



## HEBER LIGHT & POWER COMPANY

31 South 100 West  
Heber City, Utah 84032

### BOARD MEETING

June 25, 2025

The Board of Directors of Heber Light & Power met on June 25, 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  
Director – Kendall Crittenden: Present

**Others Present:** Jason Norlen, Bart Miller, Adam Long, Karly Schindler, Rylee Allen, Riley Wright, Colby Houghton, Jordan Behunin, Mark Nelison, and Cliff Blonquist.

Chair Franco welcomed those in attendance.

1. Consent agenda - approval of a) May 28, 2025, and June 6 special meeting board minutes, b) May 2025 Financial Statements, c) May 2025 Warrants. Director Franco asked for a motion to approve the Consent agenda.  
Motion. Director Christensen moved to approve the Consent agenda with changes to the June Special Meeting Minutes, correcting the amount to 3.2 million. 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: Approve  
Director – Aaron Cheatwood: Not Present  
Director – Kendall Crittenden: Approve

The Chair asked the board to move to item 7.

7. System Inspection Update. Jordan Behunin talked about the possibility of service expansion on the north side of Heber, and has added over 500+ acres to our service territory. Jason reminded the board that within the service territory, HLP has a responsibility to provide power within these boundaries.  
During the presentation, Jordan shared some drone inspections that were done in the Oak Haven and Swiss Alpine regions. The inspections revealed some maintenance issues that require

attention. He showed images of some of the problems they discovered and mentioned that teams were sent out to fix them. Using a drone allows us to inspect large areas that are not easily visible from the ground. Chair Franco is requesting another update in approximately six months.

Director Cheatwood entered the meeting.  
The board returned to item 2.

2. State Ombudsman Report. Jason gave a quick background on Cliff Blonquist. Cliff has been the ombudsman since 2011, to assist customers residing outside the owner's cities who may have questions or concerns. Cliff reported he hasn't received any complaints and values our efforts, and believes we are performing exceptionally well.
3. Discussion on Heber Valley Railroad Request for Land Lease. Jason Norlen presented a map of the property where Heber Valley Railroad is requesting an easement on our operations property. Our fence will need to be repositioned, extending approximately 59 feet from north to south. Mark Nelison is requesting a lease-to-own option for the easement, so the railroad could have additional space to have a driveway to facilitate deliveries. Currently, neither side is in a rush to relocate the fence. Jason mentioned that a few additional utility-related issues still require resolution. The board is interested in getting a survey followed by drafting a contract.
4. Discussion on Levelized Cost of Energy (LCOE) Regarding the Replacement of Plant One, including the Calculation for Unit Strike Price. Jason explained how utility companies assess the value that the new generation brings and the related costs. With the help of comparison charts on fuel price sensitivity, he categorized different types of projects. Last month, we also explored gas peaking. Staff have conducted research and analyzed the best approach for replacing Plant One. Emily Brandt provided her calculations and estimates of what the costs should be. Bart Miller, on the other hand, performed his analysis independently of Emily. He shared that he averaged the past five years of unit runs and focused on the engine with the most efficient rate. His approach involved six units, while forecasting one unit added each year. In the end, Bart's estimates were lower compared to Emily's. They also discussed the differences between generation and market costs, along with the various factors influencing strike potential for each gas unit.
5. Discussion on Return On Investment (ROI) for Future Substations and Other Capital Projects as it Relates to Cost of Service (COS). HLP has an agreement with Caterpillar for the procurement of three generators. As our business expands, our inventory needs to increase to meet customer demands. We require the means to finance the infrastructure necessary for growth.
6. Discussion and Possible Approval of Manufacturer Selection for the Procurement of Gas Plant (GSU) Transformer. Patricio reviewed the four proposals that HLP received for the gas plant GSU Transformer. The products from these four companies align with our criteria. They share similarities in several areas. Hitachi ABB has a lead time of 2 years and 3 months, and they are located in Mississippi. After considering HLP's evaluations, it seems appropriate to choose Hitachi ABB for the award. When bonding is involved, a 40% deposit is required. HLP has a lot of work before we can proceed with this plant. This is related to the impact fee.

Motion: Director Cheatwood moved to proceed with the bid from Hitachi ABB. Director Crittenden 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

8. GM Report.

IPA Update. Jason reported that IPA is currently running 3 coal units in operation, with 1 unit running until the end of June and 2 units operating throughout July. The transition to coal reduction will depend on when the grid is ready for the gas units. Once that occurs, we will solely receive natural gas from the IPP plant.

Schedule. The board would like to do some strategic planning. The board decided to hold the strategic planning discussion after the regular board meetings in August and September.

Chair Franco 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