



HEBER LIGHT & POWER COMPANY

31 South 100 West
Heber City, Utah 84032

BOARD MEETING

March 26, 2025

The Board of Directors of Heber Light & Power met on March 26, 2025, at 4:00 pm at the Heber Light & Power Business Office, 31 S 100 W, Heber City, Utah.

Board Member Attendance: Board Chair – Heidi Franco: Present
Director – Kevin Payne: Present
Director – Brenda Christensen: Present
Director – Sid Ostergaard: Present (via Zoom)
Director – Aaron Cheatwood: Present (via Zoom)
Director – Kendall Crittenden: Present

Others Present: Jason Norlen, Bart Miller, Adam Long, Karly Schindler, Rylee Allen, Patricio Hernandez, Jake Parcell, Josh Gustin, Riley Wright, Colby Houghton, and Ryan Gull.

Chair Franco welcomed those in attendance.

1. Consent agenda - approval of a) February 26, 2025, Board Meeting Minutes, b) February 2025 Financial Statements) February 2025 Warrants.

The Board Chair requested to fix motion on item 4, to second motion by Director Christensen on February minutes.

Motion. Director Crittenden moved to approve the consent agenda with the change the Board Chair requested. Director Christensen seconded the motion. The motion carried with the following vote:

Board Chair – Heidi Franco: Approve
Director – Kevin Payne: Approve
Director – Brenda Christensen: Approve
Director – Sid Ostergaard: Approve
Director – Aaron Cheatwood: Approve
Director – Kendall Crittenden: Approve

The Board addressed item number 3

3. Discussion and Possible Approval on Retirement Allowance.

Karly Schindler presented Shane Carlson's retirement, outlining the existing policy utilized by HLP for former employees, as documented in the HLP handbook. The formula in the handbook calculates the retirement benefit as the monthly salary multiplied by 31 (years of service), resulting in 1% equating to \$3,566.00. HLP employees contributed to purchase a gift for him during his retirement celebration.

Motion. Director Christensen moved to accept the retirement allowance for Shane Carlson.

Director Payne seconded the motion. The motion carried with the following vote:

Board Chair – Heidi Franco: Approve
Director – Kevin Payne: Approve
Director – Brenda Christensen: Approve
Director – Sid Ostergaard: Approve
Director – Aaron Cheatwood: Approve
Director – Kendall Crittenden: Approve

The Board addressed item 5.

5. Wholesale Power Report

Emily received an updated figure from UAMPS, indicating a slight overage in the wholesale power budget and an under-budget in natural gas, resulting in an overall 1% excess over the monthly budget. Currently, we are 17% above the annual budget, which is not unexpected at this point in the year. The system load continues to rise, with an average of 2.44 kWh projected for 2025. Significant usage is anticipated in July. Jason mentioned that we currently have five machines available, although they are undergoing maintenance. We are making efforts to maximize the number of machines ready for the load season. Additionally, we have secured market power for the summer at a more favorable price than initially anticipated.

The Board addressed item 4.

4. Discussion on Integrated Resource Plan (IRP).

This is an update; we do these every 2-5 years. We have had changes in the portfolio and new rate structures, so with these changes, it is a good time to update. We will begin the process. Emily will be sending our surveys and finding out information on what people are looking for. Emily hopes to have something to give to us in October. Emily is sending out an email to all customers that are going to give information about why we had a rate increase and how they can still save money and give them tips. We will be doing another Impact Fee study this year to see if we can increase. The Mayor would like to be able to show the public that the rate increase is 1 cent for every KWH for the first 1000 and 3 cents for over 1000. Jason went over the many reasons why we had to have the increase, that it is not just for growth but for current customers as well. The mayor would like a handout with colors and little pop-ups so people can see all the reasons for the increase and why. We will revise the details and do the survey at a later date.

The Board addressed item 2.

2. Discussion and Possible Approval of Heber Valley Railroad Track Easement. Mark Nelsen is here to discuss the railroad track easement, accompanied by his engineer, Lonnie. They've had a few meetings with Russ Funk and the railroad contractor. The trail has been relocated to the east side, and the road has been halted at the curb. Russ is worried about having the actual tracks within the road and prefers them to be on the west side of 600 West. Currently, there's a 5-foot sidewalk, which he wants moved to the east side of 600 West, and there will need to be no parking on that side. There are also concerns about how long the tracks will be in front of the HLP building. At the switch point, the train will head north, clear the switch, and then turn around. They need enough space for three diesel locomotives to accommodate future growth. The existing tracks are being removed to adjust the grade. Another issue is that the ground level of the track is significantly higher than the HLP parking lot. Jason is waiting for specific numbers and a detailed site plan to share with his engineer to assess the design qualifications. HLP doesn't plan to install a fence. There's a gas line, power boxes, internet lines, a hub for all internet providers, and other

infrastructure currently being installed. Lonnie mentioned that a realistic timeline for a definitive plan is about two weeks. HLP is working with a plan approved by Heber City, and any changes would require going back for additional approval. Sid Ostergaard believes there's no need to return to the Heber City Council since they've delegated the responsibility to the Railroad and HLP. Lonnie also referenced an email regarding a minor site plan amendment but is open to separate pages for specific changes. Jason expressed concerns about large trucks crossing the tracks and the potential damage to their front ends while waiting for the train to pass. The impacts on HLP extend beyond just landscaping. Adam suggested that it would be beneficial to have a document or agreement outlining expectations moving forward.

5. GM Report.

UAMPS Report. Jason reports that the Hunter power plant is functioning normally, with only a few outages occurring in the first three months, none of which have been prolonged. The facility is receiving its coal shipments as scheduled. Meanwhile, Horse Butte is undergoing maintenance on a couple of turbines but continues to operate as intended. The solar project has experienced a slight decrease in steel capacity compared to initial expectations. Additionally, a new solicitation has emerged for the Sunny Fremont solar project, which has faced numerous challenges and is unlikely to become operational for several years. It may eventually connect with our firm's transmission, and further details will be provided later. We may opt not to participate, as it may not be essential for our portfolio. The geothermal project is currently facing delays due to difficulties in interconnection, particularly for areas south of Mona. Regarding the Millard County project, land acquisition has been completed, and the engineering contract has been approved. Erwin McDonald has been appointed as the engineer for the natural gas project in Millard County. The primary delay in bringing this project online is related to transmission interconnection, with gas sourced from the existing pipeline. The Power County project remains under-subscribed. The UAMPS board has approved the agreement, allowing participation in the project, but subscription levels will be adjusted. Their council did not approve the contracts, resulting in a reduction to 85%. This matter will be revisited by the board for subscription approval. 2. Jason has indicated that the Hunter power plant is operating within normal parameters, with only a few outages reported during the initial three months, none of which have been extensive. The plant is receiving its coal deliveries as planned. Horse Butte is currently conducting maintenance on a couple of turbines but is otherwise functioning as expected. The solar project has seen a minor reduction in steel capacity compared to what was originally projected. Furthermore, a new application has been issued for the Sunny Fremont solar project, which has encountered significant issues and is not expected to launch for several years. It may eventually integrate with our firm transmission, and we will receive additional updates in due course. We may decide against participation, as it may not be critical to our portfolio. The geothermal project is experiencing delays due to interconnection challenges, particularly for regions south of Mona. In terms of the Millard County project, the land has been secured, and the engineering contract has been finalized. Erwin McDonald will serve as the engineer for the natural gas initiative in Millard County. The main obstacle to the project's timeline is the transmission interconnection, with gas

IPA Update. The initial ignition of the gas units has taken place, and they are currently undergoing testing. The activation of the gas units has experienced a slight delay, and discussions have been held regarding the possibility of extending the operation of the gas lines beyond June to ensure sufficient generation capacity. Efforts are underway to finalize the gas units.

APPA E-Reliability Tracker Heber Light and Power received recognition for the APPA Award for Safety Excellence, receiving the diamond classification. Our team is performing

exceptionally well, with safety being a top priority.

New Employee Update. New employees have been brought on board. Trey Bunker has joined a maintenance facility, while Burke has advanced to the line crew in an apprentice role. Additionally, Colby Thacker has been appointed to the dispatch team.

Motion: Director Christensen moved to that we moved to a closed session. Director Payne seconded the motion. The motion carried with the following vote:

Board Chair – Heidi Franco: Approve

Director – Kevin Payne: Approve

Director – Brenda Christensen: Approve

Director – Aaron Cheatwood: Approve

Director – Kendall Crittenden: Approve

Director – Sid Ostergaard: Not Present

Meeting adjourned.

Rylee Allen
Board Secretary