

**PAROWAN POWER BOARD MINUTES
NOVEMBER 17, 2022
CITY OFFICES – 35 EAST 100 NORTH – 5:30 P.M.**

MEMBERS PRESENT: Jeremy Franklin (Power Superintendent), Jared Burton (Chairman), Matt Gale (Council Representative), Sharon Downey (Council Representative), Greg Evans, Stacy Gale (Secretary).

MEMBERS ABSENT: Dan Jessen (City Manager), Kyle Hansen.

PUBLIC PRESENT: None.

CALL TO ORDER: Jared Burton called the meeting to order at 5:30 P.M.

DECLARATION OF CONFLICTS WITH OR PERSONAL INTEREST ON ANY AGENDA ITEMS: None.

APPROVAL OF MINUTES: Jeremy Franklin had 2 corrections on the minutes from September 28, 2022; on page 2 under UAMPS Update it should say “we need 462 to be fully subscribed, and “that UAMPS does not want to see”.

Jared Burton moved to approve the minutes of September 28, 2022 with the 2 corrections. Greg Evans seconded the motion. All members present voted in favor of approval. The motion carried. The minutes were approved.

UAMPS UPDATE – Jeremy Franklin said he wanted to start with the UAMPS power bill for this year, January to current. He handed out a sheet showing the difference between last year and this year, and a sheet showing the difference between last September and this September. He said on the September sheet in 2021 our allocation with CRSP was 274,238, and in 2022 it was 196,028 because of the drought. Hunter shows we produced more in 2022; we produced about the same kilowatt hours in 2021 and 2022 but we sold more excess energy in 2021. The energy we bought with Pool was 59,457 at \$127/MWH which was about \$7,600 on our bill; in 2022 we bought 124,254 KWH at \$633/MWH which we were billed about \$80,000. We’re selling it at \$0.09/KWH and we bought it for \$0.63 which is a red flag. Jeremy said the reason is our peak on September 4, 2021 and September 5, 2022 was almost a megawatt difference peak. The first week of September the whole west was extremely hot and dry which drove market price up and caused us to buy \$633/MWH power. Jeremy wanted to bring this up as a concern. He said next year’s budget is \$750,000.

Jeremy said he needs to make a decision for next year by December 15th on what to do with IPP. He said the bad thing with IPP is they are not running full load.

Jeremy said what a lot of people at UAMPS have done with their rates is a PCA, power cost adjustment; some do it annually and some do it monthly. They bill it into their rates so if UAMPS rates are higher they pass it on to their customers. He said we could have UFS, who is

doing our rate study, look into that. Jared asked if we got the cost study done; Jeremy said they are waiting on the audit which should be done the middle of December.

Jeremy said in the month of December we give customers who put up 2 strands of Christmas lights a 10% discount on the electric portion of their bill; he thought about waiving it this year. There was a discussion about how most people use LED lights so they aren't using a lot of power, and that the discount has been around for a long time. Sharon asked how much the discount amount is. Stacy showed the committee the spreadsheet from last year and there were about 110 customers that participated last year for a discount of about \$1,500. It was decided that we will keep it.

Jeremy said the Lila Canyon Mine in Price, where the Hunter Power Plants gets 25% of its coal, has been on fire for 2 months. UAMPS and Rocky Mountain have decided we are going to curtail our coal through the winter to save for the high load summer hours. Right now, the UAMPS portion of Hunter is not running. We have asked Rocky Mountain and PacifiCorp to measure the coal pile, and measure deliveries coming in then put our percentage in a pile so they don't burn it. Jeremy said that UAMPS went through everybody's load for the last 2 weeks of November and they bought a market product and we got 1 Megawatt at a price of about \$95. Today he had to send one in for December. We are going to run Hunter during the high load hours (7:00 am to 11:00 pm) and shut down for low load hours; we did a mother market purchase for the low load hours of 1.4 Megawatt. We are doing this in hopes that we can have enough coal to run full boar in June, July, August and September. We are hoping to not run it at all in March, April and May; usually the market value is in the \$50 range then so we'll just buy it off the market. Sharon asked when Hunter has to shut down; Jeremy said they don't have a definite close date, but they are thinking maybe 2030-2035.

Jeremy said CFPP prices increased because of materials, interest rates, etc. UAMPS is working on an amendment to the Development Cost Reimbursement Agreement that we signed with NuScale. In that agreement they are trying to get a subscription clause so if we don't have 80% subscription by January 2024 then we can be fully reimbursed. Jeremy said UAMPS and engineers have shifted gears and subscription is basically their #1 focus. He said over the last month and half they have had more interest than he has seen; they are not subscribed, but more doors are open. The amendment to the agreement will need be run through City Council in January. Jeremy will email the committee UAMPS talking points.

Jeremy said UAMPS is looking at 2 study projects. One is called NextEra; they are a solar/battery company and are looking at building a plant in Cedar City. Jeremy said he thought we should get in for a little bit because of what is happening with Hunter. He said we should get in to where we are able to get the energy, and if it gets to be a project then we'll have to sign a Power Purchase Agreement. He has to send it by tomorrow.

The other project is large Combined Cycle Natural Gas Plant, which makes Jeremy nervous because natural gas is on the chopping block. There was a discussion about natural gas. Jeremy said in the solicitation of this project, they gave us two questions. One is they are calling it a natural gas project, or they also gave an option to have a MIG (Member Internal Generation) which is like the little generator we had at the substation for a while. It would be something you

have in your town and use it as needed. UAMPS would own, finance and operate it. To use the MIG you have to be close to a high-pressure gas line, which we have one on Highway 91 by the substation and one on 300 East by the canyon well. Jeremy said the concern is natural gas.

Jeremy said if the committee agrees, he will subscribe to both study projects. The committee agreed to subscribe.

TREE POLICY – Jeremy Franklin said the tree policy we have right now is we will take care of any tree in voltage lines, or that goes from a pole to a pole, and we ask the customer to take of any tree that are their trees and their power service.

Jeremy came up with a new policy that he went off of Beaver's policy (attached). It says we will trim from pole to pole, and we will clean up limbs from routine maintenance. Pole to meter, which is a service drop, we ask that to be the homeowner's responsibility. At the customer's request, we will drop the service while the homeowner trims the trees then we will rehang the service. Jeremy also added if the customer wants to trim a tree without removing the service, the city is not liable if damage is done.

Jeremy said this is something we should work on. He asked the committee what their thoughts were. Matt asked what the cost is for us to trim the trees; Jeremy said a lot. There was a discussion about hiring a company to trim the trees and how much more that would cost, or hiring another person to trim trees.

Jeremy's recommendation is to give the homeowner the responsibility to trim it. Jeremy said if it is a pole to pole, or a pole to a neighbor, that is the power company's responsibility because it the service line from the pole to the meter, but if it goes from the property owners' pole to their meter with their tree underneath it, it is the property owner's responsibility. Jeremy said that 90% of new connections are underground.

It was decided to work on a policy.

OTHER BUSINESS: None.

STAFF & MEMBER COMMENTS: None.

PUBLIC COMMENTS: None.

ADJOURN: Matt Gale moved to adjourn the meeting. Sharon Downey seconded the motion. All members present voted in favor of adjournment. The meeting adjourned at 6:41 p.m.

Minutes Approved at January 19, 2023 Meeting


Jared Burton, Committee Chair


Stacy Gale, Secretary