INTERMOUNTAIN POWER AGENCY
BOARD OF DIRECTORS MEETING
FEBRUARY 5, 2024

MINUTES

A meeting of the Intermountain Power Agency (IPA) Board of Directors was held on February 5, 2024, at the Springhill Suites located at 122 North Green Springs Drive, Washington, Utah, as well as via Zoom virtual meeting. The following participated:

BOARD MEMBERS PRESENT

Nick Tatton
Eric Larsen
Allen Johnson
Mark Montgomery
Bruce Rigby
Joel Eves
Jason Norlen

OTHERS IN ATTENDANCE

Cameron Cowan	IPA
Blaine Haacke	IPA
Linford Jensen	IPA
Vance Huntley	IPA
Cody Combe	IPA
Michelle Miller	IPA
Ryleigh Hair	IPA – Virtual
Marlene Conrad	IPA – Virtual
Lisa Harris	IPA – Virtual
Jessica DeAlba	IPA – Virtual
Caitlyn Cottrell	IPA - Virtual
Saif Mogri	IPA Consultant - Virtual
Eric Bawden	Holland & Hart
Mark Buchi	Holland & Hart – Virtual
Tom Cooper	Hyrum
Jon Finlinson	IPSC
Sean Lewis	Ephraim
John Ward	John Ward Inc - Virtual
Greg Huynh	LADWP - Virtual
Lori Morrish	LADWP - Virtual
Greg Bellon	Murray
Rob Hughes	Parsons, Behle & Latimer - Virtual
Stan Holmes	UCARE - Virtual

<u>INTRODUCTIONS AND ANNOUNCEMENTS</u>

The meeting commenced at 9:00 a.m. conducted by Vice Chair, Nick Tatton. Mr. Tatton welcomed everyone to the meeting and introduced all who were attending and declared a quorum was present.

IPA BOARD VICE CHAIR ITEMS

IPA BOARD COMMITTEE AND CITY ASSIGNMENTS

Mr. Tatton said the IPA Board Committee Assignments will be as follows until further notice:

Executive Committee – Nick Tatton (Chair), Eric Larsen, Allen Johnsen
Audit Committee – Allen Johnson (Chair), Joel Eves, Mark Montgomery
Compensation Committee – Eric Larsen (Chair), Bruce Rigby, Nick Tatton
Governance Committee – Joel Eves (Chair), Mark Montgomery, Bruce Rigby
IPSC Board – Eric Larsen, Bruce Rigby, Mark Montgomery (Alternate), Joel Eves (Alternate)

Mr. Tatton said the IPA Board City Assignments will be as follows until further notice:

Nick Tatton – Price, Ephraim, and Fairview
Eric Larsen – Fillmore, Meadow, Holden and Kanosh
Allen Johnson – Bountiful, Morgan and Murray
Joel Eves – Lehi, Mt. Pleasant, Spring City and Beaver
Mark Montgomery – Logan, Hyrum, and Monroe
Bruce Rigby – Kaysville, Parowan and Oak City
Jason Norlen – Heber, Hurricane and Enterprise

Mr. Tatton would like the IPA Board Room to be dedicated to Mr. Ted Olson. The Board members agree.

BOARD COMMITTEE REPORTS

Mr. Larsen gave an update on the IPSC Board meeting including traveling to Burbank, California to review the Project transition. Mr. Finlinson will report on it later today.

<u>CONSIDERATION AND APPROVAL OF THE OCTOBER 23, 2023, OCTOBER 31, 2023, NOVEMBER 7, 2023, DECEMBER 5, 2023, AND DECEMBER 18, 2023, BOARD OF DIRECTORS MEETING MINUTES</u>

Mr. Tatton asked for a motion to approve the October 23, 2023, October 31, 2023, November 7, 2023, December 5, 2023, and December 18, 2023, Board of Directors meeting minutes.

> **Mr. Rigby made a motion to approve the October 23, 2023, October 31, 2023, November 7, 2023, December 5, 2023, and December 18, 2023, Board of Directors meeting minutes. Mr. Johnson seconded the motion. A vote by all Board members participating in the meeting was taken and the vote was unanimous in the affirmative.**

ELECTION OF IPA BOARD OFFICERS

Mr. Bawden conducted the election of the IPA Board Officers. Mr. Bawden noted that the Board members present constituted a quorum. Mr. Bawden read the responsibilities of each IPA Board Office and explained the nomination and voting process.

Mr. Bawden asked for a motion to open nominations for the IPA Board Chair.

> **Mr. Johnson made a motion to open nominations for the IPA Board Chair. Mr. Larsen seconded the motion. A vote by all Board members participating in the meeting was taken and the vote was unanimous in the affirmative.**

Mr. Bawden asked for nominations.

> **Mr. Rigby nominated Mr. Nick Tatton. Mr. Norlen seconded. Mr. Bawden asked for other nominations. There were none. Mr. Montgomery made a motion to close nominations. Mr. Rigby seconded. Mr. Bawden closed the nominations and proceeded to vote. A vote by all Board members participating in the meeting was taken and the vote was unanimous in the affirmative.**

Mr. Bawden congratulated Mr. Tatton for receiving the unanimous vote and his election as the IPA Board Chair. Mr. Tatton thanked the Board members for their votes.

Mr. Bawden asked for a motion to open nominations for the IPA Board Vice Chair.

> **Mr. Rigby made a motion to open nominations for the IPA Board Vice Chair. Mr. Norlen seconded the motion. A vote by all Board members participating in the meeting was taken and the vote was unanimous in the affirmative.**

Mr. Bawden asked for nominations.

Mr. Tatton nominated Mr. Joel Eves. Mr. Rigby seconded. Mr. Bawden asked for other nominations. There were none. Mr. Montgomery made a motion to close nominations. Mr. Larsen seconded. Mr. Bawden closed the nominations and proceeded to vote. A vote by all Board members participating in the meeting was taken and the vote was unanimous in the affirmative.

Mr. Bawden congratulated Mr. Eves for receiving the unanimous vote and his election as the IPA Board Vice Chair. Mr. Eves thanked the Board members for their votes.

Mr. Bawden asked for a motion to open nominations for the IPA Board Secretary.

Mr. Tatton made a motion to open nominations for the IPA Board Secretary. Mr. Johnson seconded the motion. A vote by all Board members participating in the meeting was taken and the vote was unanimous in the affirmative.

Mr. Bawden asked for nominations.

Mr. Montgomery nominated Mr. Eric Larsen. Mr. Rigby seconded. Mr. Bawden asked for other nominations. There were none. Mr. Johnson made a motion to close nominations. Mr. Montgomery seconded. Mr. Bawden closed the nominations and proceeded to vote. A vote by all Board members participating in the meeting was taken and the vote was unanimous in the affirmative.

Mr. Bawden congratulated Mr. Larsen for receiving the unanimous vote and his election as the IPA Board Secretary. Mr. Larsen thanked the Board members for their votes.

Mr. Bawden asked for a motion to open nominations for the IPA Board Treasurer.

Mr. Montgomery made a motion to open nominations for the IPA Board Treasurer. Mr. Rigby seconded the motion. A vote by all Board members participating in the meeting was taken and the vote was unanimous in the affirmative.

Mr. Bawden asked for nominations.

Mr. Tatton nominated Mr. Allen Johnson. Mr. Larsen seconded. Mr. Bawden asked for other nominations. There were none. Mr. Rigby made a motion to close nominations. Mr. Norlen seconded. Mr. Bawden closed the nominations and proceeded to vote. A vote by all Board members

participating in the meeting was taken and the vote was unanimous in the affirmative.

Mr. Bawden congratulated Mr. Johnson for receiving the unanimous vote and his election as the IPA Board Treasurer. Mr. Johnson thanked the Board members for their votes.

OPERATING AGENT AND PROJECT MANAGER REPORT AND Q&A

Mr. Tatton said Mr. Huynh, Operating Agent, and Ms. Morrish, Project Manager, are available to answer any questions the Board may have.

Mr. Tatton asked Ms. Morrish how the timeline of July 1, 2025, is going. Ms. Morrish said the Renewal Project is scheduled to be in service before the July 1, 2025, date. Ms. Morrish shared the live feed and aerial photos from the site with the Board members.

Mr. Tatton asked Ms. Morrish how many employees are now on site. Ms. Morrish said she will get the information before the end of the meeting.

Mr. Eves asked Ms. Morrish what is the white roof going to be used for? Ms. Morrish said the white roofs are being built to be set over the new units.

Mr. Mogri asked which line they are working on. Ms. Morrish said line one.

Mr. Huynh expressed his appreciation for Mr. Larsen, Mr. Rigby and Mr. Finlinson coming to Burbank and working on items for IPSC.

Mr. Johnson acknowledged the great work going on at the Renewal Project. They have done a great job.

Mr. Tatton thanked Mr. Huynh and Ms. Morrish.

IPA MANAGEMENT REPORTS

GENERAL MANAGER REPORT

Mr. Cowan updated the Board on the property tax settlement. After the Commission and the Board approved the settlement, both legal counsels are working on making sure the legal language and orders are correct. Once this is finished, the settlement will be sent to the correct jurisdiction for approval and then dismissed in court.

Mr. Cowan said a meeting was held at the UAMPS office on the upcoming transitions. The fuel transition which will happen next summer and what that means for the recall, and the transition in 2027 from the Excess Power Sales Agreement to the Agreement for Sale of Renewal Excess Power.

Mr. Tatton, Mr. Haacke, Mr. Larsen, Mr. Huynh and Mr. Cowan were in attendance, along with some UAMPS employees. Some items discussed included expectations for operations, roles and responsibilities, and UAMPS being able to provide guidance on the recall. Everyone feels that IPA and UAMPS should be aligned moving forward. Mr. Tatton said moving forward there will be a membership orientation workshops with UAMPS representatives. Mr. Cowan said there will be a follow-up meeting held in a couple of months.

Mr. Cowan said Ms. Marlene Conrad from IPA is retiring. March 1, 2024, is her last day. She has done an exceptional job with both HR and Treasury. Mr. Cowan welcomed Ms. Jessica DeAlba. She has been in the office for a couple of weeks training with Ms. Conrad. Ms. DeAlba is a great fit and IPA is excited to have her.

Mr. Cowan asked Mr. Jon Finlinson to give the Environmental Report update as of February 5, 2024.

Mr. Finlinson said the IPSC Environmental team completed the Annual Groundwater Monitoring, the Corrective Action Summary Report, and the MATS Semi-annual Compliance Report. IPSC Environmental team is working on the Annual Water Use Report, the Tier II Annual Report (Superfund Amendments and Reauthorization Act (SARA) report), the Annual Landfill Reports, and the Annual Title V Compliance Report and Certification all due March 1, 2024.

Mr. Finlinson said the Standard Operating Plan for the IPP Renewed Evaporation Ponds is complete.

Mr. Finlinson reported the Quarterly Landfill Fee Reports were submitted.

Mr. Finlinson gave an update on the Title V Air Permit. The Utah Division of Air Quality issued IPSC a renewed Title V Operating Permit. The permit is dated November 21, 2023, and includes the condition from IPSC's approval order that:
The equipment listed in Section II.A of this permit shall remain in operation until such time as the new Combustion Turbine Plant is installed and operational. The new Combustion Turbine Plant will become operational only after a reasonable shakedown period, not to exceed 180 days.

Mr. Finlinson said the MATS Particulate (PM) and Hydrogen Chloride (HCl) performance testing went well. The results are all below the Low Emission Electric Unit (LEE) limits of 0.015 lb/mmBtu for PM and 0.001 lb/mmBtu for HCl.

Mr. Finlinson reported on The Chemical Facility Anti-Terrorism Standards (CFATS) Annual Internal Audit was conducted December 5, 2023. The Site Security Officer reviewed and signed the audit reports to complete the paperwork. As of July 28, 2023, Congress allowed the statutory authority for the CFATS program to expire; however, facilities are encouraged to maintain security measures.

Mr. Finlinson said the ACES temporary change applications for the DMADC surface water surface shared were signed and delivered to the Richfield Office water office. Approval completed on Jan 10, 2024.

The ACES temporary change applications for IPP underground water were delivered to the Richfield water office for review and approval. Submitted temporary and permanent change applications.

Mr. Finlinson said IPSC Environmental asked Mr. Adam Richins if a demolition permit is needed to remove the sewer treatment facility, soda ash silo, and Solid Contact Unit (SCU). Because the systems are not currently utilized by the coal units nor are they planned to be used with the coal units or NGCC units in the future, decommissioning of the systems appear to fall within the scope of the Intermountain Power Project's Conditional Use Permit Amendment #1. However, Amendment #1 grants approval "[o]nce the new combined cycle gas fired plant is commissioned and operational, to decommission unneeded building and facilities." Mr. Adam Richins has agreed to grant permission to remove these facilities before the new units are commissioned.

Mr. Finlinson said there is about 364 cfs coming into Sevier Bridge Reservoir and 0 cfs being released. The gauge at Sevier Bridge Reservoir is currently not reading but the reservoir is about 34% full. Otter Creek Reservoir is currently about 91% full, Panguitch Lake is about 83% full, and Piute Reservoir is about 83% full. The snow water equivalents for the upper Sevier River and Sanpitch drainage areas are currently about 91% and 96% of normal respectively. The average amount of precipitation for the drainages is currently about 91% and 95% of normal.

Mr. Finlinson said the Water Company annual meetings are underway.

Mr. Finlinson reported that the YUBA construction project is nearly done.

Mr. Finlinson announced to the Board the new IPSC Management Team as follows:

IPSC President and COO – Dahl Dalton
IPSC Technical Services and Convertor Station Department Head – Mike Utley
IPSC Operations and Maintenance Department Head – Zane Draper

Mr. Tatton thanked Mr. Cowan and Mr. Finlinson for their reports.

Report attached below.

ACCOUNTING MANAGER REPORT

Mr. Jensen directed the Board to the draft Financial Report for the period ending November 30, 2023, and compared the balances for November 2023 with those for November 2022.

Mr. Jensen reviewed the IPA A&G and Ongoing Finance Budget for fiscal year ending November 30, 2023. He reported that the electric plant in service is $403.7 million more than in the previous period due to construction work in progress (CWIP) on the Renewal Project. The cash and cash equivalents are $70.5 million more due to the issuance of the 2023 Series A&B Bonds. The credit to participants through November 2023 is just over $18.6 million. Fuel expenses are $18.1 million less than in the previous period. Maintenance and operation costs are $14 million more. Fuel Inventories are $18.1 million less than in the previous period. The Long-term bonds payable are currently $1,799.1 million. The Long-term Drawdown Bonds as well as the Subordinated Notes balances are currently zero. The payments in aid of construction are $100 million due to SCPPA making payments. The average cost of power is 47.3 mills/kWh.

Mr. Tatton asked if the CWIP will have an impact on IPA's taxes. Mr. Jensen said it will have an impact, increasing IPA's taxes.

Mr. Norlen asked if the current Plant will be completely depreciated at the end of the project. Mr. Jensen the current Plant is scheduled to fully depreciated in 2025 and the Converter Station in 2026.

Mr. Jensen asked the Board for additional questions. There were none.

Mr. Tatton thanked Mr. Jensen for his report.

Report attached below.

TREASURY MANAGER REPORT

Mr. Huntley gave the Board a market overview of the current movement of rates.

Mr. Huntley directed the Board to the Investment Report as of December 31, 2023. The total book value of the portfolio was $123 million. The portfolio performance fiscal year to date is 4.386%. The portfolio structure includes 33% Corporate Notes, 33% US Treasury/Agency, none in Commercial Paper, and 34% Money Market/Cash. 43% of the investment portfolio matures in less than three months, with 3% in three to six months, 28% in six months to one year, 24% in one to three years, and 2% in three to five years. The weighted average life of the portfolio is 239 days.

Mr. Huntley directed the Board to the Construction Fund Investment Report as of December 31, 2023. The total book value of the portfolio was $1,177 million. The portfolio performance fiscal year to date is 5.034%. The portfolio structure includes 82% US Treasury/Agency, 10% Corporate Notes, 1% Commercial Paper, and 7% Money Market/Cash. 28% of the investment portfolio matures in less than three months, with 23% in three to six months, 19% in six months to one year, 27% in one to three years, 1% in three to five years, and 2% in beyond five years. The weighted average life of the portfolio is 299 days.

Mr. Huntley reviewed the Investment Portfolio – Construction Fund Investments by Fund as of December 31, 2023, including the Tax- Exempt Construction Fund; Taxable Construction Fund; Debt Service Fund; Debt Service Reserve Fund; Decommissioning Fund; Hydrogen Fund; Hydrogen Reserve; and the STS Construction Fund.

Mr. Eves asked Mr. Huntley if the Tax-Exempt Bond proceeds are subject to the arbitrage rules whereas the Taxable Bonds are not. Mr. Huntley said that is correct.

Mr. Huntley updated the Board on the future financing plan. IPA is expecting the funds to be completely used by March 2025. The plan is to do the 3rd Tranche of financing in the 4th quarter of 2024.

Mr. Huntley asked the Board for questions. There were none.

Mr. Tatton thanked Mr. Huntley for his report.

Report attached below.

AUDIT MANAGER REPORT

Mr. Combe directed the Board to the Audit Manager's Report as of February 5, 2024. He reported the Quarterly Investment Review – July 2022-September 2022; Quarterly Investment Review - October 2022-December 2022; Quarterly Investment Review – January 2023-March 2023; and Quarterly Investment Review – April 2023-June 2023. No material items were found on any of the issued Quarterly Investment audits but a recommendation to look at the Investment Policy and update it due to new accounts being added. The Renewal Costs Audit – June 2016-June 2021 was also issued with a finding of one vendor missing invoices. IPA is working with the vendor to provide the invoices.

Mr. Combe reported that there is one audit in the reporting stage including the IPSC Contracts and Disbursements – November 2017-June 2021.

There are currently three audits in the field work stage including the Operating Agent Billings (LADWP) – fiscal year ending June 30, 2019, and fiscal year ending June 30, 2020; the Operating Agent Billings (LADWP) – fiscal year ending June 30, 2021; the Segregation of Duties Review IPA Office and Bank Access; and the Quarterly Investment Review – July 2022-September 2022.

Finally, there are currently three audits in the planning stage including the Project Manager Costs Audit – June 2016-June 2023; the Renewal Project Contractor Compliance Audit; and the IPA Vacation Accrual and Leave – Calendar Year Ending December 31, 2023.

Mr. Tatton asked for a true up audit as the coal contracts come to an end. Mr. Combe said he will make a note to do this audit.

Mr. Combe asked the Board for questions. There were none.

Mr. Tatton thanked Mr. Combe for his report.

Report attached below.

ANNUAL DISCLOSURE REPORT

Mr. Tatton invited Mr. Bawden to address the Board. Mr. Bawden reviewed the Municipal Issuer Disclosure, Intermountain Power Agency Training as of February 5, 2024, and discussed in detail the following: Municipal Securities Regulation, Securities and Exchange Commission (SEC) Enforcement, and Best Practices.

Mr. Bawden discussed in depth Municipal Securities Regulation including Securities Offerings and Resale, both the problems and solutions, the Securities Laws, Rule 15c2-12, and Disclosure Obligations – Official Statement.

Mr. Bawden discussed in depth Securities and Exchange Commission (SEC) Enforcement including Rule 10b-5, Rule 17(a), Public Finance Abuse Unit, SEC Report on Municipal Market, Municipalities Continuing Disclosure Cooperation Initiative, Penalties sought by SEC, Areas of Concern from Enforcement Actions, and Enforcement Actions.

Mr. Bawden discussed in depth Best Practices including identifying the individuals responsible for preparing, reviewing, and approving preliminary official statements, official statements and other disclosure documents, including those who are aware of high-level issues and new developments, involve team in drafting, reviewing and approving disclosure documents, periodic training to create and reinforce broad organizational awareness, SEC initiatives, and the IPA Team.

Mr. Tatton said the draft of the 2023 IPA Annual Disclosure Report will be sent to the Board to review mid-March. Mr. Bawden requested that feedback be received by Holland & Hart in a timely manner so that the report can be filed by March 31, 2024.

Mr. Tatton thanked Mr. Bawden for his report.

REPORT ON UTAH LEGISLATIVE ACTIVITY

Mr. Buchi said the Utah Legislature began on January 16, 2024. He informed the Board the General Session runs for 45 days with 33 working days ending on March 1, 2024. Most legislation is passed in the final two weeks of the General Session.

Mr. Buchi reviewed President Adams comments on energy with the Board including the Legislators focusing on fossil fuels energy and less on renewable energy.

Mr. Buchi thanked Ms. Kate Bradshaw, the lobbying team, and the IPA staff, especially Mr. Cameron Cowan for their efforts and support this year. There has been a tremendous amount of work done on behalf of IPA.

Mr. Buchi reviewed in depth the following bills:

House Bill 48 – Utah Energy Act Amendments. This bill modifies the Utah Energy Act including the reporting requirements for the Office of Energy Development; the purposes of the Office of Energy Development; the overseeing legal strategy on federal overreach and permitting delays; engaging in federal rulemaking and advocacy for regulatory reform; adopt a master plan with data-driven modeling at statewide level; and adoption of best practices in development of state energy plans.

House Bill 124 – Energy Infrastructure Amendments. This bill modifies provisions related to energy infrastructure including modifies definitions and qualifications applicable to the high-cost infrastructure development tax credit; provides for the issuance of a tax credit for certain emissions reductions projects, mineral processing projects, water purification projects, water resource forecasting projects, and locomotive engine conversion projects.

House Bill 191 – Electrical Energy Amendments. This bill modifies provisions related to the regulation of energy including requiring the Public Service Commission to act in accordance with the state energy policy; requires the commission to make certain determinations before authorizing the early retirement of an electrical generation facility;

and requires the commission to submit an annual report related to requests to retire electric generating units.

House Bill 241 – Clean Energy Amendments. This bill modifies provisions relating to clean energy including changing the term renewable to clean where appropriate in statute.

House Bill 374 – State Energy Policy Amendments. This bill modifies the state energy policy and provides that the state energy policy is focused on human well-being and quality of life; encourages the use of dispatchable energy resources; fosters innovation and development to meet future energy demand; and allows for market-based solutions.

House Bill 410 – Utah San Rafael State Energy Lab. This bill establishes the Utah San Rafael Energy Lab and creates the Utah San Rafael Energy Lab Board.

Senate Bill 161 – Energy Security Amendments. This bill modifies provisions related to the regulation of energy. The bill outlines the review process for an alternate permit and conditions for either the alternative or transition permit to become effective; provides the state the option to purchase an electrical generation facility intended for decommissioning; creates a Decommissioned Asset Disposition Authority within the Division of Air Quality; requires the authority to govern the disposition of an electrical generation facility purchased by the state; prepare and submit an application to the Division of Air Quality for an evaluation of the feasibility of an alternative permit; and requires a study from the authority to analyze issues related to the state implementation plan arising out of a permit issued to an electrical generation facility intended for decommissioning; determine and provide the fair market value of a project entity’s electrical generation facility intended for decommissioning; and evaluate the process for selling an electrical generation facility purchased by the state.

Mr. Buchi said the significant issues for this session of legislature include a lot of discussion around the “WOKE Generation” and their goals; the DEI – Diversity, Equity, and Inclusion bill; the bathroom bill; the transgender individuals bill; Senate Bill 69 tax cuts including giving a Utah State tax refund to individuals; and the Open Meetings Act changes.

Mr. Buchi informed the Board of plans of the IPA legislative team activities, including attending legislative committee meetings of several relevant trade associations to ascertain any bills that may impact IPA or the Intermountain Power Project.

There will continue to be a number of bills and issues that would unintentionally impact IPA. The Holland & Hart team will be working to make sure that IPA’s business practices continue without any serious interruption.

Mr. Finlinson asked Mr. Buchi if the Project Entity Oversite Committee is going away. Mr. Buchi said we think so, but there could be more involvement with Legislative leaders.

Mr. Buchi asked the Board for questions. There were none.

Mr. Tatton thanked Mr. Buchi for his report.

OTHER BUSINESS

Mr. Tatton said Ms. Morrish informed him that there are 955 construction workers currently on site.

ADJOURN

Mr. Tatton thanked everyone for their comments.

Mr. Tatton asked for a motion to adjourn.

> **Mr. Norlen made a motion to adjourn. Mr. Montgomery seconded the motion. A vote by all Board members participating in the meeting was taken and the vote was unanimous in the affirmative. The meeting was adjourned at 11:06 a.m.**

TIME AND PLACE OF NEXT SCHEDULED MEETING

Tuesday, March 5, 2024, 1:00 p.m., (PST) at The Los Angeles Marriott Burbank located at 2500 N. Hollywood Way, Burbank, CA 91505.

Minutes taken by Michelle Miller.

IPA Board Meeting Environmental Update Feb 5, 2024

Reports and Testing Environmental completed the Annual Groundwater Monitoring and Corrective Action Summary Report and the MATS Semi-annual Compliance Report. Environmental is working on the Annual Water Use Report, the Tier II Annual Report (Superfund Amendments and Reauthorization Act (SARA) report), the Annual Landfill Reports, and the Annual Title V Compliance Report and Certification all due March 1.

The Standard Operating Plan for the IPP Renewed Evaporation Ponds is complete.
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Water Company annual meetings are underway.
YUBA construction project nearly done.

IPA Financial Report

DRAFT

(In Thousands of Dollars, Unaudited)

STATEMENTS OF NET POSITION

November 30,	2023	2022
ASSETS		
Utility Plant:		
Electric plant in service	$ 3,902,449	$ 3,498,721
Less accumulated depreciation	(2,752,548)	(2,649,009)
Net	1,149,901	849,712
Restricted Assets:		
Cash and cash equivalents	117,910	47,349
Investments	1,200,078	702,630
Interest receivable	6,513	1,237
Total	1,324,501	751,216
Other Non-Current Assets		
Prepaid personnel services contract costs	34,685	34,416
Other	3,080	3,886
Total	37,765	38,302
Total Non-Current Assets	2,512,167	1,639,230
Current Assets:		
Cash and cash equivalents	49,948	33,470
Investments	62,985	57,723
Interest receivable	430	196
Receivable from participants		2,528
Fuel inventories	25,368	43,507
Materials and supplies	17,328	18,552
Other	4,323	5,964
Total Current Assets	160,382	161,940
Total Assets	2,672,549	1,801,170
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized refunding charge		1,546
Unamortized asset retirement costs	73,892	105,064
Other	3,158	1,412
Total Deferred Outflows of Resources	77,050	108,022
Total Assets and deferred outflows of resources	$ 2,749,599	$ 1,909,192
LIABILITIES		
Long-term bonds payable, net	$ 1,799,173	$ 886,920
Long-term Drawdown Bonds		45,000
Advances from SCPPA	10,930	10,930
Other Non-Current Liabilities:		
Asset retirement obligations	307,050	298,107
Other	1,777	1,680
Total	308,827	299,787
Current Liabilities:		
Current maturities of subordinated notes payable		50,555
Interest payable	28,887	15,968
Accrued credit to participants	18,084	52,476
Accounts payable and accrued liabilities	63,455	29,322
Total	110,426	148,321
Total Liabilities	2,229,356	1,390,958
DEFERRED INFLOWS OF RESOURCES		
Net costs billed to participants not yet expensed	274,587	363,124
Prefunding of decommissioning and hydrogen betterments	241,167	150,917
Other	4,489	4,193
Total Deferred Inflows of Resources	520,243	518,234
Total Liabilitiess and deferred intflows of resources	$ 2,749,599	$ 1,909,192

STATEMENTS OF REVENUES AND EXPENSES

For the 5 Months Ended November 30,	2023	2022
Operating Revenues:		
Power sales to participants	$ 139,009	$ 194,914
Less credit to participants	(18,664)	(46,284)
Total revenues	120,345	148,630
Operating Expenses:		
Fuel	66,943	85,057
Operation	35,609	22,931
Maintenance	17,104	15,714
Depreciation and amortization	56,344	63,869
Taxes and payments in lieu of taxes	4,589	4,985
Total expenses	180,589	192,556
Operating Loss	(60,244)	(43,926)
Nonoperating Income	356	14
Interest Charges (Benefit):		
Interest on bonds, subordinated notes and other debt	29,131	13,726
Financing expenses (including amortization of bond and subordinated note discount, and refunding charge on defeasance of debt)	(1,094)	1,843
(Earnings) loss on investments	(28,072)	(2,006)
Net interest charges	(35)	13,563
NET COSTS BILLED TO BE RECOVERED FROM BILLINGS TO PARTICIPANTS	(59,853)	(57,475)
CHANGE IN NET POSITION	$ -	$ -

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STATEMENTS OF CASH FLOWS

For the 5 Months Ended November 30,	2023	2022
Cash Flows from Operating Activities:		
Cash received from billings to participants	**$ 145,432**	$ 167,665
Other cash receipts	**356**	14
Cash paid to suppliers	**(233,557)**	(118,009)
Net cash used in operating activities	**(87,769)**	49,670
Cash Flows from Capital and Related Financing Activities:		
Proceeds from issuance of long-term debt	**923,466**	16,000
Defeasance and retirement of bonds		
Debt issuance costs	**(2,965)**	(18)
Principal paid on long-term debt	**(6,382)**	(31,117)
Interest (paid) received on long-term debt and commercial paper	**(19,865)**	(2,264)
Additions to electric plant in service	**(231,117)**	(202,973)
Payments in aid of construction	**100,410**	
Net cash provided by (used in) capital and related financing activities	**763,547**	(220,372)
Cash Flows from Investing Activities:		
Purchases of investments	**(1,034,088)**	(101,351)
Proceeds from sales/maturities of investments	**286,499**	135,240
Interest on investments	**7,350**	3,628
Net cash (used in) provided by investing activities	**(740,239)**	37,517
Net Decrease in Cash and Cash Equivalents	**(64,461)**	(133,185)
Beginning Balance	**232,319**	214,004
ENDING BALANCE	**$ 167,858**	$ 80,819

	2023	2022
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	**$ (60,244)**	$ (43,926)
Other nonoperating income	**356**	14
Depreciation	**56,344**	63,869
Financing costs net of amortization of bond and subordinated note discount and refunding charge on defeasance of debt	**(215)**	(363)
Changes in operating assets and liabilities:		
Receivable from participants	**(12,913)**	(2,528)
Fuel inventories	**26,272**	17,084
Materials and supplies	**(198)**	122
Other current assets	**(627)**	3,603
Prepaid personnel services contract costs		
Other liabilities		
Accounts payable and accrued liabilities	**(120,240)**	(9,768)
Accrued credit to participants	**(20,471)**	(11,354)
Other assets		
Deferred outflows of resources		
Deferred inflows of resources	**44,167**	32,917
NET CASH PROVIDED BY OPERATING ACTIVITIES	**$ (87,769)**	$ 49,670

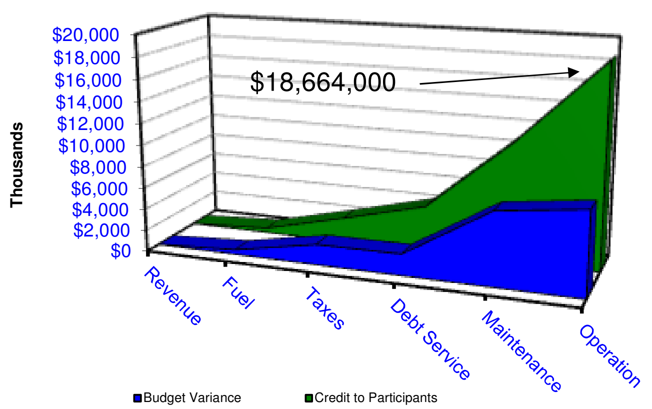
Selected Operating Results

For the 5 Months Ended November 30, 2023

Planned Net Generation	3,163,300
Actual Net Generation	2,545,124
Cumulative Availability	99.24%
Cumulative Net Output Factor	38.79%
Cumulative Net Capacity Factor	38.50%
Cumulative Net Heat Rate (btu/kwh)	10,406
Coal Usage (tons)	1,210,065

Power Costs in Excess of Participant Billings

For the 5 Months Ended November 30, 2023

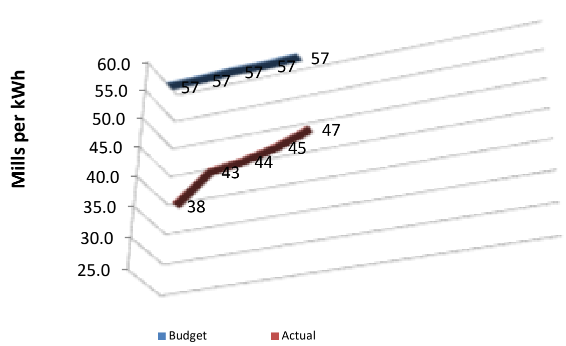


Average Purchaser Cost (Mills per kWh)

For the 5 Months Ended November 30, 2023

Generation	45.5
Transmission	1.8
Total	47.3

Budget verses Actual



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Board of Directors

Eric D. Larsen
Nicholas P. Tatton
Bruce B. Rigby
Mark D. Montgomery
Allen R. Johnson
Joel Eves
Jason Norlan

Management

Cameron R. Cowan - General Manager
Blaine J. Haacke - Assistant General Manager
Linford E. Jensen - Accounting Manager
Vance K. Huntley - Treasury Manager
Cody R. Combe - Audit Manager

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Intermountain Power Agency
Operating and Reserves Investment Report
December 31, 2023

	Operating and Reserves
Portfolio Valuation	
Book Value	123,006,694
Market Value	122,169,224
Portfolio Performance	
Total Rate of Return	
3 Month	4.383%
Fiscal Year-to-Date	4.386%
Yield to Maturity/Call	3.918%
Portfolio Structure and Composition	
Investments by Market	
US Treasuries/Agencies	33.25%
Corporate Notes	32.78%
Commercial Paper	0.00%
Overnight/Cash	33.97%
	100.00%
Investments by Maturity	
< 3 Months	42.52%
3 - 6 Months	3.24%
6 Months - 1 Year	27.82%
1 Year - 3 Years	23.98%
3 Years - 5 Years	2.44%
> 5 Years	0.00%
	100.00%
Portfolio Weighted Average Life (in days)	239

Intermountain Power Agency
Construction Fund Investment Report
December 31, 2023

	Tax-Exempt Const Fund	Taxable Const Fund	Debt Service	Debt Service Reserve	Decom Fund	Hydrogen Constuction Fund	Hydrogen Reserve	STS	Total
Portfolio Valuation									
Book Value	588,499,903	59,766,737	163,389,657	134,070,280	111,107,111	63,961,663	46,134,551	9,933,736	1,176,863,638
Market Value	588,642,558	59,841,638	163,328,482	132,619,479	109,763,232	63,608,169	46,047,973	9,933,736	1,173,785,266
Portfolio Performance									
Total Rate of Return									
Fiscal Year-to-Date	5.411%	5.420%	4.696%	4.159%	3.994%	4.847%	5.070%	5.194%	5.034%
Yield to Maturity/Call	5.431%	5.377%	4.647%	3.827%	3.721%	4.604%	4.998%	5.176%	4.750%
Portfolio Structure and Composition									
Investments by Market									
US Treasuries/Agencies	95.89%	99.97%	68.80%	73.99%	60.01%	43.59%	80.35%	0.00%	82.19%
Corporate Notes	0.84%	0.00%	6.05%	23.83%	36.66%	43.59%	16.41%	0.00%	10.45%
Commercial Paper	0.00%	0.00%	0.00%	2.00%	0.00%	0.00%	0.00%	0.00%	0.23%
Overnight/Cash	3.28%	0.03%	25.15%	0.18%	3.33%	12.82%	3.24%	100.00%	7.13%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Investments by Maturity									
< 3 Months	35.41%	66.52%	25.81%	3.09%	3.33%	34.64%	8.73%	100.00%	28.41%
3 - 6 Months	36.21%	33.48%	6.58%	0.00%	8.17%	25.53%	0.00%	0.00%	22.90%
6 Months - 1 Year	28.38%	0.00%	17.38%	0.00%	14.60%	24.12%	0.00%	0.00%	19.30%
1 Year - 3 Years	0.00%	0.00%	50.24%	70.92%	73.91%	15.72%	91.27%	0.00%	26.43%
3 Years - 5 Years	0.00%	0.00%	0.00%	12.38%	0.00%	0.00%	0.00%	0.00%	1.41%
> 5 Years	0.00%	0.00%	0.00%	13.61%	0.00%	0.00%	0.00%	0.00%	1.55%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Portfolio Avg Life (in days)	127	143	355	1,083	436	155	474	1	299

INTERMOUNTAIN POWER AGENCY
BOARD OF DIRECTORS' MEETING

February 5, 2024

AUDIT MANAGER'S REPORT

I. Audit Reports Issued Since Last Board Meeting

- Quarterly Investment Review – July 2022 – September 2022
- Quarterly Investment Review – October 2022 – December 2022
- Quarterly Investment Review – January 2023 – March 2023
- Quarterly Investment Review – April 2023 – June 2023
- Renewal Costs Audit – June 2016 – June 2021

II. Audits in Progress

Reporting:

- IPSC Disbursements and Contracts – November 2017 – June 2021

Field Work:

- Operating Agent Billings (LADWP) – fiscal year ending June 30,2019, fiscal year ending June 30, 2020, and fiscal year ending June 30, 2021
- Segregation of Duties Review IPA Office and Bank Access
- Quarterly Investment Reviews

Planning:

- Project Manager Costs Audit – June 2016 – June 2023
- Renewal Project Contractor Compliance Audit
- IPA Vacation Accrual and Leave – Calendar Year Ending December 31, 2023