

KAYSVILLE CITY COUNCIL
April 21, 2016

Minutes of a special meeting of the Kaysville City Council held April 21, 2016 at 6:00 p.m. in the City Council Chambers of the Kaysville City Municipal Center.

Council Members present: Mayor Steve Hiatt, Susan Lee, Larry Page, David Adams, Chris Snell and Jake Garn.

Others present: City Manager John Thacker, Finance Director Dean Storey, Engineer Andy Thompson, Zoning Administrator Lyle Gibson, City Recorder Maria Devereux, Resource and Customer Service Manager Bruce Rigby, Joey Eccleston, Power Superintendent Gary Hatch, Mark Beauchamp, Utility Financial Solutions, Hazel Parrish, Walt Parish, Ken Gardner, David Packer, Eric Isom, Kate Bowman, John Loveless, Eric Baugh, George Snell, Clara Snell, Allan Wursten, and Tammy Wursten.

Mayor Hiatt explained the purpose of the special meeting and stated it is to review and discuss the Electric Rate Study – Utility Financial Solutions Report. He explained the history of net metering for solar generation and what brought the City to have a study performed regarding utility rates. He stated that the Council decided they needed to find out what the true costs are and this study was arranged to help determine cost of service.

Bruce Rigby introduced Mark Beauchamp, CPA, CMA, MBA, President of Utility Financial Solutions.

Mark Beauchamp, explained the Cost of Service study and gave a five year financial projection. He explained that his company will identify key financial targets to determine how much additional revenue has to be generated to maintain the utility in the future. He noted that it is important to ensure that current customers are not subsidizing future customers. He stated that this is a 'pay as you go' philosophy.

Mark Beauchamp explained that rates have not been designed at this point and asked for direction from the Council. He noted the importance of minimizing rate impacts for the customer but stated the customer charge still needs to be established. He explained that the avoided cost calculation for solar is important to address and has strategies that he would like the Council to consider. He explained that long term financial projections are approximate, that there is a need for a gradual increase and he stated the objective, which is to keep the City financially strong and viable.

Council Member Garn noted that the rates can be tailored to direct costs, and stated that the potential exists for more accurate pricing.

Mayor Hiatt stated that a more in depth meeting would be beneficial. He expressed his appreciation for the information and detail provided but noted the need for further discussion. He explained that the Council would hesitate to give a recommendation after a short 45 minute presentation. He recommended to continue further discussion and dialog with opportunity for feedback and clarification.

Council Member Garn suggested that a decision be delayed until they are able to gain public opinion.

Mayor Hiatt suggested the City post the presentation on the website and schedule a work meeting. He suggested that Council Member Lee coordinate with the Power Department and others and schedule a dedicated time to discuss this issue exclusively.

Council Member Garn made a motion for adjournment at 7:05 p.m., second by Council Member Lee and passed unanimously.