POWER COMMISSION BOARD MEETING

MEETING MINUTES
APRIL 5, 2017

1. APPROVED

Minutes of the Kaysville City Power Commission Board Meeting held Tuesday, April 4, 2017 at 7:00 P.M. in the City Council Chambers of the Kaysville City Municipal Center at 23 East Center Street, Kaysville, Utah 84037

Present: Chairman Brok Thayn, Board Member Jordan Stephenson, Board Member Patrick Hein, Board Member Alan Farnes, City Council Member Susan Lee

Others Present: Power Superintendent Gary Hatch, Resource and Service Manager Bruce Rigby, Stacie Harward Administrative Assistant, Brigg Lewis

Excused: Co-Chairman Sean Chilcote, Board Member John Loveless

Opening Provided by Chairman Brok Thayn
Prayer Given by Jordan Stephenson

CONFERENCE CALL WITH MARK BEAUCHAMP UFS

Valuation of Solar Power- Current program is Net Metering. Net Metering is when for an example a customer takes 1000 KWH from the current utility but gives back 600 KWH. That customer is then billed for only 400 KWH. The problem is that they are taking power off the distribution system but are creating demand on the system. Residential usually take their usage in the early morning and evening peaks and are causing demand in the peak hours of the day but produce or give back to the system during non-peak hours. So the Residential Roof Top Solar customer is still creating demand on the distribution system during the peak hours. Solar power systems don't reduce the impact on the system. That cost needs to be recovered thru other resources. One of those options is shifting the costs onto non-solar customers- residential and commercial customers. There have been 3 other meetings that have been held discussing this topic. The City Council asked UFS to come up with other alternatives or considerations for Roof Top Solar Power impact costs. The alternatives and rate study is the product of this request.

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It's becoming a big issue throughout the country not just in Kaysville City. It's good for the environment but it does have a cost to the consumer and that cost needs to be addressed. The current Net-Metering program was implemented 5+ years ago for Kaysville City Power and Light customers. When the program was first put into place the KWH usage was 100 -200 KWhs. Within 6 months that number jumped up significantly and so did the cost to the residential customer. The City Council directed UFS and the Solar Companies to come up with different alternatives when it came to the impact costs for the residential non-solar customer. Non-Solar customers are subsidizing the Roof Top Solar customers.

Alternative One- Net-Metering Alternative's Pros and Cons are:

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-Upfront charge for roof top solar customers

- Solar companies expressed a desire to implement an upfront charge when customer install a solar array to recover the un-recovered cost 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 was used
- Period of time to recover stranded costs- 20 year recovery was used in the determination

The Solar Companies are not against an upfront cost. An additional $4.51 per/month per Kwh installed. Most installations are at 10 KW so that equates to a $45.00 dollar per month charge. The trend has been not an upfront cost with the utilities. The City Council needs to decide when and how much subsidy they want to provide. Up Front cost revenue effects the City bond process. A benefit to the Solar Customer is a tax deduction for that year.

The Conference call with UFS is also available on the City Website under the Power Commission Board Meeting April 5th meeting with more in-depth information. The power point slides and figures that have been referred to are also available in that same location. This subject is quite a complicated and diverse subject that needs to have all the information available as its being presented.

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PRESENTATION BY BOARD MEMBER JORDAN STEPHENSON-UTILITY RATE MAKING FRAMEWORK

Board Member Jordan Stephenson presented a power point presentation on Rate Making Overview.

Step 1- Revenue Requirement

- Determine the total amount of expense/cash needs

Step 2- Cost of Service

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

Step 3- Rate Design

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

Board Member Stephenson's presentation is available on the Power Commission Board Meeting site on Kaysville City Website under Government-Power Commission-Agenda and Minutes. The Slides that are referred to are available as he explains the rate structures and the crafting of the bill.

MISSION STATEMENT

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 Hein recommended that " safely provide " be added to the mission statement.

The final Mission Statement was approved as:
" Kaysville City Power and Light's mission is to safely provide reliable electricity with superior customer service at a competitive price to the residents and businesses in Kaysville City".

Chairman Brok Thayn made a motion to accept the Mission Statement
Board Member Jordan Stephenson second the motion

The vote was unanimous to accept the Mission Statement.

ELECTION TERMS

Chairman Brok Thayn informed the Board of their individual terms of service. Those terms are as follow:

Brok Thayn- Expiration 02/2021

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Patrick Hein- Expiration 02/2019
Jordan Stephenson- Expiration 02/2021
Alan Farnes- Expiration 02/2019
Sean Chilcote- Expiration 02/2021
John Loveless- Expiration 02/2019

Council Member Lee made a motion to accept the Election Terms
Board Member Hein second the motion

The vote was unanimous to accept the Election Terms.

UAMPS CONFERENCE

The Annual Member Conference will be held
August 13-16, 2017
The Village at Squaw Valley
Olympic Valley, California

This is a 3 day conference.

Council Member Lee also recommended the Board plan on attending a workshop in September

Municipal Toolkit Workshop
September 12, 2017
Salt Lake City, Utah

Held in conjunction with Utah League of Cities and Towns Annual Convention

Kaysville City Power and Light will provide travel and hotel expenses for members of the board that would like to attend.
Each board member needs to decide if they want to attend and let staff know of their decision by the May or June Meeting.

REGULATORY ASSISTANT PROJECT TRAINING

Chairman Brok Thayn introduced Kate Bowman from the Utah Clean Energy. There are 3 dates to attend the training on the impact of solar power. April 13th meeting will be held in Provo. They would like for Kaysville City Power to hold the May 11th meeting in our City. June 15th meeting will be a webinar.
The time for the meeting is scheduled from 1 P.M. to 5 P.M.
The main topic of the meeting is to help municipalities and individuals to make informed decisions on grid impacts, net metering and smart energy choices. City Council members and utilities are invited and encouraged to attend.

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Chairman Brok Thayn suggested that we hold the meeting in the City Council Chambers on May 11th, 2017. Chairman Thayn will be sending out an email to the board with further information and collecting the comments from the board concerning holding the meeting.

OTHER DISCUSSION ITEMS FOR THE UPCOMING MEETINGS.

Board Member Farnes would like to have UAMPS come to a meeting and demonstrate how to interpret the bill we received from them. The suggestion was made that the meeting be started an hour earlier for the meeting in May with UAMPS in attendance.

Solar Class Outline
Feeder Monitoring
Billing Software
Smart Metering Meters

APPROVAL OF MINUTES

Council Member Susan Lee made a motion to approve the minutes from the March 7th, 2017 meeting, Work Session March 15, 2017 meeting and the Work Session March 17, 2017 meeting.

Board Member Alan Farnes second the motion.
The Board unanimously voted to accept the minutes.

CALL TO THE PUBLIC

Brigg Lewis wanted the Board to know they are doing a job well done.

Chairman Brok Thayn made the motion for adjournment at 9:20 P.M. Second by Council Member Susan Lee. The Board unanimously voted to adjourn.

Stacie Harward

Stacie Harward, Administrative Assistant