

DRAFT

SOUTH UTAH VALLEY ELECTRIC SERVICE DISTRICT BOARD MEETING December 6, 2022

South Utah Valley Electric Service District (SESD) held its regular Board Meeting on Tuesday, December 6, 2022 – at 11:00 a.m. at the SESD office 803 N 500 E – Payson, UT.

Trustees Present: Nelson Abbott, Richard Behling, Joel Brown, Brent Gordon, Ray Loveless, Kenny Seng, and Brent Winder.

Also Present: Ryan Bagley, Brook Christensen, Dan Ellsworth, and Mark Holdaway – SESD
Jens Nielson, Attorney at Law – Wasatch Land & Title/Law

Ray Loveless welcomed everyone and called the meeting to order at 11:00 a.m. Nelson Abbott offered a prayer and Brook Christensen led the group in *The Pledge of Allegiance*.

PUBLIC FORUM

No Public Present.

APPROVE BOARD MEETING MINUTES

No board meeting minutes available for approval.

FINANCE COMMITTEE

Brent Gordon reviewed the November 2022 Disbursements & Expenses report.

MOTION to approve the November 2022 Disbursements & Expenses.

Brent Gordon made a motion seconded by Richard Behling to approve the November 2022 Disbursements & Expenses. Nelson Abbott, Richard Behling, Joel Brown, Brent Gordon, Ray Loveless, Kenny Seng, and Brent Winder approved the motion.

MOTION to accept the November 2022 Financial Report.

Brent Gordon made a motion seconded by Nelson Abbott to accept the November 2022 Financial Report. Nelson Abbott, Richard Behling, Joel Brown, Brent Gordon, Ray Loveless, Kenny Seng, and Brent Winder approved the motion.

MOTION to Ratify FY 2022 Audit Report (the Audit Report was made by Jon Haderlie of Larson & Co. in the board meeting held on November 8, 2022).

Brent Winder made a motion seconded by Joel Brown to ratify the FY 2022 Audit Report. Nelson Abbott, Richard Behling, Joel Brown, Brent Gordon, Ray Loveless, Kenny Seng, and Brent Winder approved the motion.

Mark Holdaway explained that Zions Bank needed to update its authorized signers list for SESD. He said Ray Loveless, Joel Brown, Brent Gordon and Mark Holdaway will be the authorized signers.

MOTION to approve Resolution Authorizing Signers for Zions Bank Accounts.

Brent Gordon made a motion seconded by Richard Behling to approve the Resolution Authorizing Signers for Zions Bank Accounts. Nelson Abbott, Richard Behling, Joel Brown, Brent Gordon, Ray Loveless, Kenny Seng, and Brent Winder approved the motion.

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FINANCE COMMITTEE (continued)

Mark Holdaway stated that SESD has opened banking accounts with Mountain America Credit Union (MACU) and that MACU also needs a resolution authorizing signers for the accounts.

Richard Behling made a motion seconded by Nelson Abbott to approve the Resolution Authorizing Signers for Mountain America Credit Union accounts. Nelson Abbott, Richard Behling, Joel Brown, Brent Gordon, Ray Loveless, Kenny Seng, and Brent Winder approved the motion.

RESOURCE COMMITTEE

OCTOBER 2022 OPERATIONS REPORT

Joel Brown said the Resource Committee met to review power purchases and resources and asked Mark Holdaway to present the power purchases for October 2022. Mark reported that the Nebo Power Plant is still offline due to main steam turbine repairs. He said the power plant runs on “simple cycle” on a smaller turbine when gas prices are favorable to do so. UAMPS is buying power from the market and some other sources to make up for the loss of generation from the Nebo Plant.

MOTION to accept the October 2022 Operations Report.

Joel Brown made a motion seconded by Brent Gordon to accept the October 2022 Operations Report. Nelson Abbott, Richard Behling, Joel Brown, Brent Gordon, Ray Loveless, Kenny Seng, and Brent Winder approved the motion.

EXECUTIVE COMMITTEE

Ray Loveless reported that the Executive Committee met this morning prior to the board meeting. Ray stated that the committee reviewed the Disbursements and Expenses, Financial Reports, and Operations Report.

Rate Discussion

Ray Loveless asked what feedback the office and other board trustees have received since SESD noticed its rate hearing to be held on December 28, 2022. Mark Holdaway stated the office had received several phone calls about the \$0.04/kWh proposed rate increase from people concerned about the impact the increase will have on their budgets. Mark Holdaway said the office staff was effectively explaining the reasons for the increase due to higher power costs and inflation. Some people responded with understanding while some were still upset about the increase. Richard Behling stated that most of the people he talked with were understanding once he explained the reasons for the increase. Some board members questioned if SESD should increase its rates in steps; other board members said an all-at-once increase will cause shock one time and give people more time to work the increase into their budgets before the summer peak months hit.

Nelson Abbott reiterated the need for Payson, Salem and Spanish Fork to take over and start providing power to all customers within their city boundaries as soon as possible. Doing so will allow SESD to better utilize its resources.

Ray Loveless assured the Board that UAMPS is doing everything it can to secure affordable power resource for the coming summer.

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PUBLIC POWER – LATEST NEWS AND INSIGHTS

No discussion on this topic.

UAMPS REPORT

MOTION to Ratify Nextera Zion Solar & Storage Solicitation for 5MW

Nelson Abbott made a motion seconded by Joel Brown to Ratify Nextera Zion Solar & Storage Solicitation for 5MW. Nelson Abbott, Richard Behling, Joel Brown, Brent Gordon, Ray Loveless, Kenny Seng, and Brent Winder approved the motion.

MOTION to sign the Zion Solar Agreement.

Brent Winder made a motion seconded by Kenny Seng to approve the Zion Solar Agreement. Nelson Abbott, Richard Behling, Joel Brown, Brent Gordon, Ray Loveless, Kenny Seng, and Brent Winder approved the motion.

Brent Gordon left the meeting.

CREDA REPORT

MOTION to Ratify Ray Loveless' Appointment as SESD CREDA Representative and Richard Behling as Alternate.

Kenny Seng made a motion seconded by Joel Brown to Ratify Ray Loveless Appointment as SESD CREDA Representative and Richard Behling as Alternate. Nelson Abbott, Richard Behling, Joel Brown, Brent Gordon, Ray Loveless, Kenny Seng, and Brent Winder approved the motion.

SUVPS REPORT

Brook Christensen stated that there were no significant updates; SUVPS continues to work on system analysis and bond acquisition.

POWER SYSTEM REPORT

Outage Report

Brook Christensen reported that there were a few outages related to storms and snow-packed roads causing people to hit power poles.

LEGAL UPDATE

Brook Christensen reported that Salem City requested a meeting and that he, Ray Loveless and Joel Brown will schedule a time for a discussion.

Brook stated that he hasn't had any contact from Payson City; he reported that the signed agreement sent by SESD last month has gone unanswered.

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CLOSED SESSION - UT Code 52-4-205(d)

Ray Loveless stated that some legal matters needed to be discussed in a closed session.

MOTION to enter into a closed session.

Nelson Abbott made a motion seconded by Richard Behling to enter into a closed session to discuss legal matters at 12:17 p.m. A roll call was made to enter into the closed session: Nelson Abbott-Y, Richard Behling-Y, Joel Brown-Y, Brent Gordon (not present), Ray Loveless-Y, Kenny Seng-Y, and Brent Winder-Y.

MOTION to come out of closed session.

Nelson Abbott made a motion seconded by Richard Behling to come out of the closed session at 12:50 p.m. Nelson Abbott, Richard Behling, Joel Brown, Ray Loveless, Kenny Seng, and Brent Winder approved the motion.

ADJOURNMENT

Nelson Abbott made a motion to adjourn the meeting.

Ray Loveless adjourned the meeting at 1:11 p.m.

Ray Loveless, Chairman

Mark Holdaway, Clerk

Date Approved

Date Approved

Next Meeting Date

A Public Rate Hearing will be held on Wednesday, December 28, 2022 beginning at 6:00 p.m.

The next board meeting will be held on Tuesday, January 10, 2023 beginning at 11:00 a.m.