



HURRICANE CITY

UTAH

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Nanette Billings

City Manager
Kaden C. DeMille

Power Board

Mac J. Hall, Chair
Dave Imlay, Vice Chair
Joseph Prete
Tony Certonio
Colt Stratton
Kerry Prince

The Hurricane City Power Board met on April 3, 2024, at 3:00 p.m. at the Clifton Wilson Substation located at 526 W 600 N.

In attendance were Mac Hall, Dave Imlay, Joseph Prete, Tony Certonio, Colt Stratton, Kerry Prince, Scott Hughes, Brian Anderson, Mike Ramirez, Jared Ross, Dayton Hall, Fred Resch, Mike Vercimak, Nanette Billings, Harmony Vanderhorst, Patrick & Amy Jacolenne, Bruce & Linda Zimmerman, and Crystal Wright.

Mac Hall welcomed everyone to the meeting. Tony Certonio led the Pledge of Allegiance and Dave Imlay offered the prayer. Dave Imlay motioned to approve minutes from the March 2024 meeting. Colt Stratton seconded the motion. Motion passed unanimously.

Scott Hughes: Scott Hughes reported that Jordan Steglich received his Journey Lineman certificate at a banquet this month. He invited the Power Board to the City Council meeting that will be held tomorrow evening and a brief overview of what will be discussed by the UAMPS staff coming. He wanted to ask the new Power Board whether the time of day still works for this meeting. Most board members stated the 3:00 p.m. time works well for them. Mac Hall stated we would keep it the same for 6 months and then we can re-evaluate.

Brian Anderson: Brian Anderson reported the crew has been working on 700 West. They have installed switches, streetlights, and it is energized. Their work is complete. He reported on the installation of the bollards at Chevron. The crew spent some time setting up and taking down power pedestals at the Easter Car Show. They also worked on preparing the getaways from Three Falls Substation. There will be 3 circuits coming into a switch basement at the substation. Colt Stratton asked about the setup at the Easter Car Show and if there's a possibility to save some time on setup and takedown for events by having a more permanent vendor setup in place. Scott Hughes stated we do have permanent pedestals there and we also use temporary pedestals that extend that power to accommodate various event setups. The nature of events changes a lot depending on the event, so it's been difficult to come up with a more permanent solution.

Jared Ross: Jared Ross reported on the Anticline fiber outage. The TDS fiber line had been knocked down. It has been repaired and communication is back up to that substation. His crew has also done some battery testing at all the substations. A typical battery bank life is approximately 20 years. We have one substation that has a battery bank currently at 20 years and another substation battery bank currently at 18 years. We will have some expense in replacing those coming up, but they have provided a long, useful life so he is pleased with that.

Mike Ramirez: Mike Ramirez reported that we have a third-party contractor who clears trees out of our lines as part of annual maintenance. Additionally, our crews are occasionally asked to completely remove a tree by a homeowner. If it is a tree that we would have to trim annually to keep it out of the lines, we will assess the request and accommodate it if it is financially in our best interest in the long term to do so. We had a couple of



trees that were assessed and removed this month for this reason. Dave Imlay wanted to mention that our annual tree maintenance has been very successful in nearly eliminating outages in our area due to the wind blowing trees into our lines.

Discussion and possible recommendation concerning moving infrastructure at 952 W 325 S: Harmony

Vanderhorst explained an issue with the utility placement of their electrical and communications boxes. She stated utilities are standardly placed in the corner of the lot lines. The secondary box for this lot was placed in the middle instead of a corner and is in front of where their front door will be located. Colt Stratton stated in his development experience it is common for a secondary box to be placed across the street from the lots needing power service even if that location is in the middle of a lot. The original approved construction plans should show the location of that secondary box. Mac Hall and Dave Imlay agreed that is likely the reason why that location was chosen. Mike Ramirez and Mac Hall presented some history regarding a floodway that created an issue with some lots in that subdivision deemed unbuildable for a period. This restriction came after the approved construction plan. The original construction plan was approved in 2006, then Mac Hall stated in 2007 the floodway was put into place per federal regulations. When the original construction plans were approved, the utilities were built accordingly. That secondary box exists in the original approved location. Our normal business practice for a request to move infrastructure is to bill the person making the request. We submitted an invoice to Vanderhorst's for the work to move that secondary box in line with that practice. Mac Hall stated the developer would have signed off on the original plans and have been a part of deciding on the design for those same plans. Colt Stratton stated from a developer's standpoint it is cheaper to install a secondary box across the street to provide power than it is to install an additional transformer, which is the other option that would have existed. It very well may have been a financial decision on the part of the developer. Harmony Vanderhorst stated that she understands and is agreeing to pay for a portion of the costs, but multiple entities are wanting to charge her for the full move. It feels inefficient and a duplication of work and the responsibility should not fall on her alone. Tony Certonio stated there is a possibility of coordinating the opening of the trench and leaving it open for the other entities to complete their relocations as well. The bids could be revised from the communications companies to reflect that trench already being open. There was a discussion about the difference between moving it 8 feet versus 80 feet and potentially putting it on the west lot line, whether there was already a water meter, and whether it would be in a driveway between those two homes at that location. Scott Hughes reminded the board that this is a request for a recommendation from the Power Board to the City Council. The final decision on any potential cost borne by the Power Department for this request would be decided ultimately by the City Council. Dayton Hall added the request is asking us to deviate from our normal business practice. Joseph Prete stated he's trying to understand if anything was done incorrectly by the City and would justify a contribution toward the expense. Mike Vercimak provided additional history regarding the property's original name of Gould's Haven before it was named Seville subdivision. It was originally platted as single family. A request for a zone change to multi-family was presented and denied by the City Council prior to 2006. Construction drawings for the single-family subdivision were then presented, approved, built as approved and the subdivision was accepted on June 6, 2007. There was a lot of discussion about typical placement and what normal procedure is. Ultimately, Harmony Vanderhorst is requesting assistance for a portion of the cost of the movement of those utilities. This would include both the power invoice and the TDS invoice. Mac Hall asked for a recommendation from the Power Board to the City Council. Tony Certonio asked if Harmony was okay paying the Power Department invoice for us to get the work started and she stated that she was. He suggested looking into the estimates from TDS/Lumen and have those estimates adjusted first. He's suggesting that the City supplies the trench to help reduce the cost of the communications estimates. The Power Department will move forward with converting the original estimate into an invoice so payment can be made to get the ball rolling with the City portion. Colt

Stratton made the motion to table this recommendation to the City Council while we work on the coordination internally. Joseph Prete seconded the motion after a clarification. Motion passed unanimously.

Budget: Scott Hughes reported on the normal monthly graphs and numbers. Reviewed the budget graphs showing cost of sales vs revenue and the operating margin from last month.

Capacity Update: Scott Hughes showed graphs of the city showing our distribution circuits shaded differently by circuit. Everything on the southern end of town is on Clifton Wilson Circuit 101. The growth out south has pushed that circuit to capacity. Our ordinance states you can't develop a property without adequate infrastructure. Construction plans were coming in and could not be approved due to that requirement in the ordinance. To help facilitate movement in that regard, we came up with a plan to upgrade our existing system and use those upgrades to meet the infrastructure needs of the growing area. Developers would pay for the upgrades needed to help them move forward. He showed the breakdowns of the upgrades and the developments that were included for the various Capacity Projects that have been created. Dayton Hall helped get contracts in place and those were approved by the City Council. The developers paid their money for their portions of the project. Once all the requirements were met the developers were allowed to move forward with their development plans. There are still developments coming in that need power in that area. We have continued to work with those developers to create new Capacity Projects and work on various routes to get more lines and capacity down to that area.

Three Falls Substation Update: Jared Ross provided the update on the progress of Three Falls Substation. By the middle to the end of May we should be ready to energize the substation for it to be able to carry load. The electrical testing is what the largest task remaining is and the task that will take the most time. Scott Hughes introduced a program we have been using to track our active projects showing dollar amounts, task tracking and percentages to completion of project. We will be utilizing this software for future projects.

Discussion and possible recommendation for changes to Residential and Commercial Impact Fee Schedules: Mike Ramirez explained the history from previous meetings about why this item is being presented. He has contacted other power departments in the area to find out how they handle requests from communications providers for connections. Many offer a special impact fee for those but vary greatly in how they're handled. Dave Imlay asked if we could keep the 125-amp rate that we already have for Residential and open that up to creating a Commercial Rate for that as well. Mike Ramirez stated that the Building Department has requested a removal of the 125-amp residential rate and explained why. Scott Hughes stated that he would like to strongly recommend not going below 100 amps because that is the size of the standard electrical panel that would be installed. Mac Hall restated that we are asking to remove the 125-amp Residential, so 200-amp Residential is the smallest size, put in 100-amp Commercial with stipulations so it doesn't allow for living quarters, and remove the odd numbered amperage sizes because they don't exist in the electrical world. Dayton Hall stated that we are in the middle of an impact fee study right now and so we should contact the engineers to make those changes before we present it to the City Council. Dave Imlay motioned to recommend that the engineering firm adjust the impact fee study with these changes in mind. Joseph Prete seconded the motion. Motion passed unanimously.

Discussion about transformers: Brian Anderson presented information describing an issue the industry is experiencing with transformers. Lead times have continuously lengthened, and prices have increased as well. He presented recent quote information regarding lead times and pricing from the three vendors that we can receive transformers from. He had all vendors quote a 50kva, 75kva, 300kva, and 500kva transformer. Dave Imlay described what the Department of Energy (DOE) efficiency specification is and that our standard is more

efficient than that. Mike Vercimak asked if we have a minimum inventory re-order quantity. Brian Anderson replied that we do have minimum inventory numbers to keep on hand, but we probably need to increase those minimum numbers due to the longer lead times and get an order put together to get some transformers coming. He's presenting this information to show that the tighter this market becomes the more pressure we will get to deviate from our transformer policies. Scott Hughes stated we would like to hold the line with our current policies as long as possible and would like direction from the board about their feelings on it and would like them to think about it. Our current policies do not allow refurbished transformers in our system and require our transformers to meet specific loss evaluations. Dave Imlay offered an option could be to not accept a rebuilt transformer by a developer, while deciding whether we want to use refurbished transformers as replacements if it's necessary for our own purpose. Scott Hughes stated another option could be to accept a refurbished transformer if a new transformer is paid for at the same time. The issue with that is the pricing of a transformer is not solid until it ships. Those long lead times make that hard as well. No decisions must be made right now, but the issue needs to be explained so some solutions can be brainstormed if this problem gets worse.

Discussion about line extension approval: Scott Hughes showed a flow chart included in the packet showing how a request for line extensions would work. Mike Vercimak stated there have been some issues with other utilities not being included in the discussion regarding extensions and not having adequate infrastructure themselves. Mac Hall stated we would need to clarify what a line extension means. Dave Imlay states he feels like we should leave the ordinance as it is and get the line extension clarified within the ordinance. The Power Board would like us to move in that direction.

Discussion and possible recommendation of a Resolution Authorizing a Tax Certificate and Agreement for UAMPS' Firm Power Supply Project; and Related Matters: Scott Hughes explained this is like the Nebo natural gas purchase we discussed previously. He showed a flow chart helping explain how this works. It's complicated, but it provides a basic overview of the agreement. Dave Imlay stated it is very complicated, but UAMPS is doing everything they can to help reduce the overall cost of power and he believes this is a good agreement. Mac Hall asked when the signed agreement must be back to UAMPS. Scott Hughes answered it must be back by the first week of May and still needs to be presented for approval to the City Council. Dave Imlay made a recommendation to approve the resolution. Kerry Prince seconded the motion. Motion passed unanimously.

UAMPS Updates: Scott Hughes reported a lot of information is included in the packet. Unless there are any questions, we will not go over most of that information.

Dave Imlay wanted to make a comment about contractors. He feels we should be doing as much work as we possibly can ourselves and choose when to contract any work out. The more complicated projects give our linemen experience and they become better linemen. They're able to work quickly and efficiently, are more versatile, and reduce the length of outages because of their experience. It is good to have a highly skilled crew, which we have always had because of this philosophy.

Power Board adjourned at 5:45 p.m. The next Power Board Meeting is scheduled for May 1, 2024, at 3:00 p.m.
