

MINUTES
UTILITIES BOARD MEETING
EPHRAIM CITY HALL
5 SOUTH MAIN, EPHRAIM, UTAH
AUGUST 20, 2020
7:00 PM

Board Members Present: Chair Ted Olson, Leonard McCosh, Dale Nicholls, Lorna Larsen, Kelly Larsen, Council Liaison Richard Wheeler

Board Members Excused: Don Thompson

Staff Present: Public Works Director Chad Parry, Power Superintendent Cory Daniels, Secretary Candice Maudsley, Jeff Jensen

Others Appearing: Karl Lund

CALL TO ORDER

The Ephraim Utility Board convened on Thursday, August 20, 2020, in the Ephraim City Hall Board Room. Utilities Board Chair Ted Olson called the meeting to order at 7:00 p.m.

I. MOTION AGENDA

A. APPROVAL OF MINUTES

The Board reviewed the minutes of the July 9, 2020 Utilities Board Meeting.

Board Member Leonard McCosh moved to approve the July 9, 2020 Utilities Board Meeting Minutes as amended. The motion was seconded by Board Member Dale Nicholls. The vote was unanimous. The motion carried.

B. KARL LUND WATER CREDIT REQUEST

Karl Lund appeared before the Board and requested a water credit for an ongoing leak. The leak took several months to fix. Every time he fixed one leak; he found another one. After all leaks were fixed another pipe broke. All leaks are fixed at this time.

Board Member Lorna Larsen moved to approve a credit for five months in the amount of \$136.75. The motion was seconded by Board Member Kelly Larsen. The vote was unanimous. The motion carried.

C. ENTITLEMENT SHARE IN THE CARBON FREE POWER PROJECT (CFPP)

Carbon Free Power Project- The project has entered a different phase and the ability to withdraw or change the entitlement share has presented itself. The following objections to the project are as follows:

- Carbon free has not been transparent
- Cost may go above budget
- Too risky
- Massive Federal subsidies required
- Subscription level may never be reached
- Significant delays have already been experienced

A document addressing all concerns was presented to the Board for review.

UAMPS is being offered an award of 1.4 billion dollars by the Department of Energy. This is not a loan that would have to be paid back. There is some risk as congress would have to approve the money annually. Congress historically supports it, but the risk that they will not is a possibility.

The City currently has a 3000 kW entitlement. The jump module increased the entitlement by 1195 kW resulting in a total of 4195 kW. The amount of 3000 kW is one third of the City's current load. By the time this project comes online it would be approximately one fourth of the load. The City has three options: keep the 4195 kW, drop to 3000 kW, or drop out. The City has invested \$26,000 to date in this project. The cost of walking away from the project is \$91,000. The City would pay the difference of \$65,000 to walk away at this point. If the bigger cities walk away, it would be difficult to stay in the project. There are parties watching from the sidelines considering participation after the risk.

A resolution to change the buy in amount was presented. Ted reviewed the risk the City has been through in the past to acquire the current power situation.

This nuclear is unique as it is cooled by wind and not water. Nuclear power generation standards are more strict than other types of generation. Nuclear is also very clean.

Pleasant Valley wind will expire. Hunter will shut down as all coal powered plants will in the future. Colorado River Storage Project shrinks yearly. The need for new power sources is approaching.

A virtual meeting will be held next Thursday and any board members that would like to attend are invited.

The feeling of the Board was to keep participation in the project the same and watch how things may change.

Dale Nicholls

Water – He has concerns about the springs drying up at Blue Lake.

IV. STAFF MEMBER REPORTS

Cory Daniels, Power Director

HYDRO – The old Hydro will be returned repaired on Monday.

Record Usage – Today had record electricity use.

Outage– Manti had a power outage on Tuesday. The heat has been causing strain on the system. The Power department has been watching the substations carefully and everything is doing well.

Chad Parry, Public Works Director

Water Supply - The water is very low, and people need to start conserving. The City properties and splash pad have been shut off or reduced.

Retirement – Chad Thanked the Board for their support and service over the years he has worked for the City. This is his last meeting as Public Work Director before retiring.

Candice Maudsley, Utilities Board Secretary

Chad's Retirement Party – The party will be held on Thursday, August 27, 2020 at the Canyon View Park. All board members are invited.

ADJOURNMENT

There being no further business to come before the Utilities Board for consideration, Board Member Leonard McCosh moved the Regular Utility Board Meeting adjourn at 8:24 p.m. The motion was seconded by Board Member Dale Nicholls. The vote was unanimous. The motion carried.

The next regular Utilities Board meeting is scheduled to be held on September 10, 2020, starting at 7:00 p.m. in the Ephraim City board room.

MINUTES APPROVED:

Ted Olson, Chair

Date

ATTEST:

Candice Maudsley, Secretary

Date

