

HURRICANE CITY POWER
526 W 600 N
HURRICANE, UTAH 84737

The Hurricane City Power Board met on December 8, 2015 at 3:00 p.m. at the Clifton Wilson Substation at 526 W 600 N. In attendance were; Chairman Mac Hall, Pam Humphries, Dean Mc Neill, Terry Winter, Jerry Brisk, Charles Reeve, Dave Imlay, Chris Shamo, Brian Anderson, Don Behunin and Vicky Ogden. Chairman Mac Hall welcomed everyone to the meeting. Terry Winter led the Pledge of Allegiance and Mac Hall offered the prayer. Jerry Brisk made the motion to accept the October minutes after corrections and Terry Winter seconded the motion. All in favor, motion passed.

Don Behunin stated that his crew has been attending substation trainings. His crew de-energized the Clifton Wilson Substation to tie the new re-closer (CW100) into the bus and also do some substation maintenance. His crew has also been working on a safety railing to be installed on the loading dock for safety reasons. There is currently no substation apprentice classes being offered here in Southern Utah so Don and his crew have been holding classes here at our substation for apprentices and has had attendee's from many other city's attend. The attendees have the opportunity to obtain substation training hours. Terry Winter stated that certification classes need to be made official, but for now the apprentices are receiving training hours only.

Brian Anderson stated that the crew has installed the Christmas Lights around town. They have also cut in a switch for the new motel and have been working on pole change outs. The crew recently sent over four of our lineman to help out with the IPSA Testing held in St. George.

Chris Shamo explained how they test poles. The crew has tested around 1,200 out the approximately 1,700 poles, all of the test results are in a file, a data base has been built including giving each pole an ID Number and a history. His crew has changed out 14 bad poles so far. Chris will establish and adopt criteria for grading tested poles for change out.

RMP MOA Amendment Discussion & Possible Approval; Dave sent out the Amendment No.1 Memorandum of Agreement with RMP for the Board Members to review. Dave stated that there will not be any cost to Hurricane. Dean noticed there is a phrase listed under cc page 3 "bill of sale" which could indicate a future cost. Charles Reeve made the motion to accept the Memorandum of Agreement with RMP with the revision of the bill of sale being deleted from the MOA Agreement as Dean Mc Neill suggested and Terry Winter seconded the motion, all in favor, motion passed.

Discussion on a Commercial Grid Tied Solar Policy; Dave stated that he has had very few commercial business's call and inquire about grid tied solar for their commercial business but thought it might be time to start a process to get a Commercial grid tied solar policy drafted. Dave stated they we need to decide the size of installation we will allow the commercial business's to install. Charles Reeve stated he would like to see the Power Department have its own small solar power installation up to 10 Kw and Dave stated that if so he would need to put it into next year's budget.

Building Remodel Plan; Dave is proposing a building expansion and remodel plan as we are out-growing our existing building. Dave is currently having an architect work up a design so we can approach City Council next budget year.

IPP Update; Dave attended the IPP Meeting last week and gave an update. The 2APSC has been approved by all purchasers, but are waiting on the legal opinions from the city attorneys. The PacifiCorp entitlement to the LADWP comment period ended this week. Once all the requirements are fulfilled, the renewal offers will go out, probably in January. Hurricane will then need to decide on a participation level. The Dairy Lawsuit is on-going with a possible new trial date in 2017.

Budget; The Kwhs are 2.68% ahead of where we would normally be if we were right on budget, our revenues are 3.2% ahead of where we would normally be if we were right on budget, and our Kwh revenues are at 2.29% ahead of where we would normally be if we were right on budget. Currently natural gas is extremely cheap and the cost of power is less than what Dave forecasted. Our overall revenue is ahead as well and we have collected more impact fees. Dave went through the Capital Spending showing the Board Members what the Power Department had budgeted and what has been spent.

CFPP Discussion; Dave went through the “CFPP Phase 1 Budget – Balance to Collect” with the Board Members and also showed the time process that UAMPS created. Hurricane’s site share Kw is currently 5,000 with the NuScale cost sharing at \$3,414 which means \$682.79 a month is due from Hurricane. Hurricane’s site shares may go to 16,000 Kw if the project goes to the full 600 Kw plant capacities. This would allow Hurricane to control the full 16,000 Kw without increase in cost through the early stages of the project. Many off ramps are available if Hurricane decides to reduce level of participation or get out of the project altogether. The Board Members had a real concern with the UAMPS Time Schedule Status. Dave stated that he would voice their concerns to UAMPS.

UAMPS Report; There has been a consent decree filed between the EPA, HEAL Utah, NPCA, and the Sierra Club. Terry stated that this means the EPA is off the hook. This will delay the approval, by the EPA, of the Revised State Implementation Plan for regional Haze until mid-2016.

The San Juan Plant is up and running after the SNCR installation and overhaul. The plant continues to work out the bugs after the installation and overhaul. The Project has been approved to use the UAMPS line of credit to fund the SNCR project until revenues arrive from the restructuring agreement in early 2017. In 2018, Hurricane will need to make a decision whether we want to continue to participate in the plant or get out of the project at the end of the debt and contract in 2022.

Other; Dave stated that Hurricane has gone 585 days without an avoidable outage and 182 days without an unavoidable outage.

Dave and Mac attended the Central to St. George Meeting called to talk about how to deal with the Purgatory Flats Substation, how many breaker positions will be needed and how to deal with the UAMPS lines that feed to Hurricane. The CSG PMC consensus was to look into the possibility of giving those sections of transmission lines east of Purgatory, to Hurricane.

Dave also asked the Board Members if a different time would work better for them for Power Board Meetings. It was the consensus of the Board Members that this is a good time for all of them.

The meeting adjourned at 5:20 p.m. The next meeting will be held in January of 2016.