



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 October 4, 2023, at 3:00 p.m. at the Clifton Wilson Substation located at 526 W 600 N.

In attendance were Mac Hall, Jerry Brisk, Pam Humphries, Charles Reeve, Dave Imlay, Joseph Prete, Scott Hughes, Brian Anderson, Michael Ramirez, Jared Ross, Dayton Hall, Fred Resch, Crystal Wright, Bruce Zimmerman, and Linda Zimmerman.

Mac Hall welcomed everyone to the meeting; Fred Resch led the Pledge of Allegiance and Charles Reeve offered the prayer. Pam Humphries motioned to approve minutes from the September 2023 meeting after two modifications. Joseph Prete seconded the motion. Motion passed unanimously.

Scott Hughes: Scott Hughes reported about an employee who experienced a knee injury. We are waiting for him to heal and return to work. Public Power Day was well attended, and the weather was great. He expressed gratitude to the employees who chip in to prepare for this large event each year. The Impact Fee and Capital Facilities Plan is progressing and being conducted by ICPE. There was a meeting today discussing what information they need from us to get going with that project. The last plan was completed in 2018.

Brian Anderson: Brian Anderson informed that most of the month has been spent on 1150 West. They're down to 400 South. Most of the circuit is dead, but there are a few sections that have are still hot. The crew is in an area where there is some hot work currently. We have removed all but one of the wooden poles that were left from the 600 N Phase 3A project. The communications company finally removed their lines from all but that one pole. The Line Crew helped the Service crew complete a big termination project. They also are pulled away occasionally to go install conduit along 700 West as Interstate Rock opens a trench for us.

Mike Ramirez: Mike Ramirez reported the Service Crew has also helped the Line Crew and the Substation Crew as needed this month. They've had a lot of big projects going on all at once. Described a vault that had been damaged in one of those subdivisions and a transformer that was damaged at another one. When equipment starts to be installed before subdivisions are signed off and complete, these are the types of problems that regularly occur. Both developments were responsible for repairing the damage in the cases described. When the Line Crew came and helped get terminations caught up, it opened the Line and Service Crews up to go help Jared with the substation for a day.

Jared Ross: Jared Ross reported on the progress at the Three Falls Substation. They have been working on completing the welding for the aluminum bussing. He explained the welding process and showed a welded joint.

Budget: Scott Hughes reported on the normal monthly graphs and numbers. Scott Hughes displayed some graphs he had prepared to help answer Dave Imlay's question from last month regarding revenue margins needed for operating. He showed historical power prices showing average price per month and year. He



compared how much money we spent on power versus how much power revenue we brought it. The margin between the two is the amount available for operations for each of those years. Our historical operating margin has been around 30%. The last few months have brought us back to that historical average operating margin, but we haven't seen the financial statements for July and August yet. In discussing any future rate increases a comment was made that we also need to consider the replenishment of the reserve fund that had been depleted so heavily during this last year. We may be at the correct operating margin right now, but that doesn't replenish reserves. Any future rate increase discussions will need to include that replenishment as well. The Power Board would like to see the fall financial statement numbers before discussing a rate increase.

Capacity Update: Scott Hughes reported on the project that is continuing to get more power capacity out south of town. The City Council approved moving forward with the upgrade that would extend Circuit 103. All but two of the participants have paid. Pam Humphries asked if they all pay the same amount or if it's calculated differently for each project. Scott Hughes replied it's based on the amount and size of their lots. Two other small projects expressed interest in joining. There are continuing discussions regarding the feasibility of them being able to join the project. If they joined, it would recalculate the overall project costs per development but would not require the signed contracts to be amended.

Update regarding purchase of Sky Ranch Area assets from Rocky Mountain Power: Scott Hughes provided an update on the progress of the purchase of assets. We will start changing meters out beginning October 16th. All meters must be changed out by October 31st. The only resistance we have encountered is from a few of the solar customers. Discussion about the differences between billing rates between our two companies. Brian Anderson mentioned we need to do a circuit study to determine the amount of solar located within each circuit. Charles Reeve discussed a possibility he's been thinking about to utilize pumped storage.

Discussion regarding pole attachments and fees: Scott Hughes reported the influx of requests regarding attaching communications lines to our poles. We have been discussing this internally and will gather data to present updated specifications and fees we would like to propose. We would like some direction from the board regarding how far they would like to go with this. We already have problems with the attachments we have currently and the companies not following our existing standards and specifications regarding their attachments. Mac Hall stated that has been a problem for a long time. Dayton Hall stated the changes in the franchise ordinance that was rewritten and approved last year. Scott Hughes has asked Brian Anderson to go look over the entire system looking for attachment violations so we can send and record written notifications. This way we can begin cleaning up the problems with existing attachments. Scott Hughes stated that we do have a lot of frustrations, but we recognize the value that is brought to the community as well.

UAMPS Updates: Scott Hughes reported that he wanted to provide updates on a couple projects. Steel Solar is moving forward. They received their financing, and the City Council approved us to move forward. The commercial operation date is December 2023. Pam Humphries asked if we decide to back out of the project if another party is allowed to pick up our entitlement. Scott Hughes stated he will find out at the upcoming UAMPS meeting. The Hunter project is still having problems receiving coal. Rocky Mountain Power is looking at a 2032 date for closure for this plant. The installation of SCR's has been explored, but the cost is extremely high to purchase and install. CFPP continues to move forward toward the target of \$89/MW cost. They have the approval to begin construction on the non-nuclear aspects of the project. They're continuing to expend efforts to obtain new subscriptions.

Power Board adjourned at 4:30 p.m. The next Power Board Meeting is scheduled for November 1, 2023, at 3:00 p.m.
