

**INTERMOUNTAIN POWER AGENCY
BOARD OF DIRECTORS MEETING
MAY 20, 2024**

MINUTES

A meeting of the Intermountain Power Agency (IPA) Board of Directors was held on May 20, 2024, at the Intermountain Power Generating Station located at 850 West Brush Wellman Road, Delta, Utah, as well as via Zoom virtual meeting. The following participated:

BOARD MEMBERS PRESENT

Nick Tatton
Eric Larsen
Allen Johnson
Mark Montgomery
Bruce Rigby
Joel Eves
Jason Norlen

OTHERS IN ATTENDANCE

Cameron Cowan	IPA
Blaine Haacke	IPA
Linford Jensen	IPA
Vance Huntley	IPA
Cody Combe	IPA
Michelle Miller	IPA
Ryleigh Hair	IPA
Lisa Harris	IPA
Jessica DeAlba	IPA
Caitlyn Cottrell	IPA
Saif Mogri	IPA Consultant
Eric Bawden	Holland & Hart - Virtual
Mark Buchi	Holland & Hart – Virtual
Scott Hughes	Hurricane - Virtual
Jon Finlinson	IPSC
Kevin Miller	IPSC
Mike Nuttall	IPSC
Mark Shipley	IPSC
Dahl Dalton	IPSC
Mike Utley	IPSC
Zane Draper	IPSC
Scott Hughes	Hurricane – Virtual
Tom Cooper	Hyrum

Greg Huynh	LADWP
Lori Morrish	LADWP
Louis Ting	LADWP
Kevin Peng	LADWP
Greg Bellon	Murray - Virtual
Rob Hughes	Parsons, Behle & Latimer
Michael Brown	Parsons, Behle & Latimer
Abby Dizon Maughan	Parsons, Behle & Latimer

INTRODUCTIONS AND ANNOUNCEMENTS

The meeting commenced at 9:00 a.m. conducted by Chair, Nick Tatton. Mr. Tatton welcomed everyone to the meeting and introduced all who were attending and declared a quorum was present.

IPA BOARD CHAIR ITEMS

Mr. Tatton said all items are covered in the agenda today and there is nothing additional to report.

BOARD COMMITTEE REPORTS

Mr. Eves said the Governance Committee report will be given later in the meeting.

CONSIDERATION AND APPROVAL OF THE MARCH 5, 2024, AND APRIL 15, 2024, BOARD OF DIRECTORS MEETING MINUTES

Mr. Tatton asked for a motion to approve the March 5, 2024, and April 15, 2024, Board of Directors meeting minutes.

Mr. Johnson made a motion to approve the March 5, 2024, and April 15, 2024, Board of Directors meeting minutes. Mr. Rigby seconded the motion. A vote by all Board members participating in the meeting was taken and the vote was unanimous in the affirmative.

OPERATING AGENT AND PROJECT MANAGER REPORT AND Q&A

The Operating Agent and Project Manager Report and Q&A is deferred to later in the meeting.

IPA MANAGEMENT REPORTS

GENERAL MANAGER REPORT

Mr. Cowan said with the passing of Senate Bill 161, IPA is expecting a special session where IPA, Utah Legislative Leadership and the Governor's Office can work towards finding a reasonable path forward with SB161.

Mr. Cowan said the Property Tax Settlement has been agreed to by all parties, including other counties involved in the settlement. At this point the settlement is going through the administrative process with the Utah State Tax Commission.

Mr. Buchi said that in the status conference today, May 20, 2024, Judge Phan of the Utah State Tax Commission said the settlement had been signed by the Commission. This is the last remaining step from the Tax Commission.

Mr. Cowan said the August Board meeting will be held at a new location just outside of Park City, in Heber City, Utah.

Mr. Tatton thanked Mr. Cowan for his report.

ASSISTANT GENERAL MANAGER REPORT

Mr. Haacke said the update on the IPP Renewed Project will be given in the CC meeting later today by Ms. Morrish and Mr. Huynh as well as an update was given in the Subcommittee Report on May 6, 2024. There continues to be between 1,200 to 1,300 construction workers working on the Project.

Mr. Haacke said things are continuing to go well at the Project site.

Mr. Tatton thanked Mr. Haacke for his report.

ACCOUNTING MANAGER REPORT

Mr. Jensen directed the Board to the draft Financial Report for the period ending March 31, 2024, and compared the balances for March 2024 with those for March 2023.

Mr. Jensen reviewed the IPA A&G and Ongoing Finance Budget for fiscal year ending March 31, 2024. He reported that the electric plant in service is \$454.5 million more than in the previous period due to construction work in progress (CWIP) on the Renewal Project. The cash and cash equivalents are \$102.6 million more due to the issuance of the 2023 Series A&B Bonds. The credit to participants through March 2024 is just over \$36.8 million. Fuel expenses are \$23.3 million less than in the previous period. Maintenance and operation costs are \$8 million less. Fuel Inventories are just under a million more than in the previous period. The Long-term bonds payable are currently

\$1,797 million. The Long-term Drawdown Bonds as well as the Subordinated Notes balances are currently zero. The payments in aid of construction are \$278.3 million due to SCPPA making payments. The average cost of power is 57.9 mills/kWh.

Mr. Jensen said the Deloitte Auditors will be in IPA's office mid to late August to begin the IPA Annual Audit.

Mr. Tatton asked Mr. Jensen when the Credit to Participants gets distributed. Mr. Jensen said it gets distributed in October after the IPA Annual Audit is issued.

Mr. Jensen asked the Board for additional questions. There were none.

Mr. Tatton thanked Mr. Jensen for his report.

Report attached below.

TREASURY MANAGER REPORT

Mr. Huntley directed the Board to the Investment Report as of April 30, 2024. The total book value of the portfolio was \$112 million. The portfolio performance fiscal year to date is 4.515%. The portfolio structure includes 35% Corporate Notes, 36% US Treasury/Agency, 4% Commercial Paper, and 25% Money Market/Cash. 32% of the investment portfolio matures in less than three months, with 31% in three to six months, 18% in six months to one year, and 19% in one to three years. The weighted average life of the portfolio is 237 days.

Mr. Huntley directed the Board to the Construction Fund Investment Report as of April 30, 2024. The total book value of the portfolio was \$1,083 million. The portfolio performance fiscal year to date is 5.043%. The portfolio structure includes 70% US Treasury/Agency, 15% Corporate Notes, none in Commercial Paper, and 15% Money Market/Cash. 38% of the investment portfolio matures in less than three months, with 16% in three to six months, 21% in six months to one year, 21% in one to three years, 2% in three to five years, and 2% in beyond five years. The weighted average life of the portfolio is 254 days.

Mr. Huntley reviewed the Investment Portfolio – Construction Fund Investments by Fund as of April 30, 2024, including the Tax- Exempt Construction Fund; Taxable Construction Fund; Debt Service Fund; Debt Service Reserve Fund; Decommissioning Fund; Hydrogen Fund; Hydrogen Reserve; and the STS Construction Fund.

Mr. Tatton asked Mr. Huntley if the plan is still to do the 3rd Tranche of financing in the 4th quarter of 2024. Mr. Huntley said yes and gave the Board a market overview of the current movement of rates.

Mr. Huntley asked the Board for questions. There were none.

Mr. Tatton thanked Mr. Huntley for his report.

Report attached below.

AUDIT MANAGER REPORT

Mr. Combe directed the Board to the Audit Manager's Report as of May 20, 2024, and reported there was one audit report issued since the last board meeting including the IPA Vacation Accrual and Leave – Calendar Year Ending December 31, 2023. IPA has implemented a new payroll software, Paylocity, to increase the ability to track employees' vacation and leave time. The new software is working well.

Mr. Combe reported that there is one audit in the reporting stage including the IPSC Contracts and Disbursements – November 2017-June 2021.

There are currently three audits in the field work stage including the Operating Agent Billings (LADWP) – fiscal year ending June 30, 2019, and fiscal year ending June 30, 2020, and fiscal year ending June 30, 2021; the Segregation of Duties Review IPA Office and Bank Access; and the Quarterly Investment Reviews.

Finally, there are currently two audits in the planning stage including the Project Manager Costs Audit – June 2016-June 2023; and the Renewal Project Contractor Compliance Audit.

Mr. Combe thanked Ms. Ryleigh Hair for her hard work at IPA. Her last day will be Wednesday, May 22, 2024.

Mr. Combe asked the Board for questions. There were none.

Mr. Tatton thanked Mr. Combe for his report.

Report attached below.

ENVIRONMENTAL UPDATE

Mr. Finlinson said the IPSC Environmental team is working on the EPA Risk Management Program (RMP) report due May 28, 2024, and the Toxic Release Inventory Annual Report due June 30, 2024. The Annual Relative Accuracy Test Audit (RATA) testing is scheduled for July 10-15, 2024.

Mr. Finlinson said Buffos came onsite last week to spray bugs at the onsite reservoir for the Community Fun Walk. They also sprayed the Administration Building, Units, Converter Station, and DMAD Building and refilled the rodent bait stations.

Mr. Finlinson said a Magnesium Chloride application has been put on the dirt roads at IR and IPP for dust control.

Mr. Finlinson said the Utah Division of Water Rights came onsite on May 2, 2024, to inspect the dams at IPP. Everything checked out good. An inspection of the Fool Creek dams is scheduled for May 21, 2024.

Mr. Finlinson said the MATS Particulate (PM) and Hydrogen Chloride (HCl) performance testing went well. The preliminary results are all below the Low Emission Electric Unit (LEE) limits of 0.015 lb/mmBtu for PM and 0.001 lb/mmBtu for HCl.

Mr. Finlinson said on April 25, 2024, the EPA finalized four new power plant regulations including several actions under its Clean Air Act authority promulgating greenhouse gas (“GHG”) emissions performance standards for existing coal-, oil-, and gas-fired steam generating units and new and reconstructed gas-fired combustion turbines and modified coal-fired steam generating units. The new rule advances (CCS) as the best system of (BSER). The EPA finalized the inclusion of hydrogen on the list of fuels meeting the uniform fuels criteria in 40 CFR part 60, subpart TTTTa, but did not finalize a definition of low-GHG hydrogen nor finalize co-firing low-GHG hydrogen as a component of the BSER for base load or intermediate load combustion turbines. The IPP, ACES Project, IPA, and LADWP are each named in the rule. IPSC is reviewing this rule and the impacts.

The EPA also finalized new amendments to the MATS rule. The amendments revise the rule’s PM standard reducing the limit from of 0.030 pounds per million British thermal units (lb/MMBtu) of heat input to 0.010 lb/MMBtu, remove an alternative startup definition from the rule, and require coal units to install particulate matter continuous monitoring systems (PM CEMS) within 1,155 days of the amendments being published in the Federal Register. The IPSC Environmental team does not anticipate the new amendments will impact IPP. The particulate testing conducted by IPSC demonstrates that IPP operates below the revised PM standard, IPSC has never utilized the startup definition removed from the rule, and IPSC anticipates the coal units will be shut down before the time allotted to install PM CEMS expires.

The two other regulations, “Final Supplemental Effluent Limitations Guidelines and Standards for the Steam Electric Power Generating Point Source Category” and “Final Rule - Legacy Coal Combustion Residuals Surface Impoundments and CCR Management Units,” do not appear to apply to IPP.

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Mr. Finlinson said there is about 208 cfs coming into Sevier Bridge Reservoir and 755 cfs being released. The Sevier Bridge Reservoir is currently about 44% full. The snow water equivalents for the upper Sevier River and Sanpitch drainage areas are currently about 143% and 189% of normal respectively. The average amount of precipitation for the drainages is currently about 100% and 104% of normal.

Mr. Tatton thanked Mr. Finlinson for his report.

Report attached below.

ENGINEERING REPORT

Mr. Mogri, IPA's Engineering Consultant, provided a detailed report on the IPP Switchyard as of May 20, 2024, including the expansion, the repower and the existing breakers for the new switchyard. Mr. Mogri also explained what is to happen when the new converter station is built.

Mr. Tatton asked Mr. Peng to give the timeline of when the switchyard, converter station, synchronous condensers come online. Mr. Peng explained the estimated timeline of each item.

Mr. Tatton asked Mr. Mogri to provide the Board with his presentation. Mr. Mogri said he would have it emailed out.

Mr. Mogri asked the Board for questions. There were none.

Mr. Tatton thanked Mr. Mogri for the report.

Report attached below.

CONSIDERATION OF APPROVAL OF AMENDMENTS TO INTERMOUNTAIN POWER AGENCY POLICY ON ETHICAL BUSINESS CONDUCT

Mr. Eves said the IPA Governance Committee met with Holland & Hart and are recommending to the Board a few items be updated in the Intermountain Power Agency Policy on Ethical Business Conduct including the timing of when the training is held, and when the conflict of interest form is signed as well as cleaning up some of the language of the policy. The recommendation is to have the training and signatures in the first six months of each calendar year.

Mr. Cowan said the resource group contact information has also been updated as well.

Mr. Cowan said since the policy training has already taken place, he brought the conflict of interest forms for the Board to sign today.

Mr. Tatton asked Mr. Bawden if he had anything additional to add. Mr. Bawden said he did not have anything additional to add.

Mr. Tatton asked for a motion to approve the updated changes proposed by the IPA Governance Committee on the Intermountain Power Agency Policy on Ethical Business Conduct.

Mr. Rigby made a motion to approve the updated changes proposed by the IPA Governance Committee on the Intermountain Power Agency Policy on Ethical Business Conduct. Mr. Johnson seconded the motion. A vote by all Board members participating in the meeting was taken and the vote was unanimous in the affirmative.

Mr. Tatton asked for a motion to suspend the Board meeting during the IPP Coordinating Committee meeting and will reconvene upon its conclusion at approximately 1:00 p.m.

Mr. Norlen made a motion to suspend the Board meeting during the IPP Coordinating Committee meeting. Mr. Montgomery seconded the motion. A vote by all Board members participating in the meeting was taken and the vote was unanimous in the affirmative.

Mr. Tatton reconvened the Board meeting at 1:22 p.m.

OPERATING AGENT AND PROJECT MANAGER REPORT AND Q&A

Mr. Tatton asked the Board if they had any questions for Mr. Huynh, Operating Agent, and Ms. Morrish, Project Manager.

Mr. Tatton asked Mr. Huynh to give the Board a high-level overview of the Interconnection Queue process. Mr. Huynh explained to the Board the Interconnection Queue process including the collection of the \$250,000 application fee, the assigning of a queue number, the start of studies to see if the applicant's work will not adversely affect IPA's or LADWP's work, the signing of agreements, the assignment of a switchyard position, and build out of an interconnection position. Just because a customer has a switchyard position, it doesn't guarantee transmission.

Mr. Johnson thanked Mr. Huynh, Ms. Morrish and their teams for all their hard work on the Project.

Mr. Tatton thanked Mr. Huynh and Ms. Morrish.

RESOLUTION IPA-2024-007 CONSIDERATION OF APPROVAL OF ANNUAL BUDGET FOR FISCAL YEAR 2024-2025

Mr. Tatton asked Mr. Huynh to provide a description of Resolution IPA-2024-007. Mr. Huynh provided the description of the Annual Budget for the fiscal year 2024-2025 and asked if there were any questions. Hearing none, Mr. Tatton asked for a motion to approve Resolution IPA-2024-007.

Mr. Johnson made a motion to approve Resolution IPA-2024-007. Mr. Eves seconded the motion. A vote by all Board members participating in the meeting was taken and the vote was unanimous in the affirmative.

RESOLUTION IPA-2024-008 CONSIDERATION OF APPROVAL OF DELEGATION OF AUTHORITY TO NEGOTIATE AND EXECUTE CERTAIN AGREEMENTS ON BEHALF OF IPA

Mr. Tatton asked Mr. Huynh to provide a description of Resolution IPA-2024-008. Mr. Huynh provided the description of the delegation of authority to negotiate and execute certain agreements on behalf of IPA and asked if there were any questions. Hearing none, Mr. Tatton asked for a motion to approve Resolution IPA-2024-008.

Mr. Larsen made a motion to approve Resolution IPA-2024-008. Mr. Montgomery seconded the motion. A vote by all Board members participating in the meeting was taken and the vote was unanimous in the affirmative.

OTHER BUSINESS

There was none.

ADJOURN

Mr. Tatton thanked everyone for their comments.

Mr. Tatton asked for a motion to adjourn.

Mr. Rigby made a motion to adjourn. Mr. Norlen seconded the motion. A vote by all Board members participating in the meeting was taken and the vote was unanimous in the affirmative. The meeting was adjourned at 1:32 p.m.

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TIME AND PLACE OF NEXT SCHEDULED MEETING

Monday, July 15, 2024, 1:00 p.m., (MDT) at the Intermountain Power Agency located at 10653 S. River Front Parkway, Suite 120, South Jordan, Utah 84095.

Minutes taken by Michelle Miller.