

DRAFT

SOUTH UTAH VALLEY ELECTRIC SERVICE DISTRICT BOARD MEETING September 13, 2022

South Utah Valley Electric Service District (SESD) held its regular Board Meeting on Tuesday, September 13, 2022 – at 11:00 a.m. at the SESD office 803 N 500 E – Payson, UT.

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

Also Present: Brook Christensen, Dan Ellsworth, Jennifer Hatcher (zoom), and Mark Holdaway – SESD

Ray Loveless welcomed everyone and called the meeting to order at 11:00 a.m. Joel Brown offered a prayer and Kenny Seng led the group in *The Pledge of Allegiance*.

PUBLIC FORUM

Ray Loveless welcomed SESD customer Rand Ward and opened the meeting for public comment. Rand Ward stated that he has been a customer for thirteen years and that he had two concerns to share with the board. First, Mr. Ward explained that a disagreement occurred when he was building his home and barn thirteen years ago. Mr. Ward claimed that the dispute arose around conflicting information he was given regarding SESD’s specifications for the number of meters required to serve two of the new structures, the home and barn, on his property.

Ray Loveless expressed his concern and regret regarding the meter incident.

Mr. Ward shared his second concern, stating that he was upset about the Energy Efficiency charge that, until recently, was on his power bill each month. Mr. Ward stated that he believes the excess funds were being sent to UAMPS and then returned to an SESD expense fund to bolster the district’s general fund and that he considered this transaction to be fraudulent; he alleged that SESD and UAMPS had misappropriated public funds. Mr. Ward requested an accounting of the Energy Efficiency revenues and recommended that an audit be performed on the SESD funds that have been distributed through the UAMPS Smart Energy Rebate Program. He suggested that if the audit finds that there are excess funds that have not been distributed as rebates to SESD customers, those funds should be returned to all SESD customers in the form of a future billing credit.

Ray Loveless stated that the Energy Efficiency charge was discontinued in July 2021, explaining that this change was made in part due to Mr. Ward’s inquiries and also because the UAMPS Smart Energy Rebate requests have decreased overtime. Ray stated that he is on the board of both organizations (SESD and UAMPS), and he believes that both entities act responsibly where public funds are concerned.

Mark Holdaway stated that he would conduct an internal audit on the Energy Efficiency revenues and review the UAMPS Smart Energy Rebate accounting and report his findings back to the board.

Mr. Ward expressed his appreciation for the board’s willingness to be transparent and stated that he would welcome the results of the examination. Mr. Ward stated that he will follow-up with Joel Brown, the SESD Trustee who represents District 5 in which he resides, to discuss the findings of the audit and to be apprised of any proposed resolutions.

APPROVE BOARD MEETING MINUTES

MOTION to approve the August 9, 2022 board meeting minutes.

MOTION to approve the August 24, 2022 board meeting minutes.

Joel Brown made a motion seconded by Brent Winder to approve the August 9, 2022 and August 24,

DRAFT

2022 board meeting minutes. Nelson Abbott, Richard Behling, Joel Brown, Brent Gordon, Ray Loveless, Kenny Seng, and Brent Winder approved the motion.

SOUTH UTAH VALLEY ELECTRIC SERVICE DISTRICT
BOARD MEETING
September 13, 2022
(continued)

APPROVE BOARD MEETING MINUTES (continued)

MOTION to approve the June 22, 2020 Budget Hearing minutes.

Nelson Abbott made a motion seconded by Joel Brown to approve the June 22, 2020 Budget Hearing minutes. Nelson Abbott, Richard Behling, Joel Brown, Brent Gordon, Ray Loveless, Kenny Seng, and Brent Winder approved the motion.

FINANCE COMMITTEE

Brent Gordon stated that the August 2022 Disbursements & Expenses report was reviewed prior to the board meeting.

MOTION to approve the August 2022 Disbursements & Expenses.

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

Brent Gordon reviewed the August 2022 Financial Reports.

MOTION to accept the August 2022 Financial Reports.

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

Brent Gordon stated that the Public Hearing to approve the new rate schedules (11 & 12), will be held at the SESD office on Wednesday, September 28, 2022 at 6:00 p.m.

Ray Loveless asked Brent Gordon to report on the status of the bond.

Brent Gordon stated that the bond has been secured and interest-only payments have begun. He reported that Brook Christensen has identified priority projects, stating that the future West Mountain North substation construction has begun.

Brook Christensen stated that it will take approximately 1 ½ years to build the necessary infrastructure and complete the substation. Brook anticipates that the substation will be online and in use prior to the start of FY 2025.

RESOURCE COMMITTEE

Joel Brown stated that the Resource Committee met to discuss operations and resource allocation and acquisition. He reported that the committee also reviewed the disbursements and financial reports.

JULY 2022 OPERATIONS REPORT.

Ray Loveless presented and reviewed the power purchases for July 2022.

Dan Ellsworth provided additional detail on resource expenditures.

Ray also provided an update on future resource acquisition. (see UAMPS Report below)

SOUTH UTAH VALLEY ELECTRIC SERVICE DISTRICT
BOARD MEETING
September 13, 2022
(continued)

RESOURCE COMMITTEE (continued)

MOTION to accept the July 2022 Operations Report.

Joel Brown made a motion seconded by Kenny Seng to accept the July 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, Operations Report, and the proposed board meeting schedule for the coming year.

MOTION to approve the 2023 Board Meeting Schedule.

Nelson Abbott made a motion seconded by Brent Gordon to approve the SESD 2023 Board Meeting Schedule. Nelson Abbott, Richard Behling, Joel Brown, Brent Gordon, Ray Loveless, Kenny Seng, and Brent Winder approved the motion.

UAMPS REPORT

Ray Loveless reported that the Steel 1A Solar project is scheduled to be completed by September 2023 and that the Steel 1B program is expected to be up and running by December of that same year. Ray explained that the Muddy Creek project is in the engineering stage and reported a cost increase for that resource. Ray stated that the cost increased from \$55 MWh to \$66 MWh due to increased insurance costs related to natural disaster probability.

UAMPS Conference Report

Ray Loveless stated that he and Brent Gordon attended the 2022 UAMPS Annual Conference in Logan, UT. He reported that the high point of the conference was the presentation on the progress of the CFPP. Ray stated that he is confident that the project will achieve full subscription despite the northwestern power entities choosing to join the XGeneration project. Ray reported that CFPP is much further into the development and approval process, and he anticipates that NuScale will have their small modular reactor generating power well ahead of the other projects.

CREDA REPORT

No report.

SUVPS REPORT

Brent Gordon reported that SUVPS board meetings continue to focus on bond acquisition; he reported that Mark Holdaway stepped out of the SESD Board Meeting earlier today in order to attend the SUVPS bond discussion.

Brook Christensen stated that the Task Force Study from Rocky Mountain Power is wrapping up and SUVPS should have a better idea of which projects will be prioritized and provide more specifics for bond fund allocation.

**SOUTH UTAH VALLEY ELECTRIC SERVICE DISTRICT
BOARD MEETING
September 13, 2022
(continued)**

POWER SYSTEM REPORT

Outage Report

Brook Christensen reported that there were a few outages related to weather; he stated that there was one lightning strike. Brook also recounted outages related to SUVPS that occurred in the Sheep Creek area, answering Ray Loveless' question about rough terrain access; Brook stated that the crew accesses several areas on four-wheelers

OTHER BUSINESS

Ray Loveless discussed the Energy Efficiency concerns raised by Mr. Rand Ward during the Public Forum. Ray recommended that Mark Holdaway complete an audit of the program and report his findings back to the board to enable to board to make an informed decision regarding Mr. Ward's request to refund excess funds to SESD customers.

LEGAL UPDATE

Ray Loveless reported that the Payson City Power Superintendent and Brook Christensen will be meeting tomorrow, September 14, 2022, to discuss resolutions to the 1998 contract. Ray stated that the same discussions will also be forthcoming with Salem City's Power Department.

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

No closed session.

ADJOURNMENT

**Joel Brown made a motion to adjourn the meeting.
Ray Loveless adjourned the meeting at 12:45 p.m.**

Ray Loveless, Chairman

Mark Holdaway, Clerk

Date Approved

Date Approved

Next Meeting Date

The next scheduled meeting will be the Public Hearing held at the SESD Office on Wednesday, September 28, 2022 at 6:00 p.m.

The next regularly scheduled board meeting will begin at 11:00 a.m. on Tuesday, October 11, 2022.