

SOUTH UTAH VALLEY ELECTRIC SERVICE DISTRICT

BOARD MEETING

October 7, 2025

South Utah Valley Electric Service District (SESD) held its monthly Board Meeting on Tuesday, October 7, 2025 – at 11:00 a.m. at the SESD office 803 N 500 E – Payson, UT.

Trustees Present: Richard Behling (arrived at 11:46 a.m.), Joel Brown, Brent Gordon, Ray Loveless, Cory Thompson, and Brent Winder.

Trustees Excused:

Also Present: Mark Holdaway and Greg Stanton – SESD; Mike Simmons – Utah Broadband

Ray Loveless opened the meeting at 11:00 a.m. Joel Brown offered a prayer, and Cory Thompson led The Pledge of Allegiance.

PUBLIC FORUM

None.

APPROVE BOARD MEETING MINUTES

Ray Loveless asked if anyone had any questions about the September 9, 2025, Board Meeting Minutes. Hearing none, he asked for a motion to approve the minutes.

MOTION to approve the September 9, 2025, Board Meeting Minutes.

Joel Brown made a motion seconded by Cory Thompson to approve the September 9, 2025, Board Meeting Minutes. Joel Brown, Brent Gordon, Ray Loveless, Cory Thompson, and Brent Winder approved the motion.

FINANCE COMMITTEE

Review September 2025 Disbursements and Expenses

Brent Gordon stated that the Finance, Resource, and Executive Committees reviewed the disbursements and expenses for September 2025.

MOTION to approve the September 2025 Disbursements & Expenses.

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

Review September 2025 Financial Report

Brent Gordon reported that overall expenses are within budget and that the District was able to add some money to its PTIF savings accounts during the months of August and September.

MOTION to accept the September 2025 Financial Report.

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

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NISC Enterprise Software Discussion

Mark Holdaway reported that SESD staff are reviewing the enterprise system from National Information Solutions Cooperative (NISC). Mark explained the NISC enterprise system would replace nearly all the different software programs SESD currently uses and would manage all SESD's operations under one program. Mark said significant operational efficiencies would be realized as well as improved customer service with the NISC enterprise software.

MOTION to approve NISC quote and move forward with the NISC Enterprise System. **Brent Gordon made a motion seconded by Joel Brown to approve the NISC quote reviewed in the committee meetings and authorize staff to continue reviewing the NISC Enterprise System. Joel Brown, Brent Gordon, Ray Loveless, Cory Thompson, and Brent Winder approved the motion.**

Review Needed Equipment List

Greg Stanton reported that SESD recently purchased a used forklift through an auction. Greg said that because staff had such a positive experience using an auction to get a good piece of equipment for a relatively inexpensive price, staff would like to acquire other needed equipment through the auction. Greg stated that because decisions must be made immediately in an auction, the staff would like to propose a list of about 11 equipment items with pre-approved price caps. Mark Holdaway explained that he, Dan, Brook, and Greg had discussed the list and price caps in detail before presenting them to the Board. The total pre-approval requested for the whole list came to around \$330,000. Mark said SESD had enough saved up in its equipment fund to cover the pre-approval request.

Ray Loveless asked about equipment sourcing for an auction. Brent Gordon explained that many pieces of equipment in an auction come from school districts, state agencies, and contractors after little use. Greg stated that SESD uses a mechanic to help identify good pieces of equipment in an auction before making a bid which helps lessen the risk of making a poor purchase.

MOTION to approve equipment list limits.

Brent Gordon made a motion seconded by Brent Winder to approve the purchase of the pieces of equipment within their individual price caps as presented to the Board. Joel Brown, Brent Gordon, Ray Loveless, Cory Thompson, and Brent Winder approved the motion.

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Contractor for West Mountain Line Rebuild/Gravel Pit Line Extension

Greg Stanton reported that CMC has requested a line extension from SESD to serve CMC's gravel pit near Goose Point on the west side of West Mountain. Greg said CMC wants the extension completed before the weather turns too cold, probably by the end of November. Greg said SESD's crews are currently too busy with other projects to complete the CMC line extension within the requested timeframe. As a result, CMC asked if SESD could use Black & McDonald electric contractors to build the line extension. The Board asked if the line construction and extension were put out to bid. Greg explained that CMC was already using Black & McDonald to install electric facilities at the gravel pit, and it was CMC's suggestion to have Black & McDonald include the line extension and West Mountain line rebuild as part of their work for the gravel pit. Greg stated that CMC would be paying for Black & McDonald to construct the line extension and West Mountain line rebuild. Even though CMC was paying for the contractor, because the line extension and West Mountain line rebuild included work on SESD's distribution system, the Board felt that SESD needed to protect itself by seeking additional bids from other contractors before deciding to approve Black & McDonald to construct the line extension and line rebuild. Due to time constraints, Greg asked if the Board would allow staff or a committee to approve the bids, if necessary, before the next board meeting. Ray Loveless stated that the two most important factors in the bid were the price and amount of time needed to complete the project. He suggested that the motion reflect these two criteria rather than complicating the bid process by designating a committee to make the decision.

MOTION to approve the West Mountain line construction bid that meets construction deadlines at the best price.

Brent Gordon made a motion seconded by Joel Brown to approve the West Mountain line construction bid that meets construction deadlines at the best price. Joel Brown, Brent Gordon, Ray Loveless, Cory Thompson, and Brent Winder approved the motion

RESOURCE COMMITTEE

August 2025 Operations Report

Joel Brown reported that the power costs for August 2025 came in very low for a second month in a row due to high demand for power because of the heat.

Ray Loveless stated that some problems were discovered with the main steam turbine at the Nebo Power Plant. He said repairs were still being assessed, but there was a possibility that the Nebo Power Plant would be limited to single cycle generation capacity for the rest of the year. The Board discussed SESD's current resource portfolio and projected power demand for November and December. Ray stated that Dan Ellsworth reached out to Deseret Power (DG&T) and received approval to receive 7 MW of power for the months of November and December. Ray said a power purchase agreement was forthcoming from DG&T but was not ready in time for board meeting. Ray also expressed concern that 7 MW may be too much power. Ray said that he, Dan, and Mark would continue working out the details of a DG&T power purchase agreement for November and December once they had a better understanding of maintenance timelines for the Nebo Power Plant.

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Ray reminded the Board that Strawberry Water Users Association (SWUA) asked SESD and other entities to respond to an RFP for SWUA's hydro generation when SESD's power purchase agreement with SWUA expires in August 2026. Ray reported that SWUA informed SESD that SWUA accepted another entity's bid for the hydro generation. Ray stated that SESD will need to begin considering how to replace the lost SWUA hydro generation after August 2026.

MOTION to accept the August 2025 Operations Report.

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

EXECUTIVE COMMITTEE

West Mountain Broadband Project Report from Utah Broadband

Ray Loveless welcomed Mike Simmons, Vice President of Operations for Utah Broadband (UBB) to the board meeting and invited him to give a report on the West Mountain Broadband Project (WMBB). After reporting on the progress of Phases 1 and 2 of the WMBB, Mike stated that pole replacement costs have been coming in significantly over budget and are threatening the economic viability of the WMBB. Mike asked the Board if SESD could cover more of the pole replacement costs moving forward. Mike pointed out that SESD is benefitting greatly from the WMBB through system upgrades and future access for AMI and SCADA; therefore, it made sense for SESD to perhaps contribute more towards pole replacements. Ray asked Mike if any of the pole replacement costs had been applied towards UBB's cost match for the grant. Mike said he was unsure and would have to consult UBB's accounting team about the grant match. Ray then reminded Mike that SESD was allowing UBB to use SESD's 2" conduit from the road to the home free of charge and that this benefit should be factored as an offset to the pole replacement costs. Mike said he would review both recommendations with UBB's management team but still requested help from SESD for pole replacement costs.

Ray Loveless asked Mike Simmons for a status update on the SESD-UBB Partnership Agreement. Mike stated that UBB's CEO wanted language in the agreement allowing UBB access to the 2" conduit free of charge in perpetuity. Ray said he could agree to those terms if UBB and SESD can work out the pole replacement costs and SESD is able to retain access to the fiber system for its AMI and SCADA needs in perpetuity.

IPSA Mutual Aid Agreement

Mark Holdaway reported that the Intermountain Power Superintendents Association (IPSA) sent out a revised mutual aid agreement for all its members to sign. The revision included language about government immunity and liability. Mark said he spoke with Josh McKell, SESD's insurance agent with Utah Local Governments Trust (ULGT), about liability coverage if SESD ever had to request help from outside entities or if SESD went to help another entity. Mark stated that Josh told him that SESD currently has liability coverage, but that SESD must request Worker's Compensation Certificates from any outside entity doing work on SESD's

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system. If the entity is exempt from Worker's Compensation, then that entity must provide an exemption certificate. Josh said that if an entity can provide one of these certificates, they can help SESD. If not, then SESD should not accept that entity's assistance.

MOTION to approve the IPSA Mutual Aid Agreement.

Joel Brown made a motion seconded by Richard Behling to approve the IPSA Mutual Aid Agreement. Richard Behling, Joel Brown, Brent Gordon, Ray Loveless, Cory Thompson, and Brent Winder approved the motion.

Woodland Hills Conduit Sale

Ray Loveless reported that Comcast approached SESD this past Spring to purchase SESD's 2" conduit in Woodland Hills. Ray stated that the conduit was originally installed so SESD could later put in a fiber system to run AMI metering and SCADA. Since that time, Ray stated, SESD has learned that it can more efficiently meet its AMI and SCADA needs using an existing ISP rather than installing its own fiber system. As a result, SESD does not need the conduit anymore. Ray said SESD and Comcast agreed on the sale of 68,000 ft. of conduit at \$12.00/ft. for a total of \$816,000.

MOTION to approve Woodland Hills conduit sale.

Richard Behling made a motion seconded by Brent Gordon to approve selling 68,000 ft. of 2" conduit in Woodland Hills to Comcast at \$12.00/foot for a total of \$816,000. Richard Behling, Joel Brown, Brent Gordon, Ray Loveless, Cory Thompson, and Brent Winder approved the motion.

UAMPS REPORT

Fremont Solar and Storage Project

Ray Loveless reported that the Fremont Solar and Storage Project is moving forward again and that UAMPS needs subscription commitments from its members. Some of the Board expressed concern over entering into a new binding power contract with UAMPS when SESD is exploring other possible future resource options. Since other resource options are still under consideration, and because the Board felt SESD was secure with its current resource portfolio for the next five years, the Board decided not to subscribe to the Fremont Solar and Storage Project.

UAMPS All-in Project

Ray Loveless stated that he received an email from UAMPS asking which members are interested in participating in the All-in Project. Some of the Board again expressed concern over entering into a new binding agreement with UAMPS while still considering other future resource options. Ray read the UAMPS email and pointed out that UAMPS was not asking for a final commitment to the project – UAMPS just needed to gauge possible interest so it could perform an accurate cost analysis for the project. Final commitment would come later, probably sometime near the end of the year. Most of the Board agreed to commit to the All-in Project so that an analysis could be made with the expectation that a final decision will come later.

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UAMPS AMI Project

Ray Loveless reported that UAMPS wanted a decision to move forward with its AMI Project. Mark Holdaway and Greg Stanton both stated that staff do not want to participate in the UAMPS AMI Project. Mark Holdaway and Greg Stanton said that after reviewing the NISC software and speaking with other AMI vendors, staff felt SESD will be able to find better value for AMI outside of going through UAMPS.

CREDA REPORT

Ray Loveless reported that he attended the recent September CREDA meeting held in Salt Lake City. Ray said the following items were discussed: the low water levels in Lake Powell; water bypass to control smallmouth bass and the effects of water bypass on power generation; and research being conducted by the federal government and universities to better control the smallmouth bass.

SUVPS REPORT

Brent Gordon reported that SUVPS and Summit Contractors their first pre-construction meeting to begin construction of the new 138 kV line from the mouth of Spanish Fork Canyon down to the Taylor Switch Rack. Brent said SUVPS is still negotiating with Rocky Mountain Power to purchase property for a substation near the mouth of Spanish Fork Canyon.

POWER SYSTEM REPORT

Outage Report

Greg Stanton reported that there were only two outages, one caused by an animal on a transformer and another from a faulty breaker.

Ray Loveless asked Greg for an estimate on how many more poles needed to be replaced in the WMBB. Greg stated that 300 – 400 poles probably still need replacing. Greg stated that SESD has been covering the cost of replacing poles that failed pole tests seven years ago. Greg pointed out that UBB based its pole replacement budget on a fiber project it did in the Heber Valley a few years back. Greg said SESD's system is older and was designed differently than the Heber Valley system. As a result, more poles are needing to be replaced than what UBB anticipated. The Board discussed the possibility of UBB buying the poles and SESD donating the labor and equipment to install the poles. Ray reminded the staff and Board that the WMBB is benefiting SESD's customers and encouraged the staff to work with UBB as fairly as they can to assure WMBB Project completion.

LEGAL UPDATE

Mark Holdaway reported that SESD's legal counsel is still reviewing the Comp Time Policy that was presented in September's Board Meeting. He said he hoped to have a draft ready for approval in November's Board Meeting.

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ADJOURNMENT

**Richard Behling made a motion to adjourn the meeting seconded by Cory Thompson.
Ray Loveless adjourned the meeting at 12:56 p.m.**

Ray Loveless, Chairman

Mark Holdaway, Clerk

Date Approved

Date Approved

Next Meeting Date

The next board meeting will be held on Tuesday, November 4, 2025, beginning at 11:00 a.m.