



HURRICANE CITY

UTAH

Mayor

Nanette Billings

City Manager

Kaden C. DeMille

Power Board

Mac J. Hall, Chair

Jerry Brisk

Pam Humphries

Dave Imlay

Joseph Prete

Charles Reeve

The Hurricane City Power Board met on September 6, 2023, at 3:00 p.m. at the Clifton Wilson Substation on 526 W 600 N.

In attendance were Mac Hall, Jerry Brisk, Pam Humphries, Charles Reeve, Dave Imlay, Joseph Prete, Scott Hughes, Michael Ramirez, Mike Vercimak, Dayton Hall, Crystal Wright, Bruce Zimmerman, and Linda Zimmerman.

Mac Hall welcomed everyone to the meeting; Scott Hughes led the Pledge of Allegiance and Mac Hall offered the prayer. Pam Humphries motioned to approve minutes from the August 2023 meeting after two modifications. Charles Reeve seconded the motion. Dave Imlay abstained. Motion passed unanimously.

Scott Hughes: Scott Hughes explained that our organization structure has changed and introduced Mike Vercimak, Public Works Director. The Power Department has been restructured underneath the Public Works Department. Jared Ross and Brian Anderson will be absent from the meeting as they are representing Hurricane City Power at the IPSA meeting. Jordan Steglich is being tested the next two days as he attempts to pass his Journeyman test and officially complete his apprenticeship. We are still down one employee and need to update the job description to get that position posted. Public Power Day is coming up on October 3, 2023, from 4-7 pm.

Brian Anderson: Mike Ramirez reported for Brian Anderson. Provided the update for the 1150 West upgrade. The Line Crew is working on reinsulating and reconductoring that line. Provided an update on the 700 West road project that Interstate Rock has been completing. We have been laying conduit as Interstate Rock digs trenches to install the power in the area where they're working. This will be an ongoing project. There was a 3-phase vault that was cut-in by both the Line Crew and Service Crew in an area off 100 North 228 West. The crews came in late and worked through the night to alleviate the impact on large businesses and a bank in that area. The crews worked together again on another project to change out a switch on Old Highway 91 due to a new trucking business coming in. It was another after-hours outage due to the impact on the large industrial companies in that area.

Mike Ramirez: Mike Ramirez reported that we are going to make additional changes to the Standards & Specifications before taking it back for approval to the City Council. The Service Crew has been very busy with multiple projects throughout the city.

Jared Ross: Mike Ramirez reported for Jared Ross with an update on the Three Falls Substation. One of the big projects completed over the last month is the installation of the control panels. The back of the panels is an open frame making them very accessible. The control building is almost complete. Battery banks still need to be installed. Jared has been working on the welding for the aluminum bussing. It takes a great deal of time. Dave Imlay replied that it is a very specialized skill and we're lucky to have him. They've been steadily working



with a shortage of guys in their crew. Reported on a failure of Capacitor #17 which is located near 3700 West. The equipment has been ordered to replace that, but the lead time was quoted at 120 days for delivery. That capacitor has been taken down until the replacement comes in. Generator #5 has been shipped out for repair. We haven't received a report on what the damage is yet. Reported on some fleet equipment repairs that are being taken care of.

Budget: Scott Hughes presented the regular monthly graphs and numbers. He feels a lot better overall about the status of the finances as months progress. We're not losing on the cost of power and the existing project costs have mostly already been spent. The department is taking very seriously the position we're in and not spending money on anything we absolutely don't need. We're not fully funding operational costs yet and will need to research a rate increase to get that operation margin back to where it needs to be. Dave Imlay requested a chart prepared for the next meeting showing power costs vs revenues so we can determine where those rates need to be. Scott Hughes stated he had a chart that he will refresh for the next meeting. That chart showed that an approximate 30% operating margin has historically been enough to cover operations cost. Charles asked where we were with AMI metering. Mike Ramirez replied that he had requested updated pricing from a few different companies. With the budget this year being so tight, we are waiting to see how power prices go during the winter and then try to add this project back into the next budget year.

Capacity Update: Scott Hughes explained Circuit 101 is the one that goes south that is having the issue with capacity. We started a project to get more capacity to that area using Circuit 103. Dayton Hall helped work up an agreement for developments. These included developments received approved preliminary plats but had a condition placed on the approval not allowing signed construction plans until the capacity issue was resolved in their area. The cost for us to complete the work needed to get Circuit 103 upgraded was calculated. The calculation included a cost per included development. Developers were contacted with that information, and all were interested in participating. The City Manager, Kaden DeMille, requested us to obtain bids from outside contractors for the project to compare their cost to ours for completion of the project. Once we have all the bids in, we will determine which direction to proceed.

Update regarding Sky Ranch Area Buyout from Rocky Mountain Power: Scott Hughes reported we have moved forward with the purchase of the Sky Ranch area asset purchase. We have delivered the check to them for payment. We met with the Rocky Mountain Power staff to coordinate communication to the residents in that area. Their letter went out last week and we plan on sending our notification letter tomorrow. The Utility Office is working on creating vacant accounts for all those residents. Those residents are coming in to fill out applications. We will start switching out meters in the middle of October. They will receive their first Hurricane City bill at the beginning of December. We will be scheduling in-person orientations with the solar customers in that area to help the transition.

Discussion and possible recommendation of approval for Steel 1A Solar Project Second Amended and Restated Transaction Schedule: Scott Hughes gave a quick recap on the Steel Solar project. This project is in Box Elder County. We have signed up for roughly 2.5MW of power from this project. It is priced well at \$34.66/MW. The company that is building the project has an opportunity to take advantage of a production tax credit, but to do that the existing transaction schedule has to be modified. The amended transaction schedule will need to be signed approving some changes. Scott Hughes explained what the transaction schedule changes that were proposed would be. The project is stating that without an approved amended transaction schedule the project will fail. Pam Humphries asked that if we were to choose to curtail our entitlement would another member be allowed to pick up that amount to prevent an actual curtailment. Scott

Hughes stated he was unsure but would bring it up at the next UAMPS meeting. Charles Reeve would like us to continue looking for pumped storage. It is unlikely we would curtail our entitlement because it is such a low amount of energy. Dave Imlay made a motion to recommend approval of the amended transaction schedule. Charles Reeve seconded the motion. All voted aye.

Discussion of Cyrq Geothermal Study Project Agreement: Scott Hughes stated that we joined as a UAMPS group to look for a geothermal project. A Request for Proposal (RFP) was completed, and a grading system was created to look at existing projects. Cyrq Geothermal, located in Winnemucca/Fallon, NV, scored the highest on the grading system and had the lowest cost. Commercial operation date is anticipated to be December 2027. The price came in the \$75/MW range. We would need to express our interest in moving forward to investigate this project more. Dave Imlay recommended that we continue to diversify our portfolio as much as possible. We will move forward and express our interest in joining the study project.

UAMPS Updates: Scott Hughes provided an update on the failure of the Muddy Creek project. We recently learned that the Sunnyside waste coal project was shut down as well. This is a pattern we have seen repeated several times in recent years where projects have a difficult time coming to completion for a variety of reasons. The market volatility has made things infinitely more difficult for resource projects. We are still moving forward with CFPP. Everything on the project side looks good. They submitted a request for a Limited Work Authorization (LWA) so they could begin moving forward on non-nuclear aspects of construction. Joseph Prete asked what the status of the Inflation Reduction Act (IRA) money is. Scott Hughes replied that it looks like we won't qualify for as much as they originally thought. Question about how the subscription progress is going for this project. Possible reasons for hesitation to new subscription include concern about potential cost overruns, overall risk, and nuclear power as a resource. Overall, we feel like there is interest in this project and it's likely that many people are waiting for others to join. As soon as one does, it will hopefully be a domino effect with subscription. Pam Humphries repeated something that Nanette Billings, mayor, had suggested at the last meeting, which is that the newly elected City Councilmembers need to be invited to our November and December meetings to come up to speed with our projects so they can make more educated decisions. Mac Hall asked how the UAMPS Member Conference went. Dave Imlay reported that the topics were great, and the presenters were fantastic. Scott Hughes reported about some points from the finance presentation that he felt were important. Charles Reeve reported the information he found interesting regarding the EV charging presentation.

Power Board adjourned at 4:45 p.m. The next Power Board Meeting is scheduled for October 4, 2023, at 3:00 p.m.
