

MEETING NOTICE & AGENDA



Heber Light & Power Company

31 South 100 West
Heber City, Utah 84032

Title:	Heber Light & Power Board of Directors Meeting
Location:	Heber Light & Power Business Office, 31 S 100 W, Heber City, UT 84032
Date:	Wednesday, September 24, 2014
Time:	4:00 p.m.

Board Members	
1	Mayor Alan McDonald
2	Mayor Colleen Bonner
3	Mayor Bob Kowallis
4	County Council Chair Jay Price
5	Council Representative Jeff Bradshaw
6	Council Representative Robert Patterson
Agenda Items	
1	Consent Agenda - Items for Approval:
	a. August 27, August 20, and June 23 Board Meeting Minutes
	b. August Financials
	c. August Warrants
	d. Amendment to Audit Committee Resolution
	e. Resolution Appointing Interim General Manager as Authorizing Agent on Zions Line of Credit
2	Consideration and vote on Heber City Council's recommendation re: Organization Agreement (Joe Dunbeck)
3	Discussion and approval of R.E. Pender Contract for Cost of Service Study and Impact Fee Study (Joe Dunbeck)
4	Discussion and approval of Strategic Plan 2015-2019 (Bart Miller)
5	Review of proposed financing schedule for CAT field follow units (Bart Miller)
6	Audit Committee Report (Bart Miller)
7	HR Committee Report (Karly Schindler)
	a. Discussion and vote on approval of contract for compensation study
	b. Update on job posting for General Manager
8	Update on purchase of new transformer for gas plant substation (Jake Parcell)
9	Update on Sensus upgrade (Jake Parcell)

Note: The Board reserves the right to move into Executive Session on any of the above items.



Heber Light & Power

31 South 100 West
Heber City, Utah 84032
August 27, 2014

Board of Directors Meeting 4:00 p.m.

The Board of Directors of Heber Light & Power met on August 27, 2014, in the Heber Light & Power Business Office at 31 South 100 West, Heber City, Utah.

Board Members Present:	Mayor	Alan W. McDonald
	Mayor	Colleen Bonner
	Mayor	Bob Kowallis
	County Council Chairman	Jay Price
	Heber City Council Member	Robert Patterson
	Heber City Council Member	Jeff Bradshaw

Staff Present:	General Manager	Jason Norlen
	Operations Manager	Harold Wilson
	Substation Tech. Services Manager	Jacob Parcell
	Accounting/Financial Manager	Bart Stanley Miller
	HR Specialist/Legal Assistant	Karly Schindler
	General Counsel	Joe Dunbeck
	Board Secretary	Amanda Anderson

Others Present: Mike Swallow of Personnel Systems & Services, Matthew Weatherly of Public Sector Personnel Consultants (connected via Skype), and members of the public as identified on the official roll.

The Chair called the meeting to order at 4:00 p.m. and welcomed those in attendance. He stated the schedule would be rearranged to allow the presentations to be given first.

Presentations on Compensation Study Proposals by: (a) Personnel Systems & Services, Inc., and (b) Public Sector Personnel Consultants Corporation: Matthew Weatherly of Public Sector Personnel Consultants (PSPC) connected to the meeting through Skype. Weatherly gave a power point

1 presentation titled “Supplemental Information to Proposal to Conduct a Classification and
2 Compensation Study for Heber Light and Power.” He provided a brief overview of PSPC explaining
3 that PSPC has prepared over 1,000 classification and compensation studies for state and local
4 governments in the past three years. PSPC’s approach includes transparency, communication with staff,
5 quality assurance, along with 12 months of implementation support and on-site training. Weatherly
6 stated employee and management input was important in updating job titles and/or descriptions and that
7 doing job audits would be the first step. Weatherly stated that PSPC employed full-time subject matter
8 experts on staff as opposed to consultants. Joe Dunbeck asked if a benefits analysis was included in the
9 proposal. Weatherly stated that the proposal only contemplated a base pay survey and that a benefit
10 analysis would be an additional \$2,500 depending on the level of benefit review that was added. Board
11 members also asked about the timing of the project. Weatherly stated that they should be able to
12 complete the study by the end of the year; however, they would honor the bid estimate for six months if
13 the project was delayed.

14
15 Mike Swallow of Personnel Systems & Services presented a power point presentation of his
16 compensation study proposal. He provided background information on himself and his company. He
17 began with the pay philosophy and compensation objective and discussed whether or not Heber Light
18 and Power was at or above the average salary ranges for comparable jobs. He reviewed the objectives
19 of their study. Their consultant philosophy included: market place, available resources, internal equity,
20 and perceived value of the individual or performance. Project assumptions were listed as achieving a
21 reasonable level of competitiveness, maintaining the current standards in order to provide quality
22 services and avoiding becoming a training ground for other entities. They would address the value of
23 each job, include all components of the job and then analyze the job. They would then conduct an after
24 job analysis using the data gathered throughout the prior steps of the study as well as responsibility, job
25 knowledge, difficulty and work environment being included in the study of each job. Prevailing market
26 value and pricing would play a role in deciding what Heber Light and Power’s market position was and
27 once that was decided, the question of whether or not the Company wanted to be at or above market
28 with regard to their positions needed to be answered. He stated that market data would be collected and
29 analyzed and from that point forward they would determine pay plan design and features and calculate
30 implementation impact. The size and type of the organization played a role, the organizational
31 philosophy, nature and diversity of work, prevailing prices, availability of labor supply, pay
32 supplements, total compensation, reputation of the organization, pay progression policy, bonus and
33 incentive plan, ownership protection. Colleen Bonner asked how long the quote would be good for.
34 Swallow responded that the bid was good indefinitely. Dunbeck asked what Swallow’s prior role was in
35 setting the management salaries. Swallow stated that beyond what was identified in his 2011 study, he
36 didn’t have involvement setting the current management salaries. Dunbeck asked if his prior work with
37 the Company would influence the current study. Swallow replied it was an entirely new study and
38 would be treated as such. The Board and Swallow briefly discussed other aspects of the study, including
39 comparable entities, compensation philosophy, public perception of current salaries and whether or not
40 recommendations would be provided at the conclusion of the study.

41

1 **Approval of June 9, 2014 Board Meeting Minutes, July 30, 2014 Board Meeting Minutes and**
2 **August 11, 2014 Board Meeting Minutes:** The Chair asked if there were any changes or modifications
3 the Board would like made to the minutes, and none were made. Jay Price moved to approve the above
4 listed minutes. Bob Kowallis made the second.

5
6 Voting Aye: Mayor Alan W. McDonald, Mayor Colleen Bonner, Mayor Bob Kowallis, County Council
7 Chairman Jay Price, Council Member Robert Patterson and Council Member Jeff Bradshaw. Voting
8 Nay: None.

9
10 Alan McDonald asked the Board to send an electronic copy of the agendas and minutes, materials, etc.
11 to their respective Councils and the Board was in agreement. Karly Schindler also stated that the Public
12 Notice website was available to them, as well as the public.

13
14 **Approval of Amendments to the Regular Board Meeting Schedule to start at 4:00 p.m.:** The Chair
15 asked for a motion to change the meeting time to accommodate the Board members' schedules. After
16 discussion with regard to the dates and times, Colleen Bonner moved to change the meeting time to 4:00
17 p.m. Robert Patterson seconded the motion.

18
19 Voting Aye: Mayor Alan W. McDonald, Mayor Colleen Bonner, Mayor Bob Kowallis, County Council
20 Chairman Jay Price, Council Member Robert Patterson and Council Member Jeff Bradshaw. Voting
21 Nay: None.

22
23 **Approval of July Financial Statement:** It was noted there was an error in the agenda and the July
24 Financial Statement was in need of approval. Bob Kowallis moved to approve the July Financial
25 Statement. Jeff Bradshaw made the second.

26
27 Colleen Bonner asked about the overages on percentages. Jason Norlen stated that gas generation was
28 trending over because more energy was coming out of the power plant since market power had been
29 high. Power purchases were trending downward and there was also a double entry of power costs in one
30 instance. He also explained that the building maintenance overage was due to allocating building
31 maintenance costs correctly for each building. Jeff Bradshaw asked about professional services. Jason
32 Norlen and Bart Miller explained that the professional services category included some miscellaneous
33 services and costs that were not anticipated in the prior budgeting process.

34
35 Voting Aye: Mayor Alan W. McDonald, Mayor Colleen Bonner, Mayor Bob Kowallis, County Council
36 Chairman Jay Price, Council Member Robert Patterson and Council Member Jeff Bradshaw. Voting
37 Nay: None.

38
39 **Approval of July Warrants:** It was noted there was an error on the agenda and the July Warrants were
40 in need of approval.

1 Jay Price moved to approve the July Warrants. Robert Patterson seconded the motion.

2
3 Voting Aye: Mayor Alan W. McDonald, Mayor Colleen Bonner, Mayor Bob Kowallis, County Council
4 Chairman Jay Price, Council Member Robert Patterson and Council Member Jeff Bradshaw. Voting
5 Nay: None.

6
7 Bob Kowallis thanked Jake Parcell for adding training programs back into the budget. Parcell
8 responded that this wasn't new training, but a delayed payment of prior training. He stated that training
9 had not been reinstated at this time, but would be included in the next budget.

10
11 **Audit Committee Report:** Chairman McDonald asked the Audit Committee to review the future
12 warrants and the financial statements and report to the Board with any items that needed discussion. He
13 stated the financial statements and warrants would still be provided to the full Board, but that the
14 committee would have the responsibility to review the information prior to the board meetings.
15 Dunbeck stated a consent calendar could be created to speed things along during the board meetings.
16 After discussion, it was decided that the Board would like to pursue that and utilize a consent agenda.

17
18 **Discussion and Vote on Appointment of Board Secretary:** Chairman McDonald asked the Board
19 what they would like to do regarding the position of Board Secretary. Karly Schindler had agreed to
20 return as Board Secretary. Mandy Anderson had expressed an interest in continuing to take minutes of
21 the meetings. Bob Kowallis stated that Anderson's title would need to be changed, and it was suggested
22 that she be appointed as Board Recorder.

23
24 Jay Price moved to appoint Karly Schindler as Board Secretary and to appoint Mandy Anderson as the
25 Board Recorder. Bob Kowallis seconded the motion.

26
27 Voting Aye: Mayor Alan W. McDonald, Mayor Colleen Bonner, Mayor Bob Kowallis, County Council
28 Chairman Jay Price, Council Member Robert Patterson and Council Member Jeff Bradshaw. Voting
29 Nay: None.

30
31 **Discussion and Vote on Appointment of Company Alternates on UAMPS Board:** Chairman
32 McDonald asked Jason Norlen for an update on the UAMPS Board. Norlen stated that as a member of
33 UAMPS, the Company was required to designate a representative to the UAMPS Board along with two
34 alternates. Norlen is the representative, but needed to update the appointments for the two alternates.
35 He recommended Bart Miller and Emily Brandt as the alternates with himself continuing as the
36 representative. Jeff Bradshaw asked if the staff members were willing to serve as alternates. Norlen
37 stated Emily was very involved and would be agreeable to serve as an alternate. Bart Miller stated he
38 was willing to serve as an alternate as well.

39
40 Colleen Bonner moved to appoint Bart Miller and Emily Brandt as alternates to the UAMPS Board and
41 Jason Norlen for the UAMPS Board representative. Bob Kowallis made the second.

1
2 Voting Aye: Mayor Alan W. McDonald, Mayor Colleen Bonner, Mayor Bob Kowallis, County Council
3 Chairman Jay Price, Council Member Robert Patterson and Council Member Jeff Bradshaw. Voting
4 Nay: None.

5
6 Norlen stated they would prepare a resolution reflecting the appointments. Jay Price moved to allow
7 Chairman McDonald the authority to sign the Resolution for Board. Robert Patterson made the second.

8
9 Voting Aye: Mayor Alan W. McDonald, Mayor Colleen Bonner, Mayor Bob Kowallis, County Council
10 Chairman Jay Price, Council Member Robert Patterson and Council Member Jeff Bradshaw. Voting
11 Nay: None.

12
13 **Audit Committee Update:** Bart Miller stated the Audit Committee met this past Monday and
14 discussed the presentations given at the Heber City Council meeting (one from Mark Anderson, City
15 Manager, and the other from Bill Goodall). The Committee also discussed the timing of formulating the
16 2015 budget. Other items discussed were a new impact fee study and establishing a demand charge.
17 Jason Norlen reported that updating the impact fee study would be around \$12,000 and the renewing the
18 cost for the service study would not exceed \$18,000. Bob Kowallis stated he felt that waiting on the
19 impact fee study until next year would be wise and Colleen Bonner agreed, but stated the cost of service
20 study should be done now. Norlen stated the middle commercial block should be looked at during the
21 cost of service study and a demand charge may be implemented as rates needed to be recovered in that
22 area. Norlen stated getting the cost of service study finished by November for the budget might not be
23 possible, but they may be able to make rate decisions after reviewing the draft budget. Norlen stated the
24 \$12,000 for the impact fee study would be in next year's budget, but the cost of service would be on this
25 year's budget. He stated it was a matter of whether or not the Board wanted to collect the lost revenues
26 or not. Norlen stated the purpose of the study was to ensure the Company was collecting the appropriate
27 revenue for services provided. Norlen stated he would start gathering the data needed for the study as
28 soon as possible. The Board was in agreement on moving the studies forward.

29
30 Chairman McDonald asked staff to keep the Company's website current and to post information
31 regarding the need for purchasing the new generators in order to keep the public well informed. Norlen
32 stated the Company's Facebook page was kept current and they were also using Twitter to inform the
33 public of power outages.

34 35 **DEPARTMENT REPORTS**

36
37 **Timeline and Tasks for Completion of 2015 Budget:** Bart Miller informed the Board that staff had
38 been working on updating the strategic plan and creating the 2015 budget. Miller will review the draft
39 strategic plan and the preliminary budget with the Audit Committee on September 15 and present them
40 to the full Board for review at the next Board meeting. The public hearing on the preliminary budget
41 will be December 17.

1
2 **Update on Status of Financing for CAT Generators:** Miller discussed the financing options for the
3 purchase of the CAT field follow units. There was discussion regarding payment structures and long
4 term and short term benefits of each option. It was decided to allow Zion's bank to source financing
5 options to see if they could come up with a lower rate. Norlen answered questions from the Board
6 regarding the budget and the purchase of the generators. He stated that further information would be
7 brought to the Board at the next Board meeting.
8

9 **Update on HR Committee Meeting and Plan of Action:** Karly Schindler stated she and Jason Norlen
10 met with the Human Resources (HR) committee to get direction for the employee benefits committee.
11 She stated that since the majority of the Committee's concerns pertained to the exempt managers, that a
12 meeting was scheduled with the HR Committee and the exempt managers on September 8, 2014 at 9:00
13 a.m. to review some of those issues. The employee benefits committee will meet on September 11. Jeff
14 Bradshaw stated he was unable to attend due to a conflict. Schindler stated she would send an email
15 with dates, times and agendas for those meetings.
16

17 **Update on Construction of 138kv Line:** Harold Wilson updated the Board on the progress on the
18 138kv line. He showed a picture of the existing power lines and what the new transmission sections and
19 new structure specifications would be. They were currently drilling structure bases and pouring the
20 bases. He stated the cement had to cure for 30 days before anything could be attached to the poles, so
21 the structures needed to be done now to accommodate the future construction schedule. Wilson stated
22 that the new line would consist of 31 poles instead of the 36 that currently existed. He also stated
23 Summit Line Construction, which is a division of Probst Electric, would be constructing the line and that
24 the completion date was scheduled for November. Wilson reminded the Board that this was a regional
25 project that would not only benefit our customers, but was also important for the surrounding areas.
26

27 **2016 Energy Portfolio Discussion:** Jason Norlen informed the Board that there was a shortfall in the
28 portfolio for 2016 but that the planned equipment purchases would take care of some of that. Norlen
29 and the Board discussed the market possibilities to cover the remaining shortfall. Norlen asked for
30 direction from the Board. Jay Price stated he felt the Board should move forward with Norlen's
31 recommendation and the Board was in agreement. Norlen stated that St. George asked if the Company
32 wanted to take St. George's Jordanelle power during the winter months. He stated it fit in the portfolio
33 and although the cost was a bit high, there were no transmission costs. The Board was in agreement
34 with this. Norlen also informed the Board that Eagle Mountain was attempting to sell their resources
35 (wind and market contracts), but he did not feel that these resources would be beneficial to the
36 Company. The Board advised Norlen to watch the situation and move forward on anything that may be
37 of benefit to the Company.
38

39 Bob Kowallis attended the UAMPS meeting with Jason Norlen. Norlen stated UAMPS was bringing
40 nuclear power into their portfolio in 2023 and 2025. If the Board wanted more information on the small
41 modular reactors they could visit the UAMPS website or he could provide them more information.

1
2 **Plant 2 Transformer Update:** Jake Parcell updated the Board on the bids for the new transformer for
3 the gas plant substation. He stated that the bids were opened today, but that he had not had a chance to
4 evaluate them yet. Parcell would provide those numbers to management for review and would update
5 the Board at the next board meeting. He invited the Board members to visit his office to review the bids
6 and the evaluation of the cost of the transformers if they wished. Bob Kowallis asked about the
7 insurance claim on the old transformer. Parcell stated it would be roughly \$20,000-\$30,000.
8

9 **Additional Business:** The Chair reminded the Board to contact Norlen or himself if they had any items
10 for future agendas. Norlen asked what the Board wanted to do regarding the reporter from the Salt Lake
11 Tribune that was writing a follow up article on Furness and that was asking for a statement about Blaine
12 Stewart's retirement. Chairman McDonald stated he would forward the articles that had already been
13 published regarding those issues to the reporter.
14

15 With no further business to discuss, Colleen Bonner moved to adjourn the meeting. Bob Kowallis
16 seconded the motion.
17

18 Voting Aye: Mayor Alan W. McDonald, Mayor Colleen Bonner, Mayor Bob Kowallis, County Council
19 Chairman Jay Price, Council Member Robert Patterson and Council Member Jeff Bradshaw. Voting
20 Nay: None.
21

22
23 _____
24 Amanda Anderson
25 Board Recorder



Heber Light & Power

31 South 100 West
Heber City, Utah 84032
August 20, 2014

Special Board of Directors Meeting 4:05 p.m.

The Board of Directors of Heber Light & Power met on August 20, 2014, in the Heber Light & Power Business Office at 31 South 100 West, Heber City, Utah.

Board Members Present:	Mayor	Alan W. McDonald
	Mayor	Colleen Bonner
	Mayor	Bob Kowallis
	Heber City Council Member	Robert Patterson
	Heber City Council Member	Jeff Bradshaw
Board Members Excused:	County Council Chairman	Jay Price
Staff Present:	General Manager	Jason Norlen
	Operations Manager	Harold Wilson
	Accounting/Financial Manager	Bart Stanley Miller
	HR Specialist/Legal Assistant	Karly Schindler
	General Counsel	Joe Dunbeck

The Chair called the meeting to order at 4:05 p.m. and welcomed those in attendance.

Consideration for Adoption of Board Resolution on Company's Response to Heber City

Resolution No. 2014-13 and Public Hearing: Chairman McDonald stated Joe Dunbeck had prepared a draft resolution (Resolution 2014-08) in response to Heber City's Resolution 2014-13. McDonald stated there was a one hour block of time scheduled at the Heber City Council work meeting for comments and presentations regarding the Company's employee benefits. McDonald stated that at the work meeting, he would like the Mayor of Midway and the Mayor of Charleston to request that the City Council rescind their resolution as they had no authority to act for the Company. Joe Dunbeck stated Jay Price had reviewed Resolution 2014-08 and was perhaps willing to speak at the meeting if the County Council

1 agreed. Kowallis stated he felt that reading the Resolution at the City Council meeting was sufficient.
2 Dunbeck briefly explained Resolution 2014-08 which included a brief history of the Company, the
3 Company's mission statement, that the Company was a political subdivision legally separate and distinct
4 from its members, that the Organization Agreement provided the Board of Directors the authority to
5 manage and direct the Company and that it would be a violation of the Organization Agreement if a
6 member sought to usurp or interfere with the Board's authority or the Company's business. Dunbeck
7 stated he had met with Kowallis to work on drafting Resolution 2014-08 and thanked him for his time.
8 Kowallis suggested reading the Resolution at the meeting and then adding their individual statements
9 afterwards. There was discussion among the Board regarding how to best handle the upcoming meeting
10 and their relations with the Heber City Council. The Board decided that Chairman McDonald would read
11 the resolution at the meeting and then open the floor to the two Mayors and the County representative.

12
13 Colleen Bonner moved to adopt Resolution 2014-08. Robert Patterson seconded the motion.

14
15 Voting Aye: Mayor Alan W. McDonald, Mayor Colleen Bonner, Mayor Bob Kowallis, Council Member
16 Robert Patterson and Council Member Jeff Bradshaw. Voting Nay: None.

17

18 **Consideration for Adoption of Board Resolution on Recruitment and Selection of Applicants**

19 **For Position of General Manager:** Chairman McDonald stated the job description for the General
20 Manager had been provided to the Board and suggested a motion to pass a resolution to allow Karly
21 Schindler to post the job. He suggested creating a committee consisting of Board members and outside
22 sources to provide advice throughout the selection and hiring of a new General Manager. Colleen
23 Bonner suggested staff members participate on the committee as well. There was discussion and
24 suggestions for potential committee members. Jason Norlen explained to the Board the process the City
25 of Lehi used in hiring their General Manager. Chairman McDonald asked the Board to suggest people to
26 serve on the hiring advisory committee and the Human Resources department would contact the
27 proposed committee members.

28

29 Bradshaw stated he would like to see the process done right and would prefer taking more time and
30 choosing carefully rather than rushing the decision. Kowallis suggested that delaying the hiring of a new
31 general manager it would allow more time to review items of concern, i.e. management level
32 compensation, auto allowance, etc. Kowallis stated that he would like time to work with staff in
33 addressing those issues and that perhaps June or July of 2015 would be an appropriate time to replace the
34 General Manager. There was discussion regarding upcoming planned projects, financial aspects, and
35 future Company needs. Norlen stated he felt the Company was successful in hiring the new CFO and
36 was confident that the Company could move forward with their current plans. He did not think the lack
37 of General Manager would impact things significantly. Robert Patterson felt choosing a new General
38 Manager sooner than later would be ideal. Norlen expressed his confidence in the Company's staff and
39 that he was comfortable waiting if that was what the Board decided. Colleen Bonner stated she would
40 like someone hired around March or April in order to have them ready for the summer months and the
41 projects involved at that time. The Board decided to open the position now and keep it open through

1 October, review applications in November and December and begin interviewing in January, which
2 would hopefully result in a recommendation by the Board in March of 2015.

3
4 Kowallis stated he would like to have an appropriate salary and benefits package prepared before the job
5 position was advertised in order to properly present the job. Karly Schindler stated moving forward with
6 the compensation study would address those issues. There was discussion regarding past compensation
7 studies and the scope of the proposed study.

8
9 After some discussion the Board approved the job description for the General Manager as written.
10 Chairman McDonald asked the Board if they were in agreement with opening the job the first of
11 September and closing it October 31. Kowallis stated he would like to review the compensation schedule
12 for the General Manager before opening the job. Norlen suggested advertising the job without a salary
13 listed. He felt this would be beneficial in gathering information for the appropriate pay scale from
14 potential applicants. After discussion, it was decided to review the applications in November and
15 December using the advisory committee, begin interviews in January and depending how long the
16 interview process took, hire a new General Manager in March or April of 2015.

17
18 Jeff Bradshaw moved to approve the above-mentioned timeline for the hiring of the new General
19 Manager. Robert Patterson seconded the motion.

20
21 Voting Aye: Mayor Alan W. McDonald, Mayor Colleen Bonner, Mayor Bob Kowallis, Council Member
22 Robert Patterson and Council Member Jeff Bradshaw. Voting Nay: None.

23
24 Patterson asked for an update on the recent committee meetings held and what they were in regard to.
25 Kowallis and Bonner explained to Patterson the resolutions that were sent out and the communications
26 among staff and the Board. He asked that the Board include himself, Bradshaw and the other Board
27 members with regard to the happenings of the committees and the Board was in agreement with that.

28
29 With no further business to discuss, Bob Kowallis moved to adjourn the meeting. Colleen Bonner made
30 the second.

31
32 Voting Aye: Mayor Alan W. McDonald, Mayor Colleen Bonner, Mayor Bob Kowallis, Council Member
33 Robert Patterson and Council Member Jeff Bradshaw. Voting Nay: None.

34
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38 _____
39 Amanda Anderson
40 Board Recorder



Heber Light & Power

31 South 100 West
Heber City, Utah 84032
June 23, 2014

Special Board of Directors Meeting 3:00 p.m.

The Board of Directors of Heber Light & Power met on June 23, 2014, in the Heber Light & Power Business Office at 31 South 100 West, Heber City, Utah.

Board Members Present:	Mayor	Alan W. McDonald
	Mayor	Colleen Bonner
	Mayor	Bob Kowallis
	County Council Chairman	Jay Price
	Heber City Council Member	Kelleen Potter
	Heber City Council Member	Heidi Franco
Staff Present:	General Manager	Blaine Stewart
	Generation Manager	Jason Norlen
	Operations Manager	Harold Wilson
	Substation Tech. Services Manager	Jacob Parcell
	Accounting/Financial Manager	Bart Stanley Miller
	HR Specialist/Legal Assistant	Karly Schindler
	General Counsel	Joe Dunbeck

Others Present: Tracy Taylor

The Chair called the meeting to order at 3:00 p.m. and welcomed those in attendance.

Discussion and Selection of Board Secretary: Chairman McDonald stated there had been prior discussion regarding the replacement of the Board Secretary. McDonald stated that the noticing and preparation of the packet materials would be done by staff, but there was a need for someone to take meeting minutes. Bob Kowallis said he had spoken with the Charleston Town Clerk about the position and told her that if she was interested, she should contact Alan McDonald. McDonald stated Mandy Anderson was available as well and asked for any other suggestions from the Board. McDonald suggested \$20.00 for the compensation and after discussion the Board was in agreement with the pay rate. Colleen Bonner suggested a six month probation period and then a reevaluation of the pay rate.

1 Blaine Stewart stated that the position would be as a temporary employee and not eligible for benefits.
2 Bob Kowallis moved to appoint Mandy Anderson to serve as the Board Secretary. Colleen Bonner
3 made the second.

4
5 Voting Aye: Mayor Alan W. McDonald, Mayor Colleen Bonner, Mayor Bob Kowallis, County Council
6 Chairman Jay Price, Council Member Kelleen Potter and Council Member Heidi Franco. Voting Nay:
7 None.

8
9 **2014 Budget Expense Review:** Stewart stated the purpose today was to give the Board a review of the
10 financial position of the Company. He stated in the past few weeks there had been information spread
11 with regard to the position of the Company and he felt it was important to inform the Board of the facts.
12 Stewart stated the annual income of the Company was leveraged to pay for costs and assets. The burden
13 was then transferred to current and future rate payers in order to fund large assets when they were
14 necessary. Debt financing spread some of the burden from the current rate payers to the future rate
15 payers. He stated the Company did not rely on debt to fund all projects; operating revenues were also
16 used. In the strategic plan, necessary capital projects were identified in order to sustain the Company's
17 ability to continue to serve them. Successive rate increases were incorporated in the strategic plan to
18 keep the Company in a good financial position, to satisfy the operating and maintenance requirements
19 and maintain dividends. HL&P was not committed to any debt service options other than the current
20 bonds. Stewart stated the rate of return needed to be structured on revenues to provide the ability to the
21 Company to fund any additional debt at reasonable rates for HL&P customers. Stewart explained the
22 process of bonds which began with a parameters resolution that was approved by the Board of Directors.
23 The resolution established parameters under which the Company would entertain additional debt
24 through bonding. In the 2012 parameters resolution, the parameters included a maximum interest rate
25 and a condition that the debt service obligation of HL&P would not increase.

26
27 Joe Dunbeck explained to the Board that there was a significant amount of misinformation given at the
28 public hearing. Dunbeck explained that the rate increase of 4.5% could be found in the strategic plan for
29 the past couple of years. He stated the strategic plan was attempting to be implemented and that it had
30 been planned for quite some time. Dunbeck wanted to ensure that the Board was correctly informed and
31 stated that the 2012 bonds refinanced the 2002 bonds. He reviewed the additional bonds HL&P held
32 and explained the refinancing related to those bonds. Dunbeck stated that there were currently just two
33 bonds; the 2010 bonds and the 2012 bonds. The 2012 bonds would be paid before 2025 and HL&P
34 would be left with just the 2010 bonds. Franco asked about the Build America Bonds and discrepancies
35 she had found between the auditor's information and HL&P staff's information. Dunbeck suggested that
36 maybe the bonds had been combined in the auditor's report and that that may explain the difference.
37 Dunbeck explained the coupon and refinancing rates and the inaccurate information given during the
38 public hearing. He stated the prior Board had not wanted any additional debt service and as a result, the
39 debt service was not higher and the Company had received an additional \$624,000.00. Dunbeck stated
40 there were obvious benefits to the refinancing of the bonds. In summary, he stated the refinancing of the

1 2002 bonds resulted in rates reduced to 2%-4% with the coupon rate reduced to 3.0% and a debt service
2 savings for the life of the bond of \$300,000.00 and cash to the company of \$624,000.00.

3
4 Dunbeck also discussed the Fitch ratings. He stated the downgrade was not a positive thing, but stated it
5 was irresponsible to suggest HL&P was on the verge of having a B rating. Dunbeck explained to the
6 Board that the current debt metrics were strong. Dunbeck stated that with all the factors involved the
7 rating was still a high rating, and that it was a mistake to suggest otherwise. He stated there was work to
8 do and HL&P would continue to fight for a higher rating and felt the current suggestions would help put
9 HL&P where they wanted to be in the future. Dunbeck stated his advice would be to complete the
10 Swallow study and move forward from that point. He stated there was a misunderstanding with regard
11 to the fundamental business of HL&P. The Company was a standalone interlocal entity or joint action
12 agency. The APPA excluded joint action agencies from their ratios due to their individuality. Dunbeck
13 explained that due to this, it was difficult to compare HL&P to other companies and/or government
14 offices, i.e. Logan, Utah; as they were not the same. The internal services were different, the service
15 territories were different. Dunbeck explained the differences between Logan City, Payson City and
16 HL&P. There was discussion between Dunbeck and Franco with regard to the information provided,
17 current and future debt, and so forth. There was discussion between Stewart and Franco with regard to
18 the communication difficulties they had had. Chairman McDonald intervened in the discussion and
19 asked those involved to keep the best interest of HL&P in mind and move forward from there. Jay Price
20 stated that he looked at the total principal owed and looked at the interest on the bonds and in doing so it
21 clearly showed the savings to the Company. The Board members discussed the bonds further and
22 Director Franco voiced her concerns with regard to governance issues she felt should be addressed.
23 There was further discussion between Dunbeck and Franco, after which the Chair asked them to meet at
24 a later date to work things out.

25
26 **Financials and Bank Reconciliations:** Bart Miller stated he had been asked to put together an
27 understanding of where HL&P currently stood financially. Miller stated the 2014 budget planned for
28 \$14.2 million in income. The actuals through May and forecast for June through December shows just
29 over \$14 million. The difference comes from the fact the budgeted amount anticipated nine months with
30 a 4.5% rate increase. Miller reviewed the major line items relating to expenses. Miller stated that there
31 is not a lot of room to move on expenses. Miller and the Board discussed expenses relating to the cost
32 of natural gas, employee benefit costs, professional services and inventory purchases. Miller explained
33 the difference between anticipated expenses and liabilities and explained to Franco why those items
34 were not in the budget. He stated employees who had retired were included in the budget after they
35 retired and were unfunded until they were no longer a liability. Miller explained to Franco and Potter
36 how HL&P funded liabilities and explained when the expense line items be would reflected in the
37 budget. Miller stated HL&P's capital program had to be funded to cover expenditures to avoid another
38 downgrade in the future. Miller went on to explain the projected overage and the current shortage. He
39 felt they could absorb that difference for the current year, but for the future he felt the rate increase was

1 absolutely necessary to meet current and future needs. Chairman McDonald thanked Miller for his time
2 and effort in providing the information to the Board.

3
4 **Compensation and Benefits:** Stewart stated that if the Board would like to review the past
5 compensation study information that Karly Schindler is prepared to present that information. Stewart
6 stated that a new compensation study was budgeted and planned for this year since they were done every
7 three years and that an RFP had already been published to commission a new study. He explained there
8 was no commitment involved with soliciting proposals for a new study. Chairman McDonald felt that
9 as there was no cost in soliciting the bids for the study, staff should move forward with collecting the
10 bids. Kowallis asked questions with regard to the compensation study which Stewart answered.
11 Kowallis thought the Board should be involved in the process. Dunbeck stated that they could structure
12 the study to fit the wants and needs of the Board. Stewart stated the RFP was on the HL&P website.
13 Potter stated she felt the salaries at HL&P were higher than usual for the State and that paying for
14 another compensation study was an unnecessary expense. Franco stated that after looking at prior
15 studies she felt the salaries, etc. were higher than they should be. Kowallis stated he felt the
16 compensation schedule was accurate, aside from a few parts.

17
18 Heidi Franco moved to cancel the RFP and consider continuing the RFP in the fall. Kelleen Potter made
19 the second.

20
21 Jay Price stated that since there was no cost associated with requesting proposals that he would be
22 interested in seeing what the proposals would be. Franco disagreed and stated she felt that a salary
23 studies were always designed to increase salaries. Price disagreed with Franco and stated he thought it
24 would be a positive thing, and the Board could ensure the study was done fairly and accurately. Stewart
25 stated the 2015 budget would need accurate compensation schedules to budget correctly. After
26 discussion among staff and Board members, the Chair asked for a vote.

27
28 Heidi Franco called for a party only vote on the motion. Chairman McDonald stated it was in the best
29 interest of all for everyone to vote on the motion. Jay Price stated since he represented one-third of the
30 rate payers that he should be allowed to vote. Franco stated she had asked for a party only vote and
31 because she asked the bylaws stated it should be done as such.

32
33 The party-only vote was as follows: Voting Aye: Council Member Kelleen Potter and Council Member
34 Heidi Franco. Voting Nay: Mayor Alan W. McDonald, Mayor Colleen Bonner and Mayor Bob
35 Kowallis.

36
37 Motion failed.

38
39 Dunbeck stated that because the above motion did not pass, the RFP will continue as planned. Kowallis
40 stated that the Executive Committee should be more cautious in the future with information that

1 impacted the whole Board. Potter asked if further discussion was necessary regarding the previous
2 compensation study. Kowallis answered it would not hurt to discuss it further, but that the Board had
3 the information to review for themselves as well.

4
5 Heidi Franco moved to dispense with the review of past compensation information and to continue to
6 study the information given and when the RFP was considered in the future the Board could discuss it
7 further. Kelleen Potter made the second.

8
9 Voting Aye: Mayor Alan W. McDonald, Mayor Colleen Bonner, Mayor Bob Kowallis, County Council
10 Chairman Jay Price, Council Member Kelleen Potter and Council Member Heidi Franco. Voting Nay:
11 None.

12
13 Chairman McDonald asked for a motion to move into Executive Session. Colleen Bonner moved to go
14 into Executive Session for the purpose of personnel issues. Bob Kowallis seconded the motion.

15
16 Voting Aye: Mayor Alan W. McDonald, Mayor Colleen Bonner, Mayor Bob Kowallis, County Council
17 Chairman Jay Price, Council Member Kelleen Potter and Council Member Heidi Franco. Voting Nay:
18 None.

19
20 The Board moved out of Executive Session.

21
22 Jay Price exited the meeting during Executive Session for a prior commitment.

23
24 Alan McDonald asked for motion for a compensation package for Blaine Stewart's early retirement.
25 Bob Kowallis made a motion to offer Blaine Stewart an opportunity for early retirement and present him
26 with a contract outlining the same. Motion was seconded by Heidi Franco.

27
28 Voting Aye: Mayor Alan W. McDonald, Mayor Colleen Bonner, Mayor Bob Kowallis, Council
29 Member Kelleen Potter and Council Member Heidi Franco. Voting Nay: None.

30
31 With no further business to discuss, Bob Kowallis moved to adjourn the meeting. Colleen Bonner
32 seconded the motion.

33
34 Voting Aye: Mayor Alan W. McDonald, Mayor Colleen Bonner, Mayor Bob Kowallis, Council
35 Member Kelleen Potter and Council Member Heidi Franco. Voting Nay: None.

36
37
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40

Amanda Anderson
Board Recorder



Heber Light & Power AUGUST Financial Statement 2014

Description	Budget 2014	JAN-JUNE	JUL	AUG	SEP	OCT	NOV	DEC	YTD	67% of Year Elapsed
Income										
Electricity Sales	\$ 14,150,240	\$ 6,797,918	\$ 1,433,816	\$ 1,404,990					\$ 9,636,724	68%
Service Fees	\$ 25,141	\$ 13,453	\$ 2,741	\$ 3,162					\$ 19,356	77%
Penalties	\$ 40,700	\$ 18,332	\$ 3,667	\$ 3,019					\$ 25,018	61%
Interest	\$ 22,800	\$ 9,055	\$ 1,504	\$ 1,474					\$ 12,033	53%
Misc	\$ 41,352	\$ 19,988	\$ 2,525	\$ 2,670					\$ 25,183	61%
Aid to Construction	\$ -	\$ 349,348	\$ 17,303	\$ 110,260					\$ 476,911	-
Impact Fees	\$ -	\$ 270,733	\$ 45,684	\$ 40,240					\$ 356,657	-
Total Budgeted Income	\$ 14,280,233	\$ 7,478,826	\$ 1,507,240	\$ 1,565,815					\$ 10,551,882	74%
General Expenses										
Power Purchases	\$ 6,057,312	\$ 3,023,715	\$ 351,865	\$ 208,015					\$ 3,583,595	59%
Gas Generation - Maint/Fuel	\$ 641,357	\$ 467,404	\$ 206,659	\$ (19,688)					\$ 654,375	102%
Wages	\$ 2,857,746	\$ 1,389,537	\$ 237,106	\$ 256,783					\$ 1,883,426	66%
Board Compensation	\$ 39,396	\$ 14,121	\$ 2,509	\$ 2,509					\$ 19,139	49%
Retirement	\$ 510,181	\$ 255,771	\$ 45,077	\$ 44,433					\$ 345,281	68%
Payroll Taxes	\$ 227,784	\$ 113,504	\$ 19,219	\$ 18,169					\$ 150,892	66%
Materials	\$ 475,000	\$ 7,875	\$ 520	\$ 687					\$ 9,082	2%
Communications	\$ 69,432	\$ 28,567	\$ 4,180	\$ 4,327					\$ 37,074	53%
Vehicle Expense	\$ 252,000	\$ 76,121	\$ 10,132	\$ 11,147					\$ 97,400	39%
Liability Insurance	\$ 165,000	\$ 28,416	\$ 14,208	\$ 14,208					\$ 56,832	34%
Employee Insurance	\$ 675,024	\$ 394,301	\$ 60,529	\$ 44,007					\$ 498,836	74%
Repairs/Maint/Training	\$ 300,000	\$ 103,311	\$ 32,201	\$ 15,198					\$ 150,710	50%
Building Maint	\$ 12,000	\$ 32,467	\$ 5,629	\$ 13,127					\$ 51,223	427%
Office/System Supplies	\$ 63,105	\$ 52,782	\$ 9,836	\$ 3,760					\$ 66,379	105%
Postage	\$ 42,000	\$ 19,657	\$ 1,092	\$ 5,442					\$ 26,191	62%
Travel	\$ 75,000	\$ 10,534	\$ (1,458)	\$ -					\$ 9,076	12%
Misc (Professional Services)	\$ 200,000	\$ 160,056	\$ 23,720	\$ 3,987					\$ 187,763	94%
Interest	\$ 374,125	\$ 235,652	\$ 41,079	\$ 41,079					\$ 317,810	85%
Zions Bond	\$ 325,000	\$ 167,500	\$ 27,500	\$ 27,500					\$ 222,500	68%
Dividends	\$ 300,000	\$ 75,000	\$ -	\$ -					\$ 75,000	25%
Total Budgeted Expenses	\$ 13,661,462	\$ 6,656,291	\$ 1,091,604	\$ 694,690					\$ 8,442,584	62%
Capital Expenses										
Distribution/Generation	\$ 1,190,000	\$ 285,230	\$ 19,653	\$ 190,146					\$ 495,029	42%
Substations/Hydro	\$ 190,000	\$ 91,784	\$ 3,641	\$ 77,427					\$ 172,852	91%
Trucks and Motor Vehicles	\$ 105,600	\$ 64,446	\$ 9,092	\$ 9,564					\$ 83,102	79%
Machinery/Tools	\$ 40,000	\$ 18,515	\$ 727	\$ 717					\$ 19,959	50%
Systems & Technology	\$ 69,000	\$ 19,134	\$ -	\$ 2,045					\$ 21,179	31%
Building Improvements	\$ 180,000	\$ -	\$ -	\$ -					\$ -	0%
Total Capital Expenses	\$ 1,774,600	\$ 479,109	\$ 33,114	\$ 279,899					\$ 792,122	45%
Total Budget Expenditures	\$ 15,436,062	\$ 7,135,400	\$ 1,124,718	\$ 974,589					\$ 9,234,706	60%
Inventory		\$ 311,583	\$ 43,621	\$ 36,472					\$ 391,676	-
Depreciation	\$ 1,831,728	\$ 900,238	\$ 151,493	\$ 151,445					\$ 1,203,176	66%

Report Criteria:

Detail report.
Invoices with totals above \$0 included.
Only paid invoices included.
Invoice Detail.GL Period = 0814

GL Account Number	Vendor	Vendor Name	Description	Invoice No	Inv Date	Amount
114000 INVENTORY						
114000	287	CODALE ELECTRIC SUPPLY, IN	AMP COVER 83364-1 HINGE TO	S5133603.00	08/04/2014	1.93
114000	287	CODALE ELECTRIC SUPPLY, IN	Fargo, 4/0	S5145431.00	07/29/2014	6.81
114000	287	CODALE ELECTRIC SUPPLY, IN	Elbow, Loadbreak, #2	S5145431.00	07/29/2014	302.50
114000	287	CODALE ELECTRIC SUPPLY, IN	Insulator, F-Neck, Large, 55-5	S5145431.00	07/29/2014	25.59
114000	287	CODALE ELECTRIC SUPPLY, IN	Arrestor, Riser, PVR 2216087324	S5145431.00	07/31/2014	51.25
114000	287	CODALE ELECTRIC SUPPLY, IN	Fargo, 4/0	S5145431.00	08/04/2014	340.60
114000	287	CODALE ELECTRIC SUPPLY, IN	Fuse, Line, 3 AMP	S5145431.00	08/04/2014	36.19
114000	287	CODALE ELECTRIC SUPPLY, IN	Fargo, 4/0	S5145431.00	08/04/2014	844.69
114000	287	CODALE ELECTRIC SUPPLY, IN	HOLOPHONE ANCHOR BOLT S	S5146046.00	08/15/2014	92.00
114000	287	CODALE ELECTRIC SUPPLY, IN	HOLOPHONE ANCHOR BOLT S	S5146046.00	08/15/2014	3,182.00
114000	287	CODALE ELECTRIC SUPPLY, IN	HOLOPHONE CVU7SB	S5146046.00	08/15/2014	1,038.00
114000	287	CODALE ELECTRIC SUPPLY, IN	Transformer, Padmount, 3 Phase,	S5156519.00	08/21/2014	8,620.00
114000	287	CODALE ELECTRIC SUPPLY, IN	Dead End, #4, ADEZ57N	S5157358.00	08/05/2014	224.13
114000	287	CODALE ELECTRIC SUPPLY, IN	Dead End, Shoe, 4 - 4/0	S5157358.00	08/05/2014	159.94
114000	287	CODALE ELECTRIC SUPPLY, IN	FARGO GL 112 AUTO LINE SPLI	S5157358.00	08/05/2014	381.77
114000	287	CODALE ELECTRIC SUPPLY, IN	Anchor	S5157358.00	08/21/2014	603.89
114000	287	CODALE ELECTRIC SUPPLY, IN	Secondary Junction Box, Domed	S5163714.00	08/12/2014	2,000.00
114000	287	CODALE ELECTRIC SUPPLY, IN	Switch, Test, 10 Pole	S5163714.00	08/12/2014	1,242.90
114000	287	CODALE ELECTRIC SUPPLY, IN	Fuse, Line, 3 AMP	S5163714.00	08/12/2014	65.80
114000	287	CODALE ELECTRIC SUPPLY, IN	Ballast Starter Kit, 70 Watt Replac	S5168839.00	08/14/2014	338.82
114000	287	CODALE ELECTRIC SUPPLY, IN	Light Bulb, 70 Watt, ED-23 1/2	S5168839.00	08/14/2014	122.04
114000	287	CODALE ELECTRIC SUPPLY, IN	Tape, Electrical, Black	S5174881.00	08/25/2014	396.00
114000	287	CODALE ELECTRIC SUPPLY, IN	Squid, 6 Port	S5174881.00	08/25/2014	649.80
114000	287	CODALE ELECTRIC SUPPLY, IN	Four Point, 200 AMP	S5174881.00	08/25/2014	798.42
114000	287	CODALE ELECTRIC SUPPLY, IN	Elbow, Loadbreak, #2	S5174881.00	08/25/2014	605.00
114000	287	CODALE ELECTRIC SUPPLY, IN	Bushing, Parking, Stand-Off	S5174881.00	08/25/2014	789.50
114000	287	CODALE ELECTRIC SUPPLY, IN	Fuse, Line, 6 AMP	S5174881.00	08/25/2014	32.90
114000	287	CODALE ELECTRIC SUPPLY, IN	Fuse, Line, 8 AMP	S5174881.00	08/25/2014	32.90
114000	287	CODALE ELECTRIC SUPPLY, IN	Bracket, Standoff, 18 Inch	S5174881.00	08/25/2014	187.20
114000	287	CODALE ELECTRIC SUPPLY, IN	Weather Head, 3 Inch	S5174881.00	08/25/2014	110.52
114000	287	CODALE ELECTRIC SUPPLY, IN	AMP Connector, 477 - 477	S5174881.00	08/25/2014	450.60
114000	287	CODALE ELECTRIC SUPPLY, IN	Conduit, PVC, 3 Inch, Longline Co	S5174881.00	08/25/2014	209.66
114000	287	CODALE ELECTRIC SUPPLY, IN	Sectionalizer Cabinet, Single Pha	S5174881.00	08/25/2014	2,327.22
114000	287	CODALE ELECTRIC SUPPLY, IN	Sectionalizer Basement, Single P	S5174881.00	08/25/2014	610.06
114000	287	CODALE ELECTRIC SUPPLY, IN	Conductor, UG, Primary, #2	S5174881.00	08/25/2014	4,795.60
114000	287	CODALE ELECTRIC SUPPLY, IN	Conductor, UG, Primary, #2	S5174881.00	08/25/2014	4,795.60
Total 114000 INVENTORY:						36,471.83
152000 MACHINERY, EQUIPMENT & TOOLS						
152000	386	ELECTRICAL WHOLESAL SUP	LINE SHOP GEN MATLS - WHIT	907857372	08/13/2014	30.10
152000	386	ELECTRICAL WHOLESAL SUP	GENERATOR MATLS-WHITELO	907896799	08/20/2014	41.44
152000	386	ELECTRICAL WHOLESAL SUP	Misc. wire (back-up gen)	907940496	08/27/2014	645.63
Total 152000 MACHINERY, EQUIPMENT & TOOLS:						717.17
152100 METERING ASSETS						
152100	910	SENSUS METERING SYSTEMS	Meter, 1S, 120volt	ZZ15005218	08/27/2014	880.00
Total 152100 METERING ASSETS:						880.00

GL Account Number	Vendor	Vendor Name	Description	Invoice No	Inv Date	Amount
153000 PIPELINE, DIST. SYSTEM ETC.						
153000	287	CODALE ELECTRIC SUPPLY, IN	Transformer, Polemount, 37.5 KV	S5163714.00	08/12/2014	1,440.00
153000	287	CODALE ELECTRIC SUPPLY, IN	Transformer, Padmount, 1 Phase,	S5174881.00	08/25/2014	3,500.00
153000	287	CODALE ELECTRIC SUPPLY, IN	Transformer, Padmount, 1 Phase,	S5174881.00	08/25/2014	1,750.00
153000	287	CODALE ELECTRIC SUPPLY, IN	Transformer, Padmount, 1 Phase,	S5174881.00	08/25/2014	2,900.00
153000	287	CODALE ELECTRIC SUPPLY, IN	Transformer, Padmount, 1 Phase,	S5174881.00	08/25/2014	1,750.00
153000	831	BANK OF AMERICAN LOCKBOX	PROGRESS BILLING 4	4461	08/29/2014	177,926.06
Total 153000 PIPELINE, DIST. SYSTEM ETC.:						189,266.06
155000 TECH/OFFICE EQUIP						
155000	337	DELL BUSINESS CREDIT	ADAPTOR	XJJ7427M8	08/18/2014	112.16
155000	337	DELL BUSINESS CREDIT	Dispatch Computer	XJJ7M8FF2	08/20/2014	1,932.47
Total 155000 TECH/OFFICE EQUIP:						2,044.63
162000 CAPITAL IMPROVEMENTS						
162000	189	BECKWITH ELECTRIC CO	Quote 8579 Parallel equipment (J	123923	08/08/2014	5,675.00
162000	287	CODALE ELECTRIC SUPPLY, IN	PT Jailhouse Sub	S5124474.00	08/05/2014	2,814.75
162000	386	ELECTRICAL WHOLESale SUP	Misc. material gate operators (ord	907816144	08/06/2014	266.81
162000	386	ELECTRICAL WHOLESale SUP	GATE PROJ MATLS - STEVEN	907818050	08/06/2014	205.40
162000	386	ELECTRICAL WHOLESale SUP	GATE PROJ MATLS - STEVEN	907818051	08/06/2014	94.42
162000	386	ELECTRICAL WHOLESale SUP	GATE PROJ MATLS - WHITELO	907826189	08/07/2014	204.04
162000	386	ELECTRICAL WHOLESale SUP	RETURNS - GATE PROJ MATLS	907831174	08/07/2014	326.59-
162000	386	ELECTRICAL WHOLESale SUP	GATE PROJ MATLS - STEVEN	907833701	08/08/2014	1.59
162000	386	ELECTRICAL WHOLESale SUP	GATE PROJ MATLS - WHITELO	907840995	08/11/2014	131.28
162000	478	HD SUPPLY POWER SOLUTION	4" LB	2633796-00	08/13/2014	310.00
162000	562	JACK B PARSON COMPANIES	Sand (college 702 project)	3612503	08/28/2014	385.53
162000	562	JACK B PARSON COMPANIES	Sand (college 702 project)	3612503	08/28/2014	361.02
162000	1354	SPECIALITY ELECTRICS INC	Relay panel #2 (jailhouse sub)	1409-1	08/26/2014	26,537.00
162000	1385	SIMPSON FENCE LLC	New Fence and Gates (Operation	08/14	08/21/2014	39,800.00
162000	1385	SIMPSON FENCE LLC	SOS opener	08/14A	08/29/2014	590.00
162000	1385	SIMPSON FENCE LLC	Labor	08/14A	08/29/2014	50.00
Total 162000 CAPITAL IMPROVEMENTS:						77,100.25
210000 SALES TAX PAYABLE						
210000	964	STATE TAX COMMISSION-SALE	11925586-002-STC	08/14	07/31/2014	46,367.11
Total 210000 SALES TAX PAYABLE:						46,367.11
211000 FWT						
211000	558	IRS-PAYROLL W/H	FWT	08/14	08/08/2014	23,130.60
211000	558	IRS-PAYROLL W/H	FWT	08/14B	08/22/2014	14,897.83
Total 211000 FWT:						38,028.43
211200 STATE WITHHOLDING PAYABLE						
211200	965	STATE TAX COMMISSION-W/H	11925586-003-WTH	08/14	08/31/2014	12,905.89
Total 211200 STATE WITHHOLDING PAYABLE:						12,905.89
212000 HSA EMPLOYEE DEFERRAL						
212000	1322	HEALTH EQUITY	WRIGHT/DAYBELL	08/14A	08/11/2014	200.00
212000	1322	HEALTH EQUITY	WRIGHT/DAYBELL	08/14B	08/22/2014	200.00
Total 212000 HSA EMPLOYEE DEFERRAL:						400.00

GL Account Number	Vendor	Vendor Name	Description	Invoice No	Inv Date	Amount
215000 SALARY DEFERRAL						
215000	1065	UTAH STATE RETIREMENT	EMPLOYEE	08/14A	08/11/2014	9,575.00
215000	1065	UTAH STATE RETIREMENT	EMPLOYEE	08/14D	08/22/2014	9,575.00
Total 215000 SALARY DEFERRAL:						19,150.00
216000 ENERGY TAX HEBER						
216000	480	HEBER CITY CORPORATION	JUNE ENERGY TAX REIMB	07/14C	07/31/2014	28,019.60
216000	480	HEBER CITY CORPORATION	JULY ENERGY TAX REIMB	08/14B	08/31/2014	31,973.52
Total 216000 ENERGY TAX HEBER:						59,993.12
217000 ENERGY TAX MIDWAY						
217000	705	MIDWAY CITY OFFICES	JUNE ENERGY TAX REIMB	07/14	07/31/2014	9,773.48
217000	705	MIDWAY CITY OFFICES	JULY ENERGY TAX REIMB	08/14	08/31/2014	11,923.46
Total 217000 ENERGY TAX MIDWAY:						21,696.94
218000 ENERGY TAX CHARLESTON						
218000	267	CHARLESTON TOWN	AUG ENERGY TAX REIMB	08/14	08/31/2014	1,715.89
Total 218000 ENERGY TAX CHARLESTON:						1,715.89
219000 ENERGY TAX DANIEL						
219000	323	DANIEL TOWN	AUG ENERGY TAX REIMB	08/14	08/31/2014	973.97
Total 219000 ENERGY TAX DANIEL:						973.97
250000 CAPITAL LEASE PAYABLE						
250000	139	ALTEC CAPITAL SERVICES	LEASE 41734 LINE TRUCK	00300692	08/12/2014	4,371.26
250000	139	ALTEC CAPITAL SERVICES	LEASE 43953 LINE TRUCK	00300693	08/12/2014	5,192.81
Total 250000 CAPITAL LEASE PAYABLE:						9,564.07
252000 2012 BONDS PRINCIPAL						
252000	1164	ZIONS 1ST NATIONAL BANK-TR	3535927 2012 BOND PRINCIPAL	08/14D	08/20/2014	21,250.00
Total 252000 2012 BONDS PRINCIPAL:						21,250.00
255000 2010 BONDS PRINCIPAL						
255000	1164	ZIONS 1ST NATIONAL BANK-TR	3535925 2010A PRINCIPAL	08/14A	08/20/2014	6,250.00
Total 255000 2010 BONDS PRINCIPAL:						6,250.00
404000 Impact Fee Revenue						
404000	1381	HENRY WALKER HOMES	REF OPAY IMP FEE LOT 34 & 3	07/14	07/11/2014	993.60
404000	1384	HEBER HOMES	REF O/PAY HM LOT 24 - 75 AMP	08/14	07/03/2014	745.20
Total 404000 Impact Fee Revenue:						1,738.80
501000 POWER PURCHASES						
501000	254	CATERPILLAR INC	AUG ENERGY	01SUN02542	08/29/2014	20,731.69
501000	1038	UAMPS	JUNE ENERGY	08/14	07/31/2014	320,814.50
501000	1047	US DEPT OF ENERGY	JULY ENERGY	GG16435A0	08/11/2014	83,951.09
Total 501000 POWER PURCHASES:						425,497.28

GL Account Number	Vendor	Vendor Name	Description	Invoice No	Inv Date	Amount
505000 DIST/TRANSM MAINTENANCE						
505000	206	BLUE STAKES LOCATION CENT	516 BLUE STAKE ORDERS	UT20140205	08/31/2014	458.49
505000	386	ELECTRICAL WHOLESale SUP	HOSP MATLS - CARLSON	907929950	08/26/2014	140.30
505000	386	ELECTRICAL WHOLESale SUP	NEUTRAL LUG KIT-HENNING	907940491	08/27/2014	72.01
505000	927	SILVER EAGLE FEED & FUEL	STAR TAGS	8054	08/14/2014	56.00
505000	1007	THE UPS STORE	EPG GLOVE TESTING	19086	08/20/2014	83.18
505000	1014	TIMBERLINE GENERAL STORE	HTCH PN CLP;NUTS/BOLTS-DA	65394	08/21/2014	4.15
505000	1014	TIMBERLINE GENERAL STORE	BAR AND CHAIN OIL-CARLSON	65564	08/28/2014	4.99
505000	1063	UTAH SAFETY COUNCIL	RENEWAL - TRAVIS BROADHE	FD14 30661	06/05/2014	200.00
505000	1091	WASATCH AUTO PARTS	HTCH PN CLP;NUTS/BOLTS-DA	65394	08/21/2014	4.15
505000	1091	WASATCH AUTO PARTS	HTCH PN CLP;NUTS/BOLTS-DA	65394	08/21/2014	4.15
505000	1091	WASATCH AUTO PARTS	BAR AND CHAIN OIL - CARLSON	65564	08/28/2014	4.99
505000	1091	WASATCH AUTO PARTS	BAR AND CHAIN OIL - CARLSON	65564	08/28/2014	4.99
505000	1383	HASTINGS FIBER GLASS PROD	C HEAD GROUND CLAMP (4)	4448993-1	08/12/2014	214.45
Total 505000 DIST/TRANSM MAINTENANCE:						1,233.57
505100 HYDRO MAINTENANCE						
505100	386	ELECTRICAL WHOLESale SUP	GND BAR KIT;RECPT-BRERETO	907941130	08/27/2014	14.30
505100	637	LATIMER DO IT BEST HARDWA	TRIM LINE - BRERETON	B86850	08/07/2014	4.99
505100	1344	ZIONS BANK - MILLCREDIT CA	BATTERIES PLUS - HYDRO MAI	08/14B	09/11/2014	13.00
Total 505100 HYDRO MAINTENANCE:						32.29
505200 SUBSTATION MAINTENANCE						
505200	406	FASTENAL COMPANY	FLNG - WHITELOCK	UTHEB3363	08/28/2014	4.25
505200	503	HICKEN OXYGEN	OXYGEN	13529	08/25/2014	35.49
505200	637	LATIMER DO IT BEST HARDWA	TUBE CUTTER - WHITELOCK	B88081	08/20/2014	32.98
505200	825	PRAXAIR	STARGOD/ARGON GAS	50218355	08/20/2014	26.55
505200	1007	THE UPS STORE	EXXON MOBIL TESTING	18990	08/11/2014	18.61
505200	1014	TIMBERLINE GENERAL STORE	KEY	64977	08/04/2014	31.41
505200	1363	LEVAN TOWN	RENT SUBSTATION TRANSFOR	08/14	08/20/2014	5,000.00
Total 505200 SUBSTATION MAINTENANCE:						5,149.29
505300 METERING MAINTENCE						
505300	386	ELECTRICAL WHOLESale SUP	METAL CONDUIT	907816363	08/06/2014	40.43
Total 505300 METERING MAINTENCE:						40.43
505600 BUILDING MAINTENANCE						
505600	246	CANYON OVERHEAD DOORS	WAREHOUSE DOOR MAINT/RE	0713	08/29/2014	275.00
505600	287	CODALE ELECTRIC SUPPLY, IN	Gutter	S5150997.00	07/31/2014	164.47
505600	287	CODALE ELECTRIC SUPPLY, IN	End plate	S5150997.00	07/31/2014	33.22
505600	287	CODALE ELECTRIC SUPPLY, IN	EMT connector	S5150997.00	07/31/2014	52.83
505600	287	CODALE ELECTRIC SUPPLY, IN	4" conduit coupling	S5150997.00	07/31/2014	48.19
505600	287	CODALE ELECTRIC SUPPLY, IN	4" IMC	S5150997.00	07/31/2014	275.95
505600	287	CODALE ELECTRIC SUPPLY, IN	4" EMT	S5150997.00	07/31/2014	401.32
505600	287	CODALE ELECTRIC SUPPLY, IN	4" EMT connector	S5150997.00	07/31/2014	48.69
505600	287	CODALE ELECTRIC SUPPLY, IN	3" emt	S5150997.00	07/31/2014	31.19
505600	287	CODALE ELECTRIC SUPPLY, IN	3" emt connector	S5150997.00	07/31/2014	24.43
505600	287	CODALE ELECTRIC SUPPLY, IN	2" emt	S5150997.00	07/31/2014	60.40
505600	287	CODALE ELECTRIC SUPPLY, IN	2" emt connector	S5150997.00	07/31/2014	9.19
505600	287	CODALE ELECTRIC SUPPLY, IN	2" emt connector with set screw	S5150997.00	07/31/2014	3.63
505600	287	CODALE ELECTRIC SUPPLY, IN	2" hanger	S5150997.00	07/31/2014	7.07
505600	287	CODALE ELECTRIC SUPPLY, IN	4/0 conductor	S5150997.00	07/31/2014	132.93
505600	287	CODALE ELECTRIC SUPPLY, IN	#4 conductor	S5150997.00	07/31/2014	8.56
505600	287	CODALE ELECTRIC SUPPLY, IN	350 conductor	S5150997.00	07/31/2014	615.09

GL Account Number	Vendor	Vendor Name	Description	Invoice No	Inv Date	Amount
505600	287	CODALE ELECTRIC SUPPLY, IN	350 conductor	S5150997.00	07/31/2014	615.09
505600	287	CODALE ELECTRIC SUPPLY, IN	350 conductor	S5150997.00	07/31/2014	615.09
505600	287	CODALE ELECTRIC SUPPLY, IN	350 conductor	S5150997.00	07/31/2014	615.09
505600	287	CODALE ELECTRIC SUPPLY, IN	350 conductor	S5150997.00	07/31/2014	615.09
505600	287	CODALE ELECTRIC SUPPLY, IN	4/0 conductor	S5150997.00	07/31/2014	367.07
505600	287	CODALE ELECTRIC SUPPLY, IN	#2 conductor	S5150997.00	07/31/2014	271.51
505600	287	CODALE ELECTRIC SUPPLY, IN	#2 conductor	S5150997.00	07/31/2014	271.51
505600	287	CODALE ELECTRIC SUPPLY, IN	^6 conductor black	S5150997.00	07/31/2014	112.01
505600	287	CODALE ELECTRIC SUPPLY, IN	#6 conductor black	S5150997.00	07/31/2014	124.94
505600	287	CODALE ELECTRIC SUPPLY, IN	#6 conductor black	S5150997.00	07/31/2014	124.94
505600	287	CODALE ELECTRIC SUPPLY, IN	#10 conductor green	S5150997.00	07/31/2014	84.10
505600	287	CODALE ELECTRIC SUPPLY, IN	350 conductor	S5150997.00	08/04/2014	615.09
505600	287	CODALE ELECTRIC SUPPLY, IN	350 conductor	S5150997.00	08/04/2014	615.09
505600	287	CODALE ELECTRIC SUPPLY, IN	350 conductor	S5150997.00	08/04/2014	615.09
505600	287	CODALE ELECTRIC SUPPLY, IN	4/0 conductor	S5150997.00	08/04/2014	367.07
505600	287	CODALE ELECTRIC SUPPLY, IN	200 amp breaker	S5150997.00	08/04/2014	964.29
505600	287	CODALE ELECTRIC SUPPLY, IN	4" emt 90D	S5156782.00	07/31/2014	100.32
505600	287	CODALE ELECTRIC SUPPLY, IN	Panelboard	S5158521.00	08/01/2014	720.00
505600	334	DAY'S MARKET	OFFICE CLEANING SUPPLIES	05-105618	08/22/2014	53.53
505600	335	DCD-HEBER	CONCRETE WASTE	5012	08/11/2014	87.85
505600	480	HEBER CITY CORPORATION	WATER SEWER	08/14A	08/31/2014	188.18
505600	744	NBC JANITORIAL SERVICES IN	AUG CLEANING DISP/OP CTR	1079	08/01/2014	1,250.00
505600	767	NUTECH SPECIALTIES	BATHROOM SUPPLIES	115903	08/20/2014	101.62
505600	845	QUESTAR GAS	1289910000 410 S 600 W	07/14C	08/12/2014	18.01
505600	845	QUESTAR GAS	1289910000 410 S 600 W	08/14	08/11/2014	19.22
505600	845	QUESTAR GAS	735 W 300 S 2289910000	08/14A	09/11/2014	41.90
505600	845	QUESTAR GAS	1344060000 SNAKE CREEK GA	08/14B	08/18/2014	7.29
505600	845	QUESTAR GAS	715 W 300 S 8060020000	08/14D	09/11/2014	10.04
505600	1014	TIMBERLINE GENERAL STORE	FLY SWATTER/RIBBON-DEDRI	65029	08/06/2014	6.49
505600	1014	TIMBERLINE GENERAL STORE	REEL & CHALK - DEDRICKSON	65195	08/13/2014	8.49
505600	1014	TIMBERLINE GENERAL STORE	TRASH CAN-BROADHEAD	65513	08/26/2014	23.99
505600	1014	TIMBERLINE GENERAL STORE	HOOK-DEDRICKSON	65578	08/28/2014	4.98
505600	1091	WASATCH AUTO PARTS	TRASH CAN - BROADHEAD	65513	08/26/2014	23.99
505600	1091	WASATCH AUTO PARTS	TRASH CAN - BROADHEAD	65513	08/26/2014	23.99
505600	1091	WASATCH AUTO PARTS	HOOK - DEDRICKSON	65578	08/28/2014	4.98
505600	1091	WASATCH AUTO PARTS	HOOK - DEDRICKSON	65578	08/28/2014	4.98
505600	1100	WASATCH COUNTY SOLID WA	90083,93539	08/14	08/01/2014	260.00
505600	1100	WASATCH COUNTY SOLID WA	WEIGHED LOAD	2549	08/15/2014	262.00
505600	1174	ZIONS BANK - WILCREDIT CAR	HOME DEPOT - PANEL BOARD/	08/14	07/16/2014	45.50
505600	1256	PURE WATER SOLUTIONS	WATER PURIFICATION SYSTE	341684542-0	08/15/2014	359.70
505600	1347	ALTITUDE EQUIPMENT RENTA	WALK BEHIND SAW	08/14	08/13/2014	99.28

Total 505600 BUILDING MAINTENANCE:

12,853.62

505800 TRAINING/EDUC/CLOTHING

505800	277	CINTAS #180	ACCOUNT 180-05211 FIRE RET	08/14	08/31/2014	561.76
505800	287	CODALE ELECTRIC SUPPLY, IN	Leather gloves size 8.5	S5163839.00	08/12/2014	79.32
505800	287	CODALE ELECTRIC SUPPLY, IN	Leather gloves size 9	S5163839.00	08/12/2014	99.15
505800	287	CODALE ELECTRIC SUPPLY, IN	Leather gloves size 9.5	S5163839.00	08/12/2014	79.32
505800	287	CODALE ELECTRIC SUPPLY, IN	Leather gloves size 10	S5163839.00	08/12/2014	39.66
505800	759	NORTH, TJ	2014 SUMMERSEM TUIT/BK REI	08/14	08/25/2014	2,826.84
505800	856	REAMS BOOTS & JEANS	EMPLOYEE CLOTHING EXP	764814	08/09/2014	590.92
505800	897	SALT LAKE COMMUNITY COLL	3B LINE APPRENTICE - DALEY	SCE15-22	08/08/2014	732.00
505800	897	SALT LAKE COMMUNITY COLL	3A LINE APPRENTICE - BANGE	SCE15-25	08/14/2014	732.00
505800	1170	ZIONS BANK - MIFFCREDIT CA	BSC BOOKS - JEPPERSON/DIG	07/14A	08/05/2014	72.45
505800	1172	ZIONS BANK - PARCREDITCAR	SLCC TUITION-STANLEY/BROA	08/14A	08/05/2014	1,464.00
505800	1174	ZIONS BANK - WILCREDIT CAR	SAFETY CLOTHING - LINEMEN	08/14A	08/26/2014	1,115.26

GL Account Number	Vendor	Vendor Name	Description	Invoice No	Inv Date	Amount
Total 505800 TRAINING/EDUC/CLOTHING:						8,392.68
506000 MATERIALS - OPERATIONS						
506000	386	ELECTRICAL WHOLESale SUP	BULBS - BOND	907857772	08/13/2014	77.96
506000	386	ELECTRICAL WHOLESale SUP	BULBS - BOND	907866313	08/14/2014	64.80
506000	386	ELECTRICAL WHOLESale SUP	GLOVES - WHITELOCK	907888435	08/19/2014	23.10
506000	406	FASTENAL COMPANY	Bin stock (plant one, warehouse)	UTHEB3357	08/26/2014	520.97
Total 506000 MATERIALS - OPERATIONS:						686.83
507000 COMMUNICATIONS						
507000	105	A T & T	030 055 0933 001 654 1581	08/14	09/06/2014	110.47
507000	105	A T & T	051 267 8562 001 LONG DISTAN	08/14A	08/24/2014	67.51
507000	105	A T & T	435 654 3059 051 308 7539 001	08/14B	09/01/2014	39.64
507000	133	ALL WEST COMMUNICATIONS	1530600 INTERNET/TELEPHON	08/14	09/01/2014	1,075.20
507000	260	CENTURYLINK	435 654 1682 903B	07/14A	08/07/2014	37.20
507000	260	CENTURYLINK	435.654.0084 254B	07/14B	08/07/2014	99.97
507000	260	CENTURYLINK	435.654.1118 732B	07/14C	08/07/2014	29.75
507000	260	CENTURYLINK	435 654 1682 903B	08/14	09/07/2014	37.20
507000	260	CENTURYLINK	435.657.3093 502B	08/14A	08/19/2014	101.28
507000	260	CENTURYLINK	435 654 1118 732B	08/14B	09/07/2014	29.75
507000	260	CENTURYLINK	435.654.0084 254B	08/14C	09/07/2014	99.97
507000	907	SECURITY INSTALL SOLUTION	WEB SERVICE HOSTING	4920	09/01/2014	190.00
507000	1075	VERIZON WIRELESS	965458629-001	9731335004	09/01/2014	2,288.18
Total 507000 COMMUNICATIONS:						4,206.12
508000 TRUCKS						
508000	439	GASCARD, INC.	ACCOUNT BG 219735 GAS AND	NP42199169	09/01/2014	3,946.20
508000	482	TIRE FACTORY	240 OIL MAINT - NORTH	33218	08/07/2014	43.28
508000	578	JIFFY LUBE OF HEBER	241 MAINT	3433 173554	08/28/2014	78.56
508000	624	LABRUM FORD	214 BRAKE JOB	127158	08/12/2014	1,453.26
508000	734	MOUNTAINLAND ONE STOP	FUEL - WHITELOCK	79903	08/13/2014	51.64
508000	1014	TIMBERLINE GENERAL STORE	ARMR ALL; TIRE CLNR- MOTLE	64920	08/01/2014	18.47
508000	1024	TRACY'S AUTO REPAIR CORP	240 TIRES	010678	08/26/2014	630.36
508000	1091	WASATCH AUTO PARTS	OIL FILTER	36282	07/01/2014	8.99
508000	1091	WASATCH AUTO PARTS	LEAF SPRING/TIE PLATE - CAR	39320	08/14/2014	45.90
508000	1091	WASATCH AUTO PARTS	LEAF SPRING/TIE PLATE - CAR	39320	08/14/2014	45.90-
508000	1091	WASATCH AUTO PARTS	LEAF SPRING/TIE PLATE - CAR	39320	08/14/2014	45.90
508000	1091	WASATCH AUTO PARTS	BATTERY - WHITELOCK	40143	08/26/2014	82.99
508000	1091	WASATCH AUTO PARTS	BATTERY - WHITELOCK	40143	08/26/2014	82.99-
508000	1091	WASATCH AUTO PARTS	BATTERY - WHITELOCK	40143	08/26/2014	82.99
508000	1091	WASATCH AUTO PARTS	WINTER DEFENSE - DALEY	40251	08/28/2014	17.70
508000	1091	WASATCH AUTO PARTS	WINTER DEFENSE - DALEY	40251	08/28/2014	17.70-
508000	1091	WASATCH AUTO PARTS	WINTER DEFENSE - DALEY	40251	08/28/2014	17.70
508000	1091	WASATCH AUTO PARTS	GREAT FITTING - DALEY	40348	08/29/2014	8.06
508000	1091	WASATCH AUTO PARTS	GREAT FITTING - DALEY	40348	08/29/2014	8.06-
508000	1091	WASATCH AUTO PARTS	GREAT FITTING - DALEY	40348	08/29/2014	8.06
Total 508000 TRUCKS:						6,385.41
513000 GAS GENERATION - FUEL COSTS						
513000	845	QUESTAR GAS	506002000 CO GEN	08/14C	09/04/2014	3,437.81
Total 513000 GAS GENERATION - FUEL COSTS:						3,437.81

GL Account Number	Vendor	Vendor Name	Description	Invoice No	Inv Date	Amount
514000 GENERATION EXPENSE						
514000	391	EMERALD RECYCLING	SYSTEM ONE RENTAL	I307325	08/31/2014	128.00
514000	1054	UTAH DEPT OF ENVIRONMENT	P00000268200-EMISSON FEES	2879	08/18/2014	435.30
514000	1131	WHEELER MACHINERY CO.	Spark plug	PS00011307	08/14/2014	800.70
514000	1131	WHEELER MACHINERY CO.	Gasket kit	PS00011307	08/14/2014	292.20
Total 514000 GENERATION EXPENSE:						1,656.20
601000 SALARIES ADMINISTRATIVE						
601000	480	HEBER CITY CORPORATION	BOARD STIPEND AUG 14	08/14	08/21/2014	950.64
Total 601000 SALARIES ADMINISTRATIVE:						950.64
602000 BUSINESS OFFICE SUPPLIES						
602000	278	CINTAS DOCUMENT MANAGEM	OFFICE DOCUMENT SHREDDIN	8401409803	08/22/2014	50.00
602000	1115	WAVE PUBLISHING CO.	#9 SECURITY ENVELOPES	J68960	08/31/2014	112.00
602000	1344	ZIONS BANK - MILLCREDIT CA	MCGEES STAMP - NOTARY ST	08/14A	09/04/2014	55.51
Total 602000 BUSINESS OFFICE SUPPLIES:						217.51
602200 LEGAL OFFICE SUPPLIES						
602200	1326	ADM OFF OF THE COURTS	SUBSCRIPTION FEE & SEARCH	79919	08/01/2014	32.50
Total 602200 LEGAL OFFICE SUPPLIES:						32.50
602300 IT MAINT/SUPPORT						
602300	338	DELL FINANCIAL SERVICES	LEASE 003-7967881-015	77470748	08/13/2014	913.86
602300	768	CANON SOLUTIONS AMERICA	COPIER MAINT	4013818410	09/01/2014	48.59
602300	793	PARCELL, JACOB	REIMB SOFTWARE APP-IPADS	08/14	08/06/2014	105.94
602300	910	SENSUS METERING SYSTEMS	MONITORING SERVICE	ZZ15004687	08/12/2014	1,750.00
602300	1172	ZIONS BANK - PARCREDITCAR	SIMPLEHELIX - WEB HOSTING	08/14	07/18/2014	19.95
602300	1174	ZIONS BANK - WILLCREDIT CAR	SIMPLEHELIX MONTHLY MAINT	04/15	04/15/2014	19.95
602300	1269	INTERMEDIA	EMAIL EXCHANGE HOSTING	1409001406	09/01/2014	652.15
Total 602300 IT MAINT/SUPPORT:						3,510.44
603000 POSTAGE/SHIPPING						
603000	1037	U S POSTMASTER	MAILING CYCLE II	07/14A	07/30/2014	1,913.33
603000	1037	U S POSTMASTER	MAILING BILLS CYCLE I	08/14	08/15/2014	1,104.00
603000	1037	U S POSTMASTER	49 CENT STAMPS	08/14A	08/15/2014	490.00
603000	1037	U S POSTMASTER	MAILING CYCLE II	08/14B	08/29/2014	1,934.36
Total 603000 POSTAGE/SHIPPING:						5,441.69
607000 MISCELLANEOUS						
607000	334	DAY'S MARKET	BOARD MEETING WATER	04-127160	08/27/2014	5.00
607000	1065	UTAH STATE RETIREMENT	LOANS	08/14B	08/08/2014	694.37
607000	1065	UTAH STATE RETIREMENT	LOANS	08/14E	08/22/2014	694.37
607000	1098	WASATCH COUNTY JR LIVEST	LIVESTOCK SALE	2014	08/04/2014	700.00
607000	1167	ZIONS BANK - DUNCREDIT CAR	EMPLOYMENT BACKGROUND	08/14	07/16/2014	166.86
607000	1170	ZIONS BANK - MIFFCREDIT CA	GIFT CARDS CINEMARK - EMPL	08/14	07/18/2014	437.59
607000	1175	ZIONS BANK - WRICREDIT CAR	ANNUAL FEE	08/14	08/31/2014	30.00
607000	1344	ZIONS BANK - MILLCREDIT CA	CHAMBER CONFERENCE	08/14	08/29/2014	35.00
Total 607000 MISCELLANEOUS:						2,763.19
607400 LEGAL EXPENSE						
607400	1124	WEST PAYMENT CENTER	ACCT 1003983265 LEGAL INFO	830268820	09/01/2014	1,458.08

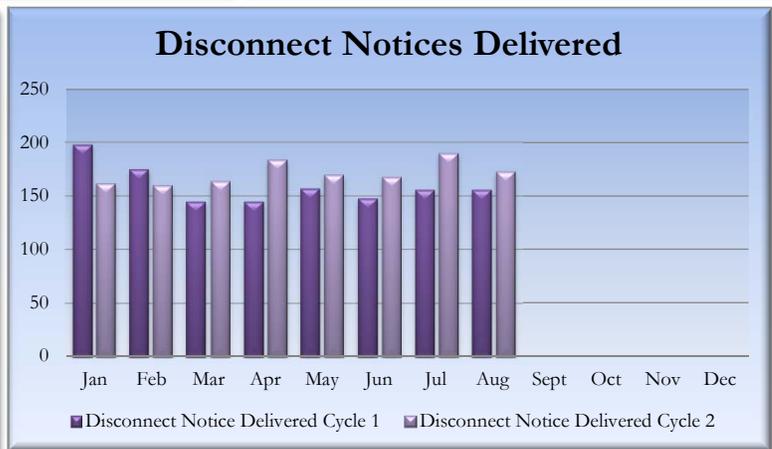
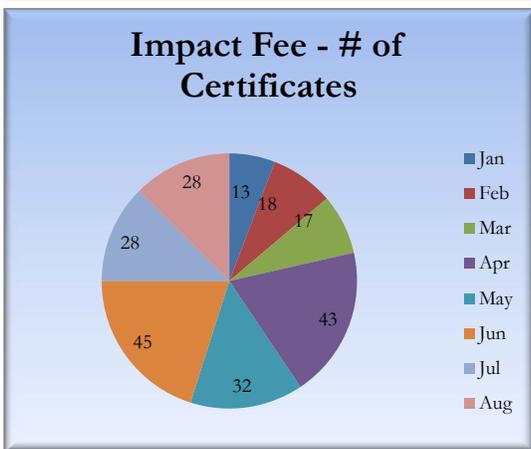
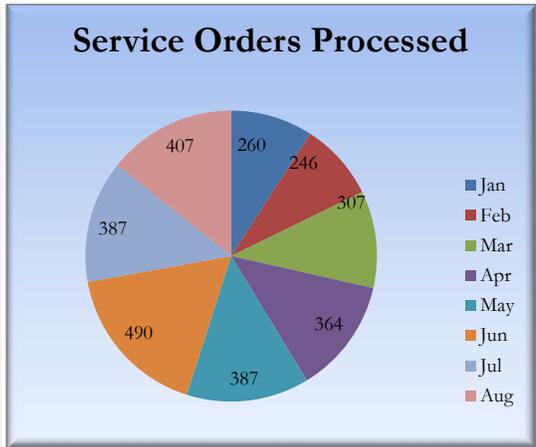
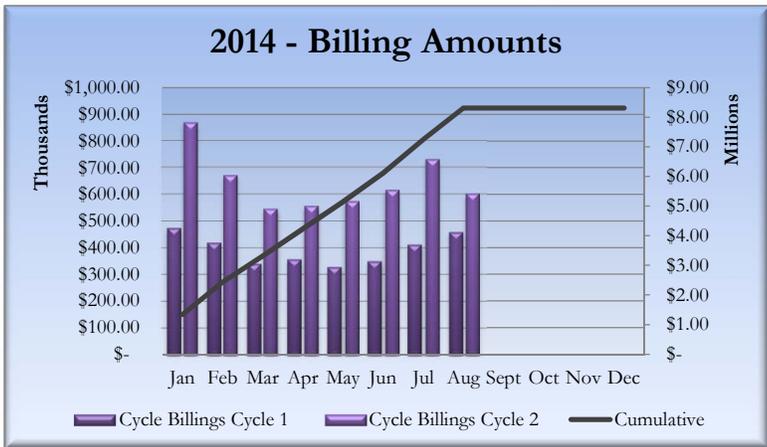
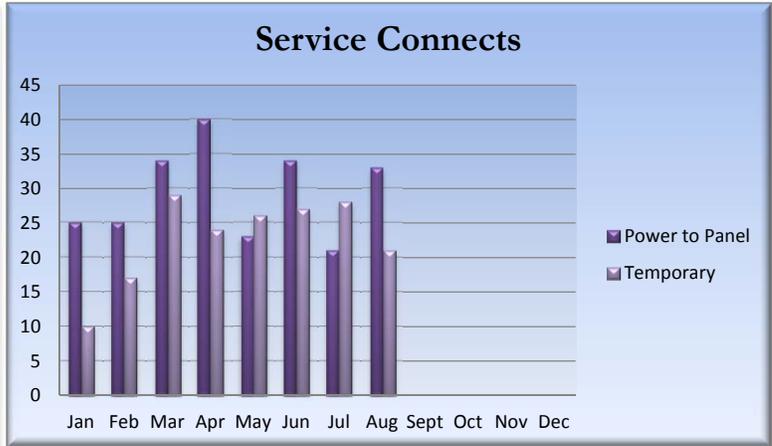
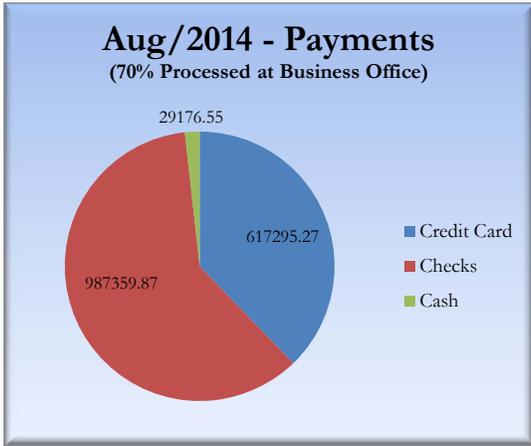
GL Account Number	Vendor	Vendor Name	Description	Invoice No	Inv Date	Amount
607400	1326	ADM OFF OF THE COURTS	SUBSCRIPTION FEE & SEARCH	81777	09/01/2014	30.00
607400	1379	SNOW, CHRISTENSEN & MARTI	EMPLOYMENT CONSULTATION	382168	08/13/2014	1,017.50
Total 607400 LEGAL EXPENSE:						2,505.58
609000 INSURANCE						
609000	121	AFLAC	ACCT CN137	350081	08/21/2014	1,004.28
609000	741	NATIONAL BENEFIT SERVICES	PLAN ADM FEES	468546	08/31/2014	50.00
609000	842	PRUDENTIAL INS CO OF AM	LIFE, DISAB ADD	08/14	08/26/2014	2,782.66
609000	844	PUBLIC EMPLOYEES HEALTH P	AUG MEDICAL/DENTAL/VISION	0121325175	08/20/2014	28,487.76
609000	1148	WORKERS COMPENSATION FU	POLICY 1238459	3618642	08/11/2014	2,347.05
609000	1322	HEALTH EQUITY	SERVICE FEES	08/14	08/07/2014	14.75
Total 609000 INSURANCE:						34,686.50
609100 POST EMPLOYMENT BENEFITS						
609100	844	PUBLIC EMPLOYEES HEALTH P	RETIREE MEDICAL/DENTAL/VIS	0121325176	08/20/2014	2,897.24
Total 609100 POST EMPLOYMENT BENEFITS:						2,897.24
610000 FICA - MEDICARE/SOC SECURITY						
610000	558	IRS-PAYROLL W/H	FICA	08/14A	08/08/2014	18,781.38
610000	558	IRS-PAYROLL W/H	FICA	08/14C	08/22/2014	17,462.68
Total 610000 FICA - MEDICARE/SOC SECURITY:						36,244.06
611000 RETIREMENT						
611000	1065	UTAH STATE RETIREMENT	EMPLOYER	08/14	08/08/2014	22,569.34
611000	1065	UTAH STATE RETIREMENT	EMPLOYER	08/14C	08/22/2014	21,864.11
Total 611000 RETIREMENT:						44,433.45
612000 INTEREST EXPENSE						
612000	1164	ZIONS 1ST NATIONAL BANK-TR	3535925 2010A BOND INTERES	08/14	08/21/2014	4,887.50
612000	1164	ZIONS 1ST NATIONAL BANK-TR	3535926 2010B INTEREST	08/14B	08/20/2014	28,291.67
612000	1164	ZIONS 1ST NATIONAL BANK-TR	3535927 2012 BOND INTEREST	08/14C	08/20/2014	7,900.00
Total 612000 INTEREST EXPENSE:						41,079.17
Grand Totals:						1,190,847.66

Report Criteria:

- Detail report.
- Invoices with totals above \$0 included.
- Only paid invoices included.
- Invoice Detail.GL Period = 0814

Heber Light Power - Operations Report

As of 08/31/2014



College Sub/Heber Sub Dist Tie Circuit / 138kV-46kV Double Circuit Financial Plan

Estimated Build

Subcontract (Probst Electric)	1,158,212.00
Internal Expenditures	221,788.00
Total:	1,380,000.00
Impact Fee Percentage:	35%

**Current Balance
as of 07/30/14**

Funding Sources

Impact Fees	483,000.00	591,204.51
2010 Bond Fund	13,203.19	13,203.19
2012 Bond Fund	632,603.72	632,603.72
Capital Reserves	251,193.09	330,717.40

Expenditures to Date:

	Draw Amount	Retainage	Paid Amount	Funding Source	
Probst Draw # 1	56,628.65	2,831.43	53,797.22	Impact Fees	Actual
Probst Draw # 2	21,736.16	1,086.81	20,649.35	Impact Fees	Actual
Probst Draw # 3	20,687.75	1,034.39	19,653.36	Impact Fees	Actual
Probst Draw # 4	187,290.59	9,364.53	177,926.06	Impact Fees	Forecast
Probst Draw # 5	543,284.52	27,164.23	516,120.29	Impact Fees, 2010 & 2012 Bond	Forecast
Probst Draw # 6	328,584.33	16,429.22	312,155.11	2012 Bond, Capital Reserves	Forecast
Internal	221,788.00	N/A	221,788.00	Capital Reserves	Forecast

CONSULTING AGREEMENT

This consulting agreement (“Agreement”) is entered this ___ day of _____, 2014, by R. E. Pender, Inc., a Florida corporation (“Consultant”), and Heber Light & Power Company, a Utah energy services interlocal entity (“HLP”).

1. Consulting Services. The Consultant shall provide HLP: (a) a cost of service study and rate design recommendation as described in Exhibit A and (b) an impact fee study as described in Exhibit B. These services are herein collectively referred to as “Consulting Services”. In providing the Consulting Services, the Consultant shall provide HLP with its objective, unbiased, and independent opinion on all matters.

2. HLP’s Obligations. HLP acknowledges that the Consultant cannot perform the Consulting Services without information and cooperation from HLP. HLP thus shall perform the following tasks in connection with the Consultant’s performance of this Agreement:

- a. Participate in kick-off meeting (in-person or telephonically) to discuss the project goals and objectives; review of current rate schedules; discuss data requirements; and discuss any required modifications to the scope of work, schedule and budget,
- b. Timely provide information and data reasonably required by Consultant to perform the Consulting Services,
- c. Pay the Consultant for the Consulting Services as provided in Paragraph 3,
- d. Be available to answer Consultant’s questions and provide additional information that may be required during the course of the project, and
- e. Meet with Consultant (in-person or telephonically) to review the study results; preliminary conclusions and “draft” report.

3. Payment.

a. HLP shall pay the Consultant a not to exceed fee of \$ 19,100.00 to perform the cost of service study and rate design recommendation as described in Exhibit A and of \$ 10,900.00 to perform the impact fee study as described in Exhibit B. This fee is based upon the Consultant’s reasonable estimate of the time required to complete the Consulting Services and charged at the Consultant’s normal billing rate as shown on Exhibits A and B.

b. In addition to the foregoing fee, HLP shall pay the Consultant’s out-of-pocket expenses reasonably incurred in performing the Consulting Services including: airfare, hotel, long distance telephone charges, meals and other incidental charges, and overnight delivery charges. The Consultant shall not bill HLP for computer costs, and normal copying costs. HLP shall pay for any additional travel time, requested by HLP, at the Consultant’s normal hourly billing rate of \$150/hour.

c. The parties may agree to expand the scope of the Consulting Services by executing a written change order specifying the additional work and method of compensation. If the change order does not specify the method of compensation, HLP shall pay for the additional services at the Consultant's normal billing rate of \$150.00/hour plus expenses.

d. The Consultant shall invoice HLP monthly for work performed during the prior month. The invoice shall include an itemized statement of the time spent and services rendered, including all expenses associated directly with the project such as travel, lodging, meals, car rental, parking, and airline tickets at the Consultant's actual out-of-pocket cost. HLP shall pay the invoice on receipt. If the HLP fails to pay the invoice within 30 days, the Consultant may suspend work until the account is paid in full.

e. Where the payment terms provide for compensation on a time and materials basis, the Consultant shall maintain appropriate records to support the charges under this Agreement. Upon request, the Consultant shall make such records available to HLP at the Consultant's office during normal business hours. Nothing herein shall convert such records into public records and such records shall only be available to HLP.

4. Project Schedule.

a. The Consultant shall commence services upon execution of this Agreement and shall perform the Consulting Services in accordance with the schedule in Exhibits A and B. This schedule is the parties' best estimate of the time required to complete the Consulting Services. This schedule however may be modified upon the consent of HLP, which consent shall not be unreasonably withheld.

b. The Consultant shall not be responsible for performance delays caused by others or delays beyond the Consultant's reasonable control, including delays of HLP in responding to reasonable requests for information, and such delays shall extend the time for performance of the work by the Consultant. Delays caused by non-performance or unjustified delay in performance by a subconsultant of the Consultant are not considered to be beyond the Consultant's reasonable control.

5. Independent Contractor. The Consultant is, and at all times shall be, an independent contractor and nothing contained herein shall be construed as making the Consultant or any individual whose compensation for services is paid by the Consultant, an agent or employee of HLP, or as authorizing the Consultant to create or assume any obligation or liability for or on behalf of HLP.

6. Duty of Care. The Consultant and HLP agree to use reasonable care and diligence to perform their respective services under this Agreement. Unless hereinafter specified, neither party shall be responsible for the services of the other or any subcontractor or sub-consultant employed by the other party.

7. Indemnification.

a. The Consultant hereby indemnifies, defends, and holds harmless HLP and its officers, agents and employees from any and all liability, claims, demands, damages, or injuries to any person, including injury to the Consultant's employees and all claims which arise from or are connected with the Consultant's acts in connection with this Agreement, or are caused or claim to be caused by the acts of the Consultant, its officers, agents or employees, or its subconsultant(s) or any person acting for the Consultant or under its control or direction; provided, however, that this indemnification and hold harmless shall not include claims arising solely from the negligence or willful misconduct of HLP or its officers, agents or employees.

b. HLP hereby indemnifies, defends, and holds harmless the Consultant and its shareholders and their respective officers, agents and employees from any and all liability, claims, demands, damages, or injuries to any person, including injury to the HLP's employees and all claims which arise from or are connected with HLP's acts in connection with this Agreement, or are caused or claim to be caused by the acts of HLP, its officers, agents or employees, or its subconsultant(s) or any person acting for HLP or under its control or direction; provided, however, that this indemnification and old harmless shall not include claims arising solely from the negligence or willful misconduct of the Consultant or its officers, agents or employees.

8. Workpapers. All documents and drafts prepared or obtained by the Consultant in its performance under this Agreement shall be the property of the Consultant, provided that HLP shall be entitled, at its own expense, to make copies thereof for its own use. Consultant acknowledges that Consultant work product produced under this agreement may be public record under state or federal law.

9. Termination.

a. HLP may terminate this Agreement without fault on the part of Consultant by giving at least ten (10) days written notice to the Consultant. Upon receipt of such notice, the Consultant shall terminate performance. HLP shall pay the Consultant within thirty (30) days after the date of termination for all non-objected to services performed by the Consultant in accordance herewith through the date of termination.

b. Either party may terminate this Agreement in the event the other party breaches the Agreement and such breach is not cured within 10 business days of receipt of notice of the breach.

10. Assignment. This Agreement is binding upon HLP and the Consultant and their successors and assigns. Except as otherwise provided herein, neither HLP nor the Consultant shall assign or transfer its interest in this Agreement or any part thereof without the prior written consent of the other.

11. Entire Agreement. This Agreement represents the entire and integrated Agreement between HLP and the Consultant, and supersedes all prior negotiations, representations or Agreements, either written or oral. This Agreement may be modified or amended only by a subsequent written Agreement signed by both parties.

12. Confidentiality. The Consultant cannot properly provide the Consulting Services, without using the Consultant's proprietary information and without a free flow of information between HLP and the Consultant, unencumbered by the risk of premature public disclosure. Therefore, to the extent permitted by law, all data, information, workpapers, drafts, reports or other documents shall be kept confidential and shall not be disclosed to third parties unless both parties agree. The parties are prohibited from disclosing to a third party any information received in the course of the project, regardless of the source of such information.

13. Law and Venue. This Agreement shall be governed, construed, and interpreted in accordance with the laws of the State of Utah (without respect to principles of conflicts of law), and the Consultant and HLP submit to the jurisdiction of and venue in the State of Utah in any legal proceeding arising out of interpretation or enforcement of this Agreement or arising out of the services contemplated by this Agreement.

IN WITNESS WHEREOF, the parties have each caused their authorized representative to execute this Agreement.

Heber Light & Power Company

R. E. Pender, Inc.

EXHIBIT A
COST OF SERVICE STUDY/RATE DESIGN WORK
FOR HEBER LIGHT & POWER
BY
R. E. PENDER, INC.

Description of Consulting Services, Schedule and Budget

PROPOSED SCOPE OF WORK:

Task 1 - Kick-off Meeting. The Consultant and HLP shall meet to:

1. review the outcome of the 2014 rate study and discuss proposed changes;
2. discuss the Consultant's basic plan of action and HLP's support for the current study;
3. establish the basic goals and objectives of the current cost of service study/rate design process;
4. discuss potential changes to existing rates and charges and possible new rates and charges for evaluation in the cost of service study and rate design alternatives; recommendation
5. review the initial data request and HLP's response (to be prepared and submitted by the Consultant prior to the meeting); and
6. discuss changes, if any, to the scope of work, schedule, or budget.

Note: It is contemplated that Task 1 will be conducted via teleconference with the HLP staff involved in the rate study.

Task 2 - Compile, Review and Analyze Data. After all of the data and information has been received from HLP, the Consultant shall:

1. compile the data and information in a suitable format for analysis,
2. review the data and information for reasonableness prior to input in the cost of service model, and
3. consult with HLP to clarify or correct, to the extent reasonably practicable, questionable and/or incomplete data.

Task 3 - Perform Preliminary Cost of Service Study. The Consultant shall prepare a fully distributed cost of service study for the test year (e.g., FY 2015) including:

1. determine the pro-forma test-year revenue requirements (by rate class) applicable to the operating conditions for the test-year,
2. use a cost of service model typical for municipal electric systems, adjusted as necessary for HLP operating conditions,
3. allocate fixed costs to non-demand metered customers (e.g., residential customers) based on demand data from load research data provided by HLP, gathered through prior rate studies or publicly available load research studies, and
4. review and input test year operating costs in the cost of service model based on 2015 budget data provided by HLP.

Task 4 - Perform Billing/Revenue Comparison. The Consultant shall calculate the estimated test-year revenues under HLP's current rates by applying HLP's current rates to the projected demand and energy requirements for the test year. The Consultant shall then compare these estimated test-year revenues to the estimated revenue requirements determined in the allocated cost of service.

Task 5 - Review of Preliminary Results of Cost of Service Study. Upon completion of the foregoing tasks, the Consultant will meet with HLP staff (in-person or via teleconference, as preferred) to review:

1. the preliminary results of the cost of service study,
2. the Consultant's methods, assumptions (if any) and data used in the study, and
3. the range of rate increases/decreases by rate class.

This review may be combined with the review of the preliminary rate design in Task 7.

Task 6 - Prepare Preliminary Rate Design. The Consultant will design preliminary rates and charges based on the allocated revenue requirements from the cost of service study. The preliminary rate design will include any new rates and/or changes to HLP's existing rates. Modifications to existing rates may include:

1. implementation of an automatic annual base rate adjustment,
2. shifting more revenue requirements into the service charge,
3. implementation of an energy efficiency/renewable surcharge, inclusive of a fully developed program,
4. implementation of time of day/use rates, and
5. implementation of a demand charge for large and small demand-metered commercial customers.

The preliminary rates and charges will be tested or evaluated through a billing distribution

analysis to ensure the recovery of allocated revenue requirements, in total and by rate class.

Task 7 – Review/Finalize Preliminary Rate Design. The Consultant will meet with HLP staff (via teleconference) to review the results of the preliminary rate design. New rates and charges will be further evaluated for such things as customer acceptance, fairness and ease of implementation. After review by staff, Consultant will finalize rate design and prepare revised tariff sheets (if requested).

Task 8 - Prepare Draft/Final Report. Upon completion of Tasks 1-7, the Consultant shall prepare a final draft report including the cost of service study, rate design and related analysis. After HLP reviews the draft report, the Consultant shall complete a final report on the cost of service study, rate design and related analysis. The final report shall include an evaluation of the proposed rates to insure the full recovery of test-year revenue requirements and draft rate schedules to be approved by HLP’s Board. Consultant will also prepare a PowerPoint presentation for review at the HLP Board meeting.

PROPOSED SCHEDULE

Consultant proposes the following schedule for completing the project tasks identified above. Any adjustments to the proposed schedule during the course of the project will be discussed with and approved by the Client.

HL&P Cost of Service & Retail Rate Design - Project Schedule									
Project Task	Weeks Following Authorization to Proceed								
	1	2	3	4	5	6	7	8	9
1. Kick-off Meeting	Yellow								
2. Data Collection, Review & Analysis		Yellow	Yellow						
3. Perform Cost of Service Study			Yellow	Yellow	Yellow				
4. Perform Billing/Revenue Comparison						Yellow			
5. Finalize Cost of Service							Yellow		
6. Perform Preliminary Rate Design							Yellow		
7. Review & Finalize Rate Design								Yellow	
8. Prepare Report / Presentation									Yellow

PROPOSED BUDGET

The following table outlines the Consultant’s best estimate of the time, labor cost and expenses for completing HL&P’s Cost of Service and Rate Design Project. Consultant proposes a budget of \$19,100 for completing the scope of services set forth in Section 2 above. The not-to exceed budget includes 2 trips (2 man days each) to meet with HLP staff and/or attendance at the HLP Board meeting.

Cost Proposal

Project Task	No. Of Hours	Estimated Labor	Estimated Expenses	Total Cost
1. Kick-off Meeting	2	\$300.00		\$300.00
2. Compile, Review and Analyze Data	10	1,500.00		1,500.00
3. Perform Cost of Service Study	30	4,500.00		4,500.00
4. Perform Billing / Revenue Comparison	8	1,200.00		1,200.00
5. Review & Finalize Cost of Service Study	10	1,500.00		1,500.00
6. Perform Preliminary Rate Design	20	3,000.00		3,000.00
7. Review and Finalize Rate Design	16	2,400.00	1,000.00	3,400.00
9. Prepare Report / Presentation	18	2,700.00	1,000.00	3,700.00
Grand Total	116	\$17,100.00	\$2,000.00	\$19,100.00

If, during the course of the project, there are significant changes to the basic approach, project scope, etc. (all as approved by the Client), the project budget will be modified accordingly. Estimated labor costs are based on the Consultant's standard hourly billing rate of \$150.00. The expenses shown above are those estimated to be incurred by the Consultant directly related to the project. The Consultant will bill the Client at cost for any directly incurred expenses such as airfare, hotel, long distance telephone charges, meals and other incidental charges, and overnight delivery charges. Consultant will not bill Client for computer costs, and normal copying costs. Any travel time required during the normal business day will be charged to the Client at the normal hourly billing rate.

Invoices will be submitted to Client once each month (normally the 1st day) during the course of the project and are due and payable within 30 days.

EXHIBIT B
IMPACT FEE STUDY
FOR HEBER LIGHT & POWER
BY
R. E. PENDER, INC.

Description of Consulting Services, Schedule and Budget

PROPOSED SCOPE OF WORK:

Task 1 - Kick-off Meeting

Consultant proposes to meet (via teleconference) with members of the HLP staff knowledgeable about HLP financial data, historical impact fees and Utah statutory requirements governing impact fees. The primary purpose of the meeting is to:

- 1) establish the basic goals and objectives to be accomplished through the Impact Fee Study;
- 2) discuss the prior impact fee study and proposed changes to impact fee calculations and implementation (if any);
- 3) review data needs for the Impact Fee Study (to be supplemented as necessary by the Consultant); and
- 4) generally discuss the scope of work; schedule or budget.

Task 2 – Compile, Review and Analyze Data

After all of the data and information has been received from HLP, Consultant will compile all of the data applicable to the utility in a suitable format for analysis. Data will be reviewed for reasonableness prior to input to the Impact Fee calculations. Questionable and/or incomplete data will be resolved through follow-up discussions with HLP staff.

Task 3 - Perform “Preliminary” Impact Fee Calculations

Using standard industry practices which are acceptable under Utah Statutes, Consultant will perform the required studies and analyses necessary to update (or validate) HLP’s current Impact Fees based on growth-related capital improvements to be implemented during the five-year period 2015 through 2019. The Impact Fee calculations will take into account, as necessary, the following considerations:

- 1) historical Impact Fee payments by customers;
- 2) historical capital improvements funded (all or in part) by customer Impact Fees;
- 3) anticipated customer growth during the Impact Fee assessment period (2015 – 2019) and the incremental demand placed on the system by such growth;
- 4) growth-related capital improvements projected during the Impact Fee assessment period;

- 5) the level of cost recovery desired for growth-related capital improvements;
- 6) growth-related capital improvements to be funded from other sources (e.g., contributions in aid of construction); and
- 7) the level of service (i.e., amperage, voltage and phase) for each customer classification.

Task 4 - Review and Finalize Impact Fee Calculations

The Consultant will meet with HL&P staff (in person or via teleconference, as preferred) to review the results of the preliminary Impact Fee calculations. The preliminary Impact Fees will be evaluated for such things as customer acceptance, fairness, ease of implementation and competitiveness with electric impact fees of other municipal utilities.

After the preliminary Impact Fees have been fully reviewed and approved by HLP staff, the Consultant will then make any necessary adjustments to the calculations and finalize the Impact Fee schedules for implementation.

Task 5 - Prepare Final Report/Presentation

The Consultant will prepare a report that encompasses the work described in Tasks 1-4. A “draft” report will be prepared for review by HLP staff after which a final report will be prepared and delivered to HLP. If requested, a PowerPoint slide show will also be prepared to use in presenting the results of the Impact Fee Study to the Utility Board by the Consultant or by HLP staff.

COST ESTIMATE

The following table outlines the Consultant’s best estimate of the time, labor cost and expenses for completing HLP’s Impact Fee Study. Consultant proposes a not-to-exceed labor budget of \$9,900.00 plus actual out-of-pocket expenses for completing the scope of services set forth above. The cost estimate includes one (1) trip to Heber City for the Board presentation (if requested).

**Impact Fee Study
Cost Proposal**

PROJECT TASK	NO. OF HOURS	ESTIMATED LABOR	ESTIMATED EXPENSES	TOTAL COST
1. Kick-off Meeting	4	\$600.00		\$600.00
2. Compile, Review and Analyze Data	8	1,200.00		1,200.00
3. Perform Preliminary Impact Fee Calculations	30	4,500.00		4,500.00
4. Review and Finalize Impact Fee Calculations	8	1,200.00		1,200.00
5. Prepare Report / Presentation (if requested)	16	2,400.00	1,000.00	3,400.00
Grand Total	66	\$9,900.00	\$1,000.00	\$10,900.00

If, during the course of the project, there are significant changes to the basic approach, project scope, etc. (all as approved by the Client), the project budget will be modified accordingly.

Estimated labor costs are based on the Consultant's standard hourly billing rate of \$150.00. The expenses shown above are those estimated to be incurred by the Consultant directly related to the project. The Consultant will bill the Client at cost for any directly incurred expenses such as airfare, hotel, long distance telephone charges, meals and other incidental charges, and overnight delivery charges. Consultant will not bill Client for computer costs, and normal copying costs. Any travel time required during the normal business day will be charged to the Client at the normal hourly billing rate.

Invoices will be submitted to Client once each month (normally the 1st day) during the course of the project and are due and payable within 30 days.

SCHEDULE

The Consultant estimates that the project can be completed in approximately 6 – 8 calendar weeks from the date Client authorizes work to begin. However, the project schedule is dependent upon the timely receipt of information from the Client, meeting schedules and other circumstances which may be beyond the control of the Consultant.

ADDITIONAL SERVICES

From time-to-time, HLP may request the Consultant to perform additional services related to various aspects of its financial operations. Such additional services, if requested by the Client, will be performed at the hourly rate(s) for the type of service performed, plus any out-of-pocket expenses directly chargeable to the project. Such additional services may include such things as economic feasibility analyses; valuation studies; rate reviews/design; and impact fee assessments, among others.

HEBER LIGHT & POWER COMPANY
BOARD RESOLUTION No. 2014-0110

BOARD AUDIT/FINANCE COMMITTEE -- CREATION, MEMBERSHIP, AND DUTIES

Recitals

WHEREAS, the Board of the Heber Light & Power Company adopted Resolution No. 2014-01 which created a Board Audit Committee (“Audit Committee”), appointed Audit Committee members, and established the Audit Committee’s duties.

WHEREAS, the Board has determined that the Audit Committee should be named the “Audit/Finance Committee” with the members and duties as set forth in this Board Resolution No. 10.

IT IS HEREBY RESOLVED:

A. Creation and Membership

Pursuant to Article VII § 5 of the Company’s Bylaws of the Heber Light & Power Company (“Company”), the Company’s Board of Directors (“Board”) hereby creates thea Audit/Finance Committee (“Committee”). The Committee members shall be Jeff Bradshaw, appointed by the Heber City Mayor; Bob Kowallis, Charleston Town Mayor; Colleen Bonner, Midway City Mayor; and Steve Capson, appointed by the Wasatch County Chair. -consisting of the mayors of Heber City, Midway City, and Charleston and the chair of the Wasatch County Council.

B. Purpose

The Committee’s purpose is to assist and advise the Board in the oversight of the Company’s financial reporting process, internal controls, and budget, and audit and to make recommendations to the Board concerning these processes and controls.

C. Authority

The Committee has authority to:

1. Approve the accounting firm (“Auditor”) to conduct the Company’s Annual Audit (“Audit”).
- 1.2. Consult with management in the preparation of: (a) the annual review of the Strategic Plan, (b) the annual Operating Resolution, and (c) the Annual Budget.
- 2.3. Consult with the Auditor, with or without management, in connection with the Company’s financial reporting, internal controls, and Audit.

- ~~3.4.~~ Resolve any disagreements between management and the Auditor regarding financial reporting process, internal controls and Audit.
- ~~4.5.~~ Obtain information reasonably related to the Audit and the work of the Auditors from Company employees, all of whom are directed to cooperate with the Committee's requests for information.
- ~~5.6.~~ Retain independent counsel, accountants, or others to advise the committee or assist in the conduct of an investigation.

D. Responsibilities

In consultation with the Auditor and management, the Committee will carry out the following responsibilities:

1. Regularly consult with the Auditor (with or without management) during the Audit and oversee the work of the Auditor.
- ~~1.2.~~ [Regularly consult with management on the Company's financial operations, Strategic Plan, Operating Resolution, and Budget.](#)
- ~~2.3.~~ Regularly report to the Board about Committee activities, issues, and related recommendations.
- ~~3.4.~~ Review and confirm the independence of the Auditors by inquiring privately with the Auditors on relationships between the auditors and the Company, its management or its employees
- ~~4.5.~~ Review the Auditor's risk assessment and proposed audit scope and testing/protocols.
- ~~5.6.~~ Understand how management develops interim financial information.
- ~~6.7.~~ Review the Company's significant financial internal controls.
- ~~7.8.~~ Understand the scope of auditor's review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.
- ~~8.9.~~ Before the audit report is submitted to the Board, meet separately with the Company's General Manager, Assistant General Manager, General Counsel Accounting/Financial Manager, Office Manager, and other employees with significant financial or accounting responsibilities to inquire about or discuss any matters that the Committee or these employees would like to discuss privately.
- ~~9.10.~~ Encourage open communication between employees and the Committee and Auditor.

E. Meetings and Procedures

The ~~Heber City Mayor Committee~~ shall ~~select a be the~~ Committee Chair, who shall call Committee meetings and, with the assistance of the Board Secretary, shall provide Committee members with reasonable notice of meetings. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Notes of significant actions will be prepared at the Chair's direction and approved by the Committee.

The Committee shall meet, as needed, prior to the Auditor's submission of its report to the Board upon completion of the Audit. In addition, upon the Auditor's or management's request, the Committee shall meet with the Auditor, management or both. All Committee members are expected to attend each meeting, in person or via telephone conference. The Committee may invite members of management, Auditors or others to attend meetings and provide pertinent information, as necessary. The Committee may hold private meetings and executive sessions with Auditor and others.

F. Repeal

The Board hereby repeals Resolution No. 2014-01 effective on the 24th day of September, 2014.

APPROVED AND ADOPTED the ~~26th~~-24th day of ~~February~~September, 2014,

Heber Light & Power Company

Chairman of Board of Directors

Attest:

Board Secretary

HEBER LIGHT & POWER COMPANY

BOARD RESOLUTION NO. 2014-10

BOARD AUDIT/FINANCE COMMITTEE -- CREATION, MEMBERSHIP, AND DUTIES

Recitals

WHEREAS, the Board of the Heber Light & Power Company adopted Resolution No. 2014-01 which created a Board Audit Committee (“Audit Committee”), appointed Audit Committee members, and established the Audit Committee’s duties.

WHEREAS, the Board has determined that the Audit Committee should be named the “Audit/Finance Committee” with the members and duties as set forth in this Board Resolution No. 10.

IT IS HEREBY RESOLVED:

A. Creation and Membership

Pursuant to Article VII § 5 of the Company’s Bylaws, the Board hereby creates the Audit/Finance Committee (“Committee”). The Committee members shall be Jeff Bradshaw, appointed by the Heber City Mayor; Bob Kowallis, Charleston Town Mayor; Colleen Bonner, Midway City Mayor; and Steve Capson, appointed by the Wasatch County Chair.

B. Purpose

The Committee’s purpose is to assist and advise the Board in the oversight of the Company’s financial reporting process, internal controls, budget, and audit and to make recommendations to the Board concerning these processes and controls.

C. Authority

The Committee has authority to:

1. Approve the accounting firm (“Auditor”) to conduct the Company’s Annual Audit (“Audit”).
2. Consult with management in the preparation of: (a) the annual review of the Strategic Plan, (b) the annual Operating Resolution, and (c) the Annual Budget.
3. Consult with the Auditor, with or without management, in connection with the Company’s financial reporting, internal controls, and Audit.
4. Resolve any disagreements between management and the Auditor regarding financial reporting process, internal controls and Audit.

5. Obtain information reasonably related to the Audit and the work of the Auditors from Company employees, all of whom are directed to cooperate with the Committee's requests for information.
6. Retain independent counsel, accountants, or others to advise the committee or assist in the conduct of an investigation.

D. Responsibilities

In consultation with the Auditor and management, the Committee will carry out the following responsibilities:

1. Regularly consult with the Auditor (with or without management) during the Audit and oversee the work of the Auditor.
2. Regularly consult with management on the Company's financial operations, Strategic Plan, Operating Resolution, and Budget.
3. Regularly report to the Board about Committee activities, issues, and related recommendations.
4. Review and confirm the independence of the Auditors by inquiring privately with the Auditors on relationships between the auditors and the Company, its management or its employees
5. Review the Auditor's risk assessment and proposed audit scope and testing/protocols.
6. Understand how management develops interim financial information.
7. Review the Company's significant financial internal controls.
8. Understand the scope of auditor's review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.
9. Before the audit report is submitted to the Board, meet separately with the Company's General Manager, Assistant General Manager, General Counsel Accounting/Financial Manager, Office Manager, and other employees with significant financial or accounting responsibilities to inquire about or discuss any matters that the Committee or these employees would like to discuss privately.
10. Encourage open communication between employees and the Committee and Auditor.

E. Meetings and Procedures

The Committee shall select a Committee Chair who shall call Committee meetings and, with the assistance of the Board Secretary, shall provide Committee members with reasonable notice of meetings. Meeting agendas will be prepared and provided in advance to members,

along with appropriate briefing materials. Notes of significant actions will be prepared at the Chair's direction and approved by the Committee.

The Committee shall meet, as needed, prior to the Auditor's submission of its report to the Board upon completion of the Audit. In addition, upon the Auditor's or management's request, the Committee shall meet with the Auditor, management or both. All Committee members are expected to attend each meeting, in person or via telephone conference. The Committee may invite members of management, Auditors or others to attend meetings and provide pertinent information, as necessary. The Committee may hold private meetings and executive sessions with Auditor and others.

F. Repeal

The Board hereby repeals Resolution No. 2014-01 effective on the 24th day of September, 2014.

APPROVED AND ADOPTED the 24th day of September, 2014,

Heber Light & Power Company

Chairman of Board of Directors

Attest:

Board Secretary

**HEBER LIGHT & POWER COMPANY
BOARD RESOLUTION NO. 2014-11**

*Appointment of Authorizing Agent
On
Zions Line of Credit*

WHEREAS Heber Light & Power Company has a line of commercial credit with Zions Bank,

WHEREAS the Company is required to appoint an authorizing agent to authorize transactions on the Company's behalf, and

WHEREAS, the previously designated authorizing agent is no longer with the Company.

NOW THEREFORE, BE IT RESOLVED:

1. That Jason Norlen, as acting General Manager, is designated as the authorizing agent on the Zions Line of Credit, and
2. That this appointment shall remain in effect while the appointee is acting as the General Manager, unless the Board rescinds the appointment by resolution appointing a different authorizing agent.

APPROVED AND ADOPTED this 24th day of September, 2014.

Board of Directors, Heber Light & Power Company

Alan W. McDonald, Chair

Attest:

Board Secretary

Heber Light & Power Strategic Plan 2015-2019



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MISSION STATEMENT

Be a recognized leader in the Public Power Industry by safely providing reliable service and outstanding customer value.

Executive Summary

The Company's strategic plan for 2015-2019 is driven by its mission statement which emphasizes the importance of safely providing reliable electric service and outstanding customer value. To accomplish this mission, the Company must assure the safety of its employees and the public. It must maintain the high morale of the Company's workforce through employee accountability, a good work environment, training/education, career development and competitive compensation.

Increasingly, the Company's success is dependent upon balancing the needs of stakeholder groups which include owner municipalities, customers, employees, regulatory agencies and environmental groups. Heber Light & Power recognizes the corporate values required and constantly monitors stakeholder needs in order to ensure business sustainability. Improvements and strategies within this Plan have been developed with business sustainability in mind while recognizing stakeholder expectations.

A key stakeholder group is Heber Light & Power's customers. Attending to customer service also means anticipating and preparing for economic events that may adversely affect the Company and ultimately customers. The Company will continue to maintain a diversified resource portfolio that mitigates the effect of dramatic price fluctuations for electricity. The Company has a cash reserve policy and other methods available to respond quickly to unexpected and uncontrollable increases in expenses and the cost of power. During the period of 2015 to 2017, the Company plans for regular rate increases to ensure that the Company has sufficient funds to cover forecast resource costs and to develop critical infrastructure. In addition, a large percentage of available funding will be identified for a second interconnection to the PacifiCorp transmission system to further address system reliability and capacity.

The Company shall continue to carefully manage expenses to avoid waste and protect rate payers. This includes critically assessing all expenditures to obtain maximum benefits at the lowest cost.

Serving the customer means participating in the community. The Company should make the community aware of the value of its services. The Company will provide education in safety and energy conservation and, where appropriate, be a part of the Heber Valley's economic development efforts.

Assessment of Company's Strengths and Risks

This strategic plan identifies the Company's strengths for review and improvement upon those strengths. The Company also carefully assesses the risks facing it in the future. This includes not only an identification of the risks but a consideration of the likelihood that they will occur and the magnitude of the disruption that they may cause. While these strengths and risks are discussed in connection with specific elements of the strategic plan, the following lists some of the more prominent strengths and risks that currently affect the Company:

STRENGTHS OF THE COMPANY

Workforce The Company has a well-trained, motivated workforce able to perform at a high-level in the sophisticated and specialized electric utility industry. The skills of the Company's workforce further safety and reliable service.

Well-Managed Resource Portfolio The Company has a diversified and carefully managed resource portfolio which includes coal, natural gas, wind and hydroelectric generation. This diversified portfolio mitigates the impact of market or regulatory changes that affect a particular power source.

Cash Reserve At the Board's direction, the Company maintains an appropriate cash reserve to cover unexpected market fluctuations or capital expenditures. These cash reserves should be maintained at appropriate levels to cover unforeseen market and capital expenses.

Rates Appropriate rates are necessary for the Company to maintain customer service levels, replace/maintain critical infrastructure and provide for additional power resources to meet consumer requirements. Reasonable periodic increases will be necessary to maintain Company's positive cash flow and to avoid subjecting ratepayers to large double digit increases. In 2011, the Board approved increased rates to partially offset increases in power resource costs during the prior ten years. Even with the 2011 increase, HL&P remains a low rate leader in the State.



RISKS FACING THE COMPANY

Workforce HL&P is at risk of having workforce constraints due to two main factors. First, the Company faces the risk of losing employees, which it has trained, to other utilities providing better compensation or conditions of employment. The second factor relates to the aging workforce at HL&P. This is a trend nationwide within the industry. Appropriate steps are being taken so as to minimize impacts upon the Company by the retirement of these valued employees

Single Interconnection The Company's primary operational risk is the potential failure of the PacifiCorp transmission line in Provo Canyon that delivers power to the Company's Midway point of delivery. HL&P is working closely with UAMPS and PacifiCorp to ensure that the most operationally efficient and cost effective resolution is identified while remaining cognizant of the financial exposure related to this project.

Cost of Resources The resource portfolio of HL&P is managed closely in an effort to reduce the risk brought on by the ever changing market and regulatory environments. This risk is brought about by the following three main drivers:

1. Environmental regulation and the uncertainty about the extent of regulation will increase the cost of purchasing electric power. These regulations, standing alone, draw into question the long-term continued viability of coal generation as an economic source of electricity.
2. Economic conditions and tight credit markets can impact the cost of financing new projects and thus the costs of purchased power.
3. Market volatility, from a variety of sources can quickly increase costs requiring rapid Company response.

Increasing Regulation Recently, the Company's operations have been affected by new Federal and State regulations. The Company has expended and will continue to expend significant resources in complying with environmental regulation on its operations. In addition, the Company has begun preparation to comply with new regulations intended to promote a reliable national power grid and to protect the grid from cyber-attacks. Compliance with these regulations will involve significant investments.

SAFETY/SECURITY

The safety of its employees and the public is central to all aspects of the Company's business and operations. If not handled properly, electricity can cause serious personal injury and property damage. Each employee must have a common belief in the importance of safety as well as a sense of personal responsibility and caring for themselves, their co-workers and the public. The Company, in all aspects of its operations, will choose equipment, processes and procedures which assure safety of its employees. The Company's goal is an injury/accident free workplace.

Related to physical safety is the protection of critical infrastructure, information systems, and facilities. The Company cannot perform its basic functions if third parties disrupt or damage these critical systems. Each employee must share a common belief in the importance of security as well as a sense of personal responsibility and caring to ensure they take the necessary precautions to secure the Company's infrastructure, facilities, and information.



**Know what's below.
Call before you dig.**

The Company shall make safety and security the highest priority of each employee, regardless of function, and shall create a culture that ensures the safety of employees and the security of the Company.

HUMAN RESOURCES

The Company cannot achieve its goals, in a constantly changing and technologically sophisticated power industry, without a loyal, capable, and motivated workforce. The Company will remain dedicated to recruiting, training, and retaining high performing employees and will affirmatively and creatively develop strategies to attract, retain, develop and motivate its workforce. To further its values and strategic objectives, the Company's goal is to create a culture where employees are motivated, engaged and accountable for their performance.

The Company's relatively small workforce creates a significant challenge to providing reliable service. In many job classifications, the Company may have only one or two employees with the training/education to perform a particular task. The loss of an employee may make it difficult to provide reliable service in either emergency or non-emergency situations. The Company will continue to cross train individuals in different skill areas to provide backup in the event of the loss of an employee.



While the Company has a skilled workforce, this strength makes the Company's workforce an attractive target for other utilities who seek to hire away employees trained by the Company. To mitigate this risk, the Company will continue to provide employees with an attractive work environment and market competitive compensation and benefits to promote retention.

The Company shall continue to foster a team atmosphere that will lead to improved productivity, high job satisfaction, employee accountability and retention.

DISTRIBUTION/OPERATIONS

To ensure the most reliable service, the Company will provide the necessary resources for system renewal, routine maintenance and efficient use of associated equipment. This includes the addition of various new technologies to provide the level of reliability customers expect.

The most expensive, technologically advanced equipment will not provide reliable service if it is not properly maintained. A successful maintenance program requires employees

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who are constantly focused and updated on properly using and maintaining equipment and infrastructure.

The Company has designed and constructed its system so that electricity is reliably delivered. The Company endeavors to have available system capacity that is twice the expected demand. Thus, the loss of critical infrastructure such as a transformer or a power line does not disrupt service because back-up capacity is available.



A significant challenge to the Company providing redundant facilities is the single line providing electric power through the Midway point of delivery from PacifiCorp. In the term of this plan, the Company is planning to address the second point of connection. Discussions have begun with UAMPS and PacifiCorp to appropriately address this concern.

The Company shall instill core values of integrity, accountability, and a commitment to community, to provide our customers with safe, reliable electricity and related services.

RESOURCES

The Company's cost of supplying electricity is more than 50% of its annual expenses. The Company's ability to economically purchase power is dramatically affected by rapidly changing federal and state regulations. These changes have and will continue to have significant upward pressure on the cost of the Company's power resources.

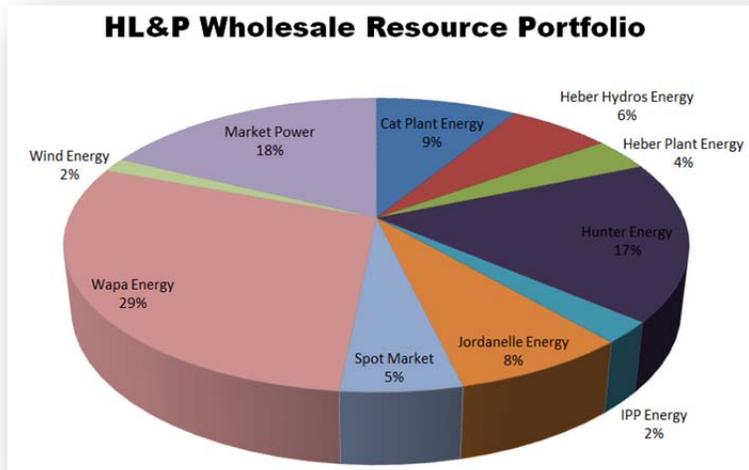
While the full-extent of these regulatory changes cannot be reasonably predicted, the Company will address this



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uncertainty through careful diversification of its resource portfolio and through a properly funded cash reserve.

Heber Light & Power's supply portfolio is extremely diversified and, as a result, provides customers with a stable and reliable power supply.



The Company shall manage wholesale energy assets to mitigate risk and shall continue to be aggressive in acquiring an environmentally diverse and economically sensible energy portfolio.

SUBSTATION SERVICES

The Company has installed substations throughout its service area to improve both the capacity for growth and reliability of its electric service. The Company will continue to improve the interconnections between these substations to provide redundancies that improve reliability.



During the term of this plan, the Company will investigate the need for a substation capacity to sustain current and future load growth. An engineering study and analysis has been conducted to assist in determining the areas that will require additional capacity.

The Company shall continually improve system reliability through effective and efficient maintenance of existing systems and by prudently upgrading the substation system.



INFORMATION TECHNOLOGY SERVICES

The Company's information technology ("IT") system consists of computer systems, software, and networks for the processing, distribution and storage of data and is critical to all aspects of the Company's operations. The Company will continue to carefully maintain and repair its IT system to avoid events that affect reliability or customer service. In addition, the Company will continue to replace components of the IT system on a scheduled basis to avoid obsolescence and keep abreast of changes and improvements in information technology.

In the foreseeable future, the Company may be required to comply with various regulations designed to improve the reliability of the national power grid and to protect the grid from cyber-attacks. As a result, the Company will maintain an awareness of these regulations and their impact on its operations.

In addition, the Company will continue to invest in technology to ensure the efficient and reliable operation of all of its substations. The Company's current Supervisory Control and Data Acquisition (SCADA) system is continually updated and over the next few years advantages of combining this technology with "smart grid" technologies will be investigated.

The Company shall continually monitor the information technology system and prudently upgrade the system where necessary.



CUSTOMER SERVICE

The electric utility marketplace is entering a period when the effects of technology could dramatically change the relationship between the utility and the customer. The addition of "smart meters" and other similar technology provide a gateway for both the utility and the customer to obtain an abundance of data. Who owns, controls, or inventories this data is becoming a hotly contested item.



Remote access by the utility to household electric usage, the addition of plug-in hybrid electric vehicles (PHEV), the remote monitoring and control by the customer of their household electricity usage and internet-ready companies willing to facilitate these technologies could change the industry dramatically.

The Company will prepare to provide these new technologies that improve efficiency and provide additional value to customers. Specifically, the Company will continue to deploy smart meters

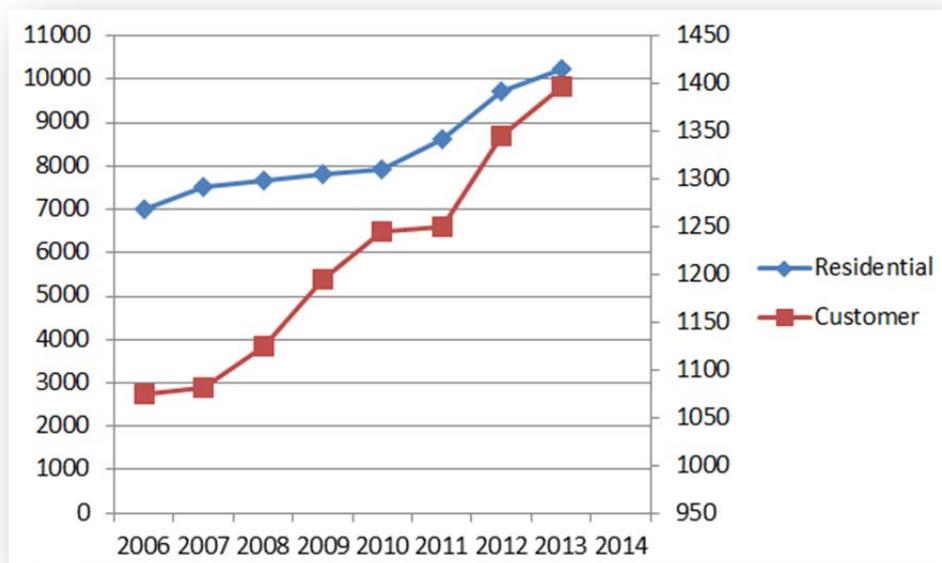
and investigate complimentary devices to provide its customers the level of service they have come to expect. In addition, the Company will continually review other service related programs and offerings to ensure customer satisfaction.

FINANCIAL

The financial well-being of the Company is critical to reliably providing electric service at reasonable rates. This financial well-being depends, in part, on the prudent control of expenses. The Company will continue to carefully consider and monitor all expense and capital expenditures as to the impact on customer rates.

External parties such as bondholders and credit ratings agencies affect the Company's ability to obtain financing at reasonable cost. In order to maintain the performance standards for these and other parties, the Company will continually review revenues and expenses to ensure an appropriate financial situation is maintained. Regular rate increases are included in Electricity Sales to ensure continued financial stability of the Company. (See Appendix A)

Using recently completed studies on Cost of Service and Rate Design, the Company will review rate structures for each customer class. This review and, where necessary rate changes, will ensure the appropriate rate of return for each rate class is achieved while promoting the customers' efficient use of electricity. The key to business sustainability is maintaining the Company's overall revenue requirement while balancing the impact on customer rates.



The Company maintains cash reserves, extensive liability insurance coverage and an operating line of credit to mitigate the adverse impact of unexpected expenses or fluctuations in the wholesale power market. The Company continually reviews these protections to ensure they are cost-justified.

ADMINISTRATION

As the utility business becomes more complex, supporting systems will be required to address this complexity. The Company will continue to review all business critical systems within the next year to ensure the Company utilizes the most effective methods or products.

During the plan period, the Company will investigate customer billing systems and associated business systems to address complex customer rate initiatives, wireless and virtual billing to customers and other social network offerings.

As well as the required systems, the Company is studying the need for a new administration building. This building would replace the current administration building and consolidate utility operations to an area adjacent to the current operations/generation facility.

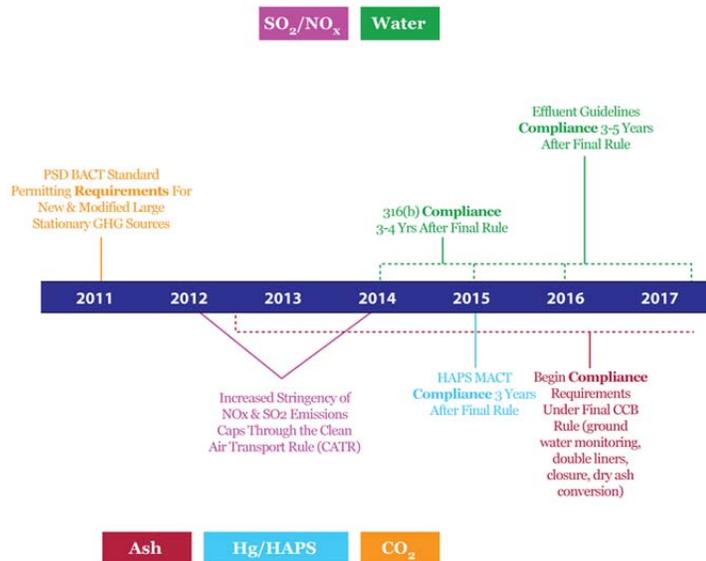


LEGAL/REGULATORY

The electric utility business is facing unprecedented legal and political uncertainty. Regulations at both the federal and state levels could dramatically and suddenly affect the cost of resources or funds. While the Company is in some sense a cork floating on the sea of change, it must run its business with an eye on these potential changes including making internal adjustments in anticipation of change and seeking to

Regulatory Compliance Obligations for the Utility Industry

When only the actual compliance dates of new regulations are presented in the timeline, it becomes apparent that the EPA's regulatory process is clear and the utility industry has adequate time to prepare for pending compliance obligations.



For more information: www.wri.org/eei-timeline-response Sources: WRI Analysis based on Edison Electric Institute 2010, Wegman, EPA 2003.

Heber Light & Power

educate the state and local governing bodies when they are dealing with issues important to the Company.

COMMUNITY RELATIONS

The Company must continue to communicate with the community to help customers understand the Company's business and challenges. The Company will continually communicate with the community and public entities to provide information on current industry topics and safety messages and to reinforce the benefit of the Company to the Heber Valley. The Company will participate in economic development and planning for emergency restoration efforts in the Heber Valley and will, where appropriate, assist those efforts. These communications will create awareness of the Company's operations.



The Company recognizes its obligation for public safety education and awareness and will continue safety presentations through the public schools and civic entities.

Projected Income Statement and Cash Position

	2014	2015	2016	2017	2018	2019
OPERATING REVENUES						
Electricity Sales	\$ 14,491,714	15,150,362	\$15,838,946	\$ 16,558,826	\$ 17,311,425	\$ 18,098,229
Connection Fees	29,118	31,091	31,712	32,347	32,993	33,653
Other Income	90,997	99,256	101,241	103,266	105,331	107,438
TOTAL OPERATING REVENUES	14,611,829	15,280,709	15,971,900	16,694,439	17,449,750	18,239,320
COST OF SALES						
Power Purchases	(6,222,000)	(6,388,878)	(6,555,756)	(6,722,634)	(6,889,512)	(7,056,390)
Gas Generation Fuel	(1,034,375)	(866,813)	(892,817)	(919,602)	(947,190)	(975,606)
Wages	(610,600)	(518,222)	(533,769)	(549,782)	(566,275)	(583,263)
TOTAL OPERATING EXPENSES	(7,866,975)	(7,773,913)	(7,982,342)	(8,192,018)	(8,402,977)	(8,615,259)
OPERATING EXPENSES						
Salaries, Wages, and Benefits	(3,632,943)	(3,177,734)	(3,273,066)	(3,371,258)	(3,472,396)	(3,576,568)
Insurance	(113,665)	(175,000)	(180,250)	(185,658)	(191,227)	(196,964)
Professional Services	(155,000)	(57,000)	(60,000)	(62,843)	(65,985)	(69,284)
Maintenance & Communications	(336,007)	(632,003)	(650,963)	(670,492)	(690,607)	(711,325)
Materials	(25,000)	(525,865)	(26,000)	(25,000)	(25,000)	(25,500)
Office Expense & Postage	(118,970)	(79,580)	(82,000)	(84,460)	(86,994)	(89,604)
Building Expense	(71,000)	(43,400)	(45,353)	(47,394)	(49,527)	(51,755)
Truck Expense	(141,400)	(167,942)	(150,000)	(154,500)	(159,135)	(163,909)
Bad Debt Expense	(25,250)	(25,503)	(25,758)	(26,015)	(26,535)	(27,066)
Credit Card Fees	(76,000)	(78,000)	(80,000)	(82,400)	(84,872)	(87,418)
Travel & Training	(42,000)	(68,381)	(69,749)	(71,144)	(72,566)	(74,018)
Miscellaneous	(86,763)	(26,035)	(35,000)	(36,050)	(37,132)	(38,245)
Depreciation	(1,818,650)	(1,880,650)	(1,940,200)	(1,979,004)	(2,018,584)	(2,058,956)
TOTAL OPERATING EXPENSES	(4,823,998)	(5,056,443)	(4,678,138)	(4,817,213)	(4,961,975)	(5,111,656)
TOTAL OPERATING INCOME	\$ 1,920,856	\$ 2,450,353	\$ 3,311,419	\$ 3,685,209	\$ 4,084,797	\$ 4,512,405
TOTAL OPERATING INCOME (including Depreciation)	\$ 102,206	\$ 569,703	\$ 1,371,219	\$ 1,706,205	\$ 2,066,213	\$ 2,453,450
ROI	0.3%	1.4%	3.3%	3.7%	4.1%	4.0%
NON - OPERATING REVENUES						
Build America Bond Subsidy (35%)	118,825	118,825	118,825	118,825	118,825	118,825
Interest	20,301	20,707	21,121	21,544	21,974	22,414
Impact Fees	500,000	500,000	500,000	500,000	500,000	500,000
Gain on Sale of Assets	-	-	-	-	-	-
TOTAL NON-OPERATING REVENUES	639,126	639,532	639,946	640,369	640,799	641,239
FUNDS AVAILABLE FOR DEBT SERVICE	2,559,982	3,089,885	3,951,365	4,325,577	4,725,597	5,153,644
ELECTRIC REVENUE BONDS						
Series 2012	349,800	359,700	359,300	353,800	363,300	357,500
Series 2010	473,150	465,900	463,100	470,300	462,100	464,100
TOTAL ELECTRIC REVENUE BOND D/S	822,950	825,600	822,400	824,100	825,400	821,600
DEBT SERVICE COVERAGE	3.11 x	3.74 x	4.80 x	5.25 x	5.73 x	6.27 x
DEBT SERVICE COVERAGE W/O IMPACT FEES	2.50 x	3.14 x	4.20 x	4.64 x	5.12 x	5.66 x
CASH AVAILABLE FOR CAPITAL ADDITIONS	\$ 1,737,032	\$ 2,264,285	\$ 3,128,965	\$ 3,501,477	\$ 3,900,197	\$ 4,332,044
Add Beginning Cash	\$ 665,076	\$ 1,101,108	\$ 987,443	\$ 1,701,409	\$ (862,114)	\$ 1,173,082
Capital Expenditures						
Distribution	795,000	822,726	800,000	1,500,000	800,000	800,000
Substations	325,000	478,739	1,100,000	4,000,000	500,000	350,000
Generation	70,000	502,730	300,000	300,000	300,000	9,000,000
Systems & Technology	25,000	36,990	50,000	50,000	50,000	50,000
Vehicles	-	250,000	100,000	150,000	150,000	100,000
Tools	45,000	45,200	45,000	45,000	45,000	45,000
Buildings	41,000	241,565	20,000	20,000	20,000	1,000,000
Total Ending Cash Position	\$ 1,101,108	\$ 987,443	\$ 1,701,409	\$ (862,114)	\$ 1,173,082	\$ (5,839,873)



PROJECT AGREEMENT Heber Light & Power, Utah

&

Personnel Systems & Services, Inc.



CONTRACTING PARTIES: This agreement is between Heber Light & Power, hereinafter referred to as THE CLIENT, and Mike Swallow of Personnel Systems & Services, Inc., hereinafter referred to as Consultant.

PURPOSE: To respond to the Client's request for personnel technical assistance in the development of various components of the company's personnel management system which shall include: (1) update and/or develop company-wide job descriptions, (2) development of a position classification and internal equity (pay grade) system based upon company employee value preferences, (3) labor market wage survey and analysis of prevailing compensation practices to determine the client's competitive position among selected employers; (4) and, the creation of a pay plan which reflects the client's pay progression philosophy and the current prevailing pay practices for base compensation.

AGREEMENT PROVISIONS:

A. THE CLIENT agrees:

1. To compensate the Consultant in the amount of **\$14,058.00**; which includes all the below-mentioned components of the project as described in the revised consultant proposal;
 - a. Program A-D as outlined in the revised project proposal: \$14,058.00.
2. To be invoiced based upon the following schedule.
 - a. 20% Up front as a project binder
 - b. 20% upon completion of onsite job audits;
 - c. 20%, upon delivery of 1st draft job descriptions;
 - d. 20% upon delivery of job evaluation instrument & initial pay grade or market range recommendations;
 - e. Final 20% upon delivery of final product and pay recommendations.

B. Consultant agrees to:

3. Provide all above selected services as outlined and deliver completed project phases in a timely manner with all work to be done in cooperation with THE CLIENT and the client's assigned project coordinator.
4. Refund to the CLIENT, in the same proportion as it was paid to the consultant, expenditures under this agreement when determined by independent audit to be ineligible for payment.

C. STIPULATIONS:

Any alteration, variation, modification, or waiver of provisions of this agreement shall be valid only when they have been reduced to writing, duly signed and attached to the original signed copy of this agreement. No claim for services furnished by the consultant not specifically provided by this agreement will be allowed by THE CLIENT, nor shall the consultant do any work or furnish any material unless such work or material is approved by THE CLIENT, and is consistent with this agreement and project expectations, or is the result of an amendment to this agreement.

IN WITNESS WHEREOF, the parties hereto do hereby sign this agreement.

Heber Light & Power Representative: _____ Date: _____

PS&S Consultant: _____ Date: _____



COST OF SERVICES ESTIMATE

(Based upon approximately 36 fulltime/regular part-time employees and 30 job classifications)

Program A-Job Descriptions

- | | | |
|----|--|-----------------|
| 1. | On-site Job Audits Option #1 100% @ 10 individual job audits @ 1 hour. ea./\$90/hr. | \$900.00 |
| 2. | Writing, Rewriting, Updating of job descriptions approx. 10 @ \$50/ea. | \$500.00 |

Total: Program A - <i>Audit option #1</i>	\$1,400.00
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Program B-Job Evaluation & Classification

- | | | |
|----|---|------------|
| 1. | 36 Response: Values Survey Data Entry & Tabulation @ \$5.00 ea. | \$180.00 |
| 2. | Customization/Revision of Point Factor Instrument | \$1,950.00 |
| 3. | Job Analysis & Classification approx. 30 job classes (Pay Grade Determination) @ \$50 ea. | \$1,500.00 |

Total: Program B	\$3,630.00
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Program C-Labor Market Wage/Salary & Benefit Analysis

- | | | |
|----|---|------------|
| 1. | Labor Market Salary Survey and Analysis | \$4,550.00 |
| 2. | Pay Plan Integration & Recommendations | \$1,600.00 |
| 3. | Benefit Analysis & Comparison: Core Insurance/Retirement/Supplemental | \$1,400.00 |

Total: Program C	\$7,750.00
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Program D-Model Compensation Management Policy

- | | | |
|----|--------------|---------|
| 1. | Policy Model | No Cost |
|----|--------------|---------|

Total: Program D	\$00.00
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Total Cost: Program A-D: <u>Audit Option #1</u>	\$12,780.00
All overhead Expenses, i.e., travel, meals, materials, etc. @ 10%	\$1,278.00
Total	\$14,058.00

Payment Schedule:

- Up front project binder and delivery of survey instruments----- 20%.
- Upon delivery of values survey results & job evaluation instrument ---- 20%.
- Upon completion of onsite job audits -----20%.
- Upon Delivery of First Draft Job Descriptions-----20%.
- Upon delivery of Wage Analysis, final report and project materials -----20%.