



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 January 3, 2024, at 3:00 p.m. at the Clifton Wilson Substation on 526 W 600 N.

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

Mac Hall welcomed everyone to the meeting. Pam Humphries led the Pledge of Allegiance and Mac Hall offered the prayer. Pam Humphries motioned to approve minutes from the December 2023 meeting. Jerry Brisk seconded the motion. Motion passed unanimously.

Scott Hughes: Scott Hughes reported our employees are healthy and doing well. Projects from this month will be discussed by the supervisors.

Brian Anderson: Brian Anderson reported the crew has been working to prepare poles for the distribution circuits that will be coming out of the Three Falls Substation. Our tree trimming list was compiled and sent to begin the process of getting the trimming completed for this year. Christmas light maintenance occurs throughout the season to keep them looking nice. Hurricane Elementary students came to do a tour of the facilities and watch a hot line demonstration. This is an annual event for their 4th grade classes.

Mike Ramirez: Mike Ramirez reported that UDOT contacted us for assistance in moving and cutting in a vault for a turning lane at Quail Creek State Park. We submitted our invoice for the work but have not received payment yet. A 3M representative came for a demonstration and gave us splices to test. One of the three splices was ruined right out of the box. We reported back to the 3M representative what the issue was and are not sure if we will be using those. The Service Crew also found a 3M failed termination kit. Six of the kits in that batch were bad. We contacted the 3M representative and they offered to replace the six faulty ones. He reported the Service and Line crews have again spent a lot of time helping each other this month.

Jared Ross: Jared Ross reported a lot of grading was completed outside the walls at the Three Falls Substation. There is a company currently working on constructing the gates. Brent George has been working on landing the wiring. Jared Ross checks on his work and has been pleased with his attention to detail. There will be commissioning tests when everything is done to double check both plans and installation at the substation before it's energized. Scott Hughes said we have considered having Brent George oversee SCADA because he has the mind for it. There is great value in having done the physical side of the wiring so that when programming the digital SCADA side there is an understanding of the details. Jared Ross stated due to the agreement with UAMPS to use our Member Internal Generation (MIG) that he's been working on generator maintenance to get them ready if they're needed. Scott Hughes briefly discussed the general idea behind the agreement to use MIG for UAMPS and Member benefit. Joseph Prete asked where the original agreement for



the purchase of additional generators is. Scott Hughes detailed our letter is still in effect and we have a first right of refusal for any of those available generators still. We have been waiting due to finances. Jerry Brisk asked about a time limit for the air permit for Generator #9 that had been approved. Jared Ross said he would investigate the expiration date on that, but he believes it was an 18-month permit.

Budget: Scott Hughes reported on the normal monthly graphs and numbers. Reviewed the budget graphs showing cost of sales vs revenue and the operating margin from last month. Joseph Prete asked whether we felt like the rate adjustments that were done in 2023 were enough. He understands we tried to be very conservative, but wondered if there was enough data now to determine how effective that rate adjustment has been. Scott Hughes stated there is information on the cost of sales vs revenue graphs to help gauge the answer to that question. We've kept a close eye on those numbers. Kaden DeMille suggested putting the 2023 numbers on these graphs to show the improvement that started happening this year with the margins. Scott Hughes stated he has new rolling average graphs that will show this information which is as current as our most recent financial statements. Kaden DeMille stated the reserve fund had been around \$14.4 million in 2021. In May of 2023, we were down to a low of \$7.6 million. We are up to approximately \$10.9 million right now. Kaden DeMille cautioned there are impact fees included in that, so the Three Falls Substation project naturally would have dipped into that anyway because of the impact fees used. However, things are trending in the right direction. Dave Imlay asked what other cities are doing as far as rate increases. Scott Hughes stated that it's been a big discussion between all the cities. There have been a lot of rate increases among the UAMPS members and many of the members have used a Power Cost Adjustment (PCA) to stabilize rates. This makes it hard to compare rates listed on their website with ours because of the PCA. We had a larger base increase, but if you include their PCA amounts, ours was more conservative overall. Nanette Billings asked about an update on the impact fee study. Scott Hughes stated it is a 6–8-month process and was delayed slightly because of discussions we'd been having internally about details of what to include in the study. Dave Imlay expressed his appreciation for the work Scott Hughes has done to present this information.

Hurricane/UAMPS Joint Use Agreement Update: Scott Hughes provided a quick update that we are waiting for engineers to get back with us. Dennett Construction paid the money for the engineering study to be completed. The engineers completed some of the information, and we are waiting for the remaining details before we can move forward.

Appointment of Power Board Chairman and Vice Chairman: Mac Hall explained we are supposed to be appointing these positions annually. There was a discussion about the ordinance and the resolution detailing the specifics of the Power Board creation. Dave Imlay made a motion for Mac Hall to be the Power Board Chairman. Jerry Brisk seconded the motion. Jerry Brisk made a motion for Charles Reeve to be the Power Board Vice Chairman. Dave Imlay seconded the motion. Joseph Prete wanted to confirm if the official motion is for Mac Hall to be the Chairman and Charles Reeve to be the Vice Chairman contingent on the City Council approving a continuance of his term. There had been multiple seconds to that motion earlier. Mac Hall confirmed it was. Motion passed unanimously.

UAMPS Updates: Scott Hughes reported a lot of information is included in the packet. CFPP is continuing the wind down period. The amount of our payment was lower than we'd been told initially. Our totals are barely over \$900,000. He's planning on paying it off with the reserve money we have in our UAMPS member margin account right now. Interest would be 5.5% if we chose to pay it over 3 years. San Juan decommissioning is moving forward and under budget. There is interesting stuff happening at Horse Butte Wind project including a lightning strike and foundation mitigation. Nanette asked about any new projects. Scott replied yes, we are

looking into Next Era Zion Solar & Battery in Iron County, Fremont Solar & Battery in Iron County, and a solar with natural gas project up by Eagle Mountain. There is also another natural gas plant that we're looking into that would look more like the Payson Power Plant. Dave Imlay suggested talking to Dixie REA about the hydro power they currently take out of the Virgin River. Maybe they'd be willing to turn it over to us.

Power Board adjourned at 4:32 p.m. The next Power Board Meeting is scheduled for February 7, 2024, at 3:00 p.m.