



HEBER LIGHT & POWER COMPANY
31 S 100 W
Heber City, UT 84032

BOARD MEETING NOTICE & AGENDA

Date: April 23, 2025

Time: 4:00 pm Board Meeting

Location: Heber Light & Power

31 S 100 W, Heber City, UT

Zoom Link: https://heberpower.zoom.us/webinar/register/WN_X4mpZD9R0EZ1uBm8JQ

Board of Directors:

Heber City Mayor – Heidi Franco

Midway City Rep. – Kevin Payne

Charleston Town Mayor - Brenda Christensen

Wasatch County Council Rep. - Kendall Crittenden

Heber City Council Rep. – Sid Ostergaard

Heber City Council Rep. – Aaron Cheatwood

AGENDA

1. Approval of Consent Agenda:
 - March 26,2025 Board Meeting Minutes
 - March 2025 Financial Statement
 - March 2025 Warrants
2. Review and Approval of Wage Study Proposed Pay Ranges (Clay Johnson)
3. Approval of General Manager Merit Increase.
4. Review and Approval of 2025 Insurance Renewal (Bart Miller)
5. Review and Acceptance of 2024 Audited Financial Statements (Bart Miller)
6. Wholesale Power Report. (Emily Brandt)
7. Discussion on updated Capital Plan (Jason Norlen)
8. GM Report
 - UAMPS Report
 - IPA Update
 - Building Update
 - Customer Communication update
9. Closed Session: Discussion about sale or purchase of Real property

Agenda Item 1: Consent Agenda Board Minutes



Board Meeting April 23, 2025



HEBER LIGHT & POWER COMPANY

31 South 100 West
Heber City, Utah 84032

BOARD MEETING

March 26, 2025

The Board of Directors of Heber Light & Power met on March 26, 2025, at 4:00 pm at the Heber Light & Power Business Office, 31 S 100 W, Heber City, Utah.

Board Member Attendance: Board Chair – Heidi Franco: Present

Director – Kevin Payne: Present

Director – Brenda Christensen: Present

Director – Sid Ostergaard: Present (via Zoom)

Director – Aaron Cheatwood: Present (via Zoom)

Director – Kendall Crittenden: Present

Others Present: Jason Norlen, Bart Miller, Adam Long, Karly Schindler, Rylee Allen, Patricio Hernandez, Jake Parcell, Josh Gustin, Riley Wright, Colby Houghton, and Ryan Gull.

Chair Franco welcomed those in attendance.

1. Consent agenda - approval of a) February 26, 2025, Board Meeting Minutes, b) February 2025 Financial Statements) February 2025 Warrants.

The Board Chair requested to fix motion on item 4, to second motion by Director Christensen on February minutes.

Motion. Director Crittenden moved to approve the consent agenda with the change the Board Chair requested. Director Christensen seconded the motion. The motion carried with the following vote:

Board Chair – Heidi Franco: Approve

Director – Kevin Payne: Approve

Director – Brenda Christensen: Approve

Director – Sid Ostergaard: Approve

Director – Aaron Cheatwood: Approve

Director – Kendall Crittenden: Approve

The Board addressed item number 3

3. Discussion and Possible Approval on Retirement Allowance.

Karly Schindler presented Shane Carlson's retirement, outlining the existing policy utilized by HLP for former employees, as documented in the HLP handbook. The formula in the handbook calculates the retirement benefit as the monthly salary multiplied by 31 (years of service), resulting in 1% equating to \$3,566.00. HLP employees contributed to purchase a gift for him during his retirement celebration.

Motion. Director Christensen moved to accept the retirement allowance for Shane Carlson.

Director Payne seconded the motion. The motion carried with the following vote:

Board Chair – Heidi Franco: Approve
Director – Kevin Payne: Approve
Director – Brenda Christensen: Approve
Director – Sid Ostergaard: Approve
Director – Aaron Cheatwood: Approve
Director – Kendall Crittenden: Approve

The Board addressed item 5.

5. Wholesale Power Report

Emily received an updated figure from UAMPS, indicating a slight overage in the wholesale power budget and an under-budget in natural gas, resulting in an overall 1% excess over the monthly budget. Currently, we are 17% above the annual budget, which is not unexpected at this point in the year. The system load continues to rise, with an average of 2.44 kWh projected for 2025. Significant usage is anticipated in July. Jason mentioned that we currently have five machines available, although they are undergoing maintenance. We are making efforts to maximize the number of machines ready for the load season. Additionally, we have secured market power for the summer at a more favorable price than initially anticipated.

The Board addressed item 4.

4. Discussion on Integrated Resource Plan (IRP).

This is an update; we do these every 2-5 years. We have had changes in the portfolio and new rate structures, so with these changes, it is a good time to update. We will begin the process. Emily will be sending our surveys and finding out information on what people are looking for. Emily hopes to have something to give to us in October. Emily is sending out an email to all customers that are going to give information about why we had a rate increase and how they can still save money and give them tips. We will be doing another Impact Fee study this year to see if we can increase. The Mayor would like to be able to show the public that the rate increase is 1 cent for every KWH for the first 1000 and 3 cents for over 1000. Jason went over the many reasons why we had to have the increase, that it is not just for growth but for current customers as well. The mayor would like a handout with colors and little pop-ups so people can see all the reasons for the increase and why. We will revise the details and do the survey at a later date.

The Board addressed item 2.

2. Discussion and Possible Approval of Heber Valley Railroad Track Easement. Mark Nelsen is here to discuss the railroad track easement, accompanied by his engineer, Lonnie. They've had a few meetings with Russ Funk and the railroad contractor. The trail has been relocated to the east side, and the road has been halted at the curb. Russ is worried about having the actual tracks within the road and prefers them to be on the west side of 600 West. Currently, there's a 5-foot sidewalk, which he wants moved to the east side of 600 West, and there will need to be no parking on that side. There are also concerns about how long the tracks will be in front of the HLP building. At the switch point, the train will head north, clear the switch, and then turn around. They need enough space for three diesel locomotives to accommodate future growth. The existing tracks are being removed to adjust the grade. Another issue is that the ground level of the track is significantly higher than the HLP parking lot. Jason is waiting for specific numbers and a detailed site plan to share with his engineer to assess the design qualifications. HLP doesn't plan to install a fence. There's a gas line, power boxes, internet lines, a hub for all internet providers, and other

infrastructure currently being installed. Lonnie mentioned that a realistic timeline for a definitive plan is about two weeks. HLP is working with a plan approved by Heber City, and any changes would require going back for additional approval. Sid Ostergaard believes there's no need to return to the Heber City Council since they've delegated the responsibility to the Railroad and HLP. Lonnie also referenced an email regarding a minor site plan amendment but is open to separate pages for specific changes. Jason expressed concerns about large trucks crossing the tracks and the potential damage to their front ends while waiting for the train to pass. The impacts on HLP extend beyond just landscaping. Adam suggested that it would be beneficial to have a document or agreement outlining expectations moving forward.

5. GM Report.

UAMPS Report. Jason reports that the Hunter power plant is functioning normally, with only a few outages occurring in the first three months, none of which have been prolonged. The facility is receiving its coal shipments as scheduled. Meanwhile, Horse Butte is undergoing maintenance on a couple of turbines but continues to operate as intended. The solar project has experienced a slight decrease in steel capacity compared to initial expectations. Additionally, a new solicitation has emerged for the Sunny Fremont solar project, which has faced numerous challenges and is unlikely to become operational for several years. It may eventually connect with our firm's transmission, and further details will be provided later. We may opt not to participate, as it may not be essential for our portfolio. The geothermal project is currently facing delays due to difficulties in interconnection, particularly for areas south of Mona. Regarding the Millard County project, land acquisition has been completed, and the engineering contract has been approved. Erwin McDonald has been appointed as the engineer for the natural gas project in Millard County. The primary delay in bringing this project online is related to transmission interconnection, with gas sourced from the existing pipeline. The Power County project remains under-subscribed. The UAMPS board has approved the agreement, allowing participation in the project, but subscription levels will be adjusted. Their council did not approve the contracts, resulting in a reduction to 85%. This matter will be revisited by the board for subscription approval. 2. Jason has indicated that the Hunter power plant is operating within normal parameters, with only a few outages reported during the initial three months, none of which have been extensive. The plant is receiving its coal deliveries as planned. Horse Butte is currently conducting maintenance on a couple of turbines but is otherwise functioning as expected. The solar project has seen a minor reduction in steel capacity compared to what was originally projected. Furthermore, a new application has been issued for the Sunny Fremont solar project, which has encountered significant issues and is not expected to launch for several years. It may eventually integrate with our firm transmission, and we will receive additional updates in due course. We may decide against participation, as it may not be critical to our portfolio. The geothermal project is experiencing delays due to interconnection challenges, particularly for regions south of Mona. In terms of the Millard County project, the land has been secured, and the engineering contract has been finalized. Erwin McDonald will serve as the engineer for the natural gas initiative in Millard County. The main obstacle to the project's timeline is the transmission interconnection, with gas

IPA Update. The initial ignition of the gas units has taken place, and they are currently undergoing testing. The activation of the gas units has experienced a slight delay, and discussions have been held regarding the possibility of extending the operation of the gas lines beyond June to ensure sufficient generation capacity. Efforts are underway to finalize the gas units.

APP A E-Reliability Tracker Heber Light and Power received recognition for the APPA Award for Safety Excellence, receiving the diamond classification. Our team is performing

exceptionally well, with safety being a top priority.

New Employee Update. New employees have been brought on board. Trey Bunker has joined a maintenance facility, while Burke has advanced to the line crew in an apprentice role. Additionally, Colby Thacker has been appointed to the dispatch team.

Motion: Director Christensen moved to that we moved to a closed session. Director Payne seconded the motion. The motion carried with the following vote:

Board Chair – Heidi Franco: Approve
Director – Kevin Payne: Approve
Director – Brenda Christensen: Approve
Director – Aaron Cheatwood: Approve
Director – Kendall Crittenden: Approve
Director – Sid Ostergaard: Not Present

Meeting adjourned.

Rylee Allen
Board Secretary

Agenda Item 1: Consent Agenda Financials



Board Meeting April 23, 2025

Heber Light & Power
TRENDS AT A GLANCE - Financial Summary
Year To Date March 31, 2025

	12/31/2021	12/31/2022	12/31/2023	12/31/2024	YTD 3/31/2025	YTD Budget	Annual Budget
1 Total Customers	13,682	14,181	15,078	15,757	16,094		
2 Customer Growth	3.85%	3.65%	6.33%	4.50%	2.14%		
3 Cash and Investments (Operating)	369,478	(280,982)	1,029,003	1,264,329	1,270,445		20,427,450
4 Cash and Investments (Operating Reserves)	3,531,800	6,913,764	5,172,668	13,672,059	16,911,741		8,011,509
5 Days cash on hand	82	109	100	202	211		120
6 Cash and Investments Restricted	18,152,483	9,925,319	23,152,516	8,282,790	4,672,949		
7 Net Capital Assets	48,024,733	59,655,315	81,055,577	94,925,367	99,606,999		
8 Total Assets	77,162,287	86,592,269	125,205,376	133,634,112	138,748,686		
9 Total Liabilities	26,703,304	30,764,597	61,018,562	57,821,713	59,699,513		
10 Net Position (Equity)	50,531,782	54,998,754	64,186,815	75,812,399	79,049,173		
11 Operating Revenues	21,420,515	23,077,390	25,991,779	27,466,150	7,928,678	7,286,721	29,180,901
12 Operating Expenses	20,057,173	25,223,257	26,165,610	29,474,699	7,518,633	7,745,400	32,134,076
13 Operating Income	1,363,342	(2,145,867)	(173,831)	(2,008,550)	410,045	(458,679)	(2,953,175)
13 Operating Income less Depreciation	4,069,767	858,571	3,224,640	2,447,104	821,919	(79,660)	1,652,599
14 Impact Fees	2,387,447	3,195,068	4,142,767	4,865,618	652,311	750,000	3,000,000
15 Restricted Net Assets Impact Fees	3,445,774	12	25	20,269	55		
16 Contributions (CIAC)	6,100,580	4,056,099	5,472,934	9,437,873	3,206,413	750,000	3,000,000
17 Restricted Net Assets CIAC	1,143,545	1,121,123	1,643,529	1,706,032	3,719,773		
18 Inventory	3,757,132	4,430,810	6,406,955	8,484,856	9,749,304		
19 CIAC Inventory included in line 18	2,255,274	2,992,759	3,716,034	4,921,217	5,654,596		
20 Distributions	300,000	300,000	75,000	0	0	0	0
21 Change In Net Position (Net Income)	9,059,325	4,466,972	9,113,065	9,085,309	3,523,260	295,812	64,789
22 Net Cash Provided by Operating Activities	2,021,413	3,847,915	(2,586,448)				
23 Debt Service	1,615,023	1,625,499	1,326,952	3,209,632	745,509	745,509	2,982,036
24 Leverage Ratio	6.2	9.7	10.9	8.8			<8.0
25 Affordability Rate	1.30%	0.96%	1.01%	0.98%			<2.5%
26 Debt Service Coverage Ratio	4.05 / 2.57	2.66 / 0.7	6.81 / 3.69	2.75 / 1.24	2.51 / 1.638		>1.25
27 Payroll, Benefits, Taxes	5,641,900	6,392,193	7,258,341	7,863,272	1,829,647	1,878,112	8,138,487
28 Rates/Rate Increases	2.0%	5.5%	5.5%	5.5%	0.0%	0.0%	0.0%
29 Energy Supply (MWh)	207,035	215,711	220,434	236,708	67,106		248,543
30 Energy Sales (MWh)	193,144	201,380	206,013	221,222	62,671		232,283
31 Energy Growth	3.11%	4.19%	2.19%	6.87%	7.85%		5.00%
32 Sales Growth	3.39%	4.26%	2.30%	6.87%	6.21%		5.00%
33 MW usage/Coincident Peak	47	49	52	53	53		
34 Overall System Capacity	50	50	50	100	100		
35 System Age Percentage	48%	44%	45%	36%	35%		< 55%
36 Total Capital Budget Expenditures	7,573,059	9,429,982	34,581,872	23,289,398	5,912,026		38,866,000

Notes

- 1 (EMMA - SEC Summary posted on EMMA website. PB Bart)
- 2 (percent calculation of year to year increase on line 1)
- 3 (03/31 FS pkg. pg 1. - line 3 and line 4 add together to arrive at Cash and investments deposited in unrestricted accounts. Annual budget is min recommendation by UFS.)
- 4 (03/31 FS pkg. pg 1. - line 3 and line 4 add together to arrive at Cash and investments deposited in unrestricted accounts. Board requires no less than 91 days in reserve.)
- 5 (FITCH requirement/Bart calculation-target 115-150 to be in a better position for potential financing) Days of cash on hand is calculated by dividing unrestricted cash and cash equivalents by the system's average daily cost of operations, excluding depreciation (annual operating expenses, excluding depreciation, divided by 365). Current Cash Reserve Policy is minimum 91 days.
- 6 (03/31 FS pkg. pg 1. Restricted cash and investments, namely Bond Funds, Escrow Payments, and CIAC amounts. Annual budget is min recommendation by UFS.)
- 7 (03/31/FS pkg. pg 1)
- 8 (03/31/FS pkg. pg 1)
- 9 (03/31/FS pkg. pg 1)
- 10 (03/31/FS pkg. pg 1 - Net Position reflects total assets less total liabilities)
- 11 (03/31/FS pkg. pg 4)
- 12 (03/31/FS pkg. pg 4)
- 13 (03/31/FS pkg. pg 4 Operating Revenues less Operating Expenses)
- 14 (03/31/FS pkg. pg 4 Operating Revenues less Operating Expenses plus Depreciation Expense)
- 15 (Impact Fees Revenue brought in during the year.)
- 16 (Impact Fees received but project not completed.)
- 17 (03/31/FS pkg. pg 4 - CIAC Revenue brought in during the year.)
- 18 (CIAC received but project not completed.)
- 19 (03/31 FS pkg. Pg. 1, pg 10,)
- 20 (03/31 FS pkg. Pg. 1, pg 10)
- 21 (03/31 FS pkg. Pg. 4 Distributions to Owners)
- 22 (03/31 FS pkg. Pg. 4 Bottom Line including all income and expenses including CIAC, Impact Fees and Debt Service.)
- 23 (Audit Statement of Cash Flows provided annually with audit - Target from UFS)
- 24 (GenSet Lease (164,308.29) + 2012 DS (104,000) + 2019DS (1,092,750) + 2023DS (2,121,000) - 2019Premium (269,807) - 2023Premium (230,215))
- 25 (FITCH calculation - should be no higher than 8.0 - Net Adjusted Debt divided by Adjusted FADs for Leverage)
- 26 (Ability for customers to pay the HLP bill) Avg Res Cost of Electric(Annualized Res Rev/Customer Count)/Median Household Income (US Census Bureau)
- 27 (Bond covenants require 1.25 - First Value Formula: (Income + Dep + Int Inc+Imp Fee Rev)/(Total debt) Second Value Formula: (Income + Dep + Int Inc)/(Total debt))
- 28 (Bart - Gross wages, total benefits, payroll taxes)(**Employee Totals Report**)
- 29 (Board approved annual rate increases.)
- 30 (EMMA - SEC Summary posted on EMMA website. PB Bart)
- 31 (5.47% over all years average 1.39%/Year (2025 reflects the March 2025 to the March 2024))
- 32 (calculated % Energy sales growth from year to year) (2025 reflects the March 2025 to the March 2024)
- 33 (System peak on the year)
- 34 (Average Age of System Assets (Accumulated Depreciation/Book Value))
- 35 (Annual Expenditures on Capital Assets (Includes costs captured in CWIP plus unutilized assets))

**HEBER LIGHT & POWER COMPANY****Statement of Net Position**

March 31, 2025 and 2024

	2025	2024	Variance	% Change
ASSETS				
Current Assets:				
Cash and Investments	18,182,185.78	12,103,894.25	6,078,291.53	50%
Restricted Cash and Investments	4,672,948.72	17,869,692.31	(13,196,743.59)	-74%
AR(Net of Doubtful Accounts)	2,343,435.62	2,104,376.23	239,059.39	11%
Unbilled Receivables	1,707,944.98	1,675,159.07	32,785.91	2%
Prepaid Expenses	1,691,827.42	1,048,685.48	643,141.94	61%
Material Inventory	9,749,303.57	6,300,846.55	3,448,457.02	55%
Other Current Assets	136,724.45	60,664.06	76,060.39	125%
<i>Total Current Assets</i>	<i>38,484,370.54</i>	<i>41,163,317.95</i>	<i>(2,678,947.41)</i>	<i>-7%</i>
Capital Assets:				
Land, CWIP & Water Rights	17,999,999.83	31,894,568.75	(13,894,568.92)	-44%
Depreciable (net of Accum Depreciation)	81,606,999.40	52,099,233.70	29,507,765.70	57%
<i>Net Capital Assets</i>	<i>99,606,999.23</i>	<i>83,993,802.45</i>	<i>15,613,196.78</i>	<i>19%</i>
TOTAL ASSETS	138,091,369.77	125,157,120.40	12,934,249.37	10%
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related	2,197,132.87	1,790,995.65	406,137.22	23%
TOTAL DEFERRED OUTFLOWS	2,197,132.87	1,790,995.65	406,137.22	23%
LIABILITIES				
Current Liabilities:				
Accounts Payable	3,019,155.12	1,894,272.87	1,124,882.25	59%
Accrued Expenses	1,667,632.51	1,245,821.44	421,811.07	34%
Related Party Payable	449,709.88	305,390.77	144,319.11	47%
Current Portion of LTD	1,785,324.65	1,962,618.06	(177,293.41)	-9%
<i>Total Current Liabilities</i>	<i>6,921,822.16</i>	<i>5,408,103.14</i>	<i>1,513,719.02</i>	<i>28%</i>
Non-Current Liabilities:				
Revenue Bonds Payable	43,359,675.35	44,522,381.94	(1,162,706.59)	-3%
Bond Premium	4,729,397.60	5,247,293.60	(517,896.00)	-10%
Capital Lease Obligations	758,858.58	898,911.14	(140,052.56)	-16%
Compensated Absences	1,752,526.81	1,752,783.48	(256.67)	0%
Early Retirement Incentive	140,131.74	129,666.71	10,465.03	8%
Contract Payable	1,199,436.00	1,189,196.00	10,240.00	1%
Net Pension Liability	837,664.95	562,402.00	275,262.95	49%
<i>Total Non-Current Liabilities</i>	<i>52,777,691.03</i>	<i>54,302,634.87</i>	<i>(1,524,943.84)</i>	<i>-3%</i>
TOTAL LIABILITIES	59,699,513.19	59,710,738.01	(11,224.82)	0%
DEFERRED INFLOWS OF RESOURCES				
Pension Related	9,227.65	9,420.00	(192.35)	-2%
TOTAL DEFERRED INFLOWS	9,227.65	9,420.00	(192.35)	-2%
NET POSITION				
Net Investment in Capital Assets	81,221,104.15	64,682,972.22	16,538,131.93	26%
Restricted for Capital Projects	4,655,719.47	2,347,307.42	2,308,412.05	98%
Unrestricted	(5,297,061.82)	197,678.40	(5,494,740.22)	-2780%
TOTAL NET POSITION	80,579,761.80	67,227,958.04	13,351,803.76	20%

**HEBER LIGHT & POWER COMPANY****Statement of Net Position**

March 31, 2025 and 2024

	2025	2024	Variance	% Change
ASSETS				
Current Assets:				
<u>Cash and Investments</u>	<u>18,182,185.78</u>	<u>12,103,894.25</u>	<u>6,078,291.53</u>	<u>50%</u>
130.00 - Cash on Hand	212.83	3,512.83	(3,300.00)	-94%
131.00 - Cash - General	(511,234.20)	(707,324.94)	196,090.74	-28%
131.20 - Cash - Vehicle Reserve	757,049.19	624,473.12	132,576.07	21%
131.98 - Cash - Sweep	1,765,557.44	3,171,816.56	(1,406,259.12)	-44%
131.99 - Cash - Clearing	15,908.90	24,308.32	(8,399.42)	-35%
134.00 - PTIF - Reserve	15,983,838.80	8,824,701.27	7,159,137.53	81%
134.01 - PTIF - Self-Insurance	171,577.13	163,131.40	8,445.73	5%
134.10 - PTIF - Valuation	(724.31)	(724.31)	-	0%
<u>Restricted Cash and Investments</u>	<u>4,672,948.72</u>	<u>17,869,692.31</u>	<u>(13,196,743.59)</u>	<u>-74%</u>
131.30 - Impact Fee	55.00	37,919.84	(37,864.84)	-100%
134.02 - PTIF - CIAC Holding	3,534,767.24	1,690,608.34	1,844,158.90	109%
136.20 - 2012 Debt Service Escrow	36,738.66	105,334.23	(68,595.57)	-65%
136.50 - 2019 Project Fund	-	-	-	100%
136.51 - 2023 Project Fund	202,234.70	15,436,301.71	(15,234,067.01)	-99%
136.60 - 2019 Debt Service Escrow	368,903.16	300,620.78	68,282.38	23%
136.61 - 2023 Debt Service Escrow	530,249.96	298,907.41	231,342.55	77%
<u>AR(Net of Doubtful Accounts)</u>	<u>2,343,435.62</u>	<u>2,104,376.23</u>	<u>239,059.39</u>	<u>11%</u>
142.00 - Accounts Receivable	2,240,008.43	1,989,640.26	250,368.17	13%
142.10 - Jordanelle Receivable	91,834.16	113,814.04	(21,979.88)	-19%
144.00 - Allowance for Doubtful Accounts	(154,127.37)	(288,618.72)	134,491.35	-47%
144.10 - Factored Doubtful Accounts	165,720.40	289,540.65	(123,820.25)	-43%
<u>Unbilled Receivables</u>	<u>1,707,944.98</u>	<u>1,675,159.07</u>	<u>32,785.91</u>	<u>2%</u>
142.98 - Unbilled Accounts Receivable	1,707,944.98	1,675,159.07	32,785.91	2%
<u>Prepaid Expenses</u>	<u>1,691,827.42</u>	<u>1,048,685.48</u>	<u>643,141.94</u>	<u>61%</u>
165.00 - Prepaid Expenses	393,223.59	353,091.85	40,131.74	11%
165.10 - Unearned Leave	1,298,603.83	695,593.63	603,010.20	100%
<u>Material Inventory</u>	<u>9,749,303.57</u>	<u>6,300,846.55</u>	<u>3,448,457.02</u>	<u>55%</u>
154.00 - Material Inventory	9,749,303.57	6,300,846.55	3,448,457.02	55%
<u>Other Current Assets</u>	<u>136,724.45</u>	<u>60,664.06</u>	<u>76,060.39</u>	<u>125%</u>
142.99 - CIS Clearing	-	-	-	100%
143.00 - Miscellaneous Receivables	136,724.45	60,664.06	76,060.39	125%
<i>Total Current Assets</i>	<i>38,484,370.54</i>	<i>41,163,317.95</i>	<i>(2,678,947.41)</i>	<i>-7%</i>
Capital Assets:				
<u>Land, CWIP & Water Rights</u>	<u>17,999,999.83</u>	<u>31,894,568.75</u>	<u>(13,894,568.92)</u>	<u>-44%</u>
107.00 - Construction in Progress	13,069,521.13	26,964,090.05	(13,894,568.92)	-52%
389.00 - Land	4,300,103.70	4,300,103.70	-	0%
399.00 - Water Rights	630,375.00	630,375.00	-	0%
<u>Depreciable (net of Accumulated Depreciation)</u>	<u>81,606,999.40</u>	<u>52,099,233.70</u>	<u>29,507,765.70</u>	<u>57%</u>
108.00 - Accumulated Depreciation	(47,111,474.49)	(42,736,774.50)	(4,374,699.99)	10%
331.00 - Witt Power Plant	2,776,919.57	2,776,919.57	-	0%
332.00 - Generation Plant - Hydro	250,065.63	250,065.63	-	0%
334.00 - Generation Plant - Natural Gas	11,167,970.49	6,668,298.29	4,499,672.20	67%
361.00 - Lines	74,430,611.91	68,266,299.84	6,164,312.07	9%
362.00 - Substations	25,446,852.19	3,762,911.26	21,683,940.93	576%
368.00 - Transformers	19,869.84	19,869.84	-	0%
370.00 - Metering Assets	1,045,195.61	968,151.68	77,043.93	8%
390.00 - Buildings	3,795,029.37	3,795,029.37	-	0%
391.00 - Office Building Assets	355,813.73	355,813.73	-	0%
392.00 - Trucks and Motor Vehicles	5,094,988.10	3,793,435.72	1,301,552.38	34%
394.00 - Machinery, Equipment & Tools	2,573,165.15	2,510,795.08	62,370.07	2%
397.00 - Technology/Office Equipment	1,761,992.30	1,668,418.19	93,574.11	6%
<i>Net Capital Assets</i>	<i>99,606,999.23</i>	<i>83,993,802.45</i>	<i>15,613,196.78</i>	<i>19%</i>
TOTAL ASSETS	138,091,369.77	125,157,120.40	12,934,249.37	10%
DEFERRED OUTFLOWS OF RESOURCES				
<u>Pension Related</u>	<u>2,197,132.87</u>	<u>1,790,995.65</u>	<u>406,137.22</u>	<u>23%</u>
134.20 - Net Pension Asset	-	-	-	100%
134.30 - Deferred Outflows of Resources	2,197,132.87	1,790,995.65	406,137.22	23%
TOTAL DEFERRED OUTFLOWS	2,197,132.87	1,790,995.65	406,137.22	23%

**HEBER LIGHT & POWER COMPANY****Statement of Net Position**

March 31, 2025 and 2024

	2025	2024	Variance	% Change
LIABILITIES				
Current Liabilities:				
<u>Accounts Payable</u>	<u>3,019,155.12</u>	<u>1,894,272.87</u>	<u>1,124,882.25</u>	<u>59%</u>
232.00 - Accounts Payable	3,019,155.12	1,894,272.87	1,124,882.25	59%
<u>Accrued Expenses</u>	<u>1,667,632.51</u>	<u>1,245,821.44</u>	<u>421,811.07</u>	<u>34%</u>
232.98 - Accrued Liabilities	1,653,625.21	1,127,132.86	526,492.35	47%
232.99 - Uninvoiced Materials	(88,875.31)	12,220.94	(101,096.25)	-827%
235.10 - Customer Deposits	1,355.00	205.00	1,150.00	561%
241.00 - Sales Tax Payable	99,549.97	83,153.74	16,396.23	20%
241.10 - Federal Withholding Payable	-	-	-	100%
241.20 - State Withholding Payable	-	20,706.26	(20,706.26)	-100%
242.10 - Accrued Wages Payable	-	-	-	100%
242.40 - Salary Deferral	(445.20)	(445.20)	-	0%
242.99 - Payroll Clearing	3,365.62	3,365.62	-	0%
243.00 - HSA Employee Deferral	(942.78)	(517.78)	(425.00)	82%
<u>Related Party Payable</u>	<u>449,709.88</u>	<u>305,390.77</u>	<u>144,319.11</u>	<u>47%</u>
241.30 - Franchise Tax - Heber	302,945.69	201,882.99	101,062.70	50%
241.40 - Franchise Tax - Midway	114,314.35	80,688.27	33,626.08	42%
241.50 - Franchise Tax - Charleston	15,969.67	10,666.99	5,302.68	50%
241.60 - Franchise Tax - Daniel	16,480.17	12,152.52	4,327.65	36%
<u>Current Portion of LTD</u>	<u>1,785,324.65</u>	<u>1,962,618.06</u>	<u>(177,293.41)</u>	<u>-9%</u>
242.50 - Current Portion of LTD	1,785,324.65	1,962,618.06	(177,293.41)	-9%
<i>Total Current Liabilities</i>	<i>6,921,822.16</i>	<i>5,408,103.14</i>	<i>1,513,719.02</i>	<i>28%</i>
Non-Current Liabilities:				
<u>Revenue Bonds Payable</u>	<u>43,359,675.35</u>	<u>44,522,381.94</u>	<u>(1,162,706.59)</u>	<u>-3%</u>
221.10 - 2012 Bonds Principal	100,000.00	450,000.00	(350,000.00)	-78%
221.20 - 2019 Bonds Principal	16,625,000.00	16,965,000.00	(340,000.00)	-2%
221.21 - 2023 Bonds Principal	28,420,000.00	29,070,000.00	(650,000.00)	-2%
242.60 - Current Portion of LTD	(1,785,324.65)	(1,962,618.06)	177,293.41	-9%
<u>Bond Premium</u>	<u>4,729,397.60</u>	<u>5,247,293.60</u>	<u>(517,896.00)</u>	<u>-10%</u>
225.00 - 2012 Bond Premium	-	-	-	100%
225.10 - 2019 Bond Premium	1,487,925.15	1,770,341.15	(282,416.00)	-16%
225.11 - 2023 Bond Premium	3,241,472.45	3,476,952.45	(235,480.00)	-7%
<u>Capital Lease Obligations</u>	<u>758,858.58</u>	<u>898,911.14</u>	<u>(140,052.56)</u>	<u>-16%</u>
227.00 - GENSET Capital Lease	758,858.58	898,911.14	(140,052.56)	-16%
<u>Compensated Absences</u>	<u>1,752,526.81</u>	<u>1,752,783.48</u>	<u>(256.67)</u>	<u>0%</u>
242.20 - Accrued Vacation Payable	604,335.31	605,724.72	(1,389.41)	0%
242.30 - Accrued Sick Payable	1,148,191.50	1,147,058.76	1,132.74	0%
<u>Early Retirement Incentive</u>	<u>140,131.74</u>	<u>129,666.71</u>	<u>10,465.03</u>	<u>8%</u>
254.00 - Post Employment Liabilities	140,131.74	129,666.71	10,465.03	8%
<u>Contract Payable</u>	<u>1,199,436.00</u>	<u>1,189,196.00</u>	<u>10,240.00</u>	<u>1%</u>
224.00 - CUWCD Debt Payback	1,199,436.00	1,189,196.00	10,240.00	1%
<u>Net Pension Liability</u>	<u>837,664.95</u>	<u>562,402.00</u>	<u>275,262.95</u>	<u>49%</u>
254.10 - Net Pension Liability	837,664.95	562,402.00	275,262.95	49%
<i>Total Non-Current Liabilities</i>	<i>52,777,691.03</i>	<i>54,302,634.87</i>	<i>(1,524,943.84)</i>	<i>-3%</i>
TOTAL LIABILITIES	<u>59,699,513.19</u>	<u>59,710,738.01</u>	<u>(11,224.82)</u>	<u>0%</u>
DEFERRED INFLOWS OF RESOURCES				
<u>Pension Related</u>	<u>9,227.65</u>	<u>9,420.00</u>	<u>(192.35)</u>	<u>-2%</u>
254.20 - Deferred Inflows of Resources	9,227.65	9,420.00	(192.35)	-2%
TOTAL DEFERRED INFLOWS	<u>9,227.65</u>	<u>9,420.00</u>	<u>(192.35)</u>	<u>-2%</u>
NET POSITION				
<u>Net Investment in Capital Assets</u>	<u>81,221,104.15</u>	<u>64,682,972.22</u>	<u>16,538,131.93</u>	<u>26%</u>
<u>Restricted for Capital Projects</u>	<u>4,655,719.47</u>	<u>2,347,307.42</u>	<u>2,308,412.05</u>	<u>98%</u>
131.30 - Impact Fee	55.00	37,919.84	(37,864.84)	-100%
136.20 - 2012 Debt Service Escrow	36,738.66	105,334.23	(68,595.57)	-65%
136.60 - 2019 Debt Service Escrow	368,903.16	300,620.78	68,282.38	23%
136.61 - 2023 Debt Service Escrow	530,249.96	298,907.41	231,342.55	77%
415.00 - Contributions in Aid	3,719,772.69	1,604,525.16	2,115,247.53	132%
<u>Unrestricted</u>	<u>(5,297,061.82)</u>	<u>197,678.40</u>	<u>(5,494,740.22)</u>	<u>-2780%</u>
TOTAL NET POSITION	<u>80,579,761.80</u>	<u>67,227,958.04</u>	<u>13,351,803.76</u>	<u>20%</u>



HEBER LIGHT & POWER COMPANY
Statements of Revenues, Expenses, and Changes in Net Position
YTD - Periods Ended March 31, 2025 and 2024

	2024 Actual	2025 Actual	2025 Budget	Variance to Budget	% Variance
Operating Revenues:					
Electricity Sales	6,411,114.26	7,613,307.24	7,012,746.00	600,561.24	8.6%
Electricity Sales - Jordanelle	247,536.66	233,890.50	194,613.11	39,277.39	20.2%
Connection Fees	23,654.59	40,732.60	23,655.00	17,077.60	72.2%
Other Income	44,608.56	40,747.53	55,706.51	(14,958.98)	-26.9%
<i>Total Operating Revenues</i>	<i>6,726,914.07</i>	<i>7,928,677.87</i>	<i>7,286,720.62</i>	<i>641,957.25</i>	<i>8.8%</i>
Operating Expenses:					
Power Purchases	(3,541,361.23)	(3,845,825.82)	(3,586,568.51)	(259,257.31)	7.2%
Power Purchases - Jordanelle	(247,536.66)	(187,320.10)	(194,613.11)	7,293.01	-3.7%
Salaries, Wages and Benefits (Unallocated)	(355,220.05)	(512,899.69)	(379,240.54)	(133,659.15)	35.2%
System Maintenance and Training	(1,168,348.54)	(1,290,019.51)	(1,248,507.80)	(41,511.71)	3.3%
Depreciation (Unallocated)	(894,442.93)	(555,999.88)	(1,143,057.93)	587,058.05	-51.4%
Gas Generation	(516,610.09)	(611,720.88)	(773,095.60)	161,374.72	-20.9%
Other	(85,298.86)	(99,814.77)	(85,298.86)	(14,515.91)	17.0%
Vehicle	(130,323.95)	(139,247.29)	(130,323.95)	(8,923.34)	6.8%
Office	(31,467.19)	(35,326.79)	(31,328.23)	(3,998.56)	12.8%
Energy Rebates	(13,350.00)	(38,760.59)	(13,350.00)	(25,410.59)	190.3%
Professional Services	(64,057.70)	(94,616.75)	(72,057.70)	(22,559.05)	31.3%
Materials	(77,855.17)	(95,116.46)	(77,526.42)	(17,590.04)	22.7%
Building Expenses	(10,431.38)	(11,964.26)	(10,431.38)	(1,532.88)	14.7%
Bad Debts	-	-	-	-	0.0%
<i>Total Operating Expenses</i>	<i>(7,136,303.75)</i>	<i>(7,518,632.79)</i>	<i>(7,745,400.03)</i>	<i>226,767.24</i>	<i>-2.9%</i>
Operating Income	(409,389.68)	410,045.08	(458,679.41)	868,724.49	-189.4%
Non-Operating Revenues(Expenses)					
Impact Fees	1,032,000.75	652,311.01	750,000.00	(97,688.99)	-13.0%
Interest Income	411,516.21	255,236.02	195,000.00	60,236.02	30.9%
Gain(Loss) on Sale of Capital Assets	-	-	-	-	0.0%
Interest Expense	-	(10,225.62)	-	(10,225.62)	0.0%
<i>Total Non-Operating Revenues(Expenses)</i>	<i>1,443,516.96</i>	<i>897,321.41</i>	<i>945,000.00</i>	<i>(47,678.59)</i>	<i>-5.0%</i>
Contributions(Distributions):					
Contributed Capital	2,434,098.01	3,206,412.77	750,000.00	2,456,412.77	327.5%
Distribution to Owners	(75,000.00)	-	-	-	0.0%
<i>Total Contributions(Distributions)</i>	<i>2,359,098.01</i>	<i>3,206,412.77</i>	<i>750,000.00</i>	<i>2,456,412.77</i>	<i>327.5%</i>
Change in Net Position	3,393,225.29	4,513,779.26	1,236,320.59	3,277,458.67	265.1%
Net Position at Beginning of Year	55,073,749.50	63,758,612.26	63,758,612.26	-	0.0%
Net Position at End of Year	58,466,974.79	68,272,391.52	64,994,932.85	3,277,458.67	5.0%



HEBER LIGHT & POWER COMPANY
Statements of Revenues, Expenses, and Changes in Net Position
YTD - Periods Ended March 31, 2025 and 2024

	2024 Actual	2025 Actual	2025 Budget	Variance to Budget	% Variance
Operating Revenues:					
<u>Electricity Sales</u>	<u>6,411,114.26</u>	<u>7,613,307.24</u>	<u>7,012,746.00</u>	<u>600,561.24</u>	<u>8.6%</u>
440.00 - Electric - Residential Income	4,282,034.75	5,144,266.86	4,714,739.00	429,527.86	9.1%
442.00 - Electric - General Service Income	2,129,079.51	2,469,040.38	2,298,007.00	171,033.38	7.4%
<u>Electricity Sales - Jordanelle</u>	<u>247,536.66</u>	<u>233,890.50</u>	<u>194,613.11</u>	<u>39,277.39</u>	<u>20.2%</u>
445.00 - Jordanelle Power Sales	247,536.66	233,890.50	194,613.11	39,277.39	20.2%
<u>Connection Fees</u>	<u>23,654.59</u>	<u>40,732.60</u>	<u>23,655.00</u>	<u>17,077.60</u>	<u>72.2%</u>
414.20 - Connection Fee Income	23,654.59	40,732.60	23,655.00	17,077.60	72.2%
<u>Other Income</u>	<u>44,608.56</u>	<u>40,747.53</u>	<u>55,706.51</u>	<u>(14,958.98)</u>	<u>-26.9%</u>
414.00 - Other Income	7,049.67	-	-	-	0.0%
414.10 - Pole Attachment Income	100.00	100.00	100.00	-	0.0%
414.30 - Penalty Income	16,631.28	16,955.95	34,778.90	(17,822.95)	-51.2%
417.00 - Revenues from Non-Utility Ops	2,404.28	1,917.05	2,404.28	(487.23)	-20.3%
418.00 - Non-Operating Rental Income	3,600.00	6,450.00	3,600.00	2,850.00	79.2%
445.10 - Jordanelle O&M	14,292.73	14,753.93	14,292.73	461.20	3.2%
449.01 - Other Sales Clear Peaks	210.60	210.60	210.60	-	0.0%
451.10 - Meter Reading Charge	320.00	360.00	320.00	40.00	12.5%
<i>Total Operating Revenues</i>	<i>6,726,914.07</i>	<i>7,928,677.87</i>	<i>7,286,720.62</i>	<i>641,957.25</i>	<i>8.8%</i>
Operating Expenses:					
<u>Power Purchases</u>	<u>(3,541,361.23)</u>	<u>(3,845,825.82)</u>	<u>(3,586,568.51)</u>	<u>(259,257.31)</u>	<u>7.2%</u>
555.00 - Power Purchases	(3,319,341.36)	(3,642,784.00)	(3,348,806.51)	(293,977.49)	8.8%
556.00 - System Control and Load Dispatch	(222,019.87)	(203,041.82)	(237,762.00)	34,720.18	-14.6%
<u>Power Purchases - Jordanelle</u>	<u>(247,536.66)</u>	<u>(187,320.10)</u>	<u>(194,613.11)</u>	<u>7,293.01</u>	<u>-3.7%</u>
555.10 - Jordanelle Partner Energy	(247,536.66)	(187,320.10)	(194,613.11)	7,293.01	-3.7%
<u>Salaries, Wages and Benefits (Unallocated)</u>	<u>(355,220.05)</u>	<u>(512,899.69)</u>	<u>(379,240.54)</u>	<u>(133,659.15)</u>	<u>35.2%</u>
908.00 - Customer Assistance Expenses	(53,575.74)	(34,643.99)	(57,362.47)	22,718.48	-39.6%
920.00 - Salaries Administrative	(294,792.42)	(354,569.48)	(314,992.46)	(39,577.02)	12.6%
920.10 - Paid Admistrative Leave	-	-	-	-	0.0%
926.00 - Employee Pension and Benefits	33.72	(6,659.48)	-	(6,659.48)	0.0%
926.10 - Post-Employment Benefits	(6,885.58)	(9,889.74)	(6,885.58)	(3,004.16)	43.6%
926.2 - FICA Benefits	-	(7.50)	-	(7.50)	0.0%
926.30 - Retirement	(0.03)	(107,129.50)	(0.03)	(107,129.47)	#####
926.40 - Actuarial Calculated Pension Expense	-	-	-	-	0.0%
<u>System Maintenance and Training</u>	<u>(1,168,348.54)</u>	<u>(1,290,019.51)</u>	<u>(1,248,507.80)</u>	<u>(41,511.71)</u>	<u>3.3%</u>
401.00 - Operations Expense	(104,477.12)	(139,963.95)	(104,477.12)	(35,486.83)	34.0%
401.20 - Training/Travel Expenses	(89,182.71)	(69,381.84)	(94,361.44)	24,979.60	-26.5%
542.00 - Hydro Maintenance	(29,675.22)	(25,675.81)	(31,707.18)	6,031.37	-19.0%
586.00 - Meter Expenses	(13,078.44)	(13,470.78)	(13,078.44)	(392.34)	3.0%
591.00 - Maintenance of Lines	(672,006.37)	(673,189.21)	(732,504.08)	59,314.87	-8.1%
592.00 - Maintenance of Substations	(97,316.92)	(207,356.14)	(101,270.41)	(106,085.73)	104.8%
597.00 - Metering Maintenance	(68,762.55)	(75,689.67)	(73,070.48)	(2,619.19)	3.6%
935.00 - Facilities Maintenance	(679.45)	(6,238.89)	(679.45)	(5,559.44)	818.2%
935.30 - IT Maintenance and Support	(93,169.76)	(79,053.22)	(97,359.20)	18,305.98	-18.8%
<u>Depreciation (Unallocated)</u>	<u>(894,442.93)</u>	<u>(555,999.88)</u>	<u>(1,143,057.93)</u>	<u>587,058.05</u>	<u>-51.4%</u>
403.00 - Depreciation Expense (unallocated)	(894,442.93)	(555,999.88)	(1,143,057.93)	587,058.05	-51.4%
<u>Gas Generation</u>	<u>(516,610.09)</u>	<u>(611,720.88)</u>	<u>(773,095.60)</u>	<u>161,374.72</u>	<u>-20.9%</u>
547.00 - Gas Generation Fuel Costs	(367,645.99)	(310,645.22)	(619,768.61)	309,123.39	-49.9%
548.00 - Generation Expenses	(148,964.10)	(301,075.66)	(153,326.99)	(147,748.67)	96.4%
548.10 - Generation Expenses - Generator	-	-	-	-	-
<u>Other</u>	<u>(85,298.86)</u>	<u>(99,814.77)</u>	<u>(85,298.86)</u>	<u>(14,515.91)</u>	<u>17.0%</u>
426.40 - Community Relations	(8,806.81)	(6,550.95)	(8,806.81)	2,255.86	-25.6%
903.23 - Collection Fee / Commissions	(458.16)	(90.77)	(458.16)	367.39	-80.2%
910.00 - Misc Customer Related-Expenses	-	-	-	-	0.0%
921.40 - Bank & Credit Card Fees	(33,420.92)	(42,387.45)	(33,420.92)	(8,966.53)	26.8%
921.50 - Billing Statement Expenses	(29,935.97)	(37,230.53)	(29,935.97)	(7,294.56)	24.4%
930.20 - Miscellaneous Charges	(12,677.00)	(13,555.07)	(12,677.00)	(878.07)	6.9%
<u>Vehicle</u>	<u>(130,323.95)</u>	<u>(139,247.29)</u>	<u>(130,323.95)</u>	<u>(8,923.34)</u>	<u>6.8%</u>
935.20 - Vehicle Expenses	(130,323.95)	(139,247.29)	(130,323.95)	(8,923.34)	6.8%
<u>Office</u>	<u>(31,467.19)</u>	<u>(35,326.79)</u>	<u>(31,328.23)</u>	<u>(3,998.56)</u>	<u>12.8%</u>
921.00 - Office Supplies	(3,438.70)	(3,565.11)	(3,377.73)	(187.38)	5.5%
921.30 - Postage / Shipping Supplies	(1,365.20)	(685.83)	(1,365.20)	679.37	-49.8%
935.10 - Communications	(26,663.29)	(31,075.85)	(26,585.30)	(4,490.55)	16.9%
<u>Energy Rebates</u>	<u>(13,350.00)</u>	<u>(38,760.59)</u>	<u>(13,350.00)</u>	<u>(25,410.59)</u>	<u>190.3%</u>
555.20 - Energy Rebates	(13,350.00)	(38,760.59)	(13,350.00)	(25,410.59)	190.3%
<u>Professional Services</u>	<u>(64,057.70)</u>	<u>(94,616.75)</u>	<u>(72,057.70)</u>	<u>(22,559.05)</u>	<u>31.3%</u>
923.00 - Professional Services	(64,057.70)	(94,616.75)	(72,057.70)	(22,559.05)	31.3%



HEBER LIGHT & POWER COMPANY
Statements of Revenues, Expenses, and Changes in Net Position
YTD - Periods Ended March 31, 2025 and 2024

	2024 Actual	2025 Actual	2025 Budget	Variance to Budget	% Variance
Materials	(77,855.17)	(95,116.46)	(77,526.42)	(17,590.04)	22.7%
402.00 - Materials	(328.75)	-	-	-	0.0%
402.10 - Safety Materials	(57,375.88)	(71,422.04)	(57,375.88)	(14,046.16)	24.5%
402.20 - Materials - Tools	(20,150.54)	(23,694.42)	(20,150.54)	(3,543.88)	17.6%
Building Expenses	(10,431.38)	(11,964.26)	(10,431.38)	(1,532.88)	14.7%
401.10 - Building Expenses	(10,431.38)	(11,964.26)	(10,431.38)	(1,532.88)	14.7%
Bad Debts	-	-	-	-	0.0%
Total Operating Expenses	(7,136,303.75)	(7,518,632.79)	(7,745,400.03)	226,767.24	-2.9%
Operating Income	(409,389.68)	410,045.08	(458,679.41)	868,724.49	-189.4%
Non-Operating Revenues(Expenses)					
Impact Fees	1,032,000.75	652,311.01	750,000.00	(97,688.99)	-13.0%
Interest Income	411,516.21	255,236.02	195,000.00	60,236.02	30.9%
Gain(Loss) on Sale of Capital Assets	-	-	-	-	0.0%
Interest Expense	-	(10,225.62)	-	(10,225.62)	0.0%
Total Non-Operating Revenues(Expenses)	1,443,516.96	897,321.41	945,000.00	(47,678.59)	-5.0%
Contributions(Distributions):					
Contributed Capital	2,434,098.01	3,206,412.77	750,000.00	2,456,412.77	327.5%
Distribution to Owners	(75,000.00)	-	-	-	0.0%
Total Contributions(Distributions)	2,359,098.01	3,206,412.77	750,000.00	2,456,412.77	327.5%
Change in Net Position	3,393,225.29	4,513,779.26	1,236,320.59	3,277,458.67	265.1%
Net Position at Beginning of Year	55,073,749.50	63,758,612.26	63,758,612.26	-	0.0%
Net Position at End of Year	58,466,974.79	68,272,391.52	64,994,932.85	3,277,458.67	5.0%

March - 2025 - HLP Investment/Banking Summary

Investment Statement

Holding	Purpose	02/28 Balance	Activity	Interest	03/31 Balance
PTIF	Reserve Account	13,077,420	3,017,070	60,201	16,154,692
Zions - General	Main Operations	4,044,639	(2,776,559)	2,366	1,270,445
Grand Valley Bank	Equipment Reserve Account	746,031	10,000	1,018	757,049
		17,868,090	250,511	63,585	18,182,185
Restricted Holdings					
Zions - Impact Fee	Impact Capital Improvements	19,420	(19,419)	54	55
PTIF - CIAC	CIAC Projects	3,521,352	0	13,415	3,534,767
2019 Bond	Project Fund	(0)	-	-	(0)
2012 Bond Escrow	Debt Payment	28,010	8,667	62	36,738
2019 Bond Escrow	Debt Payment	277,251	91,063	590	368,903
2023 Bond	Project Fund	194,052	-	8,183	202,235
2023 Bond Escrow	Debt Payment	238,039	291,494	717	530,250
				4,672,949	
Total Cash and Investments:					
				22,855,134	

Summary of Activity

- PTIF account had standard monthly interest activity, March generator reimbursement.
- General fund seen typical March expenditures and revenues, AP Aging has \$3,019K owed.
- Impact Fee March payments, and interest.
- Grand Valley Bank interest earned, and March fleet deposit.
- Project accounts had standard monthly interest activity, transfers out as shown above.

Heber Light & Power 2025 Approved Capital Budget vs Actual

In Thousands

Data as of: 03/31/2025

Projects Capitalized (Completed and In-Service)	2025 Budget Total	2025 Actual Total	Prior Years Actual Total	Future Estimate Total	Total Project Estimates	Total Project Actuals	Actual Start	Actual Finish
<i>Generation (GL: 344.00)</i>								
10042 - Units 1,2 and 4 Radiator Replacements	-	469			469	469	Oct-2022	Feb-2025
10052 - Unit 4 Rebuild	-	728			728	728	Oct-2023	Feb-2025
10063 - Plant 3 Compressor Change	-	35			35	35	May-2024	Feb-2025
10069 - Generation Plant Tool Room Adjustments	-	19			19	19	Dec-2024	Feb-2025
10813 - Plant Exhaust Stack DAQ Compliance	-	952			952	952	Jan-2021	Feb-2025
10909 - Unit 14 Install	-	351			351	351	Jul-2022	Feb-2025
					2,554	2,554		
<i>Lines (GL: 361.00)</i>								
CIAC Driven Projects	3,000	873			3,000	873	Jan-2025	Dec-2025
			3,000	873				
<i>Substation (GL: 362.00)</i>								
10065 - Midway Recloser Replacement	-	33			-	33	Aug-2024	Feb-2025
			33					
<i>Buildings (GL: 390.00)</i>								
<i>Vehicle (GL: 392.00)</i>								
Line/Bucket Truck	600	549			600	549	Jan-2025	Jan-2025
			-					
<i>Machinery, Equipment, & Tools (GL: 394.00)</i>								
<i>Metering (GL: 370.00)</i>								
2025 Capital Plan Totals:				3,000	3,460		5,554	3,460
Projects - Construction Work in Progress (CWIP)	2025 Budget Total	2025 Actual Total	Prior Years Actual Total	Future Estimate Total	Total Project Estimates	Total Project Actuals	Est. Start	Est. Finish
<i>Generation (GL: 344.00)</i>								
Annual Generation Capital Improvements	50	-	-	-	50	-	as needed	as needed
Lower Snake Creek Plant Upgrade	5	-	-	-	5	-	as needed	as needed
Lake Creek Capital Improvements	5	-	-	-	5	-	as needed	as needed
Unit Overhauls	200	-	-	-	200	-	as needed	as needed
Gas Plant 2 Relay Upgrade	700	-	-	-	700	-	June	July
Upper Snake Creek Capital Improvements	25	-	-	-	25	-	July	August
Plant Hydraulics System Upgrade	50	-	-	-	50	-	Fall-22	Dec-2025
◦ Plant 1 Replacement (10047)	7,000	20	3	13,000	20,003	23	Jan-2024	Dec-2026
	8,035	20	3	13,000	21,038	23		
<i>Lines (GL: 361.00)</i>								
Underground System Improvements (5225)	275	24	-	-	1,000	24	Jan-2025	Dec-2025
Aged & Environmental Distribution Replacement/Upgrade (5025, 5125)	220	56	-	-	1,000	56	Jan-2025	Dec-2025
Fault Indicator - Underground System	10	-	-	-	100	-	Jan-2025	Dec-2025
◦ Annexation Asset Purchase	25	-	-	-	250	-	Jan-2025	Dec-2025
ROW Purchases (10029, 10060)	1,000	-	9	800	1,800	9	Nov-2024	Apr-2025
◦ Tie line from 305 to 402 to 303 (10988)	350	-	-	-	350	-	Jun-2025	Dec-2025
◦ Rebuild PR201_Main Street to Burgi Lane	700	-	-	-	1,471	-	Jun-2023	Oct-2025
Fire Mitigation - Single Phase Reclosers	45	-	-	100	145	-	as needed	as needed
◦ Provo River Substation Get Aways Reconnect to New Site (39944, 47210, 47211)	1,200	-	22	750	2,300	22	Jul-2024	Oct-2025
◦ Additional Circuits out of College to South and East	204	-	-	1,350	1,554	-	May-2024	Jun-2025
◦ College to Heber Circuit Network Upgrades	250	-	-	750	1,000	-	Jul-2024	Dec-2025
◦ Tie 502 to 505 (10994)	200	-	-	200	400	-	Apr-21	Dec-2025
◦ Airport Road Rebuild & Loop (10992)	800	11	-	-	800	11	Nov-2024	Aug-2025
◦ Reconductor Jailhouse to Timber Lakes (Regulators)	15	-	-	1,000	1,015	-	Oct-2025	Sep-2026
	5,294	91	31	4,950	13,185	122		
<i>Substation (GL: 362.00)</i>								
Replacement Recloser for Joslyn Reclosers	25	-	-	-	25	-	as needed	as needed
◦ Gas Plant 2 XFMER Upgrade and Substation Rebuild	2,000	-	-	3,720	5,720	-	Mar-2024	Oct-2026
Heber Relay Upgrade	30	-	-	35	65	-	Jul-2024	Oct-2025
Jailhouse Fence Replacement	129	-	-	-	129	-	Mar-2024	Nov-2025
Cloyes Relay Upgrade	36	-	-	-	36	-	Jun-2024	Oct-2025
◦ Midway Substation - High Side Rebuild & 138kV Conversion	100	-	-	5,400	5,500	-	Mar-2025	Sep-2027
Gas Plant 1 Interconnection to Heber Substation	200	-	-	500	700	-	Aug-2025	Dec-2027
◦ Southern Substation (WO 10024)	500	1	74	15,272	15,846	75	Mar-2025	Dec-2030
	3,020	1	74	24,927	28,021	75		
<i>Buildings (GL: 390.00)</i>								
* New Office Building - Phase 1 (Building) (10677)	11,188	2,393	7,145	-	18,251	9,538	Jan-2020	Sep-2025
EV Charging System (48417)	231	-	-	-	231	-	Mar-2024	Sep-2025
Plant Analysis Fallouts	140	-	-	-	140	-	Sep-2025	Dec-2025
Generator Fire Suppression System	1,150	-	-	-	2,676	-	Apr-2025	Nov-2025
College Substation Perimeter Xeroscaping	10	-	-	-	10	-	May-2025	May-2025
◦ New Office Building - Phase 2 (Current Campus Modifications)	750	-	-	300	1,050	-	Oct-2025	Oct-2026
New Communications Building	200	-	-	-	200	-	Apr-2025	Jun-2025
Plant 2/3 Wiring Upgrade	25	-	-	-	25	-	Jul-2025	Sep-2025
Tool Room Relocation	35	-	-	-	35	-	Feb-2025	Apr-2025
	13,729	2,393	7,145	300	22,618	9,538		
<i>Vehicle (GL: 392.00)</i>								
Line/Bucket Truck	-	-	-	1,500	1,500	-	as needed	as needed
Service Truck	-	-	-	2,660	2,660	-	as needed	as needed
Fleet Vehicle	100	-	-	1,260	1,360	-	as needed	as needed
Trailer	40	-	-	-	40	-	as needed	as needed
	140	-	-	5,420	5,560	-		
<i>Machinery, Equipment, & Tools (GL: 394.00)</i>								
Substations	10	-	-	60	70	-	as needed	as needed
Distribution	425	-	-	-	425	-	as needed	as needed
Generation	75	2	-	-	75	2	as needed	as needed
	510	2	-	60	570	2		
<i>Systems & Technology (GL: 397.00)</i>								
Annual IT Upgrades	135	8	-	615	750	8	as needed	as needed
Annual OT Upgrades	180	-	-	990	1,170	-	as needed	as needed
Smart Grid Investment	10	-	-	90	100	-	as needed	as needed
AMI Tower - North Village	-	-	-	140	140	-	as needed	as needed
	325	8	-	1,835	2,160	8		

Heber Light & Power 2025 Approved Capital Budget vs Actual

In Thousands

Data as of: 03/31/2025

Projects Capitalized (Completed and In-Service)

	2025 Budget Total	2025 Actual Total	Prior Years Actual Total	Future Estimate Total	Total Project Estimates	Total Project Actuals	Actual Start	Actual Finish
2025 Capital Plan Totals:	<u>31,053</u>	<u>2,515</u>						
				<i>HLP Total Capital Plan</i>				
<i>March Costs:</i>		<i>1,165</i>			<i>93,152</i>	<i>9,768</i>		

Total 2025 Costs: 2,515

Financing Approach

HLP Operational/Reserve Funds

* 2023 Bond

o 2026 Bond

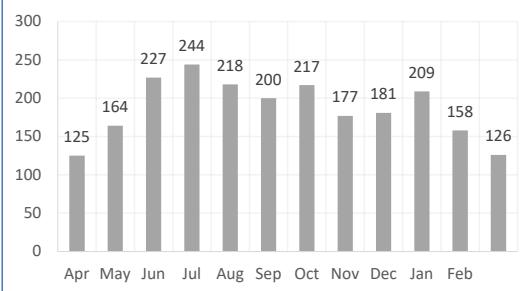
◊ Impact Fee

** Project Completed

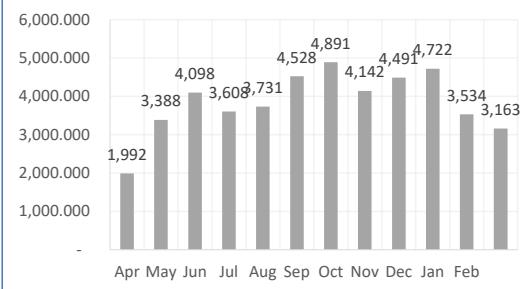
-CHARGEPOINT+ COMBINED REVENUE



-CHARGEPOINT+ COMBINED SESSIONS



-CHARGEPOINT+ COMBINED ENERGY (KWH)



Wasatch High School

	kWh	Sessions	Rev
Apr	294,745	21	43.64
May	782,621	41	117.41
Jun	752,576	44	113.41
Jul	696,684	47	104.53
Aug	817,112	52	120.07
Sep	679,617	42	104.43
Oct	770,642	37	115.61
Nov	304,071	24	45.63
Dec	511,425	24	76.72
Jan	569,851	28	85.47
Feb	421,368	23	54.28
Mar	539,477	18	75.27

Soldier Hollow Golf Course

	kWh	Sessions	Rev
Apr	278,453	16	40.38
May	383,617	28	57.55
Jun	774,496	46	117.62
Jul	745,378	47	112.73
Aug	708,298	42	106.15
Sep	453,600	24	68.03
Oct	468,720	28	70.33
Nov	245,840	15	36.87
Dec	393,892	16	59.08
Jan	327,359	27	49.10
Feb	44,131	4	6.63
Mar	211,859	12	31.79

Public Safety Building

	kWh	Sessions	Rev
Apr	305,132	13	45.39
May	536,408	23	80.45
Jun	449,466	24	56.57
Jul	368,196	32	66.44
Aug	24,086	10	3.60
Sep	-	1	-
Oct	162,004	17	24.30
Nov	370,675	20	55.60
Dec	764,137	25	103.17
Jan	841,051	31	138.62
Feb	823,870	39	120.11
Mar	449,848	20	71.63

Midway City Offices

	kWh	Sessions	Rev
Apr	598,563	26	85.53
May	1,367,904	43	196.84
Jun	1,485,893	71	235.51
Jul	1,071,165	57	151.85
Aug	1,234,221	49	193.96
Sep	2,041,048	64	306.15
Oct	2,302,279	67	345.13
Nov	2,643,115	73	390.78
Dec	2,055,082	65	314.67
Jan	2,081,214	73	313.10
Feb	1,884,979	64	271.23
Mar	1,471,870	52	227.99

Heber City Offices

	kWh	Sessions	Rev
Apr	194,257	25	37.00
May	215,278	13	32.30
Jun	520,291	32	75.72
Jul	622,911	45	91.20
Aug	694,927	46	93.78
Sep	1,169,534	50	133.91
Oct	878,823	45	128.15
Nov	460,274	25	69.57
Dec	713,991	42	93.89
Jan	816,206	34	122.44
Feb	305,823	21	45.87
Mar	479,398	22	71.92

Wasatch County Offices

	kWh	Sessions	Rev
Apr	320,564	24	49.05
May	102,117	16	15.31
Jun	115,051	10	17.26
Jul	103,336	16	4.04
Aug	252,729	19	37.73
Sep	184,173	19	32.41
Oct	308,468	23	46.29
Nov	118,086	20	17.71
Dec	52,593	9	7.89
Jan	86,388	16	12.96
Feb	54,266	7	8.15
Mar	10,317	2	1.55

Prepaid Expenses Activity
as of 03/31/2025

Account Activity

<i>Beginning Balance:</i>	<i>411,822.83</i>
New Prepaid Amounts	122,586.20
Prepaid Xfers Out (Jan-Mar)	(141,185.44)
Change in Balance:	(18,599.24)
<i>Ending Balance:</i>	<i><u>393,223.59</u></i>

New Prepays

January

February

March

Capture Software	-
Workers Compensation Premium	48,103.00
Workers Compensation Insurance	12,025.75
ESRI - Mapping Solutions	29,000.00
VLCM - Sophos Subscription	33,457.45

April

Insurance Renewal	-
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May

Mini-X Rental	-
Workers Compensation	-

June

KnowBe4 Security Awareness Training	-
Annual Backhoe Rental	-

July

ProCloud MiVoice	-
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Aug

Backhoe Lease	-
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Sept

SENSUS	-
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Oct

Skid Steer Rental	-
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Nov

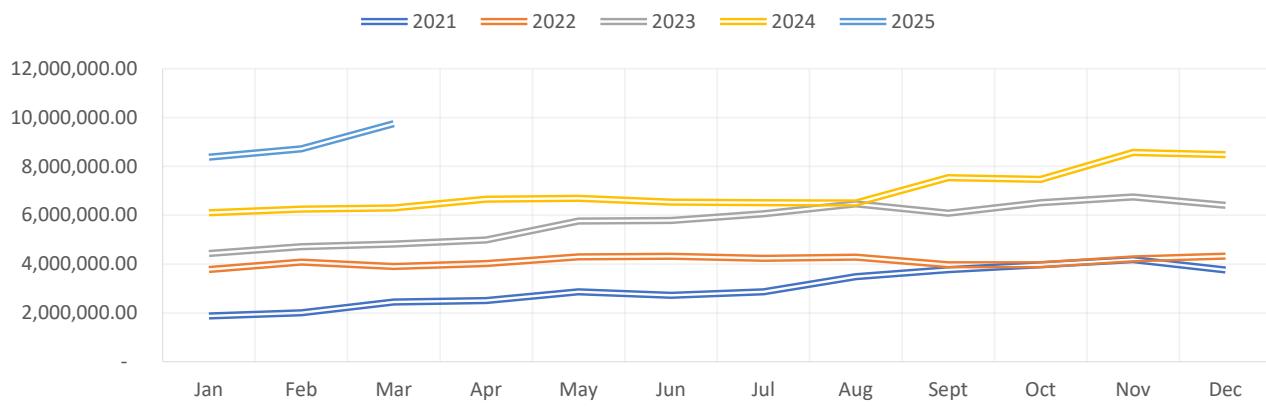
Dec

January Bond Payments	-
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Inventory
as of 03/31/2025

	2021	2022	2023	2024	2025
Jan	1,876,937.53	3,778,430.67	4,434,649.84	6,102,193.05	8,377,762.27
Feb	2,012,415.24	4,081,982.79	4,711,361.66	6,251,147.37	8,719,990.73
Mar	2,442,873.61	3,902,076.95	4,815,227.19	6,300,846.55	9,749,303.57 **
Apr	2,506,042.19	4,020,050.79	4,986,992.59	6,660,776.38	
May	2,859,551.36	4,294,115.02	5,767,761.70	6,687,504.16	
Jun	2,717,905.59	4,317,016.55	5,787,929.69	6,537,416.12	
Jul	2,868,558.09	4,241,175.30	6,063,140.93	6,518,408.24	
Aug	3,480,918.77	4,288,987.67	6,467,051.69	6,503,028.42	
Sept	3,771,207.98	3,971,466.47	6,089,668.24	7,539,567.55	
Oct	3,973,984.50	3,973,358.34	6,511,174.81	7,471,624.20	
Nov	4,183,177.91	4,217,668.66	6,748,276.42	8,569,672.52	
Dec	3,757,131.63	4,326,309.61	6,406,955.09	8,484,856.46	

MATERIAL INVENTORY



**

5,654,596.07 Reserved for CIAC Projects

1,047,659.89 Reserved for HLP Capital Projects

3,047,047.61 Ready Stores for OMAG Purposes

Open Miscellaneous Receivable Invoices
as of 03/31/2025

Customer	Purpose	Period	Amount
Salt Lake Excavating	Damage Claim	Nov-23	3,274.43
EVCO Development	Line Extension	Dec-23	4,659.16
KCI Telecom Division	Line Extension	Feb-24	7,071.42
Brian Myers	Damage Claim	Jun-24	3,137.36
Wheeler Machinery	Fuel Subsidy	Jun-24	56,604.24
Farm Bureau Property	Line Extension	Aug-24	1,360.00
Lythgoe Design Group	Line Extension	Sep-24	19,582.50
Bird Homes	Line Extension	Oct-24	3,513.00
Torres Underground	Line Extension	Nov-24	17,917.64
Hadco Construction	Line Extension	Nov-24	3,803.55
All West Communication	Line Extension	Dec-24	40,306.44
Shane Radmall	Line Extension	Dec-24	2,020.00
700 SHA, LLC	Line Extension	Jan-25	9.00
Progressive Insurance	Damage Claim	Feb-25	2,352.81
Grove Homes	Line Extension	Feb-25	6,382.21
MC Contractors	Damage Claim	Feb-25	5,037.13
			<hr/>
			177,030.89

March - 2025 _ Actual versus Estimate

Work Order	Project Description	Open Date	Closed Date	Actual Costs	Estimate	CIAC	Network Upgrade
35993 - The Village Subdivision	Line Extension	1/19/2023	3/31/2025	266,717.42	290,428.34	(325,953.26)	-
51008 - Morse Residence 2726 E Boulder Top Lp	Line Extension	3/18/2025	3/28/2025	-	1,491.91	(300.00)	-

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Accounts Payable
Check Register

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03/01/2025 To 03/31/2025

Bank Account: 1 - ZIONS BANK GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	General Ledger				Distr Amount	Amount
				Div	Account	Dept	Actv BU Project		
Invoice			GL Reference						
2621 3/1/25	WIRE	1185	THE STANDARD INSURANCE COMPAN						3,875.81
1733630001 MAR25			March 2025 LTD Premium	0 926.0		1	12		3,875.81
2622 3/1/25	WIRE	451	GUARDIAN						2,783.67
GUARD 0325			March 2025 Accident Insurance Premium	0 926.0		1	12		2,783.67
2626 3/5/25	WIRE	268	BRENDA CHRISTENSEN						475.32
MAR25 STIPEND			Mar 2025 HLP Board Stipend	0 920.0		0	180		475.32
2630 3/10/25	WIRE	121	AFLAC						284.84
118373			AFLAC Withholdings	0 926.0		1	12		284.84
2631 3/10/25	WIRE	1322	HEALTH EQUITY						71.40
MARCH25 ADMIN FEE			March 2025 Admin Fee	0 926.0		1	12		71.40
2632 3/6/25	WIRE	1322	HEALTH EQUITY						3,405.29
20250305081709002			PL Employee HSA Contributions	0 243.0		0	0		3,405.29
2633 3/6/25	WIRE	276	CIMA ENERGY, LP						66,631.10
0225-344657-1			February Natural Gas Purchases	0 547.0		4	140		66,631.10
2634 3/6/25	WIRE	558	UNITED STATES TREASURY						55,201.57
20250305081709001			PL Federal Withholding-Married	0 241.1		0	0		8,894.07
			PL Federal Withholding-Single	0 241.1		0	0		13,554.73
			PL Medicare-Employee	0 926.2		1	0		3,124.23
			PL Medicare-Employer	0 926.2		1	0		3,101.90
			PL Social Security-Employee	0 926.2		1	0		13,263.32
			PL Social Security-Employer	0 926.2		1	0		13,263.32
								Total for Check/Tran - 2634:	55,201.57
2635 3/6/25	WIRE	1065	UTAH STATE RETIREMENT						48,177.84
20250305081709003			PL Employee 401k Deferral	0 242.4		0	0		5,137.39
			PL Employee 457 Deferral	0 242.4		0	0		1,658.84
			PL Employee Roth IRA Deferrals	0 242.4		0	0		1,535.00
			PL URS Tier 2 Hybrid Employee Contributi	0 926.3		0	0		597.82
			PL URS Employer 401k Contribution	0 926.3		1	12		3,446.15

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Accounts Payable
Check Register

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03/01/2025 To 03/31/2025

Bank Account: 1 - ZIONS BANK GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	General Ledger				Distr Amount	Amount
				Div	Account	Dept	Actv BU Project		
Invoice			GL Reference						
			PL URS Tier 1	0926.3		1	12		18,435.03
			PL URS Tier 2 Fund 111	0926.3		1	12		12,973.29
			PL URS Tier 2 Fund 211 DC	0926.3		1	12		2,011.97
			PL URS Tier 2 Fund 211 DC addtl	0926.3		1	12		1,044.21
			PL URS Loan Repayment	0930.2		1	0		1,338.14
								Total for Check/Tran - 2635:	48,177.84
2636 3/10/25	WIRE	910	SENSUS USA INC						30,200.00
ZZ25000527			PO Material received	0154.0		0	0		30,200.00
2638 3/17/25	WIRE	964	STATE TAX COMMISSION-SALES						129,933.01
FEB2025SALESTAX			February Sales Tax Submission	0241.0		0	316		129,933.01
2639 3/13/25	WIRE	1302	LILYPAD EV						7,758.00
1468899			EV Chargers for New Building 25% deposit	0107.0		0	47		7,758.00
2640 3/13/25	WIRE	406	FASTENAL COMPANY						558.74
UTLIN181422			Vending Machine Issuances	0402.1		2	420		6.56
			Vending Machine Issuances	0402.2		2	420		334.33
			Vending Machine Issuances	0402.2		4	420		62.52
			Vending Machine Issuances	0591.0		2	420		155.33
								Total for Check/Tran - 2640:	558.74
2641 3/17/25	WIRE	12	FERC						548.90
L25090-00			2025 Annual Charges for Hydro License	0542.0		8	374		548.90
2642 3/21/25	WIRE	965	STATE TAX COMMISSION-W/H						18,646.49
MAR25 WH			Mar 2025 State Payroll Withholding	0241.2		0	460		18,646.49
2643 3/20/25	WIRE	1322	HEALTH EQUITY						3,405.29
20250319164008002			PL Employee HSA Contributions	0243.0		0	0		3,405.29
2644 3/20/25	WIRE	558	UNITED STATES TREASURY						54,298.21
20250319164008001			PL Federal Withholding-Married	0241.1		0	0		9,073.75
			PL Federal Withholding-Single	0241.1		0	0		13,058.21
			PL Medicare-Employee	0926.2		1	0		3,064.57
			PL Medicare-Employer	0926.2		1	0		3,046.76

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	General Ledger				Distr Amount	Amount
				Div	Account	Dept	Actv BU Project		
Invoice			GL Reference						
			PL Social Security-Employee	0926.2		1	0	13,027.46	
			PL Social Security-Employer	0926.2		1	0	13,027.46	
								Total for Check/Tran - 2644:	54,298.21
2645 3/20/25	WIRE	1065	UTAH STATE RETIREMENT						47,565.09
20250319164008003			PL Employee 401k Deferral	0242.4		0	0	5,204.74	
			PL Employee 457 Deferral	0242.4		0	0	1,658.84	
			PL Employee Roth IRA Deferrals	0242.4		0	0	1,535.00	
			PL URS Tier 2 Hybrid Employee Contributi	0926.3		0	0	578.12	
			PL URS Employer 401k Contribution	0926.3		1	12	3,375.86	
			PL URS Tier 1	0926.3		1	12	18,318.27	
			PL URS Tier 2 Fund 111	0926.3		1	12	12,545.51	
			PL URS Tier 2 Fund 211 DC	0926.3		1	12	1,981.97	
			PL URS Tier 2 Fund 211 DC addtl	0926.3		1	12	1,028.64	
			PL URS Loan Repayment	0930.2		1	0	1,338.14	
								Total for Check/Tran - 2645:	47,565.09
2646 3/28/25	WIRE	406	FASTENAL COMPANY						110.10
UTLIN181173			Vending Machine Issuances	0402.1		2	420	100.45	
			Vending Machine Issuances	0592.0		3	420	9.65	
								Total for Check/Tran - 2646:	110.10
2647 3/1/25	WIRE	406	FASTENAL COMPANY						598.11
UTLIN180588			Glove Purchase	0402.1		1	265	598.11	
2648 3/1/25	WIRE	406	FASTENAL COMPANY						0.00
PO CLEANUP 1			Universal Heavy WeightSorbent Pad	0542.0		8	375	443.50	
PO CLEANUP 1REV			PO Cleanup	0542.0		8	375	-443.50	
								Total for Check/Tran - 2648:	0.00
2652 3/20/25	WIRE	406	FASTENAL COMPANY						289.14
UTLIN181560			'Vending Machine Issuances	0402.1		1	420	17.95	
			Vending Machine Issuances	0402.2		2	420	106.96	
			Vending Machine Issuances	0556.0		5	420	10.55	
			Vending Machine Issuances	0591.0		2	420	95.43	
			Vending Machine Issuances	0592.0		3	420	47.90	
			Vending Machine Issuances	0935.3		6	420	10.35	

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	General Ledger				Distr Amount	Amount
				Div	Account	Dept	Actv BU Project		
Invoice					Total for Check/Tran - 2652:				289.14
2654 3/31/25	WIRE	760	ZIONS CREDIT CARD ACCT						27,120.92
MARCH 2025			IEEE Membership Patricio Hernandez	0401.0	1	200		264.00	
			E & O Engineering Conference Airfare	0401.2	1	10		2,347.88	
			APPA B&F Planning hotel BMiller	0401.2	1	185		673.73	
			Payroll Workshop lodging KSchindler	0401.2	1	185		628.37	
			Linkedin Membership	0401.2	1	200		1,197.82	
			E & O Engineering Conference A Dedrickso	0401.2	1	390		800.00	
			E & O Engineering Conference P Hernanez	0401.2	1	390		800.00	
			APPA B&F Planning Uber BMiller	0401.2	1	415		27.04	
			APPA B&F Planning airport parking BMille	0401.2	1	415		36.00	
			APPA B&F Planning fuel BMiller	0401.2	1	415		6.00	
			APPA B&F Planning rental car BMiller	0401.2	1	415		42.11	
			E&O Engineering Allianze protection	0401.2	1	415		55.00	
			IPSA Testing Devan Clyde	0401.2	2	185		311.26	
			IPSA Testing Wes Rowley	0401.2	2	185		405.48	
			IPSA meeting Riley Wright	0401.2	2	185		184.48	
			E & O Engineering Conf Kelly Sweat	0401.2	2	390		800.00	
			E & O Engineering Conference Chad Daley	0401.2	2	390		800.00	
			IPSA meetings/testing Jess Graham	0401.2	3	185		421.13	
			Wregis Training	0401.2	5	390		50.00	
			FR Clothing Chad Daley	0402.1	1	125		198.45	
			FR Clothing Trey Bunker	0402.1	1	125		984.62	
			Boots Mark Walker	0402.1	2	20		214.40	
			FR Clothing Chad Daley	0402.1	2	125		1,067.15	
			FR Clothing Chelsea Pyne	0402.1	2	125		943.89	
			FR Clothing Kolbe Ward	0402.1	2	125		251.60	
			FR Clothing Lindy Allen	0402.1	2	125		1,588.60	
			FR Clothing Shayne Cluff	0402.1	2	125		672.15	
			FR Clothing Steve Henning	0402.1	2	125		1,578.32	
			Taffy for Emergency Preparedness Fair	0426.4	1	480		22.58	
			Gallon meter	0548.0	4	235		901.82	
			Generation parts	0548.0	4	235		81.81	
			Plant 2 building Maintenance	0548.0	4	235		317.38	
			Ear Tags	0591.0	2	375		200.18	
			Probe w/ cast iron head	0592.0	3	235		287.88	
			Duracell Battery	0592.0	3	375		21.40	

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	General Ledger				Distr Amount	Amount	
				Div	Account	Dept	Actv BU Project			
Invoice										
			Label making material		0592.0	3	375		190.56	
			Pressboard cover, laminating		0592.0	3	375		79.00	
			Staples - erasers, pencils		0592.0	3	375		88.68	
			Toner Cartridges		0921.0	1	275		559.78	
			Stamps		0921.0	1	370		1,462.55	
			Carlson Retirement		0930.2	1	90		59.55	
			Carlson Retirement luncheon		0930.2	1	90		221.45	
			Bond School/Puller registration lunch		0930.2	1	410		8.40	
			Employee Birthday Gifts		0930.2	1	410		169.76	
			Garbage bags for Operations		0930.2	1	410		29.98	
			Office Staff meeting		0930.2	1	410		22.27	
			Carlson Retirement breakfast		0930.2	2	410		351.91	
			Amazon Web service		0935.1	6	175		35.87	
			AT&T Firstnet Payment		0935.1	6	245		3,386.81	
			Allwest March payment		0935.1	6	245		1,154.32	
			Polaris registration		0935.2	4	165		117.50	
								Total for Check/Tran - 2654:	27,120.92	
2658 3/31/25	WIRE	406	FASTENAL COMPANY						1,587.59	
UTLIN181681			Vending Machine Issuances		0402.1	2	420		302.52	
			Vending Machine Issuances		0591.0	2	420		1,133.06	
			Vending Machine Issuances		0592.0	3	420		39.59	
			Vending Machine Issuances		0935.3	6	420		112.42	
								Total for Check/Tran - 2658:	1,587.59	
2659 3/31/25	WIRE	406	FASTENAL COMPANY						69.23	
UTLIN181735			Vending Machine Issuances		0591.0	2	420		39.23	
			Vending Machine Issuances		0921.0	1	420		30.00	
								Total for Check/Tran - 2659:	69.23	
2660 3/31/25	WIRE	121	AFLAC						220.20	
447287			AFLAC Withholdings		0926.0	1	12		220.20	
2661 3/31/25	WIRE	276	CIMA ENERGY, LP						94,228.64	
0325-355301-1			March Natural Gas Purchases		0547.0	4	140		94,228.64	
68294 3/7/25	CHK	1	TRAVIS TERRY						1,975.00	

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	General Ledger				Distr Amount	Amount
				Div	Account	Dept	Actv BU Project		
			GL Reference						
TERRY, REBATE 0325			ECM rebate	0 555.2		1	160	100.00	
			Tier 3 rebate	0 555.2		1	160	1,800.00	
			Thermostat rebate	0 555.2		1	385	75.00	
									Total for Check/Tran - 68294:
									1,975.00
68295 3/7/25	CHK	2	NOORDA DEVELOPMENT						206.67
20250306115249872			Credit Balance Refund 82726001	0 142.99		0	0	206.67	
68296 3/7/25	CHK	14	LINDY ALLEN						125.00
PHYSICAL 2025			2025 Physical reimbursement	0 401.0		2	95	125.00	
68297 3/7/25	CHK	52	LEE'S MARKETPLACE HEBER						14.29
54645			Oil sample shipping bags	0 592.0		3	375	14.29	
68298 3/7/25	CHK	81	TESCO - THE EASTERN SPECIALTY CO						4,258.73
214038			PO Material received	0 154.0		0	0	4,074.96	
			Frieght	0 921.3		0	350	183.77	
									Total for Check/Tran - 68298:
									4,258.73
68299 3/7/25	CHK	256	CDW-G						871.75
AC7IQ7U			Server Batteries	0 935.3		6	335	871.75	
68300 3/7/25	CHK	267	CHARLESTON TOWN						2,811.85
0225-FRANCHISE			Franchise Tax Collection Remittance	0 241.5		0	0	2,811.85	
68301 3/7/25	CHK	323	DANIEL TOWN						2,404.16
0225-FRANCHISE			Franchise Tax Collection Remittance	0 241.6		0	0	2,404.16	
68302 3/7/25	CHK	425	JORDAN BEHUNIN						125.00
PHYSICAL 2025			2025 Physical reimbursement	0 401.0		2	95	125.00	
68303 3/7/25	CHK	428	FREEDOM MAILING						5,652.43
49791			February 2025 Billing Cycle 1 Statements	0 921.5		1	55	5,652.43	
68304 3/7/25	CHK	480	HEBER CITY CORPORATION						75,783.29
MAR25 STIPEND			Aaron Cheatwood HLP Board Stipend	0 920.0		0	180	475.32	
			Heidi Franco HLP Board Stipend	0 920.0		0	180	607.92	

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				Div	Account	Dept	Actv BU Project		
Invoice			GL Reference						
			Sid Ostergaard HLP Board Stipend	0920.0		0	180	475.32	
0225-FRANCHISE			Franchise Tax Collection Remittance	0241.3		0	0	74,224.73	
									Total for Check/Tran - 68304:
									75,783.29
68305 3/7/25	CHK	484	HEBER LIGHT & POWER CO						10,000.00
MAR25 RESERVE			Monthly Reserve Funding	0131.2		0	0		10,000.00
68306 3/7/25	CHK	705	MIDWAY CITY OFFICES						31,522.18
0225-FRANCHISE			Franchise Tax Collection Remittance	0241.4		0	0		31,522.18
68307 3/7/25	CHK	740	IRBY CO.						282,382.81
S014175505.001			PO Material received	0154.0		0	0		77,765.45
S014175505.003			PO Material received	0154.0		0	0		7,140.00
S014175465.001			PO Material received	0154.0		0	0		15,540.50
S014175505.002			PO Material received	0154.0		0	0		820.00
S014031174.001			BITE5-ADV	0394.0		0	0		8,100.00
			CERT-NIST	0394.0		0	0		650.00
			Y24-WARRANTY	0394.0		0	0		765.00
S014174241.001			PO Material received	0154.0		0	0		24,096.90
S014175464.001			PO Material received	0154.0		0	0		27,125.00
S014175505.004			PO Material received	0154.0		0	0		650.00
S014117983.006			PO Material received	0154.0		0	0		1,770.00
S014082736.002			PO Material received	0154.0		0	0		111,250.00
S014181944.001			PO Material received	0154.0		0	0		1,200.00
S014177810.001			PO Material received	0154.0		0	0		5,029.96
S014177810.002			PO Material received	0154.0		0	0		480.00
									Total for Check/Tran - 68307:
									282,382.81
68308 3/7/25	CHK	784	ELECTRICAL CONSULTANTS, INC.						8,789.00
129133			Gas Plant to Jailhouse reconductor	0107.0		0	100		8,789.00
68309 3/7/25	CHK	821	CREDA						45.57
CREDA 0325			CREDA Board Member Dues - Mar 2025	0555.0		5	162		45.57

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	General Ledger				Distr Amount	Amount
				Div	Account	Dept	Actv BU Project		
Invoice			GL Reference						
68310 3/7/25	CHK	845	ENBRIDGE GAS						539.96
0382516748FEB25			Probst House February Gas Charges	0 401.1		1	405		340.99
1344060000FEB25			Snake Creek House February Fuel Charges	0 401.1		1	405		189.40
8060020000FEB25			Operations February Meter Fee	0 401.1		1	405		9.57
								Total for Check/Tran - 68310:	539.96
68311 3/7/25	CHK	860	PETERSON TREE CARE						21,200.00
8014209756			3 Man Crew 2025 Contract	0 591.0		2	395		21,200.00
68312 3/7/25	CHK	908	SECURITY INSTALL SOLUTIONS, INC						240.00
I-10828			March Brivo OnAir Hosting	0 935.3		6	330		240.00
68313 3/7/25	CHK	1014	TIMBERLINE GENERAL STORE						8.99
182870			Battery Tester	0 592.0		3	375		8.99
68314 3/7/25	CHK	1095	WASATCH COUNTY						475.32
MAR25 STIPEND			Mar 2025 HLP Board Stipend	0 920.0		0	180		475.32
68315 3/7/25	CHK	1131	WHEELER MACHINERY CO.						531.70
PS001844876			Gen 800 Cool/Level 2 Pro	0 548.0		4	375		329.76
PS001844877			Unit 1 Valve-train	0 548.1		4	235		201.94
								Total for Check/Tran - 68315:	531.70
68316 3/7/25	CHK	1178	ZIPLOCAL						29.00
ZIPLOCAL-23111			February 2025 Yellow Pages Listing	0 935.1		6	245		29.00
68317 3/7/25	CHK	1188	WELLABLE LLC						160.00
33564			March Wellable Subscription	0 930.2		1	410		160.00
68318 3/7/25	CHK	1237	BURT BROTHERS						236.37
1220009930-1			Truck 251 Tire package & service	0 935.2		4	340		236.37
68319 3/7/25	CHK	1276	HOSE & RUBBER						60.49
02027538			Unit 7 Heater hose	0 548.1		4	235		60.49

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	General Ledger				Distr Amount	Amount
				Div	Account	Dept	Actv BU Project		
68320 3/7/25	CHK	1291	NORCO INC						254.96
0042848428			800 General parts		0 548.0	4	235		254.96
68321 3/10/25	CHK	2	MILDRET CASIANO						2,769.68
20250310102055104			Credit Balance Refund 11946003		0 142.99	0	0		2,769.68
68322 3/14/25	CHK	1	ANNIE SWEET						50.00
SWEET, REBATE0325			Fridge rebate		0 555.2	1	300		50.00
68323 3/14/25	CHK	1	GARY GORGA						525.00
GORGA, REBATE0325			ECM rebate		0 555.2	1	160		100.00
			Tier 1 AC rebate		0 555.2	1	160		350.00
			Thermostat rebate		0 555.2	1	385		75.00
								Total for Check/Tran - 68323:	525.00
68324 3/14/25	CHK	1	JOHN BACH						75.00
BACH, REBATE0325			Thermostat rebate		0 555.2	1	385		75.00
68325 3/14/25	CHK	2	CHET HILTON						117.46
20250313103952186			Credit Balance Refund 80893001		0 142.99	0	0		117.46
68326 3/14/25	CHK	26	TRAVIS JEPPESON						384.30
ALTERATIONS 0325			Pant alterations reimbursement		0 402.1	5	125		384.30
68327 3/14/25	CHK	52	LEE'S MARKETPLACE HEBER						28.68
54221			Distilled water		0 592.0	3	375		28.68
68328 3/14/25	CHK	105	A T & T						70.22
0512678562001MAR25			March 2025 Phone Service		0 935.1	6	245		70.22
68329 3/14/25	CHK	262	CENTURYLINK - DATA SERVICES						2,508.88
724784605			Feb 2025 IP & Data Service		0 935.1	6	175		2,508.88
68330 3/14/25	CHK	386	BORDER STATES INDUSTRIES INC.						29,423.03
929897513			PO Material received		0 154.0	0	0		2,685.88
929897512			PO Material received		0 154.0	0	0		26,272.50

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	General Ledger				Distr Amount	Amount
				Div	Account	Dept	Actv BU Project		
Invoice			GL Reference						
929914659			Compression lugs		0 548.0	4	235		66.00
929914665			Mounting base, cable ties Cloyes Sub		0 592.0	3	235		97.61
929922960			Electrical parts		0 107.0	0	235		17.01
929956772			Packout organizer		0 548.0	4	375		99.94
929956565			Upper Snake Creek electrical supplies		0 542.0	8	375		6.84
929982603			Unit 11 parts		0 548.1	4	235		177.25
Total for Check/Tran - 68330:									29,423.03
68331 3/14/25	CHK	479	HEBER APPLIANCE						70.00
224617			Fridge Pick-up		0 555.2	1	300		70.00
68332 3/14/25	CHK	480	HEBER CITY CORPORATION						806.01
10.23970.1 FEB25			Feb 2025 Heber Substation Water/Sewer		0 401.1	1	405		45.29
10.24620.1 FEB25			Feb 2025 Operations Water/Sewer		0 401.1	1	405		173.05
10.24625.1 FEB25			Feb 2025 Operations Water/Sewer		0 401.1	1	405		46.37
10.24630.1 FEB25			Feb 2025 Line Shop Water/Sewer		0 401.1	1	405		91.15
20.02049.0 FEB25			Feb 2025 Cowboy Village Water/Sewer		0 401.1	1	405		320.42
9.22740.1 FEB25			Feb 2025 Office Water/Sewer		0 401.1	1	405		129.73
Total for Check/Tran - 68332:									806.01
68333 3/14/25	CHK	698	LYTHGOE DESIGN GROUP, INC						16,559.85
2748			Jan-2025 Design Hours - Admin Bldg		0 107.0	0	100		1,204.50
2744			Jan-2025 Design Hours - Cogen Bldg		0 107.0	0	100		10,187.70
2743			Jan-2025 Design Hours - Admin Bldg		0 107.0	0	100		5,167.65
Total for Check/Tran - 68333:									16,559.85
68334 3/14/25	CHK	734	MOUNTAINLAND ONE STOP						70.28
149366			Forklift propane		0 935.2	4	130		36.21
142330			Forklift propane		0 935.2	4	130		34.07
Total for Check/Tran - 68334:									70.28
68335 3/14/25	CHK	736	PROTELESIS CORPORATION						522.09
I-101079			March SIP Trunk Support		0 935.1	6	245		522.09

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	General Ledger				Distr Amount	Amount
				Div	Account	Dept	Actv BU Project		
68336 3/14/25	CHK	740	IRBY CO.						161,534.90
S014130350.005			PO Material received		0 154.0	0	0		4,250.00
S013564553.003			PO Material received		0 154.0	0	0		25,000.00
S014099991.007			PO Material received		0 154.0	0	0		8,500.00
S014177810.003			PO Material received		0 154.0	0	0		3,032.40
S014117939.007			PO Material received		0 154.0	0	0		4,250.00
S014082736.003			PO Material received		0 154.0	0	0		22,250.00
S014175505.005			PO Material received		0 154.0	0	0		93,712.50
S014175505.006			PO Material received		0 154.0	0	0		540.00
Total for Check/Tran - 68336:									161,534.90
68337 3/14/25	CHK	780	O'REILLY AUTOMOTIVE INC						272.96
3664-476434			Truck 207 Antifreeze		0 935.2	4	187		27.98
3664-481517			Antifreeze, oil for Dept 2		0 591.0	2	375		202.91
3664-481539			Grease gun & grease for Dept 2		0 591.0	2	375		38.27
SC04723976			Finance-Late payment fee		0 591.0	2	235		3.80
Total for Check/Tran - 68337:									272.96
68338 3/14/25	CHK	825	LINDE GAS & EQUIPMENT INC						137.67
48114046			Acetylene Cylinder Rental		0 592.0	3	375		92.80
48151115			Stargon-Stargold Cylinder Rental		0 592.0	3	375		44.87
Total for Check/Tran - 68338:									137.67
68339 3/14/25	CHK	860	PETERSON TREE CARE						21,200.00
8014209758			3 Man Crew 2025 Contract		0 591.0	2	395		21,200.00
68340 3/14/25	CHK	1007	UPS STORE						642.12
15707			Oil samples for Southfield Sub		0 592.0	3	220		35.78
15897			Rubber Glove Testing		0 402.1	2	265		606.34
Total for Check/Tran - 68340:									642.12
68341 3/14/25	CHK	1047	US DEPT OF ENERGY						2,263.72
JJPB1643B0225			Feb-2025 Provo River Firm Electric SVC		0 555.0	5	162		2,263.72

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	General Ledger				Distr Amount	Amount
				Div	Account	Dept	Actv BU Project		
Invoice			GL Reference						
68342	3/14/25	CHK	1075	VERIZON WIRELESS					173.82
6107484805				March Data Coverage	0935.1	6	175		173.82
68343	3/14/25	CHK	1091	WASATCH AUTO PARTS					82.60
314542				Truck 257 glass cleaner, fluid	0935.2	4	187		10.88
314645				Truck 264 wiper blades, air filter	0935.2	4	187		71.72
								Total for Check/Tran - 68343:	82.60
68344	3/14/25	CHK	1100	WASATCH COUNTY SOLID WASTE					828.00
93539	MAR25			March - Operations Garbage Removal	0401.1	1	405		269.00
90083	MAR25			Office March - 2025 Waste Removal	0401.1	1	405		110.00
17348				Weighed Load & Roll Off Fee	0401.1	1	405		449.00
								Total for Check/Tran - 68344:	828.00
68345	3/14/25	CHK	1131	WHEELER MACHINERY CO.					22,582.00
PS001846144				Unit 11 Plate	0548.1	4	235		189.03
				Unit 12 Plate	0548.1	4	235		189.03
				Unit 13 Plate	0548.1	4	235		189.03
PS001846145				Unit 5 spark plugs, Transformer	0548.1	4	235		2,209.56
PS001846146				Unit 8 couplings, seals	0548.1	4	235		700.49
PS001847005				Safety glasses	0402.1	4	265		3.01
PS001847734				Unit 1 Couplings	0548.1	4	465		391.72
PS001848503				800 Misc consumption hardware	0548.0	4	235		188.29
PS001848504				Unit 7 Couplings, hose	0548.1	4	235		768.69
SS000541660				Plant 2 General parts	0548.0	4	235		112.30
SS000541661				Unit 5 Oil/Level SW	0548.1	4	187		4,218.15
SS000541662				Unit 7 Oil/Level SW	0548.1	4	187		6,441.61
SS000541663				Unit 8 Oil/Level SW	0548.1	4	187		5,043.84
				Unit 8 Inspection	0548.1	4	187		1,937.25
								Total for Check/Tran - 68345:	22,582.00
68346	3/14/25	CHK	1145	PEHP GROUP INSURANCE FLEX					787.33
FLEX	3/6/25			Employee FSA Contributions	0243.0	0	12		787.33

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	General Ledger				Distr Amount	Amount
				Div	Account	Dept	Actv BU Project		
68347 3/14/25	CHK	1198	KEVIN PAYNE						475.32
MAR25 STIPEND			Mar 2025 HLP Board Stipend		0 920.0	0	180		475.32
68348 3/14/25	CHK	1230	BURK COLEMAN						107.24
CDL 2025			CDL Training lodging		0 401.2	2	185		107.24
68349 3/14/25	CHK	1237	BURT BROTHERS						1,092.39
1220009250			Truck 272 Tire package		0 935.2	4	340		1,092.39
68350 3/14/25	CHK	1253	SEL ENGINEERING SERVICES INC						5,494.42
69948			Upper Snake Creek Relay upgrade		0 107.0	0	100		5,494.42
68351 3/14/25	CHK	1260	VALVOLINE						98.98
10878			Truck 264 Oil Change service		0 935.2	4	340		98.98
68352 3/14/25	CHK	1263	EPIC ENGINEERING						598.15
20250406			Material Testing on New Bldg - Jan 2025		0 107.0	0	100		598.15
68353 3/14/25	CHK	1291	NORCO INC						333.87
0042899721			Unit 8 maintenance parts		0 548.1	4	235		333.87
68354 3/14/25	CHK	1298	ADDIGY INC						100.00
CINV-24670			IOS CORP monthly Subscription		0 935.3	6	374		100.00
68355 3/14/25	CHK	1472	BART MILLER						352.08
DC PER DIEM			APPA B&F Conference Planning Travel		0 401.2	1	240		230.00
			APPA B&F Conference Planning Travel		0 401.2	1	415		122.08
								Total for Check/Tran - 68355:	352.08
68356 3/21/25	CHK	1285	KOLBE WARD						125.00
PHYSICAL 2025			DOT Physical reimbursement		0 401.0	2	95		125.00
68357 3/21/25	CHK	1065	UTAH STATE RETIREMENT						107,129.50
W43523987			Carlson retirement buyout		0 926.3	1	12		107,129.50
68358 3/21/25	CHK	1230	BURK COLEMAN						243.07

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				Div	Account	Dept	Actv BU Project		
Invoice			GL Reference						
CDL TEST 2025			CDL Driving Test		0 401.2	2	185		118.07
PHYSICAL 2025			DOT Physical reimbursement		0 401.0	2	95		125.00
								Total for Check/Tran - 68358:	243.07
68359	3/21/25	CHK	105	A T & T					141.00
0300550933001	MAR25			March 2025 Phone Service	0 935.1	6	245		141.00
68360	3/21/25	CHK	167	SMITH HARTVIGSEN,PLLC					20,409.50
67620				February Legal General Matters	0 923.0	1	440		15,249.50
67621				February Travel Time	0 923.0	1	440		320.00
67622				February Water Adjudication Review	0 923.0	1	440		67.00
67623				Feb - Gertsch Litigation Legal Support	0 923.0	1	440		4,773.00
								Total for Check/Tran - 68360:	20,409.50
68361	3/21/25	CHK	206	BLUE STAKES OF UTAH 811					400.68
UT202500316				Feb 2025 Staking Notifications	0 591.0	2	15		400.68
68362	3/21/25	CHK	261	CENTURYLINK					231.99
333641720	MAR25			Mar-2025 Phone Charges 435-654-1118	0 935.1	6	245		39.85
333725663	MAR25			Mar-2025 Phone Charges 435-654-7103	0 935.1	6	245		136.31
333725665	MAR25			Mar-2015 Phone Charges 435-654-1682	0 935.1	6	245		55.83
								Total for Check/Tran - 68362:	231.99
68363	3/21/25	CHK	320	CUWCD					100,070.00
377				Feb 2025 Jordanelle Hydro Power Sales	0 555.0	5	162		100,070.00
68364	3/21/25	CHK	386	BORDER STATES INDUSTRIES INC.					164.63
930042798				Plant 2 maintenance	0 548.0	4	235		53.53
930057695				Concrete screw anchors	0 592.0	3	235		111.10
								Total for Check/Tran - 68364:	164.63
68365	3/21/25	CHK	428	FREEDOM MAILING					4,716.52
49857				February 2025 Billing Cycle 2 Statements	0 921.5	1	55		4,716.52

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				Div	Account	Dept	Actv BU Project		
Invoice			GL Reference						
68366	3/21/25	CHK	448		CORPORATE TRADITIONS, INC				943.00
7EA9D7F9-0009					Employee Birthday Gift Certificates	0 930.2	1 410		943.00
68367	3/21/25	CHK	456		GRAINGER, INC.				2,745.69
9420863020					Eye wash stations College & Southfield	0 402.1	3 315		2,491.60
9420863038					Utility containers College Sub	0 592.0	3 375		127.04
					Utility containers Southfield Sub	0 592.0	3 375		127.05
								Total for Check/Tran - 68367:	2,745.69
68368	3/21/25	CHK	557		IPSA				800.00
3690					IPSA Banquet Dinner	0 401.2	2 325		300.00
3666					Apprentice Testing - Clyde & Rowley	0 401.2	2 325		500.00
								Total for Check/Tran - 68368:	800.00
68369	3/21/25	CHK	562		STAKER PARSON MATERIALS & CONST				72.74
6559000					Rock for WO 5125 Pole replacement	0 591.0	2 47		72.74
68370	3/21/25	CHK	644		US BANK NATIONAL ASSOCIATION				391,223.48
43464					March - 2012 Bond Payment	0 136.2	0 18		8,666.66
43495					March - 2019 Bond Payment	0 136.6	0 18		91,062.50
47064					DEC 2023 Bond - Short payment	0 136.61	0 18		114,744.32
47067					March - 2023 Bond Payment	0 136.61	0 18		176,750.00
								Total for Check/Tran - 68370:	391,223.48
68371	3/21/25	CHK	740		IRBY CO.				46,390.50
S014025460.005					PO Material received	0 154.0	0 0		412.50
S014159605.006					PO Material received	0 154.0	0 0		8,500.00
S014147164.007					PO Material received	0 154.0	0 0		12,750.00
S014175465.002					PO Material received	0 154.0	0 0		442.00
S014175505.007					PO Material received	0 154.0	0 0		2,536.00
S014117939.008					PO Material received	0 154.0	0 0		2,995.00
S014147164.008					PO Material received	0 154.0	0 0		5,990.00
S014174241.003					PO Material received	0 154.0	0 0		8,985.00

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				Div	Account	Dept	Actv BU Project		
Invoice			GL Reference						
S014172743.001				PO Material received				3,780.00	46,390.50
				0 154.0		0	0		
68372 3/21/25	CHK	768	CANON SOLUTIONS AMERICA						164.22
6011055015			Operations Click Counts	0 921.0		1	275		112.37
6011055414			Office Copier Clicks	0 921.0		1	275		51.85
								Total for Check/Tran - 68371:	164.22
68373 3/21/25	CHK	775	OLYMPUS INSURANCE AGENCY						1,297.00
17208			2 Freightliner M2 coverage	0 401.0		1	170		1,297.00
68374 3/21/25	CHK	844	PEHP GROUP INSURANCE						78,511.94
506622			Apr 2025 Health/Vision Insurance Premium	0 926.0		1	12		73,610.44
			COBRA - Mecham	0 926.0		1	12		2,754.64
			Klungervick Retiree Benefit Prem	0 926.1		1	12		2,146.86
								Total for Check/Tran - 68374:	78,511.94
68375 3/21/25	CHK	845	ENBRIDGE GAS						20,241.43
5060020000FEB25			Feb-25 Cogen Fuel Transport Charges	0 547.0		4	135		20,241.43
68376 3/21/25	CHK	862	PARKLAND USA CORPORATION						8,002.38
IN-585421-25			Ridgeline DEF	0 548.0		4	220		8,002.38
68377 3/21/25	CHK	878	ESCI						3,040.00
14650			March 2025 Safety & Training Services	0 402.1		1	315		3,040.00
68378 3/21/25	CHK	892	SAFETY-KLEEN SYSTEMS, INC						633.93
96562306			Parts Washer Oil Recovery	0 548.0		4	220		633.93
68379 3/21/25	CHK	897	SALT LAKE COMMUNITY COLLEGE						1,300.00
DA773988			Chase Sabey Apprenticeship 1A	0 401.2		3	325		1,300.00
68380 3/21/25	CHK	907	BURNS & MCDONNELL ENGINEERING						49,050.00
144195-7			138/46/12.5kV POD Greenfield Sub	0 592.0		3	100		49,050.00
68381 3/21/25	CHK	922	SHRED-IT USA						82.32

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Check / Tran Date	Pmt Type	Vendor	Vendor Name	General Ledger				Distr Amount	Amount
				Div	Account	Dept	Actv BU Project		
Invoice			GL Reference						
8010052917			Office Shredding Service		0921.0	1	75		82.32
68382 3/21/25	CHK	933	WESTERN UNITED ELECTRIC SUPPLY C						8,335.65
6136087			PO Material received		0154.0	0	0		8,335.65
68383 3/21/25	CHK	1015	BROOKLYN NICHOLAS						638.40
UGFOA PER DIEM			UGFOA Spring Conf Per Diem		0401.2	1	240		238.00
			UGFOA Spring Conf mileage		0401.2	1	415		400.40
								Total for Check/Tran - 68383:	638.40
68384 3/21/25	CHK	1075	VERIZON WIRELESS						88.72
6108027073			Feb 9 - Mar 8 SCADA		0592.0	3	320		45.34
			Feb 9 - Mar 8 Backup Router		0935.3	6	355		43.38
								Total for Check/Tran - 68384:	88.72
68385 3/21/25	CHK	1091	WASATCH AUTO PARTS						71.16
315329			Powered Belts		0592.0	3	235		71.16
68386 3/21/25	CHK	1131	WHEELER MACHINERY CO.						7,322.99
PS001850082			Plant 2 Misc parts		0548.0	4	235		289.92
SS000542039			Unit 1 Oil/Level SW		0548.1	4	187		6,179.41
PS001850932			Unit 11 Coolant pipe misc parts		0548.1	4	235		171.50
PS001851729			Unit 1, Buss Bars		0548.1	4	235		168.80
			Unit 7, Buss Bars		0548.1	4	235		168.80
			Unit 8, Buss Bars		0548.1	4	235		168.80
PS001852569			Plant 2 General parts		0548.0	4	235		20.08
PS001853239			Unit 1 Spacers		0548.1	4	235		155.68
								Total for Check/Tran - 68386:	7,322.99
68387 3/21/25	CHK	1145	PEHP GROUP INSURANCE FLEX						787.33
03/20/2025 FLEX			Employee FSA Contributions		0243.0	0	12		787.33
68388 3/21/25	CHK	1148	WCF INSURANCE						12,025.75
8089210			Workers Comp Ins 04/01/2025-04/01/2026		0165.0	0	170		12,025.75
68389 3/21/25	CHK	1244	BUD MAHAS CONSTRUCTION, INC						554,325.00

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				Div	Account	Dept	Actv BU Project		
Invoice			GL Reference						
2307 00 #10			New Bldg Pay Request #10	0	107.0	0	47	554,325.00	
68390 3/21/25	CHK	1291	NORCO INC						539.45
0042935739			Extension cord	0	548.0	4	375	244.03	
0042943155			Unit 11 misc parts	0	548.1	4	235	295.42	
								Total for Check/Tran - 68390:	539.45
68391 3/21/25	CHK	1292	DELL MARKETING L.P.						37,623.66
10798765592			Dell Pro 16 Plus XCTO Base (3CMSL64)	0	397.0	0	0	2,759.74	
			Dell Pro 16 Plus XCTO Base (4CMSL64)	0	397.0	0	0	2,759.74	
			Dell Pro 16 Plus XCTO Base (5CMSL64)	0	397.0	0	0	2,759.74	
			Dell Pro 16 Plus XCTO Base (6CMSL64)	0	397.0	0	0	2,759.74	
			Dell Pro 16 Plus XCTO Base (7CMSL64)	0	397.0	0	0	2,759.74	
			Dell Pro 16 Plus XCTO Base (8CMSL64)	0	397.0	0	0	2,759.74	
			Dell Pro 16 Plus XCTO Base (9CMSL64)	0	397.0	0	0	2,759.74	
			Dell Pro 16 Plus XCTO Base (BCMSL64)	0	397.0	0	0	2,759.74	
			Dell Pro 16 Plus XCTO Base (CCMSL64)	0	397.0	0	0	2,759.74	
			Dell Pro 16 Plus XCTO Base (DCMSL64)	0	397.0	0	0	2,759.74	
			Dell Pro Rugged RA13250 (8SM2F54)	0	397.0	0	0	5,013.13	
			Dell Pro Rugged RA13250 (9SM2F54)	0	397.0	0	0	5,013.13	
								Total for Check/Tran - 68391:	37,623.66
68392 3/21/25	CHK	1300	OUTIFI						1,100.00
1036			Outifi Subscription,IVR Configuration	0	401.0	1	374	1,100.00	
68393 3/21/25	CHK	1301	MH HVAC, LLC						3,154.30
264698			Unit 11 Flex Connectors	0	548.1	4	235	1,198.19	
265221			Unit 12 Flex Connectors	0	548.1	4	235	1,198.19	
			Unit 11 Flex Connectors	0	548.1	4	235	378.96	
			Unit 12 Flex Connectors	0	548.1	4	235	378.96	
								Total for Check/Tran - 68393:	3,154.30
68394 3/21/25	CHK	1389	SLATE ROCK FR						105.21
87166			FR Clothing Shane Carlson	0	402.1	2	125	105.21	
68395 3/21/25	CHK	1415	UTB TRANSFORMERS						33,006.00

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				Div	Account	Dept	Actv BU Project		
Invoice			GL Reference						
6033			1000 kva repair	0 591.0		2	0	13,500.00	
			150 kVA Repair	0 591.0		2	0	19,506.00	
								Total for Check/Tran - 68395:	33,006.00
68396	3/21/25	CHK	1467	NISC					12,227.15
621063			February 2025 Bank Fees	0 921.4		1	345	366.32	
			February 2025 PDF Posting to Accounts	0 921.5		1	270	106.32	
621788			February 2025 - Monthly Software Fee	0 401.0		1	355	11,754.51	
								Total for Check/Tran - 68396:	12,227.15
68397	3/24/25	CHK	844	PEHP GROUP INSURANCE					260.46
506590			April 2025 Bond Post Retiree Ins Premium	0 926.1		1	12	260.46	
68398	3/24/25	CHK	283	SHAYNE CLUFF					129.00
OKANITE PERDIEM0325			Okanite Cable Factory Tour Per Diem	0 401.2		2	240	129.00	
68399	3/24/25	CHK	1194	ANDREW DEDRICKSON					129.00
OKANITE PERDIEM0325			Okanite Cable Factory Tour Per Diem	0 401.2		1	240	129.00	
68400	3/28/25	CHK	1	BRENNEN GRAFF					75.00
GRAFF, REBATE 0325			Thermostat rebate	0 555.2		1	385	75.00	
68401	3/28/25	CHK	1	DENNIS LEE					725.00
LEE, REBATE 0325			ECM rebate	0 555.2		1	160	100.00	
			Tier 2 A/C rebate	0 555.2		1	160	550.00	
			Thermostat rebate	0 555.2		1	385	75.00	
								Total for Check/Tran - 68401:	725.00
68402	3/28/25	CHK	81	TESCO - THE EASTERN SPECIALTY CO					38.64
214003-FREIGHT CHG			Short paid on freight for INV 214003	0 921.3		1	350	38.64	
68403	3/28/25	CHK	83	UTAH TRUCKING ASSOC					700.00
15790			Annual Membership Dues 2025	0 401.0		1	200	700.00	
68404	3/28/25	CHK	216	JAN-PRO OF UTAH - MIDVALE					1,709.00
350755			Janitorial Service for April 2025	0 401.1		1	30	1,709.00	

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				Div	Account	Dept	Actv BU Project		
68405 3/28/25	CHK	333	AIME ALLRED						306.00
WORKSHOP PERDIEM0425			Financials & HR Workshop Per Diem		0 401.2	1	240		306.00
68406 3/28/25	CHK	353	DISH NETWORK						176.78
DISH-0425			April Cable Subscription		0 401.0	5	374		176.78
68407 3/28/25	CHK	401	KARLY SCHINDLER						374.60
WORKSHOP PERDIEM0425			Financials & HR Workshop Per Diem		0 401.2	1	240		306.00
			Financials & HR Workshop mileage		0 401.2	1	415		68.60
								Total for Check/Tran - 68407:	374.60
68408 3/28/25	CHK	635	RECYCLOPS						96.00
8525DE9-0018			February Recycling Fee		0 401.1	1	295		96.00
68409 3/28/25	CHK	689	SHERMAN+REILLY						242,470.00
57422			DDXHA-100 Puller 2 #316		0 392.0	0	0		242,470.00
68410 3/28/25	CHK	716	DELTA FIRE SYSTEMS						38,799.00
971590			New Bldg Fire Alarm System		0 107.0	0	100		1,600.00
971587			New Bldg Fire Supression System		0 107.0	0	100		37,199.00
								Total for Check/Tran - 68410:	38,799.00
68411 3/28/25	CHK	734	MOUNTAINLAND ONE STOP						34.91
149410			Forklift propane		0 935.2	4	130		34.91
68412 3/28/25	CHK	740	IRBY CO.						83,964.90
S014193496.002			PO Material received		0 154.0	0	0		965.00
S014187125.001			1601SISF: 16 AWG STRANDED		0 592.0	0	0		90.00
			HOWC 14-01-SISF		0 592.0	0	0		137.50
			HOWC HW05101201		0 592.0	0	235		225.00
S014177810.004			PO Material received		0 154.0	0	0		1,104.00
S014025460.007			PO Material received		0 154.0	0	0		26.00
S014186993.002			PO Material received		0 154.0	0	0		22,210.10
S014186993.001			PO Material received		0 154.0	0	0		279.00
S014193496.003			PO Material received		0 154.0	0	0		518.00

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Accounts Payable
Check Register

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03/01/2025 To 03/31/2025

Bank Account: 1 - ZIONS BANK GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	General Ledger				Distr Amount	Amount
				Div	Account	Dept	Actv BU Project		
Invoice			GL Reference						
S014186993.003			PO Material received		0 154.0	0	0		5,585.70
S014192213.001			PO Material received		0 154.0	0	0		1,750.00
S014193496.001			PO Material received		0 154.0	0	0		46,598.80
S014192213.002			PO Material received		0 154.0	0	0		342.00
S014192213.003			PO Material received		0 154.0	0	0		4,133.80
Total for Check/Tran - 68412:									83,964.90
68413 3/28/25	CHK	746	FUEL NETWORK						3,758.97
F2508E00812			February 2025 Fleet Fuel		0 935.2	4	130		3,758.97
68414 3/28/25	CHK	845	ENBRIDGE GAS						364.47
0382516748MAR25			Probst House March Gas Charges		0 401.1	1	405		220.46
1344060000MAR25			Snake Creek House March Fuel Charges		0 401.1	1	405		134.39
8060020000MAR25			Operations March Meter Fee		0 401.1	1	405		9.62
Total for Check/Tran - 68414:									364.47
68415 3/28/25	CHK	862	PARKLAND USA CORPORATION						24,268.51
IN-596529-25			103667/ - Mobil Pegasus 1005		0 548.0	4	220		20,164.53
IN-596561-25			12956/ - Ridgeline HD Pre-Charge Grn		0 548.1	4	187		4,103.98
Total for Check/Tran - 68415:									24,268.51
68416 3/28/25	CHK	933	WESTERN UNITED ELECTRIC SUPPLY C						148,457.76
6136390			PO Material received		0 154.0	0	0		148,457.76
68417 3/28/25	CHK	1047	US DEPT OF ENERGY						146,339.77
JJPB1643A0225			February Hydro Energy		0 555.0	5	162		146,339.77
68418 3/28/25	CHK	1091	WASATCH AUTO PARTS						150.12
315461			Unit 7 Brake parts cleaner		0 548.1	4	187		110.16
315622			Truck 271 Red N Tacky spray grease		0 592.0	3	375		39.96
Total for Check/Tran - 68418:									150.12
68419 3/28/25	CHK	1131	WHEELER MACHINERY CO.						2,264.04
PS001855472			Unit 4 GND Box black paint		0 548.1	4	235		44.40

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Accounts Payable
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03/01/2025 To 03/31/2025

Bank Account: 1 - ZIONS BANK GENERAL FUND

Check / Tran Date	Pmt Type	Vendor	Vendor Name	General Ledger				Distr Amount	Amount
				Div	Account	Dept	Actv BU Project		
PS001855471			Unit 11 paint		0 548.1	4	235		29.60
PS001856285			Unit 11 couplings, hose		0 548.1	4	235		1,124.12
PS001856286			Unit 12 couplings, hose		0 548.1	4	235		951.80
PS001856930			Unit 4 Bracket		0 548.1	4	235		114.12
								Total for Check/Tran - 68419:	2,264.04
68420 3/28/25	CHK	1148	WCF INSURANCE						48,103.00
8089210-			2025 Workers Compensation Prem		0 165.0	0	170		48,103.00
68421 3/28/25	CHK	1207	STYLED LIFE DESIGN						5,231.15
1215			New Bldg design work - April 2025		0 107.0	0	100		5,231.15
68422 3/28/25	CHK	1263	EPIC ENGINEERING						4,682.24
20250544			Material Testing on New Bldg - Feb 2025		0 107.0	0	100		4,682.24
68423 3/28/25	CHK	1291	NORCO INC						339.23
0043004167			Unit 11 Pipeliner		0 548.1	4	235		339.23
68424 3/28/25	CHK	1389	SLATE ROCK FR						1,265.27
87454			FR Clothing Kobey Thacker		0 402.1	5	125		1,265.27
								Total for Bank Account - 1 :	(158)
									3,586,581.18
								Grand Total :	(158)
									3,586,581.18

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Accounts Payable
Check Register

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PARAMETERS ENTERED:**Check Date:** 03/01/2025 To 03/31/2025**Bank:** All**Vendor:** All**Check:****Journal:** All**Format:** GL Accounting Distribution**Extended Reference:** No**Sort By:** Check/Transaction**Voids:** None**Payment Type:** All**Group By Payment Type:** No**Minimum Amount:** 0.00**Authorization Listing:** No**Credit Card Charges:** No

Agenda Item 4: 2025 Insurance Renewal



Board Meeting January 24, 2023

INSURANCE PROPOSAL

HEBER LIGHT & POWER COMPANY



OLYMPUS
INSURANCE

BART STANLEY MILLER
CHIEF FINANCIAL OFFICER

EXPERTISE.

INNOVATION.

STABILITY.



OLYMPUS
INSURANCE

220 MORRIS AVE #340
PO Box 65608
SALT LAKE CITY, UT 84165-0608
(801) 486.1373
(877) 759.9935
OLYINS.COM

April 21, 2025

Bart Stanley Miller
Chief Financial Officer
Heber Light & Power Company
31 S 100 W
Heber, UT 84032

Re: 2025-26 Coverage Program Review

Dear Bart:

For many years we have enjoyed providing essential risk and insurance services to Heber Light & Power Company. We appreciate the ongoing professional relationship.

The insurance program for the company is designed to protect against the unique insurance risks facing power organizations through well designed risk and insurance planning. These risks are evaluated on a regular basis and updated with underwriters to assure that the specific insurable risks are efficiently treated.

Effective risk and insurance planning has many elements, including the update of operational changes, asset schedules, and the overall risks facing the company.

Every year, underwriters for each of the major coverage areas provide renewal terms, including optional program enhancements which may be reviewed as part of the evaluation and approval process. The risks of the organization are dynamic in nature, including the further development of legal liability in emerging risk areas and the potential for catastrophic loss events.

INSURANCE MARKET UPDATE

The insurance market has been significantly impacted by major claims that have arisen, and adverse loss trends that occur in specific underwriting areas. In the past few years local power distribution has been impacted by frequent and severe claims that arise from:

- Wildfires
- Legal liability from the distribution of power
- Frequency of major auto claims
- Cyber liability
- Environmental liability

This has resulted in a reduction in the number of underwriters that provide insurance to local power distribution companies.

MARKETING THE COVERAGE PROGRAM

The marketing for 2025-26 included updating risk exposures, featuring risk management and loss prevention measures of the company, and contacting underwriters that have experience in successfully working with local power distribution companies.

Effective risk and insurance planning has many elements, including the update of operational changes, asset schedules, and the overall risks facing the company. When alternative qualified underwriters are also invited to offer coverage terms, they do so with a similar scope and design of coverage, with any changes noted in the proposals. The cost is based on a uniform summary of risk exposures. This ensures that the program is established at the optimal level, with all carriers offering terms according to uniform specifications.

The insurance carriers are prequalified based upon:

- Experience in providing insurance to governmental agencies.
- Specialty coverage forms, designed to protect the interest of the company
- Financial security
- Excess liability limit capacity
- Responsive claims and litigation handling

The marketing results are included in section I of this proposal.

COVERAGE REVIEW

The strongest proposal for the coming coverage period is with ASIC providing liability coverage, and Zurich providing property coverages.

The ASIC program covers liability claims excess of a designated self-insurance retention. The self-insurance retention is set at \$100,000. Responsibility for claims cost is the responsibility of the policyholder, up to the self-insured retention.

A Third-Party Administrator (TPA) is engaged to adjust claims as they arise within the retention layer. The costs of defending and managing claims are applied toward the self-insured retention, but do not erode the limits of liability.

Under a third-party claim handling arrangement, the cost of adjusting a typical claim ranges from \$700 to \$1,200. The cost of adjustment may increase based on the complexity of a claim, the number of claimants, accident reconstruction review, the potential need to engage outside counsel and other specialists, and other factors.

The ASIC program does not offer physical damage coverage for automobiles. However, the risk of losing many vehicles while parked may be covered under an inland marine policy. This policy would provide coverage at the designated location(s) where vehicles are parked, up to the aggregate value of all the vehicles. Based on the composition of the company's fleet, the projected aggregate value of parked vehicles is \$3,588,485. At this value, the estimated cost for this coverage would be in the range of \$25,000 to \$30,000. The final values of parked vehicles and precise location(s) would also need to be reconfirmed.

EXPOSURE REVIEW

The company's exposures are reviewed and updated annually. This ensures an accurate rating of the insurance program. The schedule of property locations has had a moderate valuation increase to provide coverage to the estimated replacement value at each location.

EXCESS LIABILITY LIMITS

The excess liability coverage protects against catastrophic liability claims and litigation, which often involve significant injury or property damage. The excess limit is set according to the scope of operations, litigation trends, the median value of the homes, and local dynamics of those who receive power in the service area.

CYBER LIABILITY

The cyber liability insurance market continues to be impacted by the effects of ransomware and other cyber liability risks. The present insurer for the company is Coalition, which is offering a renewal with similar coverage terms.

Cyber insurance companies continue to have rigorous cyber security standards, such as:

- Multi-factor authentication on email, cloud deployments, remote access, and administrative access
- Critical Vulnerabilities
- Hardware and software applications, patch management, and system upgrades
- Incident response plans
- Open ports review
- System back up capabilities.

Cyber liability coverage was marketed to the leading underwriters in 2022, with Coalition providing the most responsive coverage and limit program. They continue to offer renewal coverage on a multiyear rate basis, which ensures continuity of coverage at a stable cost.

FINANCIAL SECURITY

The financial security of each insurance company is of vital importance, to assure that any claims obligations will be met. Annually, insurance companies are evaluated and receive ratings from the following ratings agencies:

Carrier	Year Founded	Gross Written Premium	Total Assets	Combined Ratio	AM Best Rating and Financial Size	Moody's	S&P	Admitted
ASIC	1971	\$2.0B	\$1.5B	102%	A- IX (\$250M - \$500M)	NR	NR	No
Chubb	1882	\$37.9B	\$167B	96%	A++ XV (\$2.0B+)	A3	AA	Yes
Coalition	2001	\$3.3B	\$32B	101%	A+ XV (\$2.0B+)	A2	A+	No
Travelers	1853	\$29.2B	\$104.2B	92%	A++ XV (\$2.0B+)	A2	AA	Yes
Zurich	1872	\$33.1B	\$422B	94%	A+ XV (\$2.0B+)	A3	AA-	Yes

The carrier ratings of each of these insurance companies meets or exceeds the minimum rating criteria for placement of coverage on behalf of Heber Light & Power Company.

SERVICE PLAN

In addition to the services proposed, we may provide the following services at your direction:

- Assist HL&P in setting up third party claims administration & reporting criteria to the insurance company
- Review aggregate values of parked vehicles
- Cyber/Crime Loss Prevention
- Drug Free Workplace / Reasonable Suspicion
- Ethics / Fraud Prevention Training
- Fleet Safety Program Review
- Safe Driver Training
- Safety & Health Survey

EMERGING RISK AREAS

FIDUCIARY LIABILITY

Claims continue to increase against the administrators of employee benefit and retirement plans. These claims arise out of allegations of wrongful acts or breach of fiduciary duty in the administration of plans. The most common allegations include excessive fees, administrative errors, change of benefits, incorrect benefit calculation, misleading representation, conflict of interest and imprudent investments / investment offering. An assessment of this coverage may be completed at your direction.

ENVIRONMENTAL LIABILITY

The risks involved in environmental liability include both the direct cost of cleanup for significant environmental events, third-party liability and regulatory compliance. In recent years the scope of the risks has been enlarged to include power utility operations. The number of potential pollutants has increased by over 90 contaminants. A fresh assessment of the risks and potential cost of coverage may be completed, with your approval.

We appreciate the continued confidence placed in our firm to provide these essential insurance and risk management services to Heber Light & Power Company.

Sincerely,

B. Darrell Child
Executive Vice President

CONTENTS

SECTION I	MARKETING RESULTS
SECTION II	ASIC / ZURICH PROPOSAL PROPERTY & LIABILITY PACKAGE
SECTION III.....	LIBERTY MUTUAL / ZURICH PROPOSAL PROPERTY & LIABILITY PACKAGE
SECTION IV	EXPOSURES EXPOSURES SUMMARY SCHEDULES
SECTION V	LOSS ANALYTICS
SECTION VI	ASIC SAMPLE POLICY
SECTION VII.....	CYBER LIABILITY SUBJECTIVITY
SECTION VIII.....	SERVICE PLAN

Heber Light & Power Company
Coverage Marketing Summary
2025 - 2026

Property & Liability Package					
Carrier	Premium	Limit	Notes		
AIG	\$500,000	\$5,000,000	Indication - \$500,000 Minimum Premium		
Allied World	\$430,000	\$1,000,000	Indication - \$430,000 to \$450,000; would need separate excess liability placement		
Allianz	Declined - Unable to offer terms				
Arch	Declined - Unable to offer terms				
Ascot	Declined - Unable to offer terms				
ASIC / Zurich	\$392,102	\$5,000,000	\$100,000 Retention; Wildfire exclusion		
Berkshire	Declined - Unable to offer terms				
Chubb	Declined - Unable to offer terms				
CNA	Declined - Unable to offer terms				
Colony	Declined - Unable to offer terms				
Everest	Declined - Unable to offer terms				
Great American	Declined - Unable to offer terms				
Hartford	Declined - Unable to offer terms				
HCC	Declined - Unable to offer terms				
Hudson	Declined - Unable to offer terms				
James River	Declined - Unable to offer terms				
Kinsale	Declined - Unable to offer terms				
Liberty / Zurich	\$797,692	\$5,000,000	Wildfire exclusion; Includes WC		
Markel	Declined - Unable to offer terms				
Munich Re	Declined - Unable to offer terms				
Philadelphia	Declined - Unable to offer terms				
RSUI	Declined - Unable to offer terms				
Scottsdale	Declined - Unable to offer terms				

Heber Light & Power Company
Coverage Marketing Summary
2025 - 2026

Property & Liability Package			
Carrier	Premium	Limit	Notes
Sompo			Declined - Unable to offer terms
Starr			Declined - Unable to offer terms
StarStone			Declined - Unable to offer terms
Swiss Re			Declined - Unable to offer terms
Travelers			Declined - Unable to offer terms

Heber Light & Power Company
Insurance Proposal
2025 - 2026

Coverage	Carrier	Limits	Deductible	25/26 Premium
Property	Zurich (A+ XV) 5/5/25 - 5/5/26	\$ 22,220,550 Total Insured Value		
		\$ 3,769,000 Building	\$ 50,000	
		\$ 1,208,000 Contents	\$ 50,000	
		\$ 147,000 EDP	\$ 50,000	
		\$ 11,302,000 Tubines / Generators	\$ 100,000	
		\$ 5,794,550 Substations / Transformers	\$ 50,000	
		\$ 5,000,000 Earth Movement (Aggregate) Location Limits Apply Per Schedule	2% / \$50,000 Min. / Generating Equip. \$100,000	
		\$ 5,000,000 Flood Location Limits Apply Per Schedule	2% / \$50,000 Min. / Generating Equip. \$100,000	
		Wind / Hail	1% / \$50,000 Min.	
		\$ 100,000 Professional Fees	\$ 50,000	
		\$ 250,000 Increased Cost of Construction	\$ 50,000	
		\$ 100,000 Computer Equipment - Owned / Leased	\$ 50,000	
		\$ 500,000 Extra Expense	\$ 50,000	
		\$ 100,000 Fine Arts (\$25,000 per item)	\$ 50,000	
		\$ 250,000 Decontamination Costs	\$ 50,000	
		\$ 500,000 Expediting Expense	\$ 50,000	
		\$ 100,000 Land Improvements; \$1,000 per tree	\$ 50,000	
		\$ 250,000 Miscellaneous Personal Property	\$ 50,000	
		\$ 250,000 Miscellaneous Unnamed Locations	\$ 50,000	
		\$ 1,000,000 Newly Acquired Premises Buildings & Contents (90 days)	\$ 50,000	
		\$ 500,000 Property in Transit	\$ 50,000	
		\$ 100,000 Unintentional Errors and Omissions	\$ 50,000	
		\$ 250,000 Valuable Papers and Records	\$ 50,000	
		\$ 25,000 Pollutant Clean up and Removal	\$ 50,000	
		\$ 500,000 Civil or Military Authority (30 Days) Exclusion: Upper Snake Creek, Lower Snake Creek Hydros		\$ 55,937
Inland Marine	Zurich (A+ XV) 5/5/25 - 5/5/26	\$ 219,800 Scheduled Equipment	\$ 10,000	
		\$ 100,000 Rented Contractors Equipment (<60 Days)	\$ 10,000	
		\$ 1,200,000 1 MW Battery - Cat Energy Shift BDP 1000 Inverter	\$ 100,000	
		\$ 1,200,000 Cat G3520DSL 1850kW Generator	\$ 100,000	
Boiler & Machinery	Travelers (A+ + XV) 5/5/25 - 5/5/26	\$ 13,534,550 Total Insured Value Scheduled Generators and Transformers Only	\$25,000 min. / \$1.50 per KVA Trans. / \$25,000 Generating	
		\$ 1,000,000 Newly Acquired Buildings & Contents (180 Days)	\$ 25,000	
		\$ 250,000 Business Income (100% Coinsurance)	2 Days, 10 Days Generation	
		\$ 250,000 Expediting Expense	\$ 25,000	
		\$ 250,000 Spoilage Damage	\$ 25,000	
		\$ 1,500,000 Ordinance or Law	\$ 25,000	
		\$ 25,000 Errors and Omissions	\$ 25,000	
		\$ 100,000 Fungus, Wet Rot and Dry Rot	\$ 25,000	
		\$ 250,000 Refrigerant Contamination	\$ 25,000	
		\$ 100,000 Data and Media	\$ 25,000	
		\$ 250,000 Hazardous Substances	\$ 25,000	
		\$ 250,000 Water Damage	\$ 25,000	
		\$ 25,000 Drying Out	\$ 25,000	\$ 59,807

Heber Light & Power Company
Insurance Proposal
2025 - 2026

Coverage	Carrier	Limits	Deductible	25/26 Premium
General Liability	ASIC (A XV) 5/5/25 - 5/5/26 Non-Admitted	\$ 5,000,000 Aggregate \$ 5,000,000 Occurrence \$ 5,000,000 Employee Benefits Liability (Retro 5/5/2004) \$ 1,000,000 Damage to Premises Rented to You Excluded Wildfire	\$ 100,000 \$ 100,000 \$ 100,000	\$ 238,289
Automobile Liability	ASIC (A XV) 5/5/25 - 5/5/26 Non-Admitted	\$ 5,000,000 Each Accident \$ 1,000,000 Hired / Non-Owned Auto Liability Excluded Uninsured / Underinsured Motorist	\$ 100,000 \$ 100,000	
Public Officials Liability / Employment Practices Liability	Chubb (A+ + XV) 5/5/25 - 5/5/26	\$ 3,000,000 Occurrence \$ 3,000,000 Aggregate \$ 25,000 Crisis Management Fund	\$ 25,000 \$ 25,000 \$ -	\$ 15,557
Unmanned Aircraft	Global Aerospace 5/5/25 - 5/5/26	\$ 1,000,000 Unmanned Aircraft Liability	\$ -	\$ 1,650
Crime	Travelers (A+ + XV) 5/5/25 - 5/5/26	\$ 800,000 Blanket Employee Dishonesty \$ 800,000 ERISA Fidelity \$ 800,000 Forgery or Alteration \$ 800,000 On Premises \$ 800,000 In Transit \$ 800,000 Money Orders & Counterfeit Money \$ 800,000 Computer Fraud \$ 100,000 Computer Program and Electronic Data Restoration \$ 800,000 Funds Transfer Fraud \$ 5,000 Claim Expense	\$ 2,500 \$ 2,500 \$ 2,500 \$ 2,500 \$ 2,500 \$ 2,500 \$ 2,500 \$ 2,500 \$ 2,500 \$ -	\$ 2,294
ID Fraud	Travelers (A+ + XV) 5/5/25 - 5/5/26	\$ 25,000 Per Employee	\$ -	\$ 285
Cyber Liability	Coalition 5/5/25 - 5/5/26 Arch - 30% Fortegra - 35% Aspen - 10% Firemans Fund - 20% Vantage - 5% Non-Admitted	\$ 2,000,000 Aggregate Limit \$ 2,000,000 Network and Information Security Liability \$ 2,000,000 Regulatory Defense and Penalties \$ 2,000,000 Multimedia Content Liability \$ 2,000,000 PCI Fines and Assessments \$ 2,000,000 Breach Response \$ 2,000,000 Crisis Management and Public Relations \$ 2,000,000 Cyber Extortion \$ 2,000,000 Business Interruption and Extra Expense (8 Hr WP) \$ 2,000,000 Digital Asset Restoration \$ 250,000 Funds Transfer Fraud \$ 2,000,000 Breach Response Separate Limit \$ 2,000,000 Computer Replacement \$ 100,000 Service Fraud \$ 1,000,000 Reputational Harm Loss (14 day WP)	\$ 10,000 \$ 25,000 \$ 10,000 \$ 10,000 \$ 10,000 \$ 10,000	\$ 18,283
		Conditions Resolve Security Finding: Exposed Miniserv Technology		
			Total Premium	\$ 392,102

Heber Light & Power Company
Insurance Proposal
2025 - 2026

Options					
Coverage	Carrier	Description			Estimated Premium
Excess Liability - 2	Admiral (A+ XV) 5/5/25 - 5/5/26	\$ 5,000,000 Occurrence \$ 5,000,000 Aggregate Excluded Wildfire <u>Excess of:</u> General Liability, Automobile Liability, Employers Liability. Total Liability Limit - \$10,000,000		\$ Excess of 5,000,000	\$ 58,000

Heber Light & Power Company
Insurance Proposal
2025 - 2026

Coverage	Carrier	Limits	Deductible	25/26 Premium
Property	Zurich (A+ XV) 5/5/25 - 5/5/26	\$ 22,220,550 Total Insured Value		
		\$ 3,769,000 Building	\$ 50,000	
		\$ 1,208,000 Contents	\$ 50,000	
		\$ 147,000 EDP	\$ 50,000	
		\$ 11,302,000 Tubines / Generators	\$ 100,000	
		\$ 5,794,550 Substations / Transformers	\$ 50,000	
		\$ 5,000,000 Earth Movement (Aggregate) Location Limits Apply Per Schedule	2% / \$50,000 Min. / Generating Equip. \$100,000	
		\$ 5,000,000 Flood Location Limits Apply Per Schedule	2% / \$50,000 Min. / Generating Equip. \$100,000	
		Wind / Hail	1% / \$50,000 Min.	
		\$ 100,000 Professional Fees	\$ 50,000	
		\$ 250,000 Increased Cost of Construction	\$ 50,000	
		\$ 100,000 Computer Equipment - Owned / Leased	\$ 50,000	
		\$ 500,000 Extra Expense	\$ 50,000	
		\$ 100,000 Fine Arts (\$25,000 per item)	\$ 50,000	\$ 55,937
		\$ 250,000 Decontamination Costs	\$ 50,000	
		\$ 500,000 Expediting Expense	\$ 50,000	
		\$ 100,000 Land Improvements; \$1,000 per tree	\$ 50,000	
		\$ 250,000 Miscellaneous Personal Property	\$ 50,000	
		\$ 250,000 Miscellaneous Unnamed Locations	\$ 50,000	
		\$ 1,000,000 Newly Acquired Premises Buildings & Contents (90 days)	\$ 50,000	
		\$ 500,000 Property in Transit	\$ 50,000	
		\$ 100,000 Unintentional Errors and Omissions	\$ 50,000	
		\$ 250,000 Valuable Papers and Records	\$ 50,000	
		\$ 25,000 Pollutant Clean up and Removal	\$ 50,000	
		\$ 500,000 Civil or Military Authority (30 Days) Exclusion: Upper Snake Creek, Lower Snake Creek Hydros		
Inland Marine	Zurich (A+ XV) 5/5/25 - 5/5/26	\$ 219,800 Scheduled Equipment	\$ 10,000	
		\$ 100,000 Rented Contractors Equipment (<60 Days)	\$ 10,000	
		\$ 1,200,000 1 MW Battery - Cat Energy Shift BDP 1000 Inverter	\$ 100,000	
		\$ 1,200,000 Cat G3520DSL 1850kW Generator	\$ 100,000	
Boiler & Machinery	Travelers (A++ XV) 5/5/25 - 5/5/26	\$ 13,534,550 Total Insured Value Scheduled Generators and Transformers Only	\$25,000 min. / \$1.50 per KVA Trans. / \$25,000 Generating	
		\$ 1,000,000 Newly Acquired Buildings & Contents (180 Days)	\$ 25,000	
		\$ 250,000 Business Income (100% Coinsurance)	2 Days, 10 Days Generation	
		\$ 250,000 Expediting Expense	\$ 25,000	
		\$ 250,000 Spoilage Damage	\$ 25,000	
		\$ 1,500,000 Ordinance or Law	\$ 25,000	\$ 59,807
		\$ 25,000 Errors and Omissions	\$ 25,000	
		\$ 100,000 Fungus, Wet Rot and Dry Rot	\$ 25,000	
		\$ 250,000 Refrigerant Contamination	\$ 25,000	
		\$ 100,000 Data and Media	\$ 25,000	
		\$ 250,000 Hazardous Substances	\$ 25,000	
		\$ 250,000 Water Damage	\$ 25,000	
		\$ 25,000 Drying Out	\$ 25,000	

Heber Light & Power Company
Insurance Proposal
2025 - 2026

Coverage	Carrier	Limits	Deductible	25/26 Premium
General Liability	Liberty Mutual (A VX) 5/5/25 - 5/5/26	\$ 2,000,000 Aggregate \$ 1,000,000 Occurrence \$ 1,000,000 Employee Benefits Liability (Retro 5/5/2004) \$ 1,000,000 Damage to Premises Rented to You Excluded Wildfire Subject to Audit: \$6,165,500 Estimated Field Payroll	\$ - \$ - \$ - \$ -	\$ 180,821
Automobile Liability	Liberty Mutual (A VX) 5/5/25 - 5/5/26	\$ 1,000,000 Each Accident \$ 1,000,000 Hired / Non-Owned Auto Liability Excluded Uninsured / Underinsured Motorist	\$ - \$ -	\$ 129,600
Workers Compensation	Liberty Mutual (A VX) 5/5/25 - 5/5/26	\$ Statutory Workers Compensation \$ 1,000,000 Employers Liability Subject to Audit: \$7,784,590 Total Estimated Payroll	\$ - \$ -	\$ 66,121
Excess Liability	Liberty Mutual (A VX) 5/5/25 - 5/5/26	\$ 5,000,000 Each Accident \$ 5,000,000 Hired / Non-Owned Auto Liability	Excess of Underlying	\$ 267,337
Public Officials Liability / Employment Practices Liability	Chubb (A+ + XV) 5/5/25 - 5/5/26	\$ 3,000,000 Occurrence \$ 3,000,000 Aggregate \$ 25,000 Crisis Management Fund	\$ 25,000 \$ 25,000 \$ -	\$ 15,557
Unmanned Aircraft	Global Aerospace 5/5/25 - 5/5/26	\$ 1,000,000 Unmanned Aircraft Liability	\$ -	\$ 1,650
Crime	Travelers (A+ + XV) 5/5/25 - 5/5/26	\$ 800,000 Blanket Employee Dishonesty \$ 800,000 ERISA Fidelity \$ 800,000 Forgery or Alteration \$ 800,000 On Premises \$ 800,000 In Transit \$ 800,000 Money Orders & Counterfeit Money \$ 800,000 Computer Fraud \$ 100,000 Computer Program and Electronic Data Restoration \$ 800,000 Funds Transfer Fraud \$ 5,000 Claim Expense	\$ 2,500 \$ -	\$ 2,294
ID Fraud	Travelers (A+ + XV) 5/5/25 - 5/5/26	\$ 25,000 Per Employee	\$ -	\$ 285

Heber Light & Power Company
Insurance Proposal
2025 - 2026

Coverage	Carrier	Limits		Deductible	25/26 Premium
Cyber Liability	Coalition	\$ 2,000,000	Aggregate Limit		
	5/5/25 - 5/5/26	\$ 2,000,000	Network and Information Security Liability	\$ 10,000	
		\$ 2,000,000	Regulatory Defense and Penalties	\$ 10,000	
	Arch - 30%	\$ 2,000,000	Multimedia Content Liability	\$ 10,000	
	Fortegra - 35%	\$ 2,000,000	PCI Fines and Assessments	\$ 10,000	
	Aspen - 10%	\$ 2,000,000	Breach Response	\$ 10,000	
	Firemans Fund - 20%	\$ 2,000,000	Crisis Management and Public Relations	\$ 10,000	
	Vantage - 5%	\$ 2,000,000	Cyber Extortion	\$ 10,000	
		\$ 2,000,000	Business Interruption and Extra Expense (8 Hr WP)	\$ 10,000	
		\$ 2,000,000	Digital Asset Restoration	\$ 10,000	\$ 18,283
		\$ 250,000	Funds Transfer Fraud	\$ 25,000	
		\$ 2,000,000	Breach Response Separate Limit	\$ 10,000	
		\$ 2,000,000	Computer Replacement	\$ 10,000	
		\$ 100,000	Service Fraud	\$ 10,000	
		\$ 1,000,000	Reputational Harm Loss (14 day WP)	\$ 10,000	
		Conditions		Resolve Security Finding: Exposed Miniserv Technology	
				Total Premium	\$ 797,692

Heber Light & Power Company

Exposure Summary

2025 - 2026

Exposures	2024	2025	% of Change
Total Revenue	\$ 25,813,749	\$ 28,789,634	11.5%
Payroll - 7539 Electric Utility	\$ 5,802,163	\$ 6,165,500	6.3%
Payroll - 8810 Clerical	\$ 1,456,178	\$ 1,619,090	11.2%
Payroll - Total	\$ 7,258,341	\$ 7,784,590	7.3%
Total Employees	46	47	2.2%
Board Members	6	6	0.0%
Residential Connections	12,660	13,356	5.5%
Commercial Connections	2,418	2,362	-2.3%
Miles of Above Ground Distribution Line	218	221	1.4%
Miles of Under Ground Distribution Line	503	533	6.0%
Number of Distribution Poles	5,152	5,186	0.7%
Miles of Above Ground Transmission Line	21	23	9.5%
Miles of Under Ground Transmission Line	0	0	0.0%
Number of Transmission Poles	372	373	0.3%
Total Generating Capacity (MW)	15.55	17	9.3%
Number of Drivers	47	46	-2.1%
Number of Vehicles	33	39	18.2%
Vehicle Value	\$ 2,802,226	\$ 3,588,485	28.1%
Inland Marine Value	\$ 2,619,800	\$ 2,619,800	0.0%
Property Value	\$ 22,614,550	\$ 22,220,550	-1.7%

Heber Light & Power Company
Property Schedule
2025 - 2026

Tot. No.	Loc. No.	Bld. No.	Property Location	GPS	Property Description	Building Limit	Contents Limit	EDP	Generator	
									Type	Value
1	1	1	31 South 100 West Heber, UT	40° 30' 25.67" N 111° 24' 53.70" W	Heber Light & Power Office	\$ 725,000	\$ 73,000	\$ 64,000		
2	2	1	320 South 600 West Heber, UT	40° 30' 12.72" N 111° 25' 24.71" W	Equipment Garage Line Shop	\$ 364,000	\$ 51,000			
3	3	1	Lake Creek Heber, UT	40° 29' 36.98" N 111° 18' 44.78" W	Hydro Electric Plant	\$ 318,000	\$ 217,000			
4	4	1	350 South 700 West Heber, UT	40° 30' 11.63" N 111° 25' 29.21" W	Ray Farrell Gas Plant #2	\$ 217,000	\$ 364,000			\$ 5,868,000
5	4	2	350 South 700 West Heber, UT	40° 30' 11.63" N 111° 25' 29.21" W	Ray Farrell Gas Plant #3	\$ 217,000	\$ 364,000			\$ 5,434,000
6	4	3	350 South 700 West Heber, UT		Garage / Shop Substation Dept. Offices	\$ 580,000				
7	5	1	300 South 745 West Heber, UT	40° 30' 12.0" N 111° 25' 32.1" W	Operations Center	\$ 580,000	\$ 127,000	\$ 83,000		
8	6	1	165 South 910 West Heber, UT	40° 30' 20" N 111° 25' 21" W	Heber Substation					
9	7	1	500 South 700 West Midway, UT	40° 30' 11" N 111° 29' 16" W	Midway Substation					
10	8	1	1430 South Hwy 40 Heber, UT		Jail House Substation					
11	9	1	1500 W 700 S Heber, UT	40° 29' 51.82" N 111° 26' 13.01" W	Southfields Substation					
12	10	1	1465 W 650 S Heber, UT	40° 29' 56.24" N 111° 26' 9.92" W	Single Family Residence	\$ 768,000	\$ 12,000			
					Totals	\$ 3,769,000	\$ 1,208,000	\$ 147,000		
					TIV	\$ 22,220,550				

Signature _____

Title

Date

Heber Light & Power Company
Property Schedule
2025 - 2026

Tot. No.	Loc. No.	Bld. No.	Property Location	GPS	Substation / Transformers	Year Built	No. Stories	Sprinklers	Const. Type	Sq Ft. Capacity	Video Surv.	EQ Zone	Flood Zone	Date Valued
1	1	1	31 South 100 West Heber, UT	40° 30' 25.67" N 111° 24' 53.70" W		1973	1		Frame	2,500		1		10/31/24
2	2	1	320 South 600 West Heber, UT	40° 30' 12.72" N 111° 25' 24.71" W		1979	1		Steel	3,500		1		10/31/24
3	3	1	Lake Creek Heber, UT	40° 29' 36.98" N 111° 18' 44.78" W		1981	1		JM	1,800	Y			10/31/24
4	4	1	350 South 700 West Heber, UT	40° 30' 11.63" N 111° 25' 29.21" W		1995	1		Frame	3,200	Y	1		10/31/24
5	4	2	350 South 700 West Heber, UT	40° 30' 11.63" N 111° 25' 29.21" W	\$ 376,000	2004	1	Y	Steel	9,000	Y	1		10/31/24
6	4	3	350 South 700 West Heber, UT			2013	2		Steel	6,430		1		10/31/24
7	5	1	300 South 745 West Heber, UT	40° 30' 12.0" N 111° 25' 32.1" W		1979	1		Frame	5,000		1		10/31/24
8	6	1	165 South 910 West Heber, UT	40° 30' 20" N 111° 25' 21" W	\$ 437,000		N/A		Steel	N/A				10/31/24
9	7	1	500 South 700 West Midway, UT	40° 30' 11" N 111° 29' 16" W	\$ 437,000	2000	N/A		Steel	N/A		1		10/31/24
10	8	1	1430 South Hwy 40 Heber, UT		\$ 564,000	2002 / 2013	N/A		Steel	N/A		1		10/31/24
11	9	1	1500 W 700 S Heber, UT	40° 29' 51.82" N 111° 26' 13.01" W	\$ 3,980,550	2002 / 2013	N/A		Steel	N/A		1		10/31/24
12	10	1	1465 W 650 S Heber, UT	40° 29' 56.24" N 111° 26' 9.92" W		2003	1		Frame	4,400				10/31/24
\$ 5,794,550														

Signature

Title

Date

Heber Light & Power Company
Generator Schedule
2025 - 2026

Item #	Unit #	Description	Location	Replacement Cost Value	Fuel Type	Use	Manufacturer	Year Built	Output	Warranty	B&M
1	1	G3516 C	Ray Farrell Plant #2	\$ 1,308,000	Natural Gas	Peak	Caterpillar	2005	1,350 kW	No	No
2	4	G3520 C	Ray Farrell Plant #3	\$ 1,308,000	Natural Gas	Peak	Caterpillar	2005	1,850 kW	No	No
3	7	G3520 C	Ray Farrell Plant #2	\$ 1,308,000	Natural Gas	Peak	Caterpillar	2005	1,850 kW	No	Yes
4	8	G3520 C	Ray Farrell Plant #2	\$ 1,308,000	Natural Gas	Peak	Caterpillar	2005	1,850 kW	Yes*	Yes
5	11	G3516H	Ray Farrell Plant #3	\$ 1,246,000	Natural Gas	Peak	Caterpillar	2014	1,648 kW	Yes~	No
6	12	G3520H	Ray Farrell Plant #3	\$ 1,441,000	Natural Gas	Peak	Caterpillar	2014	2,150 kW	Yes~	No
7	13	G3520DSL	Ray Farrell Plant #3	\$ 1,439,000	Natural Gas	Peak	Caterpillar	2019	2,600 kW	Yes~	No
8	5	G3516DSL	Ray Farrell Plant #2	\$ 1,944,000	Natural Gas	Peak	Caterpillar	2022	1550 kW	Yes~	No
Total				\$ 11,302,000							

* Generator only

~ Generator and Engine

Signature

Title

Date

Heber Light & Power Company

Transformer Schedule

2025 - 2026

Item #	Description	Location	Replacement Cost Value	Rating	Manufacturer	Year Built
1	Substation	Midway Substation	\$ 437,000	10/12.5/14	Virginia	2011
2	Substation	Jailhouse	\$ 564,000	12/16/22.5	Virginia	2013
3	Cat Power Plant	Gas Plant 3 Substation	\$ 376,000	10 MVA	Delta Star	2015
4	Substation	Heber Substation	\$ 437,000	12/16/22.5	ABB	2016
5	Substation	Southfields Substation	\$ 1,076,560	12/16/20	Siemens	2023
6	Substation	Southfields Substation	\$ 1,076,560	12/16/20	Siemens	2023
7	Substation	Southfields Substation	\$ 1,827,430	60/80/100	Siemens	2023
		Total	\$ 5,794,550			

Signature

Title

Date

Heber Light & Power Company

Inland Marine Schedule

2025 - 2026

Item #	Year	Description	Make	Model	Serial Number	Value
1	2019	Skid Steer	Caterpillar	246DC3HF	0246DLBYF04929	\$ 39,800
2		Backhoe	John Deere	320-P	1T0320PAPRX10030	\$ 95,000
3	2017	JCB 557-1 Mini Excavator	JCB	557-1	JCB055Z11HG1924516	\$ 35,000
4	2019	304DC3H Mini Excavator	Caterpillar	304DC3H	ME407370	\$ 50,000
5	2022	1 MW Battery - Cat Energy Shift BDP 1000 Inverter				\$ 1,200,000
6	2022	Cat G3520DSL 1850kW Generator	Caterpillar	G3520DSL		\$ 1,200,000
					Total	\$ 2,619,800

Signature

Title

Date

Heber Light & Power Company

Automobile Schedule

2025 - 2026

Veh #	Year	Make	Model	VIN	Other Than Collision	Collision	Cost New
1	2001	Ford	F750	3FDXF75H91MA68134	Liability Only		\$ 104,830
2	2013	Altec	DM47-TR / SN: 0912DV5787	1HTWEAAN4DJ300218	Liability Only		\$ 237,528
3	2014	International	4400 Altec TA	3HAMKAZNXEL790459	Liability Only		\$ 209,256
4	2015	Ford	F-350	1FD8X3BT7FEC72009	Liability Only		\$ 34,200
5	2016	Ford	F-550	1FDUF5HTXGEB99305	Liability Only		\$ 110,000
6	2017	Ford	F-150	1FTFW1EG2HKD84187	Liability Only		\$ 27,000
7	2018	Ford	F-550	1FD0X5HT6JEC25871	Liability Only		\$ 58,000
8	2018	Ford	F-550	1FD0X5HT8JEC25872	Liability Only		\$ 58,000
9	2018	Ford	F-550	1FD0X5HTXJEC25873	Liability Only		\$ 58,000
10	2018	Dodge	Ram 1500	1C6RR7XTXJS256763	Liability Only		\$ 41,000
11	2018	Mack	700 Line Tk	1M2AX02C8JM002950	Liability Only		\$ 175,000
12	2019	Dodge	1500 Crew Cab	1C6RR7ST0KS731099	Liability Only		\$ 26,703
13	2019	Dodge	1500 Crew Cab	1C6RR7ST3KS731100	Liability Only		\$ 26,703
14	2020	Freightliner	M2-106	1FVDCXFC2LHLB9120	Liability Only		\$ 196,520
15	2020	Ford	F-150	1FTFW1E52LKD34641	Liability Only		\$ 31,580
16	2020	Ford	F-550	1FD0W5HT7LEC49893	Liability Only		\$ 48,681
17	2019	Freightliner	M2-106	1FVKCYFE1KHKC8210	Liability Only		\$ 331,650
18	2020	Ford	F-150	1FTFW1E49LKE66240	Liability Only		\$ 32,360
19	2020	Ford	F-150	1FTFW1E42LKE66239	Liability Only		\$ 32,360
20	2021	Ford	Ranger	1FTER4FH6MLD46915	Liability Only		\$ 38,700
21	2021	Ford	F-550	1FD0X5HT2MED49771	Liability Only		\$ 65,000
22	2005	International	7500	1HTWMAZR85J143644	Liability Only		\$ 102,100
23	2022	Dodge	Ram 5500	3C7WRNBL0NG155805	Liability Only		\$ 144,727
24	2022	Ford	F-150	1FT6W1EV1NWG00646	Liability Only		\$ 55,000
25	2022	Ford	F-150	1FTFW1E88NKE45899	Liability Only		\$ 39,000
26	2022	Ford	F-150	1FTFW1E84NKE11555	Liability Only		\$ 39,000
27	2022	Dodge	Ram 1500	3C6RR7KG7NG413432	Liability Only		\$ 44,000
28	2022	Dodge	Ram 1500	3C6RR7KG9NG413433	Liability Only		\$ 44,000
29	2022	Dodge	Ram 3500	3C7WRTCL6NG279967	Liability Only		\$ 44,000
30	2024	Freightliner	M2-106	1FVACXFC9RHUX4215	Liability Only		\$ 253,795
31	2022	Ford	F-150	1FTEW1EP1NKF06500	Liability Only		\$ 39,000
32	2023	Ford	F-150	1FTEW1EP2PKF61962	Liability Only		\$ 49,000
33	2024	Ford	Expedition	1FMJK1J83REA23048	Liability Only		\$ 65,000
34	2024	Ford	F-150	1FTFW1L84RKE17123	Liability Only		\$ 49,000

Heber Light & Power Company
Automobile Schedule
2025 - 2026

Veh #	Year	Make	Model	VIN	Other Than Collision	Collision	Cost New
35	2024	Ford	F-150	1FTFW1L87RKE14877	Liability Only	\$ 49,000	
36	2025	Freightliner	M2-106	3ALDCXFC8SDVY5976	Liability Only	\$ 274,396	
37	2025	Freightliner	M2-106	3ALDCXFCXSDVY5980	Liability Only	\$ 274,396	
38	2025	Chevrolet	Silverado	1GCUKAED0SZ247823	Liability Only	\$ 40,000	
39	2025	Chevrolet	Silverado	1GCUKAED4SZ247498	Liability Only	\$ 40,000	
					Total	\$ 3,588,485	

Signature

Title

Date

Heber Light & Power Company

Driver Schedule

2025 - 2026

Driver No.	Employee Name	DL #	State Issued	Birthdate	Year Licensed
1	Travis R Broadhead	****7117	UT	On File	1988
2	Andrew Dredrickson	****8119	UT	On File	1998
3	Jeremy Motley	****1759	UT	On File	1990
4	Jason Norlen	****9449	UT	On File	1985
5	Jacob Parcell	****4294	UT	On File	1995
6	Brian Stanley	****2633	UT	On File	1979
7	Kelly Sweat	****3679	UT	On File	1984
8	Jared W Wright	****5972	UT	On File	1992
9	Riley Wright	****6814	UT	On File	1994
10	Cathie Bethers	****1848	UT	On File	1981
11	Emily Brandt	****1884	UT	On File	1999
12	Shayne Cluff	****9452	UT	On File	1986
13	Chad Daley	****0631	UT	On File	1995
14	Mark Ford	****4808	UT	On File	1976
15	Chase Brereton	****9543	UT	On File	2001
16	Karly Shindler	****8179	UT	On File	1980
17	Bart Miller	****5849	UT	On File	1993
18	Colton Bangerter	****6492	UT	On File	2007
19	Travis Jepperson	****8109	UT	On File	1998
20	Lindy Allen	****6384	UT	On File	1997
21	Jacob Mont Duke	****1263	UT	On File	2006
22	Jess Graham	****9317	UT	On File	1983
23	Aime Bethers	****6513	UT	On File	1994
24	Josh Giles	****7006	UT	On File	2010
25	Jordan Behunin	****4413	UT	On File	2002
26	Colby Houghton	****8356	AZ	On File	1995
27	Devin Thacker	****8617	UT	On File	2002
28	Devan Clyde	****3054	UT	On File	2014
29	Chelsea Malani	****8003	UT	On File	2020
30	Wesley Rowley	****0490	UT	On File	2008
31	Logan Ulibarri	****4906	UT	On File	2014
32	Burke Coleman	****9710	UT	On File	2018
33	Rylee Allen	****1229	UT	On File	2004
34	Brooklynn Webster	****2331	UT	On File	2019
35	Chelsea McPhie	****0280	UT	On File	2019
36	Thomas Byrne	****2598	UT	On File	1999
37	Patricio Hernandez	****0275	UT	On File	2004
38	Brady Daybell	****2751	UT	On File	2000
39	Kelly Neumann	****6417	UT	On File	1996
40	Steven Henning	****6478	UT	On File	2001
41	Kolbe Ward	****4037	UT	On File	2020
42	Mark Walker	****6894	UT	On File	2013
43	Chase Sabey	****4020	UT	On File	2016
44	Andrue Holmes	****3373	UT	On File	2014
45	Joshua R Gustin	****4229	UT	On File	1994
46	Kobey Thacker	****8686	UT	On File	2017

Signature

Title

Date



Heber Light & Power Company

Drone Schedule

2025 - 2026

Item #	Year	Make	Model	Serial Number	Weight
1	2019	DJI	Matrice 210	0G0DEAU0230193	5.15 kg
2	2025	DJI	M30T RTK	1581F5BKX253M00F00NZ	

Signature

Title

Date

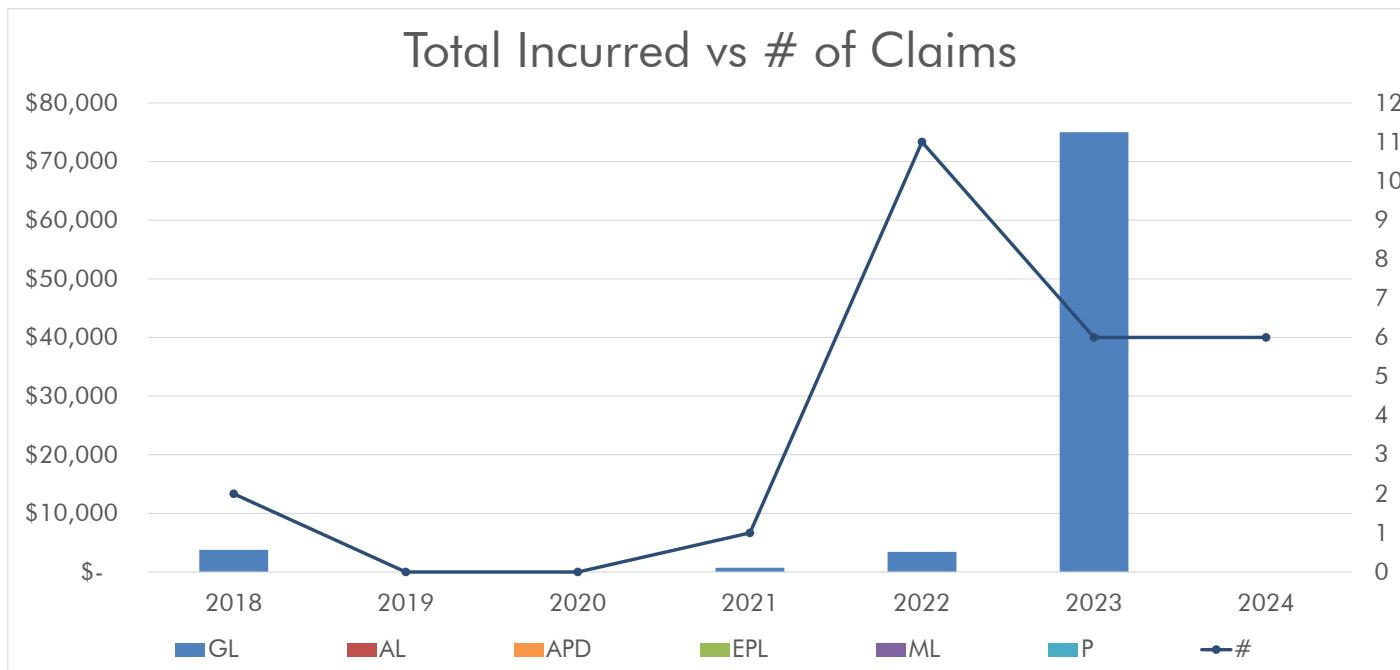
Heber Light & Power Company

Property and Liability Loss Analytics

2018 - 2024

Policy Year	General Liability (GL)		Automobile Liability (AL)		Automobile - Physical Damage (APD)		Employment Practices / Benefits Liability (EPBL)		Management Liability (ML)		Property (P)		Totals	
	\$	#	\$	#	\$	#	\$	#	\$	#	\$	#	\$	#
2018	\$ 3,777	2	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ 3,777	2
2019	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0
2020	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0
2021	\$ 731	1	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ 731	1
2022	\$ 3,438	11	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ 3,438	11
2023	\$ 75,000	6	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ 75,000	6
2024	\$ -	6	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	6
Totals	\$ 82,946	26	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ 82,946	26
Average	\$ 11,849	4	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ 11,849	4
Max	\$ 75,000	11	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ 75,000	11
Min	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0	\$ -	0

Heber Light & Power Company
Property and Liability Loss Analytics
2018 - 2024



SPECIAL DISTRICT RETAINED LIMIT LIABILITY POLICY

Various provisions in this Policy restrict coverage. Read the entire Policy carefully to determine rights, duties, and what is and is not covered.

Throughout this Policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us," and "our" refer to the Company providing this insurance.

The word "Insured" means any person or organization qualifying as such under **SECTION III – WHO IS AN INSURED**.

Words and phrases that appear in bold print, other than headings, have special meaning. Refer to **SECTION V – DEFINITIONS**.

SECTION I – COVERAGES

1. Insuring Agreements

a. General Liability

We will pay on behalf of the Insured those sums in excess of the **retained limit** that the Insured becomes legally obligated to pay for **loss** due to **bodily injury, property damage, personal injury, or advertising injury** caused by an **occurrence** or an **employee benefits wrongful act** to which this insurance applies and which takes place in the **coverage territory** during the **policy period**.

b. Public Officials Liability

We will pay on behalf of the Insured those sums in excess of the **retained limit** that the Insured becomes legally obligated to pay for **loss** arising out of a **public officials wrongful act** to which this insurance applies and which takes place in the **coverage territory** during the **policy period**.

c. Employment Practices Liability

We will pay on behalf of the Insured those sums in excess of the **retained limit** that the Insured becomes legally obligated to pay for **loss** arising out of an **employment practices wrongful act** to which this insurance applies and which takes place in the **coverage territory** during the **policy period**.

d. Automobile Liability

We will pay on behalf of the Insured those sums in excess of the **retained limit** that the Insured becomes legally obligated to pay for **loss** arising out of **bodily injury or property damage** to which this insurance applies, caused by an **accident** and resulting from the ownership, maintenance or use of an **owned auto**, covered **non-owned auto**, or covered **hired auto**, and which takes place in the **coverage territory** during the **policy period**.

We will also pay on behalf of the Insured those sums in excess of the **retained limit** that the Insured becomes legally obligated to pay for **loss** arising out of a **covered pollution cost or expense** to which this insurance applies, caused by an **accident** and resulting from the ownership, maintenance or use of an **owned auto**, covered **non-owned auto**, or covered **hired auto**. However, we will only pay for the **covered pollution cost or expense** if there is either **bodily injury or property damage** to which this insurance applies that is caused by the same **accident**.

If any such Insured knew or had reason to know prior to the **policy period** that the **bodily injury, property damage, personal injury, advertising injury, employee benefits wrongful act, public officials wrongful act, or employment practices wrongful act** occurred, was committed, or took place, in whole or in part, then any continuation, change or resumption of such **bodily injury, property damage, personal injury, advertising injury, employee benefits wrongful act, public officials wrongful act, or employment practices wrongful act** will be deemed to have been known prior to the **policy period**.

2. Additional Insurance Coverage

Solely with respect to any coverage provided for Public Officials Liability or Automobile Liability, the following additional coverages apply. The additional coverages are not included within or affected by the **retained limit**. Payment made pursuant to these extensions will not:

- a. Reduce or increase the **retained limit** shown in the Declarations for the applicable Insuring Agreement; or
- b. Reduce or increase the applicable Limits of Insurance provided under the applicable Insuring Agreement.

(1) Addition to Public Officials Liability:

- (a) **Key Individual Replacement Expenses:** We will reimburse you up to a maximum of \$25,000 for the actual cost and expenses incurred to replace your **Chief Executive Officer** or **Executive Director** if the person holding that position suffers an injury during the **policy period** that results in loss of life during the **policy period**. **Key individual replacement expenses** must be incurred by the Named Insured and reported to us during the **policy period** or as soon as practicable thereafter.
- (b) **Emergency Travel Expenses:** We will reimburse you up to a maximum of \$5,000 for all **emergency travel expenses** incurred by your **Chief Executive Officer** or **Executive Director** due to a **certified act of terrorism** that commences during the **policy period**. **Emergency travel expenses** must be incurred and reported to us during the **policy period** or as soon as practicable thereafter.
- (c) Identity Theft Expenses: We will reimburse up to \$5,000 to any present **Chief Executive Officer** or **Executive Director** of the Named Insured for identity theft expenses that have been incurred during the **policy period** for an **identity theft event** that occurred during the **policy period**. Identity theft expenses must be incurred and reported to us during the **policy period** or as soon as practicable thereafter.

Identity theft expenses include:

- (i) Costs of notarizing documents required by any financial institution or similar creditors as testaments to fraud;
- (ii) Costs for certified mail to law enforcement agencies, financial institutions, or similar creditors; or
- (iii) Loan application fees for reapplying for loans when the original application is rejected solely because of incorrect credit information.

(2) Addition to Automobile Liability:

(a) **Pollutant Cleanup and Removal:** This insurance will cover in excess of the **retained limit** your necessary expenses to extract **pollutants** from land or water if the release, discharge, or dispersal of the **pollutants** results from a covered **loss** or **accident** to **owned autos**, covered **non-owned autos**, or covered **hired autos** that are covered by this Policy if such covered **loss** or **accident** occurs in the **coverage territory** during the **policy period**. Your expenses will be paid in excess of the **retained limit** only if they are reported to us in writing within 180 days or the earlier of:

- (i) The date of the covered direct physical **loss** or **accident**; or
- (ii) The end of the **policy period**.

(b) **Fellow Employee:** This insurance will cover in excess of the **retained limit**, **bodily injury** to an **employee** or **volunteer** arising out of the actions of another **employee** or **volunteer** if such **bodily injury** arises out of and in the course of the fellow **employee's** employment or the fellow **employee's** or **volunteer's** performance of duties related to the conduct of your operations.

(c) **Out-of-State Coverage:** While an **owned auto**, covered **non-owned auto**, or covered **hired auto** is away from the state where it is licensed, this insurance will:

- (i) Increase the Limit of Insurance for liability coverage to meet the limits specified by a compulsory or financial responsibility law of the jurisdiction where the **owned auto**, covered **non-owned auto**, or covered **hired auto** is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property; or
- (ii) Provide the minimum amounts and types of other coverages, such as no-fault, required of out-of-state vehicles by the jurisdiction where the **owned auto**, covered **non-owned auto**, or covered **hired auto** is being used.

We will not pay anyone more than once for the same **loss** or **accident** because of the Additional Insurance Coverage described in (i) and (ii) above.

When the applicable Limit of Insurance has been exhausted by payment for **loss**, we have no other obligation or liability to pay sums or perform acts or services unless explicitly provided for under Section I, Paragraphs 3. Defense and 4. Defense Costs.

3. Defense

The following terms and conditions apply to **claims** or **suits** to which this insurance applies as listed in General Liability, Public Officials Liability, Employment Practices Liability, and Automobile Liability:

- a. The **retained limit** shall not be impaired by any **claim** or **suit** brought against an Insured to which this insurance does not apply.
- b. The Insured shall have the duty to investigate, defend, or settle and to pay **loss** and **defense costs** for **claims** or **suits** within or equal to the **retained limit**.
- c. We have no duty to defend any **claim** or **suit** if any other insurer has a duty to defend that **claim** or **suit**.
- d. Subject to all of the terms and conditions of this Policy, our obligation to defend any **claim** or **suit** to which this insurance applies begins when your payment for judgments,

settlements, or **defense costs** because of injury or damage equals your **retained limit**.

- e. We will not pay any **claim, suit, or defense costs** that the Insured offers or agrees to pay in excess of the **retained limit** unless the Insured obtains our prior written approval before offering or agreeing to pay any **claim, suit, or defense costs** in excess of the **retained limit**.
- f. We have the right but not the duty to associate in the defense of any **claim or suit** against the Insured for injury or damage which, in our sole opinion, may create an obligation for us under the terms and conditions of this Policy.
- g. We have the right but not the duty to investigate injury or damage or to assume control of the defense of any **claim or suit**, which in our sole opinion, may create an obligation for us under the terms of this Policy. If we exercise our rights, the Limit of Insurance and the Insured's responsibility to pay the **retained limit** will remain unchanged.
- h. We have the right to conduct negotiations and enter into the settlement of any **claim or suit** as we deem appropriate if the **loss** sought in such **claim or suit** is in excess of the **retained limit** or which, in our opinion and based on the terms or conditions of this Policy, may create liability for us under this Policy.
- i. If we defend an Insured against a **claim or suit** and an indemnitee of the Insured is also named as a party to the **claim or suit**, we will defend that indemnitee if all the following conditions are met:
 - (1) The **claim or suit** against the indemnitee seeks **loss** for which the Insured has assumed the liability of the indemnitee in a contract or agreement that is an **insured contract**;
 - (2) This insurance applies to such liability assumed by the Insured;
 - (3) The obligation to defend or the cost of the defense of that indemnitee has also been assumed by the Insured in the same **insured contract**;
 - (4) The indemnitee agrees in writing to:
 - (a) Immediately send us copies of any demands, notices, summons, or legal documents received in connection with the **claim or suit**;
 - (b) Cooperate with us in the investigation, settlement, or defense of the **claim or suit**;
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee;
 - (5) The indemnitee provides us with written authorization to:
 - (a) Obtain records and other information related to the **claim or suit**; and
 - (b) Conduct and control the defense of the indemnitee in such **claim or suit**.

Our obligation to defend an Insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as **defense costs** ends when we have exhausted the applicable Limit of Insurance in the payment of judgments, settlements, or any condition set forth in Paragraphs i.(1). through i.(5). above are no longer met.

4. Defense Costs

The following terms and conditions apply to **claims** or **suits** to which this insurance applies under General Liability, Public Officials Liability, Employment Practices Liability, and Automobile Liability:

- a. With respect to any **claim** or **suit** for which we do not assume control of the settlement or defense:
 - (1) We will pay expenses we directly incur at our discretion; and
 - (2) We will not pay expenses:
 - (a) Incurred by any Insured;
 - (b) Included within the **retained limit**; or
 - (c) For which payment is available under any **other insurance**.
- b. We will pay, with respect to a **claim** or **suit** we investigate or settle, or a **suit** against an Insured we defend:
 - (1) All expenses we incur.
 - (2) The cost of bail bonds or bonds required to appeal judgments or release attachments, but only for bond amounts within the available Limit of Insurance. We do not furnish these bonds.
 - (3) Reasonable expenses incurred by the Insured at our request to assist us in the investigation or defense of such **claim** or **suit**, including actual loss of earnings up to \$500 per day due to time off from work.
 - (4) Court costs taxed against the Insured in the **suit**, except any attorney fees or litigation expenses or other **loss**, costs, or expenses in connection with any injunction or other equitable relief.
 - (5) Prejudgment interest awarded against the Insured on that part of a judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any prejudgment interest on that period of time after we make the offer.
 - (6) Interest on the full amount of judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Insurance.

Defense costs we pay shall not reduce or exhaust the applicable Limit of Insurance provided by this Policy. However, when the applicable Limit of Insurance is exhausted by payment of **loss** due to injury or damage to which this insurance applies, our obligation to pay **defense costs** or to defend or continue to defend any **claim** or **suit** shall cease. We shall have the right to withdraw from the further defense of **claims** or **suits** by tendering control of the defense to any insurer specifically written as excess over this Policy. In the event that there is no insurance written as excess over this Policy, we shall tender control of the defense to the Insured.

SECTION II – EXCLUSIONS

Unless specifically stated otherwise, each of the following exclusions apply to all coverages provided under General Liability, Public Officials Liability, Employment Practices Liability, and Automobile Liability.

Unless specifically stated otherwise, it is understood that any federal or state law, statute, or regulation that is specifically named and excluded in this Policy also excludes any and all subsequent amendments or changes to those named laws, statutes, or regulations.

This insurance does not apply to any **loss, claims, suits**, liability, or obligations of the Insured alleging, based upon, arising out of, attributable to, directly or indirectly resulting from, as a consequence of, or in any way involving, in whole or in part:

1. Adoption or Foster Care

Any adoption or foster care services and operations.

2. Advertising Injury

- a. Caused by or at the direction of the Insured with the knowledge the act would violate the rights of another;
- b. Breach of contract, except an implied contract to use another's advertising idea in your **advertisement**;
- c. Failure of goods, products, or services to conform with advertised quality or performance;
- d. Any mistake in advertised price; or
- e. Infringement of copyright, patent, trademark, trade secret, or other intellectual property rights. Intellectual property rights do not include the use of another's advertising idea in your **advertisement**.

However, this exclusion does not apply to infringement in your **advertisement**, copyright, trade dress, or slogan.

3. Agencies, Boards, or Commissions

Any agency, board, or commission, and their members who are not subject to the direction, oversight, and control of the Named Insured.

4. Aircraft and Airports

- a. The ownership, maintenance, licensure, permit, operation, use, **loading or unloading**, or entrustment to others of any aircraft, including manned or **unmanned aircraft**, owned or operated by or rented or loaned, with or without a crew, to any Insured. This exclusion applies even if the **claims** or **suits** against any Insured allege negligence or other wrongdoing in the supervising, hiring, employment, training, or monitoring of others by that Insured.
- b. The ownership, maintenance, licensure, permit, operation, or use of any airfields, runways, hangars, buildings, or other properties used for aviation activities.

5. Asbestos

- a. The actual, alleged, or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any asbestos; or
- b. Any **loss**, cost, or expense related to the testing, monitoring, cleanup, removal, containment, treatment, disposal, replacement, rehabilitation of, or responding in any way to real or personal property due to actual or suspected contamination by asbestos.

6. Biological Agent

- a. The actual, alleged, or threatened use or release of any nuclear weapon or device; or chemical or biological agent or contaminative regardless of any other cause or event contributing concurrently or in any other sequence to the **loss**; or
- b. Any **loss**, cost, or expense related to the testing, monitoring, cleanup, removal, containment, treatment, disposal, replacement, rehabilitation of, or responding in any way to real or personal property due to actual or suspected contamination by a biological agent.

7. Bodily Injury, Property Damage, Personal Injury, or Advertising Injury

- a. **Bodily injury** arising out of **personal injury** or **advertising injury**.
- b. Any **bodily injury, property damage, personal injury, or advertising injury** arising out of Public Officials Liability and Employment Practices Liability.
- c. Any **personal injury or advertising injury** arising out of Automobile Liability.

8. Cannabis

- a. The actual, alleged, or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any **cannabis**;
- b. The manufacture, gift, distribution, sale, serving, furnishing, use, or possession of any **cannabis**; or
- c. **Property damage to cannabis**.

It is understood that this exclusion applies even if the **claims** against any Insured allege negligence or other wrongdoing in the supervising, hiring, employment, training, or monitoring of others by that Insured.

9. Claims Handling

The handling of **claims** or **suits** within your **retained limit**, whether handled directly by you or a contracted third party.

10. Communicable Disease or Infectious Agent

- a. The actual, alleged, or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any **communicable disease or infectious agent**.
- b. Any **loss**, cost, or expense related to the testing, monitoring, cleanup, removal, containment, treatment, disposal, replacement, rehabilitation of, or responding in any way to real or personal property due to actual or suspected contamination by a **communicable disease or infectious agent**.

This exclusion applies even if the **claim** against any Insured alleges negligence or other wrongdoing, breach of duty, or violation in:

- (1) Supervising, hiring, employing, training, or monitoring of others who may be a host or carrier of an **infectious agent** or infected with a **communicable disease**;
- (2) Testing or failure to test for an **infectious agent** or a **communicable disease**;
- (3) Failure to prevent or limit the spread of an **infectious agent** or a **communicable disease**;
- (4) Failure to warn or inadequacy of any warnings or instructions related to the actual or potential presence of an **infectious agent** or a **communicable disease**;

- (5) Failure to report the presence of a known or suspected **infectious agent** or **communicable disease** to a governing authority or organization; or
- (6) Any other measures taken in response to the actual or suspected presence of an **infectious agent** or **communicable disease**.

11. Contract Procurement, Bidding, or Awarding

Any procurement, bidding, or awarding of contracts.

12. Contractual Liability

Any liability the Insured assumed in a contract or agreement.

This exclusion does not apply to liability:

- a. That the Insured would have in the absence of the contract or agreement; or
- b. Assumed in a contract or agreement that is an **insured contract**, provided the **loss** occurs after the execution of the contract or agreement.

13. Damage to Impaired Property or Property Not Physically Injured

Property damage to impaired property or property that has not been physically injured arising out of:

- a. A defect, deficiency, inadequacy, or dangerous condition in **your product** or **your work**; or
- b. A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms and conditions.

This exclusion does not apply to the loss of use of other tangible property resulting from sudden and accidental physical injury to **your product** or **your work** after it has been put to its intended use.

14. Damage to Property

Property damage to:

- a. Property you own;
- b. Property that has been sold, given away, or abandoned by the Insured;
- c. Personal property in the care, custody, or control of any Insured;
- d. That particular part of real property on which you or any of your contractors or subcontractors, working directly or indirectly on your behalf, are performing operations; or
- e. That particular part of any property that must be restored, repaired, or replaced because **your work** was incorrectly performed.

A separate Limit of Insurance applies to Damage to Premises Rented to You as described in Section IV – LIMITS OF INSURANCE.

15. Damage to Your Product

Property damage to your product arising out of it or any part of it.

16. Damage to Your Work

Property damage to your work arising out of it or any part of it and included in the **products-completed operations hazard**.

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a contractor or subcontractor.

17. Dams

The overtopping, accidental discharge, sudden rupture, bursting, flooding, cracking, seepage, under-seepage, or partial or complete structural failure of any **dam**.

18. Debt Financing

Any debt offering, sale, or financing, including but not limited to bonds, notes, debentures, or guarantees of debt.

19. Electric Utilities

Any electric utility, including any electric generation facility or distribution system, owned, operated, or regulated by any Insured.

20. Electromagnetic Radiation

- a. The actual, alleged, or threatened contact with, exposure to, existence of, or presence of **electromagnetic radiation**.
- b. Any **loss**, cost, or expense related to the testing, monitoring, or containment of **electromagnetic radiation**.

21. Eminent Domain or Similar Property Law

Any proceeding that involves or is related to the principles of eminent domain, condemnation, inverse condemnation, adverse possession, right of prescription, or dedication by adverse use.

This exclusion applies to any **claim** made directly against any Insured or by virtue of any agreement entered into by or on behalf of any Insured.

22. Employee Benefits Liability

Any **employee benefits wrongful act** arising out of Public Officials Liability, Employment Practices Liability, or Automobile Liability.

23. Employee Compensation

Any back salary, wages, or other **employee** compensation.

However, under Employment Practices Liability, **loss** includes earned wages or compensation not paid by you for wrongful termination or **discrimination**.

24. Employer's Liability Including Injury to Volunteers

Bodily injury to:

- a. An **employee** or **volunteer** of the Insured arising out of and in the course of:
 - (1) Employment by the Insured;
 - (2) Performing duties related to the Insured's business; or
- b. The spouse, domestic partner, child, parent, or sibling of that **employee** or **volunteer** as a consequence of Paragraph a. above.

This exclusion applies whether:

- a. The Insured may be liable as an employer or in any other capacity; or

b. To any obligation to share loss or damages or repay someone else who must pay **loss**.

This exclusion does not apply to liability assumed by the Insured under an **insured contract**.

25. Employment Practices Liability

Any **employment practices wrongful act** arising out of General Liability, Public Officials Liability, or Automobile Liability.

This exclusion applies whether:

- a. The event resulting in the **employment practices wrongful act** occurs before or after employment of that person or class of person;
- b. The Insured may be liable as an employer or in any other capacity; and
- c. To any obligation to share **loss** or damages with or repay someone else who must pay **loss**.

26. ERISA, COBRA, or Similar Laws

Any violation of the following, including any amendment of or addition to such law:

- a. The Employee Retirement Income Security Act (ERISA);
- b. The Consolidated Omnibus Budget Reconciliation Act (COBRA); or
- c. Any similar local, state, or federal law or regulation.

27. Expected or Intended Injury

Bodily injury or property damage expected or intended from the standpoint of the Insured.

28. Failure to Effect or Maintain Insurance

The failure to effect or maintain adequate and appropriate insurance or any plan or agreement relating to risk transfer or risk assumption.

29. Failure to Supply

Any failure to adequately supply gas, oil, water, electricity, steam, or biofuel.

30. Fiduciary Liability

Any activity where the Insured is acting in a fiduciary capacity.

31. Financial Loss

The use, misuse, management, mismanagement, loss of, or failure to return any monies relating to funds, grants, or appropriations, including any breach of or failure to satisfy any such duty or obligation.

32. Fraud, Dishonesty, or Criminal Act, Error, Omission, or Violation

Any direct or indirect activity involving fraud, dishonesty, or criminal act, error, omission, or violation committed by or at the direction of the Insured and any resulting criminal fines or penalties.

The Insured shall be reimbursed for reasonable **defense costs** in excess of the **retained limit** incurred in such a **claim or suit** if the Insured is not found liable for such act, error, omission, or violation.

33. Fungi, Bacteria, or Virus

- a. The actual, alleged, or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any **fungi**, bacteria, virus, or other pathogens; or
- b. Any **loss**, cost, or expense related to the testing, monitoring, cleanup, removal, containment, treatment, disposal, replacement, rehabilitation of, or responding in any way to real or personal property due to actual or suspected contamination by **fungi**, bacteria, virus, or other pathogens.

34. Gas Utilities

Any gas utility, including any gas production facility or distribution system, that is owned, operated, or regulated by any Insured.

35. Governmental or Regulatory Agency Enforcement

Any complaint or enforcement action from any federal, state, or local government, regulatory agency, or judicial entity.

36. Handling of Property

Under the Automobile Liability coverage, any **claim or loss** resulting from the handling of property before it is moved from the place where it is accepted by the Insured for movement into or onto an **owned auto**, covered **non-owned auto**, or covered **hired auto**, or after it is moved from that **owned auto**, covered **non-owned auto**, or covered **hired auto** to the place where it is finally delivered by the Insured.

37. Health or Medical Care Facilities

Any health or medical care facilities including but not limited to:

- a. Ambulatory surgery centers;
- b. Clinics or hospitals;
- c. Health departments;
- d. Pharmacies;
- e. Nursing homes, convalescent homes, or homes for the aged, disabled, or orphaned; or
- f. Rehabilitation centers.

38. Healthcare Practitioners

Any **healthcare practitioner** and the services they provide.

39. Insured Against Insured

Any **claim or suit** brought by or on behalf of any current or former Insured against any other current or former Insured.

However, this exclusion does not apply to a **claim or suit** against an Insured for a covered **employment practices wrongful act**.

40. Labor Disputes or Negotiations

Any lockout, strike, picket line, hiring of replacement workers, or similar actions in connection with labor disputes and labor negotiations.

41. Land Subsidence

Any **land subsidence** for any reason whatsoever.

42. Law Enforcement Liability

Any Law Enforcement Liability, **law enforcement activities**, or **law enforcement wrongful acts**.

43. Lead

- a. The actual, alleged, or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any lead; or
- b. Any **loss**, cost, or expense related to the testing, monitoring, cleanup, removal, containment, treatment, disposal, replacement, rehabilitation of, or responding in any way to real or personal property due to actual or suspected contamination by lead.

44. Legal Services

Anyone providing legal services other than an attorney employed full time by the Named Insured while acting within the course and scope of their employment for the Named Insured.

45. Liquor Liability

Any liquor liability, including but not limited to:

- a. Causing or contributing to the intoxication of any person;
- b. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- c. Any law, ordinance, or regulation relating to the sale, gift, distribution, or use of alcoholic beverages.

It is understood this exclusion applies even if the **claims** against any Insured allege negligence or other wrongdoing in:

- a. The supervising, hiring, employment, training, or monitoring of others by that Insured; or
- b. Providing or failing to provide transportation with respect to any person who may be under the influence of alcohol.

However, this exclusion does not apply to:

- a. Host liquor liability;
- b. Insured-sponsored events lasting five days or less; or
- c. Liquor sales from facilities owned by the Insured where the predominant operation is not the sale of liquor.

46. Nonmonetary Damages

Any:

- a. Nonmonetary awards or damages; or
- b. Fees, including attorney fees, costs, or expenses, that the Insured becomes legally obligated to pay as a result of declaratory, injunctive, or other equitable relief.

However, we will defend the Insured against a **claim** or **suit** seeking declaratory, injunctive, or other equitable relief in which covered monetary damages are also specifically pled, if not otherwise excluded.

47. Nuclear

- a. With respect to which any Insured under this Policy also has status as an Insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada, or any of their successors or would have had status as an Insured under any such policy but for its termination upon exhaustion of its Limit of Insurance; or
- b. Arising out of, resulting from, or in any way related to the **nuclear hazardous properties of nuclear material** and with respect to which:
 - (1) Any person or organization is required to maintain financial protection pursuant to the United States of America Atomic Energy Act of 1954 or any law amendatory thereof; or
 - (2) The Insured is, or had this Policy not been issued would be, entitled to indemnity from the United States of America or any agency thereof under any agreement entered into by the United States of America or any agency thereof with any person or organization.
- c. Arising out of, resulting from, or in any way related to the **nuclear hazardous properties of nuclear material**:
 - (1) If the **nuclear material**:
 - (a) Is at any **nuclear facility** owned or operated by or on behalf of any Insured;
 - (b) Has been discharged or dispersed therefrom or is contained in **nuclear spent fuel** or **nuclear waste** at any time transported, handled, stored, disposed of, processed, treated, possessed, or used by or on behalf of any Insured; or
 - (c) In any way related to the furnishing by any Insured of services, materials, parts, or equipment in connection with the planning, construction, maintenance, operation, or use of any **nuclear facility**; but if such facility is located within the United States of America (including its possession or territories) or Canada, this subparagraph c.(1) applies only to **nuclear property damage** to such **nuclear facility** and any property threat.

48. Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS)

- a. The actual, alleged, threatened, or suspected inhalation, ingestion, absorption, consumption, discharge, dispersal, seepage, migration, release or escape of, contact with, exposure to, existence of, or presence of, any **perfluoroalkyl and polyfluoroalkyl substances**; or
- b. Any **loss**, cost, or expense related to the testing, monitoring, cleanup, removal, containment, treatment, disposal, replacement, rehabilitation of, or responding in any way to real or personal property due to actual or suspected contamination by **perfluoroalkyl and polyfluoroalkyl substances**.

49. Personal Injury

Personal injury arising out of:

- a. An oral or written publication of material if done by or at the direction of an Insured with the knowledge of its falsity; or
- b. An oral or written publication of materials whose first publication took place before the inception of this Policy.

50. Pollutants

- a. The actual, alleged, threatened, or suspected inhalation, ingestion, absorption, consumption, discharge, dispersal, seepage, migration, release or escape of **pollutants**;
- b. Any **loss**, cost, or expense related to the testing, monitoring, cleanup, removal, containment, treatment, disposal, replacement, rehabilitation of, or responding in any way to real or personal property due to actual or suspected contamination by **pollutants** into the **environment**;
- c. Any claim or **suit** by or on behalf of a governmental authority for damages because of testing, monitoring, cleanup, removal, containment, treatment, disposal, replacement, rehabilitation of, or responding in any way to real or personal property due to actual or suspected contamination by **pollutants** into the **environment**. This paragraph does not apply to liability for damages because of **property damage** that the Insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such **claim** or **suit** by or on behalf of a governmental authority.

However, this exclusion does not apply to **pollutants** released into the **environment** resulting from:

- (1) **Bodily injury** if sustained within a building which is or was at any time owned or occupied by, or rented to, any Insured and is caused by smoke, fumes, vapor, or soot produced by or originating from equipment that is used to heat, cool, or dehumidify the building, or equipment used to heat water for personal use by the building's occupants or their guests;
- (2) **Bodily injury or property damage** arising out of heat, smoke, or fumes from a **hostile fire** unless that **hostile fire** occurred or originated from:
 - (a) Any premises, site, or location that is or was at any time used by any Insured or others for the handling, storage, disposal, processing, or treatment of waste; or
 - (b) Any premises, site, or location on which any Insured or other contractors or subcontractors working directly or indirectly on any Insured's behalf are performing operations to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of **pollutants** except to the extent that it is provided in Paragraph (3) below.
- (3) **Bodily injury or property damage** that occurs or takes place as a result of your operations provided the **bodily injury or property damage** is not otherwise excluded in whole or in part and arises out of the following:
 - (a) Your or your authorized subcontractor's application of **herbicides or pesticides**, but only if such application meets all standards and obligations of any statute, ordinance, regulation, or license requirement of any federal, state, or local government;
 - (b) Smoke drift from controlled or prescribed burning that has been authorized and permitted by the respective regulatory agency;

(c) **Bodily injury or property damage** rising out of the discharge of fuels, lubricants, or other operating fluids needed to perform the normal electrical, hydraulic, or mechanical functions necessary for the operation of mobile equipment or its parts, but only if:

- (i) The fuels, lubricants or other operating fluids escape from a mobile equipment part designed to hold, store or receive them; and
- (ii) The fuels, lubricants or other operating fluids are not intentionally discharged or brought on or to a premises, site or location with the intent to be discharged as part of the operations being performed by an Insured, contractor or subcontractor.

(4) **Bodily injury or property damage** arising out of the actual, alleged, or threatened discharge of pollutants if such actual alleged or threatened discharge of pollutants is caused by **specified perils**. However, no coverage is provided under this exception for petroleum **underground storage tanks**.

Paragraphs (3) and (4) above only apply if the discharge is accidental, unintended, stopped as soon as possible, and ends within seven (7) consecutive days of the date of its abrupt commencement. The entirety of any discharge or series of related discharges will be deemed to have only occurred at the date the earliest discharge commenced. Notification is required as soon as practicable but not later than fourteen (14) days after the discharge ends.

51. Port Authorities

Any port authority owned, operated, or contracted by any Insured.

52. Privacy or Network Security Wrongful Acts

Any:

- a. **Privacy wrongful acts**; or
- b. **Network security wrongful acts**.

This exclusion applies even if the **loss** is claimed for notification costs, credit monitoring expenses, forensic expenses, public relations expenses, or any other **loss**, cost, or expense incurred by the Insured or others arising out of that which is described in subparagraphs a. or b. above.

This exclusion does not apply to the extent to which coverage is provided in Section I – Coverages, Paragraph 2. Additional Insurance Coverage, Item b.(1)(c).

53. Professional Services

The rendering or failure to render **professional services**.

However, this exclusion does not apply to architectural, engineering, or surveying **professional services** performed for you by your **employees** if the **professional services** performed are limited to the review or approval of maps, drawings, opinions, reports, surveys, field orders, change orders, or specifications of other architects, engineers, or surveyors.

54. Public Officials Liability

Any **public officials wrongful act** arising out of General Liability, Employment Practices Liability, or Automobile Liability.

55. Public Transit

Any **public transit** owned, operated, regulated, or contracted by any Insured.

56. Racing

Any **auto**, watercraft, or **mobile equipment** in or while practicing or preparing for a prearranged racing, speed, demolition contest, or in any stunting activity.

57. Recording and Distribution of Material or Information in Violation of Law

Any violation of the following:

- a. The Telephone Consumer Protection Act (TCPA);
- b. The CAN-SPAM Act of 2003;
- c. The Fair Credit Reporting Act (FCRA) and the Fair and Accurate Credit Transactions Act (FACTA); or
- d. Any federal, state, or local law; ordinance; or regulation that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating, or distribution of material or information.

58. Schools

Any public, private, charter, vocational school, community college, or any other type of educational institution.

59. Securities

- a. Any violation of any securities law or regulation;
- b. The purchase, sale, offer of sale, or solicitation of any security, debt, insurance policy, bank deposit, financial instrument, or any derivative investment;
- c. Any representations made regarding the price or value of any security, debt, insurance policy, bank deposit, or financial instrument; or
- d. Any depreciation or decline in price or value of any security, debt, insurance policy, bank deposit, or financial instrument.

60. Security Guards

Any **security guard**, **security guard activities**, or **security guard wrongful acts**.

61. Selling, Servicing, or Repairing Autos

The business of selling, servicing, or repairing **autos**.

62. Service Contactors

Any liability arising out of **service contractors**.

63. Sexual Abuse or Molestation Liability

- a. The actual, alleged, or threatened abuse, **sexual abuse**, **sexual molestation**, sexual assault, sexual victimization, physical abuse, physical assault, coercion to engage in sexual activities, or exploitation of any person while in the care, custody, or control of any Insured;
- b. The negligent employment, investigation, supervision, reporting or failure to report to proper authorities, or retention of a person for whom any Insured is or ever was legally responsible for and whose conduct would be excluded by a. above; or
- c. Any other situation or circumstance that directly or indirectly constitutes actual, threatened, or alleged **sexual abuse** or **sexual molestation**.

64. Silica or Silica-Related Dust

- a. The actual, alleged, or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any **silica** or **silica-related dust**; or
- b. Any **loss**, cost, or expense related to the testing, monitoring, cleanup, removal, containment, treatment, disposal, replacement, rehabilitation of, or responding in any way to real or personal property due to actual or suspected contamination by **silica** or **silica-related dust**.

65. Superfund Sites

Any premises, location, or site that is or has ever been designated a Superfund site.

66. Taxes

Any obligation to pay or the failure to pay taxes; the reallocation of taxes; or the recalculation of taxes, tax refunds, or the loss of tax benefits.

67. Unaudited Financial Statements

Any **unaudited financial statement** of the Insured.

68. Uninsured/Underinsured or No-Fault

Any Uninsured Motorist, Underinsured Motorist, No-Fault law, or any similar law, including any sums you may be legally entitled to recover as **loss** from the owner or operator of any uninsured or underinsured **auto**.

This exclusion does not apply to the extent coverage is provided in Section I – Coverages, Paragraph 2. Additional Insurance Coverage, Item b.(2)(c)(ii).

69. Unjust Enrichment

Any unjust enrichment, profit, advantage, or remuneration to which the Insured is not legally entitled.

70. Violation of Economic or Trade Sanctions

If coverage for a **claim** or **suit** under this Policy is in violation of any United States of America economic or trade sanctions, including but not limited to, sanctions administered and enforced by the United States Treasury Department's Office of Foreign Assets Control (OFAC), then coverage for that **claim** or **suit** shall be null and void.

71. Violation of Law

The intentional violation of any federal, state, or local law; ordinance; regulation; rule; or the violation of any court order or judgment.

72. Violation of Wage and Hour Laws

Any violation of the Fair Labor Standards Act of 1938, as amended, or any federal, state, or local law or amendments related to wage and hour policies, improper payroll practices, or the payment of overtime or vacation pay, including but not limited to:

- a. Back wages or other similar damages; or
- b. Any monetary or nonmonetary compensation or benefits that may be owed to a current or former **employee** based upon misclassification of their job status, title, or duties.

However, this exclusion does not apply to a **claim** or **suit** against an Insured for a covered **employment practices wrongful act**.

73. War

Any **loss** or damage caused by:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack by any government, sovereign, or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

74. Watercraft

The ownership, maintenance, use, or entrustment to others of any watercraft owned or operated by or rented or loaned to any Insured that is:

- a. Greater than 51 feet in length; or
- b. Being used to carry persons or property for a charge.

75. Workers' Compensation or Similar Employment Laws

Any liability or obligation of the Insured under a workers' compensation, disability benefits or unemployment compensation law, or any similar law.

However, this exclusion does not apply to a **claim or suit for retaliation**.

SECTION III – WHO IS AN INSURED

1. Each of the following is an Insured unless otherwise excluded:

- a. You.
- b. Limited Liability Company: If designated in the Declarations as a limited liability company, your members are Insureds but only with respect to the conduct of the limited liability company. Your managers are Insureds but only with respect to their duties as your managers. No person or organization is an Insured with respect to the conduct of any current or past limited liability company that is not listed as a Named Insured in the Declarations.
- c. Partnership or Joint Venture: If designated in the Declarations as a partnership or joint venture, your members and partners are Insureds but only with respect to the conduct of the partnership or joint venture. No person or organization is an Insured with respect to the conduct of any current or past partnership or joint venture that is not listed as a Named Insured in the Declarations.
- d. Agencies, Boards, Districts, Committees, Commissions or Similar Entities of the Named Insured: An agency, board, district, committee, commission, or similar entity of the Named Insured that is operated by you and is subject to your oversight, control, or direction, and is operated with funds administered by you.
- e. Directors or Executive Officers: Any individual while appointed as a Director or Executive Officer but only with respect to their duties as your Director or Executive Officer and while acting within the course and scope of their authority.
- f. Elected or Appointed Officials: An elected or appointed official of any board, commission, or agency of yours, but only with respect to their duties as an elected or appointed official and while acting within the course and scope of their authority.

- g. **Employees:** Your current and former **employees** while acting within the course and scope of their employment by you or while performing duties related to the conduct of your operations. Your current **employees** are covered, only if with your preapproval and consent, while serving on an **unaffiliated board** that exists to support and further the efforts of your staff, organization, and the services you provide.
- h. **Legal Heirs, Representatives, and Assigns:** The estates, heirs, and legal representative or assigns of a deceased person who was an Insured at the time of a covered **loss**, but only to the extent that such Insured would have otherwise been afforded coverage under this Policy.
- i. **Newly Acquired Organizations:** Any organization you newly acquire or form other than a partnership, joint venture, limited liability company, or for-profit corporation, and over which you maintain ownership or majority interest will qualify as an Insured if there is no other similar insurance available to that organization. However:
 - (1) Coverage under this provision is afforded only until the one hundred twentieth (120th) day after you acquire or form the organization or the end of the **policy period**, whichever is earlier.
 - (2) Coverage as provided by this Policy shall not apply to any liability arising from an **accident, occurrence, employee benefits wrongful act, employment practices wrongful act, public officials wrongful act, loss**, cost, expense, or legal obligation occurring before you acquired or formed the organization.
 - (3) We reserve the right within the one hundred twenty (120) day coverage period to underwrite, charge a premium, and endorse your Policy to provide coverage for the newly acquired organization.
 - (4) We reserve the right within the one hundred twenty (120) day coverage period outlined above to endorse your Policy to exclude coverage for the new organization; however, we will provide a thirty (30) day notice of such new organization being excluded.
- j. **Trustees:** A trustee, but only for their duties as your trustee.
- k. **Volunteers:** Your **volunteers** while acting within the course and scope of their activities for you and at your direction.

2. Each of the following is an Additional Insured, subject to the terms, conditions, and limitations described in this paragraph:

- a. **Blanket Additional Insured:** Any person or organization who is an Additional Insured under an **insured contract** if agreed to by you prior to the **bodily injury, property damage, personal injury, or advertising injury**, but only with respect to liability arising out of your premises or operations. This insurance does not apply to **loss** arising out of any act, error, or omission of the Additional Insured(s).
- b. **Lessors of Autos:** With respect to coverage provided under Automobile Liability, the lessor of an **auto** that is leased to an Insured; however, the lessor is an Additional Insured only for **bodily injury or property damage** resulting from **accidents** occurring while you or any other person is operating the leased **auto** with your permission.
- c. **Lessors of Equipment, Including Mobile Equipment:** With respect to coverage provided under General Liability, the lessor of leased equipment, including **mobile equipment**, is an Additional Insured only for **bodily injury or property damage**

caused by the maintenance, operation, or use of equipment leased to you by such person or organization.

d. **Lessors of Premises:** With respect to coverage provided under General Liability, the lessor of premises leased to you is an Additional Insured only for **bodily injury, property damage, or personal injury** caused by your maintenance or use of that part of the premises leased to you by such person or organization. This insurance does not apply to any **occurrence** that takes place after you cease to be a tenant at that premises or to structural alterations, new construction, or demolition operations performed by or on behalf of the lessor of the premises leased to you.

e. **Mutual Assistance Agreements:** Any person or organization providing service to an Insured under a **mutual assistance agreement**, joint powers agreement, or similar arrangement, but only with respect to the conduct and scope of the **mutual assistance agreement** and only to the extent that they would otherwise be provided coverage under this Policy.

f. **Real Estate Managers:** Persons (other than your **employees**) or organizations while acting as your real estate managers, but only for their duties as your real estate manager.

g. **State or Governmental Agency:** With respect to coverage provided under General Liability, any state or governmental agency, subdivision, or political subdivision issuing a permit or authorization is an Additional Insured only for operations performed by you or on your behalf for which the Additional Insured has issued a permit or authorization. This insurance does not apply to **bodily injury, property damage, or personal injury** arising out of operations performed for the federal, state, or local government; or for **bodily injury or property damage** included within the **products-completed operations hazard**.

However, the insurance afforded to the Additional Insureds listed above applies only to the extent permitted by law and will not:

- (1) Apply to **bodily injury, property damage, or personal injury** arising out of the sole negligence of the Additional Insured for its own acts or omissions or those of its **employees** or anyone else acting on its behalf;
- (2) Be broader than that which you are required by the **insured contract** to provide for such Additional Insured, nor will it provide broader coverage than the insurance provided under this Policy;
- (3) Provide limits of insurance greater than the limits required by the **insured contract**;
- (4) Apply to any **loss** occurring prior to the execution of the **insured contract**;
- (5) Increase the applicable Limits of Insurance shown in the Declarations; or
- (6) Provide any lessor Additional Insured coverage for:
 - (a) An **occurrence** that takes place after the Insured ceases to be a tenant at the leased premises;
 - (b) An **occurrence** that takes place after the equipment lease expires; or
 - (c) An **accident** that takes place after the **auto** lease expires or the lessor or their agent takes possession of the leased **auto**.

SECTION IV – LIMITS OF INSURANCE

1. Retained Limit

- a. We will pay on behalf of the Insured those sums in excess of the **retained limit** that the Insured becomes legally obligated to pay for any **occurrence, employee benefits wrongful act, public officials wrongful act, employment practices wrongful act, or accident** in accordance with all the terms and conditions of this Policy.
- b. The **retained limit** shown in the Declarations:
 - (1) Shall be reduced by your payment of **loss** and **defense costs** for each **occurrence, employee benefits wrongful act, public officials wrongful act, employment practices wrongful act, or accident**; and
 - (2) Applies separately to each and every **occurrence, employee benefits wrongful act, public officials wrongful act, employment practices wrongful act, or accident**.
- c. The **retained limit** shall not be eroded by any amounts for **loss**, injury, damages, or **defense costs** for any **occurrence, employee benefits wrongful act, public officials wrongful act, employment practices wrongful act, or accident** that takes place prior or subsequent to the **policy period**.
- d. If you insure or reinsure your **retained limit**, this Policy does not follow any of the terms and conditions of that insurance. Further, this Policy will not drop down below the **retained limit** stated in the Declarations.
- e. This Policy will not assume or satisfy any of your obligations under the **retained limit**.
- f. In the event of judgment, settlement, or **defense costs** in excess of the **retained limit**, you agree that all outstanding amounts within the **retained limit** will be due and payable to us upon demand. Such payment must be made before we have paid, tendered, or deposited in court any part of said judgment, settlement, or **defense costs**. Failure to comply with this provision will not invalidate the Policy, but in the event of such failure, we will be liable only to the extent that we would have otherwise been liable had you complied with this provision.

2. Limits of Insurance

The Limits of Insurance shown in the Declarations and the provisions contained in this section establish the most we will pay in excess of the **retained limit** regardless of the number of:

- a. Insureds;
- b. **Claims** made or **suits** brought;
- c. **Losses** or **accidents**;
- d. Number of **owned autos**, covered **non-owned autos**, or covered **hired autos**; or
- e. Persons, organizations, or governmental agencies making **claims** or bringing **suits**.

3. Occurrence Limit as Shown in the Declarations – Excess of Retained Limit

Subject to Paragraphs 2. above and 4. below, Limits of Insurance for **loss** apply to each Insuring Agreement as follows:

- a. General Liability

- (1) The Each **Occurrence** Limit is the most we will pay in excess of the **retained limit** for the total of all **loss** because of **bodily injury, property damage** (including **bodily injury** and **property damage** included in the **products-completed operations hazard**), **personal injury**, and **advertising injury** arising out of a single **occurrence**;
- (2) The Each **Employee** Limit is the most we will pay in excess of the **retained limit** for all **loss** sustained by any one **employee**, including **loss** sustained by such **employee's** dependents and beneficiaries, due to a single **employee benefits wrongful act** committed in the **administration** of your **employee benefits program**;
- (3) The Damage to Premises Rented to You Limit shown on the Declarations is the most we will pay in excess of the **retained limit** for all damages due to **property damage** to premises while rented to you or temporarily occupied by you with permission of the owner, arising out of any one **occurrence** and caused by fire, lightning, explosion, smoke, water, leakage, discharge from an automatic fire protection or extinguishing system, or any combination thereof. Subject to the Damage to Premises Rented to You Sublimit shown on the Declarations, the most we will pay to refill or recharge an automatic fire protection or extinguishing system is \$2,500.

b. Public Officials Liability

The Each **Public Officials Wrongful Act** Limit is the most we will pay in excess of the **retained limit** for the total of all **loss** arising out of a single **public official's wrongful act**.

c. Employment Practices Liability

The Each **Employment Practices Wrongful Act** Limit is the most we will pay in excess of the **retained limit** for the total of all **loss** arising out of a single **employment practices wrongful act**.

d. Automobile Liability

- (1) The Each **Accident** Limit is the most we will pay in excess of the **retained limit** for the total of all **loss** arising out of **bodily injury, property damage**, and **covered pollution cost or expense** caused by a single **accident** and resulting from the ownership, maintenance, or use of an **owned auto**.
- (2) The **Hired Auto** Limit shown in the Declarations is the most we will pay in excess of the **retained limit** for the total of all **loss** arising out of **bodily injury, property damage**, and **covered pollution cost or expense** caused by a single **accident** and resulting from the use of a **hired auto**.
- (3) The **Non-owned Auto** Limit shown in the Declarations is the most we will pay in excess of the **retained limit** for the total of all **loss** arising out of **bodily injury, property damage**, and **covered pollution cost or expense** caused by a single **accident** and resulting from the use of a **non-owned auto**.

4. Aggregate Limits as Shown in the Declarations

The Aggregate Limit is the most we will pay for all **losses** in excess of the **retained limit** for each coverage under the Insuring Agreement as follows:

- a. General Liability

The Aggregate Limit of Insurance shown in the Declarations for General Liability is the most we will pay in excess of the **retained limit** for the total sum of all **losses** for **bodily injury, property damage, personal injury, advertising injury**, damage to premises rented to you, and **losses** arising out of your **employee benefits wrongful acts**.

The Products-Completed Operations Aggregate Limit is the most we will pay in excess of the **retained limit** for the total sum of all **losses** due to **bodily injury and property damage** arising out of the **products-completed operations hazard**.

b. Public Officials Liability

The Aggregate Limit of Insurance shown in the Declarations for Public Officials Liability is the most we will pay in excess of the **retained limit** for the sum of all **losses** arising out of your **public officials wrongful acts**.

c. Employment Practices Liability

The Aggregate Limit of Insurance shown in the Declarations for Employment Practices Liability is the most we will pay in excess of the **retained limit** for the sum of all **losses** arising from your **employment practices wrongful acts**.

d. Automobile Liability

An Aggregate Limit does not apply to coverage provided under Automobile Liability.

Each applicable Insuring Agreement Aggregate Limit of Insurance will be reduced by **loss** as described above. Upon exhaustion of each Aggregate Limit of Insurance by such payments, our obligations under the applicable Insuring Agreement(s) will end.

5. Two or More Insuring Agreements

If multiple Insuring Agreements that are part of this Policy apply to the same related **claim** or **suit**, then only one Limit of Insurance and one **retained limit** shall apply to such **claim** or **suit**. We agree to make a good faith determination regarding which Insuring Agreement Limit of Liability and **retained limit** shall apply to the **claim** or **suit**. In making the determination, we will take into consideration the following factors:

- a. The central focus of the **claim** or **suit**;
- b. Those allegations that predominate in the **claim** or **suit**;
- c. Those allegations presenting the greatest covered exposure;
- d. Any factors that we in good faith deem relevant to the **claim** or **suit**.

In making the determination, we shall not consider the Limits of Insurance or the **retained limit** amounts or any erosion thereto of any Aggregate Limit.

6. Application of Limits of Insurance

The Limits of Insurance of this Policy apply separately to each consecutive annual period, starting with the beginning of the **policy period** listed in the Declarations. If the **policy period** is extended after issuance for an additional period of less than twelve (12) months, the **policy period** will be amended by endorsement and an additional premium charge will be made. The extension will not reinstate or increase the Limits of Insurance or the scope of coverage provided under this Policy.

In determining the Limits of Insurance that apply:

a. General Liability

Each and every **occurrence** arising out of any continuous, repeated, or related **occurrence** shall be treated as a single **occurrence**, and the Limits of Insurance in effect at the first **occurrence** shall apply;

All **claims** or **suits for loss** made by an **employee** due to an **employee benefits wrongful act** or a series of related **employee benefits wrongful acts**, including any **loss** claimed by such **employee's** dependents and beneficiaries, will be deemed to have been made at the time the first of those **claims** is made against the Insured

All **personal injury** or **advertising injury** arising out of the repeated publication of the same material, regardless of the mode in which such material is communicated, shall be considered as arising solely out of one **offense**.

b. **Public Officials Liability**

Each and every **public officials wrongful act** arising out of continuous, repeated or related acts, errors, or omissions shall be treated as a single **public officials wrongful act**, and the Limits of Insurance in effect at the time of the first **public officials wrongful act** shall apply;

c. **Employment Practices Liability**

Each and every **employment practices wrongful act** arising out of continuous, repeated or related acts, errors, or omissions shall be treated as a single **employment practices wrongful act**, and the Limits of Insurance in effect at the time of the first **employment practices wrongful act** shall apply; and

d. **Automobile Liability**

Each and every **accident** arising out of any continuous, repeated and/or related **accident** shall be treated as a single **accident**, and the Limits of Insurance in effect at the first such **accident** shall apply.

SECTION V – DEFINITIONS

When used in this Policy, the following words shall have the following meanings:

1. **Accident** means continuous or repeated exposure to the same conditions resulting in **bodily injury or property damage**.
2. **Administration** means:
 - a. Providing information to **employees** or **volunteer** workers, including their dependents and beneficiaries, with respect to eligibility for or scope of **employee benefits programs**;
 - b. Handling records in connection with the **employee benefits program**; or
 - c. Effecting, continuing, or terminating any **employee's** participation in any benefit included in the **employee benefits programs**.

However, **administration** does not include handling payroll deductions.

3. **Advertisement** means an electronic, oral, written, or other notice broadcast or published about goods, products, or services designed for the specific purpose of attracting the general public or a specific market segment to use such goods, products, or services. **Advertisement** does not include any e-mail address, Internet domain name, or other electronic address or metalanguage.

4. **Advertising injury** means injury, other than **bodily injury, property damage, or personal injury** sustained by a person or organization arising out of one or more of the following offenses:

- a. Infringing upon another's copyright, trade dress, or slogan in your **advertisement**.
- b. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products, or services.
- c. The use of another's advertising idea in your **advertisement**.

5. **Auto** means:

- a. All land motor vehicles, trailers, or semi-trailers, including any attached machinery or equipment, designed for use on public roads; or
- b. Any other land vehicle that is subject to a compulsory financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, **auto** does not include **mobile equipment**.

6. **Bodily injury** means physical injury to a person's body, disability, sickness, or disease sustained by a person, including death resulting from any of these at any time. **Bodily injury** includes mental anguish, mental injury, humiliation, and shock if resulting directly from such physical injury. **Bodily injury** shall include care, loss of services, and loss of consortium.

7. **Cannabis** means any good or product that consists of or contains any amount of Tetrahydrocannabinol (THC) or any other cannabinoid, regardless of whether any such THC or cannabinoid is natural or synthetic.

Cannabis includes, but is not limited to, any of the following containing such THC or cannabinoid:

- a. Any plant of the genus Cannabis L., or any part thereof, such as seeds, stems, flowers, stalks and roots; or
- b. Any compound, byproduct, extract, derivative, mixture or combination, such as, but not limited to:
 - (1) Resin, oil or wax;
 - (2) Hash or hemp; or
 - (3) Infused liquid or edible **cannabis**;

whether derived from any plant or part of any plant set forth in Paragraph a. above or not.

8. **Certified act of terrorism** means an act that is certified by the Secretary of the Treasury pursuant to the Federal Terrorism Risk Insurance Act.

9. **Chief Executive Officer** means your **Executive Director** or the highest-ranking person at your organization, as created by your charter, constitution, bylaws, or any other similar governing document.

10. **Claim** means a written demand received by any Insured for a **loss** alleging injury or damage to persons or property, including the institution of a **suit** for such **loss** against any Insured.

11. **Communicable disease** means any disease, illness, or bodily condition caused by the direct or indirect transmission or exposure to an **infectious agent** by any means.

12. **Coverage territory** means worldwide if the Insured's responsibility to pay **loss** is determined in a **suit** brought in the United States of America (including its territories and possessions) or Canada.

13. **Covered pollution cost or expense** means any cost or expense arising out of:

- a. Any request, demand, order or statutory or regulatory requirement that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to or assess the effects of **pollutants**; or
- b. Any **claim** or **suit** by or on behalf of a governmental authority for **loss** because of testing, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, or in any way responding to or assessing the effects of **pollutants**.

Covered pollution cost or expense does not include any cost or expense arising out of the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of **pollutants**:

- (1) That are or that are contained in any property that is:
 - (a) Being transported or towed by, handled or being handled for movement into, onto, or from the **owned auto**, covered **non-owned auto**, or covered **hired auto**;
 - (b) Otherwise in the course of transit by or on behalf of the Insured; or
 - (c) Being stored, disposed of, treated or processed in or upon the **owned auto**, covered **non-owned auto**, or covered **hired auto**.
- (2) Before the **pollutants** or any property in which the **pollutants** are contained are moved from the place where they are accepted by the Insured for movement into or onto the **owned auto**, covered **non-owned auto**, or covered **hired auto**; or
- (3) After the **pollutants** or any property in which the **pollutants** are contained are moved from the **owned auto**, covered **non-owned auto**, or covered **hired auto** to the place where they are finally delivered, disposed of, or abandoned by the Insured.

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases, or other similar **pollutants** that are needed for or result from the normal electrical, hydraulic, or mechanical functioning of the **owned auto**, covered **non-owned auto**, or covered **hired auto** or its parts if the **pollutants** escape, seep, migrate, or are discharged, dispersed, or released directly from an **auto** part designed by its manufacturer to hold, store, receive, or dispose of such **pollutants**.

Paragraphs (2) and (3) above do not apply to **accidents** that do not occur on premises owned by or rented to an Insured with respect to **pollutants** not in or upon an **owned auto**, covered **non-owned auto**, or covered **hired auto** if:

- (a) The **pollutants** or any property in which the **pollutants** are contained are upset, overturned, or damaged as a result of the maintenance or use of an **owned auto**, covered **non-owned auto**, or covered **hired auto**; and
- (b) The discharge, dispersal, seepage, migration, release, or escape of the **pollutants** is caused directly by such upset, overturn, or damage.

14. **Dam** means any artificial barrier, including appurtenant works, which impounds or diverts water and either:

- a. Is in excess of twenty-five (25) feet in height, regardless of storage capacity; or
- b. Has an impounding capacity of fifteen (15) acre-feet or greater, regardless of the structure's height.

A structure not meeting the requirements stated in Paragraphs a. or b. above shall not be considered a **dam**.

15. **Defense costs** means reasonable and necessary legal costs and other expenses that can be directly allocated to a specific **claim** or **suit** incurred in the defense, investigation, or adjustment of **claims**, expenses for expert witnesses, and expenses described in Section I, Paragraph 4. of this Policy.

Defense costs do not include the salaries or expenses of our **employees** or our administrative expenses.

Defense costs do not include the salaries and expenses of your **employees**, your administrative expenses, or the fees paid to a claims servicing organization engaged by any Insured.

16. **Discrimination** means the unlawful treatment, including any violation of civil rights, with respect to a person's race, skin color, national origin, gender, marital status, age, sexual preference, physical or mental condition, or any other protected class or characteristic established by any federal, state, or local statutes, ordinances, rules, or regulations.

17. **Electromagnetic radiation** means but is not limited to magnetic energy, waves, fields, or forces generated, produced, distributed, transmitted, or maintained by the charges, currents, frequencies, energy, or forces of electricity that are generated, flowing, or otherwise transmitted through the medium, methods, and equipment designed to generate, produce, distribute, transport, or transmit the electrical charges, currents, frequencies, energy, or forces.

18. **Electronic data** means information, facts, or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data-processing devices, or any other media that are used with electronically controlled equipment.

19. **Emergency travel expenses** include the additional cost of travel and accommodations, including the cost of transporting personal baggage of your **Chief Executive Officer** or **Executive Director**, incurred as a direct result of the cancellation of that **Chief Executive Officer** or **Executive Director's** previously scheduled transport that necessitates rescheduling within forty-eight (48) hours of the date and time that the **certified act of terrorism** was first initiated.

20. **Employee** includes any **leased worker** but does not include a **temporary worker**, a **volunteer worker**, or a **service contractor**.

21. **Employee benefits program** means a program providing some or all of the following benefits to **employees**, whether provided through a plan authorized by applicable law to allow **employees** to elect to pay for certain benefits with pretax dollars or otherwise:

- a. Group life insurance, group **accident** or health insurance, dental, vision, and hearing plans, and flexible spending accounts, provided that no one other than an **employee** may subscribe to such benefits and such benefits are made generally available to those **employees** who satisfy the plan's eligibility requirements;
- b. Profit-sharing plans, **employee** savings plans, **employee** stock ownership plans, pension plans, and stock subscription plans, provided that no one other than an

employee may subscribe to such benefits and such benefits are made generally available to all **employees** who are eligible under the plan for such benefits;

- c. Unemployment insurance, Social Security benefits, workers' compensation, and disability benefits;
- d. Vacation plans, including buy and sell programs, and leave of absence programs, including military, maternity, family and civil leave, tuition assistance plans, and transportation and health club subsidies, and
- e. Any other similar benefits added thereto by endorsement.

22. **Employee benefits wrongful act** means any actual or alleged negligent act, error, or omission in the **administration** of your **employee benefits program**.

23. **Employment practices wrongful act** means an actual or alleged:

- a. Wrongful dismissal, discharge, or termination of employment, whether actual or constructive;
- b. Harassment, including sexual harassment whether or not "quid pro quo," hostile work environment, or otherwise;
- c. **Discrimination** based upon age, gender, race, skin color, national origin, religion, sexual orientation or preference, pregnancy, disability, or any basis prohibited by federal, state, or local laws;
- d. Breach of any manual of employment policies or procedures;
- e. **Retaliation** in response to an **employee's**:
 - (1) Disclosure or threat of disclosure of any act by an Insured alleged to be a violation of any federal, state, local, or foreign law, whether common or statutory, or any rule or regulation promulgated thereunder;
 - (2) Actual or attempted exercise of any right that the **employee** has under law;
 - (3) Filing of any **claim** or **suit** under the Federal False Claims Act or any other federal, state, local, or foreign whistleblower law;
 - (4) Misrepresentation, libel, slander, humiliation, defamation, invasion of privacy, infliction of emotional distress, or mental anguish;
 - (5) Wrongful failure to employ or promote;
 - (6) Wrongful deprivation of career opportunity;
 - (7) Wrongful demotion, evaluation, or discipline; or
 - (8) Breach of a contract to commence or to continue employment with an Insured.
- f. Consequential emotional distress or mental anguish as respects a. through e. above.

24. **Environment** means any air, land, structure (or air within), watercourse or other body of water, including underground water.

25. **Executive Director** means your **Chief Executive Officer** or the highest-ranking person at your organization, as created by your charter, constitution, bylaws, or any other similar governing document.

26. **Fungi** means any type or form of fungus, including mold or mildew, other microorganisms, and any mycotoxins, spores, scents, or by-products produced by or released by **fungi**.

27. **Healthcare practitioner** means any physician, medical doctor, osteopath, chiropractor, resident, intern or extern, psychiatrist, pharmacist, dentist, orthodontist or periodontist, athletic trainer, audiologist, coroner, counselor, emergency medical technician, first aid attendant, hearing therapist, language therapist, licensed or registered nurse, nutritionist, dietician, paramedic, physical therapist, psychologist, social worker, speech pathologist or speech therapist, or any other licensed or certified healthcare professional.

28. **Herbicides or pesticides** means insecticides, herbicides, pesticides, fungicides, nematicides, fertilizers, or other chemicals or materials used in landscaping, lawn, garden, or tree and shrub maintenance. This includes dispersal agents and other substances used during the application of **herbicides or pesticides** as a result of their interaction with other substances.

29. **Hired auto** means **autos** you lease, hire, rent, or borrow. This does not include any **auto** you lease, hire, rent, or borrow from any of your **employees**, partners (if you are a partnership), members (if you are a limited liability company), or members of their households.

30. **Hostile fire** means one that becomes uncontrollable or breaks out from where it was intended to be.

31. **Identity theft event** means the misappropriation of **personally identifiable information** or any other confidential information that has resulted in the wrongful or fraudulent use of such **personally identifiable information**, including but not limited to fraudulently assuming the identity of an individual or corporation.

32. **Impaired property** means tangible property other than **your product or your work** that cannot be used or is less useful because:

- a. It incorporates **your product or your work** that is known or thought to be defective, deficient, inadequate, or dangerous; or
- b. You have failed to fulfill the terms of a contract or agreement; or
- c. If such property can be restored to use by the repair, replacement, adjustment, or removal of **your product or your work**, or your fulfilling the terms of the contract or agreement.

33. **Infectious agent** means any bacteria, virus, toxin, parasite, or other organism or biological entity capable of causing a **communicable disease** or exacerbating or accelerating an existing bodily condition or illness.

34. **Insured contract** means:

A written contract or agreement that is:

- a. A contract for a lease of premises; however, that portion of the contract for lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with the permission of the owner is not an **insured contract**;
- b. A sidetrack agreement;
- c. Any easement or license agreement;
- d. An obligation as required by ordinance to indemnify a local government except in connection with work for a local government;
- e. An elevator maintenance agreement;

f. That part of any other contract or agreement pertaining to your business under which you assume the **tort liability** of another party to pay for **bodily injury or property damage**, to which this insurance applies, to a third person or organization.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies an architect, engineer, or surveyor for injury or damage arising out of:
 - (a) Preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, or drawings and specifications;
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
- (2) Under which the Insured, if an architect, engineer, or surveyor, assumes liability for an injury or damage arising out of the Insured's rendering or failure to render **professional services**, including those listed in Paragraph a. above and supervisory, inspection, architectural, or engineering activities.

35. Key individual replacement expenses include:

- a. The costs of advertising the open position;
- b. Travel, lodging, and meal expenses incurred in interviewing applicants for the open position; and
- c. Miscellaneous extra expenses incurred in finding, interviewing, and negotiating with the applicants, including overtime pay, costs to verify the applicant's background, and references and legal expenses incurred to prepare employment contracts.

36. Land subsidence means the movement of land or earth including but not limited to sinking, settling, moving, expanding, contracting, and any other forms of displacement such as earthquakes, landslides, slippage, or erosion.

37. Law enforcement activities means:

- a. Any official activity, function, or operation conducted by you or on your behalf in the course of your law enforcement operations;
- b. The development, implementation, and enforcement of all practices and procedures governing any aspect of your law enforcement operations;
- c. The ownership, maintenance, operation, or use of any premises by your law enforcement operations;
- d. Any criminal prosecution activity by judicial officers and staff other than public defenders.

38. Law enforcement wrongful act means any actual or alleged act, error or omission, neglect or breach of duty, including violation of civil rights law, that results in **bodily injury, property damage, or personal injury** that is committed by an Insured in the course and scope of conducting **law enforcement activities** for the Named Insured.

39. Leased worker means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm to perform duties related to the conduct of your operations. **Leased worker** does not include a **temporary worker** or an **employee** of a **service contractor**.

40. **Loading or unloading** means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, **auto**, or watercraft;
- b. While it is in or on an aircraft, **auto**, or watercraft; or
- c. While it is being moved from an aircraft, **auto**, or watercraft to the place where it is finally delivered.

Loading or unloading does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, **auto**, or watercraft.

41. **Loss or losses** means any monetary amount that an Insured is legally obligated to pay for a **claim** or **suit** filed against the Insured for **bodily injury**, **property damage**, **personal injury**, **advertising injury**, **employee benefits wrongful act**, **public officials wrongful act**, **employment practices wrongful act**, or an **accident** covered under this Policy, including but not limited to amounts for injuries, damages, judgments, settlements, and awards.

Loss or losses does not mean fines, penalties, or any other damage award which may be deemed uninsurable under the law.

Loss or losses in excess of the **retained limit** do not include **defense costs**.

42. **Malicious code** means unauthorized and either corrupting or harmful software code, including but not limited to computer viruses, Trojan horses, worms, logic bombs, spyware, or SpiderWare.

43. **Mobile equipment** means:

- a. A land motor vehicle designed for use principally off public roads; or
- b. Any other land vehicle that is not subject to compulsory or financial responsibility laws or other motor vehicle insurance laws where it is licensed or principally garaged.

44. **Mutual assistance agreement** means a written agreement between agencies, organizations, or jurisdictions that allows you to lend or receive assistance across jurisdictional boundaries.

45. **Network** means computer hardware, software, firmware, and components thereof, including software and **electronic data** stored on or within the **network**, that are connected through two or more computers, including such **networks** accessible through the Internet, intranets, extranets, or virtual private **networks**. **Network** shall not include the computer hardware, software, firmware, or components thereof of any third-party provider of telephone, telecommunications, cable, Internet, or satellite services.

46. **Network security** means the use of hardware, software, and firmware, including, without limitation, firewalls, filters, routers, intrusion detection software, antivirus software, automated password management applications, and other authentication mechanisms that are designed to control or restrict the access to a **network** or parts thereof. **Network security** shall also include the use of third-party service providers that provide or assist in the provisioning of such hardware, software, and firmware.

47. **Network security wrongful act** means any actual or alleged act, error, misstatement, misleading statement, omission, neglect, or breach of duty by any Insured or any party for whom an Insured is legally liable that results in a breach of the **network security** resulting in:

- a. Unauthorized access to, use of, or the tampering of a **network**;
- b. The inability of a third party to gain access to the Insured's services;

- c. The loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate **electronic data**;
- d. The denial, disruption, nonfunctioning, or unavailability of Internet service, any intranet or private **network** or similar facility, or any website, search engine, portal, or similar third-party application service;
- e. An **identity theft** event;
- f. The transmission of **malicious code**; or
- g. The unauthorized release, disclosure, or use of confidential and proprietary business information, including but not limited to patents, trade secrets, processing methods, and customer lists.

48. **Non-owned auto** means **autos** you do not own, lease, hire, rent, or borrow that are used in conjunction with your operations. This includes **autos** owned by your **employees**, partners (if you are a partnership), members (if you are a limited liability company), or members of their households but only while used in your operations.

49. **Nuclear facility** means any:

- a. **Nuclear reactor**;
- b. Equipment or device designed or used for:
 - (1) Separating the isotopes of plutonium or uranium;
 - (2) Processing or utilizing **nuclear spent fuel**; or
 - (3) Handling, processing, or packaging **nuclear waste**;
- c. Equipment or device used for the processing, fabricating, or alloying of **nuclear material** if at any time the total amount of such material is in the custody of the Insured at the premises where such equipment or device is located consists of or contains:
 - (1) More than twenty-five (25) grams of plutonium or uranium 233 or any combination thereof; or
 - (2) Structures, basins, excavation, premises, or locations prepared or used for the storage or disposal of **nuclear waste**, including the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

50. **Nuclear hazardous properties** include radioactive, toxic, or explosive properties.

51. **Nuclear material** means by-product material, source material, or special **nuclear material**. The terms by-product material, source material, and special **nuclear material** are as defined in the United States of America Atomic Energy Act of 1954 or in any law amendatory thereof.

52. **Nuclear property damage** includes all forms of radioactive contamination of property.

53. **Nuclear reactor** means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

54. **Nuclear spent fuel** means any fuel element or fuel component, solid or liquid, that has been used or exposed to radiation in a **nuclear reactor**.

55. **Nuclear waste** means any waste material:

- a. Containing **nuclear material** other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content; and
- b. Resulting from the operation by any person or organization of any **nuclear facility** described in the definition of **nuclear facility** above.

56. **Occurrence** means:

- a. With respect to **bodily injury** or **property damage** liability, an **accident**, including continuous or repeated exposure to substantially the same general harmful conditions; or
- b. With respect to **personal injury** or **advertising injury**, a covered **offense**.

57. **Offense** means **personal injury** or **advertising injury**.

58. **Other insurance** means insurance or the funding of **losses** that is provided by or through another insurance company, risk retention group, group self-insurance, or similar risk transfer approach. It does not mean the **retained limit** to which this insurance applies or to insurance that is purchased specifically to be in excess of the **retained limit** and the Limits of Insurance afforded by this Policy.

59. **Owned auto** means **autos** you own and any trailers you do not own while attached to power units you own. This includes those **autos** you acquire ownership of after the Policy incepts.

60. **Perfluoroalkyl and Polyfluoroalkyl substances** means any:

- a. Chemical or substance that contains one or more alkyl carbons on which hydrogen atoms have been partially or completely replaced by fluorine atoms, including but not limited to:
 - (1) Polymer, oligomer, monomer, or non-polymer chemicals and their homologues, isomers, telomers, salts, derivatives, precursor chemicals, degradation products, or by-products;
 - (2) Perfluoroalkyl acids (PFAA), such as perfluorooctanoic acid (PFOA) and its salts or perfluorooctane sulfonic acid (PFOS) and its salts;
 - (3) Perfluoropolyethers (PFPE);
 - (4) Fluorotelomer-based substances; or
 - (5) Side-chain fluorinated polymers.
- b. Goods or products, including containers, materials, parts, or equipment furnished in connection with such goods or products, consisting of or containing any chemical or substance described in Paragraph a.

61. **Personal injury** means, for the purposes of coverage provided under General Liability, injury, including consequential **bodily injury**, arising out of one or more of the following **offenses**:

- a. False arrest, false detention, or false imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord, or lessor; or
- d. False or improper service of process.

62. Personally identifiable information means:

- a. Information from which an individual may be uniquely and reliably identified, including but not limited to an individual's name, address, telephone number, or e-mail address, in combination with their Social Security number, account relationships, account numbers, passwords, PIN numbers, credit card numbers, or biometric information; or
- b. Personal information as defined in any U.S. federal or state privacy protection law governing the control and use of an individual's personal and confidential information, including any regulations promulgated thereunder or any similar or related laws or regulations of any foreign jurisdiction, including but not limited to:
 - (1) Non-public personal information as defined by Title V of the Gramm-Leach-Bliley Act of 1999 as amended and any regulations promulgated thereto;
 - (2) Protected health information as defined by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) or the Health Information Technology for Economic and Clinical Health Act of 2009 (HITECH) as amended, and any regulations promulgated thereto;
 - (3) Personal information as defined in the California Database Protection Act of 2003 and California A.B. 1950 as amended and any regulations promulgated thereto;
 - (4) Customer information held by a creditor or financial institution as defined by and protected under the FTC Red Flags Rule.

63. Policy period means the period beginning with the effective date shown in the Declarations and ending with the earlier of:

- a. The date of cancellation of this Policy; or
- b. The expiration date shown in the Declarations.

64. Pollutants means:

- a. Any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned, or reclaimed;
- b. Any other emission, odor, noise, oil, oil products, infectious, or medical waste;
- c. Any substance exhibiting hazardous characteristics as defined by or identified on a list of hazardous substances issued by the United States Environmental Protection Agency or any state or local counterpart; or
- d. Any substance if such substance has or is alleged to have the effect of making the environment impure, harmful, or dangerous.

65. Privacy wrongful act means any actual or alleged act, error, misstatement, misleading statement, omission, neglect, or breach of duty committed by any Insured or any party for whom an Insured is legally liable that results in:

- a. The misappropriation or disclosure of, potential misappropriation or disclosure of, or the failure to keep secure or unauthorized use of **personally identifiable information**;
- b. A breach or violation of U.S. federal, state law, or regulations associated with the security, confidentiality, control, and use of **personally identifiable information** or any similar or related laws or regulations of any foreign jurisdiction;
- c. An **identity theft event**; or

- d. The unauthorized release, disclosure, or use of confidential and proprietary business information, including but not limited to patents, trade secrets, processing methods, and customer lists.

66. **Products-completed operations hazard** includes all **bodily injury** and **property damage** occurring away from premises you own or rent and arising out of **your product** or **your work** except:

- a. Products that are still in your physical possession; or
- b. Work that has not yet been completed or abandoned. However, **your work** will be deemed completed at the earliest of the following times:
 - (1) When all the work called for in your contract has been completed;
 - (2) When all the work to be done at the job site has been completed if your contract calls for work at more than one job site; or
 - (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair, or replacement but is otherwise complete will be treated as completed.

Products-completed operations hazard does not include **bodily injury** or **property damage** arising out of:

- a. The transportation of property unless the injury or damage arises on a vehicle not owned or operated by you; or
- b. The existence of tools, uninstalled equipment, or abandoned or unused materials.

67. **Professional services** means any act or service performed in connection with an occupation or employment involving specialized training, knowledge, labor, or skill and that requires special licensing by an agency, organization, or entity authorized to issue such license.

Professional services does not include services provided by a licensed or certified healthcare practitioner.

68. **Property damage** means:

- a. Physical injury to tangible property, including all resulting loss of use of that property; all such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured; all such loss of use shall be deemed to occur at the time of the **occurrence** that caused it.
- c. For the purposes of this insurance, **electronic data** are not tangible property.

69. **Public officials wrongful act** means an actual or alleged:

- a. Breach of duty, neglect, error, misstatement, misleading statement, or omission by an Insured;
- b. Violation of civil rights protected under 42 USC 1981 et seq. or any similar federal, state, or local law by an Insured; or
- c. Violation of any state civil rights law

that arises out of the discharge of duties for the Named Insured.

70. **Public transit** means any fixed or non-fixed route transit systems, including buses, paratransit, subways, light rail, commuter rail, trolleys, and ferries.

71. **Retained limit** means the amount stated in the Declarations. You shall retain this amount as self-insurance. The **retained limit** includes **defense costs**.

72. **Retaliation** means an adverse employment action taken against an **employee** in response to that **employee's** exercise of or availment to rights, privileges, and protection under the law.

73. **Security guard** means:

- A non-sworn civilian security officer with no government conferred powers of arrest; or
- An off-duty law enforcement officer acting as a civilian security officer while employed by you to conduct **security guard activities**.

74. **Security guard activities** include all operations authorized by you, or contracted by you, to control or restrict access to your premises or safeguard your operations.

75. **Security guard wrongful act** means any actual or alleged act, error or omission, neglect or breach of duty, including violation of civil rights law that results in **bodily injury**, **property damage**, or **personal injury** that is committed by an Insured in the course and scope of conducting **security guard activities** for the Named Insured.

76. **Service contractor** means a person or organization that is under contract to provide specific services for the benefit of the Insured using workers:

- Who are **employees** of that **service contractor**; and
- Whose work and activities are generally under the control and direction of that **service contractor**.

77. **Sexual abuse** means any actual, attempted or alleged sexual conduct by a person or by persons acting in concert, which causes injury. **Sexual abuse** includes **sexual molestation**, sexual assault, sexual exploitation, or sexual injury. It does not include sexual harassment.

78. **Sexual molestation** means physical **sexual abuse** of any person, including but not limited to any nonconsensual physical sexual involvement or physical sexual contact.

79. **Silica** means silicon dioxide (occurring in crystalline, amorphous and impure forms), **silica** particles, **silica-related dust**, or **silica** compounds.

80. **Silica-related dust** means a mixture or combination of **silica** and other dust particles.

81. **Specified perils** means:

- Lighting, windstorm or earthquake;
- Smoke, explosions, implosion, collapse, puncture, bursting, rupture, collision, or overturn of a tank, a vessel, machinery, equipment, or other similar apparatus or device, other than an auto, including any attached piping, pumps, or valves, if the smoke, explosion, implosion, collapse, puncture, bursting, rupture collision, or overturn is not cause by deterioration, corrosion, erosion, decay, rotting or wear and tear.
- Riot or civil commotion; or
- Vandalism or malicious mischief by someone other than the Insured.

82. **Suit** means a civil proceeding in which **loss** due to **bodily injury**, **property damage**, **personal injury**, **advertising injury**, **employee benefits wrongful acts**, **public officials wrongful acts**, **employment practices wrongful acts**, or **accidents** to which this insurance applies are alleged. **Suit** includes:

- a. An arbitration proceeding in which such **loss** or **defense costs** are claimed and to which the Insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such **loss** or **defense costs** are claimed and to which the Insured submits with our consent.

Suit does not mean an administrative or governmental hearing, proceeding, or investigation of any kind.

83. **Temporary worker** means a person who is furnished to you to substitute for a permanent **employee** on leave or to meet seasonal or short-term workload conditions.
84. **Tort liability** means a liability that would be imposed by law in the absence of any contract or agreement.
85. **Unaffiliated board** means an agency, board, district, committee, commission, or similar organization that you do not operate and is not subject to your oversight, control, or direction and is not operated with funds provided by or administered by you.
86. **Unaudited financial statement** means any financial statement or disclosure document that is not audited according to generally accepted accounting principles.
87. **Underground storage tank** means any storage tank, including any attached pumps, valves, or piping, buried below the surface of the ground or water, or which at any time, had been buried under the surface of the ground or water and then subsequently exposed by any means. For the purposes of this definition, buried means that at least 10% of it is below the surface of the ground or water.
88. **Unmanned aircraft** means an aircraft that is not designed, manufactured, or modified after manufacture to be controlled directly by a person from within or on the aircraft.
89. **Volunteer** means a person who is not your **employee** and who donates their work, acting under the direction of and within the scope of duties you determined. They do not receive a fee, salary, or other compensation from you or anyone else for their work performed for you.

90. Your product:

- a. Means any goods or products, other than real property, manufactured, sold, handled, distributed, or disposed of by:
 - (1) You;
 - (2) Others trading under your name; or
 - (3) A person or organization whose business or assets you have acquired; and
 - (4) Containers (other than **autos**), materials, parts, or equipment furnished in connection with such goods or products.
- b. This includes:
 - (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance, or use of **your product**; and
 - (2) The providing of or failure to provide warnings or instructions.

Your product does not include vending machines or other property rented to or located for the use of others but not sold.

91. Your work:

- a. Means:

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts, or equipment furnished in connection with such work or operations.

b. Includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance, or use of **your work**; and
- (2) The providing of or failure to provide warnings or instructions.

SECTION VI – CONDITIONS

1. Arbitration of Disputes Regarding Coverage

a. Mediation

If any dispute arises between the Insured and us involving this Policy or a **claim** or **suit**, it is hereby mutually agreed by the Insured and us that such dispute shall be referred to a qualified mediator in a good faith effort to negotiate a resolution of the dispute prior to the initiation of any arbitration or other proceedings. The party electing to mediate shall provide written notice to the other party setting forth its request to mediate and a brief statement regarding the issue to be mediated. The Insured shall provide Notice of Mediation to our representative as identified in the Declarations. The Named Insured is authorized and directed to accept the Notice of Mediation on behalf of any Insured.

b. Arbitration

As a condition precedent to any right of action hereunder, if a good faith effort to mediate pursuant to Paragraph a. above cannot resolve a dispute between the Insured and us involving this Policy or a **claim** or **suit** hereunder, it is hereby mutually agreed that such dispute shall be determined by final and binding arbitration before a single arbitrator. Such arbitration cannot be commenced until thirty (30) days after the conclusion of the mediation pursuant to Paragraph a. above. If the parties cannot mutually agree to select an arbitrator, the parties will refer the selection of the arbitrator to the American Arbitration Association.

2. Assignment

Assignment of interest under this Policy shall not bind us unless our consent is first endorsed hereon.

3. Authorization Clause

By acceptance of this Policy, the first Named Insured agrees to act on behalf of each Insured with respect to the giving and receiving of notice of each **claim** or **suit**, cancellation or nonrenewal, and the payment of premiums that may become due under this Policy; and each insured agrees that the Named Insured shall act on their behalf.

4. Bankruptcy

Bankruptcy, insolvency, or inability to pay by the Insured will not relieve us of our obligations under this Policy.

Under no circumstances will such bankruptcy, insolvency, or inability to pay in any way increase our liability or require us to drop down, replace your **retained limit**, or assume any obligation associated with your **retained limit**.

5. Cancellation or Nonrenewal

- a. The first Named Insured shown in the Declarations may cancel this Policy by mailing or delivering to us advance written notice of cancellation.
- b. We may cancel this Policy by mailing or delivering to the first Named Insured written notice of such cancellation in compliance with the applicable state regulations that apply to cancellation notices but not less than:
 - (1) Ten (10) days before the effective date of cancellation if we cancel for nonpayment of any premium when due; or
 - (2) Thirty (30) days before the effective date of cancellation if we cancel for any other reason.
- c. If we decide to not renew this Policy, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal in compliance with the applicable state regulations that apply to such nonrenewal notice requirements but not less than ninety (90) days before the expiration date of this Policy.
- d. We will mail or deliver such cancellation or nonrenewal notice to the Named Insured's last mailing address known to us.
- e. A notice of cancellation issued by us will state the effective date of the cancellation. The **policy period** will end on that date.
- f. If this Policy is cancelled, we will send the Named Insured any premium refund due. If we cancel, the refund will be on a pro-rata basis. If the Named Insured cancels, the refund will be on a short-rate basis but not less than the Minimum Earned Premium shown in the Declarations. The cancellation will be effective even if we have not made or offered a refund.
- g. If notice is mailed, proof of mailing will be sufficient proof of notice.

6. Changes

Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or change in any part of this Policy or stop us from asserting any right under the terms of this Policy. The terms can only be amended or waived by endorsement issued by us and made part of this Policy.

7. Claims Administrator

You must provide us with the name, address, and contact information of your Claims Administrator whether self-administered or contracted to a third-party administrator. We, our agents, assignees, or designees reserve the right, with thirty (30) days' notice to you, to conduct an audit of your Claims Administrator.

8. Conditions and Permissions for Selection of Defense Counsel

With respect to our right and duty to defend **claims** in excess of the **retained limit** under the terms of this Policy, we may, at our discretion and by mutual agreement or by court order, permit you to select defense counsel subject to the applicable Limits of Insurance of this coverage form. In such an event, the following provisions apply:

- a. We retain the right, at our discretion, to settle, approve, or disapprove the settlement of any **claim** or **suit** and to appeal any judgment, award, or ruling at our expense.
- b. You and any other involved insured must comply with the Duties in the Event of an Occurrence, Employee Benefits Wrongful Act, Employment Practices Wrongful Act,

Public Officials Wrongful Act, Accident or Claim or Suit Condition of this Policy, as well as all other provisions of this Policy; and

- c. You must direct defense counsel of the Insured to furnish us with the information we request to evaluate those **claims** or **suits** for coverage under this Policy and cooperate with any counsel we may select to monitor or associate in the defense of those **claims** or **suits**.
- d. If we defend you under a reservation of rights, both your and our counsel will be required to maintain records pertinent to your **defense costs**. These records will be used to determine the allocation of any **defense costs** for which you may be solely responsible, including defense of an allegation not covered by this insurance, and are subject to our inspection and audit at our request.
- e. Your defense counsel must comply with our representative's defense counsel guidelines.

9. Conflicting Statutes

Terms of this Policy that conflict with the statutes of the state where this Policy is issued are amended to conform to the statutes of the state of the Insured's domicile.

10. Duties in the Event of an Occurrence, Employee Benefits Wrongful Act, Employment Practices Wrongful Act, Public Officials Wrongful Act, Accident, Claim, or Suit

- a. You must notify us as soon as practicable once you have knowledge of any **occurrence**, **employee benefits wrongful act**, **employment practices wrongful act**, **public officials wrongful act**, or **accident** that may reasonably or subsequently give rise to a **claim** or **suit** being made against an Insured that may result in liability for us under this Policy. To the extent possible, notice should include:
 - (1) How, when, and where the **occurrence**, **employee benefits wrongful act**, **employment practices wrongful act**, **public officials wrongful act**, **accident**, or **claim** took place;
 - (2) The names and addresses of any injured persons and witnesses;
 - (3) The date the **claim** or **suit** was received; and
 - (4) The nature and location of any injury or damage arising out of the **occurrence**, **employee benefits wrongful act**, **employment practices wrongful act**, **public officials wrongful act**, **accident**, or **claim**.
- b. In the event that a **claim** or **suit** that may result in liability for us under this Policy proceeds to trial, you must provide a minimum of one hundred twenty (120) days (or as soon as practicable if scheduled within such time period) written notice to us of the initial scheduled trial date.
- c. You must provide information in the manner specified above of any **occurrence**, **employee benefits wrongful act**, **employment practices wrongful act**, **public officials wrongful act**, **accident**, **claim** or **suit** regardless of the coverage or liability that:
 - (1) Alleges sexual misconduct of any type;
 - (2) Involves terrorism or suspected terrorism;
 - (3) Is a class action **suit**;
 - (4) Names us as a defendant;

- (5) Results in the establishment of a reserve that equals or exceeds fifty (50) percent of the **retained limit**;
- (6) Involves any of the following **bodily injury claims**:
 - (a) Amputation;
 - (b) Blindness;
 - (c) Brain damage;
 - (d) Second or third degree burns over thirty (30) percent of the body;
 - (e) Disability;
 - (f) Disfigurement;
 - (g) Fatalities;
 - (h) Hearing impairment;
 - (i) Loss of limb;
 - (j) Loss of work time of six months or greater;
 - (k) Paralysis; or
 - (l) Spinal cord injuries.
- d. If the Insured reports an **occurrence** to the workers' compensation and/or employer's liability carrier of the Insured and this **occurrence** later develops into a **claim** under General Liability, the failure to report such **occurrence** to us at the time of the **occurrence** is not a violation of this condition. However, you must give us notice as soon as practicable after being made aware that the particular **claim** or **suit** is a General Liability **claim** or **suit**.
- e. With respect to Automobile Liability, you must report your pollution cleanup and removal expenses to us in writing within one hundred eighty (180) days or the earlier of:
 - (1) The date of the covered direct physical **loss** or **accident**; or
 - (2) The end of the **policy period**.
- f. You and any other Insured involved must:
 - (1) Cooperate with us in the investigation or settlement of the claim or defense against the suit; and
 - (2) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the Insured because of injury or damage to which this insurance may also apply.

No Insured will, except at that Insured's own cost, voluntarily make a payment, assume an obligation, or incur any expense in excess of the **retained limit** without our prior written consent.

Notice to us means written notice to the Company or our designated Claims Administrator. Notice to us does not include notice to our Program Administrator or the inclusion of a **claim** on a loss run or loss report.

11. Examination of Books and Records

We may examine your books and records as they relate to this Policy at any time during the **policy period** and up to three (3) years afterward.

12. Inspections and Surveys

We reserve the right, but are not obligated, to make inspections and surveys at any time. Any inspections, surveys, reports, or recommendations relate only to insurability and the premiums to be charged. Such inspections are not safety inspections. We do not undertake any duty to provide for the health or safety of any person, and we do not represent or warrant that conditions are safe and healthful or comply with laws, regulations, codes, or standards.

13. Legal Action Against Us

No one may bring a legal action against us under this Policy unless all its terms and conditions have been fully complied with.

Other than provided to you or as expressly provided for by law, this Policy grants no rights whatsoever to any person or organization to sue us or join us as a party to any action against any Insured to determine the liability of the Insured. Additionally, we shall not be impleaded by any Insured or its legal representatives.

14. Other Insurance

If other valid and collectible insurance applies to a **claim** or **suit** covered by this Policy and is subject to Section IV – Limits of Insurance of this Policy, this Policy will apply excess of the **other insurance**, whether this insurance is primary, excess, or contingent or issued on any other basis.

The insurance under this Policy is not subject to the terms, conditions, or limitations of any **other insurance** Policy.

The Insured shall promptly, upon our request, provide us with copies of all such policies or documentation.

15. Premiums

a. The Named Insured:

- (1) Is responsible for payment of all premiums when due; and
- (2) Will be the payee for any return premiums we pay.

b. The Named Insured must keep records of the information we need for premium computation and must send us copies at such times as we may request.

16. Representations

a. By accepting this Policy, you agree that:

- (1) The statements and representations made by the Insured in the application for this Policy are accurate and complete; and
- (2) The loss information provided for this Policy is complete and lists all known **occurrences**, **claims**, or **suits** made against the Insured including accurate claim reserves and ultimate claim settlement amounts.

b. We have issued this Policy in reliance upon your statements and representations.

c. Coverage will continue to apply if you:

- (1) Unintentionally fail to disclose all hazards existing at the inception of this Policy; or
- (2) Unintentionally make an error, omission, or improper description of premises or other statement of information stated in this Policy.

You must notify us as soon as possible after you discover any hazard or any other information that was not provided to us prior to the acceptance of this Policy.

This provision does not affect our right to collect additional premium or exercise our right of cancellation or nonrenewal under this Policy.

17. Separation of Insureds

With the exception of the Limits of Insurance and any rights or duties specifically assigned in this Policy to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each Insured against whom **claim** is made or **suit** is brought.

18. Sovereign Immunity and Damage Caps

For any amount for which the Insured would not be liable under applicable governmental or sovereign immunity but for the existence of this Policy, the issuance of this insurance shall not be deemed a waiver of any statutory immunities by or on behalf of any Insured nor of any statutory limits on the monetary amount of liability applicable to any Insured were this Policy not in effect.

With respect to any **claim** or **suit**, we expressly reserve all rights to deny liability because of such immunity, and we assert the limitations as to the amount of liability as might be provided by law.

19. Transfer of Rights of Recovery Against Others to Us

If any Insured has rights to recover all or part of any payment we have made under this Policy, those rights are transferred to us. The Insured must do nothing after the **loss** to impair those rights. At our request, the Insured will bring **suit** or transfer those rights to us and assist us in enforcing them. In the event of recovery, the proceeds will be divided in the following priority order, including those expenses incurred in pursuing such recovery:

- a. Any Insured or insurer who paid amounts in excess of the Limit of Insurance of this Policy;
- b. Our expenses and payments made under this Policy;
- c. You and any other insurer who paid an amount below our Limits of Insurance of this Policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – WILDFIRE OR WILDFIRE INJURY

This endorsement modifies insurance provided under the following:

SPECIAL DISTRICT RETAINED LIMIT LIABILITY POLICY

SECTION II – EXCLUSIONS is amended to include the following:

Wildfire or Wildfire Injury

This insurance does not apply to any **loss, claims, suits**, liability, or obligations of the Insured alleging, based upon, arising out of, attributable to, directly or indirectly resulting from, as a consequence of, or in any way involving, in whole or in part to any **wildfire or wildfire injury**, including any cost that any Insured becomes legally obligated to pay as reimbursement for fighting, suppressing, or bringing under control any **wildfire**.

SECTION V– DEFINITIONS is amended to include the following:

Wildfire injury means any injury or damage that directly or indirectly, in whole or in part, arises out of or results from a **wildfire**.

Wildfire means any wildland fire, forest fire, brush fire, vegetation fire, grass fire, peat fire, bushfire, hill fire, desert fire, veldfire, escaped prescribed fires, escaped wildland fire, or any other uncontrolled or unplanned fire, which may (but is not required to) also consume houses, buildings, other structures, or agricultural resources. **Wildfire** includes all risk associated with or resulting from such fire(s), such as smoke, heat, shot or fumes.

All other terms and conditions of this Policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION AMENDMENT - FAILURE TO SUPPLY COVERAGE

This endorsement modifies insurance provided under the following:

SPECIAL DISTRICT RETAINED LIMIT LIABILITY POLICY

SECTION II – EXCLUSIONS, 29. **Failure to Supply** is deleted in its entirety and replaced with the following:

29. **Failure to Supply**

Any failure to adequately supply gas, oil, water, electricity, steam or biofuel.

This exclusion does not apply if the failure results from the sudden and accidental physical injury to tangible property owned or used by any Insured to procure, produce, process, or transmit the gas, oil, water, electricity, steam, or biofuel.

However, the exception above does not apply if the failure to provide such utility service is due to any of the following:

- a. Lack of regular maintenance or the improper care of mains, lines, grids, poles, or any equipment;
- b. Inadequate power source if such inadequacy was known to the Insured prior to the **occurrence** and the Insured did not take steps to correct such inadequacy;
- c. Inadequate or improper training and/or skill level of responsible person(s) conducting the applicable utility operation(s); or
- d. Breach of an insured contract.

All other terms and conditions of this Policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION AMENDMENT - ELECTRIC UTILITIES COVERAGE

This endorsement modifies insurance provided under the following:

SPECIAL DISTRICT RETAINED LIMIT LIABILITY POLICY

SECTION II – EXCLUSIONS, 19. **Electric Utilities** is deleted in its entirety.

All other terms and conditions of this Policy remain unchanged.

SECURITY DECISION

Exposed Miniserv Technology

The Miniserv is a Webmin (web-based system administration tool) server component. The exposed assets that we observed contains publicly available exploits that threat actors are using to deploy ransomware attacks.

Why is this risky?

Current threat actor activity on the internet is focusing on exploiting a vulnerability in this software to deploy malware on these servers. By exposing an unpatched version of Miniserv webserver to the internet, the related risk score with respect to ransomware rises greatly and the risk of infection is very likely.

How can this be resolved?

We require that the following actions be taken:

1. Update the Miniserv servers to the most recent version to fix these high-risk vulnerabilities.

How can I test my fix and resolve the contingency?

If you are an renewing with Coalition, you can use our self-service options:

1. Login into [Coalition Control](#).
2. Look up the findings associated with the contingency and trigger a [Rescan](#).
3. If you would like to contest and attest that the asset does not belong to you, the feature [False Positive Asset Removal](#) allows you to request removal. Our security team will review the request, and approval is available within 48 hours.
4. If the contingency is still not resolved, [schedule a call](#) with a security engineer.



What is Coalition Control?

[Coalition Control](#) is your account home and includes free attack surface scanning and ongoing monitoring of your organization from the outside in. When vulnerabilities are identified, we show you where they are and how to fix them. Coalition insurance policyholders are automatically upgraded to Extended scanning of their organization and Lite scanning of up to five partners, suppliers, or vendors.

How can I log into Control?

1. Load [Coalition Control](#) in your web browser.
2. Type in your valid business email, review the terms and conditions, and click Sign Up. Note: Google, Yahoo, and Hotmail are not valid business email addresses.
3. Follow the steps from the activation email sent to your inbox and set a secure password to finish activating your Control account.
4. We recommend repeating this process with your organization's IT team who can review the data available in the Control dashboard for remediation.
5. If you encounter any difficulties with the platform or need to reset your password, contact Coalition via Intercom or control@coalitioninc.com.

Heber Light & Power Company

Service Plan

2025 - 2026

November	Preliminary Planning Meeting	September	Policy Verification
	Market & Underwriter Qualification		Risk Advisory Service
	Coverage Program Design		Risk Assessment Service
December	Catastrophe Models / Probable Maximum Loss	October	Annual Risk Report
	Comprehensive Risk Assessment		Benchmarking Reports & Analytics
	Infrastructure Evaluation		Insurance Market Update
	Replacement Cost Valuation		Risk Climate Update
	Schedule Verification		
Services To Be Scheduled			
January	Coverage Marketing / Renewal Negotiation	Policy	Attend Client Meetings / Answer Client Questions
	Exposure Update		Claim Management
	Quarterly Stewardship Report		Endorsement Preparation
February	Coverage Marketing Update		Evidence of Insurance Preparation (Certificates / Auto ID)
	Risk Control Service		
	Finalize Underwriter Negotiation		
March	Preliminary Proposal Presentation	Risk Advisory	Employee Training
	Risk Advisory Service		No-Fault Program Design
	Underwriting Revisions		Online Risk Management Resources
April	Final Proposal Presentation		Regulatory Compliance
	Quarterly Stewardship Report		Risk Conference
	Risk Assessment Service		Safety & Risk Management Program Support
May	Coverage Implementation		Third Party Administrator Coordination
	Risk Advisory Service		Weekly Risk Awareness Program (WRAP)
	Risk Control Service		
June	Audit Support	Risk Assessment	Contract Insurance Requirements
	Cost Allocation Models		Emerging Risk Assessments
	Location Risk Evaluation		Personnel Policy Assessments
	Risk Advisory Service		Property Risk Assessment
July	Quarterly Stewardship Report		Risk Tolerance / Feasibility Studies
	Risk Advisory Service		
	Risk Assessment Service		
August	Loss Prevention / Hazard Register	Risk Control	Construction Risk Review
	Risk Advisory Service		Disaster & Continuity Planning
	Risk Control Service		Enterprise Risk Management (ERM) Implementation
			Fleet Safety Program / MVR Review
			Human Resources Legal Hotline
			New Operation Review
			Special Event Review

Agenda Item 5: 2024 Audited Financial Statements



Board Meeting April 23, 2025

HEBER LIGHT & POWER COMPANY

**FINANCIAL STATEMENTS AND
COMPLIANCE REPORTS**

Years Ended December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Heber Light & Power Company

Opinion

We have audited the accompanying financial statements of Heber Light & Power Company (the Company) as of and for the year ended December 31, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the Company's basic financial statements as listed in the table of contents.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of Heber Light & Power Company as of December 31, 2024 and 2023, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Heber Light & Power Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Heber Light & Power Company's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance

and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the schedules of the Company's proportionate share of the net pension liability (asset) – Utah Retirement Systems, and the schedules of the Company's contributions – Utah Retirement Systems, as listed in the table of contents as required supplementary information, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the required supplementary information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2025, on our consideration of the Company's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Company's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Company's internal control over financial reporting and compliance.

Squin & Company, PC

Orem, Utah
April 21, 2025

HEBER LIGHT & POWER COMPANY

Management's Discussion and Analysis

As management of Heber Light & Power Company (the Company), we offer readers of the Company's financial statements this narrative overview and analysis of the financial activities of the Company for the fiscal years ended December 31, 2024 and 2023. We encourage readers to consider the information presented here in conjunction with the financial statements and notes.

Financial Highlights

The assets and deferred outflows of resources of the Company exceeded its liabilities and deferred inflows of resources at December 31, 2024 by \$76,722,269 (net position). Of this amount \$23,715,808 (unrestricted net position) may be used to meet the Company's ongoing obligations to customers, employees, and creditors. During 2024, the Company's total net position increased by \$13,013,836. In 2024, the Company's operating revenues increased \$1,482,369 primarily attributable to an increase in electricity sales.

During 2024, the Company completed construction of its Southfield substation for a total cost of \$21,608,500.

Overview of the Financial Statements

The financial statements consist of three separate statements, which are similar to a private-sector business. The Statements of Net Position present information on all of the Company's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Company is improving or deteriorating.

The Statements of Revenues, Expenses, and Changes in Net Position present information showing how the Company's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected fees charged, and earned but unused vacation leave).

The Statements of Cash Flows present the activities of the Company on a cash-received and cash-paid basis. These statements show the sources and uses of cash for the fiscal year and reconciles the change in the cash accounts for the Company for that year.

HEBER LIGHT & POWER COMPANY
Management's Discussion and Analysis

Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Company's financial position. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$76,722,269 at the close of the most recent fiscal year.

A portion of the Company's net position, \$49,328,859 (64.3 percent), reflects its net investment in capital assets (e.g., power and generation plants, distribution and metering systems, and machinery, equipment and tools). The Company uses these capital assets to provide services to participating cities and customers; consequently, these assets are not available for future spending. Net position of \$3,677,602 (4.8 percent) is restricted for capital projects and debt service. The remaining balance of unrestricted net position of \$23,715,808 (30.9 percent) may be used to meet the Company's ongoing obligations.

The following tables summarize information presented in the financial statements:

Heber Light & Power Company
NET POSITION
December 31, 2024, 2023, and 2022

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Current assets	\$ 28,634,273	\$ 17,000,474	\$ 15,387,566
Restricted current assets	8,282,791	23,274,411	9,925,319
Net pension assets	-	-	1,624,069
Capital assets	<u>96,261,512</u>	<u>80,899,256</u>	<u>59,655,315</u>
Total assets	133,178,576	121,174,141	86,592,269
Deferred outflows of resources	2,197,133	1,790,996	1,414,956
Current liabilities	6,505,991	5,471,489	8,282,686
Noncurrent liabilities	<u>52,138,221</u>	<u>53,775,795</u>	<u>22,481,911</u>
Total liabilities	58,644,212	59,247,284	30,764,597
Deferred inflows of resources	9,228	9,420	2,243,874
Net investment in capital assets	49,328,859	48,595,966	46,246,672
Restricted for capital projects and debt service	3,677,602	2,078,956	1,333,900
Restricted for pensions	-	-	1,624,069
Unrestricted net position	<u>23,715,808</u>	<u>13,033,511</u>	<u>5,794,113</u>
Net position	<u>\$ 76,722,269</u>	<u>\$ 63,708,433</u>	<u>\$ 54,998,754</u>

HEBER LIGHT & POWER COMPANY
Management's Discussion and Analysis

Heber Light & Power Company
CHANGE IN NET POSITION
 Years Ended December 31, 2024, 2023, and 2022

	2024	2023	2022
Operating revenues	\$ 27,474,148	\$ 25,991,779	\$ 23,077,390
Operating expenses	<u>28,494,988</u>	<u>26,429,143</u>	<u>25,223,257</u>
Operating income (loss)	(1,020,840)	(437,364)	(2,145,867)
Nonoperating revenues (expenses)	4,596,803	3,862,157	2,856,740
Contributions (distributions)	<u>9,437,873</u>	<u>5,359,622</u>	<u>3,756,099</u>
Change in net position	13,013,836	8,784,415	4,466,972
Net position, beginning of year, as previously reported	63,785,869	54,998,754	50,531,782
Implementation of GASB Statement No. 101	<u>(77,436)</u>	<u>(74,736)</u>	<u>-</u>
Net position, beginning of year, as restated	63,708,433	54,924,018	50,531,782
Net position, end of year	<u><u>\$ 76,722,269</u></u>	<u><u>\$ 63,708,433</u></u>	<u><u>\$ 54,998,754</u></u>

The District implemented GASB Statement No. 101, *Compensated Absences*, during the year ended December 31, 2024. The District has restated beginning net position for the years ended December 31, 2024 and 2023. Additional information on restatement can be found in Note 8 to the financial statements.

In comparing 2024 with 2023, the following items should be noted:

During 2024, the Company's total net position increased by \$13,013,836. In 2024, the Company's operating revenues increased \$1,482,369 due to an increase in electricity sales.

In comparing 2023 with 2022, the following items should be noted:

During 2023, the Company's total net position increased by \$8,787,115. In 2023, the Company's operating revenues increased \$2,914,389 due to an increase in electricity sales.

Capital Asset and Debt Administration

Capital asset additions totaled \$19,520,930 and \$24,935,315 in 2024 and 2023, respectively. During 2024, the Company completed construction of its Southfield substation for a total cost of \$21,608,500.

During February 2023, the Company issued \$29,070,000 in electric revenue bonds to finance capital improvements, including the completion of a substation, land purchase for an additional substation, an administrative office building and shop, as well as other improvements to the Company's electric system. At the end of 2024 and 2023 the Company had \$52,670,357 and \$53,820,400, respectively, of capital-related debt. Additional information on capital assets and noncurrent liabilities can be found in Note 3 and Note 4, respectively, to the financial statements.

HEBER LIGHT & POWER COMPANY
Management's Discussion and Analysis

Economic Factors and Next Year's Budgets and Rates

The Company prepared its 2025 budget anticipating nominal overall growth. The Company continues to review its rates to ensure appropriate expense recovery and to fund for capital projects. Where possible, the goal of the Company is to fund its capital projects without incurring additional debt.

Requests for Information

This financial report is designed to provide a general overview of the Company's finances for all those with an interest in the Company's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Bart Stanley Miller, 31 South 100 West, Heber City, Utah 84032.

FINANCIAL STATEMENTS

HEBER LIGHT & POWER COMPANY
STATEMENTS OF NET POSITION

December 31, 2024 and 2023

	2024	2023
ASSETS		
Current Assets:		
Cash and investments	\$ 14,936,388	\$ 6,201,671
Restricted cash and investments	8,282,791	23,274,411
Accounts receivable, net of allowance for uncollectible accounts	2,301,781	2,291,068
Unbilled receivables	1,707,945	1,675,159
Prepaid expenses	1,093,450	380,928
Inventory	8,484,856	6,406,955
Other current assets	<u>109,853</u>	<u>44,693</u>
Total current assets	36,917,064	40,274,885
Capital Assets:		
Land, construction in progress, and water rights	17,660,573	30,696,175
Depreciable, net of accumulated depreciation	<u>78,600,939</u>	<u>50,203,081</u>
Net capital assets	<u>96,261,512</u>	<u>80,899,256</u>
Total assets	133,178,576	121,174,141
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges on refundings	294,850	321,655
Pension related	<u>1,902,283</u>	<u>1,469,341</u>
Total deferred outflows of resources	2,197,133	1,790,996
LIABILITIES		
Current Liabilities:		
Accounts payable	1,386,118	1,808,065
Accrued expenses	2,769,050	1,394,976
Related party payable	428,713	195,293
Current portion of noncurrent liabilities	<u>1,922,110</u>	<u>2,073,155</u>
Total current liabilities	6,505,991	5,471,489
Noncurrent Liabilities:		
Revenue bonds payable	43,990,000	45,145,000
Bond premium	4,729,397	5,247,293
Note payable	615,002	758,858
Compensated absences	662,711	797,527
Early retirement incentive	104,010	75,519
Contract payable	1,199,436	1,189,196
Net pension liability	<u>837,665</u>	<u>562,402</u>
Total noncurrent liabilities	<u>52,138,221</u>	<u>53,775,795</u>
Total liabilities	58,644,212	59,247,284
DEFERRED INFLOWS OF RESOURCES		
Pension related	9,228	9,420
NET POSITION		
Net investment in capital assets	49,328,859	48,595,966
Restricted for capital projects and debt service	3,677,602	2,078,956
Unrestricted	<u>23,715,808</u>	<u>13,033,511</u>
Total net position	<u>\$ 76,722,269</u>	<u>\$ 63,708,433</u>

The accompanying notes are an integral part of these financial statements.

HEBER LIGHT & POWER COMPANY
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
Years Ended December 31, 2024 and 2023

	2024	2023
Operating Revenues:		
Electricity sales	\$ 25,131,182	\$ 23,757,231
Electricity sales - Jordanelle	1,865,669	1,834,964
Connection fees	198,694	149,673
Other income	<u>278,603</u>	<u>249,911</u>
Total operating revenues	27,474,148	25,991,779
Operating Expenses:		
Power purchases	12,618,154	11,442,806
Power purchases - Jordanelle	1,867,629	1,834,964
Salaries, wages, and benefits (unallocated)	1,268,131	1,015,534
System maintenance and training	4,665,538	5,352,559
Depreciation (unallocated)	3,798,370	3,398,471
Gas generation	2,600,570	1,861,785
Other	375,172	309,337
Vehicle	515,922	524,814
Office	142,674	153,808
Energy rebates	119,412	54,179
Professional services	235,479	225,172
Materials	231,147	180,777
Building	40,380	49,257
Bad debts	<u>16,410</u>	<u>25,680</u>
Total operating expenses	<u>28,494,988</u>	<u>26,429,143</u>
Operating Loss	<u>(1,020,840)</u>	<u>(437,364)</u>
Nonoperating Revenues (Expenses):		
Impact fees	4,865,618	4,142,767
Interest income	1,518,409	1,668,408
Gain (loss) on sale of capital assets	(17,600)	70,775
Interest expense	(1,769,624)	(1,632,141)
Bond issuance costs	<u>-</u>	<u>(387,652)</u>
Total nonoperating revenues (expenses)	<u>4,596,803</u>	<u>3,862,157</u>
Contributions (Distributions):		
Contributed capital	<u>9,437,873</u>	<u>5,359,622</u>
Change in Net Position	<u>13,013,836</u>	<u>8,784,415</u>
Net Position at Beginning of Year , as previously reported	63,785,869	54,998,754
Implementation of GASB Statement No. 101	<u>(77,436)</u>	<u>(74,736)</u>
Net Position at Beginning of Year , as restated	<u>63,708,433</u>	<u>54,924,018</u>
Net Position at End of Year	<u><u>\$ 76,722,269</u></u>	<u><u>\$ 63,708,433</u></u>

The accompanying notes are an integral part of these financial statements.

HEBER LIGHT & POWER COMPANY
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows from Operating Activities:		
Cash received from customers	\$ 27,375,729	\$ 26,021,799
Cash paid to suppliers	(18,302,758)	(21,619,906)
Cash paid to employees and for employee benefits	<u>(7,863,273)</u>	<u>(7,258,341)</u>
Net cash provided (used) by operating activities	1,209,698	(2,856,448)
Cash Flows from Capital and Related Financing Activities:		
Interest paid	(2,287,520)	(2,104,555)
Impact fees collected	4,865,618	4,142,767
Purchases of capital assets	(19,520,929)	(24,935,315)
Proceeds from sale of capital assets	-	70,775
Proceeds from bond issuance	-	32,364,049
Principal payments on revenue bonds	(1,340,000)	(655,000)
Principal payments on note payable	(140,052)	(136,322)
Contributed capital	<u>9,437,873</u>	<u>5,359,622</u>
Net cash provided (used) by capital and related financing activities	(8,985,010)	14,106,021
Cash Flows from Investing Activities:		
Interest received	<u>1,518,409</u>	<u>1,668,408</u>
Net Change in Cash and Cash Equivalents		
Cash and Cash Equivalents at Beginning of Year	<u>29,476,082</u>	<u>16,558,101</u>
Cash and Cash Equivalents at End of Year, displayed as cash and investments and restricted cash and investments on the statements of net position (see Note 2)	<u>\$ 23,219,179</u>	<u>\$ 29,476,082</u>
Supplemental Data:		
A reconciliation of operating loss to net cash provided (used) by operating activities follows:		
Operating loss	\$ (1,020,840)	\$ (437,364)
Depreciation expense	4,141,073	3,691,374
Bad debt	16,410	25,680
Changes in operating assets, deferred outflows of resources, liabilities and deferred inflows of resources:		
Accounts receivable	(27,123)	(276,898)
Unbilled receivables	(32,786)	(104,240)
Prepays	(712,522)	(87,176)
Inventory	(2,077,901)	(1,976,145)
Other current assets	(65,160)	374,760
Accounts payable	(421,947)	(2,193,799)
Accrued expenses	1,374,074	(1,397,831)
Related party payable	233,420	(55,011)
Compensated absences	(113,895)	47,568
Early retirement incentive	37,721	(27,256)
Contract payable	10,240	10,718
Net pension assets, deferred outflows of resources, liabilities, and deferred inflows of resources	<u>(131,066)</u>	<u>(450,828)</u>
Net cash provided (used) by operating activities	<u>\$ 1,209,698</u>	<u>\$ (2,856,448)</u>

The Company had no noncash investing or financing activities during the years ended December 31, 2024 and 2023.

The accompanying notes are an integral part of these financial statements.

HEBER LIGHT & POWER COMPANY
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Heber Light & Power Company (the Company) conform with accounting principles generally accepted in the United States of America (GAAP) that are applicable to local governmental units. The following is a summary of the more significant policies:

The Reporting Entity

The Company is an interlocal entity serving customers in the Heber Valley in the State of Utah. The Company's purpose is to plan, finance, develop, construct, improve, operate, and maintain projects for the generation, transmission, and distribution of electric power for the benefit of its customers. The Company provides electricity to its owner municipalities of Heber City, Midway City, and the town of Charleston. The Company also provides electricity to the towns of Daniel, Independence, Interlaken, as well as the unincorporated areas of Wasatch County within its service area.

The Company accounts for its operations as an enterprise (proprietary-type) fund; activities are financed and operated in a manner similar to private business enterprises where the intent of the Board is that the costs (expenses, including depreciation) of providing goods or services to members and the general public on a continuing basis be financed or recovered primarily through user charges.

Basis of Accounting

The Company's financial statements include statements of net position and statements of revenues, expenses, and changes in net position. These statements are presented using the economic resources measurement focus and the accrual basis of accounting in conformity with GAAP; revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

The Company distinguishes operating revenues and expenses from nonoperating items by whether or not transactions are in connection with the Company's purpose of providing electric power to its customers.

When both restricted and unrestricted resources are available for use, it is the Company's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits and investments in the Utah Public Treasurers' Investment Fund with original maturities of three months or less from the date acquired by the Company.

Allowance for Doubtful Accounts

An allowance for doubtful accounts of \$154,132 and \$288,621 has been established at December 31, 2024 and 2023, respectively.

Inventory

Inventory is valued at average cost and consists of expendable supplies held for future consumption or capitalization. The cost is recorded as an expense or capitalized as inventory items are consumed or placed in service.

HEBER LIGHT & POWER COMPANY
NOTES TO THE FINANCIAL STATEMENTS

Capital Assets

Capital assets are recorded at cost and are defined by the Company as assets with an initial individual cost of more than \$1,000. Upon the sale or retirement of capital assets, the related asset costs and accumulated depreciation are removed from the applicable accounts and gain or loss on disposal is recorded. Capital assets, except land and water rights, are depreciated using the straight-line method over the estimated useful lives of the assets as follows:

Power and generation plants	10 to 30 years
Distribution and metering systems	10 to 30 years
Building and improvements	5 to 30 years
Office equipment	3 to 15 years
Vehicles	5 to 10 years
Machinery, equipment, and tools	3 to 10 years

Deferred Outflows of Resources

In addition to assets, financial statements will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Deferred Inflows of Resources

In addition to liabilities, the financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Compensated Absences

During the year ended December 31, 2024, the District implemented Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. The new standard requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but not yet paid in cash or settled through noncash means. A liability is recognized if the leave is attributable to services already rendered, the leave accumulates, and the leave is more likely than not to be used for time off or paid out upon termination or retirement. The District restated beginning net position due to implementing this standard (see note 8).

Employees earn vacation and sick leave in amounts varying with tenure. Upon separation from employment, each employee shall receive payment for all unused accrued vacation leave and each eligible employee with at least five years of service may receive payment for up to 75% of unused accrued sick leave up to but not to exceed 190 days.

HEBER LIGHT & POWER COMPANY
NOTES TO THE FINANCIAL STATEMENTS

Termination Benefits

The Company provides an early retirement incentive to eligible retiring employees. Employees hired prior to July 1, 2011 with a minimum of 30 years of service with the Company are eligible to receive post-employment health care benefits until the retiree reaches age 65. The Company currently has two retirees receiving this benefit. All employees with a minimum of 25 years of service with the Company are eligible to receive post-employment health care benefits for five years or until the retiree reaches age 65, whichever comes first. No retirees currently qualify to receive this benefit. The Company recognizes the liability and expense in the year in which an employee retires.

In addition, all Company employees who have completed 25 years of service and who meet the eligibility requirements for and will be receiving URS benefits are eligible for the Company to assist the employee in purchasing additional service credits. URS allows the Company to contribute up to 95% of the cost towards purchasing up to 5 years of service credits. Since the cost of this benefit cannot reasonably be estimated, the Company recognizes the liability and expense in the year in which an employee retires. The Company funds this program on a pay-as-you-go basis.

Pensions

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Utah Retirement Systems (URS) and additions to/deductions from URS's fiduciary net position have been determined on the same basis as they are reported by URS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension plan investments are reported at fair value.

Net Position

Net position is divided into three components: net investment in capital assets (capital assets net of related debt less unspent bond proceeds), restricted, and unrestricted. Net position is reported as restricted when constraints are placed upon it by external parties or are imposed by constitutional provisions or enabling legislation.

The Company had unspent impact fees of \$20,269 and \$25 and unspent contributions received in advance of construction of \$3,495,675 and \$1,918,054 included as restricted net position for capital projects as of December 31, 2024 and 2023, respectively. Additionally, the Company had \$161,658 and \$160,877 of net position restricted for debt service as of December 31, 2024 and 2023, respectively.

Contributed Capital

The Company receives contributions from developers, customers, and other governments for the construction or reimbursement of electric infrastructure that the Company is constructing. These contributions can come in the form of cash amounts paid in advance of construction, cash paid as a reimbursement for funds previously expended, or in the form of tangible electrical assets, ownership of which transfers upon energization. The Company recognizes these contributions in the period the resources are received. When contributions are paid in advance of construction the Company recognizes unspent amounts as restricted net position until the resources have been used for their specified purposes.

HEBER LIGHT & POWER COMPANY
NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 – DEPOSITS AND INVESTMENTS

The Company complies with the State Money Management Act (*Utah Code* Title 51, Chapter 7) (the Act) and related Rules of the Money Management Council (the Council) in handling its depository and investing transactions. Company funds are deposited in qualified depositories as defined by the Act. The Act also authorizes the Company to invest in the Utah Public Treasurers' Investment Fund (PTIF), certificates of deposit, U.S. Treasury obligations, U.S. agency issues, first-tier commercial paper, banker's acceptances, repurchase agreements, corporate bonds, money market mutual funds, and obligations of governmental entities within the State of Utah.

The Act and Council rules govern the financial reporting requirements of qualified depositories in which public funds may be deposited and prescribe the conditions under which the designation of a depository shall remain in effect. The Company considers the rules of the Council to be necessary and sufficient for adequate protection of its uninsured bank deposits.

Deposits

At December 31, 2024, the bank balance is \$2,205,418, of which \$500,000 is covered by federal depository insurance.

Custodial Credit Risk – Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The Company does not have a formal deposit policy for custodial credit risk. No deposits are collateralized, nor are they required to be by state statute.

Investments

The Company invests in the PTIF. The PTIF is an external local government investment pool managed by the Utah State Treasurer. The PTIF is authorized and makes investments in accordance with the Act. The Council provides regulatory oversight for the PTIF. Participant accounts with the PTIF are not insured or otherwise guaranteed by the state. Participants in the PTIF share proportionally in the income, costs, gains, and losses from investment activities. The degree of risk of the PTIF depends upon the underlying portfolio, which consists of debt securities held by the state or in the state's name by the state's custodial banks, including investment-grade corporate bonds and notes, money market mutual funds, first-tier commercial paper, and certificates of deposit. The portfolio has a weighted average maturity of 90 days or less. The majority of the PTIF's corporate bonds and notes are variable-rate securities, which reset every three months to the prevailing market interest rates. The PTIF is not rated. The PTIF has no debt securities with more than 5% of its total investments in a single non-governmental issuer. The reported value of the pool is the same as the fair value of the pool shares and is not required to be reported in the fair value hierarchy.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Company manages its exposure to interest rate risk by complying with the Act, which requires that the remaining term to maturity of investments to not exceed the period of availability of the funds invested. The Act further limits the remaining term to maturity on all investments in commercial paper and bankers' acceptances to 270 days or less and fixed-income securities to 365 days or less. In addition, variable-rate securities may not have a remaining term to final maturity exceeding two years.

HEBER LIGHT & POWER COMPANY
NOTES TO THE FINANCIAL STATEMENTS

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Company’s policy for reducing its exposure to credit risk is to comply with the Act and related rules. The Act and related rules limit investments in commercial paper to a first tier rating and investments in fixed-income and variable-rate securities to a rating of A or higher as rated by Moody’s Investors Service or by Standard & Poor’s.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The Company’s policy for managing this risk is to comply with the Act and related rules. The Act limits investments in commercial paper and or corporate obligations to 5% of the Company’s total portfolio with a single issuer.

Custodial Credit Risk – Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Company’s policy for managing this risk is to comply with the Act and related rules.

Restricted Cash and Investments

The Company had \$20,269 and \$25 in unspent impact fees and \$3,495,675 and \$1,918,054 in unspent contributions in advance of construction restricted for capital related projects for the years ended December 31, 2024 and 2023, respectively. The Company also had \$4,766,847 and \$21,356,332 in bond accounts restricted for debt service and capital related projects for the years ended December 31, 2024 and 2023, respectively.

A summary of deposits and investments (shown as cash and investments and restricted cash and investments on the statements of net position) at December 31, 2024 and 2023, is as follows:

	<u>2024</u>	<u>2023</u>
Carrying amount of deposits	\$ 2,008,653	\$ 1,620,492
Carrying amount of investments	<u>21,210,526</u>	<u>27,855,590</u>
Total cash and investments	<u><u>\$ 23,219,179</u></u>	<u><u>\$ 29,476,082</u></u>

HEBER LIGHT & POWER COMPANY
NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 4,300,104	\$ -	\$ -	\$ 4,300,104
Water rights	630,375	-	-	630,375
Construction in progress	<u>25,765,696</u>	<u>8,678,624</u>	<u>(21,714,226)</u>	<u>12,730,094</u>
Total capital assets not being depreciated	30,696,175	8,678,624	(21,714,226)	17,660,573
Capital assets being depreciated:				
Power and generation plants	9,695,284	1,989,691	-	11,684,975
Distribution and metering systems	70,249,675	29,804,154	-	100,053,829
Buildings and improvements	3,795,029	-	-	3,795,029
Office equipment	1,980,912	85,408	-	2,066,320
Vehicles	3,768,170	606,509	(70,953)	4,303,726
Machinery, equipment, and tools	<u>2,500,484</u>	<u>70,770</u>	<u>(35,200)</u>	<u>2,536,054</u>
Total capital assets being depreciated	91,989,554	32,556,532	(106,153)	124,439,933
Accumulated depreciation	<u>(41,786,473)</u>	<u>(4,141,073)</u>	<u>88,552</u>	<u>(45,838,994)</u>
Net capital assets being depreciated	<u>50,203,081</u>	<u>28,415,459</u>	<u>(17,601)</u>	<u>78,600,939</u>
Net capital assets	<u>\$ 80,899,256</u>	<u>\$ 37,094,083</u>	<u>\$ (21,731,827)</u>	<u>\$ 96,261,512</u>

During the year ended December 31, 2024, the Company allocated \$341,703 of depreciation to vehicle expense on the statements of revenues, expenses, and changes in net position.

HEBER LIGHT & POWER COMPANY
NOTES TO THE FINANCIAL STATEMENTS

Capital asset activity for the year ended December 31, 2023 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets not being depreciated:				
Land	\$ 1,869,870	\$ 2,430,234	\$ -	\$ 4,300,104
Water rights	663,475	-	(33,100)	630,375
Construction in progress	9,113,364	21,155,918	(4,503,586)	25,765,696
Total capital assets not being depreciated	11,646,709	23,586,152	(4,536,686)	30,696,175
Capital assets being depreciated:				
Power and generation plants	9,145,025	550,259	-	9,695,284
Distribution and metering systems	65,685,486	4,564,189	-	70,249,675
Buildings and improvements	3,786,801	8,228	-	3,795,029
Office equipment	1,943,380	37,532	-	1,980,912
Vehicles	3,245,665	663,323	(140,818)	3,768,170
Machinery, equipment, and tools	2,438,166	62,318	-	2,500,484
Total capital assets being depreciated	86,244,523	5,885,849	(140,818)	91,989,554
Accumulated depreciation	(38,235,917)	(3,691,374)	140,818	(41,786,473)
Net capital assets being depreciated	48,008,606	2,194,475	-	50,203,081
Net capital assets	<u>\$ 59,655,315</u>	<u>\$ 25,780,627</u>	<u>\$ (4,536,686)</u>	<u>\$ 80,899,256</u>

During the year ended December 31, 2023, the Company allocated \$292,903 of depreciation to vehicle expense on the statements of revenues, expenses, and changes in net position.

NOTE 4 – NONCURRENT LIABILITIES

Noncurrent liability activity for the year ended December 31, 2024 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds payable	\$ 46,485,000	\$ -	\$ (1,340,000)	\$ 45,145,000	\$ 1,155,000
Bond premium	5,247,293	-	(517,896)	4,729,397	-
Note payable	898,911	-	(140,052)	758,859	143,857
Compensated absences	1,363,737	-	(113,895)	1,249,842	587,131
Termination benefits	102,411	64,747	(27,026)	140,132	36,122
Contract payable	1,189,196	10,240	-	1,199,436	-
Net pension liability	562,402	836,053	(560,790)	837,665	-
Total noncurrent liabilities	<u>\$ 55,848,950</u>	<u>\$ 911,040</u>	<u>\$ (2,699,659)</u>	<u>\$ 54,060,331</u>	<u>\$ 1,922,110</u>

HEBER LIGHT & POWER COMPANY
NOTES TO THE FINANCIAL STATEMENTS

Noncurrent liability activity for the year ended December 31, 2023 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds payable	\$ 18,070,000	\$ 29,070,000	\$ (655,000)	\$ 46,485,000	\$ 1,340,000
Bond premium	2,064,811	3,681,701	(499,219)	5,247,293	-
Note payable	1,035,233	-	(136,322)	898,911	140,053
Compensated absences	1,316,169	47,568	-	1,363,737	566,210
Termination benefits	129,667	-	(27,256)	102,411	26,892
Contract payable	1,178,478	10,718	-	1,189,196	-
Net pension liability	-	3,041,972	(2,479,570)	562,402	-
Total noncurrent liabilities	<u>\$ 23,794,358</u>	<u>\$ 35,851,959</u>	<u>\$ (3,797,367)</u>	<u>\$ 55,848,950</u>	<u>\$ 2,073,155</u>

Bond Issuance

During February 2023, the Company issued \$29,070,000 in electric revenue bonds to finance capital improvements, including the completion of a substation, land purchase for an additional substation, an administrative office building and shop, as well as other improvements to the Company's electric system.

Revenue Bonds Payable

Revenue bonds payable at December 31, 2024, with their outstanding balances are comprised of the following individual issuances:

Bond Series 2012 - Electric Revenue and Refunding Bonds - Original issue of \$3,735,000 with interest rates ranging from 2.0% to 4.0%	\$ 100,000
Bond Series 2019 - Electric Revenue and Refunding Bonds - Original issue of \$18,160,000 with interest rates ranging from 4.0% to 5.0%	16,625,000
Bond Series 2023 - Electric Revenue - Original issue of \$29,070,000 with interest rates of 5.0%	<u>28,420,000</u>
	<u><u>\$ 45,145,000</u></u>

HEBER LIGHT & POWER COMPANY
NOTES TO THE FINANCIAL STATEMENTS

The annual requirements to amortize all revenue bonds outstanding as of December 31, 2024, including interest payments, are listed as follows:

Year Ending December 31,	Principal	Interest	Total
2025	\$ 1,155,000	\$ 2,162,750	\$ 3,317,750
2026	1,450,000	2,106,000	3,556,000
2027	1,525,000	2,033,500	3,558,500
2028	1,585,000	1,957,250	3,542,250
2029	1,690,000	1,878,000	3,568,000
2030-2034	9,710,000	8,041,250	17,751,250
2035-2039	9,810,000	5,682,250	15,492,250
2040-2044	11,650,000	3,283,950	14,933,950
2045-2047	6,570,000	615,250	7,185,250
Total	\$ 45,145,000	\$ 27,760,200	\$ 72,905,200

Note Payable

The Company acquired equipment through issuance of a payable. Proceeds from the note totaled \$2,000,000; the note bears an interest rate of 2.7 percent. The note is payable in annual installments of approximately \$164,000 with final maturity in 2029.

The following is a schedule for future debt service requirements for the note payable:

Year Ending December 31,	Principal	Interest	Total
2025	\$ 143,857	\$ 20,451	\$ 164,308
2026	147,737	16,574	164,311
2027	151,694	12,593	164,287
2028	155,728	8,505	164,233
2029	159,843	8,505	168,348
Total	\$ 758,859	\$ 66,628	\$ 825,487

Contract Payable

The Company participated in the construction of a hydroelectric power plant and related facilities at the Jordanelle Dam with Central Utah Water Conservancy District (District). The District agreed to finance, construct, own, operate, and maintain the hydroelectric plant as well as issue revenue bonds to provide funding for the Company to finance facilities to deliver the electric energy generated by the plant to the Company's electric system. The Company agreed to purchase the electric power produced by the hydroelectric power plant as well as to construct, own, operate, and maintain facilities to deliver the electric power to the Company's electric system.

The agreement contains provisions for the division of project funds, after payment of costs, to be one-third to the Company and two-thirds to the District. The Company agreed to forego its one-third allocation until the District has been reimbursed for debt service costs incurred on behalf of the Company. At December 31, 2024 and 2023, unreimbursed debt service costs incurred by the District on behalf of the Company totaled \$1,199,436 and \$1,189,196, respectively.

HEBER LIGHT & POWER COMPANY
NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 – RETIREMENT PLANS

Description of plans

Eligible employees of the Company are provided with the following plans through the Utah Retirement Systems (URS) administered by URS:

Defined Benefit Pension Plans (cost-sharing, multiple-employer plans):

- Public Employees Noncontributory Retirement System (Tier 1 Noncontributory System)
- Tier 2 Public Employees Contributory Retirement System (Tier 2 Contributory System)

Defined Contribution Plans (individual account plans):

- Tier 2 Public Employees DC Only System (Tier 2 Define Contribution System)
- 401(k) Plan
- 457 Plan and other individual plans

Company employees qualify for membership in the public employees systems if 1) employment normally requires an average of 20 or more hours per week and the employee receives benefits normally provided by the Company as approved by the Utah State Retirement Board or 2) the employee is an appointed officer whose position is full time as certified by the Company. An employee qualifies for membership in the public safety systems if employment normally requires an average of 2,080 hours of employment per year in a recognized public safety department.

The Tier 2 systems became effective July 1, 2011. All eligible employees beginning on or after July 1, 2011, who have no previous service credit with any of the systems, are members of the Tier 2 systems.

The plans are established and governed by the respective sections of Title 49 of the Utah Code. The plans are amended statutorily by the Utah State legislature. Title 49 provides for the administration of the plans under the direction of the Utah State Retirement Board, whose members are appointed by the Governor.

The URS (a component unit of the State of Utah) issues a publicly available financial report that can be obtained at www.urs.org.

Benefits provided

The URS provides retirement, disability, and death benefits to participants in the defined benefit pension plans.

Retirement benefits in the defined benefit pension plans are determined from 1.50% to 2.00% of the employee's highest 3 or 5 years of compensation times the employee's years of service depending on the pension plan; benefits are subject to cost-of-living adjustments up to 2.50% or 4.00%, limited to the actual Consumer Price Index increase for the year. Employees are eligible to retire based on years of service and age.

Defined contribution plans are available as supplemental plans to the basic retirement benefits of the defined benefit pension plans and as a primary retirement plan for some Tier 2 participants. Participants in the defined contribution plans are fully vested in employer and employee contributions at the time the contributions are made, except Tier 2 required contributions and associated earnings are vested during the

HEBER LIGHT & POWER COMPANY
NOTES TO THE FINANCIAL STATEMENTS

first four years of employment. If an employee terminates prior to the vesting period, employer contributions and associated earnings for that employee are subject to forfeiture. Forfeitures are used to cover a portion of the plan's administrative expenses paid by participants. Benefits depend on amounts contributed to the plans plus investment earnings. Individual accounts are provided for each employee and are available at termination, retirement, death, or unforeseeable emergency.

Contributions

As a condition of participation in the plans, employers and/or employees are required to contribute certain percentages of salaries and wages as authorized by statute and specified by the Utah State Retirement Board. Contributions are actuarially determined as an amount that, when combined with employee contributions (where applicable), is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded actuarial accrued liability.

For the year ended December 31, 2024, Company required contribution rates for the plans were as follows:

	Company Contribution	Amortization of UAAL *	Company Rates for 401(k) Plan	Totals
Tier 1 Noncontributory System	11.86%	5.11%	-	16.97%
Tier 2 Contributory System **	10.08%	5.11%	0.00%	15.19%
Tier 2 Defined Contribution Plan **	0.08%	5.11%	10.00%	15.19%

* The Company is required to contribute additional amounts based on covered employee payroll to finance the unfunded actuarial accrued liability (UAAL) of the Tier 1 plans.

** Company contribution includes 0.08% of covered employee payroll of the Tier 2 plans for death benefits.

Employees can make contributions to defined contribution plans subject to limitations.

For the year ended December 31, 2024, Company and employee contributions to the plans were as follows:

	Company Contributions *	Employee Contributions
Tier 1 Noncontributory System	\$ 486,524	\$ -
Tier 2 Contributory System	300,324	7,232
Tier 2 Defined Contribution Plan	28,587	-
401(k) Plan	128,525	147,075
457 Plan and other individual plans	-	101,851

* Required contributions from Tier 2 plans to finance the unfunded actuarial accrued liability of the Tier 1 plans are reported as contributions to the Tier 2 plans.

HEBER LIGHT & POWER COMPANY
NOTES TO THE FINANCIAL STATEMENTS

Pension Assets and Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2024, the Company reported the net pension assets and net pension liabilities related to defined benefit pension plans from the following sources:

	Net Pension Asset	Net Pension Liability
Tier 1 Noncontributory System	\$ -	\$ 705,798
Tier 2 Contributory System	- <hr/>	131,867 <hr/>
Total	<hr/> \$ -	<hr/> \$ 837,665

The net pension liability (asset) was measured as of December 31, 2023, and the total pension liability (asset) used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2023, rolled-forward using generally accepted actuarial procedures. The Company's proportion of the net pension liability (asset) is equal to the ratio of actual contributions compared to the total of all employer contributions during the plan year. The following presents the Company's proportion (percentage) of the collective net pension liability (asset) at December 31, 2023, and the change in its proportion since the prior measurement date for each plan:

	Proportionate Share	
	2023	Change
Tier 1 Noncontributory System	0.3042802%	0.0158151 %
Tier 2 Contributory System	0.0677497%	0.0049949 %

For the year ended December 31, 2024, the Company recognized pension expense for the plans as follows:

	Pension Expense
Defined benefit pension plans:	
Tier 1 Noncontributory System	\$ 485,167
Tier 2 Contributory System	<hr/> 172,081
Total	<hr/> \$ 657,248
Defined contribution plans:	
Tier 2 Defined Contribution Plan	\$ 18,399
401(k) Plan	<hr/> 84,646
Total	<hr/> \$ 103,045

HEBER LIGHT & POWER COMPANY
NOTES TO THE FINANCIAL STATEMENTS

At December 31, 2024, the Company reported deferred outflows of resources related to defined benefit pension plans from the following sources:

	Deferred Outflows of Resources Related to Pensions			<u>Total</u>
	Tier 1		Tier 2	
	Noncontributory System	Contributory System		
Differences between expected and actual experience	\$ 494,208	\$ 42,236	\$ 536,444	
Changes of assumptions	211,795	75,480	287,275	
Net difference between projected and actual earnings on pension plan investments	229,519	14,891	244,410	
Changes in proportion and differences between Company contributions and proportionate share of contributions	3,341	15,381	18,722	
Contributions subsequent to the measurement date	<u>486,521</u>	<u>328,911</u>	<u>815,432</u>	
Total	<u>\$ 1,425,384</u>	<u>\$ 476,899</u>	<u>\$ 1,902,283</u>	

At December 31, 2024, the Company reported deferred inflows of resources related to defined benefit pension plans from the following sources:

	Deferred Inflows of Resources Related to Pensions			<u>Total</u>
	Tier 1		Tier 2	
	Noncontributory System	Contributory System		
Differences between expected and actual experience	\$ -	\$ 2,159	\$ 2,159	
Changes of assumptions	-	104	104	
Changes in proportion and differences between Company contributions and proportionate share of contributions	<u>4,483</u>	<u>2,482</u>	<u>6,965</u>	
Total	<u>\$ 4,483</u>	<u>\$ 4,745</u>	<u>\$ 9,228</u>	

The \$815,432 reported as deferred outflows of resources related to pensions resulting from Company contributions subsequent to the measurement date of December 31, 2023 will be recognized as a reduction of the net pension liability (asset) in the year ending December 31, 2025. The other amounts reported as deferred outflows of resources and deferred inflows of resources related to defined benefit pension plans will be recognized in pension expense as follows:

Year Ending December 31,	Tier 1		Tier 2 Contributory System		Total
	Noncontributory System		System		
2025	\$ 309,495		\$ 12,295	\$ 321,790	
2026	289,772		17,547	307,319	
2027	431,512		30,235	461,747	
2028	(96,399)		9,778	(86,621)	
2029	-		13,357	13,357	
Thereafter	-		60,031	60,031	

HEBER LIGHT & POWER COMPANY

NOTES TO THE FINANCIAL STATEMENTS

Actuarial Assumptions

The total pension liability (asset) in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.50% to 9.50%, average, including inflation
Investment rate of return	6.85%, net of pension plan investment expense, including inflation

Mortality rates were based on actual experience and mortality tables, considering gender, occupation, and age, as appropriate, with adjustments for future improvement in mortality based on Scale AA, a model developed by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2023 valuation were based on the results of an actuarial experience study for the five-year period ended December 31, 2022. The wage inflation assumption increased by 0.25% to a range of 3.50% to 9.50% from the prior measurement date.

The long-term expected rate of return on defined benefit pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class and is applied consistently to each defined benefit pension plan. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equity securities	35%	2.40%
Debt securities	20%	0.31%
Real assets	18%	0.98%
Private equity	12%	1.18%
Absolute return	15%	0.58%
Cash and cash equivalents	0%	0.00%
Total	100%	

Discount Rate

The discount rate used to measure the total pension liability (asset) was 6.85%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from all participating employers will be made at contractually required rates, actuarially determined and certified by the Utah State Retirement Board. Based on those assumptions, the plans' fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability (asset).

HEBER LIGHT & POWER COMPANY
NOTES TO THE FINANCIAL STATEMENTS

Sensitivity of the Company's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the Company's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.85%, as well as what the proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.85%) or 1-percentage-point higher (7.85%) than the current rate:

	1% Decrease (5.85%)	Discount Rate (6.85%)	1% Increase (7.85%)
Company's proportionate share of the net pension liability (asset):			
Tier 1 Noncontributory System	\$ 3,663,053	\$ 705,798	\$ (1,770,703)
Tier 2 Contributory System	<u>453,076</u>	<u>131,867</u>	<u>(117,231)</u>
Total	<u><u>\$ 4,116,129</u></u>	<u><u>\$ 837,665</u></u>	<u><u>\$ (1,887,934)</u></u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued URS financial report.

Payables to the Pension Plans

At December 31, 2024 and 2023, the Company reported no payables for contributions to defined benefit pension plans and defined contribution plans.

NOTE 6 – COMMITMENTS

The Company is a member of the Utah Associated Municipal Power Systems (UAMPS). UAMPS is a separate legal entity formed pursuant to the provisions of the Utah Interlocal Cooperation Act. The Company may choose to participate in projects managed by UAMPS. The Company has participated in various individual projects by entering into power sales and/or transmission agreements. According to the agreements, the Company is obligated to pay their proportionate share of all operation and maintenance expenses and debt service costs for bonds issued by UAMPS. The Company is entitled to receive specified energy output from these projects.

The Company is also a member of Intermountain Power Agency (IPA). IPA is a separate legal entity formed pursuant to the provisions of the Utah Interlocal Cooperation Act. IPA provides financing for the Intermountain Power Project (IPP). The Company is entitled and obligated to purchase a specified amount of electric power produced by IPP. The Company has an agreement with certain California purchasers for the duration of the project. The Company is obligated for operating expenses and repayment of outstanding bonds issued by IPA only in the event of a prolonged power outage and/or failure to perform under the agreement on the part of each of the California purchasers.

HEBER LIGHT & POWER COMPANY
NOTES TO THE FINANCIAL STATEMENTS

Additionally, the Company has entered into various power purchase agreements for a specified amount of power at specified rates. At December 31, 2024, the undiscounted future minimum payments for these agreements were as follows:

Year Ending <u>December 31,</u>	
2025	\$ 2,950,633
2026	2,462,377
2027	1,489,597
2028	694,500
2029	636,625

NOTE 7 – RISK MANAGEMENT

The Company maintains insurance coverage for general, automobile, personal injury, errors and omissions, employee dishonesty, and malpractice liability up to \$2,000,000 per occurrence and excess liability coverage up to \$20,000,000 through policies administered by a third party. The Company also insures its buildings, including those under construction, and contents against all insurable risks of direct physical loss or damage with the third party. This insurance coverage provides for repair or replacement of damaged property at a replacement cost basis subject to a deductible of \$10,000 per occurrence for repairs and \$50,000 per occurrence for property loss. Settled claims have not exceeded the Company's insurance coverage for any of the past three years.

NOTE 8 – RESTATEMENT

During the year ended December 31, 2024, the District implemented Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. As a result of this implementation, the District restated its beginning net position balances for the year ended December 31, 2024 and 2023 and restated its compensated absences liability for the year ended December 31, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

HEBER LIGHT & POWER COMPANY

Schedules of the Company's Proportionate Share of the Net Pension Liability (Asset) –

Utah Retirement Systems

Last Ten Plan Years

Plan Year	Company's Proportion of Net Pension Liability (Asset)	Company's Proportionate Share of the Net Pension Liability (Asset)	Company's Covered Payroll	Company's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
Tier 1 Noncontributory System:					
2023	0.3042802 %	\$ 705,798	\$ 2,773,559	25.45 %	96.9 %
2022	0.2884650 %	494,068	2,489,731	19.84 %	97.5 %
2021	0.2790103 %	(1,600,785)	2,328,801	(68.74)%	108.7 %
2020	0.2790103 %	143,116	2,288,416	6.25 %	99.2 %
2019	0.2833880 %	1,068,050	2,333,488	45.77 %	96.5 %
2018	0.2951687 %	2,173,541	2,484,994	87.47 %	87.0 %
2017	0.3084177 %	1,351,270	2,582,078	52.33 %	91.9 %
2016	0.2906881 %	1,866,573	2,455,355	76.02 %	87.3 %
2015	0.2937394 %	1,662,120	2,435,282	68.25 %	87.8 %
2014	0.3191322 %	1,385,747	2,706,147	51.21 %	90.2 %
Tier 2 Contributory System:					
2023	0.0677497 %	\$ 131,867	\$ 1,751,564	7.53 %	89.6 %
2022	0.0627550 %	68,333	1,368,295	4.99 %	62.3 %
2021	0.0550141 %	(23,284)	1,020,967	(2.28)%	103.8 %
2020	0.0623490 %	8,968	996,856	0.90 %	98.3 %
2019	0.0668480 %	15,035	928,950	1.62 %	93.7 %
2018	0.0055940 %	23,958	652,889	3.67 %	90.8 %
2017	0.0584033 %	5,150	571,411	0.90 %	97.4 %
2016	0.0537583 %	5,997	440,861	1.36 %	95.1 %
2015	0.0502315 %	(110)	324,592	(0.03)%	100.2 %
2014	0.0455351 %	(1,380)	223,811	(0.62)%	103.5 %

HEBER LIGHT & POWER COMPANY
Schedules of the Company's Contributions – Utah Retirement Systems
Last Ten Reporting Years

Reporting Year	Contributions in Relation to the Contractually Required Contribution		Contribution Deficiency (Excess)	Company's Covered Payroll	Contributions as a Percentage of Covered Payroll
	Contractually Required Contribution	Contractually Required Contribution			
Tier 1 Noncontributory System:					
2024	\$ 486,524	\$ 486,524	\$ -	\$ 2,782,493	17.49 %
2023	498,409	498,409	-	2,773,559	17.97 %
2022	453,692	453,692	-	2,489,731	18.22 %
2021	430,129	430,129	-	2,328,801	18.47 %
2020	422,670	422,670	-	2,288,416	18.47 %
2019	430,995	430,995	-	2,333,488	18.47 %
2018	458,978	458,978	-	2,484,994	18.47 %
2017	476,910	476,910	-	2,582,078	18.47 %
2016	453,504	453,504	-	2,455,355	18.47 %
2015	449,797	449,797	-	2,435,282	18.47 %
Tier 2 Contributory System:					
2024	\$ 300,324	\$ 300,324	\$ -	\$ 1,928,770	15.57 %
2023	280,425	280,425	-	1,751,564	16.01 %
2022	219,444	219,444	-	1,368,295	16.04 %
2021	162,779	162,779	-	1,020,967	15.94 %
2020	157,196	157,196	-	999,213	15.73 %
2019	144,949	144,949	-	928,950	15.60 %
2018	100,149	100,149	-	652,889	15.34 %
2017	85,822	85,822	-	571,411	15.02 %
2016	65,732	65,732	-	440,861	14.91 %
2015	48,437	48,437	-	324,592	14.92 %
Tier 2 Defined Contribution Plan:					
2024	\$ 28,587	\$ 28,587	\$ -	\$ 502,853	5.68 %
2023	24,374	24,374	-	393,794	6.19 %
2022	28,543	28,543	-	442,438	6.45 %
2021	28,625	28,625	-	427,875	6.69 %
2020	23,880	23,880	-	356,956	6.69 %
2019	18,399	18,399	-	275,031	6.69 %
2018	14,683	14,683	-	219,483	6.69 %
2017	14,209	14,209	-	212,393	6.69 %
2016	13,760	13,760	-	205,678	6.69 %
2015	12,176	12,176	-	181,635	6.70 %

HEBER LIGHT & POWER COMPANY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE A – CHANGES IN ASSUMPTIONS – UTAH RETIREMENT SYSTEMS

The information presented was determined as part of actuarial valuations performed. Over time the actuarial assumptions are periodically changed. Amounts reported in the current and prior plan years include the following significant actuarial assumption changes:

Plan Year	Discount Rate	Payroll Growth Rate	Wage Inflation Rate	Inflation Rate
2023	6.85%	2.90%	3.50 to 9.50%	2.50%
2022	6.85%	2.90%	3.25 to 9.25%	2.50%
2021	6.85%	2.90%	3.25 to 9.25%	2.50%
2020	6.95%	2.90%	3.25 to 9.25%	2.50%
2019	6.95%	3.00%	3.25 to 9.25%	2.50%
2018	6.95%	3.00%	3.25 to 9.25%	2.50%
2017	6.95%	3.00%	3.25 to 9.25%	2.50%
2016	7.20%	3.25%	3.35 to 9.35%	2.60%
2015	7.50%	3.25%	3.50 to 9.50%	2.75%
2014	7.50%	3.50%	3.75 to 9.75%	2.75%

NOTE B – SCHEDULES OF DISTRICT CONTRIBUTIONS – UTAH RETIREMENT SYSTEMS

Contributions as a percentage of covered payroll may be different than the Utah State Retirement Board certified rate due to rounding or other administrative issues. A portion of the required contributions in the Tier 2 plans is used to finance the unfunded actuarial accrued liability of the Tier 1 plans.

NOTE C – SCHEDULES OF THE COMPANY’S CONTRIBUTIONS – UTAH RETIREMENT SYSTEMS

Contributions as a percentage of covered payroll may be different than the Utah State Retirement Board certified rate due to rounding or other administrative issues. A portion of the required contributions in the Tier 2 plans is used to finance the unfunded actuarial accrued liability of the Tier 1 plans.

COMPLIANCE REPORTS



Independent Auditor's Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with *Government Auditing Standards*

Board of Directors
Heber Light & Power Company

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Heber Light & Power Company (the Company), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the Company's financial statements, and have issued our report thereon dated April 21, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Company's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we do not express an opinion on the effectiveness of the Company's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Company's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the

financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Company's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Company's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Squire & Company, PC

Orem, Utah
April 21, 2025



Independent Auditor's Report on Compliance
and Report on Internal Control over Compliance
Required by the *State Compliance Audit Guide*

Board of Directors
Heber Light & Power Company

Report on Compliance

Opinion on Compliance

We have audited the compliance of Heber Light & Power Company (the Company) with the following applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor, for the year ended December 31, 2024:

Budgetary Compliance
Fund Balance
Fraud Risk Assessment
Utah Retirement Systems
Public Treasurer's Bond

In our opinion, Heber Light & Power Company complied, in all material respects, with the state compliance requirements referred to above for the year ended December 31, 2024.

Basis for Opinion on Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*, issued by the Office of the Utah State Auditor. Our responsibilities under those standards and the *State Compliance Audit Guide* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance. Our audit does not provide a legal determination of the Company's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the state compliance requirements referred to above.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Company's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *State Compliance Audit Guide* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Company's compliance with the requirements of the *State Compliance Audit Guide* as a whole

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *State Compliance Audit Guide*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Company's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Company's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a state compliance requirement on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a state compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a state compliance requirement that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not

identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *State Compliance Audit Guide*. Accordingly, this report is not suitable for any other purpose.

Squin & Company, PC

Orem, Utah
April 21, 2025



April 21, 2025

Heber Light and Power Company
Audit Committee Executive Summary

Re: Audits for the year ended June 30, 2024 performed by Squire & Company, PC, Orem, Utah.

Services provided for Heber Light & Power Company for the year ended June 30, 2024:

- Audit of basic financial statements conducted in accordance with generally accepted auditing standards and *Government Auditing Standards*.

An unmodified opinion has been issued on the financial statements of Heber Light & Power Company for the year ended June 30, 2024. An unmodified opinion is sometimes referred to as a *clean opinion*. The independent auditor's report states, without reservation, that "in our opinion" the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

Various (non-statistical) samples were selected for testing of transactions as follows:

Cash disbursements – reviewed for proper coding, classification, period, support, authorization, reasonableness, compliance with procurement policies, and compliance with applicable federal and state requirements. No reportable matters were noted.

Cash receipts – reviewed for proper recording, support, and compliance with applicable federal and state requirements. We also traced state, federal and property tax revenues from non-Company sources to revenue summaries. No reportable matters were noted.

Payroll transactions – reviewed calculations, authorization, allocation, and proper recording. No reportable matters were noted.

Capital assets – verified significant additions and deletions for the year. No reportable matters were noted.

- State compliance audit conducted in accordance with the *State Compliance Audit Guide*.

An unmodified opinion has been issued on compliance with the state compliance requirements for the year ended June 30, 2024.

State compliance areas tested include: budgetary compliance, fund balance, fraud risk assessment, Utah Retirement Systems, and the public treasurer's bond.



Board of Directors
Heber Light & Power Company

We have audited the financial statements of Heber Light & Power Company (the Company) as of and for the year ended December 31, 2024 and 2023, and the related notes and have issued our report thereon dated April 21, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated January 28, 2025, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Company solely for determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

We assisted in the preparation of the financial statements and the related notes disclosures, which is a nonaudit service. This service was subject to our firm's engagement quality control review. Management designated a qualified individual to oversee this nonaudit service, evaluated the adequacy and results of the service performed, and accepted responsibility for the preparation and fair presentation of the financial statements and related notes in accordance with accounting principles generally accepted in the United States of America.

Significant Risks Identified

We have identified the following significant risks: revenue could be recognized inappropriately or in incorrect period, expenditures/expenses could be unrecorded or recognized in incorrect period, and the financial statements do not agree to underlying accounting records.

Qualitative Aspects of the Company's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Company is included in Note 1 to the financial statements. There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during 2024. No matters have come to our attention that would require us, under professional standards, to inform you about the methods used to account for significant unusual transactions and the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are 1) depreciation and amortization of capital assets, 2) the allowance for doubtful accounts receivable, and 3) the Company's proportionate share of the net pension liability (asset) of cost sharing plans of the Utah Retirement Systems (URS).

Management's estimate of the depreciation and amortization of capital assets is based on expected useful lives of assets and allocating the cost of those assets over their estimated useful lives using the straight-line method. Management's estimate of the allowance for doubtful accounts receivable is based on historical performance and projections of trends. Management's estimate of the Company's proportionate share of the net pension liability (asset) is based on information provided by the URS. We evaluated the key factors and assumptions used to develop the accounting estimates and determined that they are reasonable in relation to the financial statements as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Company's financial statements relate to disclosure of a contract payable in Note 5 to the financial statements and disclosure of commitments in Note 7 to the financial statements.

Significant Unusual Transactions

There were no significant unusual transaction identified during the audit.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are clearly inconsequential, and communicate them to the appropriate level of management. No corrected or uncorrected misstatements were identified during the audit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Company's financial statements or the auditor's report. No such disagreements arose during the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated April 21, 2025.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings or Issues

In the normal course of our professional association with the Company, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the Company, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Company's auditors.

This report is intended solely for the information and use of the Board of Directors, and management of Heber Light & Power Company and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,

Squin & Company, PC

Orem, Utah
April 21, 2025

Attachments:

Adjusted trial balance grouped by financial statement account

Summary audit adjustments and reclassifications

Copy of management's written representations

Client: 14078 - Heber Light & Power Company
 Engagement: 2024 Audit
 Period Ending: 12/31/2024
 Trial Balance: TB
 Workpaper: TB - Financial Statement Grouping Report

Account	Description	1st PP-FINAL 12/31/2023	UNADJ 12/31/2024	JE Ref #	AJE 12/31/2024	ADJ 12/31/2024	JE Ref #	RJE 12/31/2024	FINAL 12/31/2024
Group : [1] Assets									
Subgroup : [1.1000] Cash and Cash Equivalents									
130.0	CASH ON HAND	3,513	213	-	213	-	-	-	213
131.0	CASH - ZIONS	(877,883)	(177,229)	-	(177,229)	-	-	-	(177,229)
131.2	HEBER VALLEY NATIONAL BANK	591,464	724,055	-	724,055	-	-	-	724,055
131.98	CASH - SWEEP	1,898,972	1,436,565	-	1,436,565	-	-	-	1,436,565
131.99	UTILITY CASH CLEARING	4,401	4,780	-	4,780	-	-	-	4,780
134.0	PTIF - MAIN ACCOUNT	4,421,001	12,779,048	-	12,779,048	-	-	-	12,779,048
134.01	PTIF - SELF INSURANCE	160,927	169,680	-	169,680	-	-	-	169,680
134.1	PTIF VALUATION	(724)	(724)	-	(724)	-	-	-	(724)
Subtotal [1.1000]	Cash and Cash Equivalents	6,201,671	14,936,388	-	14,936,388	-	-	-	14,936,388
Subgroup : [1.1010] Restricted Cash and Cash Equivalents									
131.3	IMPACT FEE ACCOUNT	25	20,269	-	20,269	-	-	-	20,269
134.02	PTIF - CIAC Holding	1,918,054	3,495,675	-	3,495,675	-	-	-	3,495,675
136.2	HLR REV BOND 2012 DS - 257114000	42,852	9,933	-	9,933	-	-	-	9,933
136.5	2019 PROJECT FUND	12	-	-	-	-	-	-	-
136.51	2023 PROJECT FUND	21,195,443	4,605,189	-	4,605,189	-	-	-	4,605,189
136.6	HLR REV BOND 2019 DS - 229200001	115,568	93,345	-	93,345	-	-	-	93,345
136.61	HLR REV BOND 2023 DS - 235899000	2,457	58,380	-	58,380	-	-	-	58,380
Subtotal [1.1010]	Restricted Cash and Cash Equivalents	23,274,411	8,282,791	-	8,282,791	-	-	-	8,282,791
Subgroup : [1.1100] Trade Accounts Receivable									
142.0	ACCOUNTS RECEIVABLE	2,217,002	2,220,921	-	2,220,921	-	-	-	2,220,921
142.1	JORDANELLE RECEIVABLE	75,904	74,335	-	74,335	-	-	-	74,335
144.1	FACTORING DOUBTFUL ACCOUNTS	288,783	311,409	(150,752)	160,657	-	-	-	160,657
Subtotal [1.1100]	Trade Accounts Receivable	2,579,569	2,606,665	(150,752)	2,455,913	-	-	-	2,455,913
Subgroup : [1.1110] Unbilled Accounts Receivables									
142.98	UNBILLED ACCOUNTS RECEIVABLE	1,675,159	1,707,945	-	1,707,945	-	-	-	1,707,945
Subtotal [1.1110]	Unbilled Accounts Receivables	1,675,159	1,707,945	-	1,707,945	-	-	-	1,707,945
Subgroup : [1.1120] Other Receivables									
143.0	MISC RECEIVABLES	44,693	109,853	-	109,853	-	-	-	109,853
Subtotal [1.1120]	Other Receivables	44,693	109,853	-	109,853	-	-	-	109,853
Subgroup : [1.1190] Allowance for Doubtful Accounts									
144.0	ALLOWANCE FOR DOUBTFUL ACCTS	(288,621)	(288,474)	134,342	(154,132)	-	-	-	(154,132)
Subtotal [1.1190]	Allowance for Doubtful Accounts	(288,621)	(288,474)	134,342	(154,132)	-	-	-	(154,132)
Subgroup : [1.1200] Inventory									
154.0	INVENTORY	6,406,955	8,484,856	-	8,484,856	-	-	-	8,484,856
Subtotal [1.1200]	Inventory	6,406,955	8,484,856	-	8,484,856	-	-	-	8,484,856
Subgroup : [1.1300] Prepaid Expenses									
165.0	PREPAID EXPENSES	380,928	422,905	(11,082)	411,823	-	-	-	411,823
165.1	UNEARNED LEAVE	-	681,627	-	681,627	-	-	-	681,627
Subtotal [1.1300]	Prepaid Expenses	380,928	1,104,532	(11,082)	1,093,450	-	-	-	1,093,450
Subgroup : [1.1800] Land and Non-Depreciable Assets									
107.0	CONSTRUCTION IN PROGRESS	25,922,019	12,061,543	-	12,061,543	-	-	-	12,061,543
107.3	SPECIAL EQUIPMENT	(156,323)	-	668,551	668,551	-	-	-	668,551
389.0	LAND	4,300,104	4,300,104	-	4,300,104	-	-	-	4,300,104
399.0	WATER RIGHTS	630,375	630,375	-	630,375	-	-	-	630,375
Subtotal [1.1800]	Land and Non-Depreciable Assets	30,696,175	16,992,022	-	17,660,573	-	-	-	17,660,573
Subgroup : [1.1810] Other Capital Assets, Net of Depreciation									
331.0	WITT POWER PLANT	2,776,920	2,776,920	-	2,776,920	-	-	-	2,776,920
332.0	GENERATION PLANT HYDRO	250,066	250,066	-	250,066	-	-	-	250,066
344.0	GENERATION PLANT	6,668,298	8,657,989	-	8,657,989	-	-	-	8,657,989
361.0	LINES	65,513,842	95,225,852	-	95,225,852	(21,608,500)	(21,608,500)	73,617,352	73,617,352
362.0	SUBSTATIONS	3,762,911	3,762,911	-	3,762,911	21,608,500	21,608,500	25,371,411	25,371,411
368.0	TRANSFORMERS	19,870	19,870	-	19,870	-	-	-	19,870
370.0	METERING ASSETS	953,052	1,045,196	-	1,045,196	-	-	-	1,045,196
390.0	BUILDINGS	3,795,029	3,795,029	-	3,795,029	-	-	-	3,795,029
391.0	OFFICE BLDGS ASSETS	355,814	355,814	-	355,814	-	-	-	355,814
392.0	TRUCKS AND MOTOR VEHICLES	3,768,170	4,303,726	-	4,303,726	-	-	-	4,303,726
394.0	MACHINERY, EQUIPMENT & TOOLS	2,500,484	2,536,054	-	2,536,054	-	-	-	2,536,054
397.0	TECH/OFFICE EQUIP	1,625,098	1,700,197	10,309	1,710,506	-	-	-	1,710,506
Subtotal [1.1810]	Other Capital Assets, Net of Depreciation	91,989,554	124,429,624	10,309	124,439,933	-	-	-	124,439,933
Subgroup : [1.1890] Accumulated Depreciation									
108.0	ACCUMULATED DEPRECIATION	(41,786,473)	(46,496,278)	-	(46,496,278)	-	657,284	(45,838,994)	657,284
Subtotal [1.1890]	Accumulated Depreciation	(41,786,473)	(46,496,278)	-	(46,496,278)	-	657,284	(45,838,994)	657,284
Subgroup : [1.9000] Deferred Outflows of Resources									
134.3	DEFERRED OUTFLOW OF RESOURCE	1,790,996	1,764,191	AJE - 10 (803,208) AJE - 11 (815,435)	432,942 420,715 (803,208) AJE - 12 815,435	2,197,133	-	-	2,197,133
Subtotal [1.9000]	Deferred Outflows of Resources	1,790,996	1,764,191	AJE - 10 (803,208) AJE - 11 (815,435)	432,942	2,197,133	-	-	2,197,133
Total [1]	Assets	122,965,137	133,634,115		1,084,310	134,718,425	657,284		135,375,709
Group : [2] Liabilities									
Subgroup : [2.2100] Trade Accounts Payable									
232.0	ACCOUNTS PAYABLE	(1,808,065)	(1,369,682)	-	(16,436)	(1,386,118)	-	-	(1,386,118)
Subtotal [2.2100]	Trade Accounts Payable	(1,808,065)	(1,369,682)	-	(16,436)	(1,386,118)	-	-	(1,386,118)
Subgroup : [2.2110] Other Accrued Payables									
232.98	ACCRUED LIABILITIES	(1,170,583)	(1,967,034)	AJE - 2 (482,575,00)	(439,100) 43,475 (482,575,00)	(2,406,134)	-	-	(2,406,134)
232.99	UNINVOICED MATERIAL	(13,216)	(73,128)	-	(73,128)	-	-	-	(73,128)
235.1	CUSTOMER DEPOSITS	(205)	(1,355)	-	(1,355)	-	-	-	(1,355)
241.0	SALES TAX PAYABLE	(90,341)	(135,861)	-	(135,861)	-	-	-	(135,861)
241.2	STATE WITHHOLDING PAYABLE	(18,699)	-	-	-	-	-	-	-
242.1	ACCRUED WAGES PAYABLE	(99,528)	(150,594)	-	(150,594)	-	-	-	(150,594)
242.4	SALARY DEFERRAL	445	445	-	445	-	-	-	445
242.99	PAYROLL CLEARING	(3,366)	(3,366)	-	(3,366)	-	-	-	(3,366)
243.0	HSA EMPLOYEE DEFERRAL	517	943	-	943	-	-	-	943
Subtotal [2.2110]	Other Accrued Payables	(1,394,976)	(2,329,950)	(439,100)	(2,769,050)	-	-	-	(2,769,050)

Subgroup : [2.2120]	Accrued Related Party Payable						
241.3	ENERGY TAX HEBER	(128,621)	(288,481)	-	(288,481)	-	(288,481)
241.4	ENERGY TAX MIDWAY	(50,709)	(108,881)	-	(108,881)	-	(108,881)
241.5	ENERGY TAX CHARLESTON	(6,924)	(15,727)	-	(15,727)	-	(15,727)
241.6	ENERGY TAX DANIEL	(9,039)	(15,624)	-	(15,624)	-	(15,624)
Subtotal [2.2120]	Accrued Related Party Payable	(195,239)	(428,713)	-	(428,713)	-	(428,713)
Subgroup : [2.2200]	Contract Payable						
224.0	CUWCD DIVIDEND LOAN	(1,189,196)	(1,189,196)	(10,240)	(1,199,436)	-	(1,199,436)
Subtotal [2.2200]	Contract Payable	(1,189,196)	(1,189,196)	(10,240)	(1,199,436)	-	(1,199,436)
Subgroup : [2.2800]	Current Portion of Long-term Debt						
242.5	CURRENT PORTION LONG TERM DEE	(2,073,155)	(1,785,325)	(136,785)	(1,922,110)	-	(1,922,110)
Subtotal [2.2800]	Current Portion of Long-term Debt	(2,073,155)	(1,785,325)	(136,785)	(1,922,110)	-	(1,922,110)
Subgroup : [2.2810]	Long-term Debt						
221.1	2012 BONDS PRINCIPAL	(450,000)	(100,000)	-	(100,000)	-	(100,000)
221.2	2019 BOND PRINCIPAL	(16,965,000)	(16,625,000)	-	(16,625,000)	-	(16,625,000)
221.21	2023 BOND PRINCIPAL	(29,070,000)	(28,420,000)	-	(28,420,000)	-	(28,420,000)
225.1	2019 BOND PREMIUM	(1,770,341)	(1,487,925)	-	(1,487,925)	-	(1,487,925)
225.11	2023 BOND PREMIUM	(3,476,952)	(3,241,472)	-	(3,241,472)	-	(3,241,472)
227.0	CAPITAL LEASE PAYABLE	(898,911)	(758,859)	-	(758,859)	-	(758,859)
242.2	ACCURED VACATION PAYABLE	(299,402)	(267,456)	(16,778)	(284,234)	-	(284,234)
242.3	ACCURED SICK PAY PAYABLE	(1,064,335)	(911,390)	(54,218)	(965,608)	-	(965,608)
242.6	CURRENT PORTION LONG TERM DEE	2,073,155	1,785,325	136,785	1,922,110	-	1,922,110
254.0	POST EMPLOYMENT BENEFITS	(102,411)	(129,667)	(10,465)	(140,132)	-	(140,132)
Subtotal [2.2810]	Long-term Debt	(52,024,197)	(50,156,444)	55,324	(50,101,120)	-	(50,101,120)
Subgroup : [2.2900]	Net Pension Liability						
254.1	NET PENSION LIABILITY	(562,402)	(562,402)	(275,263)	(837,665)	-	(837,665)
Subtotal [2.2900]	Net Pension Liability	(562,402)	(562,402)	(275,263)	(837,665)	-	(837,665)
Subgroup : [2.9000]	Deferred Inflows of Resources						
254.2	DEFERRED INFLOWS OF RESOURCE	(9,420)	(9,420)	192	(9,228)	-	(9,228)
Subtotal [2.9000]	Deferred Inflows of Resources	(9,420)	(9,420)	192	(9,228)	-	(9,228)
Total [2]	Liabilities	(59,256,704)	(57,831,132)	(822,308)	(58,653,440)	-	(58,653,440)
Group : [3]	Net Position						
Subgroup : [3.3000]	Net Position						
433.0	RETAINED EARNINGS	(54,924,018)	(75,802,979)	(255,563)	(76,058,542)	12,350,109	(63,708,433)
Subtotal [3.3000]	Net Position	(54,924,018)	(75,802,979)	(255,563)	(76,058,542)	12,350,109	(63,708,433)
Subgroup : [3.3900]	Distributions to Owners						
999.1	PROFIT CLEARING	-	12,044,367	305,742	12,350,109	(12,350,109)	-
Subtotal [3.3900]	Distributions to Owners	-	12,044,367	305,742	12,350,109	(12,350,109)	-
Total [3]	Net Position	(54,924,018)	(63,758,612)	50,179	(63,708,433)	-	(63,708,433)
Group : [4]	Revenues						
Subgroup : [4.4000]	Electricity Sales Pledged for Revenue Bonds						
440.0	ELECTRIC - RESIDENTIAL INCOME	(15,029,433)	(15,798,712)	-	(15,798,712)	-	(15,798,712)
442.0	ELECTRIC - GENERAL SERVICES INC	(8,727,798)	(9,332,470)	-	(9,332,470)	-	(9,332,470)
Subtotal [4.4000]	Electricity Sales Pledged for Revenue	(23,757,231)	(25,131,182)	-	(25,131,182)	-	(25,131,182)
Subgroup : [4.4050]	Electricity Sales Pledged for Revenue Bonds - Jordanelle						
445.0	JORDANELLE POWER SALES	(1,834,964)	(1,865,669)	-	(1,865,669)	-	(1,865,669)
Subtotal [4.4050]	Electricity Sales Pledged for Revenue	(1,834,964)	(1,865,669)	-	(1,865,669)	-	(1,865,669)
Subgroup : [4.4100]	Connection Fees						
414.2	CONNECTION FEE INCOME	(149,673)	(198,694)	-	(198,694)	-	(198,694)
Subtotal [4.4100]	Connection Fees	(149,673)	(198,694)	-	(198,694)	-	(198,694)
Subgroup : [4.4200]	Impact Fees						
421.0	IMPACT FEE REVENUE	(4,142,767)	(4,865,618)	-	(4,865,618)	-	(4,865,618)
Subtotal [4.4200]	Impact Fees	(4,142,767)	(4,865,618)	-	(4,865,618)	-	(4,865,618)
Subgroup : [4.4300]	Interest Income						
419.0	INTEREST INCOME	(1,668,408)	(1,518,409)	-	(1,518,409)	-	(1,518,409)
Subtotal [4.4300]	Interest Income	(1,668,408)	(1,518,409)	-	(1,518,409)	-	(1,518,409)
Subgroup : [4.4400]	Other Income						
414.0	OTHER INCOME	(2,324)	(15)	-	(15)	-	(15)
414.1	POLE ATTACHMENT FEE INCOME	(40,666)	(43,115)	-	(43,115)	-	(43,115)
414.3	PENALTY INCOME	(60,776)	(58,151)	-	(58,151)	-	(58,151)
417.0	REVENUES FROM NONUTILITY OPER	(11,032)	(32,902)	-	(32,902)	-	(32,902)
418.0	NON-OPERATING RENTAL INCOME	(12,750)	(6,913)	-	(6,913)	-	(6,913)
445.1	JORDANELLE O & M	(120,098)	(127,445)	-	(127,445)	-	(127,445)
449.01	OTHER SALES - CLEAR PEAKS RENE	(905)	(842)	-	(842)	-	(842)
451.1	METER READING CHARGE	(1,360)	(1,220)	-	(1,220)	-	(1,220)
451.2	DAMAGED PROPERTY REVENUE	-	(8,000)	-	(8,000)	-	(8,000)
Subtotal [4.4400]	Other Income	(249,911)	(278,603)	-	(278,603)	-	(278,603)
Subgroup : [4.4900]	Contributed Capital						
415.0	CONSTRUCTION INCOME	(5,359,622)	(9,437,873)	-	(9,437,873)	-	(9,437,873)
Subtotal [4.4900]	Contributed Capital	(5,359,622)	(9,437,873)	-	(9,437,873)	-	(9,437,873)
Total [4]	Revenues	(37,162,576)	(43,296,048)	-	(43,296,048)	-	(43,296,048)
Group : [5]	Expenses						
Subgroup : [5.5010]	Building Expenses						
401.1	BUILDING EXPENSES	49,257	40,630	(250)	40,380	-	40,380
Subtotal [5.5010]	Building Expenses	49,257	40,630	(250)	40,380	-	40,380
Subgroup : [5.5020]	Energy Rebates						
555.2	ENERGY REBATES	54,179	119,412	-	119,412	-	119,412
Subtotal [5.5020]	Energy Rebates	54,179	119,412	-	119,412	-	119,412
Subgroup : [5.5030]	Gas Generation - Fuel						
547.0	GAS GENERATION - FUEL COSTS	1,245,194	1,292,595	(6,152)	1,286,443	-	1,286,443
548.0	GENERATION EXPENSE	616,591	1,301,335	12,792	1,314,127	-	1,314,127
Subtotal [5.5030]	Gas Generation - Fuel	1,861,785	2,593,930	6,640	2,600,570	-	2,600,570
Subgroup : [5.5040]	Materials						
402.0	MATERIALS - OPERATIONS	938	592	-	592	-	592
402.1	SAFETY MATERIALS	156,808	170,128	451	170,579	-	170,579
402.2	MATERIALS - TOOL EXPENSE	23,031	59,976	-	59,976	-	59,976

Subtotal [5.5040]	Materials	180,777	230,696	451	231,147	-	231,147
Subgroup : [5.5050]	Office Expenses and Postage						
921.0	BUSINESS OFFICE SUPPLIES	18,294	15,545	(67)	15,478	-	15,478
921.3	POSTAGE/SHIPPING	3,919	2,897	-	2,897	-	2,897
935.1	COMMUNICATIONS	131,595	124,299	-	124,299	-	124,299
Subtotal [5.5050]	Office Expenses and Postage	153,808	142,741	(67)	142,674	-	142,674
Subgroup : [5.5060]	Power Purchases						
555.0	POWER PURCHASES	10,559,457	11,829,693	(200,773) AJE - 8 (116,605)	11,628,920	-	11,628,920
556.0	SYSTEM CONTROL AND LOAD DISPA	883,349	989,426	(84,168) AJE - 8 (192)	989,234	-	989,234
Subtotal [5.5060]	Power Purchases	11,442,806	12,819,119	(200,965)	12,618,154	-	12,618,154
Subgroup : [5.5065]	Power Purchases - Jordanelle						
555.1	JORDANELLE PARTNER ENERGY	1,834,964	1,867,629	-	1,867,629	-	1,867,629
Subtotal [5.5065]	Power Purchases - Jordanelle	1,834,964	1,867,629	-	1,867,629	-	1,867,629
Subgroup : [5.5070]	Professional Services						
923.0	OUTSIDE SERVICES	225,172	235,479	-	235,479	-	235,479
Subtotal [5.5070]	Professional Services	225,172	235,479	-	235,479	-	235,479
Subgroup : [5.5080]	Salaries, Wages, and Benefits						
908.0	CUSTOMER ASSISTANCE EXPENSES	223,017	205,590	-	205,590	-	205,590
920.0	SALARIES ADMINISTRATIVE	1,247,435	1,148,473	(1,785)	1,146,688	-	1,146,688
926.0	EMPLOYEE PENSION & BENEFITS	-	-	4,275	4,275	-	4,275
926.1	POST EMPLOYMENT BENEFITS	(4,090)	25,600	37,722	63,322	-	63,322
926.3	RETIREMENT	(802,853)	-	(808,992)	(808,992)	-	(808,992)
926.4	ACTUARIAL CALCULATED PENSION E	352,025	-	657,248	657,248	-	657,248
Subtotal [5.5080]	Salaries, Wages, and Benefits	1,015,534	1,379,663	(111,532)	1,268,131	-	1,268,131
Subgroup : [5.5090]	System Maintenance and Training						
401.0	OPERATION EXPENSE	413,604	505,187	-	505,187	-	505,187
401.2	TRAINING & TRAVEL	378,384	350,662	4,650	355,312	-	355,312
542.0	HYDRO MAINTENANCE	217,813	177,415	-	177,415	-	177,415
586.0	METER EXPENSES	51,851	52,706	-	52,706	-	52,706
591.0	MAINTENANCE OF STRUCTURES	2,968,504	2,355,599	(2,409)	2,353,190	-	2,353,190
592.0	MAINTENANCE OF STATION EQUIPM	457,842	495,830	(43,886)	451,944	-	451,944
597.0	METERING MAINTENANCE	328,590	280,393	(682)	279,711	-	279,711
935.0	MAINTENANCE OF GENERAL PLANT	84,380	39,152	-	39,152	-	39,152
935.3	IT MAINT/SUPPORT	451,591	448,509	2,412	450,921	-	450,921
Subtotal [5.5090]	System Maintenance and Training	5,352,559	4,705,453	(39,915)	4,665,538	-	4,665,538
Subgroup : [5.5100]	Truck Expenses						
935.2	TRUCKS	524,814	515,922	-	515,922	-	515,922
Subtotal [5.5100]	Truck Expenses	524,814	515,922	-	515,922	-	515,922
Subgroup : [5.5110]	Miscellaneous						
426.4	COMMUNITY RELATIONS	27,655	28,528	-	28,528	-	28,528
903.23	COLLECTION FEE/COMMISSIONS	1,001	3,324	-	3,324	-	3,324
910.0	MISC CUSTOMER SERVICE AND INFC	20,700	4,513	-	4,513	-	4,513
921.4	BANK & CREDIT CARD FEES	111,607	143,518	-	143,518	-	143,518
921.5	BILLING STATEMENT EXPENSES	122,849	146,096	-	146,096	-	146,096
930.2	MISCELLANEOUS	25,525	42,386	6,807	49,193	-	49,193
Subtotal [5.5110]	Miscellaneous	309,337	368,365	6,807	375,172	-	375,172
Subgroup : [5.5120]	Interest Expense						
427.0	INTEREST EXPENSE	2,019,793	1,759,384	10,240	1,769,624	-	1,769,624
Subtotal [5.5120]	Interest Expense	2,019,793	1,759,384	10,240	1,769,624	-	1,769,624
Subgroup : [5.5130]	Depreciation						
403.0	DEPRECIATION	3,398,471	4,455,654	-	4,455,654	(657,284)	3,798,370
Subtotal [5.5130]	Depreciation	3,398,471	4,455,654	-	4,455,654	(657,284)	3,798,370
Subgroup : [5.5140]	Bad Debt Expense						
904.0	BAD DEBTS	25,680	-	16,410	16,410	-	16,410
Subtotal [5.5140]	Bad Debt Expense	25,680	-	16,410	16,410	-	16,410
Total [5]	Expenses	28,448,936	31,234,077	(312,181)	30,921,896	(657,284)	30,264,612
Group : [6]	Other Income/Expense						
Subgroup : [6.6000]	Gain/Loss on Sale						
421.1	GAIN ON SALE OF ASSET	(70,775)	17,600	-	17,600	-	17,600
Subtotal [6.6000]	Gain/Loss on Sale	(70,775)	17,600	-	17,600	-	17,600
Total [6]	Other Income/Expense	(70,775)	17,600	-	17,600	-	17,600
	NET (INCOME) LOSS	(8,784,415)	(12,044,371)	(312,181)	(12,356,552)	(657,284)	(13,013,836)
	Sum of Account Groups	-	-	-	-	-	-

Client: **14078 - Heber Light & Power Company**
 Engagement: **2024 Audit**
 Period Ending: **12/31/2024**
 Trial Balance: **TB**
 Workpaper: **JE - Combined Journal Entries Report**

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1				
	Adjust factored accounts receivable and allowance based on methodology and reports provided by Bart	87762		
144.0	ALLOWANCE FOR DOUBTFUL ACCTS		134,342.00	
904.0	BAD DEBTS		16,410.00	
144.1	FACTORING DOUBTFUL ACCOUNTS			150,752.00
Total			150,752.00	150,752.00
Adjusting Journal Entries JE # 2				
	Reverse prior year JE 7661	87757		
232.98	ACCUED LIABILITIES		43,475.00	
401.1	BUILDING EXPENSES			250.00
592.0	MAINTENANCE OF STATION EQUIPMENT			43,000.00
921.0	BUSINESS OFFICE SUPPLIES			225.00
Total			43,475.00	43,475.00
Adjusting Journal Entries JE # 3				
	Client provided entry: to update prepaid balance	87764		
926.0	EMPLOYEE PENSION & BENEFITS		4,275.00	
930.2	MISCELLANEOUS		6,807.00	
165.0	PREPAID EXPENSES			11,082.00
Total			11,082.00	11,082.00
Adjusting Journal Entries JE # 5				
	Restore beginning net position balance			
926.1	POST EMPLOYMENT BENEFITS		27,257.00	
433.0	RETAINED EARNINGS			27,257.00
Total			27,257.00	27,257.00
Adjusting Journal Entries JE # 6				
	To record interest for CUWCD	87818		
427.0	INTEREST EXPENSE		10,240.00	
224.0	CUWCD DIVIDEND LOAN			10,240.00
Total			10,240.00	10,240.00
Adjusting Journal Entries JE # 7				
	Retirement incentive correction	87816		
926.1	POST EMPLOYMENT BENEFITS		10,465.00	
254.0	POST EMPLOYMENT BENEFITS			10,465.00
Total			10,465.00	10,465.00
Adjusting Journal Entries JE # 8				
	Client provided entry: to record year-end accrual true-ups	87964		
107.3	SPECIAL EQUIPMENT		32,127.00	
107.3	SPECIAL EQUIPMENT		1,759.00	
107.3	SPECIAL EQUIPMENT		484,576.00	
107.3	SPECIAL EQUIPMENT		150,089.00	
401.2	TRAINING & TRAVEL		4,650.00	
402.1	SAFETY MATERIALS		451.00	
548.0	GENERATION EXPENSE		12,880.00	
548.0	GENERATION EXPENSE		142.00	
591.0	MAINTENANCE OF STRUCTURES		54.00	
921.0	BUSINESS OFFICE SUPPLIES		158.00	
935.3	IT MAINT/SUPPORT		2,614.00	
232.98	ACCRUED LIABILITIES			482,575.00
547.0	GAS GENERATION - FUEL COSTS			6,152.00
555.0	POWER PURCHASES			116,605.00
555.0	POWER PURCHASES			84,168.00
Total			689,500.00	689,500.00
Adjusting Journal Entries JE # 9				
	AJE to update our TB to match TB sent as of 2/20/25			
397.0	TECH/OFFICE EQUIP		10,309.00	
926.3	RETIREMENT		6,127.00	
232.0	ACCOUNTS PAYABLE			16,436.00
Total			16,436.00	16,436.00
Adjusting Journal Entries JE # 10				
	PBC - Ending Pension Liability/Asset Balance	88493		
134.3	DEFERRED OUTFLOW OF RESOURCES		420,715.00	
254.2	DEFERRED INFLOWS OF RESOURCES		192.00	
926.4	ACTUARIAL CALCULATED PENSION EXPENSE		657,248.00	
254.1	NET PENSION LIABILITY			275,263.00
926.3	RETIREMENT			802,892.00
Total			1,078,155.00	1,078,155.00

Adjusting Journal Entries JE # 11	88494	
PBC - Reverse PY Deferred Outflow		
926.3 RETIREMENT	803,208.00	
134.3 DEFERRED OUTFLOW OF RESOURCES		803,208.00
Total	803,208.00	803,208.00
Adjusting Journal Entries JE # 12	88495	
PBC - Record Contributions Subsequent to Measu		
134.3 DEFERRED OUTFLOW OF RESOURCES	815,435.00	
926.3 RETIREMENT		815,435.00
Total	815,435.00	815,435.00
Adjusting Journal Entries JE # 17	88508	
PBC - Profit Distribution		
999.1 PROFIT CLEARING	12,164,133.00	
433.0 RETAINED EARNINGS		12,164,133.00
Total	12,164,133.00	12,164,133.00
Adjusting Journal Entries JE # 18	88507	
PBC - Profit Distribution		
433.0 RETAINED EARNINGS	12,044,367.00	
999.1 PROFIT CLEARING		12,044,367.00
Total	12,044,367.00	12,044,367.00
Adjusting Journal Entries JE # 19	88547	
PBC - Profit Distribution		
999.1 PROFIT CLEARING	12,350,109.00	
433.0 RETAINED EARNINGS		12,350,109.00
Total	12,350,109.00	12,350,109.00
Adjusting Journal Entries JE # 20	88546	
PBC - Profit Distribution		
433.0 RETAINED EARNINGS	12,164,133.00	
999.1 PROFIT CLEARING		12,164,133.00
Total	12,164,133.00	12,164,133.00
Adjusting Journal Entries JE # 21	88735	
Client provided entry: to record GASB 101 adjustment for compensated absences		
548.0 GENERATION EXPENSE	2,337.00	
556.0 SYSTEM CONTROL AND LOAD DISPATCHING	2,594.00	
591.0 MAINTENANCE OF STRUCTURES	27,779.00	
592.0 MAINTENANCE OF STATION EQUIPMENT	9,139.00	
597.0 METERING MAINTENANCE	7,306.00	
920.0 SALARIES ADMINISTRATIVE	19,543.00	
935.3 IT MAINT/SUPPORT	2,298.00	
242.2 ACCRUED VACATION PAYABLE		16,778.00
242.3 ACCRUED SICK PAY PAYABLE		54,218.00
Total	70,996.00	70,996.00
Adjusting Journal Entries JE # 22		
To adjust to current portion of long-term liabilities.		
242.6 CURRENT PORTION LONG TERM DEBT	136,785.00	
242.5 CURRENT PORTION LONG TERM DEBT		136,785.00
Total	136,785.00	136,785.00
Adjusting Journal Entries JE # 23		
Restate beginning balance for implementation of GASB 101		
433.0 RETAINED EARNINGS	77,436.00	
548.0 GENERATION EXPENSE		2,567.00
556.0 SYSTEM CONTROL AND LOAD DISPATCHING		2,786.00
591.0 MAINTENANCE OF STRUCTURES		30,242.00
592.0 MAINTENANCE OF STATION EQUIPMENT		10,025.00
597.0 METERING MAINTENANCE		7,988.00
920.0 SALARIES ADMINISTRATIVE		21,328.00
935.3 IT MAINT/SUPPORT		2,500.00
Total	77,436.00	77,436.00
Total Adjusting Journal Entries	52,663,964.00	52,663,964.00
Reclassifying Journal Entries		
Reclassifying Journal Entries JE # 4	Reclass	
Reclassify profit clearing account		
433.0 RETAINED EARNINGS	12,350,109.00	
999.1 PROFIT CLEARING		12,350,109.00
Total	12,350,109.00	12,350,109.00
Reclassifying Journal Entries JE # 13	2025-88106	
PBC - Depreciation (reverse full-year depreciation)		
108.0 ACCUMULATED DEPRECIATION	717,421.00	
403.0 DEPRECIATION		717,421.00
Total	717,421.00	717,421.00

April 21, 2025

Squire & Company, PC
1329 South 800 East
Orem, Utah 84097

This representation letter is provided in connection with your audit of the statements of net position of Heber Light & Power Company (the Company) as of December 31, 2024 and 2023 and the statements of revenue, expenses, and changes in net position and cash flows for the years then ended, and the related notes to the basic financial statements, for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the Company in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of April 21, 2025:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated January 28, 2025, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. As part of the audit, you assisted with the preparation of our financial statements and the related notes. We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions relating to the financial statements and the related notes. We have reviewed, approved, and accepted responsibility for those financial statements and the related notes prior to their issuance.
2. We have reviewed, approved, and taken responsibility for adjusting, reclassifying, eliminating, and converting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
6. We have a process to track the status of audit findings and recommendations.

7. We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
8. We have provided views on your reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
9. With regards to nonattest services performed by you, we acknowledge our responsibility to:
 - a. Assume all management responsibilities;
 - b. Designate an individual who possesses suitable skill, knowledge, or experience to oversee the services;
 - c. Evaluate the adequacy and results of the services performed; and
 - d. Accept responsibility for the results of the services.
10. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
11. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
12. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
13. The effects of uncorrected misstatements summarized and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the financial statements as a whole.
14. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
15. Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available is appropriately disclosed and net position is properly recognized under the policy.
16. Special items and extraordinary items have been properly classified and reported.
17. Deposit and investment risks have been properly and fully disclosed.
18. Capital assets are properly capitalized, reported, and if applicable, depreciated.
19. All required supplementary information is measured and presented within the prescribed guidelines.
20. Regarding investments and other instruments reported at fair value:
 - a. The underlying assumptions are reasonable, and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - c. The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
21. With respect to the required supplementary information (RSI) accompanying the financial statements:

- a. We acknowledge our responsibility for the presentation of the RSI in accordance with the Governmental Accounting Standards Board.
- b. We believe the RSI, including its form and content, is measured and fairly presented in accordance with prescribed guidelines.
- c. The methods of measurement or presentation have not changed from those used in the prior period.
- d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the RSI, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Information Provided

22. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, minutes of the meetings of the Board or summaries of actions of recent meetings for which minutes have not yet been prepared, communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit; and
 - c. Unrestricted access to persons within the Company from whom you determined it necessary to obtain audit evidence.
23. All transactions have been recorded in the accounting records and are reflected in the financial statements.
24. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
25. We have provided to you our analysis of the Company's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans.
26. We have no knowledge of any fraud or suspected fraud that affects the Company and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the financial statements.
27. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the Company's financial statements communicated by employees, former employees, vendors, regulators, or others.
28. We have identified and disclosed to you all known instances of noncompliance or suspected noncompliance with laws, regulations, contracts, and grant agreements whose effects should be considered when preparing financial statements.
29. We have identified and disclosed to you all information that we are aware of regarding instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

30. We have disclosed to you all known litigation, claims, and assessments whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation, claims, or assessments.
31. We have disclosed to you the identity of the Company's related parties and all the related party relationships and transactions of which we are aware.
32. We have disclosed to you all communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
33. The Company has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
34. We have disclosed to you all guarantees, whether written or oral, under which the Company is contingently liable.
35. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with U.S. GAAP. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
36. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts.
37. There are no:
 - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with U.S. GAAP.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by U.S. GAAP.
38. The Company has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
39. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

State Compliance Audit

40. With respect to state compliance requirements:
 - a. We are responsible for understanding and complying with and have complied with state compliance requirements.
 - b. We are responsible for establishing and maintaining controls that provide reasonable assurance that we are administering our state compliance requirements in accordance with Office of the Utah State Auditor requirements and state grantor agency guidelines.
 - c. We have identified and disclosed to you all our activities subject to state compliance requirements.

- d. We have made available to you all contracts and agreements, including amendments, if any, and any other correspondence relevant to activities subject to state compliance requirements.
- e. We are not aware of any instances of noncompliance with state compliance requirements. OR We have disclosed to you all known noncompliance with state compliance requirements.
- f. We believe the Company has complied with state compliance requirements (except for noncompliance we have disclosed to you).
- g. We have made available to you all documentation related to state compliance requirements, including information related to state program financial reports and claims for reimbursements.
- h. We have provided to you our interpretations of any compliance requirements that have varying interpretations.
- i. Claims for reimbursements are supported by the books and records from which the basic financial statements have been prepared (and are prepared on a basis consistent with state grantor agency guidelines).
- j. We have properly classified amounts claimed or used for matching in accordance with state grantor agency guidelines.
- k. We have charged costs to programs in accordance with applicable cost principles.
- l. We have disclosed to you any communications from the Office of the Utah State Auditor, state grantor agencies, and pass-through entities concerning possible noncompliance with state compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of our report.
- m. We have disclosed to you the findings received and related corrective actions taken from previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- n. We are not aware of any known noncompliance with state compliance requirements after the period covered by your report on state compliance.
- o. We are responsible for taking corrective action on audit findings of the compliance audit.

Signature: Jason Norlen
Signature: Jason Norlen (Apr 21, 2025 18:12 MDT)
Jason Norlen, General Manager

Signature: Bart Stanley Miller
Signature: Bart Stanley Miller (Apr 21, 2025 12:54 MDT)
Bart Miller, Chief Financial Officer

Agenda Item 6: Wholesale Power Report



Board Meeting April 23, 2025

Wholesale Power Report

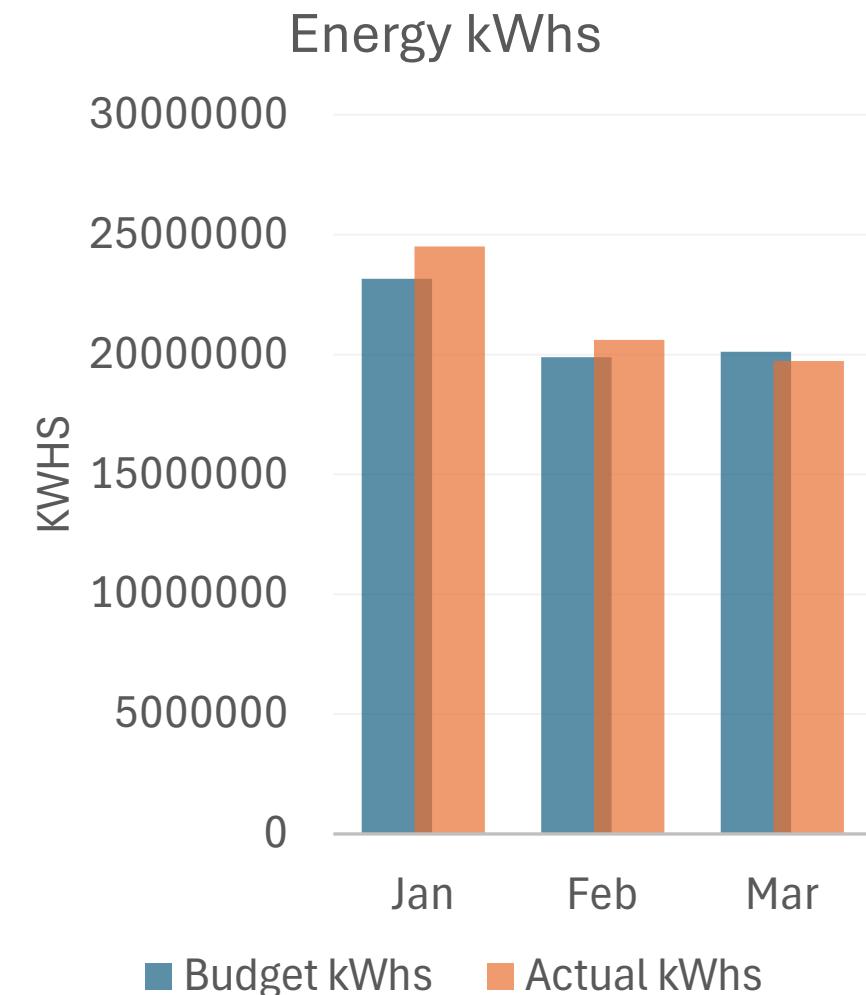
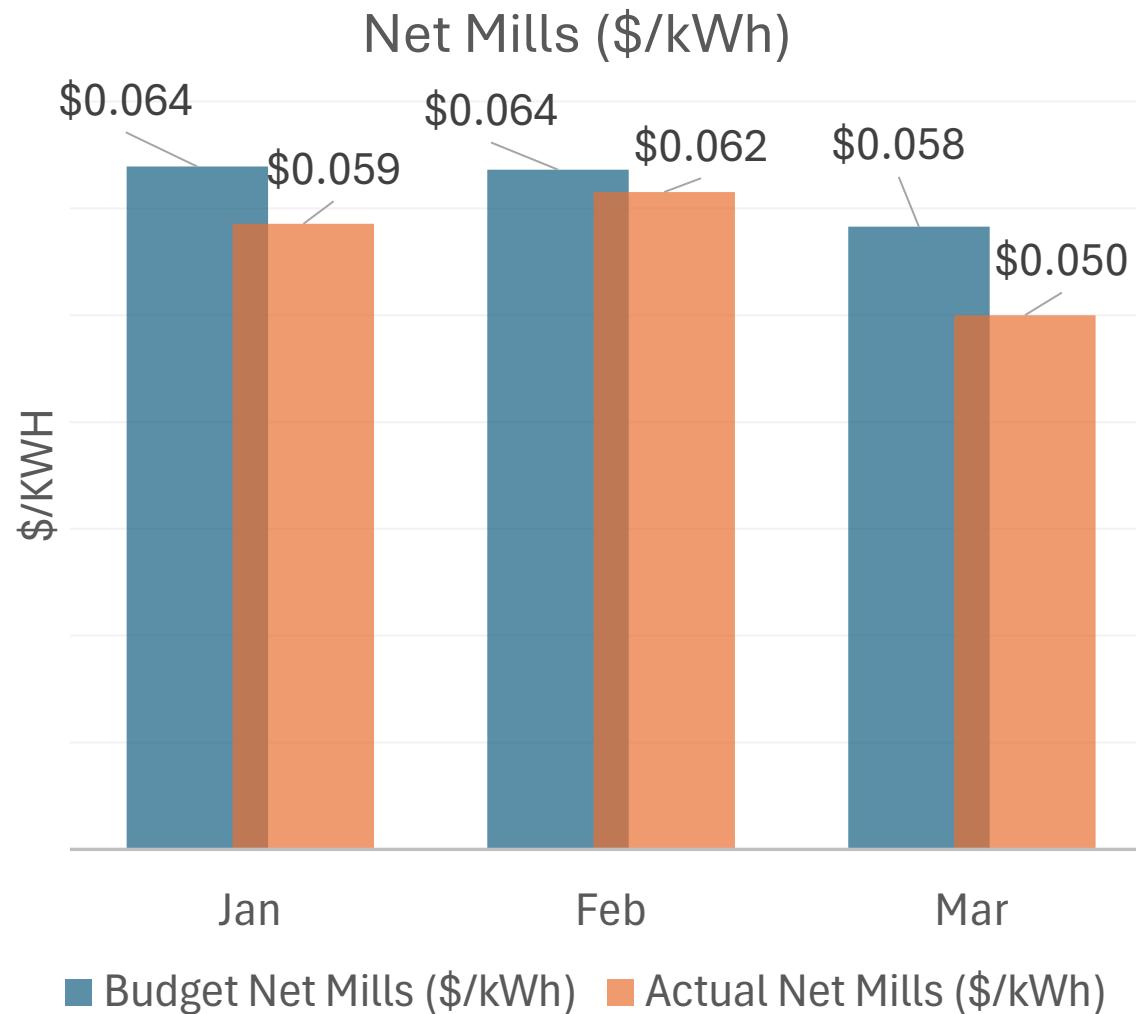
Power Purchases (PP)Cost					
	PP Budget (\$)	PP Actual Cost (\$)	PP Accrual (\$)	Actual % of Budget	Accrual % of Budget
* Jan	1,221,115	1,338,581	1,240,328	110%	102%
Feb	1,101,831	1,181,319	1,314,839	107%	119%
**Mar	1,025,861	875,486	1,087,617	85%	106%
YTD	3,348,807	3,395,385	3,642,784	101%	109%
Natural Gas (NG) Cost					
	NG Budget (\$)	NG Actuals (\$)	NG Accrual (\$)	Actual % of Budget	Accrual % of Budget
Jan	224,101	96,138	118,000	43%	53%
Feb	155,045	86,873	106,138	56%	68%
Mar	240,622	110,932	86,507	46%	36%
YTD	619,769	293,942	310,645	47%	50%

Wholesale Power Report

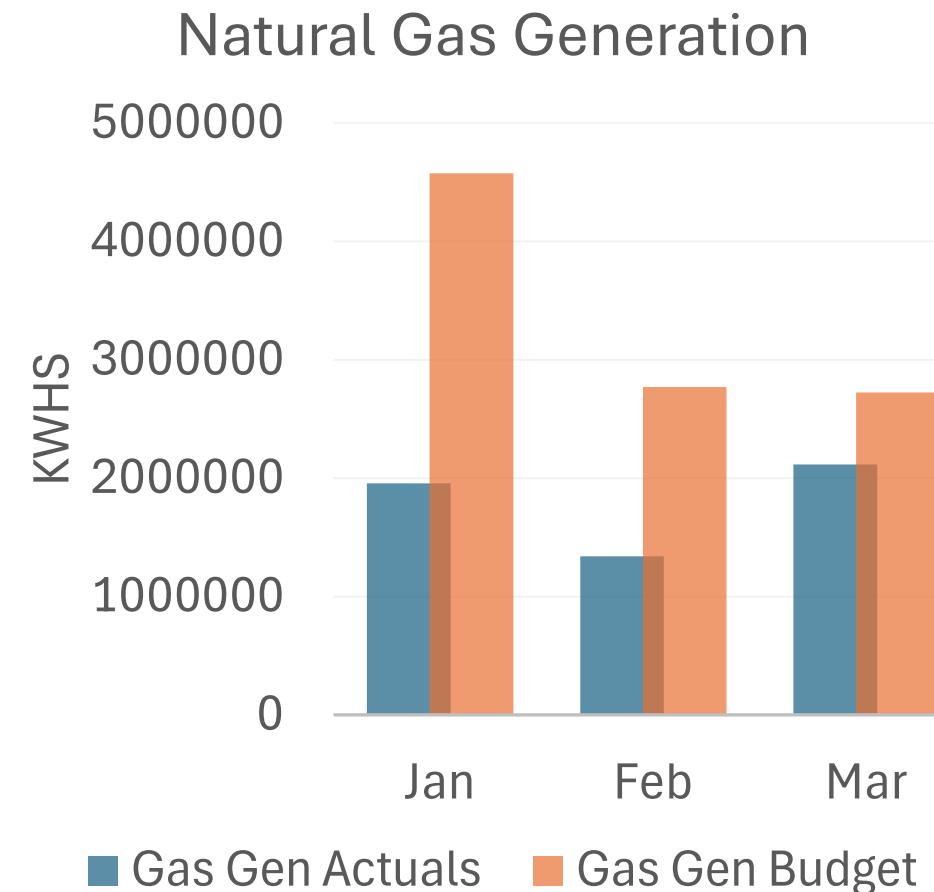
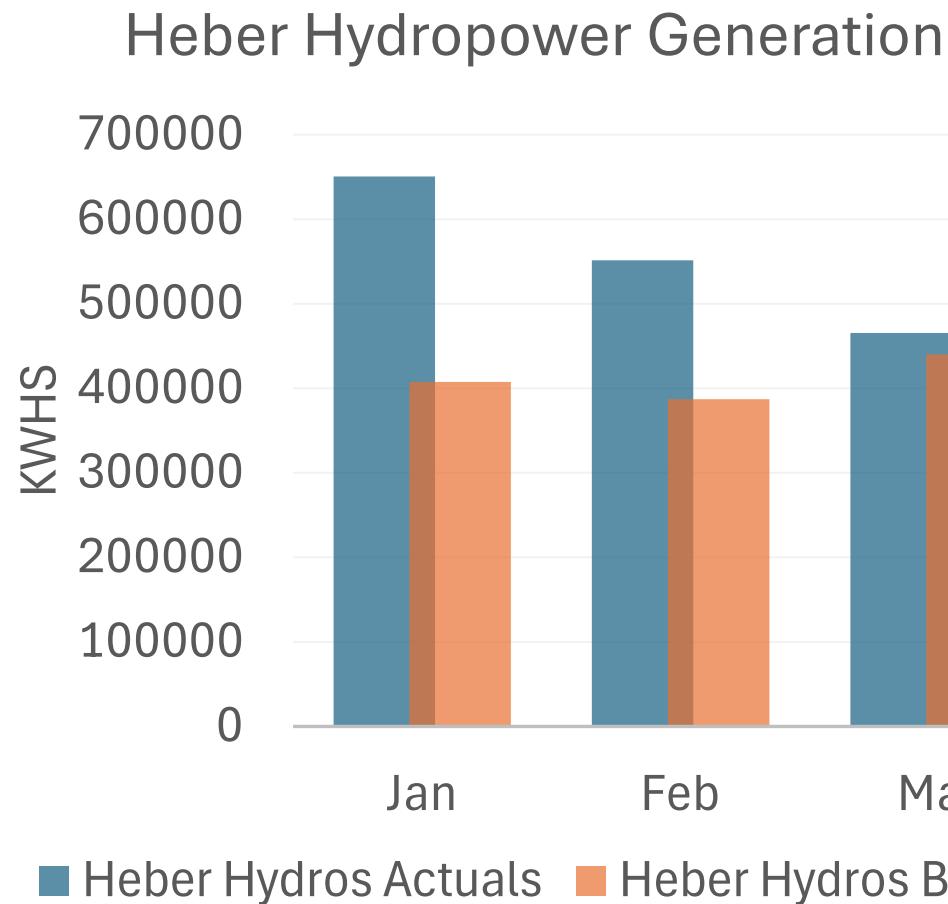
Total Cost of Wholesale Power (WP) (Power Purchases + Natural Gas)					
	WP Budget (\$)	WP Actuals (\$)	WP Accrual (\$)	Actual % of Budget	Accrual % of Budget
Jan	1,445,216	1,434,719	1,358,328	-1%	-6%
Feb	1,256,876	1,268,191	1,420,977	1%	13%
Mar	1,266,484	986,417	1,174,125	-22%	-7%
YTD	3,968,575	3,689,328	3,953,429	-7%	0%

Month	Budget kWhs	Actual kWhs	% Energy (kWhs)	Budget Net Mills (\$/kWh)	Actual Net Mills (\$/kWh)	% Net Mills
Jan	23,164,111	24,507,078	5%	0.0639	0.0585	-9%
Feb	19,884,321	20,613,747	4%	0.0636	0.0615	-3%
Mar	20,109,227	19,728,788	-2%	0.0583	0.0500	-17%

Budget to Actuals



Heber Generation



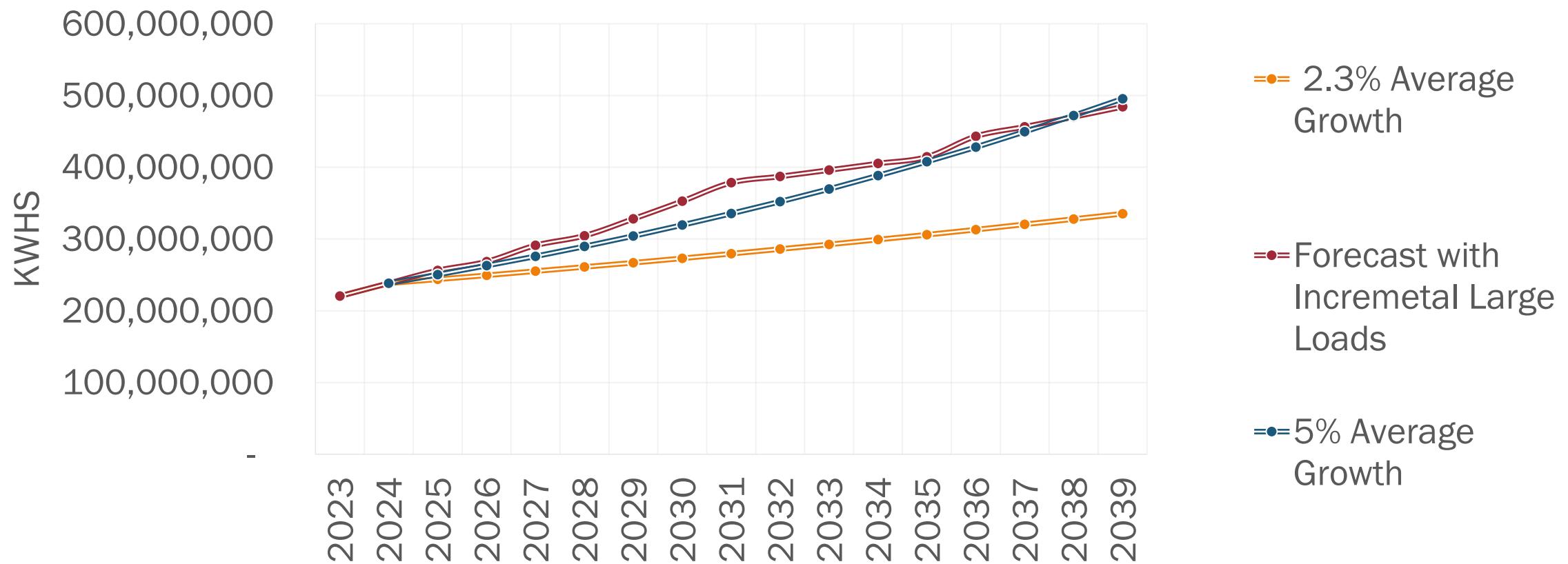
Integrated Resource Planning

Key Elements Influencing Load and Demand Forecasts

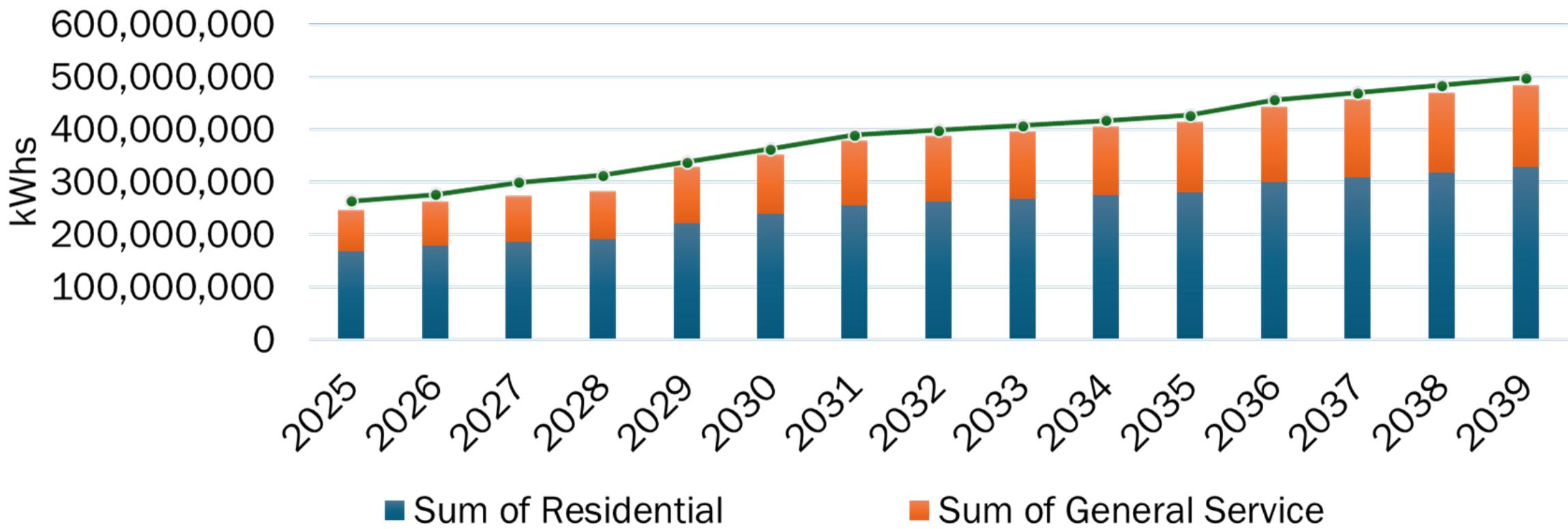
- New large loads
- Annexations
- New building growth rates
- Changes in Residential energy consumption
- Rate Design impacts on energy consumption
- EV Charging and Solar Customers



Long-term Energy Forecast

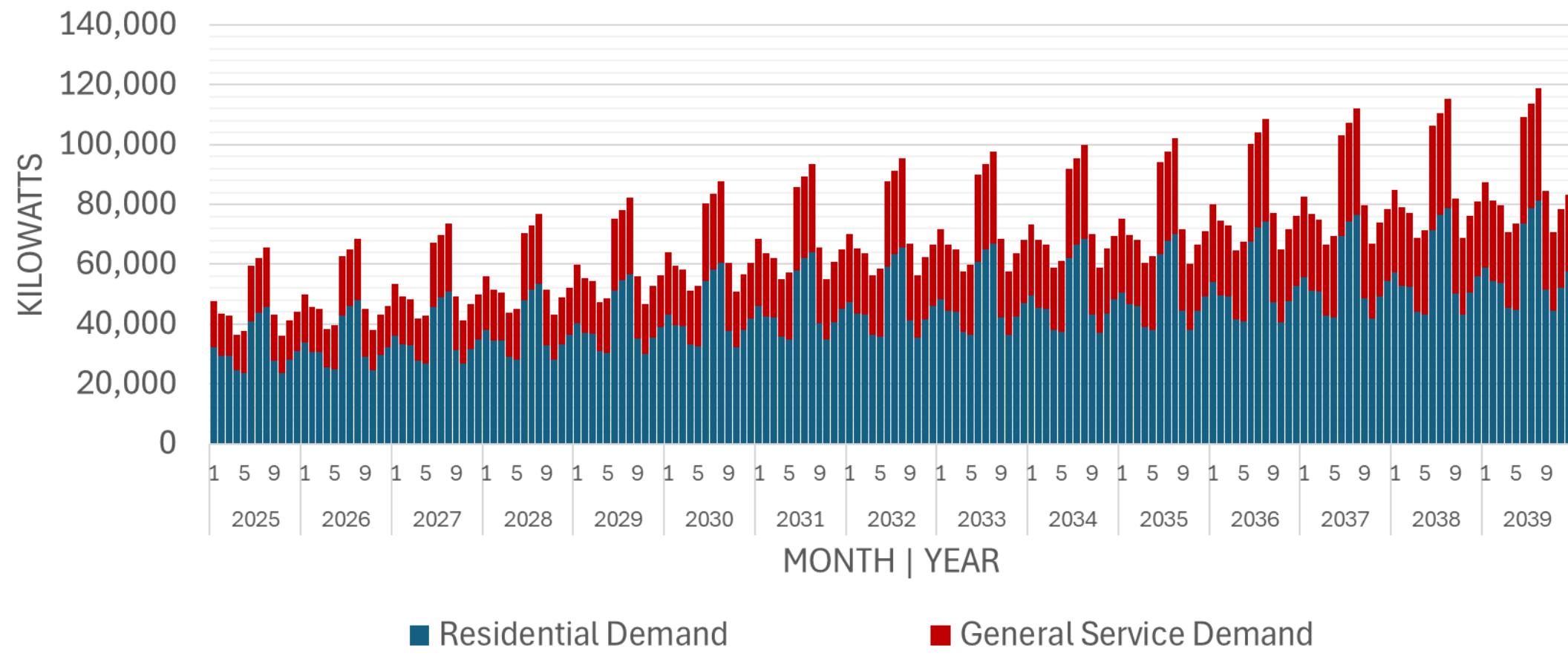


HL&P Energy Forecast



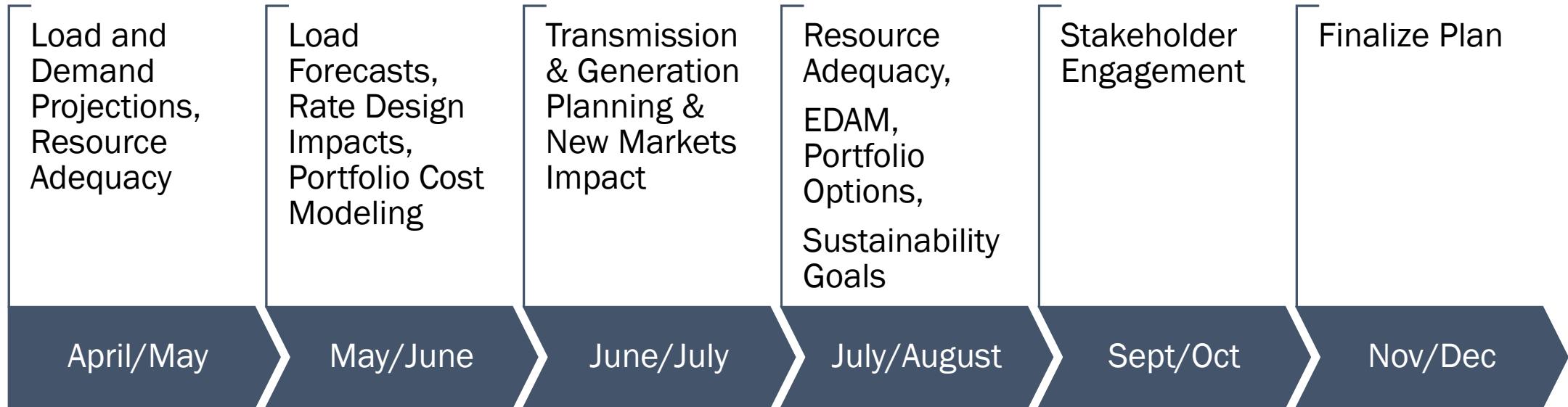
General Service & Residential Loads

HL&P Coincident Peak Forecast



Coincident Peak Demand Forecast

Update IRP Timeline



Agenda Item 7: Updated Capital Plan



Board Meeting April 23, 2025

Agenda Item 8: GM Report



Board Meeting April 23, 2025
