

CITY OF WILLIAMS CITY COUNCIL

ANNOTATED MINUTES
AGENDA ITEM

SEPTEMBER 6, 2018
COUNCIL ACTION

WORK SESSION

I. PROCEDURES

A. Call to Order

Mayor Moore called the meeting to order at 2:00 p.m.

B. Roll Call

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

C. Adopt Agenda

Councilmember Hiemenz made a motion to adopt the agenda as presented. Councilmember Payne seconded the motion, and it carried.

II. AGENDA

APS planning and progress on the Williams conversion to the Williams system, and the installation of master meters for the customers outside of Williams that receive Williams's power: J. Woner with KR Saline

Keith Buonocore opened by explaining the purpose of the meeting in general, and then turned it over to John Haro of APS.

Mr. Haro introduced his colleagues Isaac Larson, Project Manager and Kara Vanhenert, Customer Project Manager, and said they are here to discuss the Williams conversion and primary meter install projects.

Mr. Haro began with the conversion project, specifically one that will begin on the west side of Williams to the 12.47kV voltage. This is the largest of all the projects slated in the original study that was provided last year.

Isaac began with the first page referencing Phase 1 the golf course area; the design is almost done. Phase 1 encompasses everything from Franklin Ave and 7th Street, West to the golf course. Pieces of this area include some of APS's territory, which they will take care of. There are overhead and underground lines that need to be converted from the 4.2 to the 12.47.

Isaac explained the hash area on the map is Williams the non-hashed area is APS. APS will take part in converting its areas.

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They are converting from the furthest out from the substation running the lines back into the substation.

They chose Phase 1 because it is the largest piece of Williams for relatively low cost, and because most of the transformers put in over the past 10 years are already low voltage transformers so they do not have to pull them out to put new transformers in.

Mr. Haro provided depth to the project. Originally, before they performed a field evaluation it was thought the west end of town-needed replacement of 232 transforms.

Once they performed a field evaluation, they learned that approximately 5% of the original the 232 actually need replacement, thus reducing the cost from 2.9 million dollars to just under \$710,000.00 to change out the polls and transformers.

Mr. Woner asked exactly how many require replacement.
APS will get him a number.

Mr. Woner asked if they have GIS the transformers that need to be replaced. In the event the City should chose to go out to bid on the work. They would need something to give.

Mayor Moore brought up cost.

Mr. Haro stated that they likely would put this out to bid, but also assured Council that the cost will not be greater than \$710,000.00 or APS will eat the overage cost.

He also reminded them that there are multiple levels of work that need to be done within the downtown area, but this needs to be done first because it is the furthest out.

Next discussed was Phase 2 Airport Rd. from the airport to Ellen Way. This will tie into the Kaibab substation, and that part of the conversation will be done. They are still working on the design phase of this one, getting cost, etc.

Phase 3 comes in closer to Williams; referred to as Rodeo Rd. It includes the alley between 1st St and Grand Canyon, from Edison to Morse Ave. It will include the neighborhoods that run throughout the area. They are working on these phases and designs right now.

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Phase 4 is Route 66 corridor, east of 6th St between the trax and Grant St. This continues on the same feeder (Williams #13) coming back into the substation.

Council member Payne asked if there are updated costs on the last one and this one. Reply: Just the first one at this time, they continue to work on the design and the cost for the rest of the phases.

Isaac expects to have all designs and costs done and in by this year-end.

The Williams feeder is currently running at 1.5 mg watts with a 3.4 capacity. This allows for plenty of margin with the existing feeder. It also gives us the time to budget for the west end, Williams #9 feeder.

Everything will depend on load and demand.

Council member McNelly inquired on their timeline and weather. The weather was forecasted into the numbers.

There was additional discussion on phases, who might do them, costs and building to APS specs.

Primary meter installation

Ms. Vanhemert began by explaining that the primary meter installation project will not begin until the conversation is complete. There are five primary meters to be installed, and one is currently in place.

The first one to be installed is off Ski Run Rd., on the Williams Map 20 #. This will meter the APS's customers.

Outside of each substation, a primary meter measures our consumption. The piece identified that was missing is the feeder that feeds the city of Williams it was only being measured by the APS meter. The primary meters to be installed to measure the load beyond the City of Williams territory. This will give APS the ability to accurately count how many houses or how much load is beyond.

Ms. Vanhemert next reference Williams 9 Map #3 pointing out each of the locations for future installations. (Numbers 3, 4, 5 and 6)

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Council member Payne asked if this effects the load. This will be another project and additional cost.

Mr. Woner asked for clarification, this will be your meters you are installing to meter your loads. Are you going to pay for the meters?

Mr. Haro said they will pay for their meters, and the polls that are in the City of Williams they will create and design the poll replacement install the meter, work with Keith, and provide you a cost.

Mr. Woner asked why the City of Williams is being asked to pay for something they already have installed. Why would you require the City to install a meter, at a cost to the City, for something they already have?

APS is trying to provide another fail safe, they could go in and monitor APS load and go in and count the houses, check the meters. They could do it that way or, we could install a primary meter and just measure the load.

Mr. Woner is interested in meeting about the processes. For the Councils education on this, he explained, these loads have a riddle effect throughout all of your arrangements with APS. The \$120,000, roughly sent back to us was for power they charged you for over the prior 3 years that was actually serving these loads. We discovered these loads were being co-mingled with the City's loads. They realized and rightfully refunded the City the power we bought to serve their loads. The other piece being worked on is their loads/meters from the feeders coming off our system. The city is paying APS to operate and maintain the backbone and they have a little stringer coming off there, that doesn't pay anything for everything you are paying APS to maintain that backbone. We have an agreement with APS that will hopefully be done by the year-end. The city will send APS a bill for the cost of your backbone facility. It effects the distribution piece, the power supply piece, and transmission. We just entered into a new transmission agreement with APS, that transmission agreement is based on the City's total loads at the time of APS's system YP. For the past eight months, they bill you based on your total load including these meters; we just found this out last week. They are going to go back and revise all of our transmission bills since January 1, because of this, so it really has many web effects. Mr. Haro's idea of putting primary meters is a fantastic idea. There are 130 meters out there, so rather than having to separate out 130 meters from our system and going to just 3 or 4 is a lot more accurate, and a better way to do it.

All of this became known during the recent renewal of the City's O & M Agreement with APS.

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Once the primary meters are installed and it is done, you will not have to worry about it.

Mr. Woner is interested in learning more about Mr. Haro's thinking on the primary meters on Williams loads. He is sure there is a good justification he just needs to understand.

Mr. Haro thanked Mr. Woner for his insight, it is very complex, and explained it is what APS refers to as a "wheeling power feed load" to customers. We are going to have to work together to figure out what the right costs are, making sure it is fair and equitable.

Ms. Vanhemert now reference Williams 20 Map #2, the road to Bill Williams Mountain. This meter serves two APS and one City of Williams customer. There is already a primary meter there and it will be left alone.

Mr. Haro expressed that it is complex, but will lead us and leave us in a better place. Once the conversion is done, and once the primary meters are done. Five meters are easier to track as it all grows.

Council member McNelly asked if this would assist us in obtaining the data for our billing system.

Mr. Haro explained that his understanding of where the City would ultimately like to be would require the city obtaining a completely different technology where the meters are communicating to a collector and the collector communicates to a head-in system that will convert the information to a bill. That is the piece that the City is missing, the head-in system. We own the meters, but are lacking the head-in technology that can convert that into a bill.

There was discussion about the current billing and needing to get this converted over to the City. (There is currently no ACH available to our residents.) There is a substantial cost of upwards of \$500,000.00 to convert. So because the capital is not available APS continues to bill for the City. There are other ways for one to pay their bill, online bill pay through one's bank, walk-in or mail-in.

Council member Payne asked if we are reaching out to our customers. How do we?

Mr. Haro suggested that they could do a reverse 911 to explain the possible reasons they may be receding a disconnect notice. To contact APS to resolve.

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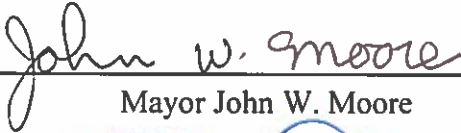
We had approximately 200 ACH customers.

The City already has the software; Caselle, we do not have the additional technology to pull the information into Caselle.

Mr. Woner will work with Mr. Haro on the cost to covert, as time has passed since the initial research was done in 2015. (The cost was last reviewed when Mr. Buchanan was the City Manager). The city has 1809 meters.

III. ADJOURN

Mayor Moore adjourned the meeting at 3:10 p.m.



Mayor John W. Moore

ATTEST:


City Clerk

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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 (Work Session) of the Council of the City of Williams held on September 6, 2018. I further certify that the Meeting (Work Session) was duly called and held and that a quorum was present.

Dated this 7th day of September 2018.



CITY CLERK