

MEETING NOTICE & AGENDA

Heber Light & Power Company

31 South 100 West
Heber City, Utah 84032



Meeting Description **Heber Light & Power Board of Directors Meeting**

Results Desired **Heber Light & Power Business Discussion**

Date: **Wednesday, April 23, 2014 Time: 3:30 p.m.**

Location: **Heber Light & Power Business Office, 31 South 100 West, Heber City, Utah 84032**

Scheduled Time			Actual Time
Start	Stop		
3:30 p.m.	6:00 p.m.		
Persons Notified of Meeting			
1	Mayor Alan McDonald		
2	Mayor Colleen Bonner		
3	Mayor Robert Kowallis		
4	County Council Chair Jay Price		
5	Council Representative Kellen Potter		
6	Council Representative Heidi Franco		
Action Items			
✓	Regular Approval Items		
	*March Board Meeting Minutes		
	*March Financial Statement		
	*March Warrants		
✓	2014-2015 Insurance Renewal Proposal – Olympus Insurance		
✓	Authorization of review and potential modification of Impact Fee, Impact Fee Study and Impact Fee Facilities Plan		
✓	2014 COS – Rate Design Presentation and Recommendations – R. E. Pender		
✓	2013 Audit Report - Eide-Bailly		
✓	Discussion and Approval of Proposed Amendments to Organization Agreement and Bylaws		
✓	Resolution to approve the write-off for 2013 Street Lighting expense		
✓	First Quarter 2014 Dividends Resolution		
✓	General Manager’s Remarks		
✓	Work Session/Department Reports		
	Administration – General Business		
	Distribution – General Business		
	Generation – General Business		
	Substation / Technology – General Business		
	Legal – General Business		
	Note: The Board reserves the right to move into Executive Session on any of the items above.		

[illegible]



Heber Light & Power

Board of Directors Meeting

March 26, 2014

31 South 100 West
Heber City, Utah 84032

Board Members and Staff Present:

Mayor Alan McDonald
Mayor Colleen Bonner
Mayor Bob Kowallis
County Council Chairman Jay Price
Heber City Council Member Heidi Franco
Heber City Council Member Kelleen Potter
Blaine Stewart, General Manager
Harold Wilson, Distribution Operations Manager
Jason Norlen, Generation Manager
Jacob Parcell, Substation Technical Services Manager
Bart Stanley Miller, Accounting/Financial Manager
Karly Schindler, HR Specialist/Legal Assistant
Joe Dunbeck, General Counsel, via teleconference

Guests:

Jackie Coombs, UAMPS

The Chair called the meeting to order at 3:30 pm.

Regular Approval Items:

February 26, 2014 and March 14, 2014 Board Meeting Minutes:

Alan McDonald called for discussion on the February 26 and March 14 Board meeting minutes. No comments were made.

Motion to Approve February 26, 2014 and March 14, 2014 Board Minutes. Colleen Bonner moved to approve the February 26, 2014 Regular Board meeting minutes and the March 14, 2014 Special Board meeting minutes. Motion seconded by Heidi Franco. Motion passed, all in favor.

February 2014 Financial Statements:

Alan McDonald called for questions or comments on the February financial statements.

Heidi Franco asked Bart Miller to explain how the warrants tie to the financial statements. Bart explained that by nature of the two documents, they are not meant to tie together. The warrant list identifies the invoices that were paid during the month, but because of the timing of the payments they may not be included in that month's financial statement. Bart also explained that there might be other direct expenses that are not part of accounts payable that are included on the financial statement. Bart stated that he could provide a detailed ledger showing the breakdown of the financial statement.

Motion to Approve February 2014 Financial Statements. Jay Price moved to approve the February 2014 financial statements. Motion seconded by Colleen Bonner. Motion passed, all in favor.

February 2014 Warrants:

Alan McDonald called for discussion on the February warrants.

Kelleen Potter asked about the services provided by Stokes Strategies. Blaine Stewart explained that Spencer Stokes is a lobbyist on retainer with the Company who works closely with Joe Dunbeck in following legislation that may have an impact on the Company. The Board and Staff briefly discussed other items on the warrant list including the payments for the rate study, employee expenses, legal research expenses, professional services, and equipment expenses.

Motion to Approve February 2014 Warrants. Bob Kowallis moved to approve the February 2014 warrants. Motion seconded by Colleen Bonner. Motion passed, all in favor.

UAMPS Overview

Jackie Coombs, manager of customer and member relations for UAMPS, presented a brief overview of UAMPS's organization and its partnership with the Company. UAMPS organizes, develops, and finances generation and transmission projects for its members. The services provided by UAMPS provide economies of scale and member autonomy by allowing its members to select the projects that best fit their community needs. The Company currently participates with UAMPS in eight projects: Hunter Project, IPP, Horse Butte Wind Project, Pool Project, Craig-Mona Project, Member Services Project, Resource Project, and Government and Public Affairs Project. Jackie also provided the Board with an overview of the Company's resource portfolio and a snapshot of next year's forecast. The presentation included slides showing peak load growth, resource mix, resource breakdown, and average yearly energy costs billed through UAMPS.

General Managers Remarks:

Blaine Stewart informed the Board of the APPA National Conference in Denver, June 13-18. The conference includes breakout sessions related to governing bodies and municipal utility policies and procedures. The Company will sponsor the Board members that would like to attend. Blaine also provided the Board with information on the annual State Auditor training for municipal governing boards scheduled in May.

Blaine informed the Board that the Company has agreed on the draft contract with Probst Electric for construction of the first section of the 138kv line along Highway 40. The contract and related documents will be finalized for execution as soon as possible. The Company has the funds to pay for the project and will present the Board with a summary showing how the payments will be structured from the various funds.

Blaine announced that the Company received the APPA Safety Award for Excellence, which will be presented at APPA's annual meeting in April. The Company also received the IPSA safety award for five years without a lost-time accident. Blaine proposed that as a reward and in recognition of the employees' safe work practices that the Company purchase hats and shirts with the safety emblems printed on them for each employee. The cost would be approximately \$4,000 and would include FR rated shirts for the field employees. Colleen Bonner mentioned that it would be a good idea to publish an article in the Wave announcing the awards.

Blaine stated that Audit Committee had discussed meeting with Eide Bailly for a pre-audit presentation prior to the April Board meeting. That meeting has been tentatively scheduled for April 17 at 4:00 p.m. The Board discussed conflicts with that date and proposed changing the meeting to April 15 at 3:00 p.m.

Committee Resolutions:

Executive Committee:

Alan McDonald reviewed the proposed changes to the Executive Committee resolution and called for discussion. No comments were made.

Motion to Adopt Executive Committee Resolution. Colleen Bonner moved to adopt Resolution 2014-04 creating the Executive Committee. Jay Price seconded the motion. Motion passed, all in favor.

Facilities & Human Resource Committees:

The Board discussed the formation of the Facilities Committee. Alan McDonald proposed that instead of appointing the three mayors to the committee, the committee could be structured to only require one director from the ownership of the Company to allow for the other directors or their appointees to sit on the committee. Jason Norlen explained that the committee is a recommending body that would meet on an as needed basis to give guidance and direction to the full Board regarding facilities plans. A member of management will participate on the committee depending on the type of project. The Board also discussed the possibility of having members of the community participate on the committee. Kelleen Potter pointed out that the current bylaws only allow for the committees to be composed of the three mayors. Bob Kowallis mentioned that the contemplated revisions to the bylaws would allow for an alternate structure, but acknowledged that the revised bylaws have not been adopted yet.

Motion to Postpone Formation of Facilities and Human Resource Committees: Colleen Bonner moved to postpone forming the Facilities and Human Resource Committees until the resolution amending the bylaws has been adopted. Bob Kowallis seconded the motion.

Discussion: Heidi Franco stated that having members of the community on the facilities committee would be way to promote the Company. Bob and Colleen mentioned that revising the bylaws would accomplish that option.

Alan McDonald called for a vote on the motion. Motion passed, all in favor.

Staff Reports:

Legal. Joe Dunbeck reported that after the Probst contract is finalized, he will begin working on the contract for the next phase of that project. He is also working on a legislation report for the Board.

Distribution. Harold Wilson reported that the reconductor job on 500 East is complete and the next project will be in Daniel. His crew is also working on resolving some longstanding street light issues. Harold stated that temporary power installations and blue stake requests have increased dramatically. On April 10 he will meet with the Wasatch County Planning Commission for a conditional use permit for the continuation of the 138kv line from Coyote Lane to the Heber City Limits.

The Board briefly discussed the issue of impact fees and the process involved in setting new impact fees in light of the current growth in the community. Blaine Stewart stated that the best place to start would be for the Board to review the impact fee study that was done last year. Blaine also mentioned the issue of the renewal of the liability insurance and the possibility of having a special board meeting prior to the next regular board meeting to discuss impact fees as well as the liability insurance proposal.

Substation. Jake Parcell reported that the new transformer at the Jailhouse substation is energized and online. The next portion of the project is installing some protective devices and additional equipment to help with capacity and paralleling. Jake also reported that they are doing inspection and maintenance on the upper and lower Snake Creek plants to make sure that the plants are ready for the water season. The metering department is gearing up for the AMI software and system conversion. The conversion will begin the first of April and is expected to take about five months. They are also in the process of changing out three-phase meters. Jake also stated that his crew will be aiding in the construction of the 138kv line by working on a Jordanelle tie.

Jake finally reported that the open position of Substation apprentice was ultimately filled in-house. Chase Brereton was selected to fill that position. Chase will enter the electrician apprentice program and then move through the substation apprentice program.

Administration. Bart Stanley Miller did not have anything to report beyond the warrants and financials discussed earlier.

Generation. Jason Norlen reported that Unit 4 is back online and Units 5 and 6 are down for installation of oxidation catalysts as required by a new EPA regulation. Jason mentioned that he is working on securing an extension of a power purchase for 2017-2022. Jason stated that if the Board had any questions about Jackie Coombs' presentation on UAMPS, he could provide them with additional information. Jason also reported that he is analyzing

the presentations from the RFQ and will bring a recommendation to the Board in the near future.

Heidi Franco asked if the report on the RFQ would be next month or in May. Jason stated that since the agenda for April is quite full, that it could wait until May. The Board discussed the need for a special Board meeting in April to address impact fees and the insurance proposal.

Additional Business:

Alan McDonald asked if there were any other items of discussion.

The Board briefly discussed possible names of community members for the Facilities Committee. Alan stated that once the bylaws are revised, he would open it up to the directors to decide which committee they would like to be on and then propose other members for the committees.

Heidi Franco moved to adjourn the meeting. Motion seconded by Bob Kowallis. Motion passed, all in favor.

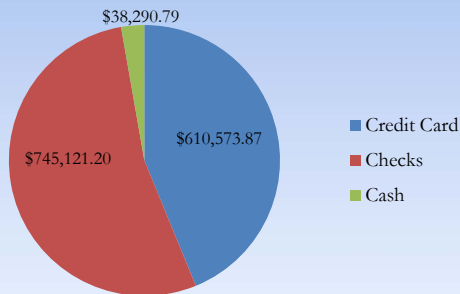
Meeting adjourned.

Heber Light / Power - Operations Report

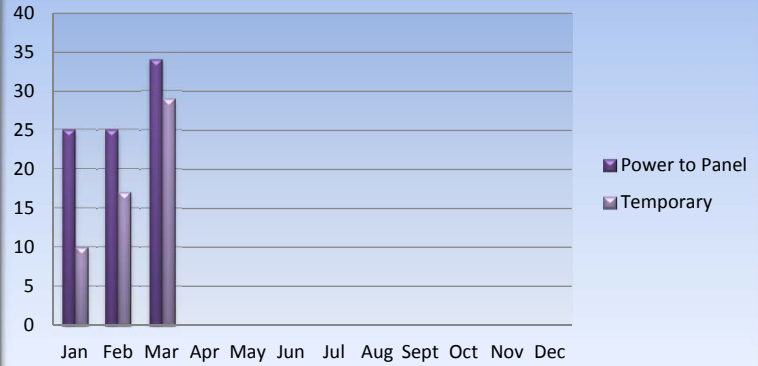
As of 03/31/2014

March/2014 - Payments

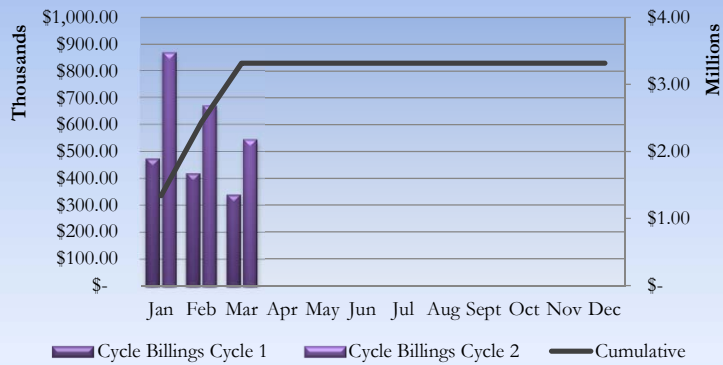
(84% Processed at Business Office)



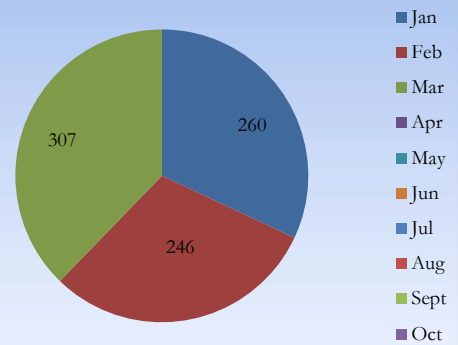
Service Connects



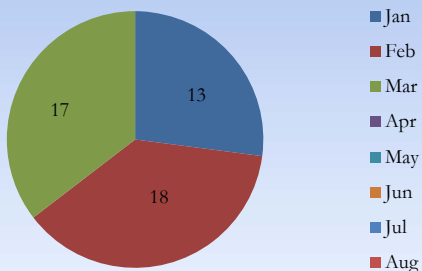
2014 - Billing Amounts



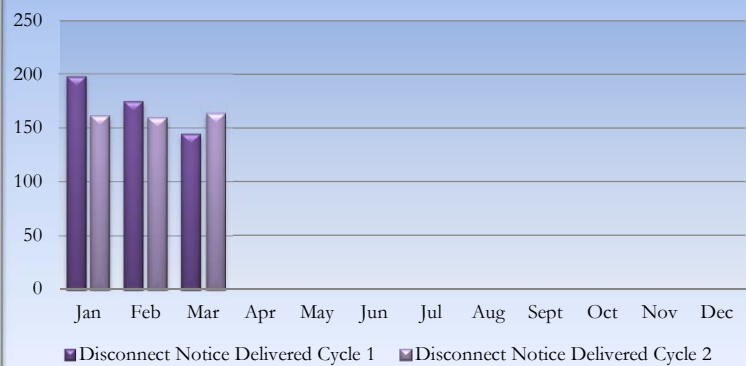
Service Orders Processed



Impact Fee - # of Certificates



Disconnect Notices Delivered





Description	Budget 2014	January	February	March	April	May	June	YTD	25% of Year Elapsed
Income									
Electricity Sales	\$ 14,150,240	\$ 1,360,918	\$ 1,241,272	\$ 825,794				\$ 3,427,984	24%
Service Fees	\$ 25,141	\$ 1,616	\$ 1,782	\$ 2,200				\$ 5,598	22%
Penalties	\$ 40,700	\$ 2,925	\$ 3,265	\$ 2,998				\$ 9,188	23%
Interest	\$ 22,800	\$ 1,590	\$ 1,360	\$ 1,526				\$ 4,475	20%
Misc	\$ 41,352	\$ 4,463	\$ 6,210	\$ 208				\$ 10,881	26%
Construction & Impact Fees	\$ -	\$ 29,080	\$ 66,336	\$ 100,822				\$ 196,238	-
Total Budgeted Income	\$ 14,280,233	\$ 1,400,591	\$ 1,320,226	\$ 933,547				\$ 3,654,364	26%
General Expenses									
Power Purchases	\$ 6,057,312	\$ 642,088	\$ 602,599	\$ 805,467				\$ 2,050,153	34%
Gas Generation - Maint/Fuel	\$ 641,357	\$ (42,397)	\$ 157,198	\$ 61,935				\$ 176,736	28%
Wages	\$ 2,897,142	\$ 259,214	\$ 214,951	\$ 222,881				\$ 697,046	24%
Retirement	\$ 510,181	\$ 26,167	\$ 39,479	\$ 40,438				\$ 106,084	21%
Payroll Taxes	\$ 227,784	\$ 22,148	\$ 18,634	\$ 19,194				\$ 59,976	26%
Materials	\$ 475,000	\$ 765	\$ 264	\$ 2,710				\$ 3,739	1%
Communications	\$ 69,432	\$ 3,332	\$ 8,394	\$ 1,698				\$ 13,425	19%
Vehicle Expense	\$ 252,000	\$ 8,450	\$ 11,213	\$ 9,703				\$ 29,366	12%
Liability Insurance	\$ 165,000	\$ -	\$ -	\$ -				\$ -	0%
Employee Insurance	\$ 675,024	\$ 91,076	\$ 38,282	\$ 55,542				\$ 184,900	27%
Repairs/Maint/Training	\$ 300,000	\$ 19,954	\$ 7,875	\$ 8,317				\$ 36,146	12%
Building Maint	\$ 12,000	\$ 8,210	\$ 8,036	\$ 5,614				\$ 21,861	182%
Office/System Supplies	\$ 63,105	\$ 6,812	\$ 4,029	\$ 6,447				\$ 17,287	27%
Postage	\$ 42,000	\$ 3,052	\$ 3,562	\$ 3,026				\$ 9,640	23%
Travel	\$ 75,000	\$ -	\$ 2,020	\$ 3,332				\$ 5,351	7%
Misc (Professional Services)	\$ 200,000	\$ 24,611	\$ 6,369	\$ 42,345				\$ 73,324	37%
Interest	\$ 374,125	\$ 31,177	\$ 31,177	\$ 31,777				\$ 94,131	25%
Zions Bond	\$ 325,000	\$ 27,500	\$ 27,500	\$ 27,500				\$ 82,500	25%
Dividends	\$ 300,000	\$ -	\$ -	\$ 75,000				\$ 75,000	25%
Total Budgeted Expenses	\$ 13,661,462	\$ 1,132,159	\$ 1,181,581	\$ 1,422,926				\$ 3,736,666	27%
Capital Expenses									
Distribution/Generation	\$ 1,190,000	\$ 71,585	\$ 43,876	\$ 31,988				\$ 147,449	12%
Substations	\$ 190,000	\$ 1,547	\$ 2,493	\$ 10,438				\$ 14,478	8%
Trucks and Motor Vehicles	\$ 105,600	\$ 14,265	\$ 9,092	\$ 13,813				\$ 37,170	35%
Machinery/Tools	\$ 40,000	\$ 315	\$ 7,544	\$ 2,623				\$ 10,482	26%
Systems & Technology	\$ 69,000	\$ 6,315	\$ 3,659	\$ -				\$ 9,974	14%
Building Improvements	\$ 180,000	\$ -	\$ -	\$ -				\$ -	0%
Total Capital Expenses	\$ 1,774,600	\$ 94,028	\$ 66,664	\$ 58,862				\$ 219,553	12%
Total Budget Expenditures	\$ 15,436,062	\$ 1,226,186	\$ 1,248,245	\$ 1,481,787				\$ 3,956,219	26%
Inventory		\$ 18,160	\$ 10,318	\$ 59,335				\$ 87,813	-
Depreciation	\$ 1,831,728			\$ 446,142				\$ 446,142	24%

Report Criteria:

Detail report.

Invoices with totals above \$0 included.

Only paid invoices included.

Invoice Detail.GL Period = 0314

GL Account Number	Vendor	Vendor Name	Description	Invoice No	Inv Date	Amount
114000 INVENTORY						
114000	287	CODALE ELECTRIC SUPPLY, IN	T-Plate	S5010705.00	01/30/2014	36.25
114000	287	CODALE ELECTRIC SUPPLY, IN	Spool Tie, Range 7560.855	S5029406.00	03/14/2014	316.50
114000	287	CODALE ELECTRIC SUPPLY, IN	Fuse, Line, 6 AMP	S5042697.00	03/14/2014	98.70
114000	287	CODALE ELECTRIC SUPPLY, IN	Fuse, Line, 8 AMP	S5042697.00	03/14/2014	65.80
114000	287	CODALE ELECTRIC SUPPLY, IN	Fuse, Line, 20 AMP	S5042697.00	03/14/2014	32.90
114000	287	CODALE ELECTRIC SUPPLY, IN	Fuse, 40 AMP, SMU 20	S5042697.00	03/14/2014	384.85
114000	287	CODALE ELECTRIC SUPPLY, IN	Washer, Curved, 5/8 Inch x 3 Inch	S5042697.00	03/14/2014	70.20
114000	287	CODALE ELECTRIC SUPPLY, IN	Crossarm Brace, Small	S5042697.00	03/14/2014	335.20
114000	287	CODALE ELECTRIC SUPPLY, IN	Guy Guard, Yellow	S5042697.00	03/14/2014	91.80
114000	287	CODALE ELECTRIC SUPPLY, IN	Standoff, Clover Leaf	S5042697.00	03/14/2014	521.75
114000	287	CODALE ELECTRIC SUPPLY, IN	AMP, White Shells	S5042697.00	03/14/2014	160.05
114000	287	CODALE ELECTRIC SUPPLY, IN	AMP, Yellow Shells	S5042697.00	03/14/2014	160.05
114000	287	CODALE ELECTRIC SUPPLY, IN	AMP, Miniwedge, Tap Cover, Sm	S5042697.00	03/14/2014	216.25
114000	287	CODALE ELECTRIC SUPPLY, IN	AMP Connector, 477 - 477	S5042697.00	03/14/2014	450.60
114000	287	CODALE ELECTRIC SUPPLY, IN	AMP Connector, #2 - #2, 1/0 - #4	S5042697.00	03/14/2014	97.75
114000	287	CODALE ELECTRIC SUPPLY, IN	Conductor, UG, Primary, 1100, M	S5042697.00	03/14/2014	10,010.00
114000	287	CODALE ELECTRIC SUPPLY, IN	Conductor, UG, Primary, 1100, M	S5042697.00	03/14/2014	10,010.00
114000	287	CODALE ELECTRIC SUPPLY, IN	Conductor, UG, Primary, #2	S5042697.00	03/14/2014	5,000.00
114000	287	CODALE ELECTRIC SUPPLY, IN	Conductor, UG, Primary, #2	S5042697.00	03/14/2014	5,000.00
114000	287	CODALE ELECTRIC SUPPLY, IN	Secondary Junction Box, Flat Top	S5042697.00	03/14/2014	280.10
114000	287	CODALE ELECTRIC SUPPLY, IN	Conductor, UG, Secondary, 4/0, T	S5042697.00	03/14/2014	1,410.00
114000	287	CODALE ELECTRIC SUPPLY, IN	Conductor, UG, Secondary, #2, Q	S5042697.00	03/14/2014	750.00
114000	287	CODALE ELECTRIC SUPPLY, IN	Light Bulb, 150 Watt, ED-235	S5042697.00	03/14/2014	230.16
114000	287	CODALE ELECTRIC SUPPLY, IN	Transformer, Padmount, 1 Phase,	S5042697.00	03/14/2014	2,100.00
114000	287	CODALE ELECTRIC SUPPLY, IN	Conductor, UG, Primary, 1100, M	S5042697.00	03/14/2014	10,010.00
114000	287	CODALE ELECTRIC SUPPLY, IN	Dead End, #6, ADEZ61LD	S5042697.00	03/14/2014	419.08
114000	287	CODALE ELECTRIC SUPPLY, IN	(Stock Order)Termination, Cold S	S5042697.00	03/18/2014	769.84
114000	287	CODALE ELECTRIC SUPPLY, IN	(Stock Order)Termination, Cold S	S5042697.00	03/27/2014	384.92
114000	287	CODALE ELECTRIC SUPPLY, IN	Switch, OH, Gang Operated, 3 Ph	S5044455.00	03/13/2014	9,345.00
114000	287	CODALE ELECTRIC SUPPLY, IN	Bushing, Transformer, Bird Guard	S5053784.00	03/27/2014	400.80
114000	287	CODALE ELECTRIC SUPPLY, IN	Guy Wire, 1/2 Inch, Reel	S5053784.00	03/27/2014	176.25
Total 114000 INVENTORY:						59,334.80
152000 MACHINERY, EQUIPMENT & TOOLS						
152000	287	CODALE ELECTRIC SUPPLY, IN	Omega II hard hat	S5011170.00	03/27/2014	149.26
152000	287	CODALE ELECTRIC SUPPLY, IN	Elster replacement battery	S5011170.00	03/27/2014	172.80
152000	287	CODALE ELECTRIC SUPPLY, IN	Scanner for warehousing	S5041474.00	03/14/2014	2,110.00
152000	1091	WASATCH AUTO PARTS	WORKSHOP VISE - MOTLEY	28319	03/12/2014	190.89
Total 152000 MACHINERY, EQUIPMENT & TOOLS:						2,622.95
162000 CAPITAL IMPROVEMENTS						
162000	287	CODALE ELECTRIC SUPPLY, IN	12 AWG wire	S5053526.00	03/24/2014	109.00
162000	385	ELECTRICAL RELIABILITY SER	Protective device testing	1105675	03/18/2014	10,329.00
162000	1337	WINN-MARION BARBER, LLC	MB60-SS-16-H Catalyst	73526	03/31/2014	26,790.00
162000	1337	WINN-MARION BARBER, LLC	HAP-Guard Catalyst Monitoring S	73526	03/31/2014	5,198.00
Total 162000 CAPITAL IMPROVEMENTS:						42,426.00

GL Account Number	Vendor	Vendor Name	Description	Invoice No	Inv Date	Amount
199000 UTILITY CASH CLEARING						
199000	1340	ANDERSON, WILLIAM	REFUND OPAY TERM ACCT 57	03/14	03/07/2014	22.84
199000	1339	GUSTIN, KLAY	REFUND OPAY TERM ACCT 57	03/14	03/07/2014	8.12
199000	1341	WARDELL, SKYLER	REFUND OPAY TERM ACCT 20	03/14	03/19/2014	56.28
Total 199000 UTILITY CASH CLEARING:						87.24
210000 SALES TAX PAYABLE						
210000	964	STATE TAX COMMISSION-SALE	FEB SALES TAX	03/14	03/26/2014	44,787.02
Total 210000 SALES TAX PAYABLE:						44,787.02
211000 FWT						
211000	558	IRS-PAYROLL W/H	FWT	03/14A	03/07/2014	15,554.03
211000	558	IRS-PAYROLL W/H	FWT	03/14B	03/21/2014	15,243.51
Total 211000 FWT:						30,797.54
211200 STATE WITHHOLDING PAYABLE						
211200	965	STATE TAX COMMISSION-W/H	MARCH 11925586-003-WTH	03/14	03/26/2014	11,366.62
Total 211200 STATE WITHHOLDING PAYABLE:						11,366.62
215000 SALARY DEFERRAL						
215000	1065	UTAH STATE RETIREMENT	EMPLOYEE	03/14A	03/07/2014	7,573.84
215000	1065	UTAH STATE RETIREMENT	EMPLOYEE	03/14D	03/21/2014	7,573.84
Total 215000 SALARY DEFERRAL:						15,147.68
216000 ENERGY TAX HEBER						
216000	480	HEBER CITY CORPORATION	FEB ENERGY TAX REIMB	03/14A	02/28/2014	33,472.35
Total 216000 ENERGY TAX HEBER:						33,472.35
217000 ENERGY TAX MIDWAY						
217000	705	MIDWAY CITY OFFICES	FEB ENERGY TAX REIMB	03/14	02/28/2014	15,233.59
Total 217000 ENERGY TAX MIDWAY:						15,233.59
218000 ENERGY TAX CHARLESTON						
218000	267	CHARLESTON TOWN	MARCH ENERGY TAX REIMB	03/14	03/31/2014	1,232.10
Total 218000 ENERGY TAX CHARLESTON:						1,232.10
219000 ENERGY TAX DANIEL						
219000	323	DANIEL TOWN	MARCH ENERGY TAX REIMB	03/14A	03/31/2014	1,056.18
Total 219000 ENERGY TAX DANIEL:						1,056.18
250000 CAPITAL LEASE PAYABLE						
250000	139	ALTEC CAPITAL SERVICES	LEASE 43953	00272892	03/11/2014	4,720.74
250000	139	ALTEC CAPITAL SERVICES	LEASE 41734	272891	03/11/2014	4,371.26
Total 250000 CAPITAL LEASE PAYABLE:						9,092.00
252000 2012 BONDS PRINCIPAL						
252000	1164	ZIONS 1ST NATIONAL BANK-TR	3535927 2012 BOND PRINCIPAL	03/14	03/26/2014	21,250.00

GL Account Number	Vendor	Vendor Name	Description	Invoice No	Inv Date	Amount
Total 252000 2012 BONDS PRINCIPAL:						21,250.00
255000 2010 BONDS PRINCIPAL						
255000	1164	ZIONS 1ST NATIONAL BANK-TR	3535925 2010A BONDS - PRINCI	03/14D	03/26/2014	6,250.00
Total 255000 2010 BONDS PRINCIPAL:						6,250.00
301000 HEBER CITY DIVIDENDS						
301000	480	HEBER CITY CORPORATION	1ST QUARTER DIVIDEND 2014	03/14C	03/31/2014	56,250.00
Total 301000 HEBER CITY DIVIDENDS:						56,250.00
302000 MIDWAY CITY DIVIDENDS						
302000	705	MIDWAY CITY OFFICES	1ST QUARTER DIVIDEND 2014	03/14A	03/31/2014	9,375.00
Total 302000 MIDWAY CITY DIVIDENDS:						9,375.00
303000 CHARLESTON TOWN DIVIDENDS						
303000	267	CHARLESTON TOWN	1ST QUARTER DIVIDEND 2014	03/14A	03/31/2014	9,375.00
Total 303000 CHARLESTON TOWN DIVIDENDS:						9,375.00
404000 Impact Fee Revenue						
404000	863	RICHMOND AMERICAN HOMES	REF OPAY IMP FEE LOT 76,25,9	03/14	03/07/2014	1,490.40
404000	863	RICHMOND AMERICAN HOMES	REF OPAY IMP FEE LOT 85 WP	03/14A	03/26/2014	496.80
404000	1113	WATTS	VALAIS LOT 250 OVERPAY IMP	03/14	03/26/2014	248.40
Total 404000 Impact Fee Revenue:						2,235.60
501000 POWER PURCHASES						
501000	1038	UAMPS	FEB ENERGY	03/14	02/28/2014	314,171.16
Total 501000 POWER PURCHASES:						314,171.16
505000 DIST/TRANSM MAINTENANCE						
505000	206	BLUE STAKES LOCATION CENT	LINE LOCATES - 335	UT20140057	03/31/2014	311.55
505000	323	DANIEL TOWN	EXCAVATION PERMIT FEE	03/14	03/26/2014	75.00
505000	386	ELECTRICAL WHOLESAL SUP	FREIGHT CHARGES - BOND	907049363	03/17/2014	25.00
505000	386	ELECTRICAL WHOLESAL SUP	ELBOW - CARLSON	907058445	03/19/2014	4.32
505000	386	ELECTRICAL WHOLESAL SUP	WIRE - STREET LIGHTS- DAYB	907073476	03/21/2014	174.78
505000	386	ELECTRICAL WHOLESAL SUP	150 FT WIRE - STREETLIGHTIN	907095096	03/26/2014	225.96
505000	386	ELECTRICAL WHOLESAL SUP	CLAMP METER 600A AC - BON	S2702931.00	03/12/2014	200.00
505000	637	LATIMER DO IT BEST HARDWA	COMPRESSION SPRINGS	B70478	03/11/2014	3.99
505000	637	LATIMER DO IT BEST HARDWA	CHAIN	C43047	03/14/2014	53.98
505000	1014	TIMBERLINE GENERAL STORE	PAINT; PIPE; LOCKPIN - MOTLE	061264/6	03/11/2014	35.07
505000	1014	TIMBERLINE GENERAL STORE	BATTERIES - TJ	061459/6	03/24/2014	21.98
505000	1014	TIMBERLINE GENERAL STORE	GLUE SEAL - BOND	061552/6	03/28/2014	3.99
505000	1014	TIMBERLINE GENERAL STORE	AIR FILTER; PLEATE - DALEY	61168/6	03/06/2014	96.98
Total 505000 DIST/TRANSM MAINTENANCE:						1,232.60
505100 HYDRO MAINTENANCE						
505100	386	ELECTRICAL WHOLESAL SUP	BLK CABLE TIE - DANIEL	S2698925.00	03/05/2014	7.38
505100	386	ELECTRICAL WHOLESAL SUP	RT ANG POWER PLUG	S2703008.00	03/12/2014	24.43
505100	958	STANDARD PLUMBING SUPPLY	LAKE CREEK MAINT SUPPLIES	BQKJ16,BQL	02/26/2014	29.80
505100	1172	ZIONS BANK - PARCREDITCAR	LUNCH - HYDRO MAINT ISSUE	03/14A	03/03/2014	26.32

GL Account Number	Vendor	Vendor Name	Description	Invoice No	Inv Date	Amount
Total 505100 HYDRO MAINTENANCE:						87.93
505200 SUBSTATION MAINTENANCE						
505200	386	ELECTRICAL WHOLESale SUP	3 FUSES - WHITELOCK	907080664	03/24/2014	14.22
505200	406	FASTENAL COMPANY	25 HCS 1/2-13X1; T190 JOBBER	UTHEB3086	03/19/2014	25.35
505200	406	FASTENAL COMPANY	1/2-13X2HCS S/S	UTHEB3091	03/21/2014	51.79
505200	825	PRAXAIR	STARGOLD	48867436	03/20/2014	22.91
Total 505200 SUBSTATION MAINTENANCE:						114.27
505600 BUILDING MAINTENANCE						
505600	215	BOYDS COFFEE COMPANY	Hot choc, CUPS, COFFEE	03/14	02/26/2014	291.14
505600	334	DAY'S MARKET	OFFICE CLEANING SUPPLIES	01-17050	03/05/2014	44.10
505600	334	DAY'S MARKET	DISP KITCH SUP	01-17954	03/06/2014	15.60
505600	479	HEBER APPLIANCE	COMPRESSOR MAIN ON ICE M	98139A-C	03/27/2014	1,620.31
505600	480	HEBER CITY CORPORATION	WATER SEWER	03/14B	03/31/2014	124.25
505600	744	NBC JANITORIAL SERVICES IN	JAN CLEANING DISP/OP CTR C	HL MAR 201	03/31/2014	1,250.00
505600	767	NUTECH SPECIALTIES	BATHROOM SUPPLIES	108016	03/07/2014	97.80
505600	845	QUESTAR GAS	2289910000 735 W 300 S	03/14A	04/09/2014	486.00
505600	845	QUESTAR GAS	8060020000 715 W 300 S	03/14B	04/09/2014	781.44
505600	845	QUESTAR GAS	1289910000 410 S 600 W	03/14C	04/09/2014	614.94
505600	1170	ZIONS BANK - MIFFCREDIT CA	VACUUM BAGS OFFICE VAC	03/14A	03/01/2014	14.48
Total 505600 BUILDING MAINTENANCE:						5,340.06
505800 TRAINING/EDUC/CLOTHING						
505800	277	CINTAS #180	OPERATIONS/SERVICE CLOTHI	180573741,1	03/25/2014	462.06
505800	1262	NEW HORIZONS LEARNING CE	Server Training (Patrick)	77788	03/13/2014	2,199.00
505800	759	NORTH, TJ	REIMB CLOTHING EXP- BOOTS	03/14A	03/13/2014	154.93
505800	759	NORTH, TJ	REIMB CLOTHING EXP- BOOTS	03/14A	03/13/2014	154.93
505800	856	REAMS BOOTS & JEANS	EMPLOYEE WORK CLOTHING	970462	03/15/2014	673.27
505800	856	REAMS BOOTS & JEANS	7 EMPL WORK CLOTHING	970465	03/29/2014	1,186.94
505800	1209	WESTERN TRADITIONS	CLOTHING - FORD	407	10/03/2013	40.95
505800	1209	WESTERN TRADITIONS	FR CLOTHING - BOND	420	10/18/2013	298.85
505800	1209	WESTERN TRADITIONS	WORK SHOES - PARCELL	461	12/14/2013	149.95
505800	1209	WESTERN TRADITIONS	CLOTHING - TJ NORTH	549	03/26/2014	75.90
505800	1344	ZIONS BANK - MILLCREDIT CA	APPA PUB UTIL ACCTG ENROL	03/14A	03/07/2014	1,795.00
Total 505800 TRAINING/EDUC/CLOTHING:						6,881.92
506000 MATERIALS - OPERATIONS						
506000	386	ELECTRICAL WHOLESale SUP	NUT DRIVER	1800190315	02/06/2014	46.79
506000	386	ELECTRICAL WHOLESale SUP	BUCKSKIN GLOVES - TUFT	907096033	03/26/2014	12.19
506000	386	ELECTRICAL WHOLESale SUP	BUCKSKIN GLOVES; PVC; NOR	907117478	03/31/2014	22.75
506000	386	ELECTRICAL WHOLESale SUP	EYEWEAR - CHAD	S2696499.00	03/03/2014	8.86
506000	386	ELECTRICAL WHOLESale SUP	3 PR BUCKSKIN GLOVES - KEL	S2696537.00	03/03/2014	63.00
506000	386	ELECTRICAL WHOLESale SUP	POCKET KNIFE - KELLY	S2696537.00	03/04/2014	39.80
506000	386	ELECTRICAL WHOLESale SUP	GLASSES (3); PLIERS; 300 FT C	S2697615.00	03/04/2014	128.21
506000	386	ELECTRICAL WHOLESale SUP	KLEIN TESTER KIT - SULLIVAN	S2698637.00	03/12/2014	199.00
506000	386	ELECTRICAL WHOLESale SUP	BUCKSKIN GLOVES - BRADY	S2701094.00	03/10/2014	21.00
506000	386	ELECTRICAL WHOLESale SUP	POCKET KNIFE; PLIERS - BAKE	S2703354.00	03/12/2014	59.22
506000	395	EPG TESTING & SAFETY TRAIN	GLOVE TESTING	1521	03/10/2014	305.00
506000	406	FASTENAL COMPANY	Ultra form glove xl	UTHEB3085	03/18/2014	110.16
506000	406	FASTENAL COMPANY	Ultra form glove	UTHEB3085	03/18/2014	110.16
506000	406	FASTENAL COMPANY	Ultra form glove	UTHEB3085	03/18/2014	110.16
506000	406	FASTENAL COMPANY	Knit Glove	UTHEB3085	03/18/2014	22.24
506000	406	FASTENAL COMPANY	Knit Glove	UTHEB3085	03/18/2014	22.24

GL Account Number	Vendor	Vendor Name	Description	Invoice No	Inv Date	Amount
506000	406	FASTENAL COMPANY	Pig mat	UTHEB3085	03/18/2014	218.00
506000	406	FASTENAL COMPANY	Pig mat	UTHEB3085	03/18/2014	108.80
506000	406	FASTENAL COMPANY	Brakleen	UTHEB3085	03/18/2014	161.16
506000	406	FASTENAL COMPANY	Knock'er loose	UTHEB3085	03/18/2014	145.96
506000	406	FASTENAL COMPANY	Ultra form glove xl	UTHEB3085	03/18/2014	109.76
506000	406	FASTENAL COMPANY	TRUCK 209 CALKING GUN	UTHEB3088	03/18/2014	7.86
506000	462	GREEN GUARD	Band aid	9511	03/12/2014	16.00
506000	462	GREEN GUARD	Finger band aid	9511	03/12/2014	27.00
506000	462	GREEN GUARD	El finger tip	9511	03/12/2014	10.00
506000	462	GREEN GUARD	Knuckle band aid	9511	03/12/2014	9.00
506000	462	GREEN GUARD	Large patch	9511	03/12/2014	10.00
506000	462	GREEN GUARD	Tri cut tape	9511	03/12/2014	5.00
506000	462	GREEN GUARD	Eye drop	9511	03/12/2014	32.00
506000	462	GREEN GUARD	Splinter out	9511	03/12/2014	8.00
506000	462	GREEN GUARD	bzk towels	9511	03/12/2014	5.00
506000	462	GREEN GUARD	Alcohol wipes	9511	03/12/2014	10.00
506000	462	GREEN GUARD	Cough drops	9511	03/12/2014	12.00
506000	462	GREEN GUARD	Pain and ache 250	9511	03/12/2014	32.00
506000	462	GREEN GUARD	Stomach 100	9511	03/12/2014	20.00
506000	462	GREEN GUARD	Stomach 250	9511	03/12/2014	30.00
506000	462	GREEN GUARD	lbpurp 250	9511	03/12/2014	32.00
506000	462	GREEN GUARD	Cough and cold 100	9511	03/12/2014	30.00
506000	462	GREEN GUARD	Aloe cream xl	9511	03/12/2014	60.00
506000	462	GREEN GUARD	Ointment XL	9511	03/12/2014	40.00
506000	462	GREEN GUARD	Alka pluss	9511	03/12/2014	81.00
506000	462	GREEN GUARD	Diomode	9511	03/12/2014	30.00
506000	462	GREEN GUARD	Diotame	9511	03/12/2014	60.00
506000	462	GREEN GUARD	Alka selser	9511	03/12/2014	27.00
506000	462	GREEN GUARD	Small band aid	9511	03/12/2014	9.00
506000	503	HICKEN OXYGEN	AIR/NTIROGEN RENTAL	03/14	03/30/2014	18.00
506000	927	SILVER EAGLE FEED & FUEL	GLOVES - BAKER	265192	03/20/2014	22.99
506000	1014	TIMBERLINE GENERAL STORE	PLIERS;DRILL BIT;BATTERY BO	061314/6	03/14/2014	16.47
506000	1091	WASATCH AUTO PARTS	DELUXE RATCHET - DALEY	27681	03/03/2014	25.33

Total 506000 MATERIALS - OPERATIONS:

2,710.11

507000 COMMUNICATIONS

507000	105	A T & T	435 654 1581 030 055 0933 001	03/14	03/06/2014	113.32
507000	105	A T & T	051 267 8562 001 LONG DISTAN	03/14A	03/24/2014	56.83
507000	105	A T & T	435 654 3059 051 308 7539 001	03/14B	04/01/2014	40.35
507000	133	ALL WEST COMMUNICATIONS	PHONE/INTERNET ACCT 15306	03/14	04/01/2014	1,091.39
507000	260	CENTURYLINK	435 657 3093 502B	03/14	03/19/2014	100.05
507000	260	CENTURYLINK	435 654 1581 83215989	03/14A	03/19/2014	17.10
507000	1075	VERIZON WIRELESS	742033846-0001 BROADHEAD R	03/14	03/01/2014	78.04

Total 507000 COMMUNICATIONS:

1,497.08

508000 TRUCKS

508000	356	DIVERSIFIED INSPECTIONS IN	LINE TRUCK SAFETY INSPECTI	235642	03/27/2014	1,980.00
508000	439	GASCARD, INC.	ACCOUNT BG 219735 GAS AND	NP40927820	04/04/2014	3,597.06
508000	623	LABRUM CHEVROLET	CHEV SILVERADO, LUBE, ROT	98699	03/13/2014	231.92
508000	623	LABRUM CHEVROLET	EXPL OIL CHANGE MAINT	98750	03/18/2014	46.66
508000	1051	UTAH COMMUNICATIONS INC	RADIO REPAIR - LINE TRUCK	106424	03/03/2014	126.55

Total 508000 TRUCKS:

5,982.19

513000 GAS GENERATION - FUEL COSTS

513000	845	QUESTAR GAS	506002000 CO GEN	03/14	03/31/2014	3,211.22
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GL Account Number	Vendor	Vendor Name	Description	Invoice No	Inv Date	Amount
Total 513000 GAS GENERATION - FUEL COSTS:						3,211.22
514000 GENERATION EXPENSE						
514000	386	ELECTRICAL WHOLESale SUP	BALLASTS - GAS PLANT	907096605	03/26/2014	45.00
514000	391	EMERALD RECYCLING	SYSTEM ONE RENTAL	I280010	03/31/2014	128.00
514000	406	FASTENAL COMPANY	1-8 TAPER TAP	UTHEB3083	03/14/2014	49.96
514000	637	LATIMER DO IT BEST HARDWA	MISC FASTENERS	C42953	03/12/2014	28.57
514000	1336	STAPLES CREDIT PLAN	Bar code printer	997365511	03/14/2014	104.09
514000	1336	STAPLES CREDIT PLAN	Sticker paper for bar codes	997365511	03/14/2014	30.58
514000	1336	STAPLES CREDIT PLAN	Tax	997365511	03/14/2014	.00
514000	1336	STAPLES CREDIT PLAN	Sticker paper for bar codes	997365511	03/14/2014	30.58
514000	1091	WASATCH AUTO PARTS	3' SWIVEL CASTER TUFT	28738	03/19/2014	14.90
514000	1131	WHEELER MACHINERY CO.	HEX BOLTS/NUTS	PS00004580	03/03/2014	289.90
514000	1131	WHEELER MACHINERY CO.	CABLE	PS00004580	03/03/2014	136.41
514000	1131	WHEELER MACHINERY CO.	CABLE/ADAPTER GP	PS00004693	03/05/2014	1,134.86
514000	1131	WHEELER MACHINERY CO.	Unit 13 G3516H PM (6000HR)	SS00000139	03/28/2014	6,743.75
514000	1131	WHEELER MACHINERY CO.	1,000 hr maintenance (unit 13)	SS00000141	03/31/2014	944.82
Total 514000 GENERATION EXPENSE:						9,681.42
601000 SALARIES ADMINISTRATIVE						
601000	480	HEBER CITY CORPORATION	BOARD STIPEND MAR 13	03/14	03/26/2014	950.64
Total 601000 SALARIES ADMINISTRATIVE:						950.64
602000 BUSINESS OFFICE SUPPLIES						
602000	278	CINTAS DOCUMENT MANAGEM	OFFICE DOCUMENT SHREDDIN	8400820514	03/07/2014	57.42
602000	692	MEDIAONE OF UTAH	ACCT CR384615 TRIBUNE 26 W	03/14	03/18/2014	91.00
602000	742	NATIONWIDE DRAFTING & OFF	COPY PAPER; CALC RIBB; CAL	14-49031	02/28/2014	165.45
602000	742	NATIONWIDE DRAFTING & OFF	CALCULATOR,TAPE,PAPER,FL	14-49086	03/05/2014	222.31
602000	1256	PURE WATER SOLUTIONS	34268136 WATER PURIFICATIO	34268136-03	02/25/2014	79.95
602000	1115	WAVE PUBLISHING CO.	BUSINESS CARDS - SCHINDLE	J67967	03/19/2014	43.50
602000	1115	WAVE PUBLISHING CO.	WINDOW ENVELOPES	J68070	03/30/2014	86.00
Total 602000 BUSINESS OFFICE SUPPLIES:						745.63
602100 OPERATIONS OFFICE SUPPLIES						
602100	215	BOYDS COFFEE COMPANY	Hot chocolate	03/14A	03/26/2014	49.92
602100	215	BOYDS COFFEE COMPANY	Cups	03/14A	03/26/2014	63.90
602100	215	BOYDS COFFEE COMPANY	Coffee	03/14A	03/26/2014	88.66
602100	1174	ZIONS BANK - WILCREDIT CAR	IPAD CASES	03/14E	02/28/2014	133.90
Total 602100 OPERATIONS OFFICE SUPPLIES:						336.38
602300 IT MAINT/SUPPORT						
602300	768	CANON SOLUTIONS AMERICA	COPY MAINT	4012543479	04/01/2014	45.92
602300	251	CASELLE, INC.	CONTR SUPP MAINT 3 1 THRU	55025	02/01/2014	800.67
602300	251	CASELLE, INC.	SUPPORT JULY 13	55677	03/01/2014	835.67
602300	338	DELL FINANCIAL SERVICES	RENTAL	77195110	03/13/2014	913.86
602300	386	ELECTRICAL WHOLESale SUP	CAT 6 MODULAR PLUGS - SULL	S2700469.00	03/07/2014	14.46
602300	386	ELECTRICAL WHOLESale SUP	MILW FORK METER - SULLIVAN	S2703948.00	03/13/2014	105.00
602300	1269	INTERMEDIA	EMAIL EXCHANGE HOSTING	2013168666	04/01/2014	640.34
602300	637	LATIMER DO IT BEST HARDWA	CIRCUIT TESTER, CAT 6 CABLE	B70660	03/13/2014	28.97
602300	907	SECURITY INSTALL SOLUTION	ACS WEB HOSTING SERVICE	4211	03/01/2014	190.00
602300	910	SENSUS METERING SYSTEMS	MONITORING SERVICE	ZZ14009937	03/12/2014	1,750.00
602300	1172	ZIONS BANK - PARCREDITCAR	SIMPLEHELIX - WEB HOSTING	03/14	02/21/2014	19.95
602300	1174	ZIONS BANK - WILCREDIT CAR	SIMPLEHELIX MONTHLY MAINT	03/14	02/15/2014	19.95

GL Account Number	Vendor	Vendor Name	Description	Invoice No	Inv Date	Amount
Total 602300 IT MAINT/SUPPORT:						5,364.79
603000 POSTAGE/SHIPPING						
603000	1007	THE UPS STORE	VORTEX SHIPPING	17437	03/07/2014	16.83
603000	1007	THE UPS STORE	UTAH SAFETY COUNCIL	17679	03/31/2014	8.77
603000	1037	U S POSTMASTER	MAILING BILLS CYCLE I	03/14	03/14/2015	1,085.07
603000	1037	U S POSTMASTER	MAILING BILLS CYCLE I	03/14	03/14/2015	1,085.07-
603000	1037	U S POSTMASTER	MAILING BILLS CYCLE I	03/14	03/14/2015	1,085.07
603000	1037	U S POSTMASTER	MAILING BILLS CYCLE I	03/14	03/14/2015	1,085.07-
603000	1037	U S POSTMASTER	MAILING BILLS CYCLE I	03/14	03/14/2015	1,085.07
603000	1037	U S POSTMASTER	MAILING BILLS CYCLE II	03/14A	03/31/2014	1,925.99
Total 603000 POSTAGE/SHIPPING:						3,036.66
606000 TRAVEL						
606000	1194	DEDRICKSON, ANDREW	PER DIEM APPA CONF OKA CIT	03/14	03/28/2014	330.00
606000	759	NORTH, TJ	REIMBURSE HOTEL EXP LAS V	03/14	03/04/2014	809.76
606000	759	NORTH, TJ	REIMBURSE HOTEL EXP LAS V	03/14	03/04/2014	786.61
606000	759	NORTH, TJ	REIMBURSE HOTEL EXP LAS V	03/14	03/04/2014	809.76-
606000	1152	WRIGHT, JARED	REIMB TRAVEL EXP TO APPA T	03/14	03/14/2014	773.00
606000	1344	ZIONS BANK - MILLCREDIT CA	AIRFARE APPA TRAINING PUB	03/14	03/06/2014	737.00
606000	1171	ZIONS BANK - NORCREDIT CA	AIRPORT PARKING-TORONTO	03/14	02/15/2014	27.00
606000	1174	ZIONS BANK - WILCREDIT CAR	NORTH ACCOM VEGAS TRAINI	03/14D	02/23/2014	178.08
606000	1174	ZIONS BANK - WILCREDIT CAR	ACCOM - IPSA ST GEORGE	03/14F	03/06/2014	119.74
606000	1175	ZIONS BANK - WRICREDIT CAR	VEH RES APPA TRAINING ENE	03/14A	03/09/2014	380.29
Total 606000 TRAVEL:						3,331.72
607000 MISCELLANEOUS						
607000	1343	CHAD B MCKAY	CASE 130500694DC GARNISHI	03/14	03/26/2014	378.60
607000	334	DAY'S MARKET	BOARD MEETING SUPPLIES	03/14	03/26/2014	4.99
607000	338	DELL FINANCIAL SERVICES	LATE CHARGES	77195110	03/13/2014	44.05
607000	540	IMPACT PHOTOGRAPHY	BOARD PORTRAIT & FRAMING	2283	03/27/2014	807.00
607000	557	IPSA	ANNUAL BANQUET DINNER	1135	03/13/2014	45.00
607000	692	MEDIAONE OF UTAH	SUBSTATION JOB ADV	783-0304201	03/04/2014	325.00
607000	830	PRIDE INVEST & SECURITY, LL	Security services 2/27/2014 - 3/5/	52013104M	03/17/2014	2,350.00
607000	1065	UTAH STATE RETIREMENT	LOANS	03/14B	03/07/2014	630.76
607000	1065	UTAH STATE RETIREMENT	LOANS	03/14E	03/21/2014	630.76
607000	1115	WAVE PUBLISHING CO.	JOB ADVERTISEMENT	C58496	03/31/2014	29.75
607000	1170	ZIONS BANK - MIFFCREDIT CA	ANNUAL CC FEE	03/14	02/28/2014	30.00
607000	1173	ZIONS BANK - STEWCREDITCA	WORKING LUNCH EXP 2-18 TH	03/14	03/14/2014	154.80
607000	1174	ZIONS BANK - WILCREDIT CAR	BOARD ORIENTATION LUNCH	03/14A	02/19/2014	212.91
607000	1174	ZIONS BANK - WILCREDIT CAR	CREW LUNCH	03/14B	02/20/2014	94.54
607000	1175	ZIONS BANK - WRICREDIT CAR	AM CAN SOCIETY RELAY FOR	03/14	02/21/2014	10.00
Total 607000 MISCELLANEOUS:						5,748.16
607500 PROFESSIONAL SERVICES						
607500	1346	EIDE BAILLY LLP	2013 FINANCIAL AUDIT-PROGR	EI00136688	03/31/2014	23,000.00
607500	1283	NOW CFO	2 WEEKS ENDED 3/28/14	10563	03/28/2014	600.00
607500	1283	NOW CFO	2 WEEKS ENDED 3/14/14	19480	03/14/2014	825.00
607500	849	R E PENDER INC	2014 RATE STUDY	HLP014	03/03/2014	4,800.00
607500	973	STOKES STRATEGIES	GOVERNMENT RELATIONS	138	03/15/2014	1,670.00
Total 607500 PROFESSIONAL SERVICES:						30,895.00

GL Account Number	Vendor	Vendor Name	Description	Invoice No	Inv Date	Amount
609000 INSURANCE						
609000	121	AFLAC	CN137	964777	03/07/2014	1,144.92
609000	1322	HEALTH EQUITY	MILLER / SERVICE FEES	03/14	03/10/2014	2,503.47
609000	1322	HEALTH EQUITY	WRIGHT/DAYBELL PR CONTRI	03/14A	03/21/2014	200.00
609000	741	NATIONAL BENEFIT SERVICES	FSA CAFETERIA PLAN FEES	449590	03/31/2014	50.00
609000	844	PUBLIC EMPLOYEES HEALTH P	MEDICAL/DENTAL/VISION	03/14	03/20/2014	25,721.12
609000	1044	UNUM	LONG TERM CARE	03/14	03/19/2014	3.75
Total 609000 INSURANCE:						29,623.26
609100 POST EMPLOYMENT BENEFITS						
609100	844	PUBLIC EMPLOYEES HEALTH P	RETIREE DOUBLE COVERAGE	03/14A	03/20/2014	1,193.66
609100	844	PUBLIC EMPLOYEES HEALTH P	RETIREE MEDICAL	03/14B	03/20/2014	1,376.50
Total 609100 POST EMPLOYMENT BENEFITS:						2,570.16
610000 FICA - MEDICARE/SOC SECURITY						
610000	558	IRS-PAYROLL W/H	FICA	03/14	03/07/2014	19,383.40
610000	558	IRS-PAYROLL W/H	FICA	03/14C	03/21/2014	19,150.28
Total 610000 FICA - MEDICARE/SOC SECURITY:						38,533.68
611000 RETIREMENT						
611000	1065	UTAH STATE RETIREMENT	EMPLOYER	03/14	03/07/2014	20,407.70
611000	1065	UTAH STATE RETIREMENT	EMPLOYER	03/14C	03/21/2014	20,030.26
Total 611000 RETIREMENT:						40,437.96
612000 INTEREST EXPENSE						
612000	1164	ZIONS 1ST NATIONAL BANK-TR	3535927 2012 BOND INTEREST	03/14A	03/26/2014	7,900.00
612000	1164	ZIONS 1ST NATIONAL BANK-TR	3535926 2010B INTEREST	03/14B	03/26/2014	18,389.59
612000	1164	ZIONS 1ST NATIONAL BANK-TR	3535925 2010A BOND INTERES	03/14C	03/26/2014	4,887.50
Total 612000 INTEREST EXPENSE:						31,177.09
Grand Totals:						915,052.76

Report Criteria:

Detail report.

Invoices with totals above \$0 included.

Only paid invoices included.

Invoice Detail.GL Period = 0314

HEBER LIGHT & POWER
2014 RATE STUDY

PRELIMINARY
COST OF SERVICE
AND
RATE DESIGN

APRIL 15, 2014

SUMMARY

**Heber Light & Power
Electric Utility Cost of Service Study**

**SUMMARY
Revenue Excess/Deficiency Under Present and Proposed Rates
for the Projected Test Year FY 2014
(\$)**

Ln.	Description	Ref.	Residential			Commercial				Street Lights	Total System	
			Tier 1	Tier 2	Total	Tier 1	Tier 2	Tier 3	Total			
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
<u>Revenues from Existing Rates</u>												
1	Base	Sch. G	\$	1,306,167	-	1,306,167	-	-	-	92,274	1,398,441	
2	Energy	Sch. G	\$	4,925,343	1,519,598	6,444,940	771,796	374,776	4,665,688	-	12,257,200	
3	Demand	Sch. G	\$	-	-	-	-	-	-	-	-	
4	Total Revenue from Existing Rates	CALC	\$	6,231,510	1,519,598	7,751,108	771,796	374,776	4,665,688	92,274	13,655,641	
5	Less: Donated Street Light Accounts	CALC	\$	-	-	-	-	-	-	(73,819)	(73,819)	
6	Revised Revenue from Existing Rates	CALC	\$	6,231,510	1,519,598	7,751,108	771,796	374,776	4,665,688	18,455	13,581,821	
<u>Total Allocated Revenue Requirements</u>												
7	Demand	Sch. A	\$	3,761,077	924,015	4,685,093	273,994	189,961	3,092,981	10,622	8,252,650	
8	Energy	Sch. A	\$	2,616,327	642,775	3,259,102	206,774	143,356	2,334,162	20,816	5,964,210	
9	Customer	Sch. A	\$	259,833		259,833	34,503		34,503	2,836	297,172	
10	Total Allocated Revenue Requirements	CALC	\$	6,637,238	1,566,790	8,204,028	515,271	333,317	5,427,143	34,273	14,514,032	
11	Reallocation of Donated S.L. Accounts	CALC	\$	12,568	2,967	15,535	976	631	10,277	(27,418)	-	
12	Restated Allocation of Rev. Requirements	CALC	\$	6,649,806	1,569,757	8,219,563	516,247	333,948	5,437,420	6,855	14,514,032	
13	Revenue Excess (Deficiency)	CALC	\$	(418,296)	(50,159)	(468,455)	255,549	40,828	(771,732)	11,600	(932,211)	
14	Ratio of Revenue to Allocated Revenue Req.	CALC	#	0.94	0.97	0.94	1.50	1.12	0.86	2.69	0.94	
15	Unadjusted Required Increase (Decrease)	CALC	%	6.71%	3.30%	6.04%	-33.11%	-10.89%	16.54%	8.18%	-62.86%	6.86%
16	Across Board Required Rate Increase	CALC	%	6.86%	6.86%	6.86%	6.86%	6.86%	6.86%	6.86%	6.86%	6.86%
17	Across the Board Revenue Increase	CALC	\$	427,710	104,300	532,010	52,973	25,723	320,237	1,267	932,211	
<u>Restated Revenue Requirements</u>												
18	Total	CALC	\$	6,659,220	1,623,898	8,283,118	824,769	400,499	4,985,925	19,721	14,514,032	
19	Demand	CALC	\$	3,773,534	957,695	4,731,228	438,569	228,248	2,841,527	6,112	8,245,684	
20	Energy	CALC	\$	2,624,992	666,203	3,291,196	330,973	172,251	2,144,399	11,978	5,950,795	
21	Customer	CALC	\$	260,694	-	260,694	55,227	-	-	1,632	317,553	
22	Total	CALC	\$	6,659,220	1,623,898	8,283,118	824,769	400,499	4,985,925	19,721	14,514,032	
23	Projected kWh Sales	Sch. C	kWh	65,453,057	16,080,401	81,533,458	5,172,892	3,586,370	58,394,091	520,745	149,207,557	
24	Less: Donated SL Accounts	CALC	kWh	-	-	-	-	-	-	(416,596)	(416,596)	
25	Adjusted kWh Sales	CALC	kWh	65,453,057	16,080,401	81,533,458	5,172,892	3,586,370	58,394,091	104,149	148,790,961	
26	Average Cost Per kWh Under Current Rates	CALC	\$/kWh	0.09521	0.09450	0.09507	0.14920	0.10450	0.07990	0.17720	0.09128	
27	Average Cost Per kWh Under ATB Increase	CALC	\$/kWh	0.10174	0.10099	0.10159	0.15944	0.11167	0.08538	0.18936	0.09755	
<u>Rate Increase (Decrease)</u>												
28	Per Unit	CALC	\$/kWh	0.00653	0.00649	0.00653	0.01024	0.00717	0.00548	0.01216	0.00627	
29	Percent	CALC	%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	6.9%	

SUMMARY

Heber Light & Power Electric Utility Cost of Service Study

SUMMARY Revenue Excess/Deficiency Under Present and Proposed Rates for the Projected Test Year FY 2014 (\$)

Ln.	Description	Ref.	Residential			Commercial				Street Lights	Total System	
			Tier 1	Tier 2	Total	Tier 1	Tier 2	Tier 3	Total			
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	
Rev. Requirement Breakdown (%)												
30	Demand	CALC	%	25.9%	6.4%	32.3%	1.9%	1.3%	21.3%	24.5%	0.1%	56.9%
31	Energy	CALC	%	18.0%	4.4%	22.5%	1.4%	1.0%	16.1%	18.5%	0.1%	41.1%
32	Customer	CALC	%	1.8%	0.0%	1.8%	0.2%	0.0%	0.0%	0.2%	0.0%	2.0%
33	Total	CALC	%	45.7%	10.8%	56.5%	3.6%	2.3%	37.4%	43.2%	0.2%	100.0%
34	Purchased Power as Percent of Total R.R.	CALC	%	34.37%	35.77%	34.64%	34.99%	37.50%	37.50%	37.30%	52.96%	35.83%
Per-unit Annual Revenue Requirements												
35	Demand	CALC	\$/kW	203.33						196.79	102.82	200.35
36	Energy	CALC	\$/kWh	0.0404						0.0394	0.0230	0.0399
37	Customer	CALC	\$/Cust.&Lt.	28.74						45.85	1.38	27.71
38	Total	CALC	\$/kWh	0.1016						0.0925	0.0379	0.0973
Total Annual kWh Sales												
39	Winter (Nov. - May)	CALC	kWh	38,781,795	9,952,525	48,734,320	3,022,660	2,095,849	31,869,216	36,987,724	303,768	86,025,812
40	Summer (June - Oct.)	CALC	kWh	26,671,263	6,127,876	32,799,138	2,150,232	1,490,522	26,524,875	30,165,630	216,977	63,181,745
41	Total	CALC	kWh	65,453,057	16,080,401	81,533,458	5,172,892	3,586,370	58,394,091	67,153,354	520,745	149,207,557
Average Monthly kWh Sales												
42	Winter (Nov. - May)	CALC	kWh	5,540,256	1,421,789	6,962,046	431,809	299,407	4,552,745	5,283,961	43,395	12,289,402
43	Summer (June - Oct.)	CALC	kWh	5,334,253	1,225,575	6,559,828	430,046	298,104	5,304,975	6,033,126	43,395	12,636,349
44	Total	CALC	kWh	5,454,421	1,340,033	6,794,455	431,074	298,864	4,866,174	5,596,113	43,395	12,433,963

SCHEDULE A

**Heber Light and Power
Electric Utility Cost of Service Study**

**COST OF SERVICE
Allocation of Revenue Requirements
for the Projected Test Year FY 2014
(\$)**

Ln.	Description	Ref.	Projected Test Year Rev. Req.	Allocation Basis	Residential			Commercial				Street Lights	Total System
					Tier 1	Tier 2	Total	Tier 1	Tier 2	Tier 3	Total		
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
<u>Allocation Factors</u>													
1	No. of Customers	Sch. D			0.874353		0.874353	0.116104			0.116104	0.009543	1.000000
2	kWh Sales	Sch. C			0.438671	0.107772	0.546443	0.034669	0.024036	0.391361	0.450067	0.003490	1.000000
3	NCP Demand	Sch. E			0.453873	0.111507	0.565380	0.033368	0.023134	0.376674	0.433176	0.001444	1.000000
4	CP Demand	Sch. F			0.459997	0.113011	0.573008	0.032820	0.022754	0.370489	0.426063	0.000929	1.000000
<u>Allocation of Revenue Requirements</u>													
<u>Generation</u>													
5	Gas Generation	Sch. B	(0)	kWh Sales	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)	(0)
6	Heber Plants	Sch. B	680,875	kWh Sales	298,680	73,379	372,060	23,605	16,366	266,468	306,439	2,376	680,875
7	O & M Generation Plants	Sch. B	0	CP Demand	-	-	-	-	-	-	-	-	-
8	Wages - Plants	Sch. B	925,151	CP Demand	425,567	104,553	530,119	30,364	21,051	342,758	394,172	859	925,151
9	Medical Insurance	Sch. B	212,148	CP Demand	97,587	23,975	121,563	6,963	4,827	78,598	90,388	197	212,148
10	Employee Benefits & Retirement	Sch. B	237,215	CP Demand	109,118	26,808	135,926	7,785	5,398	87,885	101,069	220	237,215
11	Sub-total Generation	CALC	2,055,389		930,953	228,715	1,159,668	68,717	47,642	775,710	892,068	3,653	2,055,389
<u>Purchased Power Costs</u>													
12	Total	Sch. B	5,200,757	kWh Sales	2,281,422	560,496	2,841,918	180,306	125,006	2,035,376	2,340,688	18,151	5,200,757
<u>Distribution</u>													
13	Wages - Distribution System	Sch. B	1,039,119	NCP Demand	471,629	115,869	587,497	34,673	24,039	391,409	450,121	1,501	1,039,119
14	Repairs and Maintenance	Sch. B	300,000	NCP Demand	136,162	33,452	169,614	10,010	6,940	113,002	129,953	433	300,000
15	Materials	Sch. B	475,000	NCP Demand	215,590	52,966	268,556	15,850	10,989	178,920	205,758	686	475,000
16	Vehicle Expense	Sch. B	252,000	NCP Demand	114,376	28,100	142,476	8,409	5,830	94,922	109,160	364	252,000
17	Communications	Sch. B	69,432	NCP Demand	31,513	7,742	39,255	2,317	1,606	26,153	30,076	100	69,432
18	Medical Insurance	Sch. B	270,012	NCP Demand	122,551	30,108	152,659	9,010	6,246	101,706	116,963	390	270,012
19	Employee Benefits & Retirement	Sch. B	265,147	NCP Demand	120,343	29,566	149,909	8,847	6,134	99,874	114,855	383	265,147
20	Sub-total Distribution	CALC	2,670,711		1,212,164	297,802	1,509,967	89,116	61,784	1,005,986	1,156,886	3,858	2,670,711
<u>Administrative & General</u>													
21	Generation-related	Sch. B	668,607	CP Demand	307,557	75,560	383,117	21,944	15,214	247,711	284,868	621	668,607
22	Distribution-related	Sch. B	1,014,877	NCP Demand	460,625	113,166	573,791	33,864	23,478	382,277	439,620	1,466	1,014,877
23	Customer-related	Sch. B	259,960	# of Cust	227,297		227,297	30,183			30,183	2,481	259,960
24	Sub-total Administrative & General	CALC	1,943,444		995,480	188,726	1,184,205	85,991	38,692	629,988	754,671	4,568	1,943,444
25	Total Operating Expenses	CALC	11,870,300		5,420,019	1,275,739	6,695,758	424,129	273,124	4,447,060	5,144,313	30,229	11,870,300
<u>Other Requirements</u>													
<u>Annual Debt Service</u>													
26	Generation-related	Sch. B	119,518	CP Demand	54,978	13,507	68,485	3,923	2,720	44,280	50,922	111	119,518
27	Distribution-related	Sch. B	570,827	NCP Demand	259,083	63,651	322,734	19,047	13,206	215,015	247,268	825	570,827
28	Customer-related	Sch. B	8,781	# of Cust	7,677		7,677	1,019			1,019	84	8,781
29	Total Debt Service	CALC	699,125		321,738	77,158	398,896	23,989	15,925	259,295	299,210	1,019	699,125

**Heber Light and Power
Electric Utility Cost of Service Study**

**COST OF SERVICE
Allocation of Revenue Requirements
for the Projected Test Year FY 2014
(\$)**

Ln.	Description	Ref.	Projected Test Year Rev. Req. (a)	Allocation Basis (b)	Residential			Commercial				Street Lights (j)	Total System (k)
					Tier 1 (c)	Tier 2 (d)	Total (e)	Tier 1 (f)	Tier 2 (g)	Tier 3 (h)	Total (i)		
	<u>Other Requirements (cont.)</u>												
	Capital Adds Paid from Cash												
30	Generation-related	Sch. B	303,374	CP Demand	139,551	34,285	173,836	9,957	6,903	112,396	129,256	282	303,374
31	Distribution-related	Sch. B	1,448,938	NCP Demand	657,634	161,567	819,201	48,348	33,520	545,777	627,644	2,093	1,448,938
32	Customer-related	Sch. B	22,288	# of Cust	19,488		19,488	2,588			2,588	213	22,288
33	Total Capital Additions	CALC	1,774,600		816,673	195,851	1,012,524	60,893	40,423	658,173	759,488	2,587	1,774,600
34	Total Other Requirements	CALC	2,473,725		1,138,411	273,009	1,411,420	84,882	56,348	917,468	1,058,698	3,607	2,473,725
35	Sub-total Revenue Requirements	CALC	14,344,025		6,558,430	1,548,748	8,107,178	509,011	329,471	5,364,528	6,203,011	33,836	14,344,025
	<u>Revenue Credits</u>												
36	Connection Fees	Sch. B	(25,141)	NCP Demand	(11,411)	(2,803)	(14,214)	(839)	(582)	(9,470)	(10,890)	(36)	(25,141)
37	Interest Income	Sch. B	(22,800)	NCP Demand	(10,348)	(2,542)	(12,891)	(761)	(527)	(8,588)	(9,876)	(33)	(22,800)
38	Pole Attachment Revenue	Sch. B	(41,352)	NCP Demand	(18,769)	(4,611)	(23,380)	(1,380)	(957)	(15,576)	(17,913)	(60)	(41,352)
39	Receivables Penalty Income	Sch. B	(40,700)	kWh Sales	(17,854)	(4,386)	(22,240)	(1,411)	(978)	(15,928)	(18,318)	(142)	(40,700)
40	Total Revenue Credits	CALC	(129,993)		(58,382)	(14,343)	(72,725)	(4,391)	(3,044)	(49,563)	(56,997)	(271)	(129,993)
41	Sub-total Net Revenue Requirements	CALC	14,214,032		6,500,048	1,534,405	8,034,453	504,621	326,427	5,314,966	6,146,014	33,565	14,214,032
42	Annual Dividends (Return)	Sch. B	300,000	Sub-total R.R.	137,189	32,385	169,574	10,650	6,890	112,177	129,717	708	300,000
43	Total Net Revenue Requirements	CALC	14,514,032		6,637,238	1,566,790	8,204,028	515,271	333,317	5,427,143	6,275,731	34,273	14,514,032
	<u>Demand Related Rev. Requirements</u>												
44	Operating Expenses	CALC	5,728,708		2,612,619	641,864	3,254,483	190,036	131,752	2,145,216	2,467,004	7,221	5,728,708
45	Other Requirements	CALC	2,442,656		1,111,246	273,009	1,384,255	81,275	56,348	917,468	1,055,091	3,310	2,442,656
46	Revenue Credits	CALC	(89,293)		(40,528)	(9,957)	(50,484)	(2,980)	(2,066)	(33,634)	(38,680)	(129)	(89,293)
47	Sub-Total Demand Related	CALC	8,082,071		3,683,337	904,916	4,588,253	268,331	186,034	3,029,050	3,483,415	10,402	8,082,071
48	Add: Annual Dividends	CALC	170,579		77,740	19,099	96,839	5,663	3,926	63,931	73,521	220	170,579
49	Total Demand Related	CALC	8,252,650		3,761,077	924,015	4,685,093	273,994	189,961	3,092,981	3,556,936	10,622	8,252,650
	<u>Energy Related Rev. Requirements</u>												
50	Operating Expenses	CALC	5,881,632		2,580,103	633,875	3,213,978	203,911	141,372	2,301,844	2,647,127	20,527	5,881,632
51	Revenue Credits	CALC	(40,700)		(17,854)	(4,386)	(22,240)	(1,411)	(978)	(15,928)	(18,318)	(142)	(40,700)
52	Sub-Total Energy Related	CALC	5,840,932		2,562,249	629,489	3,191,738	202,500	140,393	2,285,916	2,628,809	20,385	5,840,932
53	Add: Annual Dividends	CALC	123,278		54,079	13,286	67,365	4,274	2,963	48,246	55,483	430	123,278
54	Total Energy Related	CALC	5,964,210		2,616,327	642,775	3,259,102	206,774	143,356	2,334,162	2,684,292	20,816	5,964,210
55	Sub-total Demand and Energy	CALC	14,216,860		6,377,404	1,566,790	7,944,195	480,768	333,317	5,427,143	6,241,228	31,437	14,216,860

SCHEDULE A

**Heber Light and Power
Electric Utility Cost of Service Study**

**COST OF SERVICE
Allocation of Revenue Requirements
for the Projected Test Year FY 2014
(\$)**

Ln.	Description	Ref.	Projected Test Year Rev. Req.	Allocation Basis	Residential			Commercial				Street Lights	Total System
					Tier 1	Tier 2	Total	Tier 1	Tier 2	Tier 3	Total		
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)
	Customer Related Rev. Requirements												
56	Operating Expenses	CALC	259,960		227,297		227,297	30,183			30,183	2,481	259,960
57	Other Requirements	CALC	31,069		27,165		27,165	3,607			3,607	296	31,069
58	Sub-Total Customer Related	CALC	291,030		254,462	-	254,462	33,790	-	-	33,790	2,777	291,030
59	Add: Annual Dividends	CALC	6,142		5,371	-	5,371	713	-	-	713	59	6,142
60	Total Customer Related	CALC	297,172		259,833	-	259,833	34,503	-	-	34,503	2,836	297,172
61	Total Revenue Requirements	CALC	14,514,032		6,637,238	1,566,790	8,204,028	515,271	333,317	5,427,143	6,275,731	34,273	14,514,032

Heber Light & Power
2014 Rate Study
Rate Comparison Worksheet
Proposed Rates Based on 4.5% Increase and New Rate Structure for Commercial
HLP vs. RMP and Other Utah Municipal Utilities

Line No.	Rate Description	HLP				Rocky Mountain Power		Bountiful City		City of Hurricane		Price City	
		Current		Proposed									
1	<u>Residential</u>												
	Base/Customer Charge		12.00		12.54		5.00		7.14		11.00		3.74
2	Energy Rate								0.0925				
3	All												
4	Tier 1	1st 1000 kWh	0.07525	1st 1000 kWh	0.07860	1st 400 kWh	0.08850			1st 800 kWh	0.07490	1st 400 kWh	0.09220
5	Tier 2	All Additional	0.09450	All Additional	0.09880	Next 600 kWh	0.11543			801 - 2000 kWh	0.08560	Next 200 kWh	0.10721
6	Tier 3					All Additional	0.14451			All Additional	0.09630	All Additional	0.12673
7	Tier 4												
8	Tier 5												
8	Estimated Monthly Charge												
	750 kWh		68.44		71.49		80.80		76.52		67.18		81.07
9	<u>Commercial - All</u>												
	Base/Customer Charge		None										
10	Energy Rate												
11	Tier 1	1st 500 kWh	0.14920										
12	Tier 2	Next 500 kWh	0.10450										
13	Tier 3	All Additional	0.07990										
13	Estimated Monthly Charge												
	3,600 kWh		334.59										
14	<u>Small Commercial (Non-demand)</u>			<= 250 kW	21.64					<= 50 kW	16.00		
	Base/Customer Charge												
15	Energy Rate												
16	Tier 1			1st 1000 kWh	0.11870					1st 800 kWh	0.07490		
17	Tier 2			All Additional	0.08050			All kWh	0.11120	801 - 1500 kWh	0.08560		
18	Tier 3									1501 - 25000 kWh	0.08270		
	Estimated Monthly Charge									All Additional	0.07470		
18	3,600 kWh				349.64				407.46		309.51		
19	<u>Small Commercial (Demand)</u>					=< 30 kW		=< 30 kW				=<35 kW	
20	Base Charge / Customer Rate						10.00		7.14				18.80
	Energy Rate												
21	Tier 1					1st 1500 kWh	0.11148	1st 1500 kWh	0.1112			1st 500 kWh	0.05688
22	Tier 2					All Additional	0.06252	All Additional	0.0624			All Additional	0.05973
23	Tier 3												
24	Demand Rate						8.58	> 15 kW	8.21			All kW	7.95
	Estimated Monthly Charge												
25	3,600 kWh / 11.5 kW						407.12		304.98				323.82
26	<u>Large Commercial / Industrial (Demand)</u>					=< 1000 kW		> 30 kW				> 35 kW	
	Base Charge / Customer Rate				None		54.00		26.25		300.00		18.80
27	Energy Rate												
28	Tier 1			1st 10,000 kWh	0.0580	All kWh	0.03664	All kWh	0.0473	All kWh	0.05030	1st 10,000 kWh	0.05688
29	Tier 2			All Additional	0.0370							Next 90,000 kWh	0.05973
30	Tier 3											All Additional	0.06271
31	Demand Rate			All kW	14.13		16.33	All kW	13.13	All kW	8.75	All kW	11.49
	Estimated Monthly Charge												
31	116,300 kWh / 370.0 kW				9,741.20		10,356.75		10,385.34		9,387.39		11,236.55

Heber Light & Power
2014 Rate Study

Rate Comparison Worksheet
Proposed Rates Based on 4.5% Increase and New Rate Structure for Commercial
HLP vs. RMP and Other Utah Municipal Utilities

Line No.	Rate Description	HLP				Payson City		Murray City		Springville City		All Other Avg. Charge
		Current		Proposed								
1	<u>Residential</u> Base/Customer Charge	1st 1000 kWh All Additional	12.00 0.07525 0.09450	1st 1000 kWh All Additional	0.07860 0.09880	1st 400 kWh Next 400 kWh Next 400 kWh All Additional	0.07998 0.10900 0.11899 0.11900 0.12000	1st 600 kWh All Additional	0.08600 0.09630	1st 400 kWh Next 600 kWh All Additional	0.07700 0.09400 0.11600	
2	Energy Rate											
3	All											
4	Tier 1											
5	Tier 2											
6	Tier 3											
7	Tier 4 Tier 5											
8	Estimated Monthly Charge 750 kWh		68.44		71.49		82.85		69.40		74.70	76.07
9	<u>Commercial - All</u> Base/Customer Charge	1st 500 kWh Next 500 kWh All Additional	None 0.14920 0.10450 0.07990									
10	Energy Rate											
11	Tier 1											
12	Tier 2 Tier 3											
13	Estimated Monthly Charge 3,600 kWh		334.59									
14	<u>Small Commercial (Non-demand)</u> Base/Customer Charge			<= 250 kW 1st 1000 kWh All Additional	21.64 0.11870 0.08050							
15	Energy Rate											
16	Tier 1											
17	Tier 2 Tier 3											
18	Estimated Monthly Charge 3,600 kWh				349.64							358.49
19	<u>Small Commercial (Demand)</u> Base Charge / Customer Rate					1st 1000 kWh Next 14,000 kWh All Additional > 5 kVA	2.00 0.11790 0.08104 0.06525 7.40	< 35 kW 1st 1500 kWh All Additional All kW > 5 kW	8.39 0.09250 0.04680 11.75	=<35 kW 1st 500 kWh Next 9,500 kWh All Additional All kW	25.00 0.11772 0.09110 0.06080 6.20	
20	Energy Rate											
21	Tier 1											
22	Tier 2											
23	Tier 3											
24	Demand Rate											
25	Estimated Monthly Charge 3,600 kWh / 11.5 kW						330.60		380.55		437.57	364.11
26	<u>Large Commercial / Industrial (Demand)</u> Base Charge / Customer Rate			1st 10,000 kWh All Additional All kW	None 0.0580 0.0370 14.13	1st 25,000 kWh Next 25,000 kWh All Additional All kVa	100.00 0.06460 0.06244 0.06112 6.63	> 35 kW All kWh All kW	20.99 0.04360 12.37	> 35 kW 1st 10,000 kWh Next 90,000 kWh All Additional All kW	35.00 0.11610 0.07830 0.07070 6.90	
27	Energy Rate											
28	Tier 1											
29	Tier 2											
30	Tier 3											
31	Estimated Monthly Charge 116,300 kWh / 370.0 kW				9,741.20		9,781.36		9,668.57		11,948.41	10,394.91

Heber Light & Power



Presentation to the HLP Board

2014 Cost of Service Study & Rate Design

Prepared By

R. E. Pender, Inc.

April 23, 2014

R. E. Pender, Inc.

1



The Purpose of Ratemaking

To establish and set various rates/charges for service sufficient to:

- a. Recover the utility's annual revenue requirements (e.g., expenses, debt service, reserve contributions, etc.)
- b. Carry out specific goals & objectives of the utility (shift demand, "green" energy supply, economic development, etc.)
- c. Address consumer concerns that rates are fair, equitable and not discriminatory.



The Cost of Service

- Based on the principles of “cost causation” and “intergenerational equity.”
- Purpose is to determine the “revenue requirement” by rate class that will be used to establish appropriate rates.
- The revenue requirement is compared to revenues under existing rates to determine what increase (or decrease) is warranted.



The Cost of Service (cont.)

- Revenue requirements for a municipal utility typically consist of the following:
 - Production O&M (including fuel);
 - Purchased Power Expenses;
 - Distribution O&M;
 - Customer Expenses;
 - Administrative & General Expenses;
 - Debt Service;
 - Payments to Reserve Accounts; and
 - Return (dividends and/or payments to the general fund).



The Ratemaking Process

Consists of Five Basic Steps:

- Step 1 Determine the revenue requirements.
- Step 2 Separate costs by function (production, transmission & distribution).
- Step 3 Classify costs (demand, energy, customer).
- Step 4 Allocate costs among customer classes.
- Step 5 Design rates.

Source: "Retail Rate Design for Publicly Owned Electric Systems," APPA, 1992

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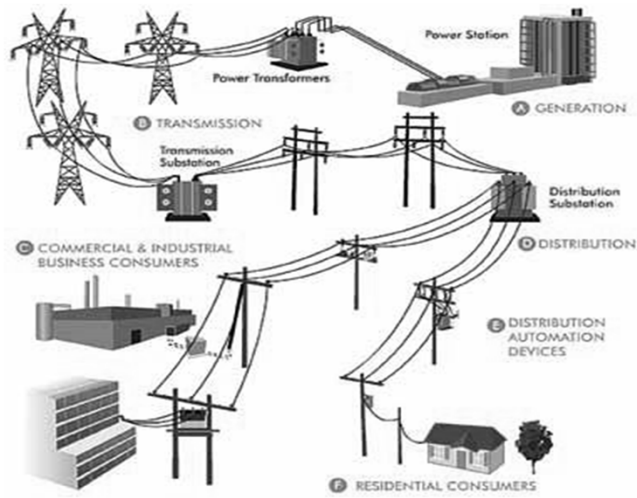
5



Scope of Work

1. Data/information request.
2. Kick-off meeting.
3. Data collection and analysis.
4. Prepare “preliminary” COS Study.
5. Review “preliminary” COS Study with staff and Executive Committee.
6. Finalize COS Study, prepare report and presentation.

Illustration of a Power Delivery System



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Key Concepts

- Demand

- Measurement is in kilowatts (kW) recorded at a specific point in time (e.g., 60-minute interval or at hour x).
- Types of demand include non-coincident peak demand, coincident peak demand and billing demand.

- Energy

- Measurement is in kilowatt-hours (kWh) over a specified time period (e.g., month).
- Also referred to as output, consumption or usage.



Key Concepts (cont.)

- Customer classes
 - Residential
 - Commercial
 - Industrial
 - Other
- Loss Factor
 - Measures the loss of power and energy from point A to point B in the operation of the electric system (typically 5%-6%)



Key Concepts (cont.)

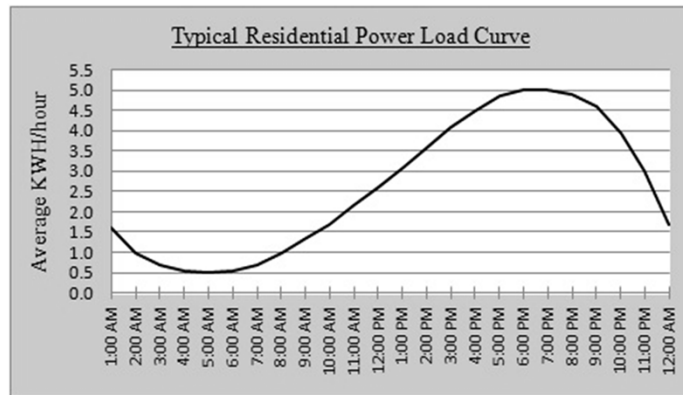
- Load Factor

- Ratio of average load (i.e., demand) in kW over a specified period (e.g., annual) to the peak load recorded during the same period.
- Reflects how well the system is being utilized; the higher the load factor, the better the utilization.
- Load factor can be measured for individual customers, customer classes or total system.

Key Concepts (cont.)



Illustration of a Residential Load Curve

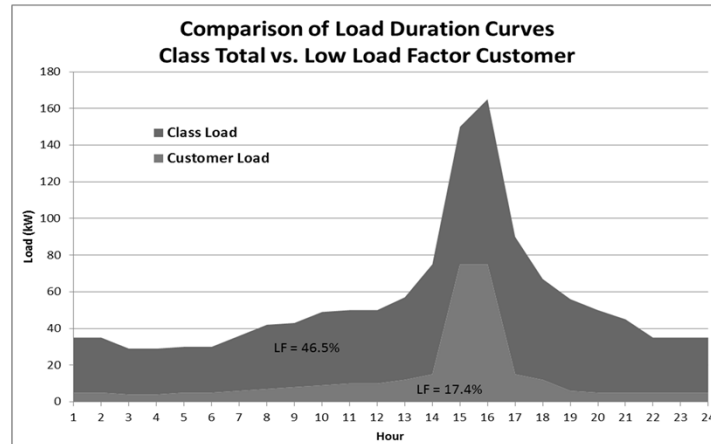


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Key Concepts (cont.)



Illustration of the Impact of a Low Load Factor Customer



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Key Concepts (cont.)



Average Monthly Load Factor for Large HLP Customers

1. D Brothers – 76.36%
2. Delta Stone – 1.68%
3. Heber Valley Medical – 53.21%
4. Smith's Foods – 75.61%
5. Staker Parsons (1) – 24.92%
6. Staker Parsons (2) – 19.66%
7. Walmart – 75.37%
8. Wasatch High (North) – 28.72%
9. Wasatch High (South) – 37.94%
10. Wasatch Middle School – 50.69%
11. Zermott Resort – 71.58%

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Basic COS Study Approach

1. Select test-year.
 - A. Fiscal year, calendar year, mid-year, etc.
 - B. Used budget year 2014.
2. Analyze test-year costs.
 - A. Expenses (P.P, O&M, A&G, etc.)
 - B. Debt service (principal pmt. in lieu of depreciation)
 - C. Capital requirements (system improvements, R&R not funded through other sources)
 - D. Revenue credits (e.g., pole attachment revenue)



Basic COS Study Approach (cont.)

3. Functionalize Test-year Costs
 - A. Generation-related
 - B. Distribution
 - C. Customer
4. Allocate/Assign Test-year Costs to Rate Classes (Residential & Commercial)
 - A. Generation (demand-related based on CP demand and energy-related based on kWh sales)
 - B. Distribution (based on NCP demand)
 - C. Customer (based on avg. number of customers)



Basic COS Approach (cont.)

5. Calculate test-year revenues under current rates.
6. Compare revenues under current rates to allocated test-year revenue requirements.
7. Determine required rate increase or decrease.
 - A. By rate class
 - B. Total system



COS Study Results

- Total revenue requirements = \$14,514k
- Total revenue under current rates = \$13,582k
- Total revenue requirement deficiency = \$932k (6.9%).
- By rate class.
 - Residential = \$468.5k deficiency (6.0%)
 - Commercial = \$475.4k deficiency (8.2%)
 - Street Lights = \$11.6k excess (62.9%)



COS Study Results (cont.)

- Proposed rate increase = 4.5% across the board for Residential and Commercial.
- No change currently proposed for Street Lights.
- 4.5% Increase will result in additional annual rate revenues of \$612k.

Revenues - Proposed Rates	=	\$14,194k
Revenues - Current Rates	=	<u>\$13,582k</u>
Increase	=	\$ 612k

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Rate Design - Current

- Residential
 - Monthly Service Charge (\$12.00)
 - Energy Charge
 - First 1,000 kWh - 7.525¢ per kWh
 - All Additional kWh - 9.45¢ per kWh
- Commercial
 - Energy Charge
 - First 500 kWh - 14.920¢ per kWh
 - Next 500 kWh - 10.450¢ per kWh
 - All Additional kWh - 7.990¢ per kWh



Rate Design – Proposed

- Residential – No changes
- Commercial
 - Two customer classes are proposed
 - Small Commercial / General Service (≤ 250 kW)
 - Large Commercial / General Service (>250 kW)
 - Small Commercial / General Service
 - Base / Customer Charge
 - Two-tier Energy (kWh) Charge
 - First 1,000 kWh
 - All Additional



Rate Design - Proposed

- Large Commercial / General Service
 - Demand Charge
 - Two-tier Energy (kWh) Charge
 - First 10,000 kWh
 - All Additional

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Proposed Rates

- Residential
 - Monthly Service Charge - \$12.54
 - Energy Charge
 - First 1,000 kWh - 7.860¢ per kWh
 - All Additional kWh - 9.880¢ per kWh
- Small Commercial / General Service
 - Monthly Service Charge – 21.64
 - Energy Charge
 - First 1,000 kWh - 11.870¢ per kWh
 - All Additional kWh - 8.050¢ per kWh



Proposed Rates (cont.)

- Large Commercial / General Service
 - Demand Charge – \$14.13 per kW
 - Energy Charge
 - First 10,000 kWh - 5.80¢ per kWh
 - All Additional kWh - 3.70¢ per kWh



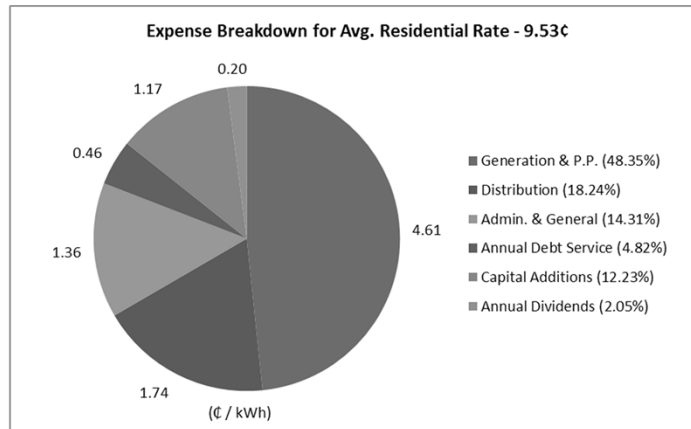
Average Monthly Charge

	Total Charge *	¢ / kWh
Residential		
750 kWh		
Proposed Rates	71.49	9.53
Current Rates	68.44	9.13
Increase	3.05	0.41
Small Commercial / General Service		
3,600 kWh		
Proposed Rates	349.64	9.71
Current Rates	334.59	9.29
Increase	15.05	0.42
Large Commercial / General Service		
116,300 kWh / 370.0 kW		
Proposed Rates	9,741.20	8.38
Current Rates	9,339.32	8.03
Increase	401.88	0.35

* Residential and Commercial include the monthly service charge.

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Breakdown of Residential Rate by Type of Expense



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Observations/Recommendations

- Current rates need to be increased in order to fully recover annual revenue requirements.
- The proposed 4.5% increase represents the first step of a two-step increase that will achieve full recovery.
- HLP should update its cost of service in 2015 to determine what rate increase is required to achieve full recovery.
- HLP should conduct a complete inventory of it's street / security lights by size, type and ownership.

Observations/Recommendations (cont.)



- HLP should continue to collect/analyze data from its AMR system in order to consider implementation of new rates, charges and programs in the future, including:
 - Establishment of a medium commercial / general service class;
 - A demand charge for small & medium commercial / general service;
 - Time-of-use (day) rates.
 - Load factor analyses for cost of service / ratemaking.
 - Impact of customer-supplied resources (net metering).

Observations/Recommendations (cont.)



- HLP should include a power factor correction mechanism in its rate tariff for large commercial / general service.
- HLP may want to consider classifying and billing 3-phase residential service as small commercial / general service.



???



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About R. E. Pender, Inc.

Located in the Orlando, Florida area, R. E. Pender, Inc. is solely-owned by Robert E. Pender, ASA. The firm was founded in 2005 for the purpose of providing consulting services in the areas of appraisals and valuations; wholesale and retail utility rate studies; economic feasibility studies; contract compliance reviews; and litigation support. Mr. Pender began his consulting career with R. W. Beck, Inc., where he advanced to the position of Principal and Senior Director. He has been recognized and qualified as an expert before the courts and regulatory commissions in the areas of utility appraisals and utility rates and regulation. He has testified before circuit courts, Federal District Court, the Federal Energy Regulatory Commission, arbitration panels and utility regulatory commissions in the District of Columbia, New York, Ohio, New Mexico, Pennsylvania and Kansas. Mr. Pender received his B.S. degree in Accounting and Business Administration from Indiana State University in 1977. He has completed several valuation courses through the American Society of Appraisers and is certified by that organization as an Accredited Senior Appraiser – Public Utilities. Affiliations include the American Society of Appraisers, the International Association of Assessing Officers, the American Water Works Association.

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Heber Light & Power
2014 Rate Increase and Modification of Rate Design
Management Recommendation

The Management recommends that the Board schedule a public hearing on May 28, 2014 to take public comment on the following rate increase and rate redesign:

Residential Customers:

1. Rate Design – The rate design for residential customers should continue to be based on an inverted two tier rate design under which the customer is charged a higher rate for usage over 1,000 kilowatt hours in a month. The Company should also continue to impose a customer service charge to recover the cost of having service available to the residence.

2. Rate/KWH of Electricity – The residential rate per kilowatt hour of electricity used in a month should be increased by 4.5% which would equal .07860/kwh for the first 1,000 kwh used in a month and .09880/kwh for all additional electricity used in a month.

3. Customer Service Charge – The customer service charge should be increased from \$12.00 per month to \$12.54 per month.

4. Effective Date – These changes to the Company's residential rates and charges should take effect on the first complete billing cycle after July 1, 2014.

Small Commercial Customers (less than 250 kw of non-coincident peak demand):

1. Rate Design – The rate design for commercial customers with less than 250 kw of non-coincident peak demand ("Small Commercial Customers") should be charged for electricity based on a two tier rate design under which the rate per kilowatt hour declines for use over 1,000 kwh/month. The Company should also adopt a customer service charge for small commercial customers to recover the cost of having service available to the business.

2. Rate/KWH of Electricity – The rate per kilowatt hour of electricity used in a month by Small Commercial Customers should be .11870/kwh for the first 1,000 kwh of electricity used in a month and .8050/kwh for all additional electricity consumed.

3. Customer Service Charge – Small Commercial Customers should be charged a customer service charge of \$21.64 per month.

5. Effective Date – These changes to the Company's rates and charges for Small Commercial Customers should take effect on the first billing cycle after July 1, 2014.

Large Commercial Customers (greater than 250 kw of non-coincident peak demand):

1. Rate Design – The Company should adopt a demand charge for commercial customers with greater than 250 kw of non-coincident peak demand ("Large Commercial Customers") to recover the cost of the system capacity that is required to serve these customers but that is not effectively

recovered through the rates charged for electricity. The Company should also adopt a rate for electricity that properly recognizes the demand charge.

2. Rate/KWH of Electricity – The rate per kilowatt hour of electricity used in a month by Large Commercial Customers should be .0580/kwh for the first 10,000 kwh of electricity used in a month and .0370/kwh for all additional electricity consumed.

3. Customer Service Charge – Large Commercial Customers should not be charged a customer service charge.

5. Effective Date – These changes to the Company's rates and charges for Large Commercial Customers should take effect on the first complete billing cycle after January 1, 2015. The commercial rates effective on June 30, 2014 shall remain in effect for Large Commercial Customers until December 31, 2014. Upon adoption, Heber Light & Power will assist the customer with an impact analysis of this rate change. This implementation delay will provide time for the customer to work with Heber Light & Power employees to assess the billing impacts as well as strategies to limit exposure prior to implementation.

1 **HEBER LIGHT & POWER COMPANY**
2 **ORGANIZATION AGREEMENT**
3 **(As Amended by Board Resolution 2009-3)**

4
5
6 On ~~September 9, 2002,~~_____, Heber City, Utah, Midway City, Utah, and
7 Charleston Town, Utah made and entered this organization agreement pursuant to the Interlocal
8 Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended.

9 **RECITALS**

10 WHEREAS Heber City, Midway City and Charleston Town had previously created the
11 Heber Light ~~and~~& Power Company pursuant to an agreement for joint and cooperative action
12 under the Act.

13 WHEREAS under the original agreement for joint and cooperative action, Heber City
14 had a 75% interest in the Company, Midway City had a 12.5% and Charleston Town had a
15 12.5%.

16 WHEREAS Heber City, Midway City and Charleston Town have, from time to time,
17 amended the original agreement for joint and cooperative action.

18 WHEREAS the Parties wish to amend, modify, and restate their agreement for joint and
19 cooperative action as set forth in this Organization Agreement.

20 WHEREAS the Parties desire and intend for this Organization Agreement to replace and
21 supersede all prior agreements among Heber City, Midway City and Charleston Town
22 concerning the Company's creation, organization, management and powers, and concerning the
23 Parties' respective rights and interests in the Company or its assets.

24 NOW THEREFORE, the Parties agree as follows:

25 **A. Definitions**

26 Capitalized terms in this Organization Agreement shall have the following meanings

1. “Act” shall mean the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as it may be amended from time to time.

2. “Alternate” shall mean a councilperson selected as provided in Paragraph H. 2, by the Heber Mayor, the Midway Mayor, the Charleston Mayor, or the Chairperson of the Wasatch County Council to serve for a Director who is temporarily unable to serve.

3. “Board” or “Board of Directors” shall mean the Company’s board of directors and governing body of the Company as provided in Paragraph H of this Organization Agreement.

4. “Chair” is defined in Paragraph H. 2.

5. “Chairperson” is defined in Paragraph H. 2.

2.6. “Charleston” shall mean Charleston Town, Utah.

3.7. “Company” shall mean Heber Light & Power Company, an interlocal entity created by the Parties under the Act to accomplish the purpose of their joint or cooperative action as set forth in this Organization Agreement.

8. “Designee” shall mean the councilperson selected as provided in Article H. 2. to serve in the place of the Midway City Mayor, the Charleston Mayor, or the Wasatch County Chairperson.

9. “Director” shall mean a member of the Company’s Board of Directors selected as provided in Article H.

10. “Distributable Income” is defined in Article J. 2.

4.11. “Heber” shall mean ~~the~~ Heber City, Utah.

5.12. “Midway” shall mean ~~the~~ Midway City, Utah.

6.13. “Organization Agreement” shall mean this agreement.

7.14. “Party” or “Parties” shall mean Heber, Midway and Charleston either individually or collectively.

~~8. “Power Board” shall mean the governing body of the Company as provided in Paragraph H of this Organization Agreement.~~

9.15. “Party’s Company Share” shall mean for Heber City, a 75% interest; Midway City, a 12.5% interest; and Charleston Town, a 12.5% interest.

16. “Third Party” shall mean a public agency, as defined in the Act, that has been selected or approved by the remaining Parties to purchase the interest of the withdrawing Party and that has agreed to become a party to this Organization Agreement.

B. Creation of Heber Light & Power Company

1. The Parties hereby confirm: (a) that the Heber Light & Power Company is an interlocal entity and an energy services interlocal entity created by them under the Act to accomplish the purpose of their joint or cooperative action as set forth herein, (b) that, as an interlocal entity, it is a body politic and corporate and a political subdivision of the State of Utah, and (c) that it is a legal entity separate and distinct from the Parties.

2. Pursuant to the Act, the Parties ~~hereby elect~~have elected to make the Company an energy services interlocal entity.

3. The Company shall be named the Heber Light & Power Company. The ~~Power~~ Board may change the name of the Company.

4. From and after the effective date of this Organization Agreement, it shall supersede, in all respects, any prior agreements of the Parties concerning the creation, organization, management, or powers of the Company, and concerning the Parties' respective rights and interests in the Company or its assets.

5. The Company shall be bound by each and every resolution, contract and agreement, enacted by the Company or executed by the Company prior to the effective date of this Organization Agreement, including, without limitation, all resolutions, bond resolutions and indentures, ownership agreements, participation agreements, transmission service contracts, transmission purchase contracts, power sales contracts and power purchase contracts. The Company's present rights and obligations under such resolutions, indentures, contracts and agreements shall in no way be affected by this Organization Agreement.

C. Location

The Company's offices will be in Heber City, Wasatch County, State of Utah, unless a different location is chosen by a majority of the ~~Power~~ Board.

D. Franchise

The Parties hereby individually confirm their grant to the Company of an exclusive franchise and right to provide electric power and energy to the Parties, their inhabitants, and others, during the term of this Organization Agreement. The franchise shall not terminate if a

87 Party withdraws under Paragraph O.

88 **E. Purpose**

89
90 1. The purpose of this Organization Agreement and of the creation the Company is
91 to permit the Parties to benefit from the efficiencies and economies of scale that result from the
92 Company's operation, maintenance and acquisition of facilities, services, and improvements that
93 are necessary or desirable for the acquisition, generation, transmission, management, and
94 distribution of electric energy and related services for the use and benefit of the Parties, their
95 citizens, and the inhabitants of surrounding areas.

96 2. The Company and its operation of an electric system for the distribution of
97 electric energy and related services is necessary to provide services and facilities in a manner,
98 and pursuant to a form of governmental organization, that will accord best with geographic,
99 economic, population and other factors influencing the needs and development of the Parties
100 hereto, and to provide the benefit of economies of scale, economic development and utilization
101 of natural resources.

102 3. The Parties have determined that, in order to accomplish these purposes and
103 realize the benefits set forth in *Utah Code Ann.* § 11-13-102, it may be necessary for the
104 Company (upon the determination of the ~~Power~~ Board) to create, construct, or otherwise acquire
105 facilities or improvements to render services or provide benefits in excess of those required to
106 meet the Parties' needs or requirements.

107 **F. Company's Powers**

To accomplish the purposes set forth in Paragraph E, the Company shall have all powers conferred on an interlocal entity and on an energy services interlocal entity by the Act. In addition, the Parties hereby ~~delegate~~confirm their delegation to the Company of all powers possessed by the Parties: (1) to own and operate electric generation, transmission and distribution facilities that provide or deliver electric energy and related services to persons within the Parties' municipal boundaries and in the surrounding areas, and (2) to exercise, in furtherance of its purpose, the power of eminent domain. Without limiting the foregoing, the Company's powers include the power to:

1. adopt, amend, and repeal rules, bylaws, policies, and procedures for the regulation of its affairs and the conduct of its business;
2. set rates for services, charge fees (including impact fees), and assess penalties or deny service for violation of Company policies and rules,
- ~~2.3.~~ sue and be sued;
- ~~3.4.~~ have an official seal and alter that seal at will;
- ~~4.5.~~ make and execute contracts and other instruments necessary or convenient for the performance of its duties and the exercise of its powers and functions;
- ~~5.6.~~ acquire or dispose of real or personal property, or an undivided, fractional, or other interest in real or personal property, necessary or convenient for its purposes sell, lease, or otherwise dispose of that property;
- ~~6.7.~~ directly or by contract with another: (a) own and acquire facilities and improvements or an undivided, fractional, or other interest in facilities and improvements; (b) construct, operate, maintain, and repair facilities and improvements; and (c) provide the services contemplated this Organization Agreement;
- ~~7.8.~~ borrow money, incur indebtedness, and issue revenue bonds, notes, or other

obligations and secure their payment by an assignment, pledge, or other conveyance of all or any part of the revenues and receipts from the facilities, improvements, or services that the Company provides;

8.9. offer, issue, and sell warrants, options, or other rights related to the bonds, notes, or other obligations issued by the Company;

9.10. sell or contract for the sale of the services, output, product, or other benefits provided by the Company;

10.11. own, acquire, and, by itself or by contract with another, construct, operate, and maintain a facility or improvement for the generation, transmission, and transportation of electric energy or related fuel supplies;

11.12. enter into a contract to obtain a supply of electric power and energy and ancillary services, transmission, and transportation services, and supplies of natural gas and fuels necessary for the operation of generation facilities;

12.13. sell its services within the Parties' boundaries and in the surrounding areas, and

13.14. adopt and implement risk management policies and strategies and enter into transactions and agreements to manage the risks associated with the purchase and sale of energy in competitive markets, including forward purchase and sale contracts, hedging, tolling and swap agreements, and other instruments.

G. Assets

1. The Company's assets shall include all real and personal property, whether tangible or intangible, used in any way in the Company's acquisition, generation, transmission, management, and distribution of electric energy and related services. These assets include: (a) generators, (b) transformers, (c) transmission lines, (d) water rights, storage facilities, and hydro plants with related real property, (e) office, (f) accounts receivable and cash, (g) fuel supplies, (h) easements, (i) distribution facilities, (j) equipment and inventory, (k) ~~tradename~~trade name, and (l) going concern value.

2. The Company's assets shall be held in the name of and owned by the Company. The Parties ~~hereby relinquish~~confirm their relinquishment and transfer to the Company of any ownership that they may have in the Company's assets.

H. ~~Power Board~~ of Directors

1. The ~~Power Board~~ of Directors shall manage the affairs of the Company, and shall exercise on behalf of the Company all of the powers provided by this Organization Agreement and the laws of the State of Utah.

2. The ~~Power Board~~ of Directors shall have six members selected as provided in this Paragraph H.

a. The Heber ~~City~~ Mayor shall be ~~a member and the~~ chair ("Chair") and a Director of the Board ~~and will~~.

a.b. The Chair shall select two ~~members from the~~ Heber ~~City Council~~. ~~The Mayor may, but is not required to, designate an alternate chair or members from the Council,~~councilpersons to serve ~~when the chair or member is~~

temporarily unable to serve. as Directors.

c. The Midway City The Midway Mayor shall be a Director or shall select a Midway councilperson ("Designee") to serve as a Director.

b. ~~_____The Charleston Mayor shall be a member and may, but is not required to, designate an alternate member from the Midway City Council to serve if the Mayor is temporarily unable to serve.~~

e.d. ~~_____The Charleston Town President shall be a member and may, but is not required to, designate an alternate member from the Director or shall select a Charleston Town Councilcouncilperson ("Designee") to serve if the President is temporarily unable to serve. as a Director.~~

d. ~~_____The chairperson ("Chairperson") of the Wasatch County Council chair shall be a member and may, but is not required to, designate an alternate member from the Wasatch County Council to serve if the chair is temporarily unable to serve.~~

e. ~~The Wasatch County Council's membership on the Board~~Director or shall select a County councilperson ("Designee") to serve as a Director. This Director position does not entitle Wasatch County to any ownership in or distributions from the Company.

Directors will serve at the pleasure of the Chair, Mayor, or Chairperson that selected them and may be removed by them without cause.

A Director may also designate an Alternate from the Director's municipal or county councils to serve as a Director when the Director is temporarily unable to serve.

3. The Heber City Mayor shall be the permanent Chair of the Board. ~~The Heber City MayorBoard will be the permanent chair of the Board. The Board will select the Power Board's other officers including Vice Chair and Secretary, the latter of which need not be a Board Member~~Director.

4. ~~The Board Members will serve at the pleasure of the Mayor or County Council that selected them.~~

5.4. Four (4) ~~Board members~~Directors shall constitute a quorum of the Board for the purpose of conducting the business of the Company and exercising its powers and for all other purposes. When a quorum is in attendance, action may be taken by the Board upon a vote of the majority of its ~~members~~Directors present except as otherwise provided in this Organization Agreement.

6.5. A ~~Board member~~Director representing a Party may call for a Party Only Vote on any issue. ~~In such case, votes shall be cast on the issue, for which the vote was called, only by Heber's three members, Charleston's one member and Midway's one member, or these members' respective designees. No other Board members may vote.~~ A Party Only Vote shall only occur when Heber's three ~~members~~Directors, Charleston's one ~~member~~Director, and Midway's one ~~member, or their respective designees~~Director are ~~all~~ present. No other Directors may vote. If all of ~~these members or their respective designees~~the Parties' Directors are not present, then the Party Only Vote ~~on the issue for which the vote was called~~ shall be continued until a the next Board meeting ~~where Heber's three members, Charleston's one member and Midway's one member, or these members' respective designees, are all at which all Party Directors are~~ present.

In the event of a Party Only Vote, ~~members~~Directors' votes will be weighted as follow:
(a) the votes of the Heber City ~~members~~Directors shall each have a 25% weight, (b) the vote of

the Midway City ~~member~~Director shall have a 12.5% weight, and (c) the vote of the Charleston Town ~~member~~Director shall have a 12.5% weight. In the event of a Party Only Vote, the Board shall act based upon a ~~51~~greater than 50% vote, except as otherwise provided in this Organization Agreement.

In the event of a Party Only Vote, Alternates shall not vote nor be counted in determining the presence of a quorum under this Paragraph H.

7.6. The Board may adopt and amend Bylaws not inconsistent with this Organization Agreement or the laws of the State of Utah. The Bylaws may include rules governing regular and special meetings of the ~~Power~~ Board; quorum and voting requirements; the establishment of offices; the indemnification of ~~Board Members~~Directors, officers, employees, representatives and agents; compliance with open meetings laws; and for such other matters as the Board may determine.

8.7. No ~~Board Member~~Director shall be liable to the Company for breach of any fiduciary duty owed by such ~~Board Member~~Director, except for damages arising out of: (a) a breach of the ~~Board Member's~~Director's duty of loyalty to the Company; (b) any act or omission not in good faith or which involves intentional misconduct or a knowing violation of law; or (c) any transaction from which the ~~Board Member~~Director derived an improper personal benefit.

9.8. Meetings of the Board may be held through electronic communication, as provided for in written procedures adopted by the Board. A ~~Board Member~~Director participating in a meeting through such means shall be considered present for purposes of a quorum and

voting.

~~10.9.~~ Each ~~Board Member~~Director shall make diligent efforts to inform the governing body of the Party that ~~he~~the Director represents of the Company's business including, but not limited to, the Company's operations, long-term contracts, debts, and general financial condition. The Parties agree that they are individually responsible for ensuring that their ~~Board Member~~keepDirector representative keeps them properly informed of the Company's business.

I. Budget and Financing

1. The Company's operation and maintenance will be financed with revenue from the sale of electric energy and related services and other available moneys.

2. The Company may also finance improvements, such as new construction and upgrade of existing facilities, through the issuance of revenue bonds. Revenue bonds may be issued by the Company from time to time for any purpose permitted under the Act. Any bond issued by the Company is not a debt of any Party, and may be issued without the consent of the Parties' governing bodies.

3. Annually, on or before January 1, the Company shall adopt a budget for the ensuing year in accordance with the requirements of its bond resolutions or indentures. At a minimum, each annual budget shall set forth, in reasonable detail, estimates of:

- a. revenues and operating and maintenance expenses;
- b. debt service and reserve requirements;
- c. cost of upgrade and/or replacement of existing facilities; and

- d. amount of contingency reserves to pay unexpected energy price
fluctuations and equipment failures or to provide rate stabilization.

The Company will send a copy of the annual budget to the clerk/recorder for each of the Parties.

4. The Company shall monthly provide the Parties' representatives on the ~~Power~~
Board with a monthly statement of revenue and expenses.

5. No Party to this Organization Agreement shall be liable for any bond, note,
indebtedness or other obligation incurred by the Company, ~~nor~~or be liable for the indebtedness
of any other Party to this Organization Agreement, ~~nor~~or be liable for any indebtedness or
contractual or other obligation with respect to the Company's operations.

J. Distributable Income

1. The Company may periodically pay its Distributable Income to the Parties as
provided in this Paragraph J.

2. "Distributable Income" means the amount, if any, of the Company's net income
that is available for distribution to the Parties after the payment of all operating expenses and
debt service costs of the Company and the funding of all rate stabilization, surplus or similar
funds established under the Company's bond indenture or resolution, or of any contingency
reserves determined by the ~~Power~~ Board to be reasonably necessary to pay unexpected energy
price fluctuations and equipment failures or to provide rate stabilization. The amount of
Distributable Income shall not exceed the available amount on deposit in the rate stabilization,
surplus or similar fund established under the Company's bond indenture or resolution.

3. At its first meeting after the end of a quarter, the ~~Power~~ Board shall determine: (a) whether the Company has Distributable Income and whether it will make a distribution from its Distributable Income, (b) when the distribution will be made, and (c) how much of the Company's Distributable Income will be available for distribution. The ~~Power~~ Board shall have the sole discretion to make distributions from Distributable Income, and the Parties shall have no right to a distribution unless the ~~Power~~ Board approves the distribution.

~~4. The Power Board may adopt a policy or Bylaw for determining when distributions will be made.~~

5.4. Nothing in this Organization Agreement is intended nor should be interpreted to prohibit the ~~Power~~ Board from permitting the Company to accumulate revenues from its operation that exceed its debt reserves and reasonable operation and contingencies reserves.

6.5. If the ~~Power~~ Board determines to make a distribution from Distributable Income, each Party shall be entitled to a pro rata portion of the distribution based on their Company Share.

K. Distribution of Assets on Termination

Upon the termination of this Organization Agreement, the ~~Power~~ Board will sell the Company's assets, pay its debts and obligations and distribute the balance to each Party pro rata based on each Party's Company Share.

L. Transfer of Company Assets to a Party

1. The ~~Power~~ Board may authorize the transfer of Company assets to a Party when

the ~~Power~~ Board determines that the transfer is in the Company's best interest, and is in compliance with the provisions of this Paragraph L.

2. The sale of Company assets to a Party must be approved by ~~five Board Members~~ an affirmative vote of four Directors, notwithstanding the provisions of Article H. 5.

3. Upon approval of the Board, the asset will be sold to the Party for its fair market value as determined by an independent appraisal prepared at the expense of the Party purchasing the asset. The Party purchasing the asset will pay the purchase price upon transfer of the asset, unless the Board unanimously agrees that payments may be made over time.

M. Relationship and Liability of Parties

1. Nothing in this Organization Agreement is intended nor should it be interpreted to make the Parties liable or responsible for the actions, debts, obligations, liabilities or defaults of the Company.

2. Nothing contained in this Organization Agreement is intended nor should it be interpreted to create an agency, partnership, joint venture, or any other relationship between or among Heber City, Midway City, Charleston Town, the Company or any two or more of them that would in any way make one them liable for the actions, debts, obligations, liabilities or defaults of another.

3. The Company is not the agent for the Parties, either individually or collectively.

4. The Parties acknowledge and agree that the protection afforded to the Parties under the Utah Governmental Immunity Act, Title 63, Chapter 30, Utah Code Annotated 1953,

as amended (the “Immunity Act”), shall be extended to the Company and its ~~Board~~
~~Members~~Directors, officers and employees. It is the express intention of the Parties that all of
the protection afforded to the Parties and their officers and employees under the Immunity Act
shall be extended to the Company and its ~~Board~~ ~~Members~~Directors, officers and employees.
Each of the Parties hereby delegates to the Company and its ~~Board~~ ~~Members~~Directors, officers
and employees, to the extent permitted by law, all of the powers, privileges and immunities
conferred by the Immunity Act.

5. The Company shall indemnify and defend the ~~Board~~ ~~Members~~Directors and the
Company’s employees as provided in the Immunity Act.

N. Amendments

1. As provided in this Paragraph N., this Organization Agreement may be amended
in any way that does not jeopardize or adversely affect any existing contracts, notes, bonds or
other evidence of indebtedness, provided that such amendment shall not subject any Party hereto
to any dues, assessments or liability without its consent.

2. ~~The Power Board may amend~~shall approve any proposed amendment to this
Organization ~~Agreement~~through a resolution proposing the amendment to the governing bodies
of the Parties for approval. The resolution shall only be approved by adopting an amendment
affirmative vote of five Directors voting by a Party Only Vote as provided in ~~this~~ Paragraph N.
2H 6. The voting ~~on the amendment~~ shall be a Party Only Vote even if a Party does not call for
a Party Only Vote.

3. Upon approval of at least two of the three Parties' governing bodies, the amendment shall become effective.

O. Withdrawal from Organization Agreement

A Party may withdraw from this Organization Agreement on the following terms and conditions:

1. The withdrawing Party shall give the Company and the remaining Parties twelve months written notice of the Party's intention to withdraw.

2. Within thirty days of receipt of the notice of withdrawal, the ~~Power~~ Board shall reject the notice of withdrawal only if: (a)- the Parties' withdrawal would adversely affect the Company's contract rights and/or bond obligations, or (b) the withdrawal leaves only one remaining Party and no Third Party will purchase the withdrawing Party's interest and the remaining Party does not consent to the withdrawal.

3. If the ~~Power~~ Board accepts the notice of withdrawal, the remaining Parties or a Third Party may purchase the interest of the withdrawing Party on the following terms:

a. Within sixty days of the ~~Power~~ Board's acceptance of the notice of withdrawal, the remaining Parties would notify the withdrawing Party: (i) of the remaining Parties' intent to purchase the withdrawing Party's interest or (ii) of a Third Party's intent to purchase the withdrawing Party's interest.

b. The remaining Parties or the Third Party would pay the withdrawing Party an amount equal to the withdrawing Party's Company Share times the Company's net book value. For the purposes of this provision, net book value would equal the Owner's Equity as reflected on the Company's most recent audit report.

- c. The remaining Parties or Third Party would pay the purchase price in quarterly installments over a twenty year period. The purchase price would accrue interest at a reasonable rate not greater than the rate paid by the Utah State Treasury Pool during each year that a balance is due.

~~4. The term "Third Party" as used in this Paragraph O shall mean a public agency, as defined in the Act, that has been selected or approved by the remaining Parties to purchase the interest of the withdrawing Party and that has agreed to become a party to this Organization Agreement.~~

~~5.4.~~ The withdrawing Party is prohibited from revoking or altering in any fashion the franchise of the Company to provide electrical service to the withdrawing Party, its residents, or the residents in the surrounding areas.

P. Termination of Organization Agreement

1. Except as provided in Paragraph P. 2 below, the Company shall cease to exist and this Organization Agreement shall terminate 50 years after the date on which all Parties' governing bodies have adopted a resolution approving this Organization Agreement.

2. If all the Parties agree, the Parties may terminate this Organization Agreement and dissolve the Company after the later of:

- a. five years after the Company has fully paid or otherwise discharged all of its indebtedness;
- b. five years after the Company has abandoned, decommissioned, or conveyed or transferred all of its interest in its facilities and improvements; or
- c. five years after the Company's facilities and improvements are no longer useful in providing the service, output, product, or other benefit of the facilities and improvements, as determined under the agreement governing

the sale of the service, output, product, or other benefit.

Q. Governing Law

This Organization Agreement is made in the State of Utah, under the Constitution and laws of this State and is to be construed pursuant to such laws.

R. Severability

Should any part, term, or provision of this Organization Agreement be held by the Courts to be illegal or in conflict with any law of the State of Utah, or otherwise rendered unenforceable or ineffectual, the validity of the remaining portions or provisions shall not be affected by such ruling.

S. Effective Date

This Organization Agreement shall take effect ~~when upon approval of: (1) the governing body of each Board as provided in Article N. 2, and (2) two of the Parties adopts a resolution approving the Organization Agreement.~~ governing bodies as provided in N. 3...

~~[This document is a composite of the Organization Agreement dated September 9, 2002, adopted by resolution of the governing bodies and the amendments adopted by Board Resolution 2009-3 enacted December 16, 2009.]~~

**HEBER LIGHT & POWER COMPANY
ORGANIZATION AGREEMENT**

On _____, Heber City, Utah, Midway City, Utah, and Charleston Town, Utah made and entered this organization agreement pursuant to the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended.

RECITALS

WHEREAS Heber City, Midway City and Charleston Town had previously created the Heber Light & Power Company pursuant to an agreement for joint and cooperative action under the Act.

WHEREAS under the original agreement for joint and cooperative action, Heber City had a 75% interest in the Company, Midway City had a 12.5% and Charleston Town had a 12.5%.

WHEREAS Heber City, Midway City and Charleston Town have, from time to time, amended the original agreement for joint and cooperative action.

WHEREAS the Parties wish to amend, modify, and restate their agreement for joint and cooperative action as set forth in this Organization Agreement.

WHEREAS the Parties desire and intend for this Organization Agreement to replace and supersede all prior agreements among Heber City, Midway City and Charleston Town concerning the Company's creation, organization, management and powers, and concerning the Parties' respective rights and interests in the Company or its assets.

NOW THEREFORE, the Parties agree as follows:

A. Definitions

Capitalized terms in this Organization Agreement shall have the following meanings

1. “Act” shall mean the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as it may be amended from time to time.

2. “Alternate” shall mean a councilperson selected as provided in Paragraph H. 2, by the Heber Mayor, the Midway Mayor, the Charleston Mayor, or the Chairperson of the Wasatch County Council to serve for a Director who is temporarily unable to serve.

3. “Board” or “Board of Directors” shall mean the Company’s board of directors and governing body of the Company as provided in Paragraph H of this Organization Agreement.

4. “Chair” is defined in Paragraph H. 2.

5. “Chairperson” is defined in Paragraph H. 2.

6. “Charleston” shall mean Charleston Town, Utah.

7. “Company” shall mean Heber Light & Power Company, an interlocal entity created by the Parties under the Act to accomplish the purpose of their joint or cooperative action as set forth in this Organization Agreement.

8. “Designee” shall mean the councilperson selected as provided in Article H. 2. to serve in the place of the Midway City Mayor, the Charleston Mayor, or the Wasatch County Chairperson.

9. “Director” shall mean a member of the Company’s Board of Directors selected as provided in Article H.

10. “Distributable Income” is defined in Article J. 2.

11. “Heber” shall mean Heber City, Utah.

12. “Midway” shall mean Midway City, Utah.

13. “Organization Agreement” shall mean this agreement.

14. “Party” or “Parties” shall mean Heber, Midway and Charleston either individually or collectively.

15. “Party’s Company Share” shall mean for Heber City, a 75% interest; Midway City, a 12.5% interest; and Charleston Town, a 12.5% interest.

16. “Third Party” shall mean a public agency, as defined in the Act, that has been selected or approved by the remaining Parties to purchase the interest of the withdrawing Party and that has agreed to become a party to this Organization Agreement.

B. Creation of Heber Light & Power Company

1. The Parties hereby confirm: (a) that the Heber Light & Power Company is an interlocal entity and an energy services interlocal entity created by them under the Act to accomplish the purpose of their joint or cooperative action as set forth herein, (b) that, as an interlocal entity, it is a body politic and corporate and a political subdivision of the State of Utah, and (c) that it is a legal entity separate and distinct from the Parties.

2. Pursuant to the Act, the Parties have elected to make the Company an energy services interlocal entity.

3. The Company shall be named the Heber Light & Power Company. The Board may change the name of the Company.

4. From and after the effective date of this Organization Agreement, it shall supersede, in all respects, any prior agreements of the Parties concerning the creation, organization, management, or powers of the Company, and concerning the Parties’ respective

rights and interests in the Company or its assets.

5. The Company shall be bound by each and every resolution, contract and agreement, enacted by the Company or executed by the Company prior to the effective date of this Organization Agreement, including, without limitation, all resolutions, bond resolutions and indentures, ownership agreements, participation agreements, transmission service contracts, transmission purchase contracts, power sales contracts and power purchase contracts. The Company's present rights and obligations under such resolutions, indentures, contracts and agreements shall in no way be affected by this Organization Agreement.

C. Location

The Company's offices will be in Heber City, Wasatch County, State of Utah, unless a different location is chosen by a majority of the Board.

D. Franchise

The Parties hereby confirm their grant to the Company of an exclusive franchise and right to provide electric power and energy to the Parties, their inhabitants, and others, during the term of this Organization Agreement. The franchise shall not terminate if a Party withdraws under Paragraph O.

E. Purpose

1. The purpose of this Organization Agreement and of the creation the Company is to permit the Parties to benefit from the efficiencies and economies of scale that result from the Company's operation, maintenance and acquisition of facilities, services, and improvements that are necessary or desirable for the acquisition, generation, transmission, management, and distribution of electric energy and related services for the use and benefit of the Parties, their

citizens, and the inhabitants of surrounding areas.

2. The Company and its operation of an electric system for the distribution of electric energy and related services is necessary to provide services and facilities in a manner, and pursuant to a form of governmental organization, that will accord best with geographic, economic, population and other factors influencing the needs and development of the Parties hereto, and to provide the benefit of economies of scale, economic development and utilization of natural resources.

3. The Parties have determined that, in order to accomplish these purposes and realize the benefits set forth in *Utah Code Ann.* § 11-13-102, it may be necessary for the Company (upon the determination of the Board) to create, construct, or otherwise acquire facilities or improvements to render services or provide benefits in excess of those required to meet the Parties' needs or requirements.

F. Company's Powers

To accomplish the purposes set forth in Paragraph E, the Company shall have all powers conferred on an interlocal entity and on an energy services interlocal entity by the Act. In addition, the Parties hereby confirm their delegation to the Company of all powers possessed by the Parties: (1) to own and operate electric generation, transmission and distribution facilities that provide or deliver electric energy and related services to persons within the Parties' municipal boundaries and in the surrounding areas, and (2) to exercise, in furtherance of its purpose, the power of eminent domain. Without limiting the foregoing, the Company's powers include the power to:

1. adopt, amend, and repeal rules, bylaws, policies, and procedures for the regulation

- 116 of its affairs and the conduct of its business;
117
- 118 2. set rates for services, charge fees (including impact fees), and assess penalties or
119 deny service for violation of Company policies and rules,
120
- 121 3. sue and be sued;
122
- 123 4. have an official seal and alter that seal at will;
124
- 125 5. make and execute contracts and other instruments necessary or convenient for the
126 performance of its duties and the exercise of its powers and functions;
127
- 128 6. acquire or dispose of real or personal property, or an undivided, fractional, or
129 other interest in real or personal property, necessary or convenient for its purposes
130 sell, lease, or otherwise dispose of that property;
131
- 132 7. directly or by contract with another: (a) own and acquire facilities and
133 improvements or an undivided, fractional, or other interest in facilities and
134 improvements; (b) construct, operate, maintain, and repair facilities and
135 improvements; and (c) provide the services contemplated this Organization
136 Agreement;
137
- 138 8. borrow money, incur indebtedness, and issue revenue bonds, notes, or other
139 obligations and secure their payment by an assignment, pledge, or other
140 conveyance of all or any part of the revenues and receipts from the facilities,
141 improvements, or services that the Company provides;
142
- 143 9. offer, issue, and sell warrants, options, or other rights related to the bonds, notes,
144 or other obligations issued by the Company;
145
- 146 10. sell or contract for the sale of the services, output, product, or other benefits
147 provided by the Company;
148
- 149 11. own, acquire, and, by itself or by contract with another, construct, operate, and
150 maintain a facility or improvement for the generation, transmission, and
151 transportation of electric energy or related fuel supplies;
152
- 153 12. enter into a contract to obtain a supply of electric power and energy and ancillary
154 services, transmission, and transportation services, and supplies of natural gas and
155 fuels necessary for the operation of generation facilities;
156
- 157 13. sell its services within the Parties' boundaries and in the surrounding areas, and
158

14. adopt and implement risk management policies and strategies and enter into transactions and agreements to manage the risks associated with the purchase and sale of energy in competitive markets, including forward purchase and sale contracts, hedging, tolling and swap agreements, and other instruments.

G. Assets

1. The Company's assets shall include all real and personal property, whether tangible or intangible, used in any way in the Company's acquisition, generation, transmission, management, and distribution of electric energy and related services. These assets include: (a) generators, (b) transformers, (c) transmission lines, (d) water rights, storage facilities, and hydro plants with related real property, (e) office, (f) accounts receivable and cash, (g) fuel supplies, (h) easements, (i) distribution facilities, (j) equipment and inventory, (k) trade name, and (l) going concern value.

2. The Company's assets shall be held in the name of and owned by the Company. The Parties confirm their relinquishment and transfer to the Company of any ownership that they may have in the Company's assets.

H. Board of Directors

1. The Board of Directors shall manage the affairs of the Company, and shall exercise on behalf of the Company all of the powers provided by this Organization Agreement and the laws of the State of Utah.

2. The Board of Directors shall have six members selected as provided in this Paragraph H.

- a. The Heber Mayor shall be the chair ("Chair") and a Director of the Board.
- b. The Chair shall select two Heber councilpersons to serve as Directors.
- c. The Midway Mayor shall be a Director or shall select a Midway

councilperson (“Designee”) to serve as a Director.

d. The Charleston Mayor shall be a Director or shall select a Charleston councilperson (“Designee”) to serve as a Director.

e. The chairperson (“Chairperson”) of the Wasatch County Council shall be a Director or shall select a County councilperson (“Designee”) to serve as a Director. This Director position does not entitle Wasatch County to any ownership in or distributions from the Company.

Directors will serve at the pleasure of the Chair, Mayor, or Chairperson that selected them and may be removed by them without cause.

A Director may also designate an Alternate from the Director’s municipal or county councils to serve as a Director when the Director is temporarily unable to serve.

3. The Heber City Mayor shall be the permanent Chair of the Board. The Board will select the Board’s other officers including Vice Chair and Secretary, the latter of which need not be a Director.

4. Four (4) Directors shall constitute a quorum of the Board for the purpose of conducting the business of the Company and exercising its powers and for all other purposes. When a quorum is in attendance, action may be taken by the Board upon a vote of the majority of its Directors present except as otherwise provided in this Organization Agreement.

5. A Director representing a Party may call for a Party Only Vote on any issue. A Party Only Vote shall only occur when Heber’s three Directors, Charleston’s one Director, and Midway’s one Director are present. No other Directors may vote. If all of the Parties’ Directors are not present, then the Party Only Vote shall be continued until the next Board meeting at which all Party Directors are present.

In the event of a Party Only Vote, Directors’ votes will be weighted as follow: (a) the

votes of the Heber City Directors shall each have a 25% weight, (b) the vote of the Midway City Director shall have a 12.5% weight, and (c) the vote of the Charleston Town Director shall have a 12.5% weight. In the event of a Party Only Vote, the Board shall act based upon a greater than 50% vote, except as otherwise provided in this Organization Agreement.

In the event of a Party Only Vote, Alternates shall not vote nor be counted in determining the presence of a quorum under this Paragraph H.

6. The Board may adopt and amend Bylaws not inconsistent with this Organization Agreement or the laws of the State of Utah. The Bylaws may include rules governing regular and special meetings of the Board; quorum and voting requirements; the establishment of offices; the indemnification of Directors, officers, employees, representatives and agents; compliance with open meetings laws; and for such other matters as the Board may determine.

7. No Director shall be liable to the Company for breach of any fiduciary duty owed by such Director, except for damages arising out of: (a) a breach of the Director's duty of loyalty to the Company; (b) any act or omission not in good faith or which involves intentional misconduct or a knowing violation of law; or (c) any transaction from which the Director derived an improper personal benefit.

8. Meetings of the Board may be held through electronic communication, as provided for in written procedures adopted by the Board. A Director participating in a meeting through such means shall be considered present for purposes of a quorum and voting.

9. Each Director shall make diligent efforts to inform the governing body of the Party that the Director represents of the Company's business including, but not limited to, the Company's operations, long-term contracts, debts, and general financial condition. The Parties

agree that they are individually responsible for ensuring that their Director representative keeps them properly informed of the Company's business.

I. Budget and Financing

1. The Company's operation and maintenance will be financed with revenue from the sale of electric energy and related services and other available moneys.

2. The Company may also finance improvements, such as new construction and upgrade of existing facilities, through the issuance of revenue bonds. Revenue bonds may be issued by the Company from time to time for any purpose permitted under the Act. Any bond issued by the Company is not a debt of any Party, and may be issued without the consent of the Parties' governing bodies.

3. Annually, on or before January 1, the Company shall adopt a budget for the ensuing year in accordance with the requirements of its bond resolutions or indentures. At a minimum, each annual budget shall set forth, in reasonable detail, estimates of:

- a. revenues and operating and maintenance expenses;
- b. debt service and reserve requirements;
- c. cost of upgrade and/or replacement of existing facilities; and
- d. amount of contingency reserves to pay unexpected energy price fluctuations and equipment failures or to provide rate stabilization.

The Company will send a copy of the annual budget to the clerk/recorder for each of the Parties.

4. The Company shall monthly provide the Parties' representatives on the Board with a monthly statement of revenue and expenses.

5. No Party to this Organization Agreement shall be liable for any bond, note,

indebtedness or other obligation incurred by the Company, or be liable for the indebtedness of any other Party to this Organization Agreement, or be liable for any indebtedness or contractual or other obligation with respect to the Company's operations.

J. Distributable Income

1. The Company may periodically pay its Distributable Income to the Parties as provided in this Paragraph J.

2. "Distributable Income" means the amount, if any, of the Company's net income that is available for distribution to the Parties after the payment of all operating expenses and debt service costs of the Company and the funding of all rate stabilization, surplus or similar funds established under the Company's bond indenture or resolution, or of any contingency reserves determined by the Board to be reasonably necessary to pay unexpected energy price fluctuations and equipment failures or to provide rate stabilization. The amount of Distributable Income shall not exceed the available amount on deposit in the rate stabilization, surplus or similar fund established under the Company's bond indenture or resolution.

3. At its first meeting after the end of a quarter, the Board shall determine: (a) whether the Company has Distributable Income and whether it will make a distribution from its Distributable Income, (b) when the distribution will be made, and (c) how much of the Company's Distributable Income will be available for distribution. The Board shall have the sole discretion to make distributions from Distributable Income, and the Parties shall have no right to a distribution unless the Board approves the distribution.

4. Nothing in this Organization Agreement is intended nor should be interpreted to prohibit the Board from permitting the Company to accumulate revenues from its operation that

exceed its debt reserves and reasonable operation and contingencies reserves.

5. If the Board determines to make a distribution from Distributable Income, each Party shall be entitled to a pro rata portion of the distribution based on their Company Share.

K. Distribution of Assets on Termination

Upon the termination of this Organization Agreement, the Board will sell the Company's assets, pay its debts and obligations and distribute the balance to each Party pro rata based on each Party's Company Share.

L. Transfer of Company Assets to a Party

1. The Board may authorize the transfer of Company assets to a Party when the Board determines that the transfer is in the Company's best interest, and is in compliance with the provisions of this Paragraph L.

2. The sale of Company assets to a Party must be approved by an affirmative vote of four Directors, notwithstanding the provisions of Article H. 5.

3. Upon approval of the Board, the asset will be sold to the Party for its fair market value as determined by an independent appraisal prepared at the expense of the Party purchasing the asset. The Party purchasing the asset will pay the purchase price upon transfer of the asset, unless the Board unanimously agrees that payments may be made over time.

M. Relationship and Liability of Parties

1. Nothing in this Organization Agreement is intended nor should it be interpreted to make the Parties liable or responsible for the actions, debts, obligations, liabilities or defaults of the Company.

2. Nothing contained in this Organization Agreement is intended nor should it be

interpreted to create an agency, partnership, joint venture, or any other relationship between or among Heber City, Midway City, Charleston Town, the Company or any two or more of them that would in any way make one them liable for the actions, debts, obligations, liabilities or defaults of another.

3. The Company is not the agent for the Parties, either individually or collectively.

4. The Parties acknowledge and agree that the protection afforded to the Parties under the Utah Governmental Immunity Act, Title 63, Chapter 30, Utah Code Annotated 1953, as amended (the "Immunity Act"), shall be extended to the Company and its Directors, officers and employees. It is the express intention of the Parties that all of the protection afforded to the Parties and their officers and employees under the Immunity Act shall be extended to the Company and its Directors, officers and employees. Each of the Parties hereby delegates to the Company and its Directors, officers and employees, to the extent permitted by law, all of the powers, privileges and immunities conferred by the Immunity Act.

5. The Company shall indemnify and defend the Directors and the Company's employees as provided in the Immunity Act.

N. Amendments

1. As provided in this Paragraph N., this Organization Agreement may be amended in any way that does not jeopardize or adversely affect any existing contracts, notes, bonds or other evidence of indebtedness, provided that such amendment shall not subject any Party hereto to any dues, assessments or liability without its consent.

2. The Board shall approve any proposed amendment to this Organization through a resolution proposing the amendment to the governing bodies of the Parties for approval. The

resolution shall only be approved by an affirmative vote of five Directors voting by a Party Only Vote as provided in Paragraph H 6. The voting shall be a Party Only Vote even if a Party does not call for a Party Only Vote.

3. Upon approval of at least two of the three Parties' governing bodies, the amendment shall become effective.

O. Withdrawal from Organization Agreement

A Party may withdraw from this Organization Agreement on the following terms and conditions:

1. The withdrawing Party shall give the Company and the remaining Parties twelve months written notice of the Party's intention to withdraw.

2. Within thirty days of receipt of the notice of withdrawal, the Board shall reject the notice of withdrawal only if: (a) the Parties' withdrawal would adversely affect the Company's contract rights and/or bond obligations, or (b) the withdrawal leaves only one remaining Party and no Third Party will purchase the withdrawing Party's interest and the remaining Party does not consent to the withdrawal.

3. If the Board accepts the notice of withdrawal, the remaining Parties or a Third Party may purchase the interest of the withdrawing Party on the following terms:

- a. Within sixty days of the Board's acceptance of the notice of withdrawal, the remaining Parties would notify the withdrawing Party: (i) of the remaining Parties' intent to purchase the withdrawing Party's interest or (ii) of a Third Party's intent to purchase the withdrawing Party's interest.
- b. The remaining Parties or the Third Party would pay the withdrawing Party an amount equal to the withdrawing Party's Company Share times the Company's net book value. For the purposes of this provision, net book value would equal the Owner's Equity as reflected on the Company's

most recent audit report.

- c. The remaining Parties or Third Party would pay the purchase price in quarterly installments over a twenty year period. The purchase price would accrue interest at a reasonable rate not greater than the rate paid by the Utah State Treasury Pool during each year that a balance is due.

4. The withdrawing Party is prohibited from revoking or altering in any fashion the franchise of the Company to provide electrical service to the withdrawing Party, its residents, or the residents in the surrounding areas.

P. Termination of Organization Agreement

1. Except as provided in Paragraph P. 2 below, the Company shall cease to exist and this Organization Agreement shall terminate 50 years after the date on which all Parties' governing bodies have adopted a resolution approving this Organization Agreement.

2. If all the Parties agree, the Parties may terminate this Organization Agreement and dissolve the Company after the later of:

- a. five years after the Company has fully paid or otherwise discharged all of its indebtedness;
- b. five years after the Company has abandoned, decommissioned, or conveyed or transferred all of its interest in its facilities and improvements; or
- c. five years after the Company's facilities and improvements are no longer useful in providing the service, output, product, or other benefit of the facilities and improvements, as determined under the agreement governing the sale of the service, output, product, or other benefit.

Q. Governing Law

This Organization Agreement is made in the State of Utah, under the Constitution and laws of this State and is to be construed pursuant to such laws.

R. Severability

Should any part, term, or provision of this Organization Agreement be held by the Courts to be illegal or in conflict with any law of the State of Utah, or otherwise rendered unenforceable or ineffectual, the validity of the remaining portions or provisions shall not be affected by such ruling.

S. Effective Date

This Organization Agreement shall take effect upon approval of: (1) the Board as provided in Article N. 2, and (2) two of the Parties governing bodies as provided in N. 3...

1 **BYLAWS**
2 **OF**
3 **HEBER LIGHT & POWER COMPANY**
4

5
6 **DEFINITIONS**

7 The capitalized terms used in these Bylaws are defined in Exhibit A to the Bylaws.

8 **ARTICLE I.**
9 **NAME AND ANCHOR LOCATION**

10 The name of the Company is the Heber Light & Power Company and its Anchor Location
11 is ~~located at~~ 31 South 100 West, Heber City, Utah 84032.

12 **ARTICLE II.**
13 **ORGANIZATION AND OWNERS**
14

15 The Company is an energy services interlocal entity created by Heber City, Midway City
16 and Charleston, pursuant to the Utah Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code
17 Annotated 1953. Heber City owns a 75% interest in the Company; Midway City, a 12.5%
18 interest; and Charleston Town, a 12.5% interest.

19 **ARTICLE III.**
20 **ORGANIZATION AGREEMENT**
21

22 The Heber Light & Power Company Organization Agreement provides the Company's
23 powers and authority and authorizes the Company's Board of Directors to adopt bylaws. These
24 Bylaws are adopted pursuant to the Organization Agreement and, to the extent that these Bylaws
25 may be inconsistent with the Interlocal Act or Organization Agreement, the Interlocal Act and
26 Organization Agreement shall govern. To the extent a matter of order or procedure is not
27 addressed in the Interlocal Act, the Organization Agreement, or the Bylaws, the Board may
28 follow Robert's Rules of Order (current edition) ~~shall govern~~ or a temporary procedure approved
29 by the Board for that Meeting, without amending these Bylaws.
30

31 **ARTICLE IV.**
32 **BOARD OF DIRECTORS AUTHORITY**

33 1. The Board shall manage and direct the affairs of the Company, and shall exercise
34 on behalf of the Company all of the powers provided by the Organization Agreement, these
35 Bylaws, and Utah law. The Board shall have all power and authority necessary to direct the
36 management, administration and activity of the Company and may do all such acts and things that

are not inconsistent with the Organization Agreement, these Bylaws or Utah law.

2. The Directors, acting as the Board of Directors, have a fiduciary obligation to the Company and its customers and are charged with promoting the long-term economic health of the Company and with providing the Company's Management with strategic guidance and direction that ensure that Management adopts and implements procedures designed to provide outstanding customer value, reliable electrical service and promote employee and public safety.

ARTICLE V.

DESIGNATIONSELECTION OF BOARD OF DIRECTORS

1. DesignationSelection. As provided in Paragraph H. of the Organization Agreement, the Board ~~consists of six~~ Directors shall have six members selected as follows:

a) The Heber Mayor shall be the chair ("Chair") and a Director and Chair of the Board and will.

b) The Chair shall select two Heber councilpersons to serve as Directors from the Heber City Council. The.

c) The Midway Mayor shall be a Director or shall select a Midway councilperson ("Designee") to serve as a Director.

d) The Charleston Mayor shall be a Director or shall select a Charleston councilperson ("Designee") to serve as a Director.

e) The chairperson ("Chairperson") of the Wasatch County Council shall be a Director or shall select a County councilperson ("Designee") to serve as a Director.

Directors selected by the Heber Mayor will serve at the pleasure of the MayorChair, Mayor, or Chairperson that selected them and may be removed at any time by them without cause.

a) ~~The Midway Mayor shall be a~~ Notice of Director.

b) ~~The Charleston Town President shall be a Director.~~

e) ~~The Wasatch County Council chair shall be a Director.~~

2. Designation of Heber City Directors Selection. The Chair ~~shall designate~~ the ~~two Directors from Mayor or the Heber City Council~~ Chairperson shall notify the Board Secretary, in a ~~writing signed by the Chair and delivered to the Company's Secretary~~ writing, of the name of the person selected to serve as a Director as provided in Article V § 1. The ~~designationselection~~ shall become effective upon receipt of the designationwritten notice by the ~~Company's~~ Secretary and shall supersede any prior ~~designationsnotices~~. The Secretary, at the Board's next Meeting ~~after receipt of the designation~~, shall providenotify the Board ~~with the designation~~ and include the notice in the Board ~~m~~Minutes.

3. Notice to Directors. At the first Board Meeting of each calendar year, each Director shall provide the Secretary with an email address, street address, and telephone number, to be used by the Company to communicate with the Director. This information shall be protected under the Utah Government Records Access and Management Act (GRAMA), Utah Code Ann. § 63G-2-101, et seq. Notice required by these Bylaws, the Organization Agreement, or Utah law, shall be satisfied by delivery via email or personal delivery to the street address provided by the Director. ~~This information shall be protected under the Utah Government Records Access and Management Act, Utah Code Ann. § 63G-2-101, et seq.~~

4. Designation of Alternates. A Director may, ~~but is not required to,~~ designate an ~~a~~Alternate from the Director's municipal or county council, to serve when the Director is temporarily unable to serve. The designation of an ~~a~~Alternate shall be in a writing signed by the Director and delivered to the ~~Company's~~ Chair and Secretary at least twenty-four hours prior to a Meeting to be effective.

5. Emergency Successors. At the first Board Meeting of each calendar year, each Director shall provide the Secretary with the Director's designation of an interim emergency successor as provided in the Utah Emergency Interim Succession Act, *Utah Code Ann. § 63K-1-101* ~~53-2a-801~~, *et seq.*

ARTICLE VI.

DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

1. Director Duties. A Director shall be informed, proactive, and vigilant in his/her oversight of the Company and its Management and the protection of the best interests of the Company and its customers. Directors are expected to attend Board Meetings and meetings of committees on which they serve, either in person or by conference telephone. Directors are also expected to review all materials distributed prior to a Board Meeting and to spend sufficient time preparing for each Meeting in order to be informed and properly discharge their responsibilities.

2. Standard of Care. In discharging his/her duties, a Director shall act in good faith and exercise their business judgment in a manner that they reasonably believe is in the best interests of the Company and its customers.

3. Reliance on Information Provided by Advisors. In discharging his/her duties, a Director is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by the Company's Management, employees, consultants and advisors, to the extent that the Director reasonably believes such persons and information are reliable and competent in the matters presented.

4. Management of Company's Affairs. The Board manages the affairs of the Company by assisting in the formulation of, reviewing, approving and monitoring major Company actions and strategies with the assistance of the General Manager, including, but not limited to, the following:

a) Strategic Plan. The Board shall approve a Strategic Plan that identifies the

Company's strengths and risks, states the Company's long-term objectives, and outlines the means for achieving the objectives. Management is responsible for operating the Company in a manner that furthers the plan's objectives. The Board shall annually review and update the Strategic Plan and periodically assess the Company's progress in implementing the plan.

b) Operating Policies. The Board shall annually review and approve the Company's Operating Policies. The Operating Policies direct the method by which Management makes the estimates and computations found in the Annual Budget. These policies also identify specific operational guidelines for implementation by Management during the year.

c) Annual Goals. The Board shall annually approve the Company's Annual Goals which are an itemization of the tasks or activities that the Company plans to achieve in the coming year. The General Manager shall, not less than semiannually, report to the Board on the Company's progress in completing the Company's ~~annual goals~~Annual Goals. In addition, the Company's Senior Staff shall report to the Board at Regular Board Meetings on their department's work during the prior month.

d) Annual Budget. The Board shall annually approve the Company's Annual Budget which includes the Company's annual operating and capital budgets and which estimates, for the coming year, the Company's revenues, expenditures, and capital purchases required to implement the action items found in the Strategic Plan, the Operating Policies, and the Annual Goals. The General Manager shall, at Regular Board Meetings, provide statements showing on a monthly basis, the Company's actual revenue, expenditures, and capital purchases as compared to the Annual Budget.

e) Management. The Board selects and evaluates the General Manager and provides oversight to ~~m~~Management succession planning. The General Manager consults with the Board on the selection of Senior Staff.

5. Committees.

~~f~~a) General. By motion, the Board may ~~create an Executive Committee and establish~~ one or more ~~other~~ Board committees to assist and advise the Board ~~or Management~~. The motion creating ~~the~~a committee shall state the committee's duties and responsibilities and shall require the committee to make recommendations ~~and report to the Board~~ for action ~~by or to the Management where no~~ Board action is required. The Board shall select the Directors to serve on the committee provided that ~~that at least one member of each Committee shall be a Director representing an Owner. A committee shall include a Heber Director, a Midway Director, and a Charleston Director. have no authority to act on behalf of the Board on any issue, unless the Board has expressly granted that authority~~

b) Executive Committee. The Heber Mayor, the Midway Director, and the Charleston Director shall constitute the Executive Committee of the Board. The

Executive Committee shall meet, as needed, to address matters (i) that are referred to the Executive Committee by the Board or Management, where no Board action is required, (ii) that are of a preliminary nature and not ready for presentation to the full Board, or (iii) that require Director involvement prior to a Board Meeting. The Executive Committee shall report its proceedings to the Board and, as appropriate, make recommendations for Board action.

c) Audit Committee. Each year, at a Board Meeting in October, the Board shall establish an Audit Committee as provided in this Article VI § 5 c). The Heber Mayor, Midway Director, the Charleston Director, and a representative selected by the County Director shall constitute the Audit Committee. The Audit Committee's authority and responsibilities shall include: (i) retaining an audit firm to conduct the Company's annual audit, (ii) assisting and advising the Board in the oversight of the Company's financial reporting process, internal controls, and audit, (iii) making recommendations to the Board concerning these processes and controls, and (iv) exercising such other authority or performing such other responsibilities as directed by the Board.

d) Advisory Committees. The Board's Human Resource Committee shall consult with Management concerning matters related to human resources including policies, recruitment, and benefits. The Board's Facilities/Capital Improvements Committee shall consult with Management regarding the Company's facilities and capital improvement planning including selection and funding of projects. At the first Board Meeting of each calendar year, the Board shall select not more than three Directors to serve on each of these Committees. The Board may assign these committees additional duties and responsibilities. These committees shall report to the Board and, as appropriate, make recommendations for action by the Board.

ARTICLE VII. GENERAL MANAGER

The General Manager shall conduct and supervise the Company's day-to-day business operations, subject to the Board's supervision and direction as provided in the Strategic Plan, Operating Policies, Annual Goals, and Annual Budget. The General Manager is the Company's chief executive officer and shall have the authority and responsibility for such general management activities as are consistent with the responsibilities of a chief executive officer or corporate president. The General Manager shall have full authority to transact any and all business pertaining to the affairs of the Company and to make and sign, on the Company's behalf, all contracts reasonably necessary in the ordinary course of the Company's business. The General Manager may exercise this authority through Senior Staff or other employees.

ARTICLE VIII. ADOPTION OF ANNUAL BUDGET

1. Tentative Annual Budget. The General Manager, with the assistance of Senior Staff, shall prepare a tentative Annual Budget and present it to the Board at the regularly

scheduled Board Meeting in November. The Board shall set the time and place for a public hearing to adopt the final Annual Budget.

2. Public Hearing. At least ten days prior to the adoption of the final Annual Budget, Management shall: (a) make the tentative Annual Budget and approved Operating Policies available for public inspection at least ten days prior to adoption of the final Annual Budget, Company's business office and (b) shall post the tentative Annual Budget and approved Operating Policies on the Utah Public Notice Website. Management shall also publish notice of the public hearing in a newspaper of general circulation in the Company's service area and on the Utah Public Notice Website at least seven days prior to the hearing.

3. Adoption. Following the public hearing, the Board may make adjustments to the tentative Annual Budget. The Board shall adopt the final Annual Budget by motion. The final Annual Budget shall be in effect for the budget period, subject to later amendment. Within thirty days of its adoption, Management shall file the final Annual Budget with the State Auditor.

4. Amendment. At any time during the budget period, the Board may, by motion, amend the Annual Budget to account for unanticipated expenditures or revenues. At the end of the budget period and following completion of the audit for that period, the Board shall, by motion, amend the Annual Budget to reflect the adjustments made in the audit. In amending the Annual Budget, the Board shall provide notice and a public hearing as provided in Sections 1 and 2 of this Article.

ARTICLE IX. APPROVAL OF RATE SCHEDULE AND CONDITIONS OF SERVICE

1. The Board shall, by motion, approve the Company's rate schedule and conditions of service before they are implemented.

2. Before approving a rate increase, the Board shall hold a public hearing to take public comment on the proposed increase. At least 20 days' and not more than 60 days' advance written notice of the proposed increase and public hearing shall be provided to customers on the ordinary billing and on the Utah Public Notice Website.

3. The schedule of rates and conditions of service shall be filed with the Public Service Commission for public inspection as required by *Utah Code Ann.* § 11-13-204(7)(c)(vi).

ARTICLE X. ETHICAL DUTIES OF DIRECTOR AND MANAGEMENT

A Director shall comply with the applicable requirements of the Municipal Officers' and Employees' Ethics Act, *Utah Code Ann.* § 10-~~3-3043-1301~~, *et seq.*, the County Officers' and Employees' Disclosure Act, *Utah Code Ann.* § 17-16a-1, *et seq.*, the Utah Public Officers' and Employees' Ethics Act, *Utah Code Ann.* § ~~7667~~-16-1, *et seq.*, and the Company's Code of

Business Conduct. The Company's General Counsel shall annually review with the Board and Management the requirements of these statutes and the code.

ARTICLE XI.
BOARD OF DIRECTOR COMPENSATION AND EXPENSES

1. Compensation. As provided in this Article XII, the Board shall annually set reasonable compensation for Directors' work performed as a Director on behalf of the Company. In setting compensation, the Board shall set compensation that fosters an engaged, prepared, hard-working Board and should consider a variety of factors including: (a) the nature and complexity of the Company's business, (b) time spent in and outside of Board Meetings on Board business, (c) cost of living adjustments, and (d) compensation of other comparable boards.

2. Procedure. The Company's Annual Budget shall include a line item for Director compensation for the coming year. Notice of the public hearing on the Annual Budget shall be given as provided in Article ~~IX~~VIII.

3. Expense Reimbursement. The Company shall reimburse Directors for travel and other expenses necessarily incurred in the conduct of the Company's business, in the same manner and rate as employees are reimbursed for such expenses.

ARTICLE XII.
BOARD OF DIRECTORS MEETINGS
AGENDA

1. Preparation of Agenda. Except as provided in ~~this~~ Article XII § 2, the Chair, in consultation with the General Manager, shall determine the topics to be included on an agenda for consideration at a Meeting of the Board of Directors. The agenda shall provide reasonable specificity to notify the Directors and the public of the topics to be considered at the Board Meeting.

2. Additional Agenda Topics. Two Directors, representing the Owners, may direct the Secretary, in writing, to include a topic on an agenda provided that the Secretary has reasonable time within which to satisfy the notice requirements of Article ~~XIV~~VII § 2.

3. Topics Considered.

a) Except as provided in Section 3. ~~a) and b)~~ of this ~~a~~Article, the Board shall consider at a Board Meeting only topics properly listed on an agenda (i) that has ~~been~~ included in a public notice under Article ~~XIV~~VII § 2, and (ii) that has been provided to the Directors not less than twenty-four (24) hours prior to the Board Meeting.

b) The Chair has the discretion to allow a topic not on the agenda to be discussed in an open Board Meeting. The Board however may not take final action on the topic until the matter is included on an agenda included in a public notice under Article

XIV.

ARTICLE XIII.
BOARD OF DIRECTOR MEETINGS
PUBLIC NOTICE

1. Annual Schedule of Regular Board Meetings.

a) At ~~its first Regular~~ Board Meeting in December, the Board shall establish the schedule of the time, date and place of its Regular Board Meetings for the next twelve (12) months. If a new schedule is not established, the previous year's schedule of Regular Board Meetings shall remain in effect and Regular Board Meetings shall be held on the same day of the month as in the previous year, until the schedule is modified by the Board.

b) In December of each year, the Secretary, on behalf of the Board, shall provide public notice of the annual schedule of Regular Board Meetings including the time, date and place of the Meeting by: (i) posting the schedule at the Company's Anchor Location, (ii) posting the schedule on the Utah Public Notice Website, and (iii) publishing the notice in a newspaper of general circulation within the Company's service area.

2. Notice of Regular and Special Board Meetings.

a) Not less than twenty-four (24) hours prior to a Regular Board Meeting or a Special Board Meeting, the Secretary, on behalf of the Board, shall give public notice of the Board Meeting by: (i) posting written notice at the Company's Anchor Location, (ii) posting the notice on the Utah Public Notice Website, and (iii) delivering the notice to ~~the~~ a newspaper of general circulation within the Company's service area.

b) The public notice shall state: (i) the date, time and place of the Regular or Special Board Meeting, and (ii) the Meeting agenda providing reasonable specificity to notify the public as to the topics to be considered at the Meeting.

3. Public Notice of Emergency Board Meeting. The Board shall only be required to provide the public with the best notice practicable of the time, place and agenda of an Emergency Board Meeting but shall not be required, unless practical, to provide the public notice described in this Article ~~XIV~~VII.

ARTICLE XIV.
BOARD OF DIRECTOR MEETINGS
CONVENING OF REGULAR, SPECIAL AND EMERGENCY BOARD MEETINGS

1. Regular Board Meetings.

a) Regular Board Meetings shall be held monthly at the date, time and place established by the Board in the annual schedule of Regular Board Meetings.

b) The Chair may cancel, postpone, re-schedule, or re-locate Regular Board Meetings by giving each Director reasonable notice and by providing the notice required in Article ~~XIV~~II § 2.

c) The Secretary shall, not later than twenty-four (24) hours prior to a Regular Board Meeting, provide the Directors with an agenda, minutes of the prior Meeting, monthly financial information, warrants, and other materials. At the time the Secretary provides the materials to the Directors, he/she shall also post the materials (that are public records and not protected from disclosure) on the Utah Public Notice Website.

d) Failure to hold a Regular Board Meeting shall not affect the validity of any otherwise valid action taken by the Board.

2. Special Board Meetings.

a) The Chair in consultation with the General Manager may call a Special Board Meeting at any time. The Chair shall call a Special Board Meeting upon receipt of a written request of two Directors, representing Owners.

b) The Secretary shall provide each Director with written notice of the date, time and place of and agenda for the Special Board Meeting and any written materials. Such notice shall be provided not less than twenty-four (24) hours prior to the Special Board Meeting. At the time the Secretary provides the materials to the Directors, he/she shall also post the materials (that are public records and not protected from disclosure) on the Utah Public Notice Website.

3. Emergency Board Meetings.

a) As provided in this section, the Board may hold an Emergency Board Meeting that, because of unforeseen circumstances, is necessary to permit the Board to consider matters of an emergency or urgent nature.

b) The Board may hold an Emergency Board Meeting only if:

i) the Meeting is necessary to permit the Board to consider matters of an emergency or urgent nature,

ii) an attempt has been made to notify all Directors of the date, time and place of the Meeting and the topics to be considered, and

iii) a majority of the Directors approve the Meeting by notifying the Chair, General Manager or Secretary in person or electronically.

4. Rules Applicable to All Board Meetings.

a) Any Director may waive in writing any notice to a Director of a Meeting required to be given by these Bylaws or other applicable law, or any defect of such notice, if any. The attendance of a Director at any Meeting shall constitute a waiver of notice of the Meeting by the Director, except when a Director attends a Meeting for the express purpose of objecting to the transaction of any business on the ground that the Meeting has not been lawfully called, noticed, or convened.

b) A Meeting of the Board may be continued to another date and time upon motion provided that a Quorum is present.

ARTICLE XV.
BOARD OF DIRECTORS MEETINGS
PUBLIC/CLOSED MEETINGS

1. Public Meetings. Board Meetings are open to the public unless closed as provided in this Article XVI.

2. Motion to Close Meeting. On a motion of a Director, the Board may close a Meeting to the public if: (i) a Quorum is present, (ii) the Meeting is a Meeting for which proper notice has been given, (iii) the motion states reasons for closing the Meeting, and (iii) two-thirds of the Directors present vote to close the Meeting for one or more of the reasons listed in Article XVI § 5. If the Directors approve the motion, the Chair shall, to the extent not apparent from the motion and vote, publicly announce and cause to be entered on the minutes of the open Meeting (i) the reason or reasons for closing the Meeting, (ii) the location of the closed Meeting, and (iii) the vote by each Director, either for or against the motion to close the Meeting.

3. Recording of Closed Meeting.

a) Except as provided in Article XVI § 3. b), the Secretary shall make a complete and unedited recording of the closed portion of a Meeting from the commencement of the closed Meeting through adjournment of the closed Meeting. The recording of a closed Meeting shall include: (i) the date, time, and place of the Meeting, (ii) the names of Directors present and absent, and (iii) the names of all others present except where the disclosure would infringe on the confidentiality necessary to fulfill the original purpose of closing the Meeting.

b) The Secretary shall not make a recording of a Meeting closed for the reasons set forth in Article XVI § 5- a), b), and l).

4. Matters Considered in Closed Meetings. In a closed Meeting, the Board shall discuss or consider only matters related to the reasons for closing the Meeting found in Article XVI § 5 and listed in the motion, and shall not take action or vote on any matter, until the Board returns to a public Meeting.

5. Reasons for Closed Meetings. The Board may close a Meeting for the following reasons:

a) discussion of the character, professional competence, or physical or mental health of an individual including information describing medical history, diagnosis, condition, treatment, evaluation, or similar medical data,

b) consideration of information concerning a current or former employee of, or applicant for employment, including performance evaluations and personal status information such as race, religion, or disabilities, but not including information that is public under *Utah Code Ann.* §§ ~~Subsection~~ 63G-2-301(2)(b) or 63G-2-301(3)(o),

c) strategy sessions to discuss contract or settlement negotiations,

d) strategy sessions to discuss pending or reasonably imminent litigation,

e) discussion of reports or information prepared for or by an attorney, consultant, surety, indemnitor, insurer, employee, or agent of the Company for, or in anticipation of, litigation or a judicial, quasi-judicial, or administrative proceeding,

f) strategy sessions to discuss the sale, purchase, exchange, or lease of real or personal property, including any form of a commodity, water right or water shares,

g) strategy sessions to discuss pending or proposed civil or criminal investigation, enforcement or discipline,

h) consideration of an ongoing or planned audit until the final audit is released,

i) discussions that concern legal advice and that are subject to the attorney client privilege,

j) discussion of information: ~~(i)~~ regarding the Company's security personnel, devices, or systems, ~~(ii)~~ the disclosure of which would jeopardize the life or safety of an individual, or ~~(iii)~~ disclosure of which would jeopardize the security of Company property, programs, or recordkeeping systems from damage, theft, or other appropriation or use contrary to law or public policy,

k) discussion of a trade secret and/or confidential financial information for which a claim of business confidentiality has been filed with the Company under *Utah Code Ann.* § 63G-2-309~~(1)(a)(i)~~.,

l) discussion of information which is classified as private under Governmental Records Access and Management Act (GRAMA) if contained in a record

including information concerning an individual's finances, except for information described in *Utah Code Ann.* § 63G-2-301(2),

m) discussion of commercial information or financial information obtained from a person who has made a claim of confidentiality, if disclosure could result in unfair competitive injury to the person submitting the information or would impair the ability of the Company to obtain necessary information in the future,

n) discussion of commercial, operational or financial strategies to the extent that disclosure will interfere with a planned action by the Company or cause substantial financial injury to the Company, or

o) conducting deliberations in performing a quasi-judicial function.

ARTICLE XVI.
BOARD OF DIRECTOR MEETINGS
ORDER OF BUSINESS

1. Presiding Officer. The Chair shall be the presiding officer at a Board Meeting or a public hearing required under these Bylaws. If the Chair is not present or is unable to act as presiding officer, the Midway Director shall serve as presiding officer. If the Midway Director is not present or is unable to act as presiding officer, the Charleston Director shall serve as presiding officer. If the Chair, Midway Director and Charleston Director are unable to act as presiding officer, ~~they~~the remaining Directors shall select a Director to act as Chair.

2. Call to Order. At the time and place stated in the Public Notice, the Chair shall call a Board Meeting to order and shall identify each Director and Company employee present. The Chair shall request that each member of the public present identify themselves orally or by signing an attendance list.

3. Public Comments. The business of the Board is generally not conducive to public comment and thus such comments are generally discouraged, except as provided in these Bylaws at public hearings. The Chair however retains the discretion to recognize members of the public for comment and to limit or terminate such comments to assure that the Board's business is not disrupted.

4. Quorum. Four (4) Directors shall constitute a Quorum of the Board for the purpose of conducting the business of the Company and exercising its powers and for all other purposes. When a Quorum is in attendance, action may be taken by the Board upon a motion, duly seconded and a vote of the majority of the Directors present, except for an Owner Only Vote as provided in the Organization Agreement, Paragraph H. ~~6 as amended~~5 and this Article XVII.

5. Owner Only Vote.

a) Director Voting. A Director representing an Owner may call for an

Owner Only Vote on any issue. In such case, votes shall be cast on the issue, for which the vote was called, only by Heber's three Directors, Charleston's one Director and Midway's one Director, or those Directors' respective ~~e~~Designees. No other Director may vote.

b) Quorum. An Owner Only Vote shall only occur when Heber's three Directors, Charleston's one Director and Midway's one Director, or their respective ~~e~~Designees are all present. If all of these Directors or their respective ~~e~~Designees are not present, then an Owner Only Vote on the issue for which the vote was called shall be continued until a Meeting where Heber's three Directors, Charleston's one Director and Midway's one Director, or these Directors' respective ~~e~~Designees, are all present.

c) Weighted Vote. In the event of an Owner Only Vote, Directors votes will be weighted as follow: (a) the votes of the Heber ~~City~~ Directors or Designees shall each have a 25% weight, (b) the vote of the Midway ~~City~~ Director or Designees shall have a 12.5% weight, and (c) the vote of the Charleston ~~Town~~ Director or Designee shall have a 12.5% weight. In the event of an Owner Only Vote, the Board shall act based upon a ~~51~~greater than 50% vote, except as otherwise provided in the Organization Agreement.

d) In the event of an Owner Only Vote, Alternates shall not vote nor be counted in determining the presence of a Quorum under this Article XVI.

ARTICLE XVII. BOARD OF DIRECTORS MEETINGS MINUTES

1. The Secretary shall keep written minutes and a recording of all open portions of a Board Meeting.

2. The written minutes shall include: (a) the date, time and place of the Meeting, (b) the names of the Directors present and absent, (~~bc~~) the substance of all matters proposed, discussed, or decided by the Board, (~~ed~~) a record, by individual Director, of each vote taken by the Board, (~~de~~) the name of any individuals present, (~~ef~~) the names of individuals who provide testimony or comments to the Board and the substance of the testimony or comments, ~~and (f)(g)~~ any other information that the Board requests to be entered in the minutes, and (h) an electronic or hard copy of any written information presented during the Board meeting.

3. The recording shall be a complete and unedited record of all open portions of the Meeting from the commencement of the Meeting through adjournment of the Meeting, and shall be properly labeled or identified with the date, time, and place of the Meeting.

4. The Secretary shall provide the written minutes to the Board for approval at the following Regular Board Meeting. After Board approval, the minutes with any amendments shall be the official record of the action taken at the ~~m~~Meeting.

5. The written minutes and the recording of the Board Meeting are public records under Title 63G, Chapter 2, Government Records Access and Management Act ([GRAMA](#)) and shall be available to the public within a reasonable time after the end of the Meeting. Written minutes awaiting approval by the Board shall be clearly identified as “Draft” and are subject to change until formally approved.

6. The written minutes shall be retained in a format that meets long-term records storage requirements. The recording shall be retained for one year from the date of the Meeting.

7. A recording of a Board Meeting is not required if the Meeting is a site visit, a traveling tour, or if no vote or action is taken by the Board.

ARTICLE XVIII. ELECTRONIC MEETINGS, NOTICE, AND RECORDS

1. Electronic Meetings.

a) Director Participation. A Director may participate in a Meeting by electronic means as provided in this Article ~~XVIX,I~~ § 1. A Director participating in a Meeting by electronic means is deemed present at the Meeting for all purposes including for the purpose of establishing a Quorum.

b) Request to Participate Electronically. A Director may participate in a Meeting electronically by requesting that the General Manager or Secretary provides facilities to permit electronic participation. The request shall include a telephone number at which the Director can be reached at the time of the Meeting. The Director is solely responsible for being present and available at the telephone number provided at the time of the Meeting.

c) Facilities at Anchor Location. At the Anchor Location, the Company shall provide space and facilities to permit the public to attend and monitor the open portions of the Meeting and to make public comments if public comments are accepted during the electronic Meeting.

2. Notice. If these Bylaws require written communication or notice, properly addressed electronic mail or facsimile shall satisfy the requirement.

3. Records. If these Bylaws require the preservation of written records, the requirement may be satisfied by maintaining electronic copies of the records, provided that the records are complete, legible ~~and indexed,~~ indexed, duplicated on a separate server and preserved in a manner consistent with long-term records storage requirements.

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ARTICLE XIX
AGENT FOR SERVICE OF PROCESS

The ~~Chief Financial Officer~~Secretary is the designated agent to receive service of process or a notice of claim on behalf of the Company. As provided in *Utah Code Ann.* § 63G-7-401, Management shall file a statement with the Department of Corporations and Commercial Code and shall update the statement as necessary to identify the name of the individual designated to receive service of process or a notice of claim.

Approved by:

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The Board of Directors of the Heber Light & Power Company on this __ day of _____, 2012,

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David Phillips

Board Chair

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Attested

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Anthony Furness

Board Secretary

Exhibit A

DEFINITIONS

1. “Alternate” means a councilperson designated as an alternate to serve temporarily as a Director as provided in Article V § 4. The term “Alternate” does not include a Designee.

~~4.2.~~ “Anchor Location” means the address listed in Article II or one or more physical locations: (a) at which the participants are connected to an electronic Meeting under Article XVI~~XII~~, and (b) which is in the building and political subdivision where the Company would normally meet if it were not holding an electronic Meeting.

~~2.3.~~ “Annual Budget” is defined in Article VII~~§ 4.d.~~

~~3.4.~~ “Annual Goals” is defined in Article VII~~§ 4.c.~~

~~4.5.~~ “Bylaws” means these Bylaws of the Heber Light & Power Company.

~~5.6.~~ “Board” or “Board of Directors” means the governing body of the Company as provided in Paragraph H of the Organization Agreement.

~~6.7.~~ “Board Meeting” or “Meeting” means a Regular Board Meeting, a Special Board Meeting, and/or an Emergency Board Meeting.

~~8.~~ “Chair” means the Mayor of Heber as provided~~is defined in Paragraph H of the Organization Agreement~~Article V § 1. a.

~~7.9.~~ “Chairperson” is defined in Article V § 1. e.

~~8.10.~~ “Charleston” means Charleston Town, Utah.

~~9.11.~~ “Company” means Heber Light & Power Company, a Utah energy services interlocal entity formed by Heber, Midway, and Charleston pursuant to the Interlocal Act and Organization Agreement.

~~12.~~ “Designee” is defined in Article V § 1. An Alternate is not a Designee.

~~10.13.~~ “Director” or “Directors” mean the members of the Board appointed pursuant to Paragraph H of the Organization Agreement.

~~11.14.~~ “Emergency Board Meeting” means a Board~~m~~Meeting held to consider matters of an emergency or urgent nature.

~~12.15.~~ “General Manager” means the person employed by the Company as the chief executive officer as described in Article VIII.

~~13.16.~~ “Heber” means Heber City, Utah.

~~14.17.~~ “Interlocal Act” means the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as it may be amended from time to time.

~~15.18.~~ “Management” means the Company’s General Manager and Senior Staff, acting under the General Manager’s direction.

~~16.19.~~ “Midway” means Midway City, Utah.

~~17.20.~~ “Operating Policies” means the Resolution of the Board of Directors of Heber Light & Power ~~a- Annual Fiscal Year Operating Policies as described in Article VII- § 4. b-).~~

~~18.21.~~ “Organization Agreement” shall mean the Heber Light & Power Company Organization Agreement, dated September 9, 2002, as it may be amended from time to time.

~~19.22.~~ “Owner Only Vote” means a Party Only Vote of the Board as provided in Paragraph H. 6. of the Organization Agreement.

~~20.23.~~ “Owner” or “Owners” means Heber, Midway, or Charleston.

~~21.24.~~ “Quorum” is defined in Article XVII §§ 4 and 5.

~~22.25.~~ “Regular Board Meeting” means the monthly Meetings of the Board scheduled, in advance over the course of a year, on a fixed time, date and place.

~~23.26.~~ “Secretary” means the person ~~appointed~~that the Board appoints as Secretary of the Board.

~~24.27.~~ “Senior Staff” means the Company’s Chief Financial Officer, Distribution Operations Manager, General Counsel, Generation Manager, and IT/Substations Manager.

~~25.28.~~ “Special Board Meeting” means a Board Meeting held on an as needed basis to consider topics that are not conveniently considered in a Regular Meeting.

~~26.29.~~ “Strategic Plan” is defined in Article VI- § 4.a.

**BYLAWS
OF
HEBER LIGHT & POWER COMPANY**

DEFINITIONS

The capitalized terms used in these Bylaws are defined in Exhibit A to the Bylaws.

**ARTICLE I.
NAME AND ANCHOR LOCATION**

The name of the Company is the Heber Light & Power Company and its Anchor Location is 31 South 100 West, Heber City, Utah 84032.

**ARTICLE II.
ORGANIZATION AND OWNERS**

The Company is an energy services interlocal entity created by Heber City, Midway City and Charleston, pursuant to the Utah Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953. Heber City owns a 75% interest in the Company; Midway City, a 12.5% interest; and Charleston Town, a 12.5% interest.

**ARTICLE III.
ORGANIZATION AGREEMENT**

The Heber Light & Power Company Organization Agreement provides the Company's powers and authority and authorizes the Company's Board of Directors to adopt bylaws. These Bylaws are adopted pursuant to the Organization Agreement and, to the extent that these Bylaws may be inconsistent with the Interlocal Act or Organization Agreement, the Interlocal Act and Organization Agreement shall govern. To the extent a matter of order or procedure is not addressed in the Interlocal Act, the Organization Agreement, or the Bylaws, the Board may follow Robert's Rules of Order (current edition) or a temporary procedure approved by the Board for that Meeting, without amending these Bylaws.

**ARTICLE IV.
BOARD OF DIRECTORS AUTHORITY**

1. The Board shall manage and direct the affairs of the Company, and shall exercise on behalf of the Company all of the powers provided by the Organization Agreement, these Bylaws, and Utah law. The Board shall have all power and authority necessary to direct the management, administration and activity of the Company and may do all such acts and things that are not inconsistent with the Organization Agreement, these Bylaws or Utah law.

2. The Directors, acting as the Board of Directors, have a fiduciary obligation to the Company and its customers and are charged with promoting the long-term economic health of the Company and with providing the Company's Management with strategic guidance and direction that ensure that Management adopts and implements procedures designed to provide outstanding customer value, reliable electrical service and promote employee and public safety.

ARTICLE V. SELECTION OF BOARD OF DIRECTORS

1. Selection. As provided in Paragraph H. of the Organization Agreement, the Board of Directors shall have six members selected as follows:

- a) The Heber Mayor shall be the chair ("Chair") and a Director of the Board.
- b) The Chair shall select two Heber councilpersons to serve as Directors.
- c) The Midway Mayor shall be a Director or shall select a Midway councilperson ("Designee") to serve as a Director.
- d) The Charleston Mayor shall be a Director or shall select a Charleston councilperson ("Designee") to serve as a Director.
- e) The chairperson ("Chairperson") of the Wasatch County Council shall be a Director or shall select a County councilperson ("Designee") to serve as a Director.

Directors will serve at the pleasure of the Chair, Mayor, or Chairperson that selected them and may be removed by them without cause.

2. Notice of Director Selection. The Chair, the Mayor or the Chairperson shall notify the Board Secretary, in a signed writing, of the name of the person selected to serve as a Director as provided in Article V § 1. The selection shall become effective upon receipt of the written notice by the Secretary and shall supersede any prior notices. The Secretary, at the Board's next Meeting, shall notify the Board and include the notice in the Board Minutes.

3. Notice to Directors. At the first Board Meeting of each calendar year, each Director shall provide the Secretary with an email address, street address, and telephone number, to be used by the Company to communicate with the Director. This information shall be protected under the Utah Government Records Access and Management Act (GRAMA), *Utah Code Ann.* § 63G-2-101, *et seq.* Notice required by these Bylaws, the Organization Agreement, or Utah law, shall be satisfied by delivery via email or personal delivery to the street address provided by the Director.

4. Designation of Alternates. A Director may designate an Alternate from the Director's municipal or county council, to serve when the Director is temporarily unable to serve. The designation of an Alternate shall be in a writing signed by the Director and delivered to the Chair and Secretary at least twenty-four hours prior to a Meeting to be effective.

5. Emergency Successors. At the first Board Meeting of each calendar year, each

Director shall provide the Secretary with the Director's designation of an interim emergency successor as provided in the Utah Emergency Interim Succession Act, *Utah Code Ann.* § 53-2a-801, *et seq.*

ARTICLE VI. DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

1. Director Duties. A Director shall be informed, proactive, and vigilant in his/her oversight of the Company and its Management and the protection of the best interests of the Company and its customers. Directors are expected to attend Board Meetings and meetings of committees on which they serve, either in person or by conference telephone. Directors are also expected to review all materials distributed prior to a Board Meeting and to spend sufficient time preparing for each Meeting in order to be informed and properly discharge their responsibilities.

2. Standard of Care. In discharging his/her duties, a Director shall act in good faith and exercise their business judgment in a manner that they reasonably believe is in the best interests of the Company and its customers.

3. Reliance on Information Provided by Advisors. In discharging his/her duties, a Director is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by the Company's Management, employees, consultants and advisors, to the extent that the Director reasonably believes such persons and information are reliable and competent in the matters presented.

4. Management of Company's Affairs. The Board manages the affairs of the Company by assisting in the formulation of, reviewing, approving and monitoring major Company actions and strategies with the assistance of the General Manager, including, but not limited to, the following:

a) Strategic Plan. The Board shall approve a Strategic Plan that identifies the Company's strengths and risks, states the Company's long-term objectives, and outlines the means for achieving the objectives. Management is responsible for operating the Company in a manner that furthers the plan's objectives. The Board shall annually review and update the Strategic Plan and periodically assess the Company's progress in implementing the plan.

b) Operating Policies. The Board shall annually review and approve the Company's Operating Policies. The Operating Policies direct the method by which Management makes the estimates and computations found in the Annual Budget. These policies also identify specific operational guidelines for implementation by Management during the year.

c) Annual Goals. The Board shall annually approve the Company's Annual Goals which are an itemization of the tasks or activities that the Company plans to achieve in the coming year. The General Manager shall, not less than semiannually, report to the Board on the Company's progress in completing the Company's Annual Goals. In addition, the Company's Senior Staff shall report to the Board at Regular Board Meetings on their department's work during the prior month.

d) Annual Budget. The Board shall annually approve the Company's Annual Budget which includes the Company's annual operating and capital budgets and which estimates, for the coming year, the Company's revenues, expenditures, and capital purchases required to implement the action items found in the Strategic Plan, the Operating Policies, and the Annual Goals. The General Manager shall, at Regular Board Meetings, provide statements showing on a monthly basis, the Company's actual revenue, expenditures, and capital purchases as compared to the Annual Budget.

e) Management. The Board selects and evaluates the General Manager and provides oversight to Management succession planning. The General Manager consults with the Board on the selection of Senior Staff.

5. Committees.

a) General. By motion, the Board may establish one or more Board committees to assist and advise the Board or Management. The motion creating a committee shall state the committee's duties and responsibilities and shall require the committee to make recommendations to the Board for action or to the Management where no Board action is required. The Board shall select the Directors to serve on the committee provided that at least one member of each Committee shall be a Director representing an Owner. A committee shall have no authority to act on behalf of the Board on any issue, unless the Board has expressly granted that authority

b) Executive Committee. The Heber Mayor, the Midway Director, and the Charleston Director shall constitute the Executive Committee of the Board. The Executive Committee shall meet, as needed, to address matters (i) that are referred to the Executive Committee by the Board or Management, where no Board action is required, (ii) that are of a preliminary nature and not ready for presentation to the full Board, or (iii) that require Director involvement prior to a Board Meeting. The Executive Committee shall report its proceedings to the Board and, as appropriate, make recommendations for Board action.

c) Audit Committee. Each year, at a Board Meeting in October, the Board shall establish an Audit Committee as provided in this Article VI § 5 c). The Heber Mayor, Midway Director, the Charleston Director, and a representative selected by the County Director shall constitute the Audit Committee. The Audit Committee's authority and responsibilities shall include: (i) retaining an audit firm to conduct the Company's annual audit, (ii) assisting and advising the Board in the oversight of the Company's financial reporting process, internal controls, and audit, (iii) making recommendations to the Board concerning these processes and controls, and (iv) exercising such other authority or performing such other responsibilities as directed by the Board.

d) Advisory Committees. The Board's Human Resource Committee shall consult with Management concerning matters related to human resources including policies, recruitment, and benefits. The Board's Facilities/Capital Improvements Committee shall consult with Management regarding the Company's facilities and capital improvement planning including selection and funding of projects. At the first Board

Meeting of each calendar year, the Board shall select not more than three Directors to serve on each of these Committees. The Board may assign these committees additional duties and responsibilities. These committees shall report to the Board and, as appropriate, make recommendations for action by the Board.

ARTICLE VII. GENERAL MANAGER

The General Manager shall conduct and supervise the Company's day-to-day business operations, subject to the Board's supervision and direction as provided in the Strategic Plan, Operating Policies, Annual Goals, and Annual Budget. The General Manager is the Company's chief executive officer and shall have the authority and responsibility for such general management activities as are consistent with the responsibilities of a chief executive officer or corporate president. The General Manager shall have full authority to transact any and all business pertaining to the affairs of the Company and to make and sign, on the Company's behalf, all contracts reasonably necessary in the ordinary course of the Company's business. The General Manager may exercise this authority through Senior Staff or other employees.

ARTICLE VIII. ADOPTION OF ANNUAL BUDGET

1. Tentative Annual Budget. The General Manager, with the assistance of Senior Staff, shall prepare a tentative Annual Budget and present it to the Board at the regularly scheduled Board Meeting in November. The Board shall set the time and place for a public hearing to adopt the final Annual Budget.

2. Public Hearing. At least ten days prior to the adoption of the final Annual Budget, Management shall: (a) make the tentative Annual Budget and approved Operating Policies available for public inspection at the Company's business office and (b) shall post the tentative Annual Budget and approved Operating Policies on the Utah Public Notice Website. Management shall also publish notice of the public hearing in a newspaper of general circulation in the Company's service area and on the Utah Public Notice Website at least seven days prior to the hearing.

3. Adoption. Following the public hearing, the Board may make adjustments to the tentative Annual Budget. The Board shall adopt the final Annual Budget by motion. The final Annual Budget shall be in effect for the budget period, subject to later amendment. Within thirty days of its adoption, Management shall file the final Annual Budget with the State Auditor.

4. Amendment. At any time during the budget period, the Board may, by motion, amend the Annual Budget to account for unanticipated expenditures or revenues. At the end of the budget period and following completion of the audit for that period, the Board shall, by motion, amend the Annual Budget to reflect the adjustments made in the audit. In amending the Annual Budget, the Board shall provide notice and a public hearing as provided in Sections 1 and 2 of this Article.

ARTICLE IX.

APPROVAL OF RATE SCHEDULE
AND CONDITIONS OF SERVICE

1. The Board shall, by motion, approve the Company's rate schedule and conditions of service before they are implemented.

2. Before approving a rate increase, the Board shall hold a public hearing to take public comment on the proposed increase. At least 20 days' and not more than 60 days' advance written notice of the proposed increase and public hearing shall be provided to customers on the ordinary billing and on the Utah Public Notice Website.

3. The schedule of rates and conditions of service shall be filed with the Public Service Commission for public inspection as required by *Utah Code Ann.* § 11-13-204(7)(c)(vi).

ARTICLE X.
ETHICAL DUTIES OF DIRECTOR AND MANAGEMENT

A Director shall comply with the applicable requirements of the Municipal Officers' and Employees' Ethics Act, *Utah Code Ann.* § 10-3-1301, *et seq.*, the County Officers' and Employees' Disclosure Act, *Utah Code Ann.* § 17-16a-1, *et seq.*, the Utah Public Officers' and Employees' Ethics Act, *Utah Code Ann.* § 67-16-1, *et seq.*, and the Company's Code of Business Conduct. The Company's General Counsel shall annually review with the Board and Management the requirements of these statutes and the code.

ARTICLE XI.
BOARD OF DIRECTOR COMPENSATION AND EXPENSES

1. Compensation. As provided in this Article XI, the Board shall annually set reasonable compensation for Directors' work performed as a Director on behalf of the Company. In setting compensation, the Board shall set compensation that fosters an engaged, prepared, hard-working Board and should consider a variety of factors including: (a) the nature and complexity of the Company's business, (b) time spent in and outside of Board Meetings on Board business, (c) cost of living adjustments, and (d) compensation of other comparable boards.

2. Procedure. The Company's Annual Budget shall include a line item for Director compensation for the coming year. Notice of the public hearing on the Annual Budget shall be given as provided in Article VIII.

3. Expense Reimbursement. The Company shall reimburse Directors for travel and other expenses necessarily incurred in the conduct of the Company's business, in the same manner and rate as employees are reimbursed for such expenses.

ARTICLE XII.
BOARD OF DIRECTORS MEETINGS
AGENDA

1. Preparation of Agenda. Except as provided in Article XII § 2, the Chair, in

consultation with the General Manager, shall determine the topics to be included on an agenda for consideration at a Meeting of the Board of Directors. The agenda shall provide reasonable specificity to notify the Directors and the public of the topics to be considered at the Board Meeting.

2. Additional Agenda Topics. Two Directors, representing the Owners, may direct the Secretary, in writing, to include a topic on an agenda provided that the Secretary has reasonable time within which to satisfy the notice requirements of Article XIII § 2.

3. Topics Considered.

a) Except as provided in Section 3. b) of this Article, the Board shall consider at a Board Meeting only topics properly listed on an agenda (i) that has been included in a public notice under Article XIII § 2, and (ii) that has been provided to the Directors not less than twenty-four (24) hours prior to the Board Meeting.

b) The Chair has the discretion to allow a topic not on the agenda to be discussed in an open Board Meeting. The Board however may not take final action on the topic until the matter is included on an agenda included in a public notice under Article XIV.

ARTICLE XIII.
BOARD OF DIRECTOR MEETINGS
PUBLIC NOTICE

1. Annual Schedule of Regular Board Meetings.

a) At a Board Meeting in December, the Board shall establish the schedule of the time, date and place of its Regular Board Meetings for the next twelve (12) months. If a new schedule is not established, the previous year's schedule of Regular Board Meetings shall remain in effect and Regular Board Meetings shall be held on the same day of the month as in the previous year, until the schedule is modified by the Board.

b) In December of each year, the Secretary, on behalf of the Board, shall provide public notice of the annual schedule of Regular Board Meetings including the time, date and place of the Meeting by: (i) posting the schedule at the Company's Anchor Location, (ii) posting the schedule on the Utah Public Notice Website, and (iii) publishing the notice in a newspaper of general circulation within the Company's service area.

2. Notice of Regular and Special Board Meetings.

a) Not less than twenty-four (24) hours prior to a Regular Board Meeting or a Special Board Meeting, the Secretary, on behalf of the Board, shall give public notice of the Board Meeting by: (i) posting written notice at the Company's Anchor Location, (ii) posting the notice on the Utah Public Notice Website, and (iii) delivering the notice to a

newspaper of general circulation within the Company's service area.

b) The public notice shall state: (i) the date, time and place of the Regular or Special Board Meeting, and (ii) the Meeting agenda providing reasonable specificity to notify the public as to the topics to be considered at the Meeting.

3. Public Notice of Emergency Board Meeting. The Board shall only be required to provide the public with the best notice practicable of the time, place and agenda of an Emergency Board Meeting but shall not be required, unless practical, to provide the public notice described in this Article XIII.

ARTICLE XIV.
BOARD OF DIRECTOR MEETINGS
CONVENING OF REGULAR, SPECIAL AND EMERGENCY BOARD MEETINGS

1. Regular Board Meetings.

a) Regular Board Meetings shall be held monthly at the date, time and place established by the Board in the annual schedule of Regular Board Meetings.

b) The Chair may cancel, postpone, re-schedule, or re-locate Regular Board Meetings by giving each Director reasonable notice and by providing the notice required in Article XIII § 2.

c) The Secretary shall, not later than twenty-four (24) hours prior to a Regular Board Meeting, provide the Directors with an agenda, minutes of the prior Meeting, monthly financial information, warrants, and other materials. At the time the Secretary provides the materials to the Directors, he/she shall also post the materials (that are public records and not protected from disclosure) on the Utah Public Notice Website.

d) Failure to hold a Regular Board Meeting shall not affect the validity of any otherwise valid action taken by the Board.

2. Special Board Meetings.

a) The Chair in consultation with the General Manager may call a Special Board Meeting at any time. The Chair shall call a Special Board Meeting upon receipt of a written request of two Directors, representing Owners.

b) The Secretary shall provide each Director with written notice of the date, time and place of and agenda for the Special Board Meeting and any written materials. Such notice shall be provided not less than twenty-four (24) hours prior to the Special Board Meeting. At the time the Secretary provides the materials to the Directors, he/she shall also post the materials (that are public records and not protected from disclosure) on the Utah Public Notice Website.

3. Emergency Board Meetings.

a) As provided in this section, the Board may hold an Emergency Board Meeting that, because of unforeseen circumstances, is necessary to permit the Board to consider matters of an emergency or urgent nature.

b) The Board may hold an Emergency Board Meeting only if:

i) the Meeting is necessary to permit the Board to consider matters of an emergency or urgent nature,

ii) an attempt has been made to notify all Directors of the date, time and place of the Meeting and the topics to be considered, and

iii) a majority of the Directors approve the Meeting by notifying the Chair, General Manager or Secretary in person or electronically.

4. Rules Applicable to All Board Meetings.

a) Any Director may waive in writing any notice to a Director of a Meeting required to be given by these Bylaws or other applicable law, or any defect of such notice, if any. The attendance of a Director at any Meeting shall constitute a waiver of notice of the Meeting by the Director, except when a Director attends a Meeting for the express purpose of objecting to the transaction of any business on the ground that the Meeting has not been lawfully called, noticed, or convened.

b) A Meeting of the Board may be continued to another date and time upon motion provided that a Quorum is present.

ARTICLE XV. BOARD OF DIRECTORS MEETINGS PUBLIC/CLOSED MEETINGS

1. Public Meetings. Board Meetings are open to the public unless closed as provided in this Article XV.

2. Motion to Close Meeting. On a motion of a Director, the Board may close a Meeting to the public if: (i) a Quorum is present, (ii) the Meeting is a Meeting for which proper notice has been given, (iii) the motion states reasons for closing the Meeting, and (iii) two-thirds of the Directors present vote to close the Meeting for one or more of the reasons listed in Article XV § 5. If the Directors approve the motion, the Chair shall, to the extent not apparent from the motion and vote, publicly announce and cause to be entered on the minutes of the open Meeting (i) the reason or reasons for closing the Meeting, (ii) the location of the closed Meeting, and (iii) the vote by each Director, either for or against the motion to close the Meeting.

3. Recording of Closed Meeting.

a) Except as provided in Article XV § 3. b), the Secretary shall make a complete and unedited recording of the closed portion of a Meeting from the

commencement of the closed Meeting through adjournment of the closed Meeting. The recording of a closed Meeting shall include: (i) the date, time, and place of the Meeting, (ii) the names of Directors present and absent, and (iii) the names of all others present except where the disclosure would infringe on the confidentiality necessary to fulfill the original purpose of closing the Meeting.

b) The Secretary shall not make a recording of a Meeting closed for the reasons set forth in Article XV § 5 a), b), and l).

4. Matters Considered in Closed Meetings. In a closed Meeting, the Board shall discuss or consider only matters related to the reasons for closing the Meeting found in Article XV § 5 and listed in the motion, and shall not take action or vote on any matter, until the Board returns to a public Meeting.

5. Reasons for Closed Meetings. The Board may close a Meeting for the following reasons:

a) discussion of the character, professional competence, or physical or mental health of an individual including information describing medical history, diagnosis, condition, treatment, evaluation, or similar medical data,

b) consideration of information concerning a current or former employee of, or applicant for employment, including performance evaluations and personal status information such as race, religion, or disabilities, but not including information that is public under *Utah Code Ann.* §§ 63G-2-301(2)(b) or 63G-2-301(3)(o),

c) strategy sessions to discuss contract or settlement negotiations,

d) strategy sessions to discuss pending or reasonably imminent litigation,

e) discussion of reports or information prepared for or by an attorney, consultant, surety, indemnitor, insurer, employee, or agent of the Company for, or in anticipation of, litigation or a judicial, quasi-judicial, or administrative proceeding,

f) strategy sessions to discuss the sale, purchase, exchange, or lease of real or personal property, including any form of a commodity, water right or water shares,

g) strategy sessions to discuss pending or proposed civil or criminal investigation, enforcement or discipline,

h) consideration of an ongoing or planned audit until the final audit is released,

i) discussions that concern legal advice and that are subject to the attorney client privilege,

j) discussion of information regarding the Company's security personnel, devices, or systems, (i) the disclosure of which would jeopardize the life or safety of an individual, or (ii) disclosure of which would jeopardize the security of Company property, programs, or recordkeeping systems from damage, theft, or other appropriation or use contrary to law or public policy,

k) discussion of a trade secret and/or confidential financial information for which a claim of business confidentiality has been filed with the Company under *Utah Code Ann.* § 63G-2-309,

l) discussion of information which is classified as private under Governmental Records Access and Management Act (GRAMA) if contained in a record including information concerning an individual's finances, except for information described in *Utah Code Ann.* § 63G-2-301(2),

m) discussion of commercial information or financial information obtained from a person who has made a claim of confidentiality, if disclosure could result in unfair competitive injury to the person submitting the information or would impair the ability of the Company to obtain necessary information in the future,

n) discussion of commercial, operational or financial strategies to the extent that disclosure will interfere with a planned action by the Company or cause substantial financial injury to the Company, or

o) conducting deliberations in performing a quasi-judicial function.

ARTICLE XVI.
BOARD OF DIRECTOR MEETINGS
ORDER OF BUSINESS

1. Presiding Officer. The Chair shall be the presiding officer at a Board Meeting or a public hearing required under these Bylaws. If the Chair is not present or is unable to act as presiding officer, the Midway Director shall serve as presiding officer. If the Midway Director is not present or is unable to act as presiding officer, the Charleston Director shall serve as presiding officer. If the Chair, Midway Director and Charleston Director are unable to act as presiding officer, the remaining Directors shall select a Director to act as Chair.

2. Call to Order. At the time and place stated in the Public Notice, the Chair shall call a Board Meeting to order and shall identify each Director and Company employee present. The Chair shall request that each member of the public present identify themselves orally or by signing an attendance list.

3. Public Comments. The business of the Board is generally not conducive to public comment and thus such comments are generally discouraged, except as provided in these Bylaws at public hearings. The Chair however retains the discretion to recognize members of the public for comment and to limit or terminate such comments to assure that the Board's business is not disrupted.

4. Quorum. Four (4) Directors shall constitute a Quorum of the Board for the purpose of conducting the business of the Company and exercising its powers and for all other purposes. When a Quorum is in attendance, action may be taken by the Board upon a motion, duly seconded and a vote of the majority of the Directors present, except for an Owner Only Vote as provided in the Organization Agreement, Paragraph H. 5 and this Article XVI.

5. Owner Only Vote.

a) Director Voting. A Director representing an Owner may call for an Owner Only Vote on any issue. In such case, votes shall be cast on the issue, for which the vote was called, only by Heber's three Directors, Charleston's one Director and Midway's one Director, or those Director's respective Designees. No other Director may vote.

b) Quorum. An Owner Only Vote shall only occur when Heber's three Directors, Charleston's one Director and Midway's one Director, or their respective Designees are all present. If all of these Directors or their respective Designees are not present, then an Owner Only Vote on the issue for which the vote was called shall be continued until a Meeting where Heber's three Directors, Charleston's one Director and Midway's one Director, or these Directors' respective Designees, are all present.

c) Weighted Vote. In the event of an Owner Only Vote, Directors votes will be weighted as follow: (a) the votes of the Heber Directors or Designees shall each have a 25% weight, (b) the vote of the Midway Director or Designees shall have a 12.5% weight, and (c) the vote of the Charleston Director or Designee shall have a 12.5% weight. In the event of an Owner Only Vote, the Board shall act based upon a greater than 50% vote, except as otherwise provided in the Organization Agreement.

d) In the event of an Owner Only Vote, Alternates shall not vote nor be counted in determining the presence of a Quorum under this Article XVI.

ARTICLE XVII.
BOARD OF DIRECTORS MEETINGS
MINUTES

1. The Secretary shall keep written minutes and a recording of all open portions of a Board Meeting.

2. The written minutes shall include: (a) the date, time and place of the Meeting, (b) the names of the Directors present and absent, (c) the substance of all matters proposed, discussed, or decided by the Board, (d) a record, by individual Director, of each vote taken by the Board, (e) the name of any individuals present, (f) the names of individuals who provide

testimony or comments to the Board and the substance of the testimony or comments, (g) any other information that the Board requests to be entered in the minutes, and (h) an electronic or hard copy of any written information presented during the Board meeting.

3. The recording shall be a complete and unedited record of all open portions of the Meeting from the commencement of the Meeting through adjournment of the Meeting, and shall be properly labeled or identified with the date, time, and place of the Meeting.

4. The Secretary shall provide the written minutes to the Board for approval at the following Regular Board Meeting. After Board approval, the minutes with any amendments shall be the official record of the action taken at the Meeting.

5. The written minutes and the recording of the Board Meeting are public records under Title 63G, Chapter 2, Government Records Access and Management Act (GRAMA) and shall be available to the public within a reasonable time after the end of the Meeting. Written minutes awaiting approval by the Board shall be clearly identified as "Draft" and are subject to change until formally approved.

6. The written minutes shall be retained in a format that meets long-term records storage requirements. The recording shall be retained for one year from the date of the Meeting.

7. A recording of a Board Meeting is not required if the Meeting is a site visit, a traveling tour, or if no vote or action is taken by the Board.

ARTICLE XVIII. ELECTRONIC MEETINGS, NOTICE, AND RECORDS

1. Electronic Meetings.

a) Director Participation. A Director may participate in a Meeting by electronic means as provided in this Article XVII § 1. A Director participating in a Meeting by electronic means is deemed present at the Meeting for all purposes including for the purpose of establishing a Quorum.

b) Request to Participate Electronically. A Director may participate in a Meeting electronically by requesting that the General Manager or Secretary provide facilities to permit electronic participation. The request shall include a telephone number at which the Director can be reached at the time of the Meeting. The Director is solely responsible for being present and available at the telephone number provided at the time of the Meeting.

c) Facilities at Anchor Location. At the Anchor Location, the Company shall provide space and facilities to permit the public to attend and monitor the open portions of the Meeting and to make public comments if public comments are accepted during the electronic Meeting.

2. Notice. If these Bylaws require written communication or notice, properly

addressed electronic mail or facsimile shall satisfy the requirement.

3. Records. If these Bylaws require the preservation of written records, the requirement may be satisfied by maintaining electronic copies of the records, provided that the records are complete, legible, indexed, duplicated on a separate server and preserved in a manner consistent with long-term records storage requirements.

ARTICLE XIX AGENT FOR SERVICE OF PROCESS

The Secretary is the designated agent to receive service of process or a notice of claim on behalf of the Company. As provided in *Utah Code Ann.* § 63G-7-401, Management shall file a statement with the Department of Corporations and Commercial Code and shall update the statement as necessary to identify the name of the individual designated to receive service of process or a notice of claim.

Approved by:

The Board of Directors of the Heber Light & Power Company on this ___ day of _____, 2012,

Board Chair

Attested

Board Secretary

Exhibit A

DEFINITIONS

1. “Alternate” means a councilperson designated as an alternate to serve temporarily as a Director as provided in Article V § 4. The term “Alternate” does not include a Designee.

2. “Anchor Location” means the address listed in Article II or one or more physical locations: (a) at which the participants are connected to an electronic Meeting under Article XVIII, and (b) which is in the building and political subdivision where the Company would normally meet if it were not holding an electronic Meeting.

3. “Annual Budget” is defined in Article VI § 4.d.

4. “Annual Goals” is defined in Article VI § 4.c.

5. “Bylaws” means these Bylaws of the Heber Light & Power Company.

6. “Board” or “Board of Directors” means the governing body of the Company as provided in Paragraph H of the Organization Agreement.

7. “Board Meeting” or “Meeting” means a Regular Board Meeting, a Special Board Meeting, and/or an Emergency Board Meeting.

8. “Chair” is defined in Article V § 1. a.

9. “Chairperson” is defined in Article V § 1. e.

10. “Charleston” means Charleston Town, Utah.

11. “Company” means Heber Light & Power Company, a Utah energy services interlocal entity formed by Heber, Midway, and Charleston pursuant to the Interlocal Act and Organization Agreement.

12. “Designee” is defined in Article V § 1. An Alternate is not a Designee.

13. “Director” or “Directors” mean the members of the Board appointed pursuant to Paragraph H of the Organization Agreement.

14. “Emergency Board Meeting” means a Board Meeting held to consider matters of an emergency or urgent nature.

15. “General Manager” means the person employed by the Company as the chief executive officer as described in Article VIII.

16. “Heber” means Heber City, Utah.

17. “Interlocal Act” means the Interlocal Cooperation Act, Title 11, Chapter 13, Utah

Code Annotated 1953, as it may be amended from time to time.

18. “Management” means the Company’s General Manager and Senior Staff, acting under the General Manager’s direction.

19. “Midway” means Midway City, Utah.

20. “Operating Policies” means the Resolution of the Board of Directors of Heber Light & Power - Annual Fiscal Year Operating Policies as described in Article VII § 4. b).

21. “Organization Agreement” shall mean the Heber Light & Power Company Organization Agreement, dated September 9, 2002, as it may be amended from time to time.

22. “Owner Only Vote” means a Party Only Vote of the Board as provided in Paragraph H. 6. of the Organization Agreement.

23. “Owner” or “Owners” means Heber, Midway, or Charleston.

24. “Quorum” is defined in Article XVI §§ 4 and 5.

25. “Regular Board Meeting” means the monthly Meetings of the Board scheduled, in advance over the course of a year, on a fixed time, date and place.

26. “Secretary” means the person that the Board appoints as Secretary of the Board.

27. “Senior Staff” means the Company’s Chief Financial Officer, Distribution Operations Manager, General Counsel, Generation Manager, and IT/Substations Manager.

28. “Special Board Meeting” means a Board Meeting held on an as needed basis to consider topics that are not conveniently considered in a Regular Meeting.

29. “Strategic Plan” is defined in Article VI § 4.a.

HEBER LIGHT & POWER COMPANY
BOARD RESOLUTION No. 2014-XX

WRITE-OFF OF STREET LIGHT CHARGES

WHEREAS the Heber Light & Power Company (“the Company”) practice is not to charge municipalities or the county for the energy charges for street lights (“energy charges for street lights”).

WHEREAS, to implement this practice, the Company records the estimated energy charges for street lights but annually writes-off these charges.

NOW THEREFORE, BE IT RESOLVED BY BOARD OF DIRECTORS OF THE
HEBER LIGHT & POWER COMPANY AS FOLLOWS:

The Company hereby writes-off the 2013 energy charges for street lights in the amount of \$66,963.

HEBER LIGHT & POWER COMPANY

BOARD RESOLUTION No. 2014-XX

RESOLUTION PROVIDING FOR DISTRIBUTIONS TO MEMBERS FROM DISTRIBUTABLE INCOME

WHEREAS the Heber Light & Power Company (“the Company”) is an energy services interlocal entity created by Heber City, Midway City, and Charleston Town (“Members”) to provide electric service to customers within the municipalities and surrounding areas.

WHEREAS the Company’s Organization Agreement (“Agreement”) provides that the Company may make distributions to its Members from distributable income (“Distributable Income”) as defined in Paragraph J. 2. of the Agreement.

WHEREAS the Company’s 2014 Annual Budget provides for quarterly distributions to the Members from Distributable Income.

WHEREAS the Company has sufficient Distributable Income to fund the quarterly, budgeted distribution for the first quarter of 2014.

NOW THEREFORE, BE IT RESOLVED BY BOARD OF DIRECTORS OF THE
HEBER LIGHT & POWER COMPANY AS FOLLOWS:

1. The Board has determined that the Company has net income available for distribution to the Members after the payment of all operating expenses and debt service costs of the Company and the funding of all rate stabilization, surplus or similar funds established under the Company’s bond indenture or resolution, or of any contingency reserves determined by the Board to be reasonably necessary to pay unexpected energy price fluctuations and equipment failures or to provide rate stabilization.

2. Pursuant to the Agreement, the Company shall therefore make the first quarter dividend payment to the Members as provided in the 2014 Annual Budget.