



HURRICANE CITY UTAH

Mayor

Mayor Billings

City Manager

Kaden C. DeMille

Power Board

Mac J. Hall, Chair
Dave Imlay, Vice Chair
David Hirschi
Tony Certonio
Colt Stratton
Kerry Prince

The Hurricane City Power Board met on March 5, 2025, at 3:00 p.m. at the Clifton Wilson Substation located at 526 W 600 N.

In attendance were Mac Hall, Dave Imlay, David Hirschi, Tony Certonio, Colt Stratton, Kerry Prince, Scott Hughes, Brian Anderson, Mike Ramirez, Jared Ross, Blake Brewster, Chris Shamo, Brayden Rice, Jordan Steglich, Riley Steglich, Brent George, Kyle Fenn, Fred Resch, Mayor Billings, Kaden DeMille, Dayton Hall, Mike Vercimak, Casey Lofthouse, Charles Reeve, Matt Levorsen, Benny Garcia (online), Mac Fillingham (online), Fred Philpot (online), Bruce Zimmerman, and Crystal Wright.

Mac Hall welcomed everyone to the meeting. Kaden DeMille led the Pledge of Allegiance and Dayton Hall offered the prayer. Dave Imlay motioned to approve minutes from the February 2025 meeting. Kerry Prince seconded the motion. Motion passed unanimously.

Scott Hughes: Scott Hughes provided an update on employees. He introduced Blake Brewster who is our new Journeyman Lineman. He also reported that Brent George will be taking his 1st Step Test as a Substation Technician. He has resigned as the Power Director and his last day will be March 14, 2025. Dave Imlay asked if he could share a little about Scott Hughes. Scott started in the Water Department, then moved over to Power and became dual certified as a Substation Technician and Journeyman Lineman. He became proficient with our SCADA system, became the Substation & Generation Supervisor, and then took over as the Power Director when Dave Imlay retired. Dave appreciates everything Scott has done for the department. Charles Reeve stated that he's also appreciative of all the work that Scott has done. Scott Hughes updated the board on the Cost-of-Service Study that is underway. We received the approved purchase order and have a kickoff meeting scheduled for March 14, 2025. Mayor Billings asked if there's an amount needed per meter, or mile of lines needed for maintenance so that we can maintain the system. What is a sufficient reserve number to know whether a rate change is needed, for either an increase or decrease. Scott Hughes informed the board that we received the Platinum Designation for our Reliable Public Power (RP3) application through American Public Power Association (APPA). He reported the date of the UAMPS Annual Member Conference will be the middle of August. More details will be forthcoming. He also informed the board there will be a UAMPS Municipal Toolkit Workshop in St. George on April 16, 2025, from 12-5 pm.

Brian Anderson: Brian Anderson reported that they spent most of the time on Capacity Project 2.0. There are 8 phases, and the crews are working on Phase 6. This is the section of reconductoring the line along 1300 South from 920 West to 1100 West. The Line and Service Crews have worked together to do the terminations in the Wal-Mart Business Park area. He reported on the Avian Project the Line Crew has been working on. We have completed that project and submitted our pictures of the work we did.

Mike Ramirez: Mike Ramirez reinforced how much the Line and Service Crews have been working together to accomplish the new subdivision work that has been coming in. We officially have surpassed 10,000 meters as of January 2025.



Jared Ross: Jared Ross reported on the work done on the generators for annual inspections. They've been working on battery bank maintenance which is normal this time of year. The reading for Brentwood Substation's T2 temperature gauge has been off. He contacted Waukesha and they are sending us a new gauge. He reported on a testing sample that came back as bad. We are working with Waukesha on diagnosing it. Scott Hughes stated this is a major deal for a brand-new transformer, but Waukesha has been great to work with. They've also been working on the distribution & SCADA systems. We had Altec out to fix a couple repairs needed for the bucket trucks.

Discussion regarding the Impact Fee Analysis & Capital Facilities Plan Draft: Scott Hughes stated that we have Matt Levorsen, Benny Garcia, and Mac Fillingham from ICPE, and Fred Philpot with LRB. He will turn the time over to Matt Levorsen from ICPE. Matt Levorsen explained that ICPE handles the electrical study and load forecast portion of the study and that Fred Philpot took care of the financial component of the study. Matt Levorsen started by going through the Capital Facility Plan first to explain the basis of the electrical study and load forecasts and associated projects needed to facilitate that growth. Fred Philpot will then go through the basis of where the numbers come from based on that information. He stated they look at the increase in growth over the last several years. This comes primarily from meter data. They project the load increase for the next 5 years and then project additionally for 5 years beyond that. The load growth was estimated to be approximately 24MW in the next 5 years. Further, the projection shows the system will grow to approximately 40MW over the next 10 years, which equates to an approximate 6% growth. Scott Hughes and the Power Department staff then submitted projects to ICPE which would be needed to accommodate that projected growth over the next 10 years. The forecast shows that by 2033 we will need to support approximately 90.5MW of load. He then reviewed a table showing the list of projects that had been provided to accommodate that load. Dayton Hall wanted to affirm that this plan only includes transmission, generation, and substation. Distribution is not calculated or included in the impact fee. Mayor Billings asked if this includes sources of power. Dave Imlay stated no, rates cover securing power resource. Matt Levorsen summarized the system improvement projects needed over the course of the 10 years. Costs are assigned to the projects identified as necessary. This completes the engineering and electrical side of the study. Matt Levorsen turned the time over to Fred Philpot to explain the accounting side of the study. Fred Philpot explained the Impact Fee Process. The Impact Fee Facility Plan (IFFP) is a document required and completed by the engineers. This document is used to create the Impact Fee Analysis (IFA). There are Utah Codes and a specific process with requirements that must be followed in the implementation or change to an impact fee. If an increase is adopted by the governing body, there is a 90-day waiting period before the increase goes into effect. He explained the 6-step process to craft the work plan for IFFP & IFA. Their analysis includes inflation relative to the timing of the future projects. Mayor Billings asked what the current cost per kW is in the existing impact fee. Scott Hughes looked at the existing impact fee and that cost is currently \$600.69. Fred Philpot noticed a discrepancy in one of the tables he had used. He would like to review that before this goes to the City Council. Tony Certonio stated this is a substantial increase and wondered what the main driver in that increase is. Fred Philpot replied that the projects identified as needed for growth as detailed in the IFFP to be the main driver. Mayor Billings asked what the inflationary factor was that was calculated. Fred Philpot replied that it was 4% annually. Matt Levorsen stated the other factor greatly affecting the impact fee increase is the column showing the percentage of each project that is allocated to new growth rather than overall system improvement and reliability. Mac Hall asked if anyone had any opinions or questions. Fred Philpot reinforced that the study is to show the maximum amount suggested to allocate to new growth, but oftentimes when there is a large increase a fee lower than the recommended amount is adopted. He wanted to be clear that any reduction in the impact fee amount has a tradeoff. It transfers the burden from new development to the existing rate payers because those projects still must be constructed. Mac Hall expressed appreciation for the time that has been committed toward this project. This item will be presented for discussion to the City Council tomorrow.

Discussion regarding the installation of overhead power lines: Scott Hughes presented this item and stated this discussion has been coming up frequently and increasing in intensity. He stated Dave Imlay and Brian Anderson

probably have a better understanding due to their longevity but described the process as it exists for construction of infrastructure. The Power Department staff have reviewed projects as they've come and decided which projects will be handled internally and which projects will be contracted out. He described the process that exists for the underground and overhead construction of infrastructure. We currently contract out most of our underground infrastructure. We have contracted out very few overhead construction projects. He can only think of 2-3 over the last several years. There is a sentiment from City Staff that we should not be doing the overhead construction ourselves. This item came up in the last City Council meeting and was a good discussion. Mike Vercimak, Public Works Director, offered to get staff together to discuss and bring information from that meeting back to present to the City Council. There will be more discussions, but Scott Hughes felt like it was important to bring as a discussion to the Power Board to weigh in on this topic. He included a letter in the packet which includes a table of information he received as he called around to local Power Directors of various entities to find out how they operate to have a good understanding of the various options currently being used. Mayor Billings stated she wanted to make a distinction for this discussion between distribution and transmission construction. She stated that we plan to continue to perform our own transmission jobs that use impact fees. Scott Hughes reviewed the table he included in his letter comparing what Power Directors reported as either contracting out or doing in-house between both underground and overhead distribution and transmission construction. Dave Imlay stated a big focus during his time as the Power Director was to train and maintain a crew that is highly skilled. There was a time when that skill level didn't exist, so he had made sure to tackle tough projects in-house to provide both training and experience for our crews. Mayor Billings reinforced that she's not discussing overhead transmission, only work done on private property. She stated we should not be doing work for developers on private property. Government's role is not to develop for a developer. Scott Hughes stated it would be good to hear what the definition of private property as she understands it to be because our power grid is all on private property, however, it is in a Public Utility Easement (PUE). She explained that the underground infrastructure is designed, engineered, red-lined, sent through Joint Utility Committee (JUC), installed, and inspected in that PUE, however it still on private property until it is dedicated to the City. She stated that overhead construction for distribution lines paid for by the developer should be the same process. Transmission construction which is for the City and paid for with impact fees would still be handled at our discretion. Dave Imlay stated he thinks he understands what she's saying in referring to a public entity doing work that a private entity could provide. Mayor Billings confirmed that. Dayton Hall explained this situation comes up when a development comes in asking for power and there is no existing infrastructure to connect their development to. This requires overhead distribution lines to be built to connect their development to the grid. Scott Hughes agreed, while clarifying that many situations currently require an upgrade to existing overhead infrastructure in addition to the requests for new overhead distribution lines. Mayor Billings stated that those situations on our existing lines would be considered maintenance or a rebuild of existing infrastructure. There was a discussion about inventory needed for projects, lead times, and the various ways that contractors use to dock out of the local utility's yard. Mike Ramirez stated that with our underground contractors TJ Rees spends quite a bit of his time with them to ensure our standards are being met and upheld. There was discussion among the group regarding various issues with contractors currently not meeting standards, not accepting sub-standard work when inspected, headaches caused by contractors continuing not to install to our standards and then not wanting to fix small problems upon the one-year review. Mayor Billings explained there are procedures in place to handle all these concerns. If a contractor hasn't fixed things at the one-year review, they don't get their bond back for the project. Mike Vercimak stated we have problems with new construction every day in all aspects of construction. He supported what Mayor Billings is stating that there are processes and procedures in place to handle things that come up, but many of these issues are dealt with as part of his daily job. Mac Hall summarized what he understands from this discussion is that the Power Department staff would like to continue to operate as they have been with deciding whether to contract or construct distribution lines in-house, and it sounds like City Staff would like to see them change to contracting exclusively. Mike Vercimak stated that it would be preliminary for any recommendation from the Power Board until staff have a chance to meet to discuss this. The City Council has asked staff to come together, discuss solutions and standards, and present a plan.

That hasn't happened yet. Dave Imlay asked if it was City Staff in conjunction with Power Department Staff in those discussions. Mac Hall stated that he would be happy to add this to a future agenda when the staff discussions and work are finished and ready to be presented. Then the Power Board can make a recommendation to the City Council after reviewing the information. Dave Imlay wanted to share that the complexity of overhead standards come with a lengthy timeframe for completion. Scott Hughes stated that each line can be engineered individually. We will continue to work toward completing overhead standards, but we can require engineered plans for any overhead line that needs to be constructed in the meantime. He wanted to insist that Power Department staff be included in the upcoming discussions. Mike Vercimak stated they would be included. Everyone was agreeable for it to come back for discussion on a future agenda.

UAMPS Updates: Scott Hughes provided the updates in the packet. He will not review any of the information unless there are questions.

Meeting adjourned at 5:00 p.m. The next Power Board meeting is scheduled for April 2, 2025, at 3:00 p.m.

