



**MINUTES FOR THE REGULAR MEETING  
OF THE POWER BOARD  
OF THE CITY OF SPRINGVILLE, UTAH  
DISTRIBUTION CENTER  
SEPTEMBER 10, 2014 – 6:30 A.M.**

**MEMBERS PRESENT:** Councilman Craig Conover, Chairman Clair Anderson, Travis Ball, Jason Miller, Elizabeth Crandall, Patrick Monney

**MEMBERS ABSENT:** Rod Andrew, Darrin Wolz, Tom Hawks

**DEPARTMENT STAFF:** Leon Fredrickson, Matt Hancock, Brandon Graham

Minutes were transcribed from recording by Kami Craudell, Power Board Secretary.

**CALL TO ORDER**

The meeting was called to order at 6:30 a.m. by Chairman Anderson. The members were in attendance as listed.

**INTRODUCTION OF NEW POWER BOARD MEMBERS**

**ELIZABETH CRANDALL:** Mrs. Crandall is a long-time resident of Springville City, serving on numerous Art City Days committees and participating in numerous city functions. Mrs. Crandall is currently building a new home in Springville as a developer and is learning much about the processes of the City. Mrs. Crandall is also the daughter of previous Power Board member Leon Lee.

**PATRICK MONNEY:** Mr. Monney is also a long-time resident of Springville City. His father was a past superintendent of the Springville City Electric Department and Mr. Monney is a past part-time employee of the department. He is a graduate of BYU.

**APPROVAL OF THE MINUTES**

A motion to approve the June 11, 2014 meeting minutes as written was made by Travis Ball. The motion was seconded by Jason Miller and was then passed by a unanimous vote.

**BUSINESS**

**1. RESOURCE AND RATE FINANCIAL REPORTS**

- a. **FY14 kWh END OF YEAR SALES AND RATE REVENUE REPORT:** Mr. Fredrickson provided a handout to the Board that detailed sales and revenue through June 2014 and the end of fiscal year 2014. Total kWh sales for June were 1½% more than budgeted, with year to date sales down ½%. Revenue for the month of June was up 2%, with year to date comparisons showing no increase from the end of FY2013. With 100% of the budget year elapsed there was 100.77% of budget billed to customers. The customer count during the year increased from 10,626 to 10,727.
- b. **FY15 kWh SALES AND RATE REVENUE REPORT – AUGUST 31, 2014:** The customer count for the end of August is 10,766. Most of the growth was residential, providing a minimal rate revenue increase. Residential customers are becoming more efficient, utilizing conservation and energy efficient appliances. August is down 5% in kWh sales and 5% in lower revenues. With 16.67% of the fiscal year elapsed the department is at 19.92% of budget collected.  
Mr. Fredrickson explained the different rate classes for the new Board members.
- c. **FY14 INCOME STATEMENT:** Mr. Fredrickson provided a copy of the unaudited end of FY14 income statement. Total revenue for the year was down \$168,000.00. Distribution and Generation both managed their funds well. Distribution had \$86,000.00 unexpended and Generation had \$65,000.00 unexpended. The operations and maintenance numbers should stay where shown. There are some capital improvement projects and impact fee projects that will carry forward the unexpended balances. The ending fund balance for FY14 was \$13.5 million with \$864,000.00 going to impact fee reserves. These numbers are pre-audit and will be revised. Springville City Council has allowed for a 40% operating budget minimum. The total fund Operating Reserve balance is forecasted to be, pre-audit, \$9.4 million. The Unrestricted Fund balance is currently at \$3.2 million with adjustments pending.

d. RESOURCE COST REPORT:

- i. FY14 END OF YEAR SUMMARY – Mr. Hancock reported the following numbers for the UAMPS projects and other outside purchases for FY2015.
  1. Colorado River Storage Project (CRSP) – Monthly total was 1.7 million kWh at an average of \$28.00 per MWh. This is a possible 8 MW hydro resource pending a good water year.
  2. San Juan Power Plant – Monthly total was 2.5 million kWh at an average of \$73.00 per MWh. This is a possible 3.5 MW coal resource.
  3. Craig – Mona Transmission Line – The line runs from Craig, Colorado to Mona, Utah. Springville has an 8 MW ownership with leasing the capacity as an option if not needed.
  4. UAMPS Pool – The pool provides a buy/sell forum for unscheduled power. The pool is generally utilized at night for low cost power. Monthly total was 3.2 million kWh at an average cost of \$49.00 per MWh.
  5. Provo River (Deer Creek Dam) – small summer resource.
  6. Metered Resource – Biogas transmission costs.
  7. Power Exchange (PX) – Additional buy/sell forum on daily basis. Includes a 5 MW market energy contract. Monthly total was 7.6 million kWh at an average of \$55.00 per MWh.
  8. Pleasant Valley Wind (PV) – Wind power plant in Wyoming. Monthly total for July was 111,000 kWh at an average cost of \$58.00 per MWh. This is a possible 1 MW resource.
  9. Nebo Power Plant – Monthly total scheduled was 9.5 million kWh and the City receiving 8.8 million kWh at an average total project cost of \$63.47 per MWh. This is a possible 27 MW natural gas resource. This resource is utilized heavily.
  10. Horse Butte Wind – This is a possible 3 MW resource. The monthly cost was \$93.00 per MWh.
  11. Other – This line item covers the UAMPS administrative fees. It also covers additional UAMPS projects, ie: Government Public Affairs, Member Services, and Resource Investigation and Study.

The total UAMPS bill for July of FY2015 was \$1.4 million for 26 million kWh. The average UAMPS cost was \$57.40 per MWh.

Mr. Hancock also detailed the Biogas product and the Whitehead Power Plant (WHPP) production. WHPP produced 2 million kWh and the biogas resource provided 576,000 kWh for a blended cost of \$56.29 per MWh.

Mr. Hancock explained base load and peaking resource for the new Board members.

2. RESOURCE DISCUSSION

- a. UAMPS PROJECT UPDATES: Mr. Fredrickson requested that the members review the UAMPS Directors Report at their convenience. He listed the projects Springville participates in for the members to pay specific attention to.
    - i. SAN JUAN PROJECT – A portion of the Directors Report details talking points on the future of the San Juan Project and its problems.
    - ii. SMALL MODULAR REACTOR NUCLEAR (SMR) – Springville continues to investigate the project.
  - b. CLEAN ENERGY RATE UPDATE: Springville City was approached regarding allowing a business or resident to purchase 100% green power for their use. SCED staff canvassed other programs in the United States to develop a model that would work for Springville. Staff concluded that the charge for residential should be \$1.75 per kWh for a 100 kWh block minimum and the charge for commercial should be \$1.75 per kWh for a 1000 kWh block minimum. This would cover only the cost of the power and the associated costs of providing the service. Staff has received approval from the Springville City Council to go forward. A sign up and opt out form has been created. Staff will maintain the program and cannot sell more than is available as part of the resource portfolio.
3. RP3 APPLICATION PROCESS REVIEW – Mr. Fredrickson, Mr. Hancock, and Mr. Graham, with the assistance of Ms. Craudell, are compiling the information necessary to submit the American Public Power Association's

RP3 Application. The award allows for Springville to benchmark its services against other like utilities. The application focuses on reliability, safety, workforce development, and system improvement. SCED was a recipient of the award in 2012. St. George is the only other Utah city currently RP3 certified.

### **REPORTS**

1. **DISTRIBUTION** – Mr. Graham reported that the cost of the 46 kV line build from Hobble Creek Substation to Stouffers substation is expected over budget by \$335,000.00 due to the concrete base requirements. This will include the concrete bases for section 2, a line from the Stouffers Substation to 1400 N. The line is currently unsafe with poles leaning over and set in swampy conditions. The engineering for the construction has already been completed and it would be more cost effective to build the lines in tandem. Staff will be asking the City Council to amend the budget to include the construction for section 2. The easement to build the line on Stouffers property has already been secured. The section 2 line will serve customers in the Industrial Park as well as support to all the distribution substations. The Board was asked to review the remainder of the Distribution report at their convenience.
2. **GENERATION** – Mr. Hancock reported that the August peak usage was 57.6 MW on August 18<sup>th</sup>. Springville used 24 million kWh during August, with 500,000 kWh produced at WHPP. The Board was asked to review the remainder of the Generation report at their convenience.

### **OTHER**

Mr. Fredrickson reported that the Generation crews completed the installation of the catalytic convertor on unit K2. The installation was completed in time for the unit to be utilized for peaking power in July and August. Public Power Week will begin on September 22, 2014. Local 5<sup>th</sup> grade classes will visit the facility for demonstrations on generation, electrical safety, and an electrical lab. The Springville City employees will be invited down for a lunch on October 1, 2014 for the same. The Board members were invited to attend.

### **ADJOURN**

The motion to adjourn the meeting was made by Travis Ball and was seconded by Jason Miller. The meeting was adjourned at 8:08 a.m.