

**INTERMOUNTAIN POWER AGENCY  
BOARD OF DIRECTORS MEETING  
OCTOBER 21, 2024**

**MINUTES**

A meeting of the Intermountain Power Agency (IPA) Board of Directors was held on October 21, 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  
Bruce Rigby  
Joel Eves  
Jason Norlen

**BOARD MEMBERS NOT PRESENT**

None

**OTHERS IN ATTENDANCE**

Cameron Cowan	IPA
Blaine Haacke	IPA
Linford Jensen	IPA
Vance Huntley	IPA
Cody Combe	IPA
Michelle Miller	IPA
Brian Freeman	IPA - Virtual
Jessica DeAlba	IPA - Virtual
Caitlyn Cottrell	IPA – Virtual
Saif Mogri	IPA Consultant - Virtual
Eric Bawden	Holland & Hart
Mark Buchi	Holland & Hart – Virtual
Larry Coleman	Hyrum – Virtual
Jon Finlinson	IPSC – Virtual
Dahl Dalton	IPSC – Virtual
Zane Draper	IPSC - Virtual
Lori Morrish	LADWP - Virtual
Greg Huynh	LADWP - Virtual
Kevin Peng	LADWP - Virtual

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 said all items are covered in the agenda today but there is one additional item to report.

There will be a UAMPS and IPA Management Meeting held on October 28, 2024, at 9:30 a.m. at the UAMPS Office to discuss the call back method including the current process, the upcoming new Renewal Project process and the timing of when the call back needs to be completed.

There will be a workshop for UAMPS and IPA Representatives on November 19, 2024, at 9 a.m. at the UAMPS Offices to educate the Representatives on the items discussed in the Management Meeting.

## **IPA BOARD COMMITTEE BUSINESS REPORT**

### **AUDIT COMMITTEE - CONSIDERATION AND ACCEPTANCE OF THE DELOITTE & TOUCHE INDEPENDENT AUDITOR REPORT**

Mr. Johnson explained that the Audit Committee met with Deloitte & Touche. During the meeting IPA's financial statements as of June 30, 2024, and for the year then ended were presented and discussed and answers to clarifying questions were provided. The Auditor's Opinion is a clean and unqualified report dated September 27, 2024. The committee conducted a thorough review of the audit and recommended that the audit be accepted.

Mr. Tatton thanked the efforts of the IPA Staff. Mr. Johnson echoes Mr. Tatton's comments.

Mr. Tatton asked for a motion to accept the Deloitte & Touche Independent Auditors' Report.

**Mr. Johnson made a motion to accept the Deloitte & Touche Independent Auditors' Report. 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.**

**CONSIDERATION AND APPROVAL OF THE SEPTEMBER 16, 2024, BOARD OF DIRECTORS MEETING MINUTES**

Mr. Tatton asked for a motion to approve the September 16, 2024, Board of Directors meeting minutes.

**Mr. Montgomery made a motion to approve the September 16, 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, Interim Director of the Power System Capital Projects and External Generation Division, Ms. Morrish, Project Manager and Mr. Peng, Interim Operating Agent.

Mr. Huynh explained to the Board his new position as the Interim Director, as well as Mr. Kevin Peng will be the Interim Operating Agent. Mr. Huynh will now be the voting member for LADWP on the Coordinating Committee. Mr. Huynh said LADWP will be going through additional changes in Q1 of 2025. He will keep the Board updated on the upcoming changes. Mr. Huynh thanked the IPA Board and Staff for their support throughout the years and through the changes.

Mr. Peng thanked everyone for the opportunity to work together in the Operating Agent capacity. For now, Mr. Peng will be working as the Operating Agent as well as with the Project Management Team. Mr. Peng will be instrumental in overseeing the transition from coal to natural gas. He is excited and ready to serve in his new position.

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

Mr. Tatton asked Ms. Morrish for any updates. Ms. Morrish asked Mr. Peng to give the update. Mr. Peng said the team is still working through the TIC challenges on the generation side. The time period to finish is still June or July 2025. Mr. Peng said the team is working closely with Siemens on the Synchronous Condensers to mitigate the delays, as well as Hitachi on the Converter Stations.

Mr. Mogri asked Mr. Peng about the status of the switchyard project. Mr. Peng said the target date for completion of the switchyard project is January 2025.

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

## **IPA MANAGEMENT REPORTS**

### **GENERAL MANAGER REPORT**

Mr. Cowan said the Board will need to complete the annual Open and Public Meetings Training Video and Quiz on the Utah State Auditors website. Once this has been completed, please forward the completion certificate to IPA. Mr. Cowan will email the link to the Board. The training needs to be completed before the end of the year.

Mr. Bawden said there is a statutory requirement for the Board to complete the training each year. Each Board member will be required to set up an account and name Intermountain Power Agency as the organization.

Mr. Buchi asked the Board to keep track of any questions they may have and then the questions can be discussed in a future meeting.

Mr. Cowan reviewed with the Board the meeting and site visit he and Mr. Haacke attended at IPSC with the Chairman of the Board of Mitsubishi Heavy Industries, and several other Mitsubishi Executives. Mr. Cowan said it was a good visit with positive feedback. They also toured the ACES site. Mitsubishi brought a gift to IPA which is the crystal vase sitting on display in the IPA Office foyer.

Mr. Cowan updated the Board on the Decommissioning Asset Disposition Authority (DADA) and the work they are doing. IPA has received a couple of requests from DADA for additional information. The additional information is in the process of being submitted to the DADA. Mr. Cowan will forward the copy of the DADA requests as well as IPA's responses to the Board.

Mr. Cowan said IPSC is undergoing analysis and studies on the layup procedures. The layup procedure for coal units is a period of time when the plant is shut down to prevent corrosion. The layup procedure depends on the length of the shutdown and the type of layup. It's also what activities need to take place to preserve the unit's functionality.

Mr. Tatton asked if there was a budgetary component associated with the layup procedure. Mr. Cowan said yes there is. The numbers that have been provided are about \$1.4 million a year.

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Mr. Johnson asked where the numbers come from since the coal units are still in operation. He also expressed concern about the idea that IPA would do anything to harm the coal units. Mr. Cowan said IPA will not do any major capital improvements to the coal units, but will maintain them to remain operable and reliable.

Mr. Tatton asked Mr. Finlinson to comment on the maintenance of the coal units. Mr. Finlinson said IPSC's assessment has evaluated what needs to be done beyond 2025 to keep them reliable. Until we get to 2025, IPSC's current practice is to make sure the coal units' performance is reliable.

Mr. Cowan said the coal units are being operated using prudent utility practices and will be until the end of the Project.

Mr. Cowan said the second DADA request was a large data request. IPA was able to obtain the information and submit it within 48 hours to the consultants the DADA has engaged with. There have been follow-up conversations with Mr. Mike Utley at IPSC, who handles the environmental work.

Mr. Tatton asked Mr. Cowan about the DADA dates. Mr. Cowan said by the end of November 2024, DADA is to provide a report. By December 31, 2024, an amended application must be submitted.

Mr. Rigby asked Mr. Cowan what the funding mechanism was going to be to pay for the costs after the coal units shut down. Mr. Cowan said the costs will be billed through monthly power costs.

Mr. Tatton thanked Mr. Cowan for his report.

#### **ASSISTANT GENERAL MANAGER REPORT**

Mr. Haacke talked about attending the different meetings with the executives at Chevron and Mitsubishi, vendors, ACES, and subcontractors. Mr. Haacke said IPA is in good hands with Mr. Kevin Peng on the Renewal team and that IPA will continue to support him as he performs both LADWP roles as well as supporting Ms. Morrish and Mr. Huynh.

Mr. Haacke said there continues to be a large focus on safety at the construction site with the workers working on the Project.

Mr. Haacke thanked the IPA Staff that were involved in the IPA Annual Audit with Deloitte.

Mr. Tatton thanked Mr. Haacke for his report.

## **ACCOUNTING MANAGER REPORT**

Mr. Jensen reported that Deloitte & Touche has finished their annual external financial audit. The financial statements for the fiscal year ending June 30, 2024, were issued on September 27, 2024, and have been posted on the IPA website as well as the Utah State Auditors website.

Mr. Jensen said the LADWP audit department will be conducting the IPA Owner's Cost Audit for the fiscal years 2022-2023 & 2023-2024. The audit will take place from November 1-30, 2024. This audit will be done remotely.

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

Mr. Cowan thanked the IPA staff who worked on the audit.

Mr. Tatton thanked Mr. Jensen for his report.

## **TREASURY MANAGER REPORT**

Mr. Huntley directed the Board to the Investment Report as of September 30, 2024. The total book value of the portfolio was \$108.7 million. The portfolio performance fiscal year to date is 4.512%. The portfolio structure includes 25% Corporate Notes, 27% US Treasury/Agency, none in Commercial Paper, and 48% Money Market/Cash. 66% of the investment portfolio matures in less than three months, with 15% in three to six months, 2% in six months to one year, 17% in one to three years, and none in three to five years. The weighted average life of the portfolio is 141 days.

Mr. Huntley directed the Board to the Construction Fund Investment Report as of September 30, 2024. The total book value of the portfolio was \$869.6 million. The portfolio performance fiscal year to date is 4.843%. The portfolio structure includes 61% US Treasury/Agency, 28% Corporate Notes, 0% Commercial Paper, and 11% Money Market/Cash. 37% of the investment portfolio matures in less than three months, with 20% in three to six months, 28% in six months to one year, 12% 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 239 days.

Mr. Huntley reviewed the Investment Portfolio – Construction Fund Investments by Fund as of September 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.

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

Mr. Huntley reviewed with the Board the schedule of the upcoming financing, which is the Bond pricing on Wednesday, October 23, 2024, and the Bond closing on November 15, 2024. The parameters of the financing have been set to not exceed \$175 million.

Mr. Tatton asked about the postings in the Participant cities. Mr. Cowan said Ms. Cait Cottrell is managing the postings in the cities.

Mr. Cowan asked the Board members to look for the emails that will be sent by Mr. Huntley with the results of the financing and asking for a vote. Please respond quickly to the emails. Mr. Huntley said a notification email with directions will be sent today.

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 October 21, 2024, and reported there were four audit reports issued since the last board meeting including the Annual Financial Statement Audit; the IPSC Disbursements Audits – July 2018-June 2021; the Segregation of Duties Review IPA Office and Bank Access; and the Quarterly Investment Reviews – Q1-Q4 of fiscal year 2024.

Mr. Combe reported that there was one audit in the reporting stage including the IPSC Review of Controls Related to Gift Cards.

There is currently one audit 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.

Finally, there are currently five audits in the planning stage including the Project Manager Costs Audit; the Renewal Project Contractor Compliance Audit; the Operating Agent Billing (LADWP)-fiscal year ending June 30, 2022, fiscal year ending June 30, 2023, and fiscal year ending June 30, 2024; the True-up Adjustment Audit – fiscal year ending June 30, 2024; and the Quarterly Investment Review Q1 of fiscal year 2025.

Mr. Tatton asked if there will be a final audit with the closing of the current Project and the starting of the Renewal Project. Mr. Combe said there will be an audit done, possibly by a third party. Mr. Combe is going to research this and get back to Mr. Tatton.

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

Mr. Tatton thanked Mr. Combe for his report.

Report attached below.

### **INTERMOUNTAIN POWER SERVICE CORPORATION ENVIRONMENTAL REPORT**

Mr. Finlinson gave the IPSC Environmental Report as of October 21, 2024.

Mr. Finlinson said the IPSC Environmental team completed and submitted the Annual Compliance Particulate Report.

Mr. Finlinson said the Mercury and PM testing ended on September 28, 2024. The test results were well within limits. This should be the last time testing is needed.

Mr. Finlinson said the IPSC Environmental team submitted the Toxic Substance Control Act (TSCA) Chemical Data Reporting 4-year report on September 26, 2024.

The IPSC Environmental team completed and submitted the CCR Annual Progress Report, documenting the Continued Lack of Alternative Capacity and the Progress towards the Closure of the Coal-Fired Boilers.

Mr. Finlinson said the Coal Combustion Residual Surveyor will be onsite on October 15, 2024, to conduct the annual CCR settlement monument survey.

Mr. Finlinson said the Semi-Annual Ground Water Sampling was completed.

Mr. Finlinson said there are about 180 cfs coming into Sevier Bridge Reservoir and 0 cfs being released. The Sevier Bridge Reservoir is currently about 24% full. There is adequate water for IPP needs.

Mr. Tatton thanked Mr. Finlinson for his report.

Report attached below.

### **OTHER BUSINESS**

Mr. Finlinson asked for information on the IPA Annual meeting. Mr. Cowan said the IPA Annual Meeting will be held on Tuesday, December 3, 2024. Ms. Cottrell from IPA will be sending the "Save the Date" invitation soon.



**ADJOURN**

Mr. Tatton thanked everyone for their comments.

Mr. Tatton asked for a motion to adjourn.

**Mr. Norlen made a motion to adjourn. 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. The meeting was adjourned at 2:06 p.m.**

**TIME AND PLACE OF NEXT SCHEDULED MEETING**

Tuesday, November 5, 2024, 1:00 p.m., PST (2:00 p.m. MST) at the Los Angeles Marriott Burbank Airport located at 2500 N Hollywood Way, Burbank, California 91505.

Minutes taken by Michelle Miller.

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

Operating and Reserves	
Portfolio Valuation	
Book Value	108,767,224
Market Value	108,408,745
Portfolio Performance	
Total Rate of Return	
Fiscal Year-to-Date	4.512%
Yield to Maturity/Call	4.420%
Portfolio Structure and Composition	
Investments by Market	
US Treasuries/Agencies	27.48%
Corporate Notes	24.78%
Commercial Paper	0.00%
Overnight/Cash	47.74%
	100.00%
Investments by Maturity	
< 3 Months	65.68%
3 - 6 Months	14.83%
6 Months - 1 Year	2.46%
1 Year - 3 Years	17.03%
3 Years - 5 Years	0.00%
> 5 Years	0.00%
	100.00%
Portfolio Weighted Average Life (in days)	141

Intermountain Power Agency

Construction Fund Investment Report

September 30, 2024

Hydrogen								
	Tax-Exempt Const Fund	Taxable Const Fund	Debt Service	Debt Service Reserve	Decom Fund	Hydrogen Constuction Fund	Hydrogen Reserve	STS
Total								
<u>Portfolio Valuation</u>								
Book Value	247,090,639	61,737,757	90,465,303	137,768,718	155,883,229	58,777,228	63,088,723	54,842,121
Market Value	247,170,437	61,774,079	90,513,967	137,502,976	155,586,524	58,775,822	63,190,479	54,842,121
<u>Portfolio Performance</u>								
<u>Total Rate of Return</u>								
Fiscal Year-to-Date	5.301%	4.995%	4.522%	4.309%	4.449%	4.403%	4.977%	5.187%
Yield to Maturity/Call	5.192%	4.960%	4.530%	3.804%	4.272%	4.477%	4.930%	4.806%
<u>Portfolio Structure and Composition</u>								
<u>Investments by Market</u>								
US Treasuries/Agencies	72.45%	98.08%	88.79%	76.84%	37.17%	17.01%	54.85%	0.00%
Corporate Notes	13.32%	1.88%	10.93%	22.67%	61.06%	73.47%	44.79%	0.00%
Commercial Paper	0.00%	0.00%	0.00%	0.00%	1.56%	0.00%	0.00%	0.00%
Overnight/Cash	14.24%	0.04%	0.28%	0.49%	0.21%	9.52%	0.37%	100.00%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<u>Investments by Maturity</u>								
< 3 Months	86.68%	31.34%	0.33%	0.51%	13.69%	22.28%	0.34%	100.00%
3 - 6 Months	13.32%	68.66%	45.93%	0.00%	22.07%	23.69%	10.05%	0.00%
6 Months - 1 Year	0.00%	0.00%	45.02%	7.83%	64.24%	54.03%	88.05%	0.00%
1 Year - 3 Years	0.00%	0.00%	8.72%	72.05%	0.00%	0.00%	1.56%	0.00%
3 Years - 5 Years	0.00%	0.00%	0.00%	13.19%	0.00%	0.00%	0.00%	0.00%
> 5 Years	0.00%	0.00%	0.00%	6.43%	0.00%	0.00%	0.00%	0.00%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<u>Portfolio Avg Life (in days)</u>								
	44	94	219	832	217	164	250	1
								239

# INTERMOUNTAIN POWER AGENCY BOARD OF DIRECTORS' MEETING

October 21, 2024

## *AUDIT MANAGER'S REPORT*

### *I. Audit Reports Issued Since Last Board Meeting*

- Annual Financial Statement Audit (Deloitte)
- IPSC Disbursements Audit– July 2018 – June 2021
- Segregation of Duties Review IPA Office and Bank Access
- Quarterly Investment Reviews – Q1-Q4 of fiscal year 2024

### *II. Audits in Progress*

#### **Reporting:**

- IPSC Review of Controls Related to Gift Cards

#### **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

#### **Planning:**

- Project Manager Costs Audit
- Renewal Project Contractor Compliance Audit
- Operating Agent Billing (LADWP) – fiscal year ending June 30, 2022, fiscal year ending June 30, 2023, and fiscal year ending June 30, 2024
- True-up Adjustment Audit – fiscal year ending June 30, 2024
- Quarterly Investment Review Q1 of Fiscal Year 2025

## IPA Board Meeting Environmental Update Oct 21, 2024

### Reports and Testing

Environmental completed and submitted the Annual Compliance Particulate Report.

Mercury testing ended September 28. Test results well within limits. Should be the last time.

The Toxic Substance Control Act (TSCA) Chemical Data Reporting 4-year was submitted on September 26.

Environmental completed and submitted the CCR Annual Progress Report, documenting the Continued Lack of Alternative Capacity and the Progress towards the Closure of the Coal-Fired Boilers.

### Coal Combustion Residual

Surveyor onsite October 15 to conduct the annual CCR settlement monument survey.

### Groundwater Sampling

Environmental completed the Semi-annual Groundwater sampling last week.

### Water

There is 180 cfs coming into Sevier Bridge Reservoir and 0 cfs being released. The gauge at Sevier Bridge Reservoir is currently reading about 24% full, this time last year it was 14% full. It was reading 25% last week. Otter Creek Reservoir is currently about 52% full, this time last year it was 74% full and Piute Reservoir is currently about 38%, this time last year it was 66% full.

**Water in Sevier Bridge Reservoir**

