



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 7, 2022, at 3:00 p.m. at the Clifton Wilson Substation on 526 W 600 N.

In attendance were Chairman Mac Hall, Pam Humphries, Jerry Brisk, Joseph Prete, Charles Reeve, Dave Imlay, Scott Hughes, Brian Anderson, Mike Ramirez, Jared Ross, Fred Resch, Dayton Hall, Kaden DeMille, Paige Chapman, Nanette Billings, Todd Cole, and Crystal Wright.

Mac Hall welcomed everyone to the meeting; Pam Humphries led the Pledge of Allegiance and Jerry Brisk offered the prayer. Dave Imlay motioned to approve minutes from the August 2022 meeting after some corrections. Pam Humphries seconded the motion. Motion passed unanimously.

Scott Hughes: Scott Hughes provided information regarding the upcoming NuScale facility tour. There are two people planning to attend so far. Provided an update with employees. We are still busy and short-staffed. Two employees are completing apprenticeship testing. Jordan Steglich will be taking his 3rd year step test and Tyson Irvine is challenging the first two years of his substation apprenticeship. We offered the lineman position to a candidate. He took a couple weeks to think about it and did not accept the offer. He would have had to relocate, and the position offered less pay than he is currently making.

Joseph Prete asked about the alert that was sent out about power prices. Scott Hughes stated the discussion is planned for later in the meeting. Paige Chapman said that Kaden DeMille needs to leave by 4:00 p.m., so it may be wise to move that discussion up. It was agreed to change the order of discussion items.

Budget: Scott Hughes presented budget graphs and information. Discussion about the unfavorable outlook with high power prices affecting the budget. Dave Imlay provided some history about the graphs and explanations for some of the causes of increases in prices. Scott Hughes reported we currently are paying extremely high prices for power that we are resource short. He displayed and showed a planning graph that we use daily to make decisions on scheduling resources. Crystal Wright described some of the specific days' information and explained some of the projections. When we first received the notification a big power purchase had been made at a high price, we sent out an alert on social media to attempt to help decrease load. Pam Humphries asked if the notification made an impact. Scott Hughes explained there isn't a way to tell definitively how much, but our loads were very slightly lower during the peaks. Crystal Wright explained a correlation between temperatures in neighboring states and how they potentially affect pricing for the power market and natural gas. Scott Hughes asked Kaden DeMille for a financial outlook update. He stated this time of year while they are actively gathering the fiscal year end numbers that it is the most difficult time to report those numbers. Kaden DeMille reported some of the challenges and projections coming from other municipalities for their future budget outlooks. Many are tightening up expenditures. He is hesitant to jump into some capital projects due to this. He wanted to note that the budget isn't balanced without a rate increase.



Power Rate Study Update: This discussion proceeded after the Budget discussion. Scott Hughes reported an update on some of the data that is being gathered in preparation for this. His desire was to use demand usage data to help determine if demand rates needed to change. This information ended up being harder than anticipated to obtain. There is some new data that needs to be reviewed. Dave Imlay reported that even with a 4% increase, we would be well below other entities in our area. Kaden DeMille reported that it is a nod to our Power Directors who have been judicious in their planning and budgeting to enable these low rates for our residents. A question was asked regarding whether a 4% increase would be enough. Paige Chapman stated our budget for UAMPS bills for fiscal year 2022-23 is \$11 million. Nanette Billings wanted to know how much we have paid this year. Our new fiscal year just started so we only have received one billing. It will be hard to tell for a few more months. Scott Hughes explained there will be a rate increase that will be presented to City Council this upcoming meeting. The details are still being discussed. Joseph Prete asked about the likelihood of power rates decreasing if at a future point our costs decrease and if there is information available to help project future power pricing. Charles Reeve stated the future power pricing is highly political and driven by policies made affecting various types of resources. These tend to change in cycles and are hard to predict.

Brian Anderson: Michael Ramirez reported for Brian Anderson. The Cordero line extension is moving forward. Some of the poles have been set in place. There were 4 poles moved for a project on corner of 100 South 100 West where sidewalk would go right into where the existing pole was. Peach Days projects went off without any big issues. Minor things were handled. Reported on the generator run. Scott Hughes mentioned that once the actual numbers come in for rates and the cost savings the generators provided, we will compile information to bring back to present to the board. The employees have worked well as a team, often with personal inconvenience to make sure we could run the generators for long hours at a time.

Mike Ramirez: Michael Ramirez reported that projects continued as normal with a slight slowdown.

Jared Ross: Michael Ramirez reported for Jared Ross. Generator 9 air permit has been approved and we are waiting for the 30-day public comment period to pass. We are in line for the purchase of Generator #9. The Brentwood metering point has been completed. Provided an update on the generator run and the issues that we've experienced during this generator run. Generator #2 had a radiator fan hit and destroy the shroud and break most of the fan blades. Generator #6 had a valve drop out and get into the piston. Both generators are down and waiting to be repaired. It is anticipated that they won't be repaired prior to the end of this generator run season. Reported on the repair that was done on Generator #7 when the turbo blew and caused a fire in the exhaust. This has been repaired and is back in service.

Three Falls Substation Update: Michael Ramirez reported they are completing the pad this week out at the Three Falls Substation site. They have ordered the basement and are planning on putting conduits in for the getaways. This project is moving ahead.

1150 W Alignment Study Update: Scott Hughes provided update that this project is still moving forward. Public comment meeting information is being compiled. He has emphasized to Mike Vercimak the most important part of the project for the Power Department is the section from 1300 South to 3000 South. There have been requests to change the planned route from affected residents. Alpha Engineering has been provided with that information and are running numbers to see how much different routes would change the overall cost of the project. Dayton Hall provided preliminary information received from Alpha that they have run rough numbers and one route is proving to be much less expensive than the other. Joseph Prete asked when we're planning on receiving completed information from Alpha Engineering. Dayton replied that they want to

have good information to present to City Council so they can make a good decision. The time frame is unknown.

Solar Policy Update: Scott Hughes reported this has been a very big project. The equipment and technology changes constantly and quickly. Trying to stay on top of it is challenging. We are looking at adjusting many aspects of our existing policy. We have investigated putting together a sub-committee to review and discuss differing aspects of solar and our policy and to provide input. Scott Hughes introduced Todd Cole who just installed a solar system with a battery on his home. We are looking into creating a diverse panel of people on this proposed committee to provide input. Discussion about positives and negatives of solar and how some of the existing policies were determined. The committee that is being created would be used to address anything that is behind the meter, not just solar. Mac Hall asked Dayton Hall if the Power Board can create a sub-committee as discussed. Dayton Hall said yes, the board is a recommending body using this potential committee to help make their recommendations. Todd Cole explained his experience with his solar installation and that he had approached the Power Department with some questions and suggestions. Mac Hall asked if we want to continue to make a motion now or wait until the New Business section of the meeting. Dave Imlay made a motion to allow Scott Hughes and the staff to determine members for and create a sub-committee for Distributed Energy Resources (DER). Charles Reeve seconded the motion. Motion passed unanimously.

Rocky Mountain Power Agreements Update: Scott Hughes reported that the agreements have been completed and signed. The final cost was \$125 per megawatt. This is the price we will pay, and the price they will pay us as well. We are still in communication with them regarding the Sky Ranch area of their system.

Consideration and possible creation of Distributed Energy Resources (DER) sub-committee to provide input on policy: This was discussed earlier in the meeting during the Solar Policy Update section.

Consideration of possible member suggestions for Distributed Energy Resources (DER) sub-committee: This was discussed earlier in the meeting during the Solar Policy Update section.

Discussion and possible recommendation regarding bylaws for Power Board Members: Scott Hughes presented the information that to bring our board into alignment with the ordinance that we need to get some direction from the board. Our ordinance states we have five voting members including one member of City Council. We currently have six voting members including one member of City Council. It also mentions terms for each board member which are currently not clearly stated. Dayton Hall explained he investigated all the boards within the City to review them. He doesn't see the need to remove a member until someone's term is up. Scott Hughes explained maybe it would be better to update the ordinance to include the extra member. Joseph Prete asked about maybe adding a seventh member to have an odd number and a concern about what happens in the case of a tie vote with an even number of board members. Mac Hall stated in the case of a split vote the recommendation goes to City Council as a split vote currently. It rarely, if ever, has happened. Dayton Hall discussed the issue with terms has been resolved by other boards simply by declaring terms to start in the event it is unclear when the actual terms began. We would want to create alternating terms. Each person that wishes to continue could be reappointed by the Mayor with the consent and approval of City Council for a new term upon the expiration of an existing term. Joseph Prete made the motion to send a resolution to the City Council to create alternating terms and to amend the ordinance to increase the number of commissioners from five to six members including the member of City Council. Dave Imlay seconded the motion. Motion passed unanimously.

UAMPS Updates: Scott Hughes provided UAMPS updates. The Carbon Free Power Project (CFPP) is moving along well. In the subscription update it was reported that Grant PUD decided not to go with NuScale and has chosen X-energy instead. The Enchant project had many hurdles to overcome and the feeling coming back from UAMPS meetings is that the project outlook is bleak. Steel Solar is still moving forward. Resource projects include the Geothermal Project. That is still moving forward as well. Muddy Creek is still proceeding. The Inflation Reduction Act (IRA) has the potential to reduce the costs of the CFPP and Muddy Creek projects. Reports from those who attended the UAMPS Member Conference about some positive things learned from the conference.

The Power Board adjourned at 5:30 p.m. The next Power Board Meeting is scheduled for October 5, 2022, at 3:00 p.m.