

# CITY OF WILLIAMS CITY COUNCIL

ANNOTATED MINUTES  
AGENDA ITEM

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AUGUST 9, 2018  
COUNCIL ACTION

## WORK SESSION

### I. PROCEDURES

#### A. Call to Order

Mayor Moore called the meeting to order at 6:30 p.m.

#### B. Roll Call

Mayor John W. Moore, Vice-Mayor Don Dent, Council members Bernie Hiemenz, Frank McNelly, Lee Payne, Dawn Trapp and James Wurgler were present and constituted a quorum. Present from City Staff was Acting City Manager and Finance Director Keith Buonocore and City Clerk/HR Director Pamela Galvan.

### II. AGENDA

#### *Council will review APS Network Service Agreement Balancing and Scheduling Services SPPA Membership: J. Woner with KR Saline*

Jeffery Woner reminded the council of the last time they spoke; it was back in November of 2017. The City's bundled agreement with APS was due to expire. Jeffery's reason for coming before council today was to obtain their approval in joining the SPPA Membership.

He covered the City's status pertaining to power supply.

- January to date, the historical contract with APS terminated December 31, 2017, which provided power, transmission, scheduling and balancing services.
- Our Parker-Davis Project contract continues through September 2028.
- The Arizona Power Authority (Hoover) goes through September 2067.
- Dynamic Signal Management contract (SRP) goes through September 2021. This includes short-term firming power and SRP supplemental power.

Transmission, scheduling and balancing services.

- Williams moved to APS' Network Integration Transmission Service agreement under the APS Open Access Transmission Tariff.
- Councilmember McNelly asked if the Corporation Commission has their hand in this? Mr. Woner replied, no.
- 7 x 24 scheduling and balancing services Williams has been receiving scheduling assistance from the Southwest Public Power Agency ("SPPA") since January 2018 without charge due to K.R. Saline & Assoc. relationship with SPPA.
- The scheduling assistance Williams receives from SPPA will not continue.

He provided the background on Southwest Public Power Agency (SPPA)

- SPPA is a 19 member Arizona joint Action Agency formed in 2014.

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- They are the umbrella legal entity under which SPPA Member can develop projects, one such project is the SPPA Power Pooling Program.
- Federal hydropower resources, thermal resources, renewable resources, transmission contract, etc.
- Approximately, 700 MW total member load (Williams' peak in 2018 is 7.5 MW) we are a small percentage of the group.
- SPPA Pool manages an internal market where participates pool resources and before wholesale purchases and/or sales occurs.
  - Intra pool purchases and or sales are priced at cost at the same price with no markup.

K.R. Saline recommends that Williams become a full SPPA Pool member. The current KRSA monthly scheduling fee of \$1,350/month would go away and would be replaced by SPPA Fees.

- SPPA administrative member fee at approximately \$2,800/month. Adjusted annually.
- Arizona Electric Power Cooperative, Inc. (APECO) energy management services fees are energy based (\$0.05/MWh~\$1,800/month to Williams) – These services were previously part of the now expired APS bundled services agreement. *These additional costs will be partially (or completely) offset by having greater access to pooled resources and other market based resources versus continued dependency on APA firming/supplemental resources from SRP.*

Goal for today is to receive Council's approval for SPPA membership.

August 13, 2018 SPPA boards meeting is taking place and Williams membership request will be presented to SPPA board for action in downtown Phoenix. Beginning September 2018 Williams SPPA membership begins.

Council was presented an additional opportunity to reduce SPPA management expenses through a Pooled Transmission Agreement with Lower Colorado Water Conservation District. (LCWCD)

LCWCD current size does not allow them to be able to afford the SPPA fixed minimum fee. By adding LCWCD load to the Williams APS Transmission Agreement, LCWCD would help pay the increased SPPA fees to Williams. Arrangement would be formalized with an IGA. The IGA would provide the mechanism for Williams to pass through wholesale energy purchases and monthly pool fees to LCWCD with no additional cost increases to Williams.

Councilmember McNelly inquired if the City could be removed from the Pool. Mr. Worner replied, "Not likely, but there is always a possibility if one causes issues for the Pool."

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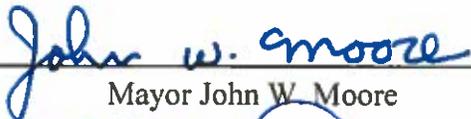
WORK SESSION

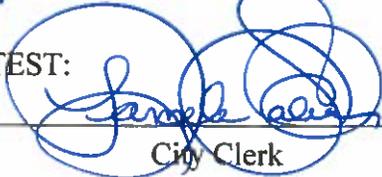
Councilmember Trapp asked about running out of power. The answer was no, the grid is built to keep the power flowing.

Councilmember Hiemenz asked about the Pool's meetings and our attendance. The board meets every 2<sup>nd</sup> Monday of the month and we may attend.

III. ADJOURN

Mayor Moore adjourned the meeting at 6:54 p.m.

  
\_\_\_\_\_  
Mayor John W. Moore

ATTEST:   
\_\_\_\_\_  
City Clerk

CERTIFICATION

State of Arizona,     )  
                                  )     ss.  
Coconino County,    )

I, PAMELA GALVAN, do hereby certify that I am the City Clerk of the City of Williams, County of Coconino, State of Arizona, and that the above Minutes are a true and correct summary of the Meeting of the Council of the City of Williams held on August 9, 2018. I further certify that the Meeting was duly called and held and that a quorum was present.

Dated this 13th day of August 2018.

  
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CITY CLERK