



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 November 2, 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, Charles Reeve, Dave Imlay, Scott Hughes, Brian Anderson, Jared Ross, Fred Resch, Kaden DeMille and Crystal Wright.

Mac Hall welcomed everyone to the meeting; Dave Imlay led the Pledge of Allegiance and Jerry Brisk offered the prayer. Jerry Brisk motioned to approve minutes from the October 2022 meeting. Pam Humphries seconded the motion. Motion passed with majority. Dave Imlay abstained since he was absent from the meeting.

Scott Hughes: Scott Hughes provided an update on employees. We have two applications for the open lineman position. We interviewed one last week and will interview the other one next week. Provided an update on the Distributed Energy Resources (DER) Sub-committee. It's going well and they are beginning to dive into solar policies. Public Power Day was held last month. The event was well attended and successful. Described the Pole Top Rescue annual re-certification training that was just completed. Informed the board about an employee accidental knife injury that occurred last week while terminating wire. Employee is doing well with no major damage.

Brian Anderson: Brian Anderson reported most time has been spent on 600 North. Preparing for the January/February outage. Working on digging pole holes ourselves that we can and will contract out the rest. Contracted bids received currently are only for an hourly rate due to the difficulty of the rocky terrain. We changed a feed and removed a pole on the 2800 W Transmission project. Reported on the 1150 W Transmission project that we are trying to get legal descriptions written for easements. There is still discussion about the route for that project. Our biggest priority with that project is the area south of 1300 South. On the Cordero project all the poles have been set. The Cordero group is working on obtaining and providing any missing easements.

Mike Ramirez: Scott Hughes reported for Mike Ramirez that he is keeping projects moving along.

Jared Ross: Jared Ross reported the switch basement has been installed at the Three Falls Substation. Schweitzer Engineering won the bid for the control panels. A bid for the foundations and control building came in, but that whole process must be redone to follow policy. We'll have more information on this bid by next month. The air permit for Generator #9 has been approved. We are waiting for an updated price from Wheeler on the generator due to some switch gear details. Another issue discovered some studies that are needing to be done to find out about potential transmission costs. Those transmission costs would affect the strike price for the whole plant. Rachel with UAMPS is looking into this issue for us. Generator repairs are continuing. Generator #6 had a cylinder replaced. Generator #7 turbo that was replaced in August had a piece of metal



that lodged high in the exhaust that wasn't discovered. The metal piece came back down and damaged the new turbo that had been installed. The Generator #8 rotor has been sent off for repair. The rotor has been sent off to be reconditioned. Generator #2 has a fan that has been ordered. Scott Hughes stated we ran the generators hard this summer. We are making plans to back them down a little for next summer run to help reduce the repair costs. Jared Ross stated the generators are approaching the 10,000-hour mark. The top-ends are recommended to be replaced at that time. The cylinder failure on generator #6 was determined to be a spring. We need to start going through the heads before they cause major damage. Jerry Brisk asked a question about maintenance differences between us and plants who run them all the time. Jared Ross explained that it's harder on the equipment to operate them how we do rather than if they ran all the time. It's hard on equipment during start up and shut down. It's tricky because you may have fewer repairs due to not shutting them off more frequently, but because you're running them more, there will be more repairs due to the increased run hours. He updated the board regarding truck and equipment repairs and maintenance.

Generation Resource Possibilities: Scott Hughes sent back the generation solicitation to UAMPS that was discussed at the last board meeting. We submitted our interest for 12MW. Since then, we have met with Caterpillar to see what we could do about being more proactive. He found there were generators ordered by another entity that started the generators being built in a queue. Once they got to the point in the building process the entity had to commit to those generators, they backed out. Wheeler had the option to continue manufacturing those units. They chose to do so. Scott Hughes stated that in conversation with a neighboring city that they also expressed interest in purchasing some of those available units. We could potentially go in together on a generation plant and purchase some of those generators already in queue. Dave Imlay talked about the prices of power increasing dramatically and he could realistically see \$.30/kwh power prices coming sooner than anticipated due to lack of resources coming online. He expressed a concern with being heavily invested in one fuel source. Mac Hall also had the same concern and asked about the likelihood of being able to get air permits for a larger generation plant. Jared Ross explained we could pay the extra to install Selective Catalytic Reduction (SCR) on the units to ease the permitting process if that was a concern. Charles Reeve asked if they could be compatible with hydrogen fuel. Jared Ross stated it would be more money, but you could buy the unit to be capable of running on natural gas or hydrogen or a mixture of the two. Scott Hughes let Kaden DeMille talk about the budget that would be needed. Kaden asked if the costs of a generation plant are going to outweigh the market exposure costs. Dave Imlay stated in the past that the savings were sometimes used up in the repair and maintenance of the units. The real issue is whether there will be resource availability to provide the power needed. Kaden DeMille stated we would need to go back and run numbers moving the generation plant project up sooner than had been projected originally and see how those change things. Charles Reeve suggested that we get in line if we can while we investigate this further before we must make a big commitment. Kaden DeMille stated it would probably be beneficial to consider the dual-fuel capability with a risk of the future of natural gas.

Technical Task Force (TTF) Update: Scott Hughes reported there was a meeting held with PacifiCorp. The line from St George to Purgatory has a limit of 203MVA and the peak from this last summer hit 193MVA. That was during a period when generators were running in Southern Utah. If they had not, we would have been over the limit of the capacity on that line. Dave Imlay asked a question about whether the Red Butte upgrade to 345kva will be paid for by Rocky Mountain Power. He stated to investigate it with UAMPS because that issue has been controversial in the past. Scott Hughes stated they are going to have another meeting in January to address the issue and potential solutions to the load on that line.

UAMPS Updates: Scott Hughes reported the Hunter project talked about a coal supply issue they are having. They're considering running the plant capacity lower than usual and stockpiling the coal for a higher run availability during the summer. San Juan has officially started decommissioning. They've started the auction process and the layoff of employees. Steel Solar 1A and 1B project is still having problems getting their panels. Muddy Creek project is no longer moving forward. There is a Three Peaks solar project near Cedar City that is a new potential resource project. Sunnyside is a waste coal plant project that has some potential availability. There is 53MW available and a large amount of people interested, so we will probably only get a small amount of it. Dave Imlay wanted to make sure that we were calling back everything from IPP that was available. Scott Hughes confirmed we are calling back everything available.

Budget: Scott Hughes displayed and fielded questions about the slides included in the packet. This month included the high spike in pricing that we saw in September due to that late heat wave. Joseph Prete asked if there are lessons to be learned from the past. Dave Imlay reported some of the history surrounding our Nebo resource purchase. His advice is maybe to look at some of the summer-only HLH block purchases that we've been hesitant to participate in the past. Scott Hughes explained a challenge that a neighboring city had with a block purchase like that this past summer.

Pam Humphries asked if the increase in impact fees was ever approved. Scott Hughes explained that it required a public notice posting. That has been completed and this item will be presented for approval at the next City Council meeting.

The Power Board adjourned at 5:00 p.m. The next Power Board Meeting is scheduled for December 7, 2022, at 3:00 p.m.
