

MINUTES
UTILITIES BOARD MEETING
EPHRAIM CITY HALL
5 SOUTH MAIN, EPHRAIM, UTAH
JANUARY 16, 2020
7:00 PM

Board Members Present: Chair Ted Olson, Leonard McCosh, Dale Nicholls, Don Thompson, Council Liaison Richard Wheeler

Board Members Excused:

Staff Present: Public Works Director Chad Parry, Power Superintendent Cory Daniels, Secretary Candice Maudsley

Others Appearing: Stephen Crosland, Barry Baker, Richard Close, Justin Crosland, Elizabeth Crosland, Shawn Crosland, Kent Fairbanks, Travis Thompson

CALL TO ORDER

The Ephraim Utilities Board convened on Thursday, January 16, 2020, in the Ephraim City Hall Board Room. Utilities Board Chair Ted Olson called the meeting to order at 7:00 p.m.

I. MOTION AGENDA

A. APPROVAL OF MINUTES

The Board reviewed the minutes of the November 14, 2019 Utilities Board Meeting.

Board Member Leonard McCosh moved to approve the November 14, 2019 Utilities Board Meeting Minutes as presented. The motion was seconded by Board Member Dale Nicholls. The vote was unanimous. The motion carried.

B. SOLAR POWER BUY BACK RATE CHANGE DISCUSSION

A discussion between Ted Olson, the solar customers, and Cory Daniels included the following:

Several solar users present at the meeting asked for an explanation concerning the solar buy-back rate. The net metering ordinance was adopted several years ago to allow rooftop solar interconnection with Ephraim City Power. The ordinance allows for reimbursement rates to be re-evaluated periodically. Recently the City had the opportunity to participate in the Red Mesa Solar Project. It is located on the Navajo Reservation and contracts have been executed with the Navajo Tribal Authority as well as UAMPS. The project should commence in 2022 with a starting rate of 2.2 cents per kWh. In the November meeting, the discussion was focused on changing the reimbursement rate to the same rate at which the City could buy solar. Crosland stated that the

Red Mesa project will not come online until 2022, thus it should not be the standard for buy back today. The contract has an inflation factor of two percent per year. The current reimbursement rate is 4.1 cents per kWh.

There was concern raised as to the interpretation of the Net Metering Agreement. (At this point Stephen Crosland stood above Ted Olson's head in an aggressive way.) Item 15 of the Agreement states "Any amendments or modifications to this Agreement shall be in writing and agreed to by both Parties." In the Net Metering Ordinance ECC 8-5-2-G (2) it states, "Reimbursement rates will periodically be reviewed and/or changed at the discretion of the Council." The solar rate for the new project will not be available for two years and there was concern that the reimbursement rate should not be changed until the City has the option to utilize the 2.2 cent per kWh rate. The City is contemplating the new rate, but nothing has been decided to date. Solar is considered an undervalued source of power as it does not produce in the peak hours of use. For this reason, the City has a diversified portfolio of power sources. In an effort to reduce their carbon footprint, the City has green sources of power in their portfolio which include: hydros in the canyon, wind, solar in 2022, and hydrogen is being looked into. Solar users discussed the carbon dioxide their systems have prevented going into the atmosphere. Solar Residents are concerned that the rate being cut back will make it difficult for the individual to make the money invested into their solar system balance. The Net Metering Ordinance has a cap of one percent of total load for solar production. This is a safeguard that can also be re-evaluated. New ideas for billing were presented by solar users. The option of keeping the electric credit on the electric line item rather than applying the credit to other services was brought up. The current ordinance allows that credit to be wiped out once a year. The monthly residential interconnection fee of \$13 was explained. Some factors of the cost are manual work by staff, bidirectional metering, infrastructure, transformers, wire, poles, distribution systems, and substations. The dollar amount was decided in an attempt to be fair to both parties. In the future, the Power Department is considering putting together a class for solar users and those considering solar to educate them on the way the interconnection and billing work. Currently the education comes from salesmen alone. The City will have an attorney investigate the Net Metering Agreement item 15. Solar customers inferred the possibility of a lawsuit if any modifications to the buy-back rate were done without their agreement. It was suggested by solar users that the old rate be grandfathered in. Utilities Board is an advisory committee to City Council made up of citizen volunteers. They strive to do their best to serve the citizens of Ephraim City and make the best decisions for them. The Board will take a serious look at the concerns presented.

III. BOARD MEMBER REPORTS

TED OLSON

UAMPS – UAMPS sponsors a governing board workshop for newly elected officials. Richard Wheeler will be attending. The invitation was extended to the Utilities Board. It will be held January 23rd at 4:00 pm in Fairview.

RICHARD WHEELER

Budget – The Council is being very careful with the budget this year. A budget meeting has been held and the financial priorities will be organized.

IV. STAFF MEMBER REPORTS

Cory Daniels, Power Director

HYDRO – A new 24” valve has been installed at the Big Hydro. It is mounted and will be welded to the pipe going into the hydro. It should be ready for spring. The maintenance on the Old Hydro is being done as well. The work will be guaranteed for 30 years.

Programming Upgrade – A recommendation has been sent to City Council for a programming upgrade at the Canyon Hydro. It has not been upgraded since the 1980’s. It will be an investment, but if upgraded it should last 30 to 40 years.

Overhead Fiber – The budgeted overhead fiberoptic line was installed in various locations to the new metering structure and the hydro. This will provide hardwire communication to monitor different locations.

Chad Parry, Public Works Director

Water Supply - The springs are doing well. The snowpack is average. If precipitation continues at this rate, the water situation will look good this year.

Wells – The new well will produce approximately 400 gallons per minute. The pump is being ordered. The water will go straight into the system rather than blended. The chemical tests just came back and the results look very good. Another well will be drilled on the Neilson property in the future. Other water system upgrades are being planned.

Tunnel – The tunnel is complete. The pipe is done. The project will be going to mediation.

Subdivisions- There are a few new subdivisions coming in this year.

B. CLOSED SESSION PURSUANT TO UTAH CODE ANNOTATED 52-4-5

Pending /Imminent Litigation

Board Member Leonard McCosh moved to approve going into Closed Session pursuant to Utah Code 52-4-5, for the purpose of pending/imminent litigation. The motion was seconded by Board Member Dale Nicholls. The vote was unanimous. The motion carried.

ADJOURNMENT

There being no further business to come before the Utilities Board for consideration, Board Member Leonard McCosh moved the Regular Utility Board Meeting adjourn at 8:52p.m. The motion was seconded by Board Member Don Thompson. The vote was unanimous. The motion carried.

The next regular Utilities Board meeting is scheduled to be held on February 13, 2020, starting at 7:00 p.m. in the Ephraim City board room.

MINUTES APPROVED:

Ted Olson, Chair

Date

ATTEST:

Candice Maudsley, Secretary

Date