



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 February 1, 2023, at 3:00 p.m. at the Clifton Wilson Substation on 526 W 600 N.

In attendance were Jerry Brisk, Pam Humphries, Dave Imlay, Joseph Prete, Charles Reeve, Scott Hughes, Brian Anderson, Michael Ramirez, Jared Ross, and Crystal Wright.

Charles Reeve welcomed everyone to the meeting; Pam Humphries led the Pledge of Allegiance and Jerry Brisk offered the prayer.

Scott Hughes: Scott Hughes provided an update on employees. We had an interview that was promising, but the employee has declined to proceed through the hiring process. One of our employees had an injury while helping Water and Streets pick up a building for the Recreation Department. There was a load shift and while they were adjusting the load, he injured his leg. He is at work and doing fairly well. City Council update stated that Generator #9 was postponed for last agenda but will be on the council agenda for tomorrow. A City Council decision regarding CFPP will be made two weeks from tomorrow. Provided an update regarding a power outage that occurred on January 31, 2023. Rocky Mountain Power's feed from Windy Ridge is currently feeding our load from Clifton Wilson substation. Their system went down which also took that substation down. Joseph Prete asked if there was a way we could have avoided or reduced the outage. Scott Hughes replied that it was necessary to go onto Rocky Mountain Power's feed to complete the 600 N Phase 3A project. We switched back onto their system this morning to continue work on the project today. We are discussing how to expose us as little as possible while we work on that project. We will continue to have discussions on how best to proceed.

Brian Anderson: Brian Anderson reported that Christmas decorations are down. Most of the work we've been doing has been on the 600 N Phase 3A project. We've been working on digging the holes. We hired a drilling company to dig 3 of the holes. They have had problems with the holes caving in as they're drilling, so they've had to fill them with cement and then return to drilling. We are getting our steel poles sooner than originally quoted which will help this project timeline. As soon as this project is complete, we will switch over to the 1150 W project. We will be reinsulating this line to heat up the 69kv transmission down to the Three Falls Substation. We're currently working on purchasing easements from 1300 S to 3000 S along 1150 W. Joseph Prete asked when the last time we received an update from the person working on acquiring those easements. Scott Hughes reported there was an appraisal that had to be completed before he could start working on that and it hadn't been completed yet. We're focusing on the section between 1300 S and 3000 S.

Mike Ramirez: Mike Ramirez reported that we have submitted a pre-qualification grant for some money to help contribute to the cost of implementing the AMI system. Sometime in February we should be notified whether we qualify to submit for the actual grant.



Jared Ross: Jared Ross provided an update regarding Three Falls Substation. The block wall has come along. They have dug out the space where the first transformer pad will be poured. Materials are starting to show up. He reported on some repairs they have been working on. Working on a small regulator that they have repaired and is ready to go back into service. The regulator that was found to have an error as part of the recent outage has been taken out of service. They have been working on repairing some damage to buckets that we borrowed from the Water Department. The substation employees have worked hard to make equipment improvements to make the equipment better than when we first borrowed it.

Budget: Scott Hughes began presenting the budget information from the packet. Answered questions from the board about the information presented in the graphs. Discussion about the sharp increases for power prices for the previous two years. Joseph Prete said from 2020 to 2021 was an increase in power cost of 16.9% and 2021 to 2022 an increase of 25.86%. Combined the total increase was 47.14%. Compared to the rate increases during the same time frame of 4% and 15% for a total of 19%. We are still short 28.14% rates vs power cost increase. He felt that would be helpful information for the council to know. A few charts show annual information regarding year-end recording of energy losses.

Discussion regarding additional Generation: Scott Hughes provided update regarding the potential purchase of additional generators beyond Generator #9 that had been recommended for approval at the last board meeting. Generator #9 will be proposed for approval at City Council meeting tomorrow. Joseph Prete asked for a cost benefit analysis for Generator #9 to be presented at City Council meeting for assistance in them deciding. He also wanted to know about the cost of the transmission we would be paying for the additional generator. UAMPS had provided information showing that as of November 2022, we would have paid approximately \$63,000 to Rocky Mountain Power for transmission during the 2022 generator run. Based on our estimated savings of \$700,000 this past season, this represents approximately a 10% cost. The question was asked if the generators have paid for themselves and what the ratio might be of cost vs. savings if not. Dave Imlay replied that diesels have been paid for, but natural gas is probably a different story. Without knowing exact numbers, he stated we may be upside down in those. It's hard to quantify because we didn't have to make other purchases based on the availability of that generation. If we did not have them, we could have had to make large cost purchases for block power. We didn't have to make those decisions because we had the generation available. Scott Hughes presented another consideration of how long the generators themselves are in service. The longer they're in use, the longer we continue to save, and the cost of the dollar for the original purchases of the units also need to be taken into consideration. Future projected loads and future projected prices will also be helpful in making these decisions. Scott Hughes stated he would like to decide regarding purchasing the additional generators by next Power Board meeting. He stated if there is information or data the board would like to see that they can reach out and request that prior to that meeting so we can gather that and have it ready for next board meeting. Scott Hughes reported that he has been in contact with a natural gas broker to research the potential of availability and pricing. There will also be a Natural Gas project meeting with UAMPS this next month. We have two potential locations in mind to investigate. Charles Reeve shared information about a potential water project that Washington County Water Conservancy District is looking at. He'd like to see us investigate that project and even discuss the possibility of UAMPS getting involved with it.

Commercial EV Charging Stations Discussion: Scott Hughes briefly discussed we are working on writing policy with input from the Distributed Energy Resources (DER) Subcommittee. Not much more to report in the sake of time.

UAMPS Updates: Scott Hughes provided slides presented at the last UAMPS board meetings. Breakdown of UAMPS resources for 2022 and projection of forecasted resources for 2023. Presented graph showing the volatility of markets throughout the US and showing it's not just UAMPS or Western US markets that are seeing high market volatility. Information regarding historical and forward Northwest and Southwest prices. Information provided regarding Smart Energy programs and Steel Solar update. Pam Humphries stated that she would like to see us promote the Smart Energy programs better. We will find out about putting some information on the bill, online, and promoting it on social media platforms. Steel Solar will be asking us in the future what we want to do with our Renewable Energy Credits (REC's). We receive 1 REC per 1 MW. We are signed up for 2.6 MW. These REC's can be sold or used to provide renewable energy for customers. They're worth more money to sell them before they're produced. They're not asking for a decision yet, but he wanted the board to think about how we want to handle those REC's so we can make that decision when the time comes. Scott Hughes showed a graph showing our firm resources and their predicted end dates. He will continue working on it to present again to show how much of our portfolio each resource represents.

The Power Board adjourned at 5:10 p.m. The next Power Board Meeting is scheduled for March 1, 2023, at 3:00 p.m.