

**SOUTH UTAH VALLEY ELECTRIC SERVICE DISTRICT
BOARD OF TRUSTEES MEETING – REGULAR SESSION
June 9, 2020**

South Utah Valley Electric Service District (SESD) held a regular Board Meeting on Tuesday, June 9, 2020 – at 11:00 a.m. The meeting was held on location at the SESD office, 803 N 500 E, Payson, UT and simultaneously broadcast over the internet via ZOOM meeting.

Trustees On-Site: Nelson Abbott, Joel Brown, Brent Gordon, Ray Loveless, and Kenny Seng.

Trustees joining via Zoom: Wendy Pray.

Also Present: Ryan Bagley (joined @11:35 a.m.), Brook Christensen, Dan Ellsworth (via Zoom), Jennifer Hatcher, and Mark Holdaway – SESD.

Ray Loveless welcomed everyone and called the meeting to order at 11:00 a.m.

A prayer was offered by Brent Gordon and Kenny Seng led the group in the Pledge of Allegiance.

Ray Loveless provided an update on the COVID-19 situation stating that Utah County has decreased the risk level in the county from RED to YELLOW. Ray expressed his understanding to those high-risk participants who have joined the board meeting via Zoom in order to protect themselves from possible contracture. He speculated that the Zoom meeting option would be made available until Utah County’s risk level is lowered to GREEN and all Trustees feel comfortable with attending under social-distancing guidelines.

PUBLIC FORUM

No comments.

RESOLUTION

Ray Loveless read the resolution honoring Trustee Paul Meredith (deceased). [APPENDIX]

APPROVE BOARD MEETING MINUTES

The May 12, 2020 board meeting minutes were reviewed by the trustees:

MOTION to approve the May 12, 2020 board meeting minutes.

Joel Brown made a motion seconded by Nelson Abbott to approve the May 12, 2020 Board Meeting Minutes. Nelson Abbott, Joel Brown, Brent Gordon, Ray Loveless, Wendy Pray, and Kenny Seng approved the motion.

FINANCE COMMITTEE

Brent Gordon stated that the May 2020 Disbursements & Expense reports had been previously reviewed by the trustees.

MOTION to approve May 2020 Disbursements & Expenses.

Brent Gordon made a motion seconded by Kenny Seng to approve the May 2020 Disbursements & Expenses. Nelson Abbott, Joel Brown, Brent Gordon, Ray Loveless, Wendy Pray, and Kenny Seng approved the motion.

Brent Gordon stated that the May 2020 Financial Reports had also been reviewed by the trustees.

MOTION to approve the May 2020 Financial Reports.

Brent Gordon made a motion seconded by Kenny Seng to approve the March 2020 Financial Reports. Nelson Abbott, Joel Brown, Brent Gordon, Ray Loveless, Wendy Pray, and Kenny Seng approved the motion.

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FINANCE COMMITTEE (continued)

Brent Gordon recommended that the tentative FY 2021 Budget, as reviewed prior with all Trustees, be approved for presentation to SESD customers.

MOTION to approve the tentative FY 2021 Budget

Brent Gordon made a motion seconded by Kenny Seng to present the tentative FY 2021 Budget to the customers for final approval during the Budget Hearing. Nelson Abbott, Joel Brown, Brent Gordon, Ray Loveless, Wendy Pray, and Kenny Seng approved the motion.

Brent Gordon made a motion seconded by Joel Brown to hold SESD’s FY 2021 Budget Hearing on Monday - June 22, 2020 at 6:00 p.m. Brent stated that the necessary FY 2020 Budget Amendment would be included on the FY 2021 Budget Hearing Agenda. Nelson Abbott, Joel Brown, Brent Gordon, Ray Loveless, Wendy Pray, and Kenny Seng approved the motion.

MOTION to approve the pickup truck replacement purchase.

Brook Christensen stated that he had been in an accident while driving one of the new SESD pickup trucks. He reported that no one was injured but the pickup truck was totaled. Brook explained that the other driver was at fault and that their insurance would be covering the full cost of replacement.

Brent Gordon made a motion seconded by Wendy Pray to approve the purchase of a replacement pickup truck using the at-fault insurance claim reimbursement funds. Nelson Abbott, Joel Brown, Brent Gordon, Ray Loveless, Wendy Pray, and Kenny Seng approved the motion.

RESOURCE COMMITTEE

Joel Brown stated that the Resource Committee discussed recent outages and the staff recommended purchasing two relays for the Loafer Substation.

Brook Christensen explained that just over a year ago Salem City had the same relays as SESD has now and they suffered a widespread outage; finding it difficult to order and replace the burned-out relay in a timely manner. Brook stated that ordering two new relays at the cost of \$9,163.00 would give SESD inventory on the shelf, enabling his crew to restore power without delay when the existing relays go down.

MOTION to approve Loafer Substation Relays

Joel Brown made a motion seconded by Brent Gordon to approve the \$9,163.00 purchase of two relays for the Loafer Substation. Nelson Abbott, Joel Brown, Brent Gordon, Ray Loveless, Wendy Pray, and Kenny Seng approved the motion.

Mark Holdaway reported that Olympus Insurance approached him requesting an opportunity to provide a quote for property and liability insurance coverage. Mark stated that our current coverage is through Utah Local Governments Trust (ULGT) and that both entities had provided a quote for coverage. He explained the details of the quotes received and recommended that SESD continue to have its property and liability insurance coverage provided by ULGT.

MOTION to approve Property & Liability Insurance Quote

Joel Brown made a motion seconded by Nelson Abbott to accept the property & liability insurance quote from ULGT. Nelson Abbott, Joel Brown, Brent Gordon, Ray Loveless, Wendy Pray, and Kenny Seng approved the motion.

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UAMPS REPORT

Ray Loveless reported that the Carbon Free Power Project (CFPP) has had a lot of twists and turns but despite the constant changes, Ray reiterated his support of the project and recommended that SESD continue to participate in CFPP through UAMPS. He reminded the board that SESD can opt out or withdraw from the program at any time should the project change so significantly that it is no longer a viable option with competitive pricing. Ray reported that the US Department of Energy is backing the project with its support and financial contributions. Ray expressed his appreciation of the efforts put forth by Doug Hunter to keep the project alive and prevent it from being cost-prohibitive. He stated that SESD needs to be proactive in educating its customers about NuScale Nuclear Power and the UAMPS CFPP through the SESD website and social media, in addition to e-mails and billing inserts. Joel Brown reported that he had seen an increase in media coverage, both positive and negative, over the past several months.

Ray agreed that word of the project is getting out to the public; he would like to ensure that SESD customers get accurate information to make an independent objective determination regarding the benefits of the CFPP.

SUVPS REPORT

Brent Gordon reported that the SUVPS meeting was held on the last Thursday during the last week of May at the Spanish Fork Fairgrounds in the High Chapparal Banquet Room to comply with Utah State mandates for social distancing due to COVID-19. He reported that the NEBO Substation was down for maintenance at the time of the meeting but that it was back on-line at present.

Brook Christensen reported that SUVPS is anticipating that the system study would be complete and presented during a board meeting in the near future.

POWER SYSTEM REPORT

Brook Christensen reported that the Line Crew had installed 2.5 miles of conductor in the Lakeshore area; working efficiently on one of the major system study projects. He also reported that the Service Crew has continued tree trimming as is the season.

Ray Loveless inquired about the process for determining who trims the trees and which entity pays the bill when the trees are SESD's or SUVPS'.

Brook explained that he assigns the work and is aware of which trees fall under the responsibility of SUVPS. He stated that the invoices are paid by SESD, billed to SUVPS, and then reimbursed.

Mark Holdaway explained that at the direction of the Finance Committee all reimbursable items will be indicated on the disbursements & expenses report which includes SUVPS' funds for tree trimming. Brook also reported on the wind-related power outage that occurred on Friday, June 5, 2020.

Nelson Abbott inquired about the limbs broken during the windstorm that affected the power lines; he asked whose responsibility it was to keep the trees trimmed to prevent line damage during windy conditions or snowstorms and the like.

Brook Christensen answered that SESD and the homeowner share the responsibility for ensuring that the trees are trimmed as needed; he also stated that homeowners have the responsibility of reporting tree limb issues or requesting tree trimming when power lines are in the area.

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LITIGATION SETTLEMENT DISCUSSION

Ray Loveless provided an update on the ongoing litigation between SESD and the cities of Payson, Salem, and Spanish Fork. He stated that SESD had presented a settlement proposal to the cities on May 15, 2020. He reported that instead of negotiating the details of the SESD settlement proposal, the cities drafted their own settlement proposal and presented it to SESD on June 3, 2020. Ray requested that each of the settlement proposals be published, making them Public Record. (see APPENDIX I & II) Ray also mentioned that several motions relating to the Cities vs. SESD litigation have been filed with the court and noted that the filed motions are also Public Record.

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

Ray Loveless stated that a closed session was warranted; the board would continue to discuss legal matters (i.e., settlement proposals, motions filed, etc.) in a closed session according to UT Code 52-4-205(d).

At 11:50 a.m. Nelson Abbott made a motion seconded by Kenny Seng to convene into a closed session to discuss legal matters according to UT Code 52-4-205(d).

Ray Loveless asked Mark Holdaway to execute a Roll Call Vote: Nelson Abbott - Y, Joel Brown - Y, Brent Gordon - Y, Ray Loveless - Y, Wendy Pray - Y, and Kenny Seng - Y.

The board unanimously approved the motion.

Brent Gordon made a motion seconded by Nelson Abbott to reconvene the Regular Board Meeting at 12:40 p.m. Nelson Abbott, Joel Brown, Brent Gordon, Ray Loveless, Wendy Pray, and Kenny Seng approved the motion.

ADJOURNMENT

Joel Brown made a motion to adjourn.

Ray Loveless adjourned the meeting at 12:40 p.m.

Ray Loveless, Chairman

Mark Holdaway

Date Approved

Date Approved

Next Meeting Date

The next scheduled meeting will be the Budget Hearing on Monday – June 22, 2020 at 6:00 p.m.

PLEASE NOTE: The next board meeting will not be held on the regularly scheduled second Tuesday of the month; the July board meeting will be held on the first Tuesday in July, that being July 7, 2020 at 11:00 a.m.

APPENDIX I

DRAFT

APPENDIX II

DRAFT