

**INTERMOUNTAIN POWER AGENCY
BOARD OF DIRECTORS MEETING
DECEMBER 3, 2024**

MINUTES

A meeting of the Intermountain Power Agency (IPA) Board of Directors was held on December 3, 2024, at the Little America Hotel, 500 South Main Street, Salt Lake City, Utah. The following participated:

BOARD MEMBERS PRESENT

Nick Tatton
Eric Larsen
Allen Johnson
Bruce Rigby
Mark Montgomery
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
Jessica DeAlba	IPA
Lisa Hair	IPA
Caitlyn Cottrell	IPA
Brian Freeman	IPA
Eric Bawden	Holland & Hart
John Ward	John Ward, Inc.
Lori Morrish	LADWP
Neil Wolk	Orrick
Rob Hughes	Parsons Behle & Latimer
Michael Brown	Parsons Behle & Latimer

INTRODUCTIONS AND ANNOUNCEMENTS

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The meeting commenced at 1:35 p.m. conducted by Chair, Nick Tatton. Mr. Tatton welcomed everyone to the meeting and did introductions.

IPA BOARD CHAIR ITEMS

Mr. Tatton congratulated Mr. Eric Larsen and Mr. Allen Johnson for their re-election to the IPA Board.

IPA MANAGEMENT REPORTS

GENERAL MANAGER REPORT

Mr. Cowan said there will be a need for a special meeting of the Board to pass the ACES Amendments Resolution. Ms. Morrish said the Resolution has to do with two amendments to the Energy Storage Services and Conversion Agreement (ESSCA) and the Advanced Clean Energy Storage (ACES) Agreement. The Amendments include moving the substantial completion date from February 2025 to July 2025; as well as IPA making the initial DOE loan payments from March 2025 until July 2025.

Mr. Cowan said compensation reports were published late this year so the compensation items will also be discussed in the Board meeting which will be held on Thursday, December 19, 2024, at 8:00 a.m.

Mr. Cowan said the Resolution itself will be briefed by the Operating Agent on December 9, 2024. The CC and RCCC members will approve the Resolution by email, while the Board will need to meet and vote.

Mr. Cowan updated the Board members on the Decommissioning Asset Disposition Authority (DADA). The next DADA meeting will be held on Monday, December 16, 2024, at 11:00 a.m. at IPP. Board members are to let Mr. Cowan know if they plan to attend in person.

Mr. Cowan said additionally there have been continued discussions about the IPP Switchyard. The legislation presented in the PUET interim committee has been passed by that committee and will now go through the regular process during the upcoming legislative session..

Mr. Cowan said IPA is continuing to have conversations with legislators. Representative Jack will be touring the IPP Switchyard with Mr. Jon Christensen. IPA's goal is to protect the Renewal Project and complete it on time as well as address the Legislative concerns. The Jackson Walker report should be completed by the end of December 2024. Once the report is completed, DADA will prepare their recommendations for the Legislature.

Mr. Cowan said the Office of Legislative Auditor General (OLAG) will be following up on the IPA audit they completed in October 2023. IPA will need to provide a response to OLAG on

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how the recommendations have been addressed. The IPA response to OLAG is due by December 13, 2024.

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

Mr. Tatton thanked Mr. Cowan for his report.

ASSISTANT GENERAL MANAGER REPORT

Mr. Haacke thanked Ms. Morrish for her report in the IPA Annual meeting as well as the LADWP individuals who attended the meeting, including Greg Huynh, Lori Morrish, Kevin Peng, Jesse Ibarra and Melia Asucan.

Mr. Norlen asked for Ms. Morrish's report to be sent to the Board.

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 September 30, 2024, and compared the balances for September 2024 with those for September 2023.

Mr. Jensen reviewed the IPA A&G and Ongoing Finance Budget for fiscal year ending September 30, 2024. He reported that the electric plant in service is \$633 million more than in the previous period due to construction work in progress (CWIP) on the Renewal Project. The credit to participants through September 2024 is just over \$24.2 million. Fuel expenses are \$30.8 million more than in the previous period. Maintenance and operation costs are \$5.7 million less. Fuel Inventories are \$27.3 million more than in the previous period. The Long-term bonds payable is currently \$1,797 million. The average cost of power is 50.7 mills/kWh.

Mr. Tatton asked Mr. Jensen about the Construction Work in Progress (CWIP) taxes. Mr. Jensen said IPA is aware and has budgeted for an increase in the CWIP taxes.

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 auditors collected data in November 2024. This audit will be done remotely.

Mr. Jensen asked the Board for 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 October 31, 2024. The total book value of the portfolio was \$115 million. The portfolio performance fiscal year to date is 4.488%. The portfolio structure includes 13% Corporate Notes, 22% US Treasury/Agency, none in Commercial Paper, and 65% Money Market/Cash. 69% of the investment portfolio matures in less than three months, with 9% in three to six months, 10% in six months to one year, 12% in one to three years, and none in three to five years. The weighted average life of the portfolio is 133 days.

Mr. Huntley directed the Board to the Construction Fund Investment Report as of October 31, 2024. The total book value of the portfolio was \$843 million. The portfolio performance fiscal year to date is 4.813%. The portfolio structure includes 56% US Treasury/Agency, 30% Corporate Notes, 0% Commercial Paper, and 14% Money Market/Cash. 46% of the investment portfolio matures in less than three months, with 14% in three to six months, 24% in six months to one year, 13% 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 224 days.

Mr. Huntley reviewed the Investment Portfolio – Construction Fund Investments by Fund as of October 31, 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 Mr. Huntley when the first principal payment is due for the outstanding Bonds. Mr. Huntley said July 1, 2026. Currently interest only payments are being paid semi-annual with Bond proceeds.

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 December 3, 2024, and reported there was one audit report issued since the last board meeting including the IPSC Review of Controls Related to Gift Cards.

Mr. Combe reported that there were no audits in the reporting stage.

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; True-up Adjustment Audit – fiscal year ending June 30, 2024; and the Quarterly Investment Review Q1 of fiscal year 2025.

Finally, there are currently three audits in the planning stage including the Project Manager Costs Audit; the Renewal Project Contractor Compliance Audit; and the Operating Agent Billing (LADWP)-fiscal year ending June 30, 2022, fiscal year ending June 30, 2023, and fiscal year ending June 30, 2024.

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

Mr. Tatton thanked Mr. Combe for his report.

Report attached below.

OTHER BUSINESS

COMMENTS/FEEDBACK ON ANNUAL MEETING

Mr. Tatton asked those attending the meeting for comments or feedback on the Annual Meeting. Mr. Cowan thanked all who participated in the Annual Meeting, especially the IPA Staff and John Ward.

The consensus of the Board is that they liked Little America and would like to use the venue again next year for the meetings.

Mr. Eves asked for the Annual Meeting packet to be sent to the Representatives who were not in attendance.

Mr. Cowan encouraged the Board to attend the meeting tomorrow morning, December 4, 2024, at 9:00 a.m. to discuss how to manage the fuel supply for the coal units.

ADJOURN

Mr. Tatton thanked everyone for their comments and asked for any additional comments.

Mr. Tatton asked for a motion to adjourn.

Mr. Montgomery 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 adjourned at 2:20 p.m.

TIME AND PLACE OF NEXT SCHEDULED MEETING

Monday, February 3, 2025, 9:00 a.m. (MST), at Springhill Suites by Marriott, 122 North Green Spring Drive, Washington, Utah.

Minutes taken by Michelle Miller



Financial Report

(In Thousands of Dollars, Unaudited)

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STATEMENTS OF NET POSITION

September 30,	2024	2023
ASSETS		
Utility Plant:		
Electric plant in service	\$ 4,467,761	\$ 3,834,684
Less accumulated depreciation	(2,830,219)	(2,743,824)
Net	1,637,542	1,090,860
Restricted Assets:		
Cash and cash equivalents	127,027	252,841
Investments	773,899	1,117,445
Interest receivable	4,477	4,147
Total	905,403	1,374,433
Other Non-Current Assets		
Prepaid personnel services contract costs	52,007	34,685
Other	3,930	3,080
Total	55,937	37,765
Total Non-Current Assets	2,598,882	2,503,058
Current Assets:		
Cash and cash equivalents	51,088	49,432
Investments	27,185	88,100
Interest receivable	559	389
Receivable from participants		
Fuel inventories	58,535	31,165
Materials and supplies	15,306	17,115
Other	7,100	5,324
Total Current Assets	159,773	191,525
Total Assets	2,758,655	2,694,583
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized refunding charge		
Unamortized asset retirement costs	44,295	80,992
Other	2,562	3,158
Total Deferred Outflows of Resources	46,857	84,150
Total Assets and deferred outflows of resources	\$ 2,805,512	\$ 2,778,733
LIABILITIES		
Long-term bonds payable, net	\$ 1,787,007	\$ 1,801,389
Advances from SCPA	10,930	10,930
Other Non-Current Liabilities:		
Asset retirement obligations	311,939	307,050
Other	1,419	1,777
Total	313,358	308,827
Current Liabilities:		
Interest payable	20,443	15,258
Accrued credit to participants	34,316	46,367
Accounts payable and accrued liabilities	129,072	80,644
Total	183,831	142,269
Total Liabilities	2,295,126	2,263,415
DEFERRED INFLOWS OF RESOURCES		
Net costs billed to participants not yet expensed	177,276	287,329
Prefunding of decommissioning and hydrogen betterments	328,853	223,500
Other	4,257	4,489
Total Deferred Inflows of Resources	510,386	515,318
Total Liabilities and deferred inflows of resources	\$ 2,805,512	\$ 2,778,733

STATEMENTS OF REVENUES AND EXPENSES

For the 3 Months Ended

September 30,	2024	2023
Operating Revenues:		
Power sales to participants	\$ 126,646	\$ 83,885
Less credit to participants	(24,253)	(7,812)
Total revenues	102,393	76,073
Operating Expenses:		
Fuel	75,724	44,832
Operation	22,173	21,557
Maintenance	3,556	9,905
Depreciation and amortization	35,748	40,520
Taxes and payments in lieu of taxes	3,046	2,881
Total expenses	140,247	119,695
Operating Loss	(37,854)	(43,622)
Nonoperating Income	11	297
Interest Charges (Benefit):		
Interest on bonds, subordinated notes and other debt	21,664	15,405
Amortization of bond premium (net of financing expenses)	(3,230)	1,029
(Earnings) on investments	(17,342)	(12,648)
Net interest charges	1,092	3,786
NET COSTS BILLED TO BE RECOVERED FROM BILLINGS TO PARTICIPANTS	(38,935)	(47,111)
CHANGE IN NET POSITION	\$ -	\$ -

DRAFT**STATEMENTS OF CASH FLOWS***For the 3 Months Ended**September 30,*

	2024	2023
Cash Flows from Operating Activities:		
Cash received from billings to participants	\$ 152,499	\$ 110,385
Other cash receipts	11	297
Cash paid to suppliers	(261,703)	(176,474)
Net cash used in operating activities	(109,193)	(65,792)
Cash Flows from Capital and Related Financing Activities:		
Proceeds from issuance of long-term debt		923,466
Debt issuance costs	(3)	(2,890)
Principal paid on long-term debt		(6,382)
Interest paid on long-term debt	(42,107)	(19,768)
Additions to electric plant in service	(75,113)	(109,798)
Payments in aid of construction	126,975	46,856
Net cash provided by capital and related financing activities	9,752	831,484
Cash Flows from Investing Activities:		
Purchases of investments	(160,287)	(838,491)
Proceeds from sales/maturities of investments	244,356	138,828
Interest on investments	10,324	3,925
Net cash provided by (used in) investing activities	94,393	(695,738)
Net (Decrease) Increase in Cash and Cash Equivalents	(5,048)	69,954
Beginning Balance	183,163	232,319
ENDING BALANCE	\$ 178,115	\$ 302,273

	2024	2023
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	\$ (37,854)	\$ (43,622)
Other nonoperating income	11	297
Depreciation	35,748	40,520
Financing costs net of amortization of bond and subordinated note discount and refunding charge on defeasance of debt	(40)	(197)
Changes in operating assets and liabilities:		
Receivable from participants		
Fuel inventories	20,484	20,475
Materials and supplies	(238)	15
Other current assets	(3,590)	(1,628)
Prepaid personnel services contract costs		
Other liabilities		
Accounts payable and accrued liabilities	(173,820)	(115,964)
Accrued credit to participants	24,253	7,812
Other assets		
Deferred outflows of resources		
Deferred inflows of resources	25,853	26,500
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ (109,193)	\$ (65,792)

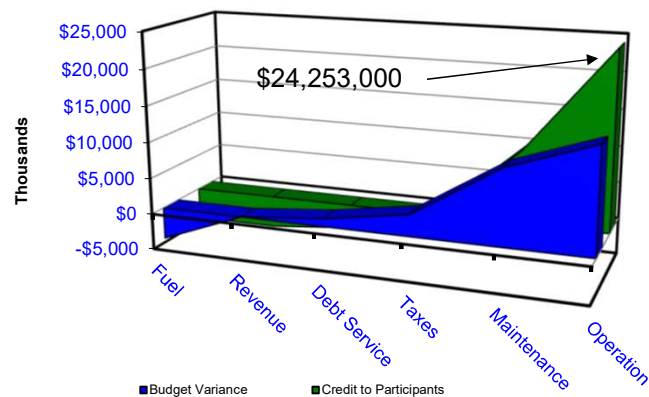
Selected Operating Results

For the 3 Months Ended September 30, 2024

Planned Net Generation	1,925,100
Actual Net Generation	2,019,589
Cumulative Availability	99.05%
Cumulative Net Output Factor	51.30%
Cumulative Net Capacity Factor	50.81%
Cumulative Net Heat Rate (btu/kwh)	10,252
Coal Usage (tons)	912,904

Power Costs in Excess of Participant Billings

For the 3 Months Ended September 30, 2024

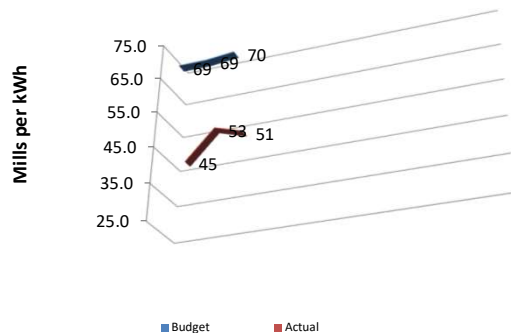


Average Purchaser Cost (Mills per kWh)

For the 3 Months Ended September 30, 2024

Generation	49.0
Transmission	1.7
Total	50.7

Budget verses Actual



Board of Directors

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

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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Please visit our homepage on the Web at ipautah.com.

Intermountain Power Agency
Operating and Reserves Investment Report
October 31, 2024

Operating and Reserves	
Portfolio Valuation	
Book Value	115,447,654
Market Value	115,068,736
Portfolio Performance	
Total Rate of Return	
Fiscal Year-to-Date	4.488%
Yield to Maturity/Call	3.815%
Portfolio Structure and Composition	
Investments by Market	
US Treasuries/Agencies	21.76%
Corporate Notes	12.71%
Commercial Paper	0.00%
Overnight/Cash	65.53%
	100.00%
Investments by Maturity	
< 3 Months	68.55%
3 - 6 Months	9.08%
6 Months - 1 Year	10.39%
1 Year - 3 Years	11.98%
3 Years - 5 Years	0.00%
> 5 Years	0.00%
	100.00%

Portfolio Weighted Average Life (in days)

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Intermountain Power Agency

Construction Fund Investment Report

October 31, 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	223,721,487	61,863,894	90,617,639	137,866,582	160,945,285	61,427,621	63,492,923	43,178,602	843,114,033
Market Value	223,760,824	61,883,137	90,560,391	136,267,573	160,581,752	61,423,744	63,531,597	43,178,602	841,187,619
<u>Portfolio Performance</u>									
<u>Total Rate of Return</u>									
Fiscal Year-to-Date	5.267%	4.988%	4.512%	4.299%	4.449%	4.418%	4.976%	5.069%	4.813%
Yield to Maturity/Call	4.863%	4.960%	4.531%	3.804%	4.231%	4.391%	4.895%	4.060%	4.472%
<u>Portfolio Structure and Composition</u>									
<u>Investments by Market</u>									
US Treasuries/Agencies	57.84%	98.08%	88.76%	76.84%	31.83%	16.28%	50.43%	0.00%	55.58%
Corporate Notes	14.75%	1.88%	10.92%	22.65%	62.35%	70.37%	50.88%	0.00%	29.66%
Commercial Paper	0.00%	0.00%	0.00%	0.00%	1.51%	0.00%	0.00%	0.00%	0.29%
Overnight/Cash	27.42%	0.04%	0.33%	0.51%	4.31%	13.36%	2.05%	100.00%	14.46%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	103.36%	100.00%	100.00%
<u>Investments by Maturity</u>									
< 3 Months	93.39%	65.96%	46.30%	0.51%	21.38%	30.74%	1.99%	100.00%	46.25%
3 - 6 Months	6.61%	34.04%	0.00%	0.00%	20.15%	43.93%	29.99%	0.00%	13.62%
6 Months - 1 Year	0.00%	0.00%	44.99%	7.82%	58.46%	25.33%	66.48%	0.00%	24.13%
1 Year - 3 Years	0.00%	0.00%	8.71%	72.04%	0.00%	0.00%	1.55%	0.00%	12.81%
3 Years - 5 Years	0.00%	0.00%	0.00%	13.19%	0.00%	0.00%	0.00%	0.00%	2.15%
> 5 Years	0.00%	0.00%	0.00%	6.44%	0.00%	0.00%	0.00%	0.00%	1.05%
	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<u>Portfolio Avg Life (in days)</u>									
	31	63	188	801	189	130	225	1	224

INTERMOUNTAIN POWER AGENCY BOARD OF DIRECTORS' MEETING

December 3, 2024

AUDIT MANAGER'S REPORT

I. Audit Reports Issued Since Last Board Meeting

- IPSC Review of Controls Related to Gift Cards

II. Audits in Progress

Reporting:

- None

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
- True-up Adjustment Audit – fiscal year ending June 30, 2024
- Quarterly Investment Review Q1 of Fiscal Year 2025

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