

HURRICANE CITY POWER
526 W 600 N
HURRICANE, UTAH 84737

The Hurricane City Power Board met on May 31, 2016, at 3:00 p.m. at the Clifton Wilson Substation at 526 W 600 N. In attendance were; Chairman Mac Hall, Dean Mc Neill, Pam Humphries, Jerry Brisk, Terry Winter, Charles Reeve, Dave Imlay, Don Behunin, Brian Anderson, and April Hill.

Mac Hall welcomed everyone to the meeting; Terry Winter led the Pledge of Allegiance, and Mac Hall offered the prayer. Dean McNeil made the motion to approve the April minutes, and Pam Humphries seconded the motion. All in favor, motion passed.

Don: Reported that the crew is continuing to update and make improvements to the SCADA system. They are currently working on updating the apparatus signage at each substation. When they are finished, the signs will match the plans for each substation and the SCADA system. This will provide safety for the individuals not regularly working in the substations. They completed the substation testing for Parowan Power Department.

Dave Imlay reported for Brian Anderson: Dave stated that Brian was recognized as employee of the month in May. The line crew has been working on two major projects. The first project is the line that goes from Clifton Wilson Substation to 1300 south. We are still waiting on the easements for the south end of this line. The second project is near Grandpa's Pond. The line will be moved underground for Interstate Rock to continue developments. Interstate rock will dig the trench, and Hurricane City is laying the conduit.

Commercial Solar Policy Update: Dave presented the two Commercial Solar Policies that were discussed at the April Board Meeting. The Board discussed in detail the terms of each policy. The Board made a recommendation to reflect that the Hurricane City Council reserves the right to reset/adjust the rate schedule with the recommendation of the Power Board. Pam Humphries made the motion of recommendation to take the Commercial Solar Policies to the City Council for approval; Dean Mc Neill second the motion.

Purgatory Flats Substation Discussion: Dave discussed the changes that have been made to the Purgatory Flats plan. All of the entities involved in this project are now willing to participate. This is because Rocky Mountain Power (RMP) is paying for the Purgatory Flats Substation. Dave explained the reason he thinks RMP is paying for the substation instead of requiring others to help pay. Dave reiterated how vital this project is to the growth of Hurricane City.

The transmission rate charged by RMP has steadily increased over the past several years. This increases cost to Hurricane by about \$100,000 per \$1.00 increase to this transmission rate. If UAMPS is required to enter into CAISO, the transmission rate could easily double.

Base Rate Increase Discussion: Dave updated the Board on the first five months of the KWH rate adjustment and base rate increase. Dave discussed the possibility of raising the base in 2017. Increasing

the base rate and decreasing the kilowatt-hour cost to make our costs revenue neutral. The Board recommended the Power Department begin the consultant process, and plan to increase the base rate after the current base rate has been in effect for one year.

Transmission Discussion: Dave presented the transmission plan for Hurricane that was produced in 2007. The plan is still viable, and the Power Staff will continue to follow the plan. To continue to provide enough power to Hurricane City, the Power Department will eventually need to have two 138 lines. 69KV will work in the short term. Terry asked about how long before we will need 138KV. Dave answered that probable about 10 years.

IPP Update: IPP plant is running great. However, with the low price of natural gas many companies are choosing to fuel replace with gas. This, along with renewable energy increasing, is requiring IPP to run at a lower capacity factor.

San Juan Update: The San Juan project has used the UAMPS LOC to fund the environmental upgrades recently installed. The LOC was used to take care of the cash flow issue between the times the environmental upgrade expense and the revenue coming in from restructuring fees. The repayment of the LOC is happening earlier than was scheduled to be paid in full. The plant is still using bad coal, which causes the plant to run at a low capacity factor.

Budget: Dave Imlay updated the Board on the year-to-date budget. The Power Department is currently 1.3 % revenue over expenditures. Dave discussed in detail the upcoming year's budget that was submitted to the City Council Budget Committee for approval and highlighted the priorities.

The Power Board adjourned at 5:00 p.m. The next Power Board Meeting will be held on June 28, 2016, at 3:00 p.m.