CITY OF AZTEC
WORKSHOP MEETING MINUTES
August 11, 2020

I. CALL TO ORDER

Mayor Snover called the Virtual Workshop to order at 5:15 pm

MEMBERS PRESENT:	Mayor Victor Snover; Mayor Pro-Tem Fry; Commissioner Mike Padilla; Commissioner, Mark Lewis; Commissioner Randall
MEMBERS ABSENT:	NONE
OTHERS PRESENT:	City Manager Steve Mueller; Electric Director Ken George; Utility Director Delain George; City Clerk Karla Sayler

A. Solar Rate Discussion

Mayor Snover opened the workshop and turned it over to City Manager Steve Mueller mentioned that Ken George Electric Director and Delain George Utility Director were here to answer any questions for Commission.

- The discussion on this item is why a solar customer is charged higher than a residential customer for base charge. Ken mentioned that the base charge is $38 and feels that it is a justifiable charge.
- Delain explained that right now we have only 4 solar customers. One of those customers overproduces in the summer and they don't use as much electric as they do in the winter. One customer who has never overproduced and they continually purchase electricity. One of the customers is sporadic because they have a tenant in there. The last one came online 6 months ago and it seems like it will also overproduce in the summer.
- Delain explained that the billing process for these 4 customers is more in depth because she has to manually go into their accounts and make the proper adjustment. The billing rates aren't as complicated for solar customers because they only have to pay the power cost supply. A non-solar customer pays the supply cost and the operational cost because they are always getting electricity. The solar customer doesn't pay for the operational costs because it's built into their base rate all year long. The solar customer still has all the same services as the non-solar customer and they pay about $5.69 less.
- Mayor Snover wants to bring the base rate for solar customers down to the standard rate of non-solar customers. We are only dealing with 4 customers right now he feels that we need to be a little ahead of the curve, prices of solar have come down significantly since the rate study was done and we are friendly to renewables especially solar.

- Mayor Pro-Tem Fry asked if there were complaints about the fee from the 4 customers and also if there is a way for us to buy or trade off the power that they solar customers product. Delain said that she has had no complaints on the current rate and we can buy back but we don't at this time. She is pro solar and after talking about this last time she went home and looked at her bill and it was about the cost of the solar fee so there is no incentive for her to do solar at her house. Delain explained that if they are able to produce the electricity they need and they are not connected to the City system in any way there is no fee at all.
- Ken George explained that when you factor in the costs to be the backup system for the solar customers we only make $38 a month on the solar customers. He also mentioned that when the rate study was conducted they made sure that with these fees neither side will have to subsidize the other.
- Delain mentioned that as a utility we need to make sure we get our operational costs for having solar customers connected to our system and that is why it is built in.
- Commissioner Padilla feels that if these 4 customers are not complaining then we shouldn't change anything right now because he doesn't want the fees to get passed on to the non-solar customers, when we get more solar customers than the rates can be looked at.
- Commissioner Lewis asked City Attorney Tyson Gobble about the litigation that is going on with Farmington and if he feels what we are doing has legal ground to stand on. City Attorney explained that it is obvious that we are treating solar versus non solar a little differently with valid reasons for doing so because it is based on the survey conducted he doesn't' necessarily see any potential liability at this point just based on what he's heard right now.
- Commissioner Randall said that the study was a big deal when we did it and it makes sense to him the way it is.
- Steve Mueller mentioned that he will get the rate study distributed to all Commissioners and after that we can draft an ordinance for Commission to consider.

II. ADJOURMENT

Moved by Mayor Snover to adjourn the meeting at 5:40 p.m.

Mayor, Victor C. Snover

ATTEST:

Karla Sayler, City Clerk

MINUTES PREPARED BY:

Sherlynn Morgan, Administrative Assistant