

DRAFT

SOUTH UTAH VALLEY ELECTRIC SERVICE DISTRICT

BOARD MEETING

June 11, 2024

South Utah Valley Electric Service District (SESD) held its regular Board Meeting on Tuesday, June 11, 2024 - at 11:00 a.m. at the SESD office 803 N 500 E - Payson, UT.

Trustees Present: Richard Behling, Brent Gordon, Ray Loveless, Kenny Seng, Cory Thompson, and Brent Winder.

Trustees Excused: Joel Brown

Also Present: Dan Ellsworth, Brook Christensen, and Mark Holdaway - SESD.

Brent Gordon offered a prayer and Ray Loveless led the group in *The Pledge of Allegiance*.

PUBLIC FORUM

None.

BOARD MEMBER SPOTLIGHT

Ray Loveless invited Brent Winder to introduce himself and give his Board member spotlight. Brent said he grew up in Holladay, Utah and attended the University of Utah where he received a BS in Biology. After serving a mission for the Church of Jesus Christ of Latter-day Saints, Brent got married and began working as a chemist for a limestone mining company. Brent stated that while taking a business law class for an MBA program he decided to change careers and study law. He ended up becoming a patent attorney. Brent said he has been the mayor of Woodland Hills for a little over two years. Ray thanked Brent for his spotlight and invited Cory Thompson to give the Board Member spotlight in the July 2024 Board Meeting.

APPROVE BOARD MEETING MINUTES

MOTION to approve the May 7, 2024, Board Meeting minutes.

Richard Behling made a motion seconded by Brent Winder to approve the May 7, 2024, Board Meeting minutes. Richard Behling, Brent Gordon, Ray Loveless, Kenny Seng, Cory Thompson, and Brent Winder approved the motion.

FINANCE COMMITTEE

Review May 2024 Disbursements and Expenses

Ray Loveless invited Brent Gordon to review the month's disbursements. The Board discussed credit card fees, computer equipment purchases, a payment for boring road crossings, and donations for local community celebrations.

MOTION to approve the May 2024 Disbursements & Expenses.

Brent Gordon made a motion seconded by Kenny Seng to approve the May 2024 disbursements & expenses. Richard Behling, Brent Gordon, Ray Loveless, Kenny Seng, Cory Thompson, and Brent Winder approved the motion.

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Review May 2024 Financial Report

Brent Gordon reported that the District was in a good financial position as it nears the end of the financial year due to lower than anticipated power costs and higher than expected new construction revenue. The Board discussed the budget effects of new construction revenue and vehicle purchases.

MOTION to accept the May 2024 Financial Report.

Brent Gordon made a motion seconded by Richard Behling to accept the May 2024 Financial Report. Richard Behling, Brent Gordon, Ray Loveless, Kenny Seng, Cory Thompson, and Brent Winder approved the motion.

FY 2025 Budget Hearing

Ray Loveless reviewed the date to hold the FY 2025 Budget Hearing.

MOTION to open the FY 2025 Budget for public review and set a date for a budget hearing.

Brent Winder made a motion seconded by Cory Thompson to open the FY 2025 Budget for public review and hold the FY 2025 Budget Hearing on June 27, 2024, at 6:00 p.m. Richard Behling, Brent Gordon, Ray Loveless, Kenny Seng, Cory Thompson, and Brent Winder approved the motion.

RESOURCE COMMITTEE

April 2024 Operations Report

Ray Loveless invited Brent Winder to give the April 2024 Operations Report. Brent reported that April's power prices came in slightly higher than anticipated since the Nebo power plant was down for regularly scheduled maintenance for part of the month. He then mentioned that SESD was close to finalizing negotiations with Deseret Power for a Q3 2024 power purchase contract and a separate six-year power purchase contract.

Ray reported that the Steel 1A Solar Project is producing power and Steel 1B is expected to come online within the next month or two. He then said that he and Brook Christensen attended a ribbon cutting event for the Steel Solar Farm earlier in the month.

MOTION to accept the April 2024 Operations Report.

Brent Winder made a motion seconded by Richard Behling to accept the April 2024 Operations Report. Richard Behling, Brent Gordon, Ray Loveless, Kenny Seng, Cory Thompson, and Brent Winder approved the motion.

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EXECUTIVE COMMITTEE

RFP for West Mountain Broadband

Ray Loveless asked Brent Gordon to lead the discussion about West Mountain Broadband. Brent Gordon reported that the Finance Committee had met with Shawane Lee of Snell & Wilmer to discuss different options for providing broadband service to the West Mountain area. Options discussed ranged from SESD owning the system and being the retail service provider to an internet service provider (ISP) owning the system and providing retail services. After reviewing the different options, the Board concluded that SESD should not be a broadband retail service provider.

It was suggested revising the RFP for West Mountain Broadband to include partnership recommendations from responding internet service providers (ISP's) so they can show how they envision working with SESD to install broadband into West Mountain. The Board then asked for the RFP to be reviewed by legal counsel before being released.

MOTION to submit an RFP to ISP's to get a vision for West Mountain Broadband after it has been reviewed by legal counsel.

Brent Winder made a motion seconded by Brent Gordon to submit an RFP to get a vision from various ISP's for West Mountain Broadband after it has been reviewed by legal counsel. Richard Behling, Brent Gordon, Ray Loveless, Kenny Seng, Cory Thompson, and Brent Winder approved the motion.

UAMPS REPORT

Uinta Wind Facility Solicitation of Interest

Ray Loveless said that UAMPS is seeking member interest in building a wind farm in Uinta County, Wyoming. The wind farm is projected to produce power at a 40% capacity factor and at around \$45.00/MWh. Ray stated that since the solicitation of interest had to be returned before the Board could meet to discuss the project, he reviewed the proposal with Dan Ellsworth and they decided to request 500 kW. Ray reminded the Board that this solicitation is only gauging member interest and is not a commitment.

Cory Thompson asked if any energy storage facilities were being built with the wind project. Ray responded that no energy storage is being planned with the wind project at this time. However, Ray did remind the Board that the Steel Solar Farm is planning to install a battery storage facility in the future and that SESD is subscribed to the future Fremont Solar Project which includes battery storage.

MOTION to ratify the Uinta Wind Facility Solicitation of Interest.

Richard Behling made a motion seconded by Kenny Seng to ratify the Uinta Wind Facility Solicitation of Interest. Richard Behling, Brent Gordon, Ray Loveless, Kenny Seng, Cory Thompson, and Brent Winder approved the motion.

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UAMPS REPORT (CONTINUED)

Rocky Mountain Power Public Safety Power Shutoffs

Ray Loveless reported that Rocky Mountain Power/PacifiCorp (RMP) notified UAMPS that RMP may conduct Public Safety Power Shutoffs (PSPS) in the event of fire danger. If a brush fire comes too close to a transmission line or if weather conditions could cause a transmission line to fail and cause a fire, then RMP will shut the power off to that transmission line until the fire danger has passed. PSPS could last from several hours to several days. The Board discussed how to notify SESD's customers about RMP's PSPS and asked the staff to spread information about PSPS through SESD's website and mailings. Elk Ridge and Woodland Hills were also asked to spread information about PSPS through their communication channels. It was recommended that staff research the possibility of using mass communication software to notify its customers of power outages.

CREDA REPORT

Richard Behing reported that Lake Powell is projected to rise by 2 ft. per day for the next 30 to 60 days. He also said studies are being conducted to determine how to control Humpback Chub in the upper Colorado River.

SUVPS REPORT

Brent Gordon reported that the 46 kV line relocation along 1600 S. Spanish Fork began on June 6 and the title transfer of the 46 kV system to SUVPS is expected to be complete by the second week of August. Brook Christensen stated that SUVPS will be holding its FY 2025 Budget Hearing on June 27 in its monthly Board Meeting and that the SUVPS Safety BBQ will be held the afternoon of June 26.

POWER SYSTEM REPORT

Outage Report

Brook Christensen reported that a pole was hit in West Mountain but did not cause an outage. He then said that an insulator fire on a pole near the Covered Bridge Turnoff in Spanish Fork Canyon caused a three-hour power outage in Covered Bridge and parts of Mapleton over the Memorial Day weekend.

LEGAL UPDATE

Ray Loveless reported that both Salem and SESD agree to the language of the main body of the Salem Settlement Agreement and that SESD is finalizing some figures in one of the exhibits. He said that Payson and SESD are very close to finalizing some language in the Payson Settlement Agreement. Ray stated that he expects both agreements will be ready for approval and signature before the next Board Meeting.

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CLOSED SESSION - UT Code 52-4-205(d)

Ray Loveless stated the Board needed to go into a closed session to discuss certain matters according to UT Code 52-4-205(d).

At 12:46 p.m. Cory Thompson made a motion seconded by Brent Gordon to convene into a closed session to discuss certain matters according to UT Code 52-4-205(d).

Ray Loveless asked Mark Holdaway to conduct a Roll Call Vote:

Richard Behling - Y, Brent Gordon - Y, Ray Loveless - Y, Kenny Seng - Y, Cory Thompson - Y, and Brent Winder - Y.

Cory Thompson made a motion seconded by Brent Gordon to reconvene the Regular Board Meeting at 1:17 p.m. Richard Behling, Brent Gordon, Ray Loveless, Kenny Seng, Cory Thompson, and Brent Winder approved the motion.

ADJOURNMENT

Richard Behling made a motion to adjourn the meeting seconded by Brent Winder. Ray Loveless adjourned the meeting at 1:17 p.m.

Ray Loveless, Chairman

Mark Holdaway, Clerk

Date Approved

Date Approved

Next Meeting Date

The next board meeting will be held on Tuesday, June 27, 2024, beginning at 6:00 p.m.