

DRAFT

SOUTH UTAH VALLEY ELECTRIC SERVICE DISTRICT BOARD MEETING March 10, 2026

South Utah Valley Electric Service District (SESD) held its monthly Board Meeting on Tuesday, March 10, 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), Ben Hillyard, Ray Loveless, and Cory Thompson.

Trustees Excused:

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

Ray Loveless opened the meeting at 11:06 a.m. Mark Holdaway offered a prayer, and Joel Brown led The Pledge of Allegiance.

PUBLIC FORUM

None.

APPROVE BOARD MEETING MINUTES

Ray Loveless asked if anyone had any questions about the February 10, 2026, Board Meeting Minutes. Since no questions or concerns were raised about the minutes, Ray asked for a motion to approve the minutes.

MOTION to approve the February 10, 2026, Board Meeting Minutes.

Richard Behling made a motion seconded by Joel Brown to approve the February 10, 2026, Board Meeting Minutes. Richard Behling, Joel Brown, Brent Gordon, Ben Hillyard, Ray Loveless, and Cory Thompson approved the motion.

FINANCE COMMITTEE

Review February 2026 Disbursements and Expenses

Brent Gordon stated that all the committees had the opportunity to review the February 2026 disbursements and expenses. He also pointed out that some additional invoices had been processed and were shown in the Disbursement Report with a double asterisk. The Board reviewed the additional disbursements.

MOTION to approve the February 2026 Disbursements & Expenses.

Brent Gordon made a motion seconded by Richard Behling to approve the February 2026 disbursements & expenses. Richard Behling, Joel Brown, Brent Gordon, Ben Hillyard, Ray Loveless, and Cory Thompson approved the motion.

Review February 2026 Financial Report

Brent Gordon reported that two-thirds of the financial year were complete and that the Materials & Labor Sales revenue line seemed especially high due to a \$800,000 conduit sale earlier in the financial year. The Board reviewed the February 2026 monthly financial report. Brent stated that the District was in a positive net position for the financial year.

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MOTION to accept the February 2026 Financial Report.

Richard Behling made a motion seconded by Cory Thompson to accept the February 2026 Financial Report. Richard Behling, Joel Brown, Brent Gordon, Ben Hillyard, Ray Loveless, and Cory Thompson, approved the motion.

Ray Loveless explained that the Executive Committee discussed SESD's impact fees, determined that they need to be re-evaluated, and asked Brent to lead the Finance Committee in reviewing them.

RESOURCE COMMITTEE

January 2026 Operations Reports

Joel Brown reported that the Resource Committee reviewed SESD's resource mix and power costs for the month of January. He said overall power costs for the month came in around \$0.10/kWh. Ray Loveless reminded the Board that SESD's power purchase agreement with Strawberry Water Users Association (SWUA) expires in August 2026.

Mark Holdaway reported that he, Dan Ellsworth, and Brook Christensen met with Clay McArthur of Deseret Power (DG&T) to discuss acquiring additional power from DG&T to cover the loss of the SWUA power in August and to reshape DG&T's power delivery according to SESD's load. Mark stated that Clay was going to review an annual hourly forecast of SESD's load created by UAMPS and then come back with a proposal near the end of March or first part of April.

MOTION to accept the January 2026 Operations Report.

Joel Brown made a motion seconded by Ben Hillyard to accept the January 2026 Operations Report. Richard Behling, Joel Brown, Brent Gordon, Ben Hillyard, Ray Loveless, and Cory Thompson approved the motion.

DCPC Letter of Intent

Dan Ellsworth reported that a company named DCPC is building a data center near Santaquin and has approached him about SESD possibly managing the data center's power generation. Dan said the DCPC has asked SESD to sign a letter of intent (LOI) so the two entities can begin in-depth conversations to determine if a partnership is feasible. Dan stated that the LOI is non-binding and terminates in 90 days.

MOTION to approve DCPC Letter of Intent.

Joel Brown made a motion seconded by Cory Thompson to approve the DCPC Letter of Intent. Richard Behling, Joel Brown, Brent Gordon, Ben Hillyard, Ray Loveless, and Cory Thompson approved the motion.

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EXECUTIVE COMMITTEE

Review Applicants to Fill District #2 Board Seat Vacancy

Ray Loveless reported that Mark Holdaway properly notified all SESD customers living in District #2 of the District #2 board seat vacancy. Ray stated that no one applied to fill the vacancy. Ray said that Kenny Seng, who recently held the District #2 board seat, reached out to Mark and offered to help find someone to fill the seat if no one applies.

Ray pointed out that the number of SESD customers in both District #1 and District #2 have shrunk considerably over the years due to municipal annexation. He recommended that the Board re-evaluate all its voting district boundaries and make any necessary changes before the next election in 2027.

Review Conflicts of Interest

Ray Loveless explained that conflict of interest was brought up in the January board meeting. Ray said after reviewing State regulations, it has been determined that SESD's Board Members and staff need to sign conflict of interest forms annually. Ray emphasized the importance of Board and staff disclosing all conflicts when a decision is being made or a topic is being discussed and recusing themselves when necessary. Ray asked Mark Holdaway to work with SESD's attorneys to update SESD's Conflict of Interest Forms so they can be signed by Board and staff in the April board meeting.

UAMPS REPORT

Ray Loveless stated that UAMPS will be holding its annual Municipal Toolkit Workshop in St. George on April 22nd from 12:00 p.m. to 4:00 p.m. He invited all the board to attend. Ray said SESD will pay the travel expenses (i.e. one night of hotel, mileage) for any board members who would like to attend.

Ray said that UAMPS has been discussing the Amended Pooling Agreement for the last three to four months. The Amended Pooling Agreement will alter the way UAMPS buys and sells power for its members to accommodate the mandates of the Energy Day-Ahead Market (EDAM) going into effect beginning May 1, 2026. Ray stated that UAMPS recently reached out to him requesting that SESD get the Agreement signed as quickly as possible. Ray said that a motion to approve and sign the Agreement was not on the agenda due to an oversight. Ray apologized and asked if the Board would give him a vote of confidence to sign the Agreement now and then ratify the approval in the April board meeting.

Richard Behling asked if the Agreement gave specifics about pricing for a member's excess power sold into the market. Ray said the Agreement states that members will be compensated at a "fair price". Ray pointed out that many uncertainties about the EDAM remain and UAMPS has tried to accommodate those uncertainties for all UAMPS members in the fairest way possible. Ray also reminded the Board that the UAMPS board, staff, and members have been discussing and revising the Amended Pooling Agreement for the last three months to get it to its current form. The Board also discussed having SESD's legal counsel review the Agreement before it was signed.

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Richard Behlmg and Cory Thompson stated that due to experiences they have had on other governing boards and councils, they felt uncomfortable approving the Amended Pooling Agreement without it first being properly noticed and placed on the agenda. Ray recommended holding a special board meeting within the next day or two to approve the Amended Pooling Agreement after it has been properly noticed and placed on the agenda. The Board agreed to hold the special board meeting on Thursday, March 12, 2026, at 1:00 p.m. via Zoom. *(NOTE: Ray Loveless received a phone call from Jackie Coombs of UAMPS shortly after board meeting ended and he discussed execution of the Amended Pooling Agreement with her. Jackie said that UAMPS had prepared an approval package for all UAMPS members with information packets regarding the Amended Pooling Agreement for the members' governing bodies. The approval package included the final draft of the Amended Pooling Agreement. The approval package also required an opinion letter from each member's legal counsel. During the conversation, Jackie discovered that Ray's email had been missing when UAMPS emailed out the approval package weeks before, so he never received it. Jackie apologized for her mistake and immediately emailed the approval package to Ray. She also said SESD could wait to approve the Amended Pooling Agreement in its April board meeting. As a result, the special board meeting planned for March 12th was cancelled).*

Ray reported that UAMPS has distributed information brochures to the residents of Millard County to hopefully generate goodwill towards the Millard County Gas Plant; Ray then stated that UAMPS is still trying to get permits for the Power County Gas Plant in Idaho.

CREDA REPORT

Ray Loveless reported that he attended the February CREDA meeting. Ray said the drought is affecting Lake Powell water levels and, in a worst-case scenario, could drop Lake Powell below the hydro generation intake tubes as early as September. Ray said CREDA is working with the Bureau of Reclamation on water management strategies in the Colorado River and Lake Powell to minimize impacts on power generation. Some of these strategies include holding back upper reservoir releases until later in the summer, installing a thermal curtain in Lake Powell to force cooler water through the power generation intake and thus reducing the amount of water flowing through bypass for smallmouth bass control, and possibly installing power generators in the bypass tubes.

Ray stated that Leslie James, CREDA Executive Director, is retiring in June. CREDA is currently working to find a successor.

SUVPS REPORT

Brent Gordon reported that SUVPS finished purchasing property by the Rocky Mountain Power substation near the mouth of Spanish Fork Canyon; work is underway on the new transmission line connecting Spanish Fork Canyon Road to the Taylor Switch Rack; and the improvements at Sage Creek are nearing completion. Greg Stanton reported that nine of the failed SUVPS poles have been replaced and that SUVPS is in the process of selling some property in Springville so it can purchase other property east of Salem.

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POWER SYSTEM REPORT

Outage Report

Greg Stanton reported that turkeys have caused power outages every single week for the last three weeks in Payson Canyon. Greg said SESD's line crew is planning on installing larger conductor in Payson Canyon and adding reflectors to the line. The reflectors and larger conductor will hopefully make the line more visible to the turkeys and reduce the number of turkey-related outages.

LEGAL UPDATE

None.

ADJOURNMENT

**Richard Behling made a motion to adjourn the meeting seconded by Ben Hillyard.
Ray Loveless adjourned the meeting at 12:27 p.m.**

Ray Loveless, Chairman

Mark Holdaway, Clerk

Date Approved

Date Approved

Next Meeting Date

The next board meeting will be held on Tuesday, April 7, 2026, beginning at 11:00 a.m.