

DRAFT

# SOUTH UTAH VALLEY ELECTRIC SERVICE DISTRICT BOARD MEETING September 12, 2023

South Utah Valley Electric Service District (SESD) held its regular Board Meeting on Tuesday, September 12, 2023 – at 11:00 a.m. at the SESD office 803 N 500 E – Payson, UT.

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

**Trustees Absent:** Joel Brown

**Also Present:** Ryan Bagley, Brook Christensen, Dan Ellsworth, and Mark Holdaway – SESD

Ray Loveless welcomed everyone and called the meeting to order at 11:01 a.m. Nelson Abbott offered a prayer and Ryan Bagley led the group in *The Pledge of Allegiance*.

## PUBLIC FORUM

None.

## APPROVE BOARD MEETING MINUTES

**MOTION** to approve the August 8, 2023 Board Meeting minutes.

**Richard Behling made a motion seconded by Brent Winder to approve the August 8, 2023, Board Meeting minutes. Nelson Abbott, Richard Behling, Brent Gordon, Ray Loveless, Kenny Seng, and Brent Winder approved the motion.**

## FINANCE COMMITTEE

Brent Gordon reviewed the August 2023 Disbursements, Expenses, and Credit Card Expenditures. While reviewing the power purchase expenditures Ray Loveless noted that SESD hit a new peak record at 20 MW the last week of July. Ray also pointed out some credit card expenditures related to the UAMPS conference held near the middle of August. He thanked those who attended the conference and encouraged the whole Board to attend next year's conference.

**MOTION** to approve the August 2023 Disbursements & Expenses.

**Brent Gordon made a motion seconded by Kenny Seng to approve the August 2023 disbursements & expenses. Nelson Abbott, Richard Behling, Brent Gordon, Ray Loveless, Kenny Seng, and Brent Winder approved the motion.**

Brent Gordon asked Mark Holdaway to review the August 2023 Financial Report. Mark explained that SESD is in a healthy financial position after the first two months of the financial year.

**MOTION** to accept the August 2023 Financial Report.

**Richard Behling made a motion seconded by Kenny Seng to accept the August 2023 Financial Report. Nelson Abbott, Richard Behling, Brent Gordon, Ray Loveless, Kenny Seng, and Brent Winder approved the motion.**

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**RESOURCE COMMITTEE**

July 2023 Operations Report

Ray Loveless asked Brent Winder to review the July 2023 Operations Report. Brent said that the power product SESD purchased for the Summer came in higher than the market price, but the overall power costs for the month of July came in lower than projected.

**MOTION** to accept the July 2023 Operations Report.

**Brent Winder made a motion seconded by Brent Gordon to accept the July 2023 Operations Report. Nelson Abbott, Richard Behling, Brent Gordon, Ray Loveless, Kenny Seng, and Brent Winder approved the motion.**

Net Metering Policy Update

Ray Loveless asked Brook Christensen and Mark Holdaway for an update on their review of SESD's Net Metering Policy. Brook Christensen said he is still working with ICPE to conduct an analysis on SESD's circuits. He said the analysis should be complete in about two months. Ray expressed concern over the length of time it has taken to conduct the analysis and review the Net Metering Policy. He encouraged the staff to diligently work with ICPE so the circuit study can be completed as quickly as possible.

The Board discussed other details to be considered in an updated Net Metering Policy such as: off-grid solar systems; the push for electrification causing increased peak loads; legislation affecting power generation; and the need to maintain system integrity.

**EXECUTIVE COMMITTEE**

No report.

**UAMPS REPORT**

CYRQ Geothermal Study Agreement

Ray Loveless reported that UAMPS has determined two possible sites for the CYRQ Geothermal Project in Nevada and was ready to conduct an in-depth study to determine feasibility and cost of power. He said that SESD is subscribed to 0.6288% or 409 kW of the proposed project. Richard Behling pointed out that the two proposed areas for the project are known to be arid, and he was concerned if enough water would be available for the power plant.

**MOTION** to approve CYRQ Geothermal Study Agreement.

**Brent Gordon made a motion seconded by Kenny Seng to approve the CYRQ Geothermal Study Agreement. Nelson Abbott, Brent Gordon, Ray Loveless, Kenny Seng, and Brent Winder approved the motion. Richard Behling opposed the motion due to concerns about water availability for the project.**

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Steel Solar Projects

Ray Loveless stated that due to supply sourcing issues, the delivery of solar panels for the Steel 1A and Steel 1B projects was delayed. As a result, the start dates of the two projects had to be postponed. Because of these delays, the contract between UAMPS and the developer, DESRI, had to be amended. Ray said that Steel 1A and Steel 1B are projected to be online by the end of March 2024 and the end June 2024, respectively. Ray affirmed that the original agreed upon price for power did not change and remains at \$34.66/MWh. Nelson Abbott pointed out that when transmission and UAMPS A&G costs are factored in, the price of power from the Steel Solar Projects is the same as the price SEDS pays its customers for rooftop solar, around \$0.051/kWh. Ray stated that three documents needed to be approved so UAMPS could finalize its amended contract with DESRI:

**MOTION** to approve Resolution Authorizing Steel 1A & 1B Second Amended Transaction Schedules.

**Richard Behling made a motion seconded by Brent Winder to approve the Resolution Authorizing Steel 1A & 1B Second Amended Transaction Schedules. Nelson Abbott, Richard Behling, Brent Gordon, Ray Loveless, Kenny Seng, and Brent Winder approved the motion.**

**MOTION** to approve Steel 1A Second Amended Transaction Schedule.

**Brent Gordon made a motion seconded by Richard Behling to approve the Steel 1A Second Amended Transaction Schedule. Nelson Abbott, Richard Behling, Brent Gordon, Ray Loveless, Kenny Seng, and Brent Winder approved the motion.**

**MOTION** to approve Steel 1B Second Amended Transaction Schedule.

**Richard Behling made a motion seconded by Nelson Abbott to approve the Steel 1B Second Amended Transaction Schedule. Nelson Abbott, Richard Behling, Brent Gordon, Ray Loveless, Kenny Seng, and Brent Winder approved the motion.**

5-Year Lock-In Transaction Confirmation Firm Power Project

Ray Loveless reported that with the dissolution of the Sunnyside Coal Project many UAMPS members asked if UAMPS could find another source of power to replace it. UAMPS agreed to go out and try to find a 5-year product that will not be any higher than \$92.00/MWh. Ray stated that because UAMPS needed SEDS's response prior to Board meeting, he consulted with Dan Ellsworth and Mark Holdaway, and it was decided to subscribe for 4 MW. Ray pointed out that by signing the Confirmation, SEDS agrees to purchase the 5-year product UAMPS finds if it comes in under \$92.00/MWh.

**MOTION** to ratify 5-Year Lock-In Transaction Confirmation Firm Power Project.

**Brent Winder made a motion seconded by Kenny Seng to ratify the 5-Year Lock-In Transaction Confirmation Firm Power Project. Nelson Abbott, Richard Behling, Brent Gordon, Ray Loveless, Kenny Seng, and Brent Winder approved the motion.**

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**CREDA REPORT**

None.

**SUVPS REPORT**

Brent Gordon reported that SUVPS is still working on its system upgrade. Brook Christensen stated that SUVPS members are still trying to determine capacity charges for system upgrade bonding.

**POWER SYSTEM REPORT**

*Outage Report*

Brook Christensen reported that lightning blew some line fuses on August 16<sup>th</sup> and August 19<sup>th</sup> causing some isolated outages. He then said that an animal got into the Suter Substation on August 31<sup>st</sup> and blew the 46-kV fuses causing a widespread outage in West Mountain and Spring Lake.

*Woodland Hills Celebration*

Brent Winder thanked SESD for its support of the Woodland Hills City Celebration held on September 8<sup>th</sup> and 9<sup>th</sup>. He said the monetary donation, bottled water, ice, and power cords were much appreciated.

*Bids from RFP for Elk Ridge Fiber System Sale*

Ray Loveless welcomed Steve Anderson who submitted a bid from Fusion Networks to purchase SESD's fiber system in Elk Ridge. Ray explained that the Finance Committee reviewed all the bids prior to Board meeting and that the Finance Committee would discuss the bids in a closed session with the rest of the Board. Ray then said all those who submitted bids will be notified when SESD's Board is ready to publicly announce the winner.

**LEGAL UPDATE**

None.

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

Ray Loveless stated the Board needed to go into a closed session to discuss certain matters according to UT Code 52-4-205(d).

**At 12:17 p.m. Nelson Abbott made a motion seconded by Brent Gordon to convene into a closed session to discuss certain matters according to UT Code 52-4-205(d).**

**Ray Loveless asked Mark Holdaway to conduct a Roll Call Vote:**

**Nelson Abbott - Y, Richard Behling - Y, Brent Gordon - Y, Ray Loveless - Y, Kenny Seng - Y, and Brent Winder - Y.**

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**Richard Behling made a motion seconded by Nelson Abbott to reconvene the Regular Board Meeting at 1:18 p.m. Nelson Abbott, Richard Behling, Brent Gordon, Ray Loveless, Kenny Seng, and Brent Winder approved the motion.**

ADJOURNMENT

**Richard Behling made a motion to adjourn the meeting.  
Ray Loveless adjourned the meeting at 1:18 p.m.**

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Ray Loveless, Chairman

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Mark Holdaway, Clerk

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

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

**Next Meeting Date**

The next board meeting will be held on Tuesday, September 19, 2023 beginning at 11:00 a.m.