



**MINUTES**  
**Springville Power Advisory Board Meeting - JUNE 10, 2020**

---

MINUTES OF THE SPRINGVILLE POWER ADVISORY BOARD MEETING HELD ON WEDNESDAY, JUNE 10, 2020 AT 6:30 A.M. AT THE ELECTRIC OPERATIONS CENTER, 777 N. 425 W., SPRINGVILLE, UTAH.

Committee Members in Attendance: Councilman Patrick Monney, Acting Chairman Mark Lamoreaux, Travis Ball, Rod Andrew

Committee Members Absent: Clair Anderson

City Staff: Director Leon Fredrickson, Shawn Black, Brandon Graham

**CALL TO ORDER**

The meeting was called to order at 6:37 a.m. by acting Chairman Lamoreaux. The members were in attendance as noted.

**APPROVAL OF THE MINUTES**

A motion to approve the February 12, 2020, as transcribed, was made by Mr. Ball. The motion was seconded by

Mr. Andrew and passed by unanimous vote.

**COMMITTEE BUSINESS**

**1. RESOURCE COST REPORT**

**a. RESOURCE COST REPORT - FY2020, As of April 30, 2020:**

Mr. Black reported that for both March and April staff used market hedges to hold the price steady. Market was used for 2.1 million kWh at a cost of \$27.73 per MWh in March and 2.6 million kWh at a cost of \$30.47 per MWh in April. Production at San Juan was down for both months due to various problems. Horse Butte Wind performed well in March, approximately 1 million kWh, at a cost of \$56.71 per MWh. Production in April was less at a cost of \$74.07 per MWh. There are still fixed costs with the project that increase the per MWh price.

The total blended cost for March was \$63.57 per MW and the blended cost for April was \$64.45 per MWh. The year to date blended cost is \$60.27 per MWh.

**2. RATE REVENUE SUMMARY**

**a. RATE REVENUE REPORT - FY2020, As of May 31, 2020:**

Mr. Fredrickson reported that, with 92% of the fiscal year elapsed, residential usage is up 15% from the same period as last year (April - May). The interruptible rate class was 20% lower than the same period and large industrial was 22.2% higher. The year to date kWh to last year comparison for all rate classes is down 0.5%. Compared to May 2019, May 2020 revenues are up by 8.2% and the fiscal year to date revenues are slightly higher than last year, coming in at a 0.7% increase.

**3. RESOURCE UPDATE**

- a. NEBO POWER STATION (NPS):** NPS has been executing a major overhaul of the gas turbine, including some rebuild of the turbine structures. The overhaul was planned with the rebuild cost was being accumulated in a Major Overhaul account as part of the project's participants monthly

payment. Photographs of the process were provided to the Members. The fixed debt on the project will be paid off in 2025. This is expected to decrease the project cost by \$105,000.00 a month.

- b. **SAN JUAN:** The project was available for 43% of production hours during April. There were issues with the boiler feed pump and a breaker failure. The unit finished the month at full capacity after repairs.
- c. **HYDRO RESOURCES:** CRSP was provided at a 72% capacity factor. Olmstead Hydro is performing well and providing low cost resource to the City.
- d. **WIND RESOURCES:** Horse Butte is producing at a 33% capacity factor for April. The wind blew well in March decreasing the cost per MWh due to the increased production. Pleasant Valley produced at a 31% capacity factor.
- e. **SOLAR RESOURCES:** The Red Mesa project is scheduled to come on-line in 2022 at a 2.5¢ per kWh cost. Springville is currently paying solar customers at a 4¢ per kWh rate with a City-wide Customer Owned Generation (COG) project. Overall there is a total of 1.5 MW of installed net metering and COG solar panels. The current City resolution allows the Council to adjust the rate. There are currently 163 homes with solar in Springville.

#### 4. **IMPACT FEE UPDATE**

The Department contracted with Salient Power Engineering to update the 2013 Impact Fee Study. The study is updated every few years to determine and prioritize the Department needs, associated costs, and the amount that should be covered by existing rates and/or new construction impact fees. A copy of the Impact Fee Analysis compilation sheet was provided for the Members to review. The study noted twelve (12) high priority items. Items noted in the study were:

- a. The construction of a new feeder from Hobbles Creek Substation, under the freeway, to serve the West side commercial customers.
- b. The construction of a new breaker installations on the 46KV bussing at the Stouffers substation.
- c. The construction of a new substation on the 400 S. corridor to provide capacity for the expected west fields' growth.
- d. The study determined that the current impact fees being charged could be lowered and still provide ample funds for the capital upgrades. The study will be presented to the City Council and then published for a public hearing.

#### 5. **FY2021 BUDGET**

The proposed FY2021 budget has been provided to the City Council for review with the public hearing scheduled for June 16, 2020. The Department conservatively reduced the amount of sales by 3% from previous at the Administration's request. Revenues have been forecast at less than \$29 million. Department expenditures of note are: Distribution \$2.6 million, Generation \$1.9 million, General Fund Transfer \$2.8 million, Fuel and Gas purchases \$18.5 million, and Capital Project at \$2.5 million. There will continue to be transfers to operating reserves.

### **REPORTS**

#### 1. **DISTRIBUTION**

Mr. Graham reported that 3,289 AMI system meters have been deployed. The Industrial Park Switch Upgrade project has been completed, providing more consistent service in the area. The 400 S. Street Light project was completed, with decorative street lights now installed from 200 W. to 400 E. The Circuit 103 re-conductor out of Baxter to the West side of Springville has been started. The Geotech study has been completed and the engineering on the steel tower to be installed on 1600 S. Main St. was requested. This is deemed a critical circuit for upgrade to meet growing load capacity in the west fields. Distribution and Generation are combining on the Lower Bartholomew Substation

and Hydro control and communications upgrade project. The engineering has been requested for upgrading the substation and breaker relay wiring. The project will move from an overhead breaker service to an underground enclosed breaker service. Plans also include repairs to the generator relays and communication.

## **2. GENERATION**

Crews have been working on a minor chip on the crankshaft, rod interface surface, in engine K3. Initial attempts to polish out the chip did not work. Reynolds-French has been hired to machine the bearing in place, and then re-polish it, to remove the chip. The re-build project at the Hobble Creek Hydro has been completed. Staff updated the generator, the voltage regulators, and the breakers including all the wiring. Staff also completed new landscaping for the building

## **OTHER**

No additional items were brought to the Members attention.

## **ADJOURNMENT**

The motion to adjourn the meeting was made by Mr. Andrew and was seconded by Mr. Monney. The motion was not voted on. The meeting was adjourned at 7:39 a.m.