

Hurricane city power  
526 w 600 n  
Hurricane, Utah 84737

The Power Board held their Power Board Meeting on January 26, 2016 at 3:00 p.m. at the Clifton Wilson Substation at 526 W 600 N. In attendance were; Chairman Mac Hall, Dave Imlay, Don Behunin, Brian Anderson, Dean Mc Neill, Jerry Brisk, Terry Winter, Charles Reeve and Vicky Ogden. Pam Humphries asked to be excused. Chairman Hall welcomed everyone to the meeting. Jerry Brisk led the Pledge of Allegiance and Dave Imlay offered the prayer. Charles Reeve made the motion to approve the minutes from the December 2015 meeting after corrections, and Terry Winter seconded the motion, all in favor, motion passed.

Don; His crew fabricated some bushing racks to store extra bushings. They also fabricated a BBQ Grill for the Power Department. Dave showed the Board Members a picture of the grill and they all were impressed with it. These fabrications were done over time when the crew had a minute to work on them. The crew is currently installing a dump bed on the flatbed truck. After they get finished with this project they will start generator maintenance. The SCADA System is operational and is functioning well.

Brian reported on his crew, he has two linemen pole testing poles and they have tested most of the transmission poles. The other two linemen are currently digging and laying conduit at the Sand Hollow Resort. Today they pulled in wire and set a transformer at the new lift station at Grandpa's Pond. Tomorrow at 1:00 p.m., the crew is going to present a demo for the elementary school kids using the hot line demo trailer and Brian invited the Board Members to come if they would like.

IPP Renewal level discussion and possible approval; Dave stated that the IPA Board is getting close to being ready for purchasers entitlement agreements but they are not quite there yet. The IPA renewal gas repowering has four rounds to the renewal offer. The first round offers purchasers that are parties to existing Power Sales Contracts the renewal, in whole or in part of their entitlements in the Original PSCs. The second round offers Utah Committed Purchasers the choice to enter into an agreement for the allocation of all Utah Orphan Entitlements and California Committed Purchasers may enter into an agreement for the allocation of all California Orphan Entitlements. The continued Second Round Offer is where IPA offers Utah Orphan Entitlements to Utah Committed Purchasers and California Orphan Entitlements to California Committed Purchasers in proportion to respective Subscribed Entitlements. The final round offer's the then remaining Orphan Entitlements to Committed Purchasers beginning with the Committed Purchaser having highest Subscribed Entitlements and continuing in descending order of Committed Purchasers based upon their Subscribed Entitlements concluding if and Entitlement Determination Date has or has not been established by the Final Offer Acceptance Date.

Discussion of Commercial Grid Tied Solar; Dave has been ill so this agenda item will be discussed next month. The Large Commercial Grid Tied Solar needs further discussion.

UAMPS Report; Dave and Mac attended a meeting several months ago, concerning what to do with the UAMPS Power Line east of the future RMP Purgatory Flats Substation. It has been often contemplated that CSG Project would turn it over to Hurricane City. The CSG PMC has hired ICPE to get a value of the line in question. ICPE came back with a replacement cost of 2.1 million dollars. The PMC has directed UAMPS Staff to continue to look into ways that the Project could turn this section of line into Hurricane City's ownership. It was asked at the last CSG PMC meeting that Hurricane may be willing to purchase the line. Dave responded to the PMC as being indifferent to Hurricane owning the line and never has contemplated purchasing it from the project. There will be more to come on this issue over the next few months.

San Juan is still struggling as far as the coal contracts go. If Westmoreland doesn't secure financing to purchase the coal mine, the San Juan Power Plant is without a coal supplier post 2017. All the new agreements now hinge on this coal issue. If there is no new coal contract, then we are back to square one on the San Juan Plant.

Budget; The cost of Power is currently \$57.90. This is due to lower gas prices and temperatures. The kWh came in at 3.06% ahead of what was budgeted, the cost of sales came in at 1.44% ahead of what was budgeted, revenues came in at 4.94% ahead of what was budgeted and the kWh revenues came in at 4.07% ahead of what was budgeted. Dave has asked Clark Fawcett to be here next month for a Power Fund presentation.

Other; the architect has nearly finished the addition plans to our office building. Some engineering work still needs to be completed. Dave displayed the proposed building. Once the plan is finalized, a construction estimate will be acquired and Dave will put the project in next year's budget and see if the Council will allow us to move forward.

The Power Board adjourned at 4:30 p.m. The next Power Board Meeting will be held on February 23, 2016.