INTERMOUNTAIN POWER AGENCY
BOARD OF DIRECTORS MEETING
JULY 15, 2024

MINUTES

A meeting of the Intermountain Power Agency (IPA) Board of Directors was held on July 15, 2024, at the Intermountain Power Agency Office located at 10653 S. River Front Parkway, South Jordan, Suite 120, Utah, 84095 as well as via Zoom virtual meeting. The following participated:

BOARD MEMBERS PRESENT

Nick Tatton
Eric Larsen
Allen Johnson
Mark Montgomery - Virtual
Bruce Rigby
Jason Norlen

BOARD MEMBERS NOT PRESENT

Joel Eves

OTHERS IN ATTENDANCE

Cameron Cowan	IPA
Blaine Haacke	IPA
Linford Jensen	IPA
Vance Huntley	IPA
Cody Combe	IPA
Michelle Miller	IPA
Brian Freeman	IPA
Jessica DeAlba	IPA - Virtual
Caitlyn Cottrell	IPA - Virtual
Lisa Harris	IPA - Virtual
Sean Lewis	Ephraim - Virtual
Eric Bawden	Holland & Hart
Mark Buchi	Holland & Hart – Virtual
Scott Hughes	Hurricane - Virtual
Steve Liechty	Hyrum - Virtual
John Ward	John Ward Inc - Virtual
Lori Morrish	LADWP - Virtual
Greg Huynh	LADWP - Virtual
Kevin Peng	LADWP
Rob Hughes	Parsons, Behle & Latimer

INTRODUCTIONS AND ANNOUNCEMENTS

The meeting commenced at 1:00 p.m. conducted by Chair, Nick Tatton. Mr. Tatton welcomed everyone to the meeting and introduced all who were attending and declared a quorum was present.

IPA BOARD CHAIR ITEMS

Mr. Tatton reminded the Board their pictures will be taken at the August meeting.

BOARD COMMITTEE REPORTS

Mr. Larsen said the IPSC Board meeting will be held on Thursday, July 17, 2024, and the compensation committee has nothing to report.

Mr. Larsen said his assignment on the Project Entity Oversight Committee is now complete.

Mr. Johnson said the Audit Committee signed the engagement letter with Deloitte for IPA's Annual Audit.

Mr. Tatton asked Mr. Jensen about the 2024 IPA Annual Audit. Mr. Jensen said the Deloitte Auditors will be in IPA's office mid to late August to begin the IPA Annual Audit with the issue date being September 28, 2024.

CONSIDERATION AND APPROVAL OF THE MAY 20, 2024, BOARD OF DIRECTORS MEETING MINUTES

Mr. Tatton asked for a motion to approve the May 20, 2024, Board of Directors meeting minutes.

> **Mr. Rigby made a motion to approve the May 20, 2024, 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.**

OPERATING AGENT AND PROJECT MANAGER REPORT AND Q&A

Mr. Tatton asked the Board if they had any questions for Mr. Huynh, Operating Agent, and Ms. Morrish, Project Manager.

Mr. Huynh gave a recap of items the Operating Agent has been working on including the transition of the Renewal Project as well as the FY25-26 Budget approval.

Ms. Morrish shared with the Board the live stream feed of the work going on at the Renewal Project.

Mr. Peng said the transition of the Renewal Project is right around the corner and within the July 1, 2025, timeframe. Mr. Peng said preparation is beginning for the Renewal Project to be in-service including drafting a resolution.

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

IPA MANAGEMENT REPORTS

GENERAL MANAGER REPORT

Mr. Cowan introduced Mr. Brian Freeman as the new IPA Senior Auditor and asked him to introduce himself. Mr. Freeman introduced himself to the Board. Mr. Cowan said IPA is glad to have Brian as an employee.

Mr. Cowan said there will be an IPP site visit on Wednesday, July 17, 2024, with the new General Manager of LADWP, Janisse Quinones, as well as additional LADWP and IPA staff.

Mr. Cowan gave the Board an update on the Utah Legislation Special Session which was held on June 19, 2024. The Decommissioning Asset Disposition Authority now has the role to study and give recommendations on the feasibility of an ammended air permit. The composition of that authority has not been released publicly yet. IPA will wait to see who the seven members of the Committee are. The Committee has posted a public meeting notice for their first meeting which will be held tomorrow, July 16, 2024, at 4:00 p.m. It’s an online only meeting. The notice states that the Committee will be discussing the scope of an RFP.

Mr. Cowan shared with the Board an article from the Millard County Chronical titled County, IPA Finalize Tax Settlement. Mr. Cowan gave a recap to the Board of the contents of the article.

Mr. Tatton thanked Mr. Cowan for his report.

ASSISTANT GENERAL MANAGER REPORT

Mr. Haacke said the update regarding the IPP Renewed Project was given at the Subcommittee meetings on July 8, 2024. There is no additional update. Mr. Haacke talked about attending the different meetings with the vendors, ACES, and subcontractors. There continues to be a large focus on safety at the construction site with the workers working on the Project.

Mr. Haacke said things are continuing to go well at the Project site.

Mr. Tatton thanked Mr. Haacke for his report.

ACCOUNTING MANAGER REPORT

Mr. Jensen directed the Board to the draft Financial Report for the period ending April 30, 2024, and compared the balances for April 2024 with those for April 2023.

Mr. Jensen reviewed the IPA A&G and Ongoing Finance Budget for fiscal year ending April 30, 2024. He reported that the electric plant in service is $504.6 million more than in the previous period due to construction work in progress (CWIP) on the Renewal Project. The cash and cash equivalents are $40.4 million more due to the issuance of the 2023 Series A&B Bonds. The credit to participants through March 2024 is just over $38.7 million. Fuel expenses are $18.9 million less than in the previous period. Maintenance and operation costs are $9.1 million more. Fuel Inventories are $7.7 million more than in the previous period. The Long-term bonds payable is currently $1,794 million. The Long-term Drawdown Bonds as well as the Subordinated Notes balances are currently zero. The payments in aid of construction are $308.7 million due to SCPPA making payments. The average cost of power is 61.7 mills/kWh.

Mr. Jensen explained to the Board how the IPA Investments interest and earnings are financially reported on IPA's Statements of Revenues and Expenses. Mr. Jensen reviewed the items in accordance with U.S. GAAP not billable to participants under the power sales contracts as well as the amounts billed to participants under the bond resolution and the power sales contracts.

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 directed the Board to the Investment Report as of June 30, 2024. The total book value of the portfolio was $89.8 million. The portfolio performance fiscal year to date is 4.555%. The portfolio structure includes 38% Corporate Notes, 41% US Treasury/Agency, none in Commercial Paper, and 21% Money Market/Cash. 35% of the investment portfolio matures in less than three months, with 24% in three to six months, 25% in six months to one year, 16% in one to three years, and none in three to five years. The weighted average life of the portfolio is 220 days.

Mr. Huntley directed the Board to the Construction Fund Investment Report as of June 30, 2024. The total book value of the portfolio was $973.7 million. The portfolio performance fiscal year to date is 5.029%. The portfolio structure includes 70% US Treasury/Agency, 17% Corporate Notes, 0% Commercial Paper, and 13% Money Market/Cash. 39% of the investment portfolio matures in less than three months, with 17% in three to six months, 26% in six months to one year, 15% in one to three years, 2% in three to five years, and 1% in beyond five years. The weighted average life of the portfolio is 250 days.

Mr. Huntley reviewed the Investment Portfolio – Construction Fund Investments by Fund as of June 30, 2024, including the Tax- Exempt Construction Fund; Taxable Construction Fund; Debt Service Fund; Debt Service Reserve Fund; Decommissioning Fund; Hydrogen Construction Fund; Hydrogen Reserve Fund; and the STS Construction Fund.

Mr. Tatton asked Ms. Morrish about the additional Tranches of SCPPA financing. Ms. Morrish said currently there are four Tranches scheduled.

Mr. Tatton asked Mr. Huntley if the plan is still to do the 3rd Tranche of financing in the 4th quarter of 2024. Mr. Huntley said yes and gave the Board an overview of the plan of upcoming finance. Mr. Huntley gave the Board a market overview of the current movement of rates.

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 July 15, 2024, and reported there was no audit report issued since the last board meeting.

Mr. Combe reported that there were two audits in the reporting stage including the IPSC Contracts and Disbursements – November 2017-June 2021; and the Segregation of Duties Review IPA Office and Bank Access.

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, and fiscal year ending June 30, 2021; and the Quarterly Investment Reviews; and the Annual Financial Statement Audit (Deloitte).

Finally, there are currently two audits in the planning stage including the Project Manager Costs Audit – June 2016-June 2023; and the Renewal Project Contractor Compliance Audit.

Mr. Combe said the IPP Audit Committee is meeting next week.

Mr. Tatton asked about finalizing the coal pile. Mr. Huynh and Mr. Jensen explained the process to deal with the coal reserves at the conclusion of the project.

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

Mr. Tatton thanked Mr. Combe for his report.

Report attached below.

OTHER BUSINESS

There was none.

ADJOURN

Mr. Tatton thanked everyone for their comments.

Mr. Tatton asked for a motion to adjourn.

> **Mr. Larsen made a motion to adjourn. 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. The meeting was adjourned at 1:53 p.m.**

TIME AND PLACE OF NEXT SCHEDULED MEETING

Tuesday, August 6, 2024, 12:30 p.m., (MDT) at the Black Rock Mountain Resort located at 909 West Peace Tree Trail, Heber City, Utah 84032.

Minutes taken by Michelle Miller.

Financial Report

(In Thousands of Dollars, Unaudited)

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STATEMENTS OF NET POSITION

April 30,	**2024**	2023
ASSETS		
Utility Plant:		
Electric plant in service	**$ 4,210,107**	$ 3,705,456
Less accumulated depreciation	**(2,791,144)**	(2,696,902)
Net	**1,418,963**	1,008,554
Restricted Assets:		
Cash and cash equivalents	**188,360**	147,938
Investments	**892,066**	558,943
Interest receivable	**6,497**	2,027
Total	**1,086,923**	708,908
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	**2,543,651**	1,755,764
Current Assets:		
Cash and cash equivalents	**29,010**	43,287
Investments	**79,217**	48,147
Interest receivable	**523**	403
Receivable from participants		
Fuel inventories	**57,928**	50,222
Materials and supplies	**16,865**	18,634
Other	**2,543**	4,651
Total Current Assets	**186,086**	165,344
Total Assets	**2,729,737**	1,921,108
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized refunding charge		443
Unamortized asset retirement costs	**56,143**	89,088
Other	**3,158**	1,412
Total Deferred Outflows of Resources	**59,301**	90,943
Total Assets and deferred outflows of resources	**$ 2,789,038**	$ 2,012,051
LIABILITIES		
Long-term bonds payable, net	**$ 1,793,757**	$ 886,920
Long-term Drawdown Bonds		150,000
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		19,002
Interest payable	**27,258**	12,956
Accrued credit to participants	**38,122**	66,258
Accounts payable and accrued liabilities	**104,670**	43,950
Total	**170,050**	142,166
Total Liabilities	**2,283,564**	1,489,803
DEFERRED INFLOWS OF RESOURCES		
Net costs billed to participants not yet expensed	**215,653**	334,222
Prefunding of decommissioning and hydrogen betterments	**285,333**	183,833
Other	**4,488**	4,193
Total Deferred Inflows of Resources	**505,474**	522,248
Total Liabilitiess and deferred intflows of resources	**$ 2,789,038**	$ 2,012,051

STATEMENTS OF REVENUES AND EXPENSES

For the 10 Months Ended April 30,	**2024**	2023
Operating Revenues:		
Power sales to participants	**$ 264,979**	$ 363,014
Less credit to participants	**(38,702)**	(66,400)
Total revenues	**226,277**	296,614
Operating Expenses:		
Fuel	**117,389**	136,377
Operation	**71,713**	51,242
Maintenance	**30,318**	41,661
Depreciation and amortization	**112,689**	127,739
Taxes and payments in lieu of taxes	**10,149**	11,202
Total expenses	**342,258**	368,221
Operating Loss	**(115,981)**	(71,607)
Nonoperating Income	**723**	562
Interest Charges (Benefit):		
Interest on bonds, subordinated notes and other debt	**63,448**	28,786
Financing expenses (including amortization of bond and subordinated note discount, and refunding charge on defeasance of debt)	**(6,330)**	4,799
(Earnings) loss on investments	**(53,589)**	(18,253)
Net interest charges	**3,529**	15,332
NET COSTS BILLED TO BE RECOVERED FROM BILLINGS TO PARTICIPANTS	**(118,787)**	(86,377)
CHANGE IN NET POSITION	**$ -**	**$ -**

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STATEMENTS OF CASH FLOWS

For the 10 Months Ended April 30,	2024	2023
Cash Flows from Operating Activities:		
Cash received from billings to participants	**$ 314,178**	$ 371,209
Other cash receipts	**723**	562
Cash paid to suppliers	**(326,772)**	(228,359)
Net cash used in operating activities	**(11,871)**	143,412
Cash Flows from Capital and Related Financing Activities:		
Proceeds from issuance of long-term debt	**923,466**	121,000
Defeasance and retirement of bonds		
Debt issuance costs	**(2,966)**	(148)
Principal paid on long-term debt	**(6,382)**	(63,027)
Interest paid on long-term debt and commercial paper	**(55,811)**	(20,336)
Additions to electric plant in service	**(747,125)**	(409,708)
Payments in aid of construction	**308,760**	
Net cash provided by (used in) capital and related financing activities	**419,942**	(372,219)
Cash Flows from Investing Activities:		
Purchases of investments	**(1,304,808)**	(180,994)
Proceeds from sales/maturities of investments	**858,352**	377,890
Interest on investments	**23,436**	9,132
Net cash (used in) provided by investing activities	**(423,020)**	206,028
Net Decrease in Cash and Cash Equivalents	**(14,949)**	(22,779)
Beginning Balance	**232,319**	214,004
ENDING BALANCE	**$ 217,370**	$ 191,225

	2024	2023
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	**$ (115,981)**	$ (71,607)
Other nonoperating income	**723**	562
Depreciation	**112,689**	127,739
Financing costs net of amortization of bond and subordinated note discount and refunding charge on defeasance of debt	**(393)**	(1,728)
Changes in operating assets and liabilities:		
Receivable from participants		
Fuel inventories	**(6,288)**	10,369
Materials and supplies	**265**	40
Other current assets	**1,153**	(1,418)
Prepaid personnel services contract costs		
Other liabilities		
Accounts payable and accrued liabilities	**(91,938)**	1,966
Accrued credit to participants	**(433)**	8,762
Other assets		
Deferred outflows of resources		
Deferred inflows of resources	**88,332**	65,834
NET CASH PROVIDED BY OPERATING ACTIVITIES	**$ (11,871)**	$ 140,519

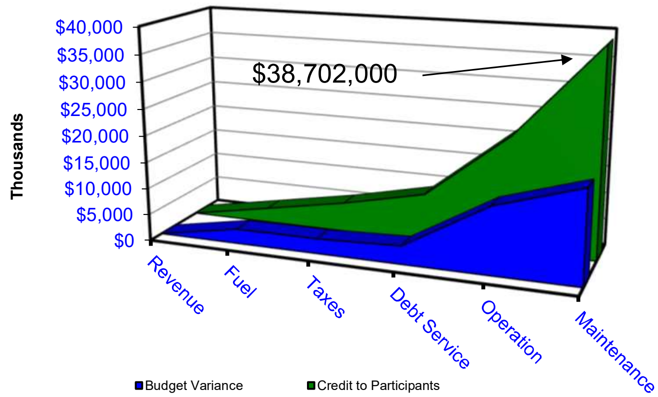
Selected Operating Results

For the 10 Months Ended April 30, 2024

Planned Net Generation	5,852,800
Actual Net Generation	3,665,399
Cumulative Availability	94.60%
Cumulative Net Output Factor	29.41%
Cumulative Net Capacity Factor	29.52%
Cumulative Net Heat Rate (btu/kwh)	10,600
Coal Usage (tons)	1,786,468

Power Costs in Excess of Participant Billings

For the 10 Months Ended April 30, 2024

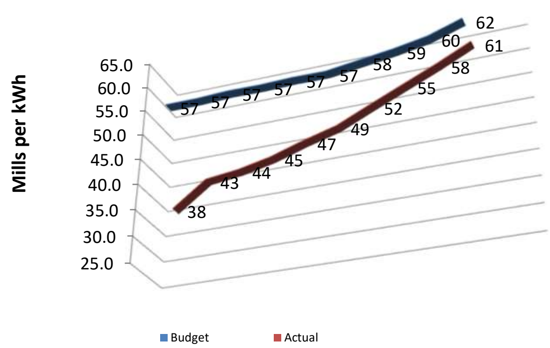


Average Purchaser Cost (Mills per kWh)

For the 10 Months Ended April 30, 2024

Generation	60.0
Transmission	1.8
Total	61.7

Budget verses Actual



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Board of Directors

Management

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Intermountain Power Agency
Operating and Reserves Investment Report
June 30, 2024

	Operating and Reserves
Portfolio Valuation	
Book Value	89,844,426
Market Value	88,989,064
Portfolio Performance	
Total Rate of Return	
Fiscal Year-to-Date	4.555%
Yield to Maturity/Call	4.196%
Portfolio Structure and Composition	
Investments by Market	
US Treasuries/Agencies	40.55%
Corporate Notes	38.15%
Commercial Paper	0.00%
Overnight/Cash	21.30%
	100.00%
Investments by Maturity	
< 3 Months	34.79%
3 - 6 Months	23.94%
6 Months - 1 Year	25.12%
1 Year - 3 Years	16.15%
3 Years - 5 Years	0.00%
> 5 Years	0.00%
	100.00%
Portfolio Weighted Average Life (in days)	220

Intermountain Power Agency
Construction Fund Investment Report
June 30, 2024

	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	353,053,396	60,802,832	130,891,801	137,059,413	140,703,908	54,275,738	62,347,935	34,589,518	973,724,541
Market Value	353,056,240	60,709,900	130,343,251	134,249,268	139,606,492	54,045,578	62,111,905	34,589,518	968,712,151
Portfolio Performance									
Total Rate of Return									
Fiscal Year-to-Date	5.409%	5.281%	4.721%	4.259%	4.271%	4.856%	5.016%	5.225%	5.029%
Yield to Maturity/Call	5.336%	4.956%	4.537%	3.809%	4.332%	4.547%	5.235%	5.156%	4.550%
Portfolio Structure and Composition									
Investments by Market									
US Treasuries/Agencies	89.49%	98.91%	55.09%	77.08%	46.04%	42.30%	59.41%	0.00%	69.69%
Corporate Notes	4.19%	0.00%	7.56%	22.78%	48.14%	35.79%	40.48%	0.00%	17.28%
Commercial Paper	0.00%	0.00%	0.00%	0.00%	1.70%	0.00%	0.00%	0.00%	0.25%
Overnight/Cash	6.33%	1.09%	37.35%	0.14%	4.12%	21.91%	0.11%	100.00%	12.78%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Investments by Maturity									
< 3 Months	67.94%	1.09%	36.66%	0.07%	14.26%	60.57%	0.11%	100.00%	38.64%
3 - 6 Months	29.28%	49.67%	0.00%	0.00%	14.96%	13.82%	0.00%	0.00%	16.68%
6 Months - 1 Year	2.78%	49.24%	63.34%	3.73%	50.19%	25.60%	71.71%	0.00%	26.34%
1 Year - 3 Years	0.00%	0.00%	0.00%	76.53%	20.59%	0.00%	28.18%	0.00%	15.57%
3 Years - 5 Years	0.00%	0.00%	0.00%	13.24%	0.00%	0.00%	0.00%	0.00%	1.87%
> 5 Years	0.00%	0.00%	0.00%	6.43%	0.00%	0.00%	0.00%	0.00%	0.91%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
Portfolio Avg Life (in days)	68	179	270	924	249	110	333	1	250

INTERMOUNTAIN POWER AGENCY
BOARD OF DIRECTORS' MEETING

July 15, 2024

AUDIT MANAGER'S REPORT

I. Audit Reports Issued Since Last Board Meeting

- None

II. Audits in Progress

Reporting:

- IPSC Disbursements and Contracts – November 2017 – June 2021
- Segregation of Duties Review IPA Office and Bank Access

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
- Quarterly Investment Reviews
- Annual Financial Statement Audit (Deloitte)
    - Fuel Inventory
    - Materials & Supplies Inventory
    - Investments
    - Revenue
    - Bonds

Planning:

- Project Manager Costs Audit
- Renewal Project Contractor Compliance Audit