

SOUTH UTAH VALLEY ELECTRIC SERVICE DISTRICT

BOARD MEETING

January 13, 2026

South Utah Valley Electric Service District (SESD) held its monthly Board Meeting on Tuesday, January 13, 2026 – at 11:00 a.m. at the SESD office 803 N 500 E – Payson, UT.

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

Trustees Excused:

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

Ray Loveless opened the meeting at 11:00 a.m. Dan Ellsworth offered a prayer, and Greg Stanton led The Pledge of Allegiance.

PUBLIC FORUM

None.

SWARING IN OF MAYOR BEN HILLYARD

After briefly introducing the other members of the Board, Ray Loveless invited Mark Holdaway to conduct the swearing in of Ben Hillyard as a trustee on the SESD Board of Trustees.

COMMITTEE ASSIGNMENTS

After a brief discussion of the current committee assignments, the Board agreed no changes should be made at this time. Ben Hillyard was assigned to be on the Resource Committee.

APPROVE BOARD MEETING MINUTES

Ray Loveless asked if anyone had any questions about the November 4, 2025, Board Meeting Minutes. Ray pointed out that due to the Christmas Season, no board meeting was held in December. Since no questions or concerns were raised about the minutes, Ray asked for a motion to approve the minutes.

MOTION to approve the November 4, 2025, Board Meeting Minutes.

Richard Behling made a motion seconded by Cory Thompson to approve the November 4, 2025, Board Meeting Minutes. Richard Behling, Joel Brown, Brent Gordon, Ray Loveless, Cory Thompson, and Ben Hillyard approved the motion.

FINANCE COMMITTEE

Review November 2025 Disbursements and Expenses

Brent Gordon stated that all the committees had the opportunity to review the November 2025 Disbursements and Expenses. He asked if anyone had any questions or concerns. Ray Loveless pointed out that total disbursements for November came to \$1.2 million.

MOTION to approve the November 2025 Disbursements & Expenses.

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

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Review December 2025 Disbursements and Expenses

Brent Gordon asked if anyone had any questions or concerns about the December 2025 Disbursements and Expenses. None were raised

MOTION to approve the December 2025 Disbursements & Expenses.

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

Review November and December 2025 Financial Reports

Brent Gordon asked Richard Behling to present the November and December 2025 Financial Reports. Richard reported that all accounts are within budget for the financial year. Mark Holdaway pointed out that a \$0.016/kWh power cost adjustment was added to the bills that went out in December and a \$0.008/kWh power cost adjustment was added to the bills that went out in January to cover the higher power costs of the shoulder months. Mark also pointed out that the month of November showed a net deficit, but that the month of December showed a net surplus.

MOTION to accept the November 2025 Financial Report.

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

MOTION to accept the December 2025 Financial Report.

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

RESOURCE COMMITTEE

October and November 2025 Operations Reports

Joel Brown asked Ray Loveless to present the Operations Reports for October and November. Ray Loveless reported that the steam turbine from the Nebo Gas Plant was shipped to Texas for inspections and repairs. The inspections revealed extensive damage to the steam turbine which was beyond the capabilities of the Texas facility to repair. As a result, the steam turbine is being shipped to California for a minor overhaul. Ray said the steam turbine is projected to be returned to the Nebo Gas Plant by May 22, 2026. The Plant is expected to be fully operational again by the first part of June. Ray explained that Nebo is still producing some power at a much-limited capacity with its simple cycle turbine. Ray reviewed SESD's resource portfolio and explained that SESD's contracted 5 MW of power from DG&T is helping to fill in the gap left by the reduced production from Nebo. He also mentioned that the mild winter has kept market power pricing down for any purchases made from the open market.

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Ray pointed out that the dry, mild winter may lead to a significant decrease in hydro generation from CRSP and Strawberry Water Users Association (SWUA) this Spring and Summer. Ray also said that SESD was unable to renew its contract for SWUA hydro generation which expires this August. Ray stated that SESD may need to procure additional power from DG&T to replace the lost SWUA generation and to cover summer peak loads if Nebo is delayed coming back online. Ben Hillyard and Cory Thompson recommended that SESD explore the possibility of installing small generators in the water and sewer pipelines of Woodland Hills and Elk Ridge.

MOTION to accept the October and November 2025 Operations Reports.

Joel Brown made a motion seconded by Richard Behling to accept the October and November 2025 Operations Reports. Richard Behling, Joel Brown, Brent Gordon, Ray Loveless, Cory Thompson, and Ben Hillyard approved the motion.

EXECUTIVE COMMITTEE

Ratify West Mountain Broadband Project Partnership Agreement

Ray Loveless stated that the West Mountain Partnership Agreement has been under review for several months and that it was ready for approval. Due to certain time constraints, Ray said he signed the Agreement near the end of December and was now asking the Board to ratify the approval of the Agreement.

MOTION to ratify the West Mountain Broadband Project Partnership Agreement.

Joel Brown made a motion seconded by Richard Behling to ratify the West Mountain Broadband Partnership Agreement. Richard Behling, Joel Brown, Brent Gordon, Ray Loveless, Cory Thompson, and Ben Hillyard approved the motion.

Ray Loveless explained that a minor dispute has arisen between SESD and Utah Broadband (UBB) over responsibility for covering pole replacement costs. Ray said staff have estimated that around 300 more poles will need to be replaced in the WMBB project area. However, UBB has stated it has exhausted its pole replacement budget for the WMBB and does not feel responsible for covering any additional pole replacement costs. The Board considered asking UBB to seek additional grant funding from the State, creating a cost-sharing plan with UBB for additional poles, or applying funds from the SESD & UBB revenue-share agreement towards pole replacement. The Board agreed that they did not want to litigate the dispute. Brook Christensen explained that SESD's crews will need another two to three years to finish replacing all the poles for the WMBB. He recommended asking UBB to finance pole replacement costs over that same period.

Approve URECA Membership Application

Dan Ellsworth stated that the Utah Rural Electric Cooperative Association (URECA) has extended an invitation to SESD to join the organization as an associate member. Dan said that URECA membership would give SESD higher priority access to the power generated by Deseret Power (DG&T), additional training opportunities for the Board, and more specialized training for SESD's linemen. Dan stated that SESD already participates in the

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URECA Youth Leadership Challenge (YLC) each year which has helped generate positive public relations with SESD's customers. Dan explained that SESD is already a member of the National Rural Electric Cooperative Association (NRECA) and that SESD's membership has given SESD access to various programs and benefits that have and will continue to benefit SESD. When asked about membership fees, Mark Holdaway said the annual URECA membership fee is around \$5,000.

MOTION to approve URECA Associate Membership Application.

Cory Thompson made a motion seconded by Ben Hillyard to approve the URECA Associate Membership Application. Richard Behling, Joel Brown, Brent Gordon, Ray Loveless, Cory Thompson, and Ben Hillyard approved the motion.

UAMPS REPORT

Ray Loveless reported that UAMPS is in the process of procuring generation turbines and transformers for two new power projects that are still in the planning stages. Ray stated that the lead time for these items is at least five years out.

UAMPS Wildfire Mitigation Plans Solicitation of Interest

Ray Loveless stated that UAMPS went through the procurement process to find a firm that could create fire mitigation plans for all UAMPS members. The procurement committee ended up choosing Dudek. Ray explained that the Utah Legislature is beginning to require fire mitigation plans for certain entities and there is the possibility that SESD may be required to have one in the future. Ray also said that insurance companies may require fire mitigation plans at some point before issuing coverage. The Board discussed wildfire risk exposure in Elk Ridge, Spring Lake, Woodland Hills, and other parts of SESD's service area and the need for all these entities to work together in the creation of fire mitigation plans. Ray stated that due to time constraints, he had to sign the Solicitation of Interest before Board Meeting. However, no funds were committed with the signing of the Solicitation of Interest.

MOTION to Ratify UAMPS Wildfire Mitigation Plans Solicitation of Interest.

Ben Hillyard made a motion seconded by Cory Thompson to ratify the UAMPS Wildfire Mitigation Plans Solicitation of Interest. Richard Behling, Joel Brown, Brent Gordon, Ray Loveless, Cory Thompson, and Ben Hillyard approved the motion.

CREDA REPORT

Ray Loveless reported that CREDA is holding its next meeting on February 11, 2026, in St. George.

SUVPS REPORT

Brook Christensen reported that the Circuit 49 rebuild is delayed until SUVPS receives the steel poles ordered for the project. Currently, no date has been given for the poles to arrive. Brook further reported that the new Bamberger Substation is still in the planning stages and that five representatives from SUVPS will be travelling to the Waukesha plant in Milwaukee

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to inspect the new transformer being built for the Taylor Switch Rack. Brook explained the transformer production and delivery process and encouraged the Board to come watch the installation of the new transformer at the Taylor Switch Rack. Ray Loveless invited Greg Stanton (The SESD representative attending the Waukesha transformer inspection) to give a report to the Board about the transformer inspection trip after he returns.

POWER SYSTEM REPORT

Outage Report

Greg Stanton reported that SESD's crews had to replace a hit pole on Power Plant Road, a hit guy wire on Riverbottoms Road, and a section of line in Mapleton when the wind blew a billboard sign into it. Greg stated that winter storm damage so far this year has been very minimal.

Ray Loveless reminded the Board that the SESD power purchase agreement for Strawberry Water Users Association (SWUA) hydro generation terminates in August 2026 and that Payson City will begin receiving SWUA's hydro generation at that time. Ray asked if SESD can charge a wheeling fee for Payson to bring the SWUA generation over SESD's power lines. Mark Holdaway reported that SESD is required under the 2014 BOR Title Transfer to provide a route out to the grid for SWUA generation and is allowed to charge a wheeling fee. Ray encouraged staff to meet with Sean Black, Payson City Power Director, to begin wheeling fee negotiations.

LEGAL UPDATE

None.

ADJOURNMENT

**Joel Brown made a motion to adjourn the meeting seconded by Cory Thompson.
Ray Loveless adjourned the meeting at 12:30 p.m.**

Ray Loveless, Chairman

Mark Holdaway, Clerk

Date Approved

Date Approved

Next Meeting Date

The next board meeting will be held on Tuesday, February 10, 2026, beginning at 11:00 a.m.