

**SOUTH UTAH VALLEY ELECTRIC SERVICE DISTRICT  
BOARD OF TRUSTEES MEETING  
November 10, 2020**

South Utah Valley Electric Service District (SESD) held a regular Board Meeting on Tuesday, November 10, 2020 – at 11:00 a.m. The meeting was broadcast over the internet via ZOOM meeting.

**Trustees Present:** Nelson Abbott, Joel Brown, Brent Gordon, , Kenny Seng, and Wendy Pray

**Trustees Excused:** Richard Behling, and Ray Loveless.

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

Joel Brown welcomed everyone, excused Ray Loveless who was attending a UAMPS meeting, and Richard Behling who recently had back surgery, and called the meeting to order at 11:00 a.m.

**PUBLIC FORUM**

No comments.

**APPROVE BOARD MEETING MINUTES**

The October 13, 2020 board meeting minutes were reviewed by the trustees.

**MOTION** to approve the October 13, 2020 board meeting minutes.

**Wendy Pray made a motion seconded by Nelson Abbott to approve the October 13, 2020 Board Meeting Minutes. Nelson Abbott, Joel Brown, Brent Gordon, Wendy Pray, and Kenny Seng approved the motion.**

**FINANCE COMMITTEE**

Brent Gordon stated that the October 2020 Disbursements & Expense reports were previously reviewed by the trustees.

**MOTION** to approve the October 2020 Disbursements & Expenses.

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

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

**MOTION** to approve the October 2020 Financial Reports.

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

**RESOURCE COMMITTEE**

Joel Brown reported that the Resource Committee met to discuss general business; he stated that the committee did not have action items for the board at this time.

**EXECUTIVE COMMITTEE**

Joel Brown reported that the Executive Committee met just prior to the board meeting this morning. He noted that the committee discussed the forthcoming completion of the rate study, and the current status of the litigation with the cities. Joel also stated that the committee did not have action items for the board at this time.

**SOUTH UTAH VALLEY ELECTRIC SERVICE DISTRICT**  
**BOARD OF TRUSTEES MEETING**  
**November 10, 2020**  
(continued)

**UAMPS REPORT**

Joel Brown asked Mark Holdaway to provide the board with a UAMPS update; Joel excused Ray Loveless who was participating in a UAMPS meeting concurrent with the SESD Board Meeting. Mark Holdaway explained that the CFPP Resolution was previously approved by the board; that action needed to be ratified.

**MOTION** to ratify the CFPP Resolution (see appendix).

**Brent Gordon made a motion seconded by Wendy Pray to ratify the CFPP Resolution as approved by the board during the October 2020 board meeting. Nelson Abbott, Joel Brown, Brent Gordon, Wendy Pray, and Kenny Seng approved the motion.**

Mark Holdaway also provided an update on the UAMPS Steel 1 Solar Project, stating that SESD joined the project, expressing interest in 676KW. Mark reported that the study is in the transmission stage and upon completion, UAMPS will share the projected cost for each participant to obtain resource from the solar farm.

**SUVPS REPORT**

Brent Gordon stated that SUVPS team met on the last Thursday of the previous month - October 29, 2020. He reported that SUVPS had undergone an audit, passing without incident.

Brent also reported that SUVPS is planning a line upgrade or addition for the Nebo Power Plant, the additional line will help to increase the overall system reliability.

Brook Christensen reported that the Loafer Substation upgrade project was delayed due to a relay failure during the initial testing phase. He stated that the new relay is expected to arrive next week and the scheduled installation is planned for the first week of December. He anticipates that the project will take approximately 2 weeks, after which the Loafer Substation will be back on-line with increased reliability.

Brook also noted that SUVPS is reviewing the recently completed system study and prioritizing projects accordingly.

**POWER SYSTEM REPORT**

Brook Christensen reported that the crews have been busy working on projects for customers who are anxious to complete the work before the much-anticipated winter weather.

Brook reported that there were two significant outages since the last board meeting:

1. A small area in Elk Ridge, five homes, were without power for approximately three hours. Brook noted that the outage took place in an area with direct bury lines; he stated that there are plans for the direct bury lines in the area to be placed in conduit to prevent future outages and increase reliability.
2. During the storm over the previous weekend, lightning hit a transformer on Saturday, November 7, 2020. The cause of the outage was unusual. Brook stated that in the case of a lightning strike, a fuse is typically blown causing the outage; however, this particular widespread outage was the result of an opened recloser. Due to this abnormality, it took the crew longer than anticipated to restore the power.

**SOUTH UTAH VALLEY ELECTRIC SERVICE DISTRICT  
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November 10, 2020  
(continued)**

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

Joel Brown stated that the board needed to discuss legal matters that warranted a closed session according to UT Code 52-4-205(d).

**At 11:25 a.m. Brent Gordon made a motion seconded by Joel Brown to convene into a closed session to discuss legal matters according to UT Code 52-4-205(d).**

**Joel Brown asked for a Roll Call Vote:**

**Nelson Abbott - Y, Joel Brown - Y, Brent Gordon - Y, Wendy Pray - Y, and Kenny Seng - Y.**

Mark Holdaway confirmed that the public attendees had been removed from the meeting.

The meeting continued as a closed session.

**Kenny Seng made a motion seconded by Nelson Abbott to reconvene the Regular Board Meeting at 12:00 p.m. Nelson Abbott, Joel Brown, Brent Gordon, Wendy Pray, and Kenny Seng approved the motion.**

**ADJOURNMENT**

**Wendy Pray made a motion to adjourn.**

**Joel Brown adjourned the meeting at 12:00 p.m.**

\_\_\_\_\_  
Ray Loveless, Chairman

\_\_\_\_\_  
Mark Holdaway

\_\_\_\_\_  
Date Approved

\_\_\_\_\_  
Date Approved

**Next Meeting Date**

The next scheduled meeting will be a regular Board of Trustees meeting held on Tuesday December 8, 2020 at 11:00 a.m.

# appendix

DRAFT

**RESOLUTION NO. 2020-1110**

A RESOLUTION AUTHORIZING AND APPROVING ADJUSTMENT OF THE PARTICIPANT'S ENTITLEMENT SHARE UNDER THE CARBON FREE POWER PROJECT POWER SALES CONTRACT FOR THE REMAINING 1<sup>ST</sup> PHASE OF THE LICENSING PERIOD FOR THE CARBON FREE POWER PROJECT; AND RELATED MATTERS.

\*\*\*\*\*        \*\*\*\*\*        \*\*\*\*\*

WHEREAS, the South Utah Valley Electric Service District (the "*Participant*") is a member of Utah Associated Municipal Power Systems ("*UAMPS*") pursuant to the provisions of the Utah Associated Municipal Power Systems Amended and Restated Agreement for Joint and Cooperative Action, as amended (the "*Joint Action Agreement*");

WHEREAS, the Participant has previously approved, executed and delivered the Carbon Free Power Sales Contract dated as of April 1, 2018 (the "*Power Sales Contract*") with UAMPS, with an Entitlement Share that represents 2,963 kW of the capacity of the Project, which includes 963 kW of capacity relating to the "JUMP SMR" (as defined in Resolution No. 2019-0719 of the Participant adopted on July 19, 2019; other initially capitalized terms used and not defined herein have the meanings assigned to them in the Power Sales Contract);

WHEREAS, the Project Management Committee (a) has notified the Participants that the JUMP SMR will not be included in the Project and has eliminated the portions of the Participants' Entitlement Shares relating to the JUMP SMR and (b) believes that the Participants are best served if they approve limited adjustments to their Entitlement Shares in light of the elimination of the JUMP SMR as well as withdrawals or Entitlement Share reductions that may be elected by other Participants to the time of delivery of the Class 3 Project Cost Estimate and the associated running of the economic competitiveness test ;

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of the South Utah Valley Electric Service District, as follows:

*Section 1. Adjustment of Participant Entitlement Share for the Remaining 1<sup>st</sup> Phase of the Licensing Period Through the Class 3 Project Cost Estimate.* (a) The Participant hereby authorizes and approves maintaining its Entitlement Share in the Project in an amount that represents 2,000 kW of capacity.

(b) The Participant's Entitlement Share (in kW) may be adjusted to that amount that would cause its Development Cost Share of the Development Costs to be incurred to the time of delivery of the Class 3 Project Cost Estimate and the associated running of the economic competitiveness test to be 2.00% (the "*Development Cost Share Cap*").



(c) Upon receipt of written notice from UAMPS of the elections by other Participants to withdraw from the Project, reduce their Entitlement Shares or otherwise adjust their Entitlement Shares, the Participant's Representative is hereby authorized by and on behalf of the Participant to give notice to UAMPS of (i) the Participant's election to increase its Entitlement Share (in kW) and (ii) the amount of such increase, which in any case shall not cause the Participant's Development Cost Share to exceed the Development Cost Share Cap.

(d) In the event that elections by other Participants to withdraw from the Project or to reduce their Entitlement Shares would cause the Participant's Development Cost Share to exceed the Development Cost Share Cap, the Participant's Representative is hereby authorized in his or her discretion to give notice to UAMPS of either (i) (A) the Participant's election to reduce its Entitlement Share (in kW) and (B) the amount of such reduction, which shall be in the smallest amount necessary to cause the Participant's Development Cost Share not to exceed the Development Cost Share Cap or (ii) the Participant's election to withdraw from the Project.

*Section 2. Miscellaneous; Effective Date.* (a) Notwithstanding the provisions of Section 1, this resolution shall be and remain irrevocable until the Participant provides subsequent adjustment to its Entitlement Share pursuant to the Power Sales Contract in accordance with its terms.

(b) All previous acts and resolutions in conflict with this resolution or any part hereof are hereby repealed to the extent of such conflict. In case any provision in this resolution shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(c) This resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED this 10 day of November, 2020.

SOUTH UTAH VALLEY ELECTRIC SERVICE  
DISTRICT

By  \_\_\_\_\_  
Raymond Loveless

ATTEST:

  
Mark Holdaway

[SEAL]

