

**INTERMOUNTAIN POWER AGENCY
BOARD OF DIRECTORS MEETING
NOVEMBER 4, 2025**

MINUTES

A meeting of the Intermountain Power Agency (IPA) Board of Directors was held on November 4, 2025, at the Intermountain Power Agency located at the Los Angeles Marriott Burbank Airport, 2500 N. Hollywood Way, Burbank, CA 91505, as well as via Zoom virtual meeting. The following participated:

BOARD MEMBERS PRESENT

Nick Tatton
Eric Larsen
Allen Johnson
Mark Montgomery
Jason Norlen

BOARD MEMBERS NOT PRESENT

Joel Eves

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
Lisa Harris	IPA - Virtual
Jessica DeAlba	IPA - Virtual
Saif Mogri	IPA Consultant
Les Williams	Beaver - Virtual
Eric Bawden	Holland & Hart
Zane Draper	IPSC
Mike Utley	IPSC
John Ward	John Ward Inc.
Lori Morrish	LADWP
Kevin Peng	LADWP
Melia Asucan	LADWP
David Steele	Oak City – 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 did introductions. Mr. Tatton declared a quorum was present.

IPA BOARD CHAIR ITEMS

There were none.

IPA BOARD COMMITTEE REPORTS

Mr. Larsen said the compensation committee has nothing to report but will soon.

Mr. Larsen said the items discussed in the IPSC Board meeting were discussed with the Board in an earlier meeting.

Mr. Johnson said there is no report from the Audit Committee.

OPERATING AGENT AND PROJECT MANAGER Q&A

Mr. Tatton asked Mr. Peng, Operating Agent, if he had any information or comments for the Board.

Mr. Peng gave an overview of the Generation Project. Mr. Peng said they are planning for the IPA Board to tour the new facility in Q1 of 2026. The next focus is on completing the Synchronous Condenser and Converter Station projects. After 2028, the Project team will be looking for what's next.

Mr. Haacke asked Mr. Peng to comment on the report given by Alessandro Nova in the Subcommittee meeting. Mr. Peng reviewed the Lessons Learned report with the Board.

Mr. Tatton thanked everyone for their comments.

RESOLUTION IPA-2025-019 CONSIDERATION OF APPROVAL OF INCREASE IN EXPENDITURE AUTHORITY – ASPHALT WORK AND RELATED SITE IMPROVEMENTS

Mr. Tatton asked Mr. Peng to provide a description of Resolution IPA-2025-019. Mr. Peng provided the description of the Increase in Expenditure Authority for the Asphalt Work and Related Site Improvements and asked if there were any questions. Hearing none, Mr. Tatton asked for a motion to approve Resolution IPA-2025-019.

Mr. Larsen made a motion to approve Resolution IPA-2025-019. 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.

RESOLUTION IPA-2025-020 CONSIDERATION OF APPROVAL OF INCREASE IN EXPENDITURE AUTHORITY UNDER AGREEMENT NO. R24-002-P

Mr. Tatton asked Mr. Peng to provide a description of Resolution IPA-2025-020. Mr. Peng provided the description of the Increase in Expenditure Authority Under Agreement No. R24-002-P and asked if there were any questions. Hearing none, Mr. Tatton asked for a motion to approve Resolution IPA-2025-020.

Mr. Montgomery made a motion to approve Resolution IPA-2025-020. 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.

RESOLUTION IPA-2025-021 CONSIDERATION OF APPROVAL OF EASEMENT AGREEMENT - ENBRIDGE INC. NATURAL GAS PIPELINE

Mr. Tatton asked Mr. Peng to provide a description of Resolution IPA-2025-021. Mr. Peng provided the description of the Easement Agreement for Enbridge Inc. Natural Gas Pipeline and asked if there were any questions. Hearing none, Mr. Tatton asked for a motion to approve Resolution IPA-2025-021.

Mr. Norlen made a motion to approve Resolution IPA-2025-021. Mr. Montgomery seconded the motion. A vote by all Board members participating in the meeting was taken and the vote was unanimous in the affirmative.

RESOLUTION IPA-2025-022 CONSIDERATION OF AUTHORIZATION TO EXECUTE CONSENT AGREEMENT – ACES ROW CROSSINGS

Mr. Tatton asked Mr. Peng to provide a description of Resolution IPA-2025-022. Mr. Peng provided the description of the Consent Agreement for the ACES Row Crossings and asked if there were any questions. Hearing none, Mr. Tatton asked for a motion to approve Resolution IPA-2025-022.

Mr. Larsen made a motion to approve Resolution IPA-2025-022. Mr. Montgomery seconded the motion. A vote by all Board members participating in the meeting was taken and the vote was unanimous in the affirmative.

RESOLUTION IPA-2025-023 CONSIDERATION OF AUTHORIZATION TO EXECUTE ACES AMENDMENTS

Mr. Tatton asked Mr. Peng to provide a description of Resolution IPA-2025-023. Mr. Peng provided the description of the ACES Amendments and asked if there were any questions. Hearing none, Mr. Tatton asked for a motion to approve Resolution IPA-2025-023.

Mr. Johnson made a motion to approve Resolution IPA-2025-023. Mr. Norlen seconded the motion. A vote by all Board members participating in the meeting was taken and the vote was unanimous in the affirmative.

RESOLUTION IPA-2025-024 CONSIDERATION OF ADOPTION OF AMENDMENTS TO THE RESERVE DISPOSITION PLAN

Mr. Tatton asked Mr. Peng to provide a description of Resolution IPA-2025-024. Mr. Peng provided the description of the Amendments to the Reserve Disposition Plan and asked if there were any questions. Hearing none, Mr. Tatton asked for a motion to approve Resolution IPA-2025-024.

Mr. Johnson made a motion to approve Resolution IPA-2025-024 on the condition that at the March 2026 Board meeting the Operating Agent presents a plan for adjusting the costs and potential revenues of any stranded coal to account for differences in Purchasers allocations. Mr. Montgomery seconded the motion. A vote by all Board members participating in the meeting was taken and the vote was unanimous in the affirmative.

RESOLUTION IPA-2025-025 CONSIDERATION OF ADOPTION OF HYDROGEN OPERATING PROCEDURES

Mr. Tatton asked Mr. Peng to provide a description of Resolution IPA-2025-025. Mr. Peng provided the description of the Hydrogen Operating Procedures and asked if there were any questions. Hearing none, Mr. Tatton asked for a motion to approve Resolution IPA-2025-025.

Mr. Larsen made a motion to approve Resolution IPA-2025-025. Mr. Norlen seconded the motion. A vote by all Board members participating in the meeting was taken and the vote was unanimous in the affirmative.

IPA MANAGEMENT REPORTS

GENERAL MANAGER REPORT

Page 5 of 13

Mr. Cowan reminded the Board of the IPA Annual Meeting on Tuesday, December 2, 2025. IPA is working on getting the Board members who have speaking roles their scripts to review.

Mr. Cowan said the rest of his report will be given in the Closed Session.

Mr. Tatton thanked Mr. Cowan for his report.

ASSISTANT GENERAL MANAGER REPORT

Mr. Haacke reminded the Board to let Ms. Cait Cottrell know if they are inviting any council members or people from the city's Power Board to the annual meeting. IPA wants to make sure they have a name tag and are counted in the meal count.

Mr. Haacke reviewed the transfer of power memo from Mr. Peng to Mr. Dalton. The memo said IPSC Operations will now have control and custody of the unit. A big congratulations to all team's members for completing the Renewal Project.

Mr. Haacke reviewed some of the Project highlights including: there were 6.3-million-man hours; the Community Center upgrade housing many RV's for the trade partners; and the continuation of the Community Center for other projects to rent an RV space in the future.

Mr. Haacke said that in the last IPSC Board meeting both Jon Christensen and Lori Morrish were thanked and highlighted as they will be retiring.

Mr. Haacke gave the Board an update on the ACES project saying that he continues to attend the monthly meetings. Mr. Bill Meyers, Chief Operations Officer at ACES Delta, said 13 of the 20 trains have completed their initial runs and are ready to produce hydrogen. He also said the first hydrogen storage in CW2 was on October 31, 2025. ACES is going to the State of Utah to modify their mining permit for CW23. The relationship with the State and ACES is positive. ACES believes the updated permit will be coming in the next month or two.

Mr. Johnson asked about the process of filling the caverns with hydrogen, water and salt. Mr. Peng explained the process to the Board saying that each cavern must go through a maintenance cycle every 5 years by emptying it and re-brining it.

Mr. Mogri asked if the IPSC Museum will be kept. Mr. Peng said they are working on it.

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 July 31, 2025, and compared the balances for July 2025 with those for July 2024.

Mr. Jensen reviewed the IPA A&G and Ongoing Finance Budget for fiscal year ending July 31, 2025. He reported that the electric plant in service is \$274 million more than in the previous period due to construction work in progress (CWIP) on the Renewal Project. The net costs billed to participants not yet expensed is currently \$88.8 million. The credit to participants through July 2025 is just over \$6.5 million. Fuel expenses are \$12 million less than in the previous period. Maintenance and operation costs are \$15.8 million more. Fuel Inventories are \$42 million less than in the previous period. The Long-term bonds payable is currently \$1.910 billion. The Long-term subordinated notes payable, which are the Series K Notes, are currently \$9.1 million. The interest paid on long-term debt is currently \$7.5 million. The payments in aid of construction are \$29.5 million. The average cost of power is 108.0 mills/kWh.

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 presented and discussed in detail with the Board the Bond Post-Issuance Compliance training he received at the Bond Seminar he attended in October 2025.

Mr. Huntley discussed the topic Preparing for Your Upcoming Bond Issuance - Use Reimbursement Resolutions including the following:

- Reimbursement rules limit the ability to use bond proceeds to reimburse expenditures paid prior to issuance of the bonds.
 1. Issuer of bonds must adopt an official intent to issue bonds to reimburse expenditures.
 2. Bonds must be issued and proceeds actually allocated to reimburse expenditures within certain timing limits.
- Hard costs paid more than 60 days before official intent adoption are not eligible for reimbursement.
- Best Practice for Regular Issuers: Adopt regularly with adoption of capital budgets; adds flexibility to plan of finance.

Page 7 of 13

Mr. Huntley discussed the steps to Prepare for Post-Issuance Requirements including:

- Contemplate investment strategy for bond proceeds, including project funds and any reserves.
- Separately identify investment accounts or subaccounts.
- Establish project fund spending and interest earnings tracking.
- Understand what is in the Tax Compliance Certificate.
- Utilize bond counsel and arbitrage consultants for tax issues.

Mr. Huntley explained to the Board that IPA has done or is in the process of doing all the preceding requirements.

Mr. Huntley discussed the Tax-Exempt Bonds and why the IRS is interested in these bonds including:

- Gatekeeper for US Treasury and tax-exempt bond interest (subsidy) seen as lost revenue.
- Rules seek to minimize tax-exempt bonds in the market (and subsidy) by removing issuer's incentive to...
 - Issue more bonds than needed
 - Issue bonds sooner than needed
 - Keep bonds outstanding longer than needed

Mr. Huntley explained how Arbitrage is created including:

- Borrow at tax-exempt rates and invest at higher taxable rates without incurring any additional risk Disparity or spread between markets because of "subsidy"
- Negative arbitrage for over a decade (2008-2022 for first time ever)
- Positive arbitrage NOW and for the foreseeable future

Mr. Huntley said by paying arbitrage that shows investment earnings were maximized.

Mr. Huntley reviewed the Arbitrage Yield vs. Investment Yield graph with the Board.

Mr. Huntley discussed the Requirements Relating to Ongoing Monitoring After the Issuance of the Bonds including:

- Requires calculation of arbitrage rebate liability periodically – at least every 5 years – and payment of arbitrage rebate to the IRS.

Page 8 of 13

- Requires monitoring over the life of the bonds to determine whether the yield on investments acquired with bond proceeds are properly restricted.

Mr. Hutley discussed with the Board the Spending Exceptions – To Avoid Any Arbitrage including the 6-month, 18-month, and 2-years plans.

Mr. Huntley discussed the Requirements Relating to Ongoing Monitoring After the Issuance of the Bonds including:

- Qualified Use of Proceeds and of Bond Financed Property
- Requires monitoring the various direct and indirect uses of bond financed property over the life of the bonds
- Requires review of ownership and any disposition of bond financed facilities
- Requires calculations of the percentage of nonqualified use (PBU – private business use)

Mr. Huntley reviewed the Private Business Use – Future Considerations including saying that parts of a power plant are considered private business use when a non-governmental entity has a "special legal entitlement" to use the property, such as through a long-term lease, management contract, or power purchase agreement. This can also arise from private ownership, management arrangements that give a private entity control or a share of profits, or certain "output contracts" where a private entity buys a large portion of the energy output, especially under terms not based on standard rates. Private business use can apply indirectly, such as when a governmental entity leases a facility to a private company.

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

Mr. Mogri asked Mr. Huntley if the Interconnections that come into IPP Switchyard would be considered Private Business Use. Mr. Cowan said yes that would be considered Private Business Use since they are utilizing the IPP Switchyard. Mr. Bawden said Bond Council has previously looked into Private Business Use and that IPA could get a refresh on that issue. Mr. Hughes and Mr. Peng both weighed in on the Interconnection issue saying that SCPPA Bonds had paid for the Switchyard and Interconnection fees had been collected.

Mr. Tatton thanked Mr. Huntley for his report.

Report attached below.

AUDIT MANAGER REPORT

Page 9 of 13

Mr. Combe directed the Board to the IPA Internal Audit Report Update on Project Fraud Hotline as of November 4, 2025. He reported that he met with one vendor to get an idea of the capabilities of a Project wide fraud hotline. One of the concerns Mr. Combe had been related to the ability to have different Domains/emails on the system and that would not be an issue.

Mr. Combe said the vendor reviewed the fraud hotline features includes the following: Compliance Awareness, Hotline Subscription, Incident Management, and Advanced Analytics.

The Hotline Subscription includes a dedicated telephone number for reporting, web intake for both desktop and mobile, the ability to report anonymously, and progress tracking. Incident Management includes progress tracking, location and type. Advanced Analytics provides easy access for oversight and review.

Mr. Combe reviewed with the Board the following quote from Kyle Whittingham, University of Utah Football Coach: “First of all, if you think you’re smarter than analytics, you’re not. Anybody out there, if you think you’ve got a better grasp of the game and strategy than the analytics do, you don’t.”

Mr. Combe said a challenging misconception is that high whistleblower reports indicate organizational problems. New data reveals a positive correlation with culture. The research findings show higher hotline usage associates with healthier cultures and empowered employees who feel safe reporting issues. The positive outcomes include more reports linked to greater profitability, productivity, fewer lawsuits, and lower settlement costs. When management is committed the active reporting reflects trust in leadership and management’s commitment to address workforce concerns.

Mr. Combe said on October 29, 2018, Lion Air Flight 610 crashed into the Java Sea shortly after taking off from Jakarta, Indonesia, killing all 189 passengers and crew aboard. The plane was a new Boeing 737 MAX. Shortly thereafter, on March 10, 2019, a Boeing 737 MAX 8 aircraft, Ethiopian Airlines Flight 302, crashed after takeoff from Addis Ababa International Airport, killing all 157 aboard. FAA investigators identified faults in the sensors and new flight control software that had not been explained to pilots (“Investigators ‘Believe Ethiopian 737 MAX’s Anti-Stall System Activated,”) But a large part of this tragedy is that perhaps they could have been avoided if the company had listened to whistleblowers.

Mr. Combe reviewed the consequences of ignoring whistleblowers including the catastrophic failures of ignoring warnings led to two fatal 737 MAX crashes causing significant loss of life – 346 fatalities and created public scrutiny. The legal repercussions of the FAA, SEC, and Congress investigations resulted in lawsuits and \$487 million fraud penalties. The financial and reputation losses included reputation damage, eroded

public trust while billions were lost in revenue and net income. The organizational instability as leadership turnover and internal conflict further destabilized the company's operations.

Mr. Combe said the internal control failures were as follows: failure to implement priority safety oversight, failure to properly train pilots on the airplane control system, and failure to formally monitor or discuss safety on a regular basis. The management's periodic reports to the board did not include safety information related to overall product safety issues. The board did not have a mechanism for receiving internal complaints about airplane safety and it never learned about any employee or whistleblower safety complaints. The absent controls on airplane safety, the board pushed to meet production deadlines and remain competitive with its chief rival, Airbus. Boeing adopted an aggressive schedule to develop the 737 MAX in response to Airbus's competition, thereby glossing over significant reengineering issues.

Mr. Combe said a whistleblower hotline could have helped provide a safe way for employees to report concerns without retaliation. The hotline enables early detection and intervention preventing disasters. Critical information reaches leadership to support informed decisions and accountability. Hotlines foster transparency and ethical safety practices within organizations.

Mr. Combe said the key takeaways for Corporate Governance include the following: Whistleblowing systems are critical for managing risks and should be integrated into oversight processes. Boards need visibility into operational concerns, not just financial audits, for better governance. Encouraging employees to speak up enhances corporate culture, safety, and compliance. Internal reporting must be confidential, accessible, and trusted to support governance.

Mr. Tatton thanked Mr. Combe for his report.

Report attached below.

ENGINEERING REPORT

Mr. Mogri, IPA's Engineering Consultant, provided a detailed report on Reliability and Resilience as of November 4, 2025.

Mr. Mogri reviewed with the Board the Oxford Dictionary Definitions of the following:

Reliability – Quality of being trustworthy or of performing consistently well.

Resilience – The capacity to recover quickly from difficulties.

The Grid Power Act Definitions are as follows:

Grid Reliability – The term “Grid Reliability” means the ability of the electrical grid to deliver an adequate, secure, and stable flow of electricity in quantity and with the quality demanded by users, taking into account the ability of the bulk-power system to withstand sudden disturbances.

Grid Resilience – The term “Grid Resilience” means the ability of the electrical grid to adapt to changing physical conditions and withstand and rapidly recover from significant disturbances, including natural disasters, cyber-attacks, and other unforeseen events.

The common goals include keeping the power on, minimizing the risk of outages, withstanding disruptions, restoring the system, and incentivizing reliability.

The key aspects of Energy Reliability include consistent delivery, resilience vs reliability, grid stability, balancing generation and demand, and responding to events.

The challenges include aging infrastructure, extreme weather, and variable renewable energy.

The solutions include upgrading equipment, adding battery and other storage means, diversifying energy resources, improving forecasting and operational coordination, making the grid more resilient, and consistent application of reliability standards.

The strategies for Grid Hardening include improving electrical grid’s infrastructure, making it more resilient against weather and wildfires, reducing outages and improving reliability, underground lines, using smart grid technologies, using AI, managing vegetation, and advanced planning.

The components of cost include capital investments, grid modernization, distribution of energy resources, operations and maintenance costs, and customer and societal costs.

Mr. Tatton thanked Mr. Mogri for the report.

Report attached below.

POTENTIAL CONSIDERATION OF CLOSED MEETING

Mr. Tatton asked for a motion to move into a Closed Meeting to discuss the following:

Conduct a strategy session to discuss market conditions relevant to a business decision regarding the value of an IPA asset if the terms of the business decision are publicly disclosed before the decision is finalized and a public discussion would (a) disclose the appraisal or estimated value of the IPA under

consideration or (b) prevent IPA from completing on the best possible terms a contemplated transaction concerning the IPA asset.

Discuss a record, the disclosure of which could cause a potential commercial injury to or confer a competitive advantage upon a potential or actual competitor of, IPA.

Discuss a business decision, the disclosure of which could cause a potential commercial injury to or confer a competitive advantage upon a potential or actual competitor of, IPA.

Discuss a matter, the discussion of which outside a closed meeting would prevent IPA from getting the best price on the market.

This meeting will be held in this meeting room on November 4, 2025, at 2:28 p.m. at the Los Angeles Marriott Burbank Airport, 2500 N. Hollywood Way, Burbank, CA 91505.

Mr. Tatton said the Open Meeting will be reconvened at approximately 2:45 p.m. to address the IPA Business and complete the remaining Board agenda items.

Mr. Montgomery made a motion to move into a Closed Meeting. Mr. Norlen seconded the motion. A vote by all Board members participating in the meeting was taken and the vote was unanimous in the affirmative.

**BOARD MEMBERS PRESENT AND VOTED IN FAVOR OF THE
CLOSED MEETING:**

**Nick Tatton
Eric Larsen
Allen Johnson
Mark Montgomery
Jason Norlen**

BOARD MEMBERS NOT PRESENT:

Joel Eves

OTHERS IN ATTENDANCE AT THE CLOSED MEETING:

Cameron Cowan	IPA
Blaine Haacke	IPA
Linford Jensen	IPA

Vance Huntley	IPA
Cody Combe	IPA
Michelle Miller	IPA
Lisa Harris	IPA - Virtual
Brian Freeman	IPA – Virtual
Saif Mogri	IPA Consultant
Les Williams	Beaver - Virtual
Eric Bawden	Holland & Hart
Mike Utley	IPSC
Zane Draper	IPSC
John Ward	John Ward Inc.
Kevin Peng	LADWP
David Steele	Oak City - Virtual
Rob Hughes	Parsons, Behle & Latimer

Mr. Tatton asked for a motion to adjourn the Closed Meeting.

Mr. Larsen made a motion to adjourn. Mr. Montgomery seconded the motion. A vote by all Board members participating in the meeting was taken and the vote was unanimous in the affirmative. The closed meeting adjourned at 2:35 p.m.

OTHER BUSINESS

There was none.

ADJOURN

Mr. Tatton thanked everyone for their comments.

Mr. Tatton asked for a motion to adjourn.

Mr. Johnson made a motion to adjourn. Mr. Norlen 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 2:38 p.m.

TIME AND PLACE OF NEXT SCHEDULED MEETING

Tuesday, December 2, 2025, 1:00 p.m., (MDT) at the Hilton Salt Lake City Center located at 255 S. West Temple St., Salt Lake City, UT 84101.

Minutes taken by Michelle Miller.



Financial Report

(In Thousands of Dollars, Unaudited)

DRAFT

STATEMENTS OF NET POSITION

July 31,	2025	2024
ASSETS		
Utility Plant:		
Electric plant in service	\$ 4,673,943	\$ 4,400,185
Less accumulated depreciation	(2,899,050)	(2,813,886)
Net	1,774,893	1,586,299
Restricted Assets:		
Cash and cash equivalents	243,167	149,730
Investments	657,476	824,652
Interest receivable	3,467	5,022
Total	904,110	979,404
Other Non-Current Assets		
Prepaid personnel services contract costs	39,964	52,007
Other	3,987	3,930
Total	43,951	55,937
Total Non-Current Assets	2,722,954	2,621,640
Current Assets:		
Cash and cash equivalents	57,439	28,502
Investments	185,517	28,938
Interest receivable	1,350	580
Receivable from participants		
Fuel inventories	31,471	73,007
Materials and supplies	13,358	15,136
Other	38,998	6,501
Total Current Assets	328,133	152,664
Total Assets	3,051,087	2,774,304
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized asset retirement costs	43,557	51,794
Other	1,941	2,562
Total Deferred Outflows of Resources	45,498	54,356
Total Assets and deferred outflows of resources	\$ 3,096,585	\$ 2,828,660
LIABILITIES		
Long-term bonds payable, net	\$ 1,910,442	\$ 1,789,189
Long-term subordinated notes payable	9,127	
Advances from SCPPA	10,930	10,930
Other Non-Current Liabilities:		
Asset retirement obligations	320,361	311,939
Other	463	1,419
Total	320,824	313,358
Current Liabilities:		
Current maturities of bonds payable	54,905	
Current maturities of subordinated notes payable	9,128	
Interest payable	7,546	6,814
Accrued credit to participants	107,988	22,599
Accounts payable and accrued liabilities	154,539	166,791
Total	334,106	196,204
Total Liabilities	2,585,429	2,309,681
DEFERRED INFLOWS OF RESOURCES		
Net costs billed to participants not yet expensed	88,826	203,104
Prefunding of decommissioning and hydrogen betterments	418,236	311,618
Other	4,094	4,257
Total Deferred Inflows of Resources	511,156	518,979
Total Liabilities and deferred inflows of resources	\$ 3,096,585	\$ 2,828,660

STATEMENTS OF REVENUES AND EXPENSES

For the 1 Month Ended

July 31,	2025	2024
Operating Revenues:		
Power sales to participants	\$ 45,639	\$ 38,997
Less credit to participants	(13,321)	(12,536)
Total revenues	32,318	26,461
Operating Expenses:		
Fuel	10,345	22,354
Operation	15,028	3,338
Maintenance	5,303	1,119
Depreciation and amortization	886	11,916
Taxes and payments in lieu of taxes	2,195	1,040
Total expenses	33,757	39,767
Operating Loss	(1,439)	(13,306)
Nonoperating Income		
Interest Charges:	5	2
Interest on bonds, subordinated notes and other debt	9,050	7,221
Amortization of bond premium (net of financing expenses)	(1,226)	(1,077)
(Earnings) on investments	(2,717)	(6,341)
Net interest charges	5,107	(197)
NET COSTS BILLED TO BE RECOVERED FROM BILLINGS TO PARTICIPANTS	(6,541)	(13,107)
CHANGE IN NET POSITION	\$ -	\$ -

DRAFT**STATEMENTS OF CASH FLOWS***For the 1 Month Ended**July 31,*

	2025	2024
<i>Cash Flows from Operating Activities:</i>		
Cash received from billings to participants	\$ 59,571	\$ 47,615
Other cash receipts	5	2
Cash paid to suppliers	(76,275)	(161,013)
Net cash used in operating activities	(16,699)	(113,396)
<i>Cash Flows from Capital and Related Financing Activities:</i>		
Proceeds from issuance of long-term debt		
Debt issuance costs		
Principal paid on long-term debt		
Interest paid on long-term debt	(46,781)	(41,293)
Additions to electric plant in service	10,908	54,028
Payments in aid of construction	29,559	65,410
Net cash (used in) provided by capital and related financing activities	(6,314)	78,145
<i>Cash Flows from Investing Activities:</i>		
Purchases of investments	(100,720)	(81,464)
Proceeds from sales/maturities of investments	127,505	107,198
Interest on investments	2,263	4,586
Net cash provided by investing activities	29,048	30,320
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	6,035	(4,931)
Beginning Balance	294,571	183,163
ENDING BALANCE	\$ 300,606	\$ 178,232

	2025	2024
<i>Reconciliation of Operating Income to Net Cash Provided by Operating Activities:</i>		
Operating income	\$ (1,439)	\$ (13,306)
Other nonoperating income	5	2
Depreciation and amortization	886	11,916
Financing expenses net of amortization of bond discount	(19)	(14)
Changes in operating assets and liabilities:		
Receivable from participants		
Fuel inventories	35	6,012
Materials and supplies	9	(68)
Other current assets	(12,104)	(2,991)
Prepaid personnel services		
contract costs		
Other liabilities		
Accounts payable and accrued liabilities	(31,326)	(136,101)
Accrued credit to participants	13,320	12,536
Other assets		
Deferred outflows of resources	1	
Deferred inflows of resources	13,933	8,618
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ (16,699)	\$ (113,396)

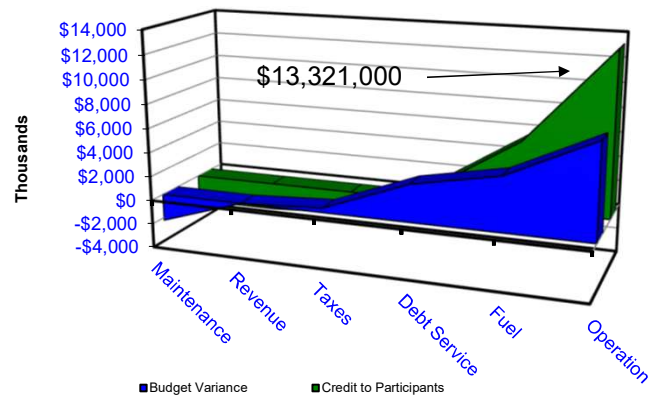
Selected Operating Results

For the 1 Month Ended July 31, 2025

Planned Net Generation	427,723
Actual Net Generation	299,358
Cumulative Availability	100.00%
Cumulative Net Output Factor	22.35%
Cumulative Net Capacity Factor	22.35%
Cumulative Net Heat Rate (btu/kwh)	13,892
Coal Usage (tons)	136,916

Power Costs in Excess of Participant Billings

For the 1 Month Ended July 31, 2025

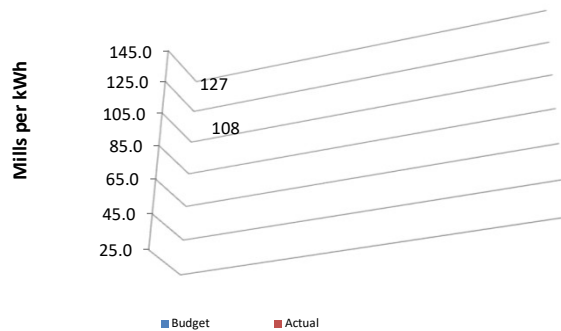


Average Purchaser Cost (Mills per kWh)

For the 1 Month Ended July 31, 2025

Generation	101.3
Transmission	6.7
Total	108.0

Budget verses Actual



Board of Directors

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

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

DRAFT

Bond Post-Issuance Compliance

Preparing for Your Upcoming Bond Issuance

Use Reimbursement Resolutions

- Reimbursement rules limit the ability to use bond proceeds to reimburse expenditures paid prior to issuance of the bonds
 1. Issuer of bonds must adopt an official intent to issue bonds to reimburse expenditures
 2. Bonds must be issued and proceeds actually allocated to reimburse expenditures within certain timing limits
- Hard costs paid more than 60 days before official intent adoption are not eligible for reimbursement
- Best Practice for Regular Issuers: Adopt regularly with adoption of capital budgets; adds flexibility to plan of finance

Prepare for Post-Issuance Requirements

- Contemplate investment strategy for bond proceeds, including project fund and any reserves
- Separately identify investment accounts or subaccounts
- Establish project fund spending and interest earnings tracking
- Understand what is in the Tax Compliance Certificate
- Utilize bond counsel and arbitrage consultants for tax issues

NOTE: IPA has done or is in the process of doing all the preceding requirements

Tax Exempt Bonds – Why is the IRS Interested?

- Gatekeeper for US Treasury and tax-exempt bond interest (subsidy) seen as lost revenue
- Rules seek to minimize tax-exempt bonds in the market (and subsidy) by removing issuer's incentive to...
 - Issue more bonds than needed
 - Issue bonds sooner than needed
 - Keep bonds outstanding longer than needed

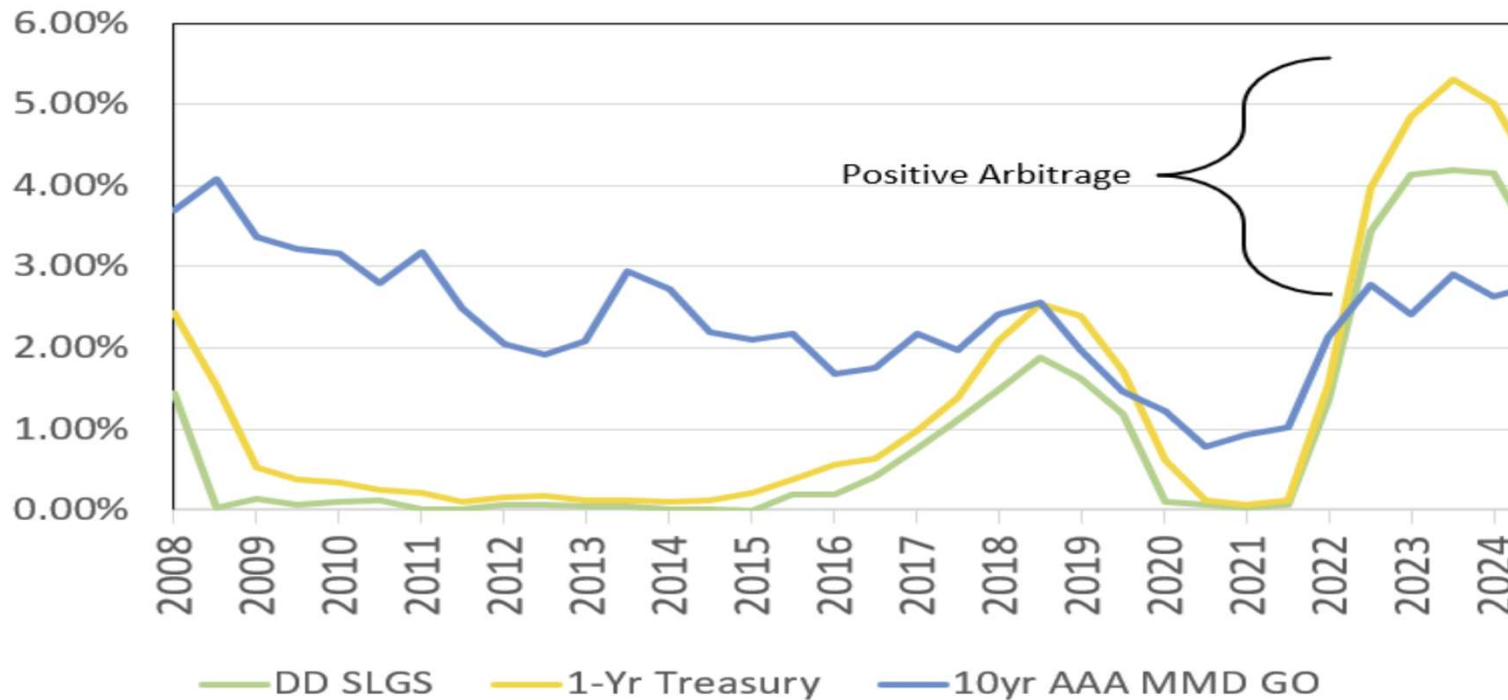
How is Arbitrage Created

- Borrow at tax-exempt rates and invest at higher taxable rates without incurring any additional riskDisparity or spread between markets because of "subsidy"
- Negative arbitrage for over a decade (2008-2022 for first time ever)
- Positive arbitrage NOW and for the foreseeable future

NOTE: Paying arbitrage show investment earnings were maximized

Arbitrage Yield vs. Investment Yield

16 Years of Arbitrage



Requirements Relating to Ongoing Monitoring After the Issuance of the Bonds

Arbitrage Rebate and Yield Restriction

- Requires calculation of arbitrage rebate liability periodically – at least every 5 years – and payment of arbitrage rebate to the IRS
- Requires monitoring over the life of the bonds to determine whether the yield on investments acquired with bond proceeds are properly restricted

Spending Exceptions – To Avoid Any Arbitrage

6-Month

- 100% of proceeds spent within 6 months

18-Month

- At least 15% within 6 months
- 60% within 12 months
- 100% within 18 months

2-Year

- At least 10% within 6 months
- 45% within 1 year
- 75% within 18 months
- 100% within 2 years

Requirements Relating to Ongoing Monitoring After the Issuance of the Bonds

- Qualified Use of Proceeds and of Bond Financed Property
- Requires monitoring the various direct and indirect uses of bond financed property over the life of the bonds
- Requires review of ownership and any disposition of bond financed facilities
- Requires calculations of the percentage of nonqualified use (PBU – private business use)

Private Business Use – Future Considerations

Parts of a power plant are considered private business use when a non-governmental entity has a "special legal entitlement" to use the property, such as through a long-term lease, management contract, or power purchase agreement. This can also arise from private ownership, management arrangements that give a private entity control or a share of profits, or certain "output contracts" where a private entity buys a large portion of the energy output, especially under terms not based on standard rates. Private business use can apply indirectly, such as when a governmental entity leases a facility to a private company.



IPA INTERNAL AUDIT REPORT

NOVEMBER 4, 2025

UPDATE ON PROJECT FRAUD HOTLINE

FRAUD HOTLINE



Compliance Awareness



Hotline Subscription

Dedicated telephone Number for Reporting
Web intake both via Desktop and Mobile
Ability to Report Anonymously
Progress Tracking



Incident Management

Progress Tracking
•Location
•Type



Advanced Analytics

Easy Access for Oversight and Review

“First of all, if you think you’re smarter than analytics, you’re not. Anybody out there, if you think you got better grasp of the game and strategy than the analytics do, you don’t,”

DEBUNKING CONVENTIONAL WISDOM

Challenging Misconceptions

High whistleblower reports do not indicate organizational problems. New data reveals a positive correlation with culture.

Research Findings

Higher hotline usage associates with healthier cultures and empowered employees who feel safe reporting issues.

Positive Outcomes

More reports link to greater profitability, productivity, fewer lawsuits, and lower settlement costs.

Management Commitment

Active reporting reflects trust in leadership and management's commitment to address workforce concerns.

BOEING'S CORPORATE CULTURE FAILURES



This Photo by Unknown Author is licensed under [CC BY-SA](#)

CONSEQUENCES OF IGNORING WHISTLEBLOWERS



Catastrophic Failures

Ignoring warnings led to two fatal 737 MAX crashes causing significant loss of life – 346 fatalities and created public scrutiny.

Legal Repercussions

FAA, SEC, and Congress investigations resulted in lawsuits and \$487 million fraud penalties.

Financial and Reputational Losses

Reputation damage eroded public trust while billions were lost in revenue and net income.

Organizational Instability

Leadership turnover and internal conflict further destabilized the company's operations.

INTERNAL CONTROL FAILURES

Failure to implement priority safety oversight. None of the Boeing board of director committees were specifically assigned responsibility for overseeing airplane safety.

Failure to properly train pilots on the airplane control system, the Maneuvering Characteristics Augmentation System (MCAS).

Failure to formally monitor or discuss safety on a regular basis.

Management's periodic reports to the board did not include safety information related to overall product safety issues.

The board did not have a mechanism for receiving internal complaints about airplane safety and it never learned about any employee or whistleblower safety complaints.

Absent controls on airplane safety, the board pushed for meeting production deadlines and remaining competitive with its chief rival, Airbus.

Boeing adopted an aggressive schedule to develop the 737 MAX in response to Airbus's competition, thereby glossing over significant re-engineering issues.

HOW WHISTLEBLOWER HOTLINES COULD HAVE HELPED

Confidential Reporting System

A hotline provides a safe way for employees to report concerns without retaliation.

Early Safety Issue Detection

Hotlines enable early detection and intervention preventing disasters.

Leadership Accountability

Critical information reaches leadership to support informed decisions and accountability.

Culture of Transparency

Hotlines foster transparency and ethical safety practices within organizations.

KEY TAKEAWAYS FOR CORPORATE GOVERNANCE

Whistleblower Systems Importance

Whistleblower systems are critical for managing risks and should be integrated into oversight processes.

Board Oversight Beyond Finance

Boards need visibility into operational concerns, not just financial audits, for better governance.

Employee Voice Encouragement

Encouraging employees to speak up enhances corporate culture, safety, and compliance.

Effective Reporting Mechanisms

Internal reporting must be confidential, accessible, and trusted to support governance.

Reliability and Resilience

Saif Mogri

IPA Board Meeting

November 4, 2025

Burbank, California

Oxford Dictionary Definitions

- Reliability – Quality of being trustworthy or of performing consistently well
- Resilience – The capacity to recover quickly from difficulties

GRID POWER ACT DEFINITIONS

- GRID RELIABILITY – The term “grid reliability” means the ability of the electrical grid to deliver an adequate, secure, and stable flow of electricity in quantity and with the quality demanded by users, taking into account the ability of the bulk-power system to withstand sudden disturbances.
- GRID RESILIENCE – The term “grid resilience” means the ability of the electric grid to adapt to changing physical conditions and withstand and rapidly recover from significant disturbances, including natural disasters, cyber-attacks, and other unforeseen events.

Common Goals

- Keep the Power on
- Minimize the risk of outages
- Withstand disruptions
- Restore the system
- Incentivize Reliability

Key Aspects of Energy Reliability

- Consistent Delivery - Must meet demand 24/7
- Resilience vs Reliability – Prevent disruptions vs focus on recovery
- Grid Stability – Managing transmission and distribution facilities
- Balancing Generation and Demand – must match generation to load
- Responding to Events – Ability to respond to unplanned events or emergencies

Challenges

- Aging Infrastructure – Vulnerability to weather and equipment failure
- Extreme Weather – Heat waves, wildfires or cold spell
- Variable Renewable Energy – Intermittent and need storage

Solutions

- Upgrade Equipment
- Add Battery and other Storage means
- Diversify Energy Resources
- Improve forecasting and operational coordination
- Make grid more resilient (Grid Hardening)
- Consistent application of reliability standards

Strategies for Grid Hardening

- Improve electrical grid's infrastructure
- Make it more resilient against weather, wildfires etc
- Reduce outages/Improve Reliability
- Underground Lines
- Smart grid technologies
- Use of AI
- Vegetation management
- Advanced Planning

Components of Cost

- Capital Investments
 - Undergrounding Power Lines
 - Stronger Poles
 - Flood Barriers and Monitors
 - Capacity Costs
- Grid Modernization
 - Smart Sensors and Automation
 - Advanced Metering
 - AI and Data Centers
- Distributed Energy Resources
 - Battery Storage for Recovery
 - Renewable Generation Resiliency

Components of Cost

- O&M Costs
 - Vegetation Management
 - Routing Inspection and Maintenance of Assets
 - Emergency Preparedness
 - Cyber Security
- Customer and Societal Costs
 - Outage Costs to Customers
 - Regulatory Penalties
 - Cost of Service Interruptions to Critical Infrastructure

