

DRAFT

SOUTH UTAH VALLEY ELECTRIC SERVICE DISTRICT

BOARD MEETING

June 09, 2026

South Utah Valley Electric Service District (SESD) held its monthly Board Meeting on Tuesday, June 09, 2026 – at 11:00 a.m. at the SESD office 803 N 500 E – Payson, UT.

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

Trustees Excused:

Also Present: Dan Ellsworth (in at 11:15 a.m.), Brook Christensen, Mark Holdaway, and Greg Stanton – SESD

Ray Loveless opened the meeting at 11:00 a.m. and welcomed everyone. Brent Gordon offered a prayer, and Cory Thompson led The Pledge of Allegiance.

Ray welcomed SESD's new front office employee, Brylee Oram, and asked her to introduce herself to the Board. Brylee stated that she grew up in Lehi, Utah; met her husband, Colton Oram, in Payson; and then moved out to Elberta, Utah, with Colton after they were married. Brylee and Colton have three boys. Brylee said she enjoys camping, fishing, hunting, and generally being outdoors. Brylee started at SESD on May 26, 2026.

Ray welcomed Joe Olsen, an applicant for SESD's District #2 Board Seat, and invited each board member to introduce themselves to Joe.

PUBLIC FORUM

None.

APPROVE BOARD MEETING MINUTES

Ray Loveless asked if anyone had any questions about the May 12, 2026, Board Meeting Minutes. Hearing none, Ray asked for a motion to approve the Minutes.

MOTION to approve the May 12, 2026, Board Meeting Minutes.

Cory Thompson made a motion seconded by Richard Behling to approve the May 12, 2026, Board Meeting Minutes. Richard Behling, Joel Brown, Brent Gordon, Ben Hillyard, Ray Loveless, and Cory Thompson approved the motion.

FINANCE COMMITTEE

Review May 2026 Disbursements and Expenses

Brent Gordon stated that Mark Holdaway sent the Disbursement Summary Report to all the Board. Brook Christensen explained that ICPE is engineering the expansion of the Loafer Substation. Brook stated that engineering should be completed by the end of July. ICPE will then oversee bidding for construction and procurement of long-lead items like reclosers, transformers, and regulators.

SOUTH UTAH VALLEY ELECTRIC SERVICE DISTRICT BOARD MEETING

June 9, 2026

(continued)

MOTION to approve the May 2026 Disbursements & Expenses.

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

Review May 2026 Financial Report

Brent Gordon reported that all expense and revenue categories were within budget and that SESD was in a positive net position for the financial year. Mark Holdaway reported that the month of May showed a slight net deficit. Mark explained that the Fall and Spring months will sometimes show a net deficit due to seasonal cost and revenue cycles; however, SESD was in a solid positive net position for the financial year.

MOTION to accept the May 2026 Financial Report.

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

UFS Impact Fee Study

Brent Gordon reported that SESD needs to revisit its impact fees and received a proposal from Utility Financial Solutions (UFS), the same company who completed SESD's last rate study about five years ago. Mark Holdaway explained that UFS had begun work on an impact fee study for SESD about five years ago, created spreadsheets for the study, and had processed much of SESD's financial information at that time. The proposal included updating SESD's financial information on the UFS worksheets and spreadsheets, holding progress meetings, analyzing different types of fee structures, and creating reports for SESD's Board and management to review. The total cost of the proposal came to \$10,000. Mark said that UFS has completed impact fee studies for several other entities in Utah and is therefore very familiar with Utah's impact fee regulations.

MOTION to accept the UFS Impact Fee Study Proposal.

Richard Behling made a motion seconded by Brent Gordon to accept the UFS Impact Fee Study Proposal. Richard Behling, Joel Brown, Brent Gordon, Ben Hillyard, Ray Loveless, and Cory Thompson, approved the motion.

RESOURCE COMMITTEE

April 2026 Operations Reports

Joel Brown asked Mark Holdaway to give the Operations Report. Mark reported that power costs for the month of April came in at \$0.1286/kwh, which was comparable to \$0.1277/kwh in April 2025. Mark explained that power costs are typically higher during the Spring and Fall months due to higher fixed costs from reduced power generation. Mark reviewed each power producer in SESD's resource portfolio. Ray Loveless noted that UAMPS procured replacement power for SESD while the Nebo Gas Plant is down for repairs during the months of June and July. The Board discussed Lake Powell reaching "deadpool" and the resulting reduced hydro generation for the region; the expiration of the Strawberry Water

SOUTH UTAH VALLEY ELECTRIC SERVICE DISTRICT BOARD MEETING

June 9, 2026

(continued)

Users (SWUA) hydro generation contract with SESD and the possibility of replacing the lost hydro generation with additional power from Deseret Power; solar production from SESD's net metering customers; and solar production from large solar farms. It was noted that solar farm generation going on the grid has been hampered by a lack of transmission line capacity.

The Board discussed the data center debate currently raging in Utah and other parts of the country. Dan stated that some data center companies have contacted SESD, but they have all been told that SESD is unable to provide them with power due to limited District resources.

MOTION to accept the April 2026 Operations Report.

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

EXECUTIVE COMMITTEE

Review District #2 Board Seat Applications

Ray Loveless stated that Joseph (Joe) Olsen applied to fill the remainder of Kenny Seng's term in the Board's District #2 Board Seat and invited Joe to introduce himself to the Board. Joe said he was born and raised in Spanish Fork, grew up on a farm raising alfalfa and sheep, and worked 41 years for Rocky Mountain Power (RMP). Joe explained that he began his career as a vehicle mechanic but moved up to become a lineman. Joe said he retired from RMP about five years ago and now runs his father's sheep farm with his brothers.

MOTION to approve applicant to fill District #2 Board Seat

Richard Behling made a motion seconded by Joel Brown to approve Joe Olsen filling the remainder of Kenny Seng's term in the District #2 Board Seat. Richard Behling, Joel Brown, Brent Gordon, Ben Hillyard, Ray Loveless, and Cory Thompson approved the motion.

Comp Time Policy Revisions

Ray Loveless asked the staff to review proposed changes to SESD's Comp Time Policy. Mark Holdaway stated that, currently, the Comp Time Policy only allows overtime for outage callouts to be exchanged for comp time. Mark explained that Brook Christensen has received requests to allow scheduled overtime to be exchanged for comp time since the line crews have been working extra overtime to stay caught up with their workload. The Board discussed the proposed revision to the Comp Time Policy, and it was decided that supervisor-approved overtime, in addition to overtime for outage callouts, would be allowed to qualify for comp time. It was also decided that employees will continue to be allowed to replenish comp time, when used, up to a 40-hour cap. However, the Board emphasized that comp time use cannot interfere with company needs. Ray Loveless stated he would like the Board to review the Comp Time Policy again in six months.

SOUTH UTAH VALLEY ELECTRIC SERVICE DISTRICT BOARD MEETING

June 9, 2026

(continued)

MOTION to approve Comp Time Policy revisions

Brent Gordon made a motion seconded by Joel Brown to approve the proposed revisions to the Comp Time Policy with the understanding that the Comp Time Policy will be reviewed again in six months. Richard Behling, Joel Brown, Brent Gordon, Ben Hillyard, Ray Loveless, and Cory Thompson approved the motion.

UAMPS REPORT

Ray Loveless reported that there were no new developments to report with the Millard County and Power County gas plants. He also stated that UAMPS is still trying to find new power generation sources. Ray said that the Energy Day Ahead Market (EDAM) revised its operations when it went live in May and that UAMPS is trying to learn how to accommodate the changes. Mark Holdaway explained that the EDAM billing process includes a series of power pricing true ups with CAISO, PacifiCorp, and individual agencies before all power costs can be billed to UAMPS. As a result, UAMPS members will be billed for previous months' power costs three to sometimes 24 months later from when the power costs were incurred. UAMPS has instructed its members to be extra careful with cash flow management to account for the delayed billing of power costs.

CREDA REPORT

Ray Loveless briefly explained what CREDA is to Joe Olsen. Ray stated that he received permission from the Board to attend the June CREDA meeting in place of Richard Behling, SESD's appointed representative, to bid farewell to CREDA's retiring executive director who he had worked with for 25 years. Ray said that the cost to attend the June CREDA meeting would be higher than in years past due to significantly higher gas prices and the resulting inflationary effect on prices in general. Ray emphasized that he would not attend the June CREDA meeting if anyone voiced concern over the cost of him attending. No board member expressed opposition.

SUVPS REPORT

Ray Loveless explained what SUVPS is to Joe Olsen and asked Brent Gordon to give the report. Brent Gordon reported that the new 138 kV line from the mouth of Spanish Fork Canyon to the Taylor Switch Rack is expected to be complete before the end of July. Brent praised Summit, the contractors working on the project, for being able to finish the new line so quickly despite significant delays in pole and other material delivery. Brent said SESD's crews were able to install 46 kV switches at the Salem Jackson and Viridian substations while at the same time working with Cache Valley Electric to replace 13 failed 46 kV poles. Brent commended SESD's crews for being able to complete so many SUVPS upgrades while staying caught up with their own distribution system work.

SOUTH UTAH VALLEY ELECTRIC SERVICE DISTRICT BOARD MEETING

June 9, 2026

(continued)

POWER SYSTEM REPORT

Outage Report

Brook Christensen reported that CMC has asked SESD to replace fifteen 45 ft. poles with 70 ft. poles in its gravel pit. Brook stated that due to workload, SESD is going to bid out for a contractor and let CMC pay the contractor to replace the poles in the pit. Greg Stanton said that high winds and a rainstorm caused a pole fire, a crossarm to break, a rotted pole in Mapleton to tip over, and trees to fall on home service loops. Near the very end of May, in the late afternoon, a truck broke the tops off two SESD poles along SR 198 near the Salem Krishna Temple when it snagged a low-hanging Comcast fiber line.

Dan Ellsworth applauded SESD's crews for how quickly they were able to replace the broken poles, restore power, and clean everything up after the accident. Brook Christensen said SESD's crews were able to complete the pole repairs and clean everything up in around two hours. One of the responding firemen to the accident told Brook that it would take most other line crews all night to complete the same work. Brook praised SESD's crews for their work ethic, and the Board expressed their appreciation for SESD's quick responses to power outages.

LEGAL UPDATE

UDOG Settlement

Ray Loveless reported that the Utah Defenders of Government (UDOG) sued SESD for violations of the Utah Open Meetings Act (OPMA) when Mark Holdaway uploaded the notice for SESD's February 2026 board meeting 20 minutes late past the OPMA-defined deadline. With the help of SESD's legal counsel, Cam Cutler, UDOG agreed to settle its suit and drop all claims and demands against SESD for \$5,000. Since the suit dismissal deadline was the same day as board meeting, Ray said he authorized Brent Gordon and Joel Brown to sign the check and have Mark make the payment before the regular board meeting check run.

CLOSED SESSION

None.

ADJOURNMENT

**Richard Behling made a motion to adjourn the meeting seconded by Cory Thompson.
Ray Loveless adjourned the meeting at 12:33 p.m.**

Ray Loveless, Chairman

Mark Holdaway, Clerk

Date Approved

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Next Meeting Date

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