



HEBER LIGHT & POWER COMPANY

31 South 100 West
Heber City, Utah 84032

BOARD MEETING

May 28, 2025

The Board of Directors of Heber Light & Power met on May 28, 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 (via Zoom)
Director – Kevin Payne: Present
Director – Brenda Christensen: Present
Director – Sid Ostergaard: Not Present
Director – Aaron Cheatwood: Present
Director – Kendall Crittenden: Present

Others Present: Jason Norlen, Bart Miller, Adam Long, Karly Schindler, Rylee Allen, Jake Parcell, Josh Gustin, Riley Wright, Colby Houghton, Mark Nielson, and Johnathan Russell

With Chair Franco calling in to the meeting, Director Christensen conducted the meeting in-person and welcomed those in attendance.

1. Consent agenda - approval of a) April 23, 2025, Board Meeting Minutes, b) April 2025 Financial Statements, c) April 2025 Warrants. Director Christensen asked for a motion to approve the Consent agenda.
Motion. Director Crittenden moved to approve the Consent agenda. Director Cheatwood 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: Not Present
Director – Aaron Cheatwood: Approve
Director – Kendall Crittenden: Approve
2. Discussion and Comment on Service Fee Increase for 400 amp Service. Jonathan Russell, a local resident, expressed his worries regarding the recent increase in service fees for 400 amp systems. He pointed out that these fees now account for 72% of his total bill, in contrast to just 40% three years prior. He raised concerns about the equity for customers who use services less frequently and proposed that higher charges be aimed at secondary homeowners. The reasoning was clarified by board members and staff, who referred to a rate study conducted by UFS confirming that the increase in fees impacted 673 customers, which represents 5% of the overall total. They talked about the difficulty of telling apart high usage from low usage in the 400 amp category and how it

affects primary homes compared to secondary homes. The increase in fees was explained by board members as a result of a cost of service study, which revealed that customers with 400 amps and higher were receiving subsidies from those with lower amperage. The rise was intended to address this disparity and secure financial stability, because the utility faced the danger of dropping under its debt service coverage ratio, which could impact its credit rating.

3. Discussion on HVRR Land Lease. Jason Norlen presented a map of the Operations Center, indicating that we could shift our fence line to the west side of the gasoline easement to accommodate HVRR's request. Mark Nielsen noted that HVRR is planning for the future so that if Lane Lythgoe's proposed design were to go forward and 600 West was closed down, the railroad could have access across our property. Mark stated that HVRR needs about 59 feet to establish an access to its property. Jason noted that Enbridge doesn't have any issue with the fence location. The railroad seeks a lease-to-own agreement. Next month, Jason will present an updated map along with the revised fence line.
4. Review and Approval of Wage Study Proposed Pay Ranges. Karly Schindler reported that at last week's audit committee meeting, she followed up on the additional information requested and the questions raised during the previous board meeting about the wage study and has no additional information to share at this time. Approval of the wage study does not mean that individuals will receive raises; the wage study is only proposing new pay ranges.
Motion. Director Payne moved to accept the pay ranges proposed in the wage study. Director Crittenden 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: Not Present
Director – Aaron Cheatwood: Approve
Director – Kendall Crittenden: Approve
5. Review and Approval of Reimbursement for Future Bond Financing Resolution 2025-03. Bart Miller explained that this is a procedural resolution to allow us to reach back and pull in any project costs that occur before a future bond financing, which would be capped at \$30 million. Adam Long noted that this is an IRS requirement to take formal action before borrowing in order to be able to use future bond proceeds to reimburse prior expenses
Motion. Director Crittenden moved to accept Resolution 2025-03. Director Cheatwood 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: Not Present
Director – Aaron Cheatwood: Approve
Director – Kendall Crittenden: Approve
6. Report on Lower Snake Creek Penstock Repair. Jake Parcell shared with the board an update on the penstock. The Upper Snake Creek Canyon penstock was installed back in the 1900s. A portion of the penstock runs straight downhill and is made of heavy pipe. In March, we got a call about a rockslide that hit our pipe. We had to dig in a road to allow the welders to access the site and repair the cracks. A helicopter was used to deliver a slip joint that needed replacing. Last week, they

watered the pipe and discovered two more minor leaks that will be repaired.

7. Discussion on UAMPS All Requirements Project Memo. Jason reported that UAMPS is working on putting together an all requirements project, similar to how UMPA operates. UAMPS is currently all project-based. With the energy day ahead market and various other things happening at the market level and the transmission level, some UAMPS members have requested that UAMPS explore an all requirements project so the members do not need to worry about power supply. Jason reviewed the UAMPS all requirements project memo, which outlined the project parameters, benefits, transition concerns, and how all requirements will work under the EDAM structure. The board and staff discussed how we currently operate to meet our resource requirements and what it would look like under an all requirements model.
8. Review of Capital Plan. The capital plan is currently being reviewed and hasn't been finalized yet. The projects on the table include a new office building, a fire suppression system for generation, xeriscaping for the college substation, modifications to the campus, a new communications building, configuration for fleet maintenance, and phased development of office buildings. The board discussed the need for an upgrade or screening of the college substation because of nearby arts developments. They considered the timing and cost-sharing with developers, but no decision was made. They talked about plans to demolish condemned buildings (the gas plant and cold storage) and to reconfigure the warehouse and shop areas. Some current capital investments include unit overhauls, upgrades to plant relays (starting at the end of 2025 and finishing in 2026), a new generation battery and engine (related to impact fees), and the replacement of plant one (fully loaded at \$38 million, also related to impact fees). Some key projects include the Jailhouse Tap Transmission Line South Extension, the Southfield substation, the Midway substation High side Rebuild (\$5.4 million), the North Dam POD substation (\$15 million), and the Daniels Canyon substation (\$15 million). They discussed eligibility for impact fees and how costs would be allocated.

[Director Christensen exited the meeting at 5:50 pm. Director Payne was asked to conduct the remaining portion of the meeting. Director Crittenden exited the meeting at 6:15 pm.]

9. Wholesale Power Report. Emily Brandt presented her wholesale power costs: we're currently saving about \$7 per megawatt, which is under budget. Energy usage has jumped 7% compared to last year, while we had only expected a 5% increase. However, we need to keep an eye on potential risks like rising prices this summer and possible cuts in hydropower because of drought and environmental rules.
10. GM Report.
UAMPS Report. Jason Norlen gave an update on UAMPS's preparation for the energy day-ahead market, some delays with the IPP project (gas units might not be up and running until August-September), and the capital plan for replacing Plant One, which includes a conceptual design for up to six bays and considerations for the gas line.
Building Update. Jason invited the board to for a walkthrough of the building in June and to look over the Peaker plant site. Chair Franco suggested meeting there at 4 PM. Jason noted we can always push it to July if there are any safety concerns.

No closed session was held.

With no further business to discuss, Director Payne asked for a motion to adjourn the meeting.

Motion: Director Cheatwood moved to adjourn the meeting. Chair Franco seconded the motion.

The motion carried with the following vote:

Board Chair – Heidi Franco: Approve

Director – Kevin Payne: Approve

Director – Brenda Christensen: Not Present

Director – Aaron Cheatwood: Approve

Director – Kendall Crittenden: Not Present

Director – Sid Ostergaard: Not Present

Meeting adjourned.

Rylee Allen
Board Secretary