



HURRICANE CITY

UTAH

Mayor

Nanette Billings

City Manager

Kaden C. DeMille

Power Board

Mac J. Hall, Chair
Dave Imlay, Vice Chair
David Hirschi
Colt Stratton
Kerry Prince
Mark Maag

The Hurricane City Power Board met on July 2, 2025, at 3:00 p.m. at the Clifton Wilson Substation located at 526 W 600 N.

In attendance were Mac Hall, Dave Imlay, Colt Stratton, Kerry Prince, Mark Maag, Mike Johns, Brian Anderson, Mike Ramirez, Jared Ross, Nanette Billings, Dayton Hall, Kaden DeMille, Mike Vercimak, Weston Walker, Fred Resch, Bruce Zimmerman and Crystal Wright.

Mac Hall welcomed everyone to the meeting. Mark Maag led the Pledge of Allegiance and Mac Hall offered the prayer. Mac Hall made a motion to approve minutes from the June 2025 meeting. Dave Imlay seconded the motion. Motion passed unanimously.

Mike Johns: Mike Johns mentioned we are looking to hire an Electrical Engineer. We are still working out the details, but it is something we are looking forward to. He reminded the board about the UAMPS Member Conference in August. Registration is open and if any assistance is needed or to make travel arrangements please reach out to Crystal Wright.

Brian Anderson: Brian Anderson reported that the Line Crew has continued working along 1100 West. We are approximately two-thirds of the way done with setting the poles. We have continued doing Blue Stake locates. Mike Vercimak provided an update that we have hired a new Locator who will start next Monday. The Line and Service Crews have continued to work together to do terminations for subdivisions. Mayor Nanette Billings asked when the wire will be strung on the poles along 1100 West. Brian Anderson reported we are still waiting for one easement for one pole location and there has been progress. Once that easement is signed, we can set that last pole. We will string wire from 2300 South to 3000 South. This portion is part of the Capacity 2.0 project so that will be completed right away. He hesitates to give a timeframe deadline for the remainder because our crews will be switching to 2800 West which takes priority over 1100 West as soon as we can get the drilling done for the foundation poles.

Mike Ramirez: Mike Ramirez provided a quick update on some of those projects that the crews combined to terminate. We just completed the next phase of the Quail Creek Industrial Park project and then will be heading over to work on terminations for Liberty Village. He reported on the 3M Training that Kyle Fenn & Jordan Steglich attended in Austin, TX. 3M is the company that makes a lot of the rubber goods we use including our termination kits. They had class time learning about the science of the products in addition to hands-on testing sessions with actual products. Dave Imlay asked how many terminations we've had fail. Mike Ramirez stated only a few over the course of his career with Hurricane Power. Mike Ramirez emphasized it says a lot about the quality of the work our guys have done. He provided an update on the AMI Metering Project. We've been working on the contract. We sent it back with our revisions on June 20th. We're ready to move forward as soon as we receive that contract back. There were Caselle billing updates that were needed as well that will help the utility office out with both power and water reads and billing. He anticipates the AMI contract will be signed before the next board meeting.

Jared Ross: Jared Ross reported on the starter failure on Gen 4. He got that fixed and then Gen 5 had a bigger failure. Gen 5 dropped some valves which caused more damage to the rest of the engine. He described in detail the damage



that occurred and that we are waiting for the parts to fix it. Each generator has over 10,000 hours of run-time so we are working on rebuilding one engine each budget year and can hopefully get through all of them before experiencing any more major failures. He explained we received specs for a 69/138KV dual voltage transformer. We have taken those specs and gone out to bid for a transformer. We are hoping to have bids back by the end of July. We are also looking into making changes to the Sky Mountain Substation design. We are looking at pricing comparisons between prefab buildings versus brick-and-mortar buildings in addition to changing the distribution bussing configuration. Mike Johns stated it may not be much of a cost difference over our current configuration, but he explained the advantages this configuration has. He explained the Survalent training course that Brent George took online. We have a new SCADA server and operating software that will be updated on July 25th. Our SCADA system is still operating well but hasn't really been maintained since Scott Hughes left the substation division. Brent George has stepped up and expressed interest and we are training him to be our SCADA Tech.

Discussion regarding Transformer Capacity Sales Proposal: Mike Johns explained the benefits to both development and the City of this proposal. He understands it is a new idea and would like to keep discussions going. He feels it is something that could be implemented to provide a solution to lack of revenue to purchase major substation transformers. Currently we face an issue with not having the infrastructure needed to expand and develop as fast as growth is happening in addition to not having enough impact fee money collected to purchase major infrastructure materials in advance of the growth. An additional challenge we face is not having spare infrastructure on hand, or quickly being available, for a large equipment failure. Advantages to implementing this proposal include: pulling the cost of substation transformers out of impact fees, adding revenue on the front side of development which would allow us to purchase infrastructure to have on hand to be prepared to move more quickly when infrastructure is needed to be installed, and providing extra revenue to purchase transformers, regulators, and other large infrastructure items to have on hand in the event of a major equipment failure. Dave Imlay stated he likes the concept. He used a specific example to explain a concern. We previously had a large industrial customer come in telling us they would need 6MW for their project. They only used 2MW maximum at completion. He asked how that would work in this instance? Would the full 6MW need to be reserved because that specific customer paid for it? Do we allow the customer to sell off the extra power they didn't end up needing? Do we have to hold that 6MW capacity for that customer forever? Mike Johns explained we would reserve the capacity paid for and would build some flexibility in the construction of our substations by making them each a dual bay substation. Mac Hall asked if it's possible to write the impact fee so you can provide an option for either paying for transformer capacity in addition to an impact fee without the transformer included for large developers, or paying the normal impact fee, with the transformer included, for single homes or smaller developments? Mike Johns stated he hasn't thought about that option, but we could put our heads together to see if that's possible. Colt Stratton asked how we would guarantee that money pulled out of impact fees for transformers is still used in accordance with the laws regulating the use of impact fee money. How does that happen if it's removed from the impact fee? Kaden DeMille stated that it probably wouldn't fall under the same rules as impact fees if it was pulled out but agreed it should be used for the purchase of the items it was intended for. He explained he would like to utilize a separate account to track that money and have it earmarked for that specific purpose. Without it being contained within the impact fees it wouldn't be subject to the same regulations that impact fees are. Mac Hall stated this may provide incentive to developers to fine tune the amount of capacity they're asking for in their developments. Crystal Wright asked if it could potentially work the other way, meaning developers would minimize their power needs to pay less up front and then ask for extra capacity afterward. Mike Johns stated they would have to pay for the extra when they needed it anyway so there would still be the expense. Dayton Hall stated there have been developments who understated their power needs. Property changed hands and three owners built their homes. When the fourth lot owner came in to build, they were required to pay for power upgrades before they could proceed. It's not an exact reference because this example deals with distribution infrastructure, but the same concept could happen on a larger scale with the developer for substation capacity. There was a long discussion about potential scenarios. Colt Stratton stated if you are now going

to require it to be stated in the preliminary plat that it will require a change to our standards. Mike Johns agreed there would be modifications to standards needed. Mac Hall asked how revenue-neutral we determined this would be. Would it cost the developer more or less? Mike Johns stated that in a general sense it would cost the developer more. Dave Imlay stated he likes the idea, but he's concerned about any repercussions in charging more than our impact fee study states is the actual impact with the transformers included. Dayton Hall provided context that we have 4-6 substations needing to be built in the short term. There is not currently money available to build them and would require bonding for construction. We have told several developers the City does not have the financial ability to construct the substations needed for their development immediately, and they are frustrated with the wait because they are ready to move forward with their developments. This wait is both financial as well as due to long lead times for ordering and receiving substation infrastructure equipment. We've invited them to pay money to build the substations and any transmission lines needed. These are all impact fee eligible under the current fee structure. If they pay that money up front, we will give them vouchers through a reimbursement agreement and they will not pay an impact fee until they reach the dollar amount of that agreement. That is how the current structure is set up with our impact fees and current ordinances. Mike Vercimak stated the City has operated with the premise that if a new development needs service where we don't currently have service, they can choose to bring it in themselves or wait for the City to build the infrastructure and connect when it gets to them. He doesn't believe there's a mechanism to force the City to bring the service. He would like more discussion to get additional analysis about this new idea. He would like to see clarification between how this situation interfaces with impact fees. Colt Stratton asked about what happens if a developer has paid more than the impact fee vouchers needed for their development? Would they get a reimbursement from the City? Additionally, what happens if a development comes in and pays for their proportionate share of the transformer, but nobody else comes in to pay for the remainder of what is needed to build the complete substation? Would we be required to provide the developer with the capacity they paid for, when we still don't have the money for the full buildout? Dayton Hall summarized if a developer pays money, there will be expectations that will need to be managed contractually, and he agrees. Mac Hall summed up the conversation with a consensus that this may be a good way to proceed, with some details that need to be clarified. Mike Johns stated he thinks we can iron out some details and present something a little more formal.

Discussion regarding Impact Fee Analysis & Capital Facilities Plan Amendment: Mike Johns explained that the current Impact Fee Analysis was very recently approved, however, there are already needs identified that need to be considered through an amendment. We needed to get the existing impact fees approved while we worked on getting those new needs added as a revision for an amendment. The two big items include two additional substations that are needed, one by the new proposed Zion Regional Medical Center with the other proposed near 1100 West 3000 South. He also identified an upgrade to a 138KV line from Purgatory up to the new 69/138KV substation. He is attempting to have that section included as part of the UAMPS Central-St. George project. Dave Imlay stated that may open intense discussion at that meeting with that proposal based on the history of that project. Mayor Nanette Billings asked if the Medical Center project is unable to move forward until the amendment is complete. Mike Vercimak stated that bonding for the full project would be prudent. Mike Johns stated we need to get these amendments approved through the Impact Fee Study because we cannot issue any impact fee vouchers until it is officially impact fee eligible. We are planning on looking at impact fee studies on an annual basis moving forward. Mayor Nanette Billings asked if the completed study would need to be presented to the Power Board once it is complete before coming before the City Council. Dayton Hall confirmed the correct process is to present it to the Power Board for a recommendation before bringing it to the City Council.

Discussion regarding Approved Contractor List Qualifications: Mike Johns showed the approved contractor list. We had a resident attempt to contact every contractor on our list. She provided feedback that the process was miserable. She only received 3-4 responses back in total. In response, we will be sending out a notification to every contractor on our list. Our contractor list requirements state they are supposed to resubmit forms every two years

and re-test if they haven't done any work within the previous two years. We are going to enforce the requirements for updates that already exist in our policy to bring our contractor list current. There's some other language that needs cleaned up in that policy section and we will be conducting annual contractor training that will be mandatory for them to attend to remain on this list each year.

UAMPS Updates: Mike Johns reported he already talked about adding the 138KV upgrade into the Central-St. George Project. Dave Imlay stated that we pay for each one of the Exhibit C items by percentage of load by user. Our load for that section of line would be close to 100%, so we may end up paying for most of the project itself anyway, but it would put the bonding on the UAMPS books instead of ours. Mike Johns also stated that because it is included in that project, UAMPS would facilitate the project including handling the engineering, design, and building.

Dave Imlay asked about our generation. He talked to a councilman in another city, and they explained a restriction by PacifiCorp for them only being able to generate 3MW. He wasn't sure if our grandfathered status provided us with the ability to generate everything we have or if we were subject to any restriction. Mike Johns and Crystal Wright stated we have not received any notification of restriction, and we are generating using our full generation capability.

Meeting adjourned at 4:40 p.m. The next Power Board meeting is scheduled for August 6, 2025, at 3:00 p.m.
