POWER COMMISSION BOARD MEETING

MEETING MINUTES
JANUARY 9, 2018

MISSION STATEMENT
Kaysville City Power and Light's Mission is to safely provide electricity with superior customer service at a competitive price to the residents and businesses in Kaysville City.

1. APPROVED

Kaysville City Power Commission Board held a Regular Power Commission Board Meeting at 7:05 p.m. in the Council Room of the Kaysville City Municipal Center, 23 East Center Street, Kaysville, UT.

Present: Chairman Brok Thayn, Co-Chairman Sean Chilcote, Board Member Jordan Stephenson, Board Member Alan Farnes, Board Member John Loveless, Board Member Patrick Hein

Others Present: Power Superintendent Gary Hatch, Resource and Service Manager Bruce Rigby, Stacie Harward Administrative, City Manager Shayne Scott, Financial Director Dean Storey,, City I.T. Manager Ryan Judd, Brian Simpson, Eaton Company, Chad Smith, Kaysville Resident, Bob Pugh, Eaton Company, Michelle Barber, Kaysville City Council Member.

Excused: City Council Member James Hansen

Opening Provided by Chairman Brok Thayn
Prayer Given by Co-Chairman Sean Chilcote
Mission Statement read by Chairman Brok Thayn

APPROVAL OF MINUTES

The meeting minutes for November 14, 2017 and December 5, 2017 were presented to the Board for approval. Board Member Jordan Stephenson made the motion to approve minutes. Board Member Patrick Hein second the motion. The vote on the motion was as follows:

Chairman Brok Thayn	Yea
Co-Chairman Sean Chilcote	Yea
Board Member Jordan Stephenson	Yea

2. APPROVED

Board Member Patrick Hein	Yea
Board Member Alan Farnes	Yea
Board Member John Loveless	Yea

The motion passed unanimously

AMI/ADVANCED METERS

Kaysville City I.T. Manager Ryan Judd made this presentation. He gave a background on how this whole process started. In April of 2006 he visited Idaho Falls Idaho. They went through their process and got a better understanding of how AMI Meters work. In June of 2016 the I.T Department drafted a RFP. March 2017 they toured Provo City's facility and got a feel of how the Meters worked and what they were capable of doing. May of 2017 the RFP (Request for Proposal) went out. Those companies that wanted to be part of the bid had until July of 2017. In July of 2017 4 vendors submitted their proposals. Those four vendors were Honeywell, Eaton, Landis and Gyr and Sensus. 3 of the 4 companies were interviewed. After the interviews it was established that only 2 were qualified and were able to provide for our needs. Those 2 companies were Eaton and Landis and Gyr. After several meetings and several months of discussions. Staff decided that the Eaton companies had everything that was needed for the City to move forward.

A recommendation has been given that the Water and Power Departments stay separate in regards to AMI Meters. Mr. Judd feels that this is an important step to take because of being able to streamline the meter reading process. These AMI Meters offer many ways to read the meters. The Power department has two different methods of reading meters every month. The Water Department has 3 different ways of reading meters. AMI reading cleans up the meter reading process and makes it more accurate in the billing process. It will also help with customer resolutions in a timelier manner. The customer will also have more access to time of use information. This will help the customer to have more control over their usage and billing. One of the advantages of an AMI Meter is outage management. With the fault indicator it will be easier to isolate the fault and the area the problem is in. The meters also will be able to disconnect and connect customers remotely. It will also help Power personnel to be aware of outages faster. At the present time the power company is not aware of power outages until a customer calls. Personnel will be able to establish what circuit the power outage is on by AMI Information. The AMI meters are a two way communication between meters and server. Notifications can be set up to allow us know to in advance what is happening in the network. It allows us to be more proactive. The cost is 8,300 residential meters at 125.00 (approx.) per meter. 500 commercial meters at 360.00 (approx.) per meter. The price for future purchases will be honored by the Eaton Company. Eaton will handle any warranty issues. The meter calibrations are done at the factory and are ready to go when they arrive.

Security protocol was designed that all information is encrypted. Servers are under the control of the city and will store information for 45 days. Upgrade to system is twice a year which is included in the maintenance contract. The meters are self- routing and self- healing. If a meter is having problems it will not affect the power to the house. The schedule for implementation will be based on when the City Council approves of this item. Once it has been approved the I.T department will start to purchase servers, meters and the software. The city has a timeline of 6 months. Collectors will need to be installed city wide. The whole system should be replaced in the next two years. Time of use will be available when all meters have been installed. The whole system will go online at the same time. Board Member

3. APPROVED
Loveless wanted to know if the new rates included the AMI Meters. Board Member Stephenson pointed out that the meters were already captured in the rate increase. It has been budgeted 1.6 Million dollars over a period of time. Our Mission statement is benefited by the installation of AMI Meters. These meters will help the customer to be more proactive. The warranty on the meters is 1 year from delivery date. The meters have a life expectancy of 20 years. The meters that we currently have in use have a life expectancy of 15 years. These meters will have a lot of information that the customer will have access to. Board Member Loveless pointed out that if a customer will utilize the information available to them they can make their homes more energy efficient. Mr. Judd requested the Power Commission recommend to the City Council that they put the approval of the Eaton Company for AMI Meter as an action item on the City Council Agenda. Board Member Sean Chilcote made the motion to recommend to the City Council that this item be put on the City Council Agenda as an action item. Board Member Jordan Stephenson second the motion. The vote on this motion was as follows:

Board Member Jordan Stephenson	Yes
Board Member Patrick Hein	Yes
Co-Chairman Sean Chilcote	Yes
Chairman Brok Thayn	Yes
Board Member Alan Farnes	Yes
Board Member John Loveless	Yes

The motion passed unanimously.

FIBER OPTIC

Mr. Ryan Judd I.T Manager for Kaysville City presented the fiber optic item to the Board. When he started at Kaysville City in 2002 in order to get data from one computer to another he had to copy it to a floppy drive and take it over to another computer. Over the years, the city upgraded to a 900 megahertz radio. That was how the city facilities were connected and were able to move files around to each other. This was not a very efficient or reliable system. In 2005-2006 the city upgraded and installed a fiber connection. This particular project the city partnered with Davis County to share the cost of installation of fiber. They paid half of the cost to go from the City Building Block to the Emissions Center on 600 West and we paid the additional cost to proceed a little further to the Operation Center. This agreement is still in place with Davis County at the present time. Davis County paid for 24 strands and the City paid for 24 strands. The city has fiber connections between the City Hall, Operations Center, Recreation Center and Fire Station. The fiber optics that we have now is still working great. We need additional fiber to proceed to the substations (4) Burton Lane, Schick, West and East Substations. This fiber connections is needed for security at the substations according to Federal regulations. At that present time the security measures consists of a camera. Access control to the substations is a big security issue. With fiber that access can be controlled and recorded in case of a security breach. UAMPS also collects data from the substations on a 15 minute cycle, this fiber option will make that more efficient and accurate. It will also give the Power Department more update information on what is going on within the substations. Future projects will include the cemetery and parks.
When this project was started the first thing was analyzing the goals and how to minimize the cost of the project. By owning our own fiber system it can be used for future city projects and the collecting of data within the city government setup. The city is wanting to bring in backup from an outside company

4. APPROVED

to help with maintaining the fiber system. This is something that cannot be handled in house due to the time restraints and knowledge required. A RFP was drafted by an engineering company. The RFP was for installation of fiber from the city buildings to the substations. Later it was realized that the city would also need help maintaining the fiber. The RFP was sent to internet service providers. When the RFP was received back the city started interviewing the different companies. After careful consideration of their qualifications and our goal criteria, a decision was made. Only one of the companies met our goal criteria. The city is in the process of writing the contract. The contract is broken up into three actual separate contracts. These are 1.Irifutable right of use, 2.Operations and Maintenance, and a 3. Construction of the Fiber infrastructure contract. Mr. Dean Storey pointed out and wanted to make sure that the commission was aware that this is a fiber project related to the Power Department that is needed to connect with the substations. This is not a fiber option for the residents of the city. The city would like to get a return on this investment. Mr. Storey presented to the board the option of leasing out the fiber strands that the city will not be utilizing. Once again this is not a home fiber option. An example was presented that Central Davis Sewer District could lease some of the fiber so that they can connect to their system throughout the city. Mr. .Judd described the route that the fiber would take through the city. It will start at City Hall proceed down Main Street to 50 West to Burton Lane. At that time it will tie into the Burton Lane Substation. Burton Lane to Sunset Lane to Smith Lane to Angel Street then down 200 North to the Schick Lane Substation. It will proceed up 200 north to the West Substation and then onto the East Substation located on 200 North 100 east and back to City Hall. Switches will be installed so that constant communication is maintained. Fiber Lines will be overhead and underground. There will be 38.563 feet of overhead lines and 10,776 feet underground. The total cost is $443,000.00. A termination will be at each substation. The vendors that lease fiber lines from the city will not have access to the substations. They will only be allowed on certain strands and dedicated lines with no cross communication. Power Department will be isolated from other city operations. There are many security requirements that will be put into place required by Federal Agencies. Board Member Farnes wants to make sure that the City has its needs and protocols are covered before leasing out the other fiber strands to other companies. $6.49 per foot for overhead and $16.99 per foot for underground. Some conduit is already installed. A franchise agreement is being worked out with the Power Department to be allowed on the poles. Chairman Thayn would like to see us install extra conduit for future uses. He would like also for the power department to look at future projects that maybe can be done at same time the fiber install is happening. Power Superintendent Gary Hatch concerns that need be addressed that the pole boxes are set in the right of ways and not in resident's yards. This project was budgeted for and the cost was anticipated in the rate study. The project will be awarded in February after it is approved by the City Council. Permitting in the next 6 months and should be completed in May or June. The company that was recommended to be awarded the contract is Connext. Board Member Loveless was wondering where the funds that come from the leasing of the fiber would go. Those Funds will go into the power department. Mr. Judd requested that the Power Commission recommend to the City Council that they put on the City Council Agenda as an action item. Board Member John Loveless made the motion that the City Council put this item as an action item. Board Member Patrick Hein second the motion. The vote on this motion was as follows:

Board Member Jordan Stephenson	Yes
Board Member Patrick Hein	Yes
Co-Chairman Sean Chilcote	Yes
Chairman Brok Thayn	Yes
Board Member Alan Farnes	Yes
Board Member John Loveless	Yes

5. APPROVED
The motion passed unanimously.

NET METERING AGREEMENT QUESTIONS

Chairman Brok Thayn wanted to make sure that on this topic when asked questions that the Board is giving out the same answer. It was decided that the questions and answers will be written up. Stacie Harward will type up all questions and answers and then they will be distributed to the board members for approval.

Question #1. If an existing customer adds to their system are they still grandfathered in? The answer is: If they change their array size from what they originally signed up for the customer will not lose their grandfathered status. The customer can only have an array size maximum that was in the original net metering agreement with the city.

Question #2. Will the grandfathered status stay if the house is sold? The answer is: No, the net metering agreement is between the city and the customer not the house.

Question #3. Will grandfathered customers stay on their own rate structures? The answer is: Until the grandfathering runs out they will be on their own rate structure which is in the net metering agreement. But all those rates and policies are subject to change according to the net metering agreement which states that rates may change with a 30 day notice. The power commission will recommend to the City Council the 15 year grandfathered timeline January 1, 2018 to 2033. Subject to the City Council decisions.

Question #4. Is the current rate one to one credit during the grandfathering period? The answer is: Yes, But all those rates and policies are subject to change according to the net metering agreement which states that rates may change with a 30 day notice.

Board Member Hein also recommends that there is a map of location on the main disconnect. This map is a location of batteries and main disconnect for first responders.

COMMERCIAL NET METERING

Board Member Jordan Stephenson stated that a customer wanted clarification on the rate for Commercial Net Metering. The board would like for the customer to come to the next meeting and present to the board. The board would like to make a more educated decision and not be rushed into a decision.

Bruce Rigby Customer Service and Resource Manager asked the Board that on the next meeting agenda they allow some time for UAMPS to make a presentation.

6. APPROVED
The subject was brought up about the value of Kaysville City Power and Light. Bruce Rigby pointed out that a very expensive study would need to be done to determine the value of our system. At the present time Kaysville City Power and Light is not for sale.

CALL TO THE PUBLIC

No one was present for this item.

ADJOURNMENT

A motion was made by Chairman Brok Thayn to adjourn the meeting at 10:15 p.m. Board Member Patrick Hein second the Motion. The vote went as follows:

Chairman Brok Thayn	Yes
Jordan Stephenson	Yes
Alan Farnes	Yes
John Loveless	Yes
Patrick Hein	Yes

The motion passed unanimously.

Stacie Harward
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Stacie Harward
Kaysville City Power and Light
Administrative Assistant