

DRAFT

SOUTH UTAH VALLEY ELECTRIC SERVICE DISTRICT

BOARD MEETING

May 13, 2025

South Utah Valley Electric Service District (SESD) held its monthly Board Meeting on Tuesday, May 13, 2025 – at 11:00 a.m. at the SESD office 803 N 500 E – Payson, UT.

Trustees Present: Richard Behling, Joel Brown, Brent Gordon, Ray Loveless, Cory Thompson, and Brent Winder (Zoom).

Trustees Excused: Kenny Seng

Also Present: Dan Ellsworth, Brook Christensen, Mark Holdaway, and Greg Stanton – SESD

Ray Loveless opened the meeting at 11:00 a.m. He welcomed those who were present, excused Kenny Seng, and stated that Brent Winder would be late joining the meeting due to work responsibilities. Joel Brown offered a prayer, and Cory Thompson led the group in *The Pledge of Allegiance*.

PUBLIC FORUM

None.

STAFF MEMBER SPOTLIGHT

None.

APPROVE BOARD MEETING MINUTES

Ray Loveless asked if anyone had any questions about the April 8, 2025, Board Meeting minutes. Brent Gordon pointed out that Kenny Seng was unable to attend the April 8, 2025, Board Meeting but he was listed in the minutes as being present. Mark Holdaway thanked Brent for catching the error and said he would make the correction.

MOTION to approve the April 8, 2025, Board Meeting minutes.

Richard Behling made a motion seconded by Joel Brown to approve the April 8, 2025, Board Meeting minutes. Richard Behling, Joel Brown, Brent Gordon, Ray Loveless, Cory Thompson, and Brent Winder approved the motion.

FINANCE COMMITTEE

Review April 2025 Disbursements and Expenses

Brent Gordon stated that the Finance, Resource, and Executive Committees all reviewed the disbursements in their respective committee meetings and asked if anyone had any questions about the disbursements and expenses. Richard Behling asked if any additional disbursements had been added between the committee meetings and Board Meeting. Mark Holdaway stated that \$50,000 in additional inventory invoices from Western United Electric had been added.

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MOTION to approve the April 2025 Disbursements & Expenses.

Brent Gordon made a motion seconded by Richard Behling to approve the April 2025 disbursements & expenses. Richard Behling, Joel Brown, Brent Gordon, Ray Loveless, Cory Thompson, and Brent Winder approved the motion.

Review April 2025 Financial Report

Brent Gordon reported that 83.33% of the financial year expired as of the end of April. He said the financial reports showed the District is in a net income position and that expenses are within budget. Mark Holdaway explained that the financial report for the month of April itself came in at a slight net deficit largely due to higher power costs during Spring. However, he said the District is financially healthy overall for the financial year.

MOTION to accept the April 2025 Financial Report.

Brent Gordon made a motion seconded by Cory Thompson to accept the April 2025 Financial Report. Richard Behling, Joel Brown, Brent Gordon, Ray Loveless, Cory Thompson, and Brent Winder approved the motion.

Review Financial Year 2026 Tentative Budget

Brent Gordon stated that all three committees reviewed the Tentative FY 2026 Budget in their respective meetings. Brent said the Board would like the staff to increase the FY 2026 Budget to account for increasing power costs, system growth, and general economic inflation.

Richard Behling recommended increasing the FY 2026 Budget up to \$13.3 million, about a 3% increase from current FY 2026 Budget figures. Brent stated the Board will plan on releasing the FY 2026 Budget for public review after the June 2025 Board Meeting to give the staff time to make the recommended changes to the FY 2026 Budget. The Board discussed budget hearing dates and decided to hold the FY 2026 Budget Hearing on June 30, 2025, at 6:00 p.m.

After reviewing some FY 2026 Budget line items, Ray Loveless reminded the Board that the Utah State Legislature changed the law regarding service district board compensation in the 2025 State Legislative Session. He suggested that the Board analyze these changes in more detail in the June 2025 Board Meeting.

(Ray Loveless welcomed Brent Winder to the meeting via Zoom at 11:19 a.m.)

RESOURCE COMMITTEE

March 2025 Operations Report

Joel Brown reported that the Resource Committee went over SESD's resource purchases for March 2025. Joel compared the power costs of the different power providers in SESD's Resource Portfolio stating that the Nebo Gas Plant typically has the highest cost of power during the shoulder months. He said SESD is trying to acquire some additional power generation from Deseret Power Generation and Transmission (DG&T). Dan Ellsworth stated that DG&T will be discussing the creation of a Class B Membership in its next board meeting on May 22, 2025. Dan explained that if the new membership class is approved, SESD may be able to acquire a load-following resource to stabilize SESD's power costs moving forward.

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Ray Loveless asked about potential load growth on SESD's system. It was determined that there is room for some growth in the existing boundaries of Elk Ridge and Woodland Hills. However, long-term growth on SESD's system will be dependent on future Elk Ridge and Woodland Hills annexations, water availability, surrounding municipal annexations, boundary clean-up with Rocky Mountain Power, and data center proliferation.

MOTION to accept the March 2025 Operations Report.

Joel Brown made a motion seconded by Richard Behling to accept the March 2025 Operations Report. Richard Behling, Joel Brown, Brent Gordon, Ray Loveless, Cory Thompson, and Brent Winder approved the motion.

EXECUTIVE COMMITTEE

Bids to Purchase Surplus Equipment

Ray Loveless stated that SESD put out a request for bids to purchase two pieces of surplus equipment not being used anymore: a 2011 Ford F-150 pick-up truck and a 1997 Big Tex flat-bed trailer. The following five bids were received for the truck:

1. Blake Ellsworth--\$5,000
2. Ryan Bagley--\$3,870
3. Kolton Jewett--\$1,200
4. Gideon Thomas--\$901
5. Heather Veater--\$250

The following five bids were received for the trailer:

1. Blake Ellsworth--\$1,600
2. Scott Fillmore--\$1,000
3. Greg Stanton--\$953.50
4. Gideon Thomas--\$251
5. Heather Veater--\$100

MOTION to accept winning bids for the purchase of surplus equipment.

Joel Brown made a motion seconded by Brent Gordon to accept Blake Ellsworth's winning bid of \$5,000 for the 2011 Ford F-150 pick-up truck and Blake Ellsworth's winning bid of \$1,600 for the 1997 Big Tex trailer. Richard Behling, Joel Brown, Brent Gordon, Ray Loveless, Cory Thompson, and Brent Winder approved the motion.

UAMPS REPORT

Steel Solar Scholarship Recipient Recognition (Ashton Thompson)

Ray Loveless reported that UAMPS announced the recipients of the Steel Solar Scholarships. Ashton Thompson from Elk Ridge was one of the scholarship recipients. Ray stated that eight scholarships in total were awarded to various high school seniors living in UAMPS member communities. Ray Loveless extended congratulations on behalf of SESD's Board to the Thompson family for their son's great accomplishment.

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Ray Loveless stated that each year UAMPS offers a \$500 sponsorship to each of its members to assist with community celebrations. In return, UAMPS asks that a UAMPS banner be displayed at the celebration. He asked the Board for permission to request the sponsorship funds for 2025. The Board approved the request.

CREDA REPORT

Richard Behling reported that CREDA has had to adjust its operations to adapt to the limited number of government personnel it is able to work with due to the large number of job terminations in the Bureau of Reclamation. He stated that the Western Area Power Administration (WAPA) has also had to adjust its operations due to limited staff. These adjustments will cause delays to some projects.

SUVPS REPORT

Brook Christensen reported that the SUVPS Board is limiting transformation true-up financing to two years and requiring interest payments at the same rate as the SUVPS bond interest rate. Brook stated that most entities are planning to pay all their true-up liabilities this year. Brook said that SEDS is the only SUVPS entity with a true-up credit. He does not yet know how SEDS will be reimbursed for its credit. Brook reported on the following SUVPS activities for the month of April: Dry Creek Substation expansion was completed along with 46 kV tie-ins; SUVPS began preparations to relocate Circuit 49 through Spanish Fork; SEDS's crews replaced two 46 kV transmission poles on top of "P" Mountain; SEDS and Payson City crews worked together to do a "hot" pole replacement along 500 East in Payson; SUVPS began reviewing a pole testing proposal; and SUVPS began reviewing a wrap system to protect power poles from fire.

POWER SYSTEM REPORT

Outage Report

Brook Christensen reported on the following happenings on SEDS's distribution system: SEDS crews repaired underground infrastructure in Woodland Hills that was damaged by a company installing fiber optic lines; SEDS's crews responded to a small number of outages caused by animals and tree limbs in various rural areas; and two of SEDS's apprentices signed up to compete in the IPSA Lineman Rodeo being held near Bryce Canyon on May 15, 2025.

(Cory Thompson left the meeting around 11:45 a.m.)

Ray Loveless asked Brook for a progress report on the West Mountain Broadband Project (WMBB). Brook stated that SEDS's crews have been very busy getting poles ready for WMBB attachments and that, to his knowledge, the WMBB is on schedule. Ray asked Mark to include WMBB progress reports from Utah Broadband on Board Meeting agendas moving forward.

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Brook Christensen explained that, in honor of Lineman Appreciation Day, Carhartt sweatshirts were purchased for the Board and staff. Brook stated that management felt it was appropriate to give a gift this year for Lineman Appreciation Day as it has been several years since a gift was last given.

Brook reported that SESD donated water and some money to assist with the Spring Lake Celebration held on May 9th. He said SESD is also preparing to assist with the Elk Ridge City and Lake Shore celebrations being held in June. Dan Ellsworth stated that SESD wants to be more involved with these celebrations and encouraged each community to send representatives to meet with SESD prior to their celebrations to coordinate assistance.

LEGAL UPDATE

Ratification of the Salem Springs Annexation Settlement Agreement

Ray Loveless reported that SESD and Salem City held a mediation on May 6, 2025, to resolve two disputes: removal of an SESD power line in the Salem Springs Annexation and the refund of diminished value costs Salem City paid to takeover electrical service in the Salem Springs Annexation. Ray stated SESD agreed to give its power line in the Salem Springs Annexation to Salem City at no cost, and Salem agreed to drop its demand for reimbursement of diminished value costs. Therefore, no money changed hands. Ray thanked all those who attended the mediation and helped bring an end to the two disputes.

MOTION to ratify the Salem Springs Annexation Settlement Agreement.

Richard Behling made a motion seconded by Joel Brown to ratify the approval of the Salem Springs Annexation Settlement Agreement. Richard Behling, Joel Brown, Brent Gordon, Ray Loveless, Cory Thompson, and Brent Winder approved the motion.

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

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

At 12:06 p.m. Brent Gordon made a motion seconded by Richard Behling to convene into a closed session to discuss a potential contract according to UT Code 52-4-205(d). Ray Loveless asked Mark Holdaway to conduct a Roll-Call vote:

Richard Behling – Y, Joel Brown – Y, Brent Gordon – Y, Ray Loveless – Y, and Brent Winder – Y.

(Cory Thompson returned to the meeting around 12:15 p.m.)

Richard Behling made a motion seconded by Joel Brown to reconvene the Regular Board Meeting at 12:30 p.m. Richard Behling, Joel Brown, Brent Gordon, Ray Loveless, Cory Thompson, and Brent Winder approved the motion.

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Elk Ridge and Woodland Hills Public Park Power Extensions

Ray Loveless stated that, although it was not on the agenda, Brook Christensen wanted to report on some electrical line extensions the SESD line crews have been installing in Elk Ridge and Woodland Hills. Brook explained that, in an effort to strengthen relationships with the cities that it serves, SESD donated just over \$20,000 in labor, equipment, and materials to install permanent power in the Elk Ridge City Shuler Park. Brook said SESD is now working with Woodland Hills City to install additional permanent power capacity in its community park with donated labor, equipment, and materials.

ADJOURNMENT

Richard Behling made a motion to adjourn the meeting seconded by Joel Brown.

Ray Loveless adjourned the meeting at 12:39 p.m.

Ray Loveless, Chairman

Mark Holdaway, Clerk

Date Approved

Date Approved

Next Meeting Date

The next board meeting will be held on Tuesday, May 13, 2025, beginning at 11:00 a.m.