairman Thayn suggested we table this discussions for another meeting. The board will come up with more questions and submit those questions in advance. This will give UFS a chance to get slides and presentation ready for the next discussion.

SOLAR DISCUSSION-RATE STUDY DISCUSSION

The Board thought it might be a good idea for anyone that has a net metering agreement for solar power to go through a training course on how solar works and answer some of the questions that they might have. The board nominated that John Loveless teach the class. He suggested a monthly meeting. Bruce Rigby suggested that a video be made and put on the website. Other courses can be provided also such as LED lighting and energy efficient training.

Susan Lee wanted to make sure that everyone agree on the list for the website classes presentation items. John will make a list of items that will be taught in the classes.

The board asked that Gary Hatch and Bruce Rigby also make a list of items to be discussed.

The Board wants to come up with a timeline for the Rate Study Recommendations. It will need to be put on the City Council Agenda and presented to the council. Alan Farnes is concerned that no one is guaranteed to be grandfathered in when it comes to the Net Metering Agreements. An open house for the residents was suggested to provide information to the public. The open house would consists of items that the board has accomplished and other issues the board are looking into.

There will also be information that needs to be put in the newsletter and on the website.

The newsletter and website information needs to be sent to Bruce Rigby for placement and content.

Sean Chilcote recommended that they have a presentation to the City Council ready for the Meeting on June 15, 2017.

A motion was made by Sean Chilcote that they present to the City Council on June 15th, 2017

A Second was made by John Loveless

The vote on the motion was as follow:

Jordan Stephenson-Yea

Sean Chilcote-Yea

Patrick Hein- Yea

4

John Loveless-Yea

Alan Farnes- Yea

Brok Thayn-Yea

Susan Lee-Yea

MISSION STATEMENT

Chairman Brok Thayn read the Mission Statement to the board. The mission statement is as follows; Kaysville City Power and Light's mission is to provide reliability electricity with superior customer service at a competitive price to the residents and businesses in Kaysville City.

Chairman Brok Thayn wanted to know what was meant- At what profit? What does that really mean?

Bruce Rigby responded that the Power Company needs to be financially stable and be able to make future upgrades.

Board Member Patrick Hein wanted to make sure that we are not profit driven but more of a customer service and reliability based entity.

Board Member John Loveless would like to see added to the mission statement that we have Competitive and Fair Rates also. Maybe add Comparable Rates to the mission statement.

Board Member Alan Farnes suggested that the mission statement discussion be tabled until next month.

The Board agreed to discuss it at a later date.

OTHER DISCUSSION ITEMS FOR UPCOMING MEETINGS

John Loveless wants more in depth information on Substation Readings.

Bruce Rigby commented that the Substations are read at 5 minutes intervals by UAMPS.

The board would like to go on a Facility tour- including the equipment yard and substations.

A tour was decided on for Friday March 17, 2017 at 3:00 P.M. Meet at the Operation Center at 721 West Old Mill Lane, Kaysville

Susan Lee wanted to know how power outages are handled. The procedure is Gary Hatch is notified by the line crew. He then will notify Maria Devereux about the outage and if possible the cause of the outage. Outages that are 100 homes or more will be acknowledged. If it is a single home or just a few those will not be posted. Gary Hatch will keep Maria informed of the time span and the cause and she will update as necessary. During the day the phone message will also be updated. After hours the professional answering service will take the information from residents and passed on to the appropriate personnel.

5

The Board would also like to have UAMPS attend a meeting and do a presentation. Bruce Rigby will arrange for that presentation.

APPROVAL OF THE MINUTES

Sean Chilcote wanted minutes to reflect a change on page 5 a change of wording from "mainly" to "including".

Alan Farnes made a motion to accept the minutes with the changes.

Susan Lee seconded the motion

The board unanimously voted to accept the minutes.

Jordan Stephenson would like to do a presentation for the board at the next meeting. It was suggested that his presentation be the second item on the agenda.

CALL TO THE PUBLIC

Brigg Lewis wanted the Board to be cautious on the study from UFS. He also wanted the board to consider a charge of the roof top solar and a demand charge for different parts of the day.

Board Member Sean Chilcote made the motion for adjournment at 9:30 P.M. Second by Board Member John Loveless and passed unanimously.



POWER COMMISSION BOARD WORK SESSION

MEETING MINUTES MARCH 15, 2017

1.

Minutes of the Kaysville City Power Commission Board Work Session held Wednesday , March 15, 2017 at 11:30 A.M. at 1379 North 1075 West Suite 224, Farmington, Utah 84025.

Present: Board Member Sean Chilcote, Board Member Alan Farnes, Board Member John Loveless, Board Member Jordan Stephenson,

Others Present: Power Superintendent Gary Hatch, Stacie Harward Administrative Assistant

Excused: Board Member Brok Thayn, Board Member Patrick Hein, Council Member Susan Lee

Opening Provided by Jordan Stephenson.

Prayer Given by Alan Farnes.

APPA RATE STRUCTURE REVIEW DISCUSSION

Board Member Alan Farnes pointed out that the study gives 6 or 7 different options for rate designs. It also give the pros and cons for each one. One of the options is a customer charge along with the combinations of the other options. We can design it anyway we feel we need to. Alan Farnes feels that we need to consider a customer charge. Along with establishing that the solar customer is not a standard residential customer. Alan also pointed out that in the Power Board Meeting held on March 7, 2017, Chairman Brok Thayn discussed the grandfathering of current solar power customers. Do we leave the current solar power customers on the current rate while having the new solar power customers on the new rate? Board Member Alan Farnes thinks that it would be a lot easier for staff and billing department to have all Solar Power customers on the same rate. Board Member Chilcote wanted to make sure that we have a discussion in the regularly scheduled board meeting about Solar Customer Rates and the concept of grandfathering of those customers. Both Member Chilcote and Member Loveless think that there should be a deadline for solar customers to be on the current rate and after that date the new solar customers be on the new rate. Member Farnes is concerned that there will be an onslaught of customers trying to get in under the deadline. He is afraid how it will be interrupted especially by salesman trying to pressure potential solar customers to buy the product and get it install immediately. He also pointed out that it will create a situation with the power company from residents wanting to get it approved and installed in a short amount of time trying to fall within the deadline date.

2.

It will cause more work and demand for the power company staff. Board Member Farnes doesn't feel that a deadline needs to be announced. Board Member Chilcote feels that this is an item that needs to be discussed extensively and in the regular scheduled meeting with a full board participation.

Board Member Stephenson pointed out that the board needs to come up with a couple of options that can be presented to the City Council since they are the ones that will ultimately approve or disapprove of the rate structure and deadline issue. This is such a politically driven subject and wanting to be transparent with the residents. He feels that that board needs to have more than one option for the City Council to consider.

Board Member Loveless wanted to point out that the City Power Department doesn't really know how much power his home consumed every month compared to how much he produced. Gary Hatch reminded the attendees that after the moratorium was lifted the Power Company started installing consumption meters and a production meters.

Alan Farnes informed the board that there is another reason for the production meter being installed. One reason is so that we can have the information if we are going to claim the green power credit from the Federal Government. Board Member Loveless wanted to know more about the Green Credit. Gary Hatch suggested that this should be asked and answered by Bruce Rigby. Board Member Farnes was able to provide some information about how the credit is issued due to his involvement in his profession which is Bountiful Power. There is state/federal requirement for Green Power for municipalities. The municipalities are required to have 20 Percent of their power usage by green power by the year 2025. Hydro does not count toward the green power credit. Hydro power is subtracted from the total KWH purchased and then the municipality owned Power Company is required to have 20 percent green power after the hydro credit is subtracted from the total usage.

Gary Hatch pointed out that AMI meters are real time use and a production meter is already built into it as one of the functions of AMI Meters. Both Board Members Chilcote and Farnes think that even with AMI Meters there is still going to have to be two meters. This is something that needs to be investigated further.

Another item that Board Member Stephenson would like discussed is why and how solar customers and residential customers are different when it comes to different rates structures.

Board Member Loveless was under the impression that we had a set amount from UAMPS for every month. Board Member Farnes pointed out that the resources are variable and so the charges to the municipalities is at a variable rate also. The bill from UAMPS for power used is different every month or cycle. Board Member suggested that if we don't use it we lose it. Board Member Farnes would like to see the bills from UAMPS for the past two years. The copies of those bills will be available for the board to see on the drop box account provided by Mr. Dean Story Financial Officer for Kaysville City.

Board Member Chilcote suggested that everyone go over the study and come up with questions for the company that provided the information, Also to go over the different rate structures and surmise what is the best alternatives for Kaysville Power. Board Member Chilcote asked Board Member Farnes if he felt there was a better choice than another. He also asked him to focus on this report and give his recommendation.

3.

Board Member John Loveless brought up the issue of back feeding onto the system. Gary Hatch explained how at the present time transfer switches are installed on home to help prevent that from occurring. If a Solar Customer wanted to not be on the system thru a net meeting agreement and wanted to store power in his own batteries. A Transfer Switch would need to be installed on that particular system/home. It would be the homeowner's responsibility. The Power Company would need to make sure it happened to protect the entire system with inspections of the install. Would need to be done according to the standards.

MISSION STATEMENT RECOMMENDATION

Board Member Farnes recommended that reliable service be part of the mission statement.

Board Member Chilcote asked if AMI Meters is part of the reliable service. Gary Hatch informed them that a presentation is being put together to present to the board. Board Member Farnes wanted more information on them such as what information can be obtained from the meter. AMI meters hopefully will help the customers see what they are using and when. Gary Hatch suggested that when these meters come on line they will do it all at once, in phases or do test areas.

Board Member Chilcote wanted to make sure that the mission statement represents outage supports and information of why and how the outage happened. When the power will be restored. Also billing options was suggested.

Gary Hatch pointed out that with the purchase of AMI Meters there will be savings in personnel time. At the moment some bills (solar customers) are having to be handwritten and calculated. Line crews are helping with customer's non payments disconnects and reconnects. After 5:00 P.M on weekdays there is no one available to turn power back on and that has to be delayed until the next morning. These meters will help with better and faster customer service.

Board Member Loveless liked the wording of " Customers of Kaysville Power "instead of "people". Board Member Farnes wanted to make sure that before we approve and adopt the mission statement. That we realize what we are committing to. The Mission statement is not just something that Gary is committing too but also what the power board is committing too. Board Member Chilcote read the Mission Statement as it is at the moment. " Kaysville City Power and Light's mission is to provide reliable electricity with superior customer service at a competitive price to the residents and businesses in Kaysville City" Board Member Chilcote proposed that "and fair price" be added to the statement after the word competitive. He asked that everyone come prepared to the next meeting with suggestions.

SUBSTATION TOUR PLAN DISCUSSION

Board Member Chilcote reminded that they had decided at the Board Meeting that the board would meet at the Operations Center located at 721 West Old Mill Lane on Friday, March 17, 2017 at 3:00 P.M. The tour will start at the Operation and then proceed to the individual substations. Gary Hatch reminded those that will be entering the substation that they will be required to wear PPE (Personal Protective Equipment). Either Gary Hatch or Bruce Rigby will go in to give the tour. Transportation will be provided by Gary Hatch or Bruce Rigby.

4.

NET METERING ONLINE CLASS DISCUSSION

The discussion for topics of the online class was turned over to Board Member Loveless. Some of his ideas that he presented were: Different types of inverter systems, Micro inverters, Power optimizers verses single string inverters, value of the kwh produced during different times of the days.

Power Outage and the systems that are sold today. Wants to make sure that customer are aware that when the power is out they are not making power. Options to having backup for power outages, ways to shorten the return on the investment, options of other energy efficient alternatives, cost of equipment compared to the cost of labor and smart metering and the danger of the radiation. Board Member Loveless would like to focus on Home Energy Efficiency ideas.

Board Member Chilcote wanted to make sure that the topics of discussion are of interest to the majority of the people and not targeted toward one individual's concerns. A section on the value of being connected to the grid and solar customer's responsibility to the grid and the importance of paying their part. Helping the consumer to be aware of scams that are occurring in the solar power industry. Also a disclaimer that we do not endorse any particular company or system.

DISCUSS AND REVIEW UFS PRESENTATION

Board Member Stephenson noted that the time was slipping away and that many of the members needed to get back to their jobs and other obligations. He pointed out that there are two main topics he would like discuss at the next Board Meeting are: Avoided cost on long term variable costs that was brought up by the UFS presentation and customers charges. Looking at the specific items that are included in that charge.

Board Member Chilcote suggested that the remaining items on the agenda be tabled for another meeting.

CALL TO THE PUBLIC

No one was present for this item.

Board Member Sean Chilcote made a motion for adjournment at 12:51. Second by Board Member John Loveless and passed unanimously.



1.

POWER COMMISSION BOARD MEETING
WORK SESSION

Meeting Minutes
March 17, 2017

Minutes of the Kaysville Power Commission Board meeting held Friday, March 17, 2017 at 3:00 P.M. at the Operations Center at 721 West Old Mill Lane Kaysville, Utah 84037.

Present: City Council Member Lee, Board Member Brok Thayn, Board Member Sean Chilcote, Board Member Alan Farnes, Board Member Patrick Hein, Board Member John Loveless, Board Member Jordon Stephenson.

Others present: Power Superintendent Gary Hatch, Resource and Service Manager Bruce Rigby, Administrative Assistant Stacie Harward.

TOUR OF FACILITIES

The tour of the facilities started at 3:00 P.M. at the Kaysville City Public Works Facility that houses Kaysville City Power and Light, 721 West Old Mill Lane, Kaysville, Utah 84037.

Those present were shown by Power Superintendent Gary Hatch the areas that Kaysville City Power occupies. The board was able to inspect and observe the vehicles and equipment that the crews have available to them. They then were given a walk through the yard that included transformers, wire and poles. Questions were asked and answered by staff present.

City Council Member Lee asked to be excused at 3:30.

The tour was then moved to the East Substation Resource and Service Manager Bruce Rigby entered with Board Member Sean Chilcote and Board Member Brok Thayn. Only 2 members of the Board were properly prepared with PPE equipment that is required to enter substations. They were allowed to enter while the other board members were outside with Power Superintendent Gary Hatch.

The tour continued to the West Substation and Schick Substation.

Tour adjourned at 5:00 P.M

Stacie Harward, Administrative Assistant



MEETING NOTICE AND AGENDA

Notice is hereby given that the Kaysville City Power Commission will hold a regular meeting on Tuesday, April 4, 2017 starting at 7:00 p.m. in the Council Room of the Kaysville City Municipal Center, 23 East Center Street, Kaysville, UT.

The agenda shall be as follows:

1. Opening Ceremonies.
2. Conference Call with Mark Beauchamp UFS
3. Presentation by Board Member Jordan Stephenson.
4. Mission Statement.
5. Election Terms.
6. UAMPS Conference.
7. Regulatory Assistant Project Training.
8. Other Discussion Items for Upcoming Meetings.
9. Approval of Minutes.
10. Call to the Public.
11. Adjournment.

Kaysville City is dedicated to a policy of non-discrimination in admission to, access to, or operations of its programs, services or activities. If you need special assistance due to a disability, please contact the Kaysville City Offices at (801) 546-1235.

I hereby certify that I posted a copy of the foregoing Notice and Agenda at City Hall.

Stacie Harward

Stacie Harward
Administrative Assistant
Kaysville City Power Department

