

DRAFT

SOUTH UTAH VALLEY ELECTRIC SERVICE DISTRICT

BOARD MEETING

July 07, 2026

South Utah Valley Electric Service District (SESD) held its monthly Board Meeting on Tuesday, July 07, 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, Joe Olsen, and Cory Thompson.

Trustees Excused: Ray Loveless

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

Joel Brown opened the meeting at 11:04 a.m., welcomed everyone, and excused Ray Loveless. Brent Gordon offered a prayer, and Richard Behling led The Pledge of Allegiance.

PUBLIC FORUM

None.

SWEARING-IN OF NEW BOARD MEMBER JOE OLSEN

Joel Brown invited Mark Holdaway to conduct the swearing-in of Joe Olsen as the new board member representing District #2. Joe Olsen was sworn in.

APPROVE BOARD MEETING MINUTES

Joel Brown stated that the minutes for the June 2, 2026, Budget Hearing and the June 9, 2026, Board Meeting had been emailed out to the Board the previous week and were reviewed in the Resource Committee. Joel asked if anyone had any questions or concerns about the minutes. Hearing none, Joel asked for a motion.

MOTION to approve the June 9, 2026, Board Meeting Minutes.

Ben Hillyard made a motion seconded by Cory Thompson to approve the June 9, 2026, Board Meeting Minutes. Richard Behling, Joel Brown, Brent Gordon, Ben Hillyard, Joe Olsen, and Cory Thompson approved the motion.

MOTION to approve the June 2, 2026, Public Hearing Minutes.

Cory Thompson made a motion seconded by Richard Behling to approve the June 2, 2026, Public Hearing Minutes. Richard Behling, Joel Brown, Brent Gordon, Ben Hillyard, Joe Olsen, and Cory Thompson approved the motion.

FINANCE COMMITTEE

Review June 2026 Disbursements and Expenses

Brent Gordon stated that the Finance Committee reviewed the disbursements. The Board reviewed additional disbursements added since the Finance Committee met. While reviewing these additional disbursements, Richard Behling recommended that SESD review the deductibles of all its insurance policies and consider increasing those deductibles to maximize insurance premium savings. Brent asked for a motion to approve the disbursements.

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MOTION to approve the June 2026 Disbursements & Expenses.

Brent Gordon made a motion seconded by Richard Behling to approve the June 2026 Disbursements & Expenses. Richard Behling, Joel Brown, Brent Gordon, Ben Hillyard, Joe Olsen, and Cory Thompson approved the motion.

Review June 2026 Financial Report

Brent Gordon reported that June was the end of the financial year. The Board reviewed certain revenue and expense accounts and compared them to the previous financial year. Mark Holdaway pointed out that the District was within budget and ended the financial year in a net positive position.

MOTION to accept the June 2026 Financial Report.

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

Richard Behling stated that several agricultural power users approached him and requested a waiver from having to pay a power cost adjustment for this year's irrigation season. Richard pointed out that all the fruit farmers in this area lost their fruit crops due to a hard freeze after their trees began budding. He said all of them are struggling to stay in business after losing their source of revenue for the year. Richard reminded everyone that SESD was originally created to provide power for and support the rural and agricultural community. Richard stated that he fully supported waiving the power cost adjustment for the irrigation pumpers this year to help them in their time of need.

Cory Thompson expressed concerns about fairness stating that many of his constituents will be upset if they find out that SESD waived the power cost adjustment (PCA) for a certain class of ratepayers instead of for everyone. Cory said he wasn't necessarily opposed to the PCA waiver for irrigation pumpers, but he wanted to make sure the Board was prepared with sound reasoning for the decision in case they had to respond to angry constituents. Mark Holdaway stated that Ray Loveless was concerned about rural customers subsidizing the donations SESD makes to city celebrations. Ben Hillyard pointed out that no matter what the Board decided to do, someone was going to feel like they were treated unfairly. Ben stated that the focus needs to be on community and what we can reasonably do to help those in need. He said the agricultural users need help now, but it may be somebody else in the future. The Board decided it needed more information before making a decision on the waiver. The Board asked Mark Holdaway to calculate the actual cost of implementing a PCA waiver to the irrigation pumpers and to determine how such a waiver could be funded. The Board planned on making a motion on the matter in the August board meeting.

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RESOURCE COMMITTEE

May 2026 Operations Report

Joel Brown asked Mark Holdaway to give the Operations Report. Mark Holdaway explained that SESD's power costs over the last four months were the highest they have been in the last three years largely due to the Nebo power plant being down. He said the plant is expected to be back in operation by the beginning of August. Mark reviewed the May 2026 UAMPS power bill with the Board and shared some of the concerns UAMPS members have with the Energy Day Ahead Market (EDAM). One of the members' biggest concerns is that some power costs will not be billed until several months after they are incurred. This delay in billing will create problems setting appropriate power cost adjustments. Brent Gordon expressed concern about the gas hedge for the Nebo Gas Plant and how it currently contributes to the high power costs from Nebo.

Mark reported that UAMPS is struggling to build baseload generation. He said UAMPS reported that its Power County Gas Plant has been delayed indefinitely due to various permitting and transmission obstacles, and the Millard County Gas Plant is being delayed for seven to ten years due to transmission constraints. Mark stated that UAMPS is exploring other options such as renewable energy generation, battery energy storage, and building its own transmission lines.

Joel Brown asked Dan Ellsworth for an update on power purchase options through Deseret Power. Dan said negotiations are still ongoing and he was hoping to get an update from Jeff Peterson within the next week or two.

MOTION to accept the May 2026 Operations Report.

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

EXECUTIVE COMMITTEE

None.

UAMPS REPORT

None.

CREDA REPORT

Joel Brown stated that Ray Loveless attended the June 2026 CREDA meeting and that he sent an email to the Board reporting on the meeting. Joel said Ray's email stated the following: drought is continuing to reduce hydro generation at Glen Canyon Dam and WAPA is trying to procure other generation to replace the lost hydro generation. The replacement power is expected to be more expensive than the lost hydro generation, but the replacement costs have not yet been determined. The Bureau of Reclamation is ordering an additional 600,000 to 1,000,000 acre-feet of water out of Flaming Gorge to be sent down to Lake Powell which is concerning the Upper

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Colorado River states. Leslie James, CREDA's Executive Director of over 20 years, retired in June but will stay as a consultant for a couple of more years.

SUVPS REPORT

Brent Gordon reported the following for the SUVPS report: all the poles have been set for the new 138 kV line from the Rocky Mountain Power Substation near Spanish Fork Canyon down to the Taylor Switch Rack and that conductor is now being pulled. SUVPS held its Annual Safety BBQ on July 1st. SUVPS has ordered poles and materials for the new switchyard near Bamberger Road, and engineering for the new switchyard is still ongoing.

POWER SYSTEM REPORT

Outage Report

Brook Christensen reported that high winds during the month of June blew down tree branches and loosened some line connections which caused a few localized power outages. Also, an underground transformer in Elk Ridge blew a fuse and ended up taking out the power for most of Elk Ridge and Haskellville. Brook said SESD's crew responded quickly and the power was only out for about 45 minutes. Brook stated that the excessive heat has been straining SESD's infrastructure and caused two pole mount transformers to fail.

LEGAL UPDATE

None.

CLOSED SESSION

None.

ADJOURNMENT

**Richard Behling made a motion to adjourn the meeting seconded by Ben Hillyard.
Joel Brown adjourned the meeting at 12:23 p.m.**

Ray Loveless, Chairman

Mark Holdaway, Clerk

Date Approved

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Next Meeting Date

The next meeting will be SESD's combined Annual Meeting and Board Meeting held on Tuesday, August 11, 2026, beginning at 11:00 a.m.