

WORK MEETING

HEBER CITY CORPORATION
75 North Main Street
Heber City, UT 84032
City Council Work Meeting
November 20, 2014

6:00 p.m. Work Meeting

**TIME AND ORDER OF ITEMS ARE APPROXIMATE AND MAY BE
CHANGED AS TIME PERMITS**

- I. Call to Order**
 1. Brian Phillips, UDOT Traffic Operations, Discuss Main Street Traffic Options
 2. Review Proposed RFP for the Development of the Airport Industrial Park
 3. Discuss Heber Light & Power Organizational Agreements

<p>In accordance with the Americans with Disabilities Act, those needing special accommodations during this meeting or who are non-English speaking should contact Michelle Kellogg at the Heber City Offices (435) 654-0757 at least eight hours prior to the meeting.</p>

Posted on November 13, 2014, in the Heber City Municipal Building located at 75 North Main, Wasatch County Building, Wasatch County Community Development Building, Wasatch County Library, on the Heber City Website at www.ci.heber.ut.us, and on the Utah Public Notice Website at <http://pmn.utah.gov>. Notice provided to the Wasatch Wave on November 13, 2014.

Memo

To: Mayor and City Council
From: Mark K. Anderson
Date: 11/13/2014
Re: City Council Agenda Items

WORK MEETING

Item 1 – Brian Phillips, UDOT Traffic Operations, Discuss Main Street Traffic

Options: Brian Phillips, UDOT Region III Traffic Operations, has agreed to meet with the Council to discuss safety issues on Main Street (US-40) and 100 South (SR-113). The Council has expressed concern about speeds and pedestrian safety on both roads. Brian should be able to answer questions about studies that are being done, can be done, or signage that is or may be available and potential funding sources for approved improvements.

Councilmember Franco has started a list of questions that she is looking for answers on, and I expect that she will share those with the Council and look for any concerns other Councilmember have that wish to have addressed. I see that traffic counting devices have recently been installed between 200 and 300 South Main.

Item 2 – Review Proposed RFP for the Development of the Airport Industrial Park:

For the last few months, Brad Baird, Ryan Starks, Councilmember Rowland and I have met to discuss the development of the Airport Industrial Park. A few weeks ago, I notified the Council of our desire to draft an RFP to see what interest existed from potential development partners and land purchasers. To that end, the enclosed draft RFP was developed by Ryan Starks, Bart Mumford, Tony Kohler and me. Erik Rowland and Brad Baird have also reviewed the proposed document. At this time, we are looking for support from the Council to send out the RFP. Some have expressed concern with the proposed deadlines for submittal being close to the holiday season. Staff is looking for feedback from the Council before the RFP is made available to the public.

Item 3 – Discuss Heber Light & Power Organizational Agreements: Councilmembers Franco and Rowland have expressed concern about the apparent approval of amendments to the Heber Light & Power Organizational Agreement. Mark Smedley has been asked to review the documents. (See attached email) As I understand it, the 2002 Organizational Agreement already included a provision that allowed the amendment of the Organizational

TAB 2



REQUEST FOR PROPOSAL (RFP)
HEBER CITY INDUSTRIAL PARK
DEVELOPMENT PROJECT

HEBER CITY CORPORATION
75 NORTH MAIN STREET
HEBER CITY, UT 84032

NOVEMBER 3, 2014

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1. SUMMARY AND BACKGROUND

Heber City Corporation is accepting proposals from qualified developers and/or parties interested in purchasing land to partner with the city on the development of 38.5 acres located in the I-1 Industrial Zone, directly southeast of the Heber City Municipal Airport immediately adjacent to the airport grounds. Airport Road and South Airport Road form its northern and western boundaries, respectively.

Heber City is the county seat of Wasatch County, Utah and has an estimated population of 12,911 as of 2013. The 2013 population estimate for Wasatch County is 26,437. Heber City owns the Heber City Municipal Airport and is home to various light manufacturing and retail businesses. Heber City ranks among the fastest growing small cities in the United States as evidenced by its third-fastest growing micropolitan area ranking in 2013 by the U.S. Census Bureau.

In 2008, Heber City Corporation and Wasatch County Economic Development oversaw the creation of a master plan, a copy of which is attached as Exhibit A, of the Industrial Park property with the intent of identifying best uses and opportunities for the land. Among the takeaways from the master plan is that this land should be developed to attract business and industry which will create jobs for Heber City residents.

Heber City Corporation is governed by a part-time Mayor and a five-member City Council and is managed by a full-time City Manager. Due to poor economic conditions from 2008 to 2012, City officials decided to postpone the development of the land until economic conditions improved. Heber City officials are now interested in overseeing thoughtful development of the Industrial Park project.

The purpose of this Request for Proposal (RFP) is to solicit proposals from various potential development partners and/or persons wishing to acquire land within the development, to conduct a fair and extensive evaluation based on criteria listed herein, and to select the candidate/s who best represents the direction Heber City Corporation wishes to go.

2. PROPOSAL GUIDELINES

This Request for Proposal represents the requirements for an open and competitive process. Proposals will be accepted until 5:00 p.m. MST December 19, 2014. Any proposals received after this date and time will be returned to the sender. All proposals must be signed by an official agent or representative of the company submitting the proposal. Proposals should be addressed to Mark Anderson, City Manager at 75 N. Main Street, Heber City, UT 84032.

Contract terms and conditions will be negotiated upon selection of the successful proposal for this RFP. All contractual terms and conditions will be subject to review by Heber City Corporation's Mayor, City Council, City Manager, City Engineer, Planning Director and

City Attorney, and will include scope, budget, schedule, and other necessary items pertaining to the project.

3. PROJECT PURPOSE AND DESCRIPTION

Heber City Corporation would like to enter into a development agreement with a development partner to (a) provide infrastructure to the Industrial Park property, (b) create a development concept which includes the size and types of buildings to be built, including a timeline of the construction of the buildings, and (c) identify the costs that both Heber City Corporation and the developer will assume as it relates to developing the Industrial Park property. Also, Heber City would like to identify potential land purchasers which will make the project more financially feasible.

Infrastructure. The 38.5 acres of industrial property is currently agricultural land and does not yet have infrastructure for communications, power, gas, water, irrigation, or sewer installed. The industrial park has two access points that will need to be developed for ingress and egress to the property. The industrial park borders unincorporated Wasatch County land that may be developed at a future date.

Development Concept. Heber City Corporation has created a transportation plan and has identified the approximate size of the various parcels within the project area. Depending on the parcel, building sizes may range from 5,000 to 20,000 square feet, with the option of combining land parcels for larger developments.

Project Costs. The industrial park project requires the installation of various utilities and the development of streets, etc. Heber City Corporation is interested in a partnership with a developer where the City retains partial ownership of the land in exchange for an agreement where the developer helps provide the needed infrastructure. Heber City desires to retain some control of the land in order to be able to attract appropriate industry.

Economic Development: The City's goal for the project is that it will generate new moderate income full-time jobs, increase the tax base, create new companies, provide opportunity for existing companies to expand and grow, provide opportunity for the relocation of out-of-area business to Heber Valley, serve as a place to incubate new industry in the valley and promote industries that are compatible and complementary to existing industries in the valley.

4. PROJECT TIMELINE

Heber City Corporation anticipates entering a development agreement with the selected developer by February 16, 2015. The city's desire is to begin the development of the project in 2015.

All proposals in response to this RFP are due no later than 5 p.m. MST December 19, 2014.

Evaluation of proposals will be conducted from December 22, 2014 until January 9, 2015. If additional information or discussions are needed with any developer or purchaser during this period, they will be notified.

The selection decision for the successful developer/purchaser will be made no later than February 2, 2015. Upon notification, contract negotiations with the developer/purchaser(s) will begin immediately.

Notifications to those who were not selected will be sent out after February 2, 2015.

5. BUDGET

The proposal should include a detailed budget broken down by phases and tasks. The budget should be accompanied by a short narrative describing the approach, description of what is included in each task, and a discussion of what fees and compensation are expected by the developer. The budget should also identify what items are excluded from the proposal that would be the responsibility of Heber City

6. DEVELOPER QUALIFICATIONS

Developers should provide the following items as part of their proposal for consideration:

- Description of experience in planning, developing, and constructing buildings.
- List of how many full time, part time, and contractor staff in your organization.
- Examples of 3 or more development projects in which the developer has been involved with contact name and phone number.
- Testimonials from past clients on the quality of the developers work.
- Anticipated resources you will assign to this project (total number, role, title, experience, etc.)
- Estimated work that will be self-performed on the project.
- Timeframe for completion of the project
- Bonding capacity
- Project management methodology

7. PROPOSAL EVALUATION CRITERIA

Selection of the Developer to complete the project will be based upon the following criteria:

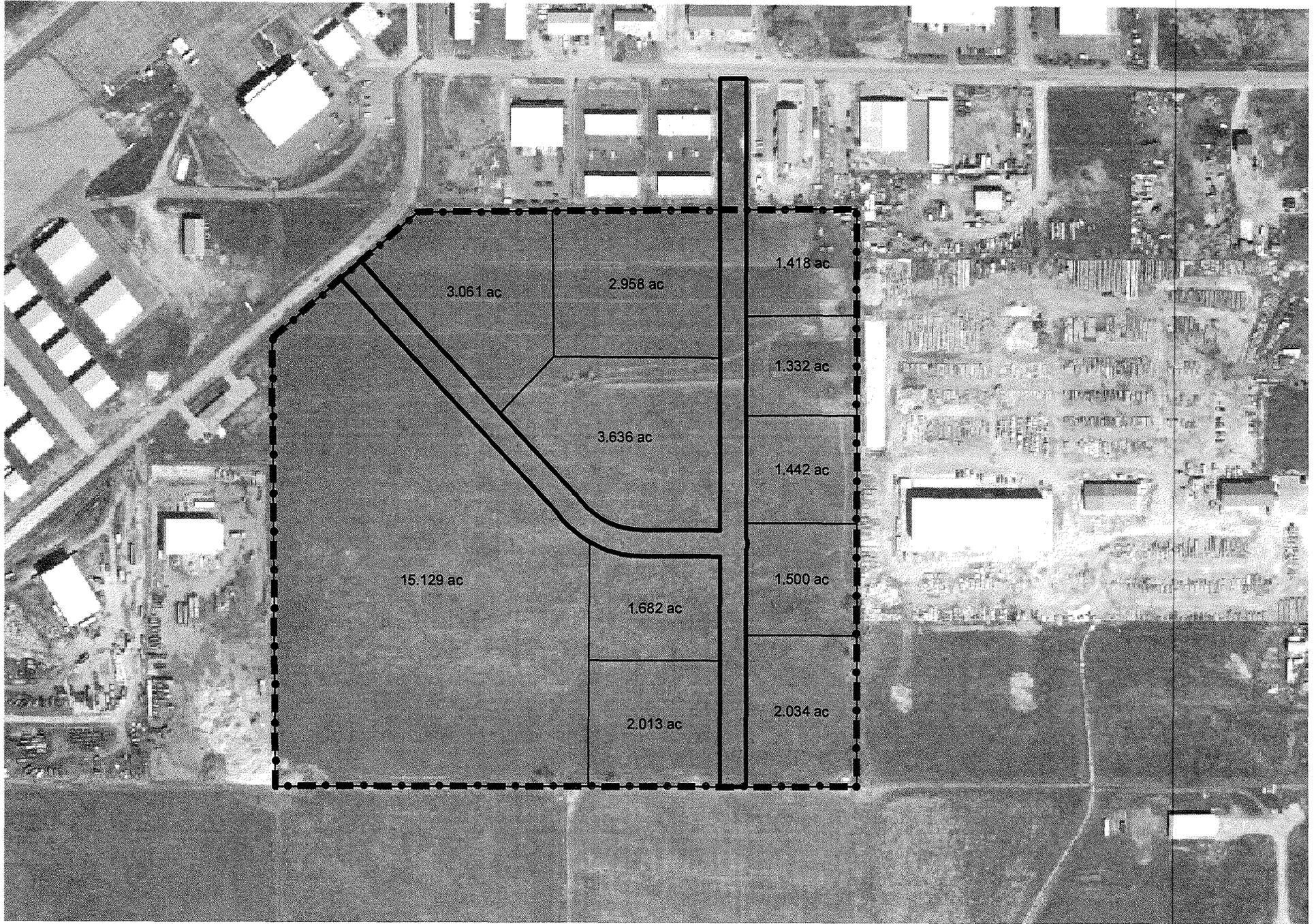
- A. Developer's experience in the design and construction of projects of similar size and scope.
- B. The responses from clients of past projects.
- C. Personnel assigned to various tasks, their experience and qualifications, and demonstrated ability to complete the project on-time and on-budget.
- D. Timeline for the completion of the project.
- E. Proposed project concept and demonstrated attention to detail.

- F. Bonding capability and licensure.
- G. Cost of service.

Heber City reserves the right to reject and any all proposals.

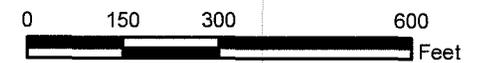
ATTACHMENTS

- Heber City Industrial Park Master Plan, October 2008, by Epic Engineering
- Heber City Industrial Park Concept Development Plan, October 2014



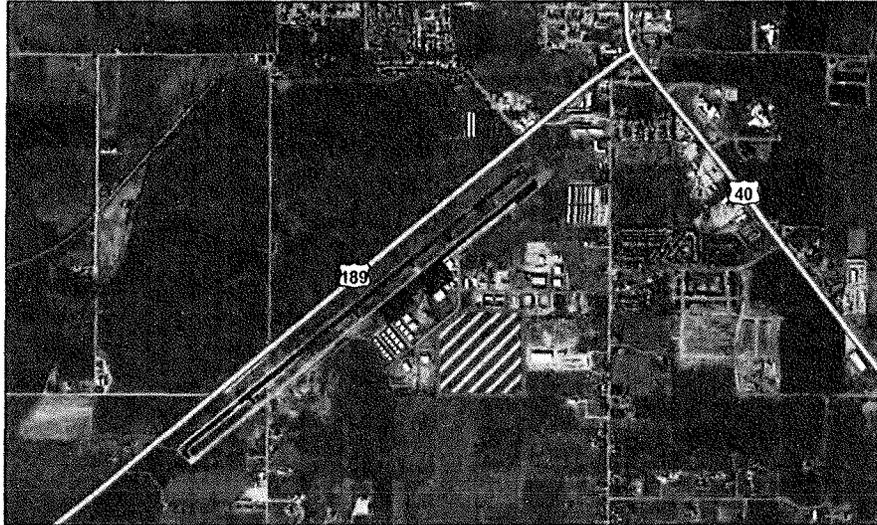
Industrial Park Concept

October 1, 2014



1 inch = 300 feet

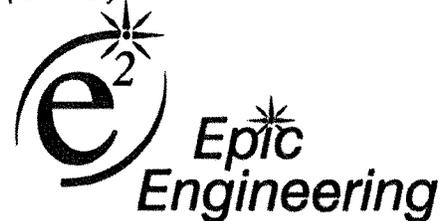
Heber City



Industrial Park Master Plan

October 2008

Prepared By:



50 East 100 South, Heber City, UT 84032
Ph: 435-854-8600 Fax: 435-854-8622

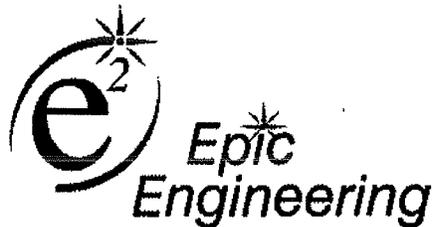
Heber City

Industrial Park Master Plan

October 2008

Prepared For:
Wasatch Area Economic Development Agency
Heber City, Utah Corporation

Produced in cooperation with The Economic Development Corporation of Utah



50 East 100 South, Heber City, Ut 84032
Ph: 435-654-6600 Fax: 435-654-6622

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HEBER CITY INDUSTRIAL PARK

MASTER PLAN

EXECUTIVE SUMMARY

The Master Plan for the Heber City Industrial Park is a tool to direct long-range planning for the light industrial use of this property. It is primarily used to guide land use of the site and to evaluate proposed development. In recent years, the City has experienced noticeable change due to the rapid growth and development of the Heber Valley and Wasatch County. This Master Plan provides the opportunity to examine the proposed industrial uses which will contribute to the future of the changing community.

Elements reviewed within this plan including land use, transportation, existing utilities, economic development, and other physical characteristics of the site will direct the development of the Heber City Industrial Park in the most effective manner. In addition, a survey was conducted to seek feedback from the local developers, realtors, city officials and other stakeholders to determine the most appropriate use of the land. Results from the survey are presented in this document.

INTRODUCTION

The proposed Heber City Industrial Park is owned by Heber City Corporation and is part of an area recently annexed by the city. It is approximately 38.5 acres in size and is located in the I-1 Industrial Zone. The Industrial Park is located directly southeast of the Heber City Municipal Airport immediately adjacent to the airport grounds. Airport Road and South Airport Road form its northern and western boundaries, respectively. This Master Plan was a joint effort between officials of Wasatch Economic Development Agency and Heber City Corporation in recognition of the changes taking place within the city and the surrounding Heber Valley and in order to plan for the most effective development of the property.

PURPOSE OF THE PLAN

Wasatch Economic Development Agency and Heber City officials feel it is necessary to complete a master plan of the property to fill the light industrial park more quickly and to provide a higher quality end product by determining the most appropriate and attractive use of the land. This plan will document existing site conditions, analyze the physical characteristics of the site, provide results of a land use survey and present the recommended land use configuration. Many changes have, and continue, to take place within Heber City. As such, the officials of Heber City and Wasatch Economic Development recognize the importance of the development of a master plan document with which to provide a framework for the direction of the proposed Industrial Park.

IMPLEMENTATION OF THE PLAN

This Plan should be used as a guide with which to market the Industrial Park and base general development decisions from. Land use decisions should be made on a case-by-case basis; this Plan is intended to remain flexible to allow decisions to be made that are in the best interest of Heber City. After the Master Plan has been adopted, the Planning Commission should refer to the Plan when making any decisions related to physical development. In this respect, it is important to ensure that land use decisions are generally consistent with the goals, objectives

and policies outlined in this study as well as the city's vision as outlined in the Heber City General Plan. If upheld, the Plan will encourage economic growth without compromising the "small town" feel and overall character of Heber City.

HEBER CITY INDUSTRIAL PARK

MASTER PLAN

Chapter 1 INTRODUCTION

The purpose of this study is to consider the local physical and economic factors and to determine the best use of the site for the community while adhering to Heber City's commitment to the development of an industrial park that promotes economic development yet maintains the character of the community. A light industrial park offers the city the opportunity to be proactive in the attraction of new companies while planning development in a cohesive, step-by-step fashion. The attraction of new companies is expected to generate jobs and draw new residents to the Heber Valley and/or provide residents with the opportunity for local employment that are currently commuting outside of the Valley for work.

This master plan is intended to evaluate existing conditions as well as anticipate future needs with relation to growth. The guidelines set herewith will direct community officials to make Heber City an increasingly better place in which to work and live.

1.1 HISTORY OF THE PROPERTY

The proposed Industrial Park is located at 2100 South 300 West at the southern incorporated limits of Heber City and was recently annexed into the city as part of the Airport Road annexation in 2008. Heber City Corporation purchased the property in January 2002 from private owners in unincorporated Wasatch County. The site is currently bordered by unincorporated land to the southwestern, southern and eastern sides. Immediately adjacent to this unincorporated land is the northern boundary of the Town of Daniel, approximately 500 feet south of the southern property boundary.

Currently the property is vacant with no major structures or vegetation and is currently being used for horse pasture. Historically the property was used for grazing and alfalfa with some irrigation. Figure 1 shows the location of the proposed Heber City Industrial Park.

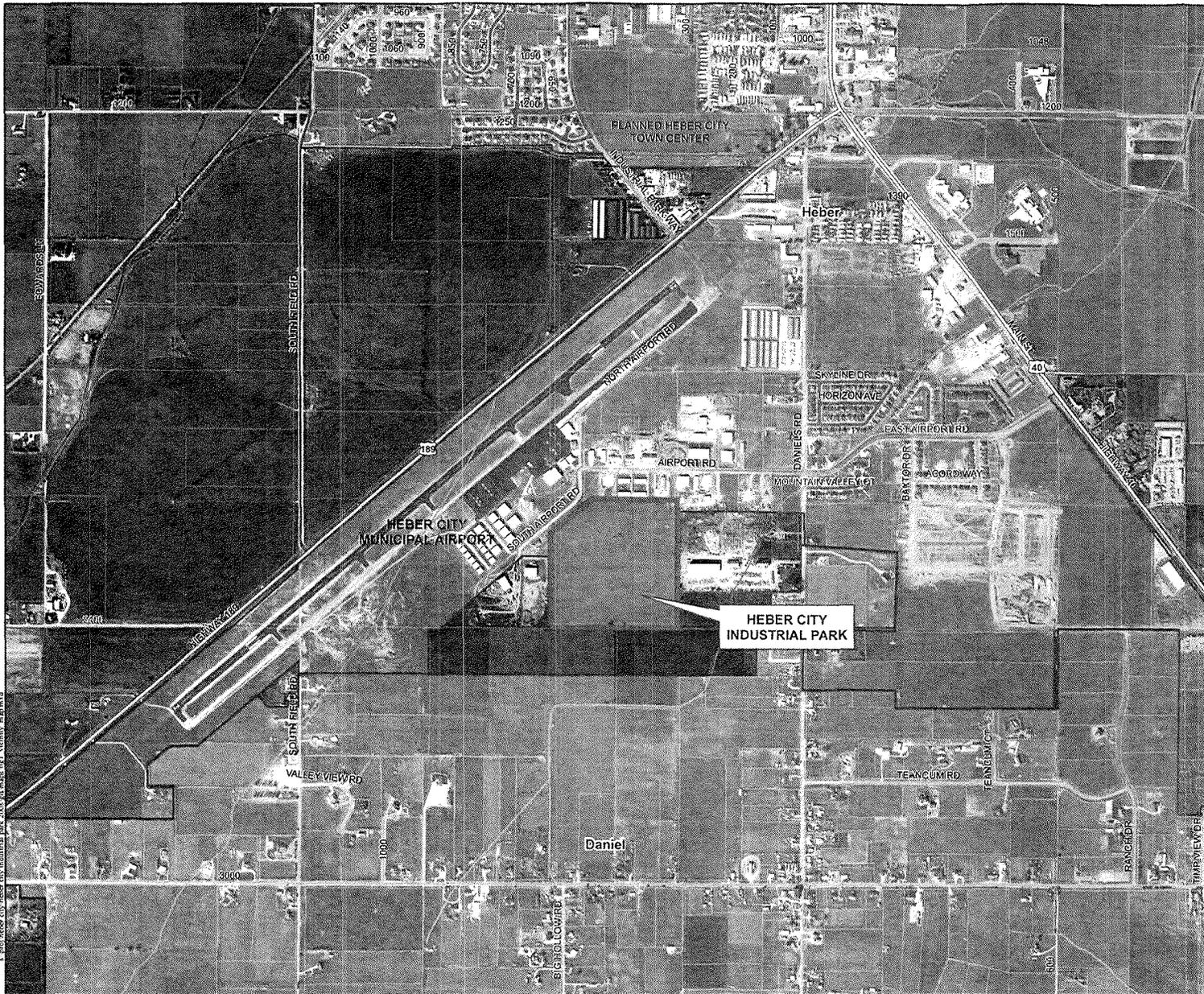


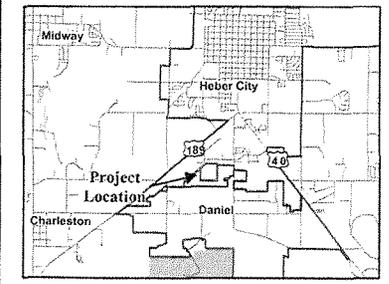
FIGURE 1
VICINITY MAP
HEBER INDUSTRIAL PARK
HEBER CITY, UTAH

OCTOBER 2008

- Legend
- Property Boundary
 - Parcel Boundary
 - Heber City
 - Town of Daniel



0 1,000 2,000 Feet
 1 INCH = 1,000 FEET



Epic Engineering

3341 SOUTH 4000 WEST
 WEST VALLEY CITY, UTAH 84120
 (801) 955-5605

50 EAST 100 SOUTH
 HEBER CITY, UTAH 84032
 (435) 654-6600

Source: AGRC NAIP 2006 and Heber City Planning Department.

1.2 TOPOGRAPHY

The topography within the city limits and the proposed site is generally level and sloping gradually from the southeast to the northwest. Natural drainage occurs on the southwest corner of the property. Located within the Heber Valley, the city is ringed by the Wasatch Mountains with excellent views. Ground elevation varies within the city from approximately 5,550 feet above mean sea level (msl) to 5,700 msl, with the proposed site at 5,650 msl. The bluffs within the northeast city limits are as high as 7,000 msl.

U.S. Highway 40 traverses Heber City in a north-south line and is the major transportation artery in and out of the city. U.S. Highway 189 heads in a southwesterly direction at the junction of U.S. Highway 40 adjacent to the airport grounds. U.S. Highway 189 is the main travel route in and out of the Heber Industrial Park. Figure 2 depicts the topography of the proposed site and the surrounding area.



FIGURE 2
SITE TOPOGRAPHY
HEBER INDUSTRIAL PARK
HEBER CITY, UTAH

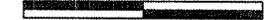
OCTOBER 2008

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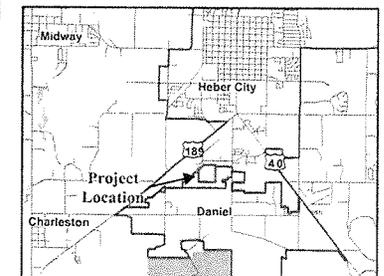
-  2-foot Contour
-  Property Boundary
-  Parcel Boundary



0 250 500 Feet



1 INCH = 250 FEET



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Source: AGRC NAIP 2006 and Heber City Planning Department.

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1.3 ECONOMIC DEVELOPMENT

According to Wasatch Area Economic Development Agency, the population within the Heber Valley has more than doubled since 1991 and the area continues to grow four to five percent per year. Heber Valley is currently one of the fastest growing micropolitan areas in the country. The Wasatch County economy is also growing rapidly with increasing job opportunities and wages and a low unemployment rate. Presently, the economic base of the Valley is centered on four major industry sectors: government, trade/transportation/utilities, leisure/hospitality, and construction. Nearly 30%, or approximately 2,500, residents commute outside of the Valley for employment due to higher wages.

The objective of the industrial park is to enable the community to recruit and retain businesses and in turn provide for an increase in job availability to local residents. This master plan recognizes the importance of embracing the rapid development and progressive spirit of Heber City and the Valley while maintaining its existing character and high quality of life for residents and visitors alike.

Chapter 2 EXISTING SITE CHARACTERISTICS

It is important to evaluate the existing physical characteristics of the site to determine the extent to which the land is readily developable. The following sections will analyze existing utilities, infrastructure, and other physical attributes of the site. Estimated costs associated with the extension of these services will be presented in Chapter 4 Site Design.

2.1 EXISTING UTILITIES

As-built utility plans of the proposed site show that the utility infrastructure is well developed in this area; municipal services can be readily connected. Existing utility infrastructure including water, power, gas, storm water, wastewater, roads and telecommunications will be analyzed in the following sections. Recommendations will be given for the extension of municipal services with the proposed conceptual design. Figure 3 shows the existing utility locations.

2.1.1 WATER

The surrounding area is served by a 12-inch water line provided by Heber City which is located at the northwest corner of the property on South Airport Road. Extension of the municipal water service will be necessary when development occurs. A study of the water system should be conducted to review the existing system and identify capacity levels. Heber City will need to determine water demands and determine if improvements are necessary for the development of the site. Pressure in the area ranges from about 60 psi to 70 psi.

2.1.2 WASTEWATER

Extension of the municipal sewer infrastructure will need to be completed with development of the property. There is a 10-inch sewer line located 200 feet north of the property at the end of Airport Road that is currently servicing the surrounding properties. The sewer line and service is provided by Heber City. Due to the topography of the site, some lots may require ejector pumps to move solid wastes into the gravity system. Scale and timing of development will determine potential improvements and upgrades to the wastewater infrastructure. Once usage is established it will be necessary for Heber City to determine whether the existing system capacity will handle additional flow, or if improvements will be necessary.

2.1.3 STORM WATER

Natural drainage of the property occurs toward the southwest corner. There are no existing storm water management facilities on site that retain or detain storm water runoff. With the development of the property storm water runoff will need to be collected in catch basins located throughout the site and retained on the property, as discussed in more detail in the site design section of this report.

2.1.4 GAS

Gas service is available to the site and is provided by Questar Gas. There is a 3-inch IHP line to the north along Airport Road and a 2-inch IHP line along South Airport Road adjacent to the property. According to Questar Gas, service capacity to the property will be more available from the 3-inch gas main off of Airport Road. Extension of the 3-inch line from Airport Road is recommended when the property is developed.

2.1.5 ELECTRIC

Heber Light and Power supplies the electricity to the area with two existing three-phase lines down Airport Road. The closest power lines are adjacent to the site on the north and west perimeters and approximately one quarter mile to the east; there are no existing power lines on the site. A solid electric infrastructure exists in the area and service to the site is readily available.

2.1.6 TELECOMMUNICATIONS

Telecommunication services currently exist to the site including fiber-optic. Airport Road contains a buried telephone line serviced by Qwest. Connection to the line is readily available to the property.

2.2 SOILS

The predominant soil type within the proposed industrial park is the Holmes series, consisting mainly of Holmes cobbly sandy loam (Hfk) with a small amount of Holmes gravelly loam (Hr). Characteristics of this series include well-drained very gravelly soils formed on an alluvial fan. Holmes soils are rapidly permeable and runoff is slow. Bedrock and water table are at a depth greater than 60 inches. There are no shrink-swell soils within the proposed site and the location is generally suitable for foundations.

2.3 ACCESS TO PROPERTY

Proximity to the Heber Municipal Airport may be seen as an advantage due to easy accessibility to the area via Highway 40 and Highway 189, however, the airport is mostly used for private planes. Access to the site is currently limited to Airport Road on the northwestern property boundary via Daniels Road. Heber City Corporation owns a 66-foot right-of-way that serves as 400 West Street on the northern boundary which could be developed as a secondary access point. In addition, Heber City Corporation owns a 15.5-foot right-of-way that connects the property to Daniels Road on the eastern side through privately owned land within Wasatch County jurisdiction. No other access points currently exist to the site.

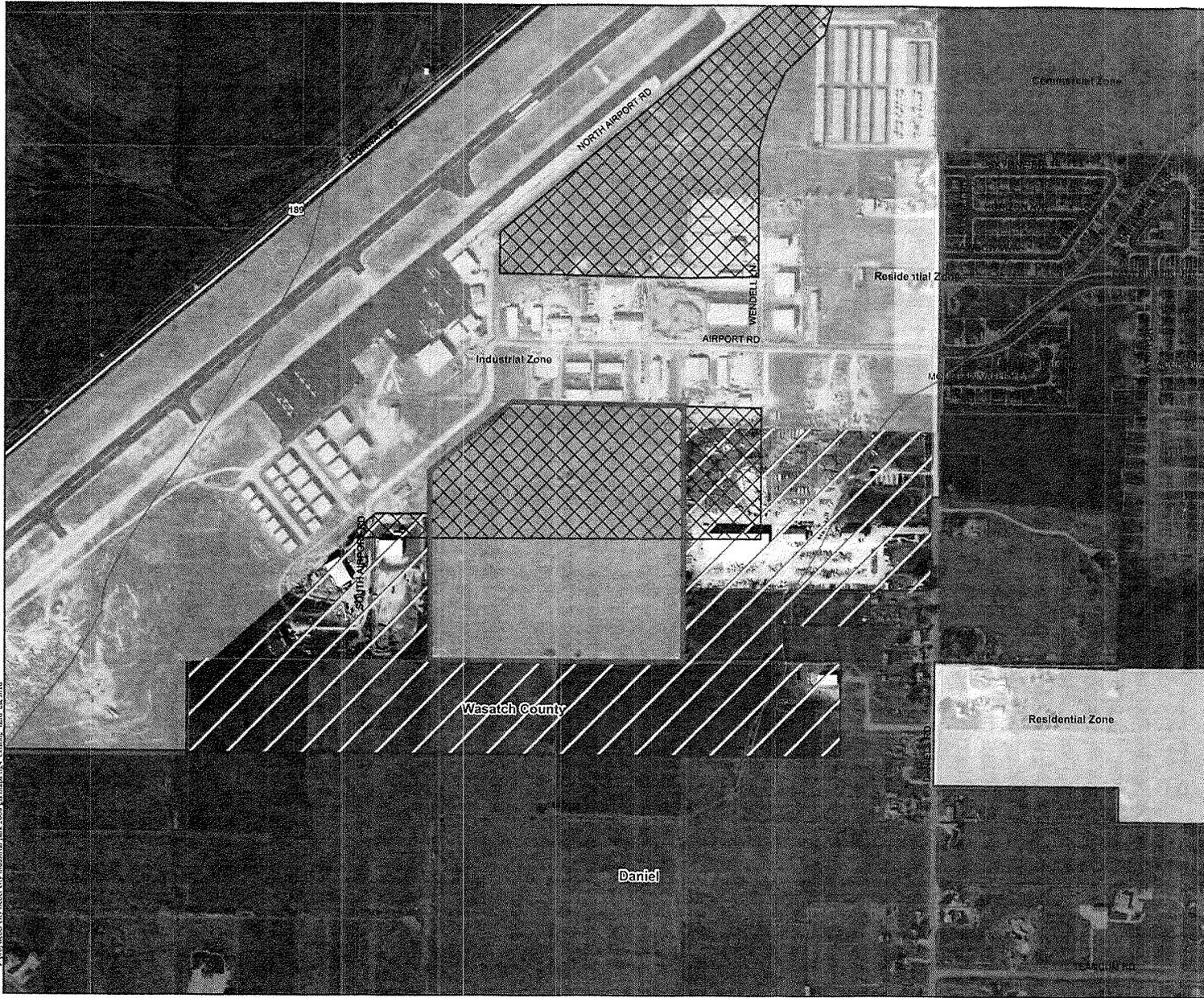
Access will be further limited with the development of the planned Heber City Mixed Use Center located west of the intersections of Highway 40 and Highway 189. Lane restrictions have been proposed at the intersection of Highway 189 and Daniels Road with the development of the mixed use center, which will inhibit vehicles from turning left off of Daniels Road onto Highway 189. A western bypass route has been proposed, however, that may alleviate traffic flow to the property.

2.4 PROPERTY LOCATION

While there are obvious advantages to the location of the proposed industrial park such as highway accessibility and topography of the site being flat, open, and suitable for industrial development, the proposed Heber City Industrial Park also faces challenges with its location. As shown in Figure 4, the site is bordered on three sides by private property within Wasatch County's jurisdiction followed immediately by the Town of Daniel. Access to the property from any direction other than the northern or northwestern sides will have to include negotiations with Wasatch County, the Town of Daniel, and/or private landowners.

In addition, Heber City has designated a commercial aviation zone directly east of the northern end of the airport runway. This commercial aviation zone has been sited as an expansion area for airplane hangars and other aviation related buildings. Land use within the proposed industrial park will not want to compete with this proposed airport commercial zone.

The property is currently zoned with a Sexually Oriented Business (SOB) overlay zone that covers the northern half of the site. Heber City has adopted the county-wide SOB license ordinance in order to properly plan for businesses of this nature within the city limits. Figure 4 and Figure 5 depict existing land uses and ownership surrounding the proposed site.

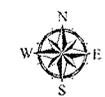


**FIGURE 4
EXISTING LAND USE
HEBER INDUSTRIAL PARK
HEBER CITY, UTAH**

OCTOBER 2008

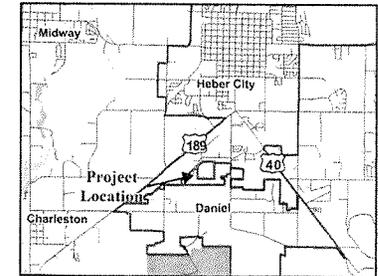
Legend

-  Property Boundary
-  Parcel Boundary
-  Heber City Industrial Zone I-1
-  Heber City Residential Zone R-1
-  Heber City Residential Zone R-3
-  Heber City Commercial Zone C-2
-  Town of Daniel
-  Wasatch County
-  SOB Overlay



0 500 1,000 Feet

1 INCH = 500 FEET



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(435) 654-8600

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Source: AGRC NAIP 2006 and Heber City Planning Department.

FIGURE 5 LAND OWNERSHIP HEBER INDUSTRIAL PARK HEBER CITY, UTAH

OCTOBER 2008

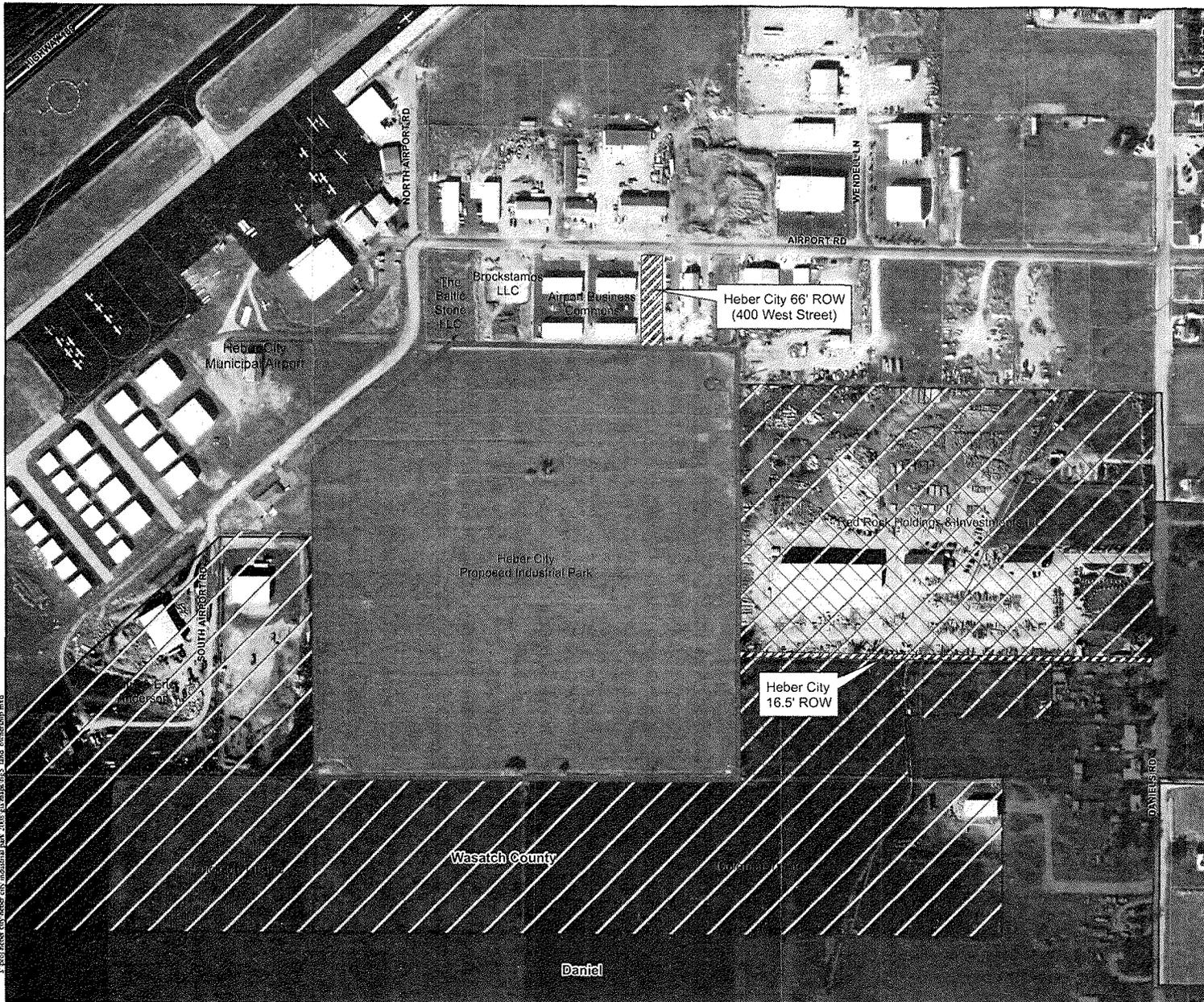
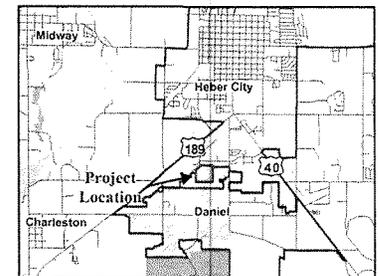
Legend

-  Property Boundary
-  Parcel Boundary
-  Heber City
-  Town of Daniel
-  Wasatch County
-  Red Rock Holdings & Investments
-  Heber City Right-of-Way



0 300 600 Feet

1 INCH = 300 FEET



s:\proj\heber\city\heber_cip\industrial park_2008\studies\fig-5_land_ownership.mxd

Source: AGRC NAIP 2006 and Heber City Planning Department.



3341 SOUTH 4000 WEST
WEST VALLEY CITY, UTAH 84120
(801) 955-0605

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HEBER CITY, UTAH 84032
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Chapter 3 LAND USE

In addition to existing site characteristics it is important to evaluate surrounding land uses to assess what will be most compatible for the proposed industrial park. Land use planning in a general sense is an assessment of how the land in a given area can or should be used best. This assessment not only takes into account suitable land uses, but it also indicates the intensity with which the land should be used as it is integrated with natural features and existing zoning.

Land use planning also helps to bring together land uses which are compatible and to separate uses which conflict with each other. It lends a sense of direction to development and brings order to what otherwise might be aimless growth. Planning and zoning authorities and other city officials need to be able to refer to the land use plan to determine the best, or most suitable, use of the land. In addition to being beneficial to city and county officials, it is also very useful to developers and other individuals concerned with the location of buildings and structures that have been master planned for the site.

This chapter presents the allowable uses of the proposed property as outlined in the Heber City zoning ordinance as well as discussions with surrounding property owners on the development of the proposed park. The next sections will also present the results of a land use survey given to local stakeholders and city officials as discussed in more detail below.

3.1 INDUSTRIAL LAND USE

According to the Heber City development code and General Plan, the industrial zone has been established for the primary purpose of providing a location where manufacturing, processing, warehousing and fabrication of goods and materials can be carried on most appropriately with minimum conflict or deleterious effects upon surrounding properties. The industrial zone near the airport is not desirable for other land uses due to height restrictions and noise from the airport. Other objectives for establishing the zone are to promote the economic well-being of the people and to strengthen the economic foundation of the city. The location of the industrial zone near and along Highway 40 and Highway 189 provides essential access to the airport and highways for light industrial use.

Industrial land uses are generally located in areas where residential units and other conflicting uses do not exist to promote the economic well-being of the residents of Heber and to prevent the potential negative effects resulting from unregulated mixing of residences and industry. It is the city's intention to provide a location for light industrial uses in a clean and attractive industrial setting that produces no appreciable impact on adjacent properties.

3.2 COMPATIBILITY WITH SURROUNDING PROPERTY OWNERS

Due to the challenges associated with limited access to the site and the location of the proposed property as discussed previously, it is important to discuss development of the area with surrounding key property owners. These discussions are designed to improve the use and development of the site. Epic Engineering conducted meetings with the Town of Daniel as well as the owner of Red Rock Holdings & Investments, LC, the majority property owner to the east of the proposed site, shown previously in Figure 5, which includes RJ Enterprises Incorporated, Delta Stone Products, Inc. and Mountain Valley Stone, Inc. Following is a summary of these discussions.

3.2.1 TOWN OF DANIEL

Topics of discussion with the Town of Daniel Town Council on September 8, 2008, regarding the Industrial Park Master Plan included:

- 1) Coordination between Heber and Daniel to develop the industrial area in a way that will be mutually beneficial.
- 2) Potential access points including South Field Road, 2400 South, and South Airport Road that will affect the town's traffic flow and roadway operations and maintenance schedule.

The following information depicts the current opinions of the Town of Daniel based on the September 8th town meeting.

- 1) The Town indicated that it may be advantageous to both Heber City and the Town of Daniel to work together in developing an industrial park master plan.
- 2) The area contiguous to the proposed industrial site within Daniel is zoned industrial and is within their business enterprise area.
- 3) The Town currently does not have plans to develop the industrial area but agrees that development will occur in the future and, as such, would be willing to discuss working collectively to develop a mutually beneficial master plan. However, at this time Daniel does not wish to expend funds on the development of such a plan.
- 4) Access to the industrial park is currently limited to the northern property boundary. Heber would like to consider access points to the east and possibly west of the park as well. Daniel is willing to discuss additional accesses to the industrial park including but not limited to:
 - a. The construction of 2400 South from Daniel Road west.
 - b. Constructing a new roadway from South Field Road and South Airport Road to an intersection at US-189.

Possible points of future discussion pertaining to potential access points include but are not limited to:

- c. Improving and ensuring that Daniel Road north of town, into Heber, will remain open and provide acceptable access to US-189 in the future.
 - d. The connection between South Airport Road and South Field Road.
- 5) Daniel Town Council indicated that future conversation concerning inter-local agreements between Heber and Daniel should be discussed in the monthly inter-local meetings as opposed to individual council meetings.

3.2.2 RED ROCK HOLDINGS & INVESTMENTS, LC

A meeting was held between Epic Engineering and Robert Hicken, owner of Red Rock Holdings & Investments, on September 11, 2008 to discuss Heber City's plans for developing the industrial park adjacent to his property and concerns with access to the site. Mr. Hicken indicated the following during the ensuing discussion:

- 1) He is aware that Heber City owns a 16.5-foot right-of-way that transects his property and connects the proposed industrial site to Daniels Road.
- 2) Mr. Hicken would be willing to discuss the development of a roadway either along this right-of-way or along 2400 South as long as Heber City and Red Rock Holdings & Investments can come to an agreement that is mutually beneficial. Strictly from a planning point of view he indicated that it would make more sense to develop 2400 South as it follows the county-wide transportation grid system.
- 3) Development of the industrial park and/or a roadway to the site is not seen as a benefit or opportunity to expand Red Rock Holdings & Investments, as the vast majority of business is currently conducted out of state with few local customers.
- 4) At this point in time Mr. Hicken would continue to explore the options of being annexed into Heber City or the Town of Daniel. Currently his utilities and infrastructure are fully developed to his property and may not be needed.
- 5) Mr. Hicken's property has been master planned and includes plans to further develop his property either by expanding his current business or developing new business opportunities.
- 6) He is interested in embracing development and being proactive as development occurs, which includes being open to further discussions with Heber City to come to a mutually beneficial agreement with the use of the land.

3.3 LAND USE SURVEY

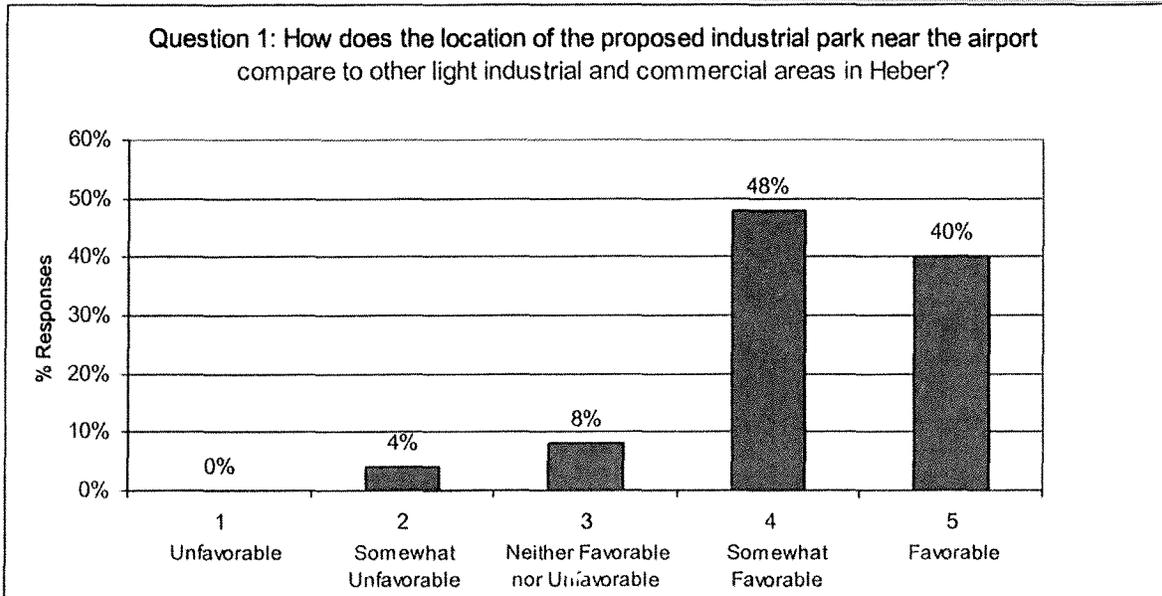
In September of 2008 local developers, realtors, city officials and other key stakeholders were invited to participate in a land use survey tailored specifically to the Heber City Industrial Park where input was gathered from a detailed questionnaire. Results from this visioning effort were incorporated into this Master Plan and summarized below. A copy of the survey is included in the Appendix of this report.

3.3.1 SURVEY RESULTS

The following graphs represent the results of the survey questionnaire. Participants were asked to rate their responses on a scale from 1 to 5 to represent how strongly they felt about the question being asked.

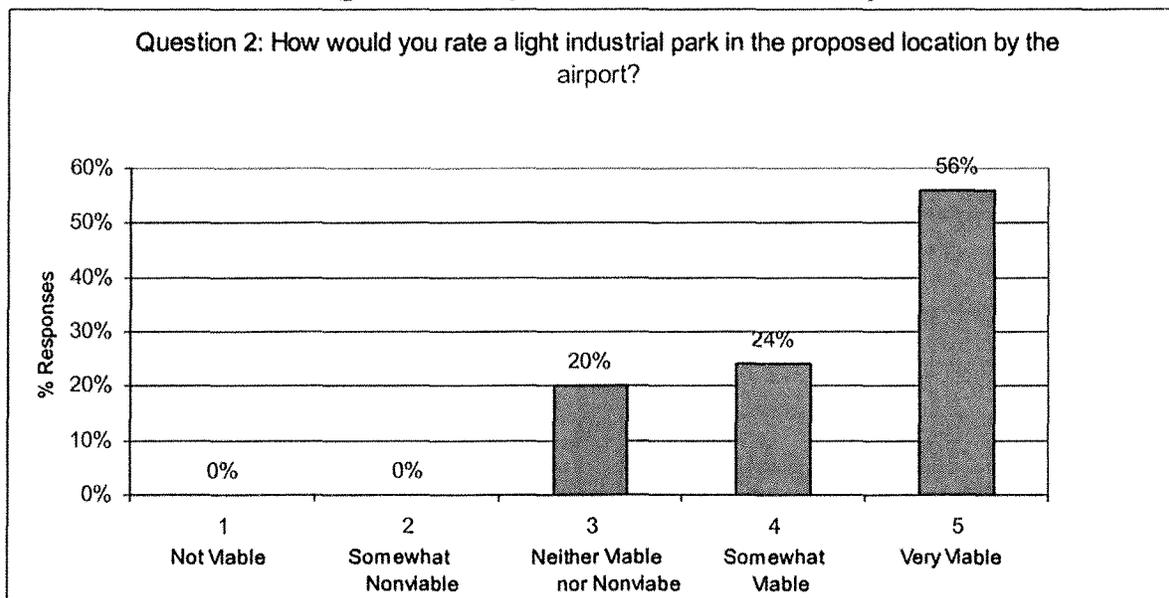
Eighty-eight percent of respondents noted the proposed industrial park is in a somewhat favorable or favorable location as compared to other light industrial and commercial uses with Heber City as shown in Figure 6.

Figure 6 Survey Results: Favorability of Location Compared to other Industrial Areas



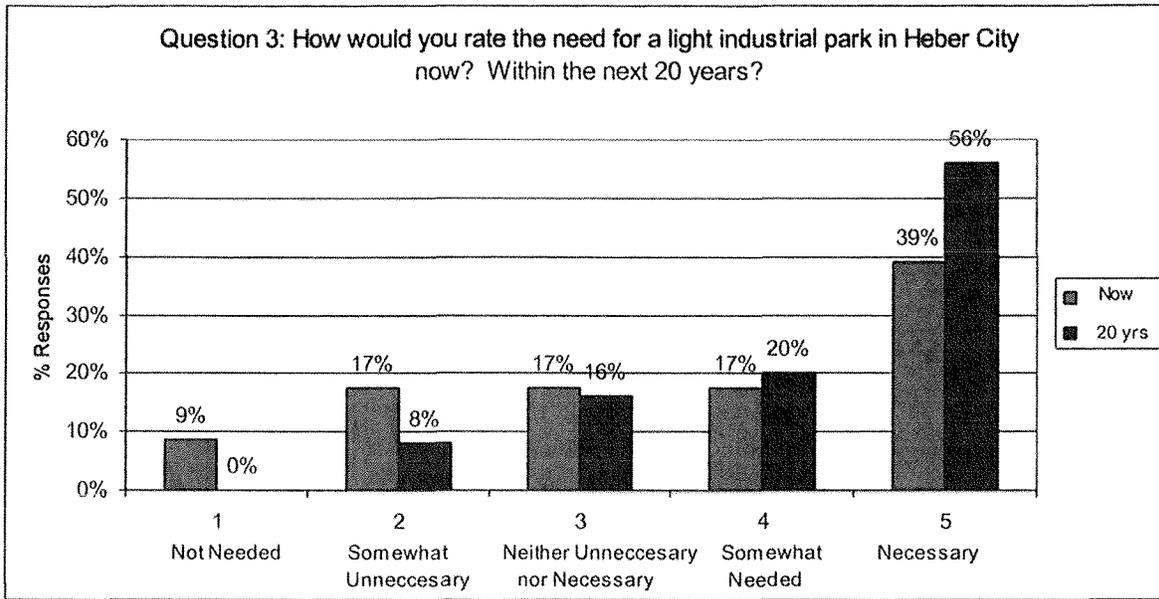
Fifty-six percent of survey respondents felt that the proposed location by the Heber Municipal Airport is a very viable location for a light industrial park as shown in Figure 7.

Figure 7 Survey Results: Location Viability



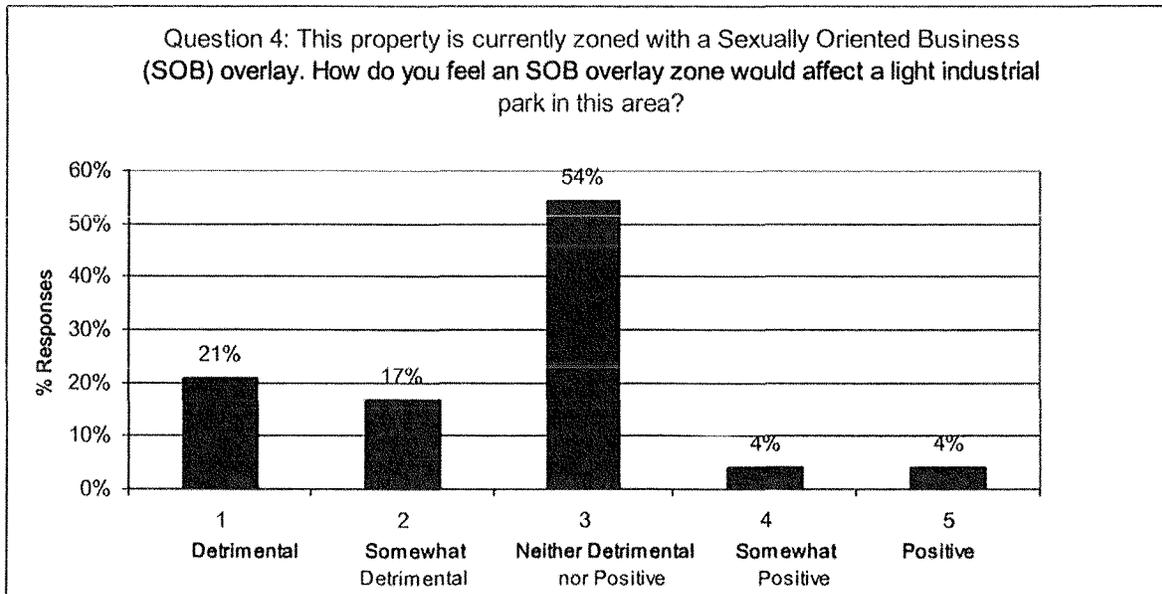
Thirty-nine and fifty-six percent of respondents indicated the development of a light industrial park is necessary both now and within the next 20 years, respectively, as shown in Figure 8.

Figure 8 Survey Results: Need for an Industrial Park in Heber City



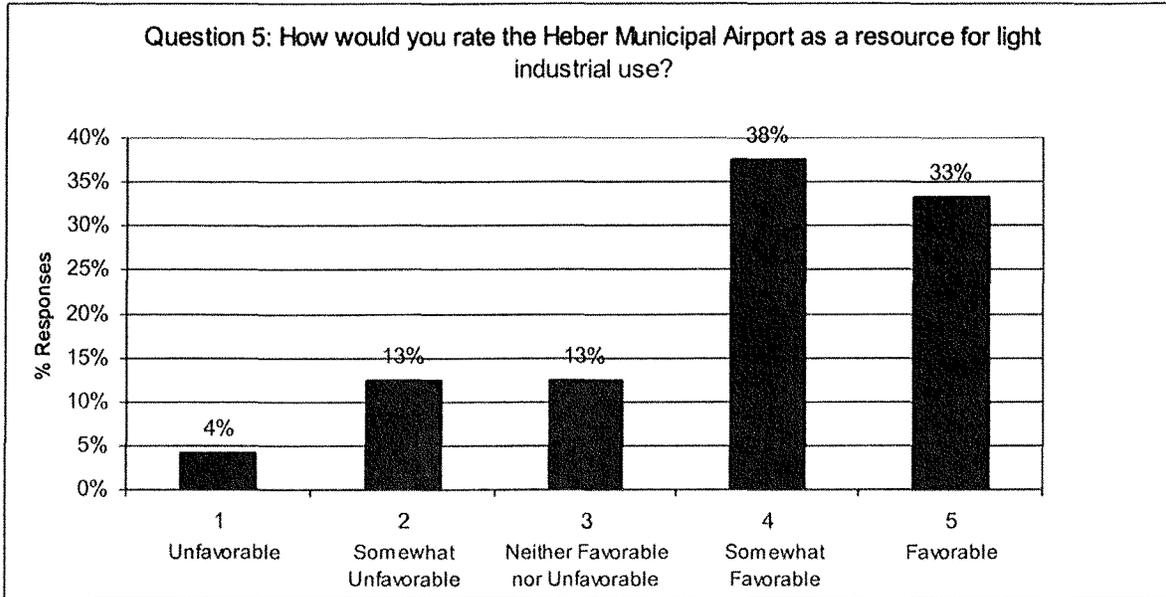
Fifty-four percent of respondents indicated an SOB overlay zone would have neither a detrimental nor a positive affect on a light industrial park in this area as shown in Figure 9 below.

Figure 9 Survey Results: Impact of SOB Zone on Industrial Park



Seventy-one percent of survey respondents felt that the Heber Municipal Airport was either a somewhat positive or positive resource for light industrial use as shown in Figure 10.

Figure 10 Survey Results: Airport as a Resource for Industrial Use



Over fifty percent of respondents indicated seven particular land uses would be very viable in the proposed industrial park out of a total of 23 presented uses. These seven land uses are indicated below and in Table 1:

- Light manufacturing
- Light processing
- Fabrication
- Warehousing of goods and materials
- Automotive and/or aircraft repair
- Flight training
- Aviation tourism (hot air balloon, glider, helicopter, etc.)

Table 1 Survey Results: Viability of Various Light Industrial Uses

	Not Viable	Somewhat Nonviable	Neither Viable nor Nonviable	Somewhat Viable	Viable
Use	1	2	3	4	5
Light Manufacturing	4%	8%	8%	16%	64%
Light Processing	0%	4%	13%	21%	63%
Fabrication	12%	0%	12%	24%	52%
Warehousing of goods and materials	0%	4%	16%	28%	52%
Automotive and/or Aircraft Repair	0%	4%	16%	24%	56%
Welding Shops	4%	4%	20%	32%	40%
Equipment/Machinery Storage (earthmoving, farm, etc.)	16%	12%	28%	16%	28%
Maintenance Shop	0%	13%	29%	25%	33%

	Not Viable	Somewhat Nonviable	Neither Viable nor Nonviable	Somewhat Viable	Viable
Use	1	2	3	4	5
Printing Companies	12%	4%	16%	24%	44%
Television Production	12%	12%	28%	8%	40%
Digital Recordings	20%	8%	24%	12%	36%
Flight Training	4%	4%	12%	12%	68%
Aviation tourism (hot air balloon, glider, helicopter, etc.)	4%	4%	0%	25%	67%
Sports Racing Facility (motocross, snowmobile, etc.)	32%	20%	20%	16%	12%
Lumber Yard	12%	32%	28%	20%	8%
Car Rental	4%	8%	36%	20%	32%
Pet Care (boarding, day care, etc.)	16%	12%	40%	12%	20%
Craft Shop	13%	33%	21%	13%	21%
Café/Food service	16%	28%	36%	8%	12%
Commercial Retail	17%	46%	21%	8%	8%
Commercial Storage Shed	16%	8%	20%	20%	36%
Day Care Center	32%	32%	24%	8%	4%
Big Box Industrial	28%	4%	28%	24%	16%

3.3.2 SITE DEVELOPMENT CONCERNS

The survey also addressed what concerns, if any, respondents had with the specified uses. Following is a list of concerns that were identified in relation to the development of the industrial park:

- Access to the property
- Traffic volume
- Noise
- Visual impacts
- Air and water quality impacts

3.4 RECOMMENDED LAND USES

Building sizes for light industrial uses of the type highlighted above typically range between 5,000 and 50,000 square feet and can be as much as 150,000 square feet or more, with the average building size being around 30,000 square feet. Development on the site could total approximately 486,000 square feet under existing code, where density does not exceed 15,000 square feet per acre. New buildings, which will likely be developed over the course of the next 10 to 15 years, will likely range from 5,000 to 50,000 square feet with the average building size being between 15,000 and 30,000 square feet.

Chapter 4 SITE DESIGN

The general objectives of the site design of the industrial park and the proposed design guidelines include the following:

- Promote a functional and attractive environment
- Ensure a quality development
- Protect and enhance private property values
- Promote development flexibility
- Preserve the character of Heber City

In order to achieve these objectives, specific light industrial development guidelines have been established. The guidelines will enable developers to clearly understand the city's intent with respect to light industrial development design features. In addition, the guidelines will minimize the time required for city development review by informing developers early in the design process.

While the design guidelines are intended to encourage integrated and innovative project designs they are not intended to dictate any particular design theme. To that end, these guidelines are designed to be flexible to allow a wide variety of alternative development concepts.

The following sections will outline light industrial design guidelines applicable to exterior building construction, parking, fencing and screening, landscaping and exterior lighting. It will also present the proposed conceptual design of the industrial park and recommended phasing of development of the site.

4.1 PROPOSED CONCEPTUAL DESIGN

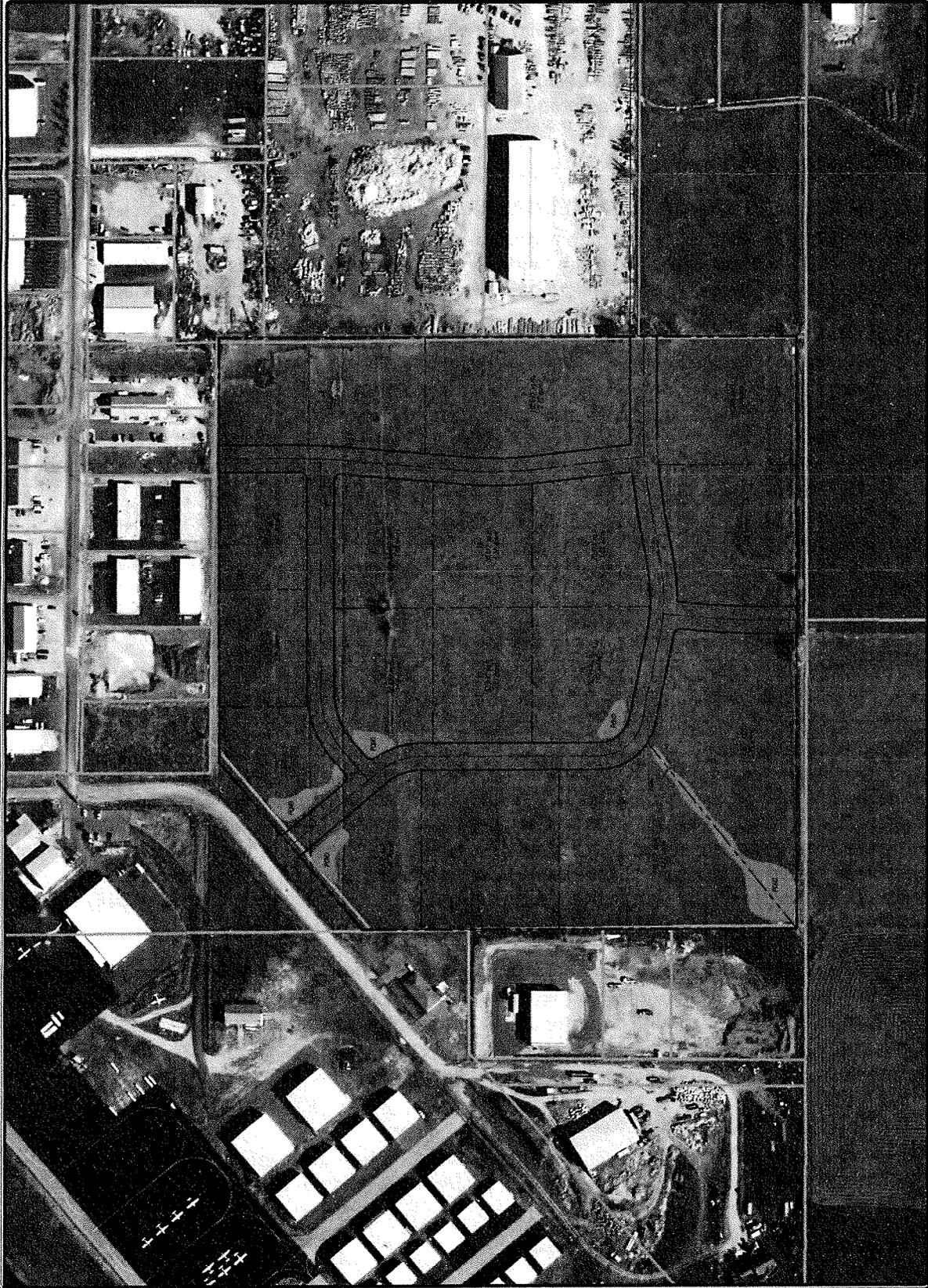
Figure 11 presents the proposed conceptual design of the industrial park as determined from results of the land use survey, discussions with city officials, and planning and engineering judgment. A range of lot sizes is presented that provide development flexibility. Irregular and wedge-shaped lots with varied depths and widths are mixed with rectangular lots to maximize development potential and provide visual interest.

The proposed design includes a pedestrian-oriented streetscape, parking that could easily be shared between businesses, lots that could be readily joined or subdivided as uses permit, and a circular traffic pattern with road stubs at key access points. Negotiations with surrounding property owners will determine which access points will be developed. The industrial park is expected to be built out over time as the need for light industrial use permits. As the park expands and uses become identified, workable lot sizes will also become more apparent.

Primary access is proposed at the northwest corner of the site off of South Airport Road. Onsite storm water retention is suggested in the form of retention ponds and a combination of open and piped channels throughout the site with the majority of detention at the southwest corner of the property. A park is suggested at the southwest corner to promote employee wellbeing and to enhance the natural setting. A cluster-style of facilities would further promote open space throughout the park if so desired.

Building pads are not depicted on the conceptual design but should be located and oriented to provide a strong visual and functional relationship with relation to its location, adjacent properties, and nearby roadways. Where feasible, accessory facilities such as mechanical equipment, garbage collection, storage areas, and vehicle service areas should be located away from portions of the site which are highly visible from public roadways or private properties with dissimilar improvements. Building setbacks and coverage must comply with the limitations specified in Heber City Zoning Ordinance Sections 18.44.030, 18.44.040, and 18.44.050.

Landscape features are not presented with this conceptual design, however, landscaping will be necessary to help screen parking and buildings throughout the 38.5-acre park. Landscaping and other design guidelines such as parking and screening will be described in detail in the following sections.



CONSTRUCTION NOTICE

WARNING
CALL BLUE STAKES

Epic Engineering
City - (505) 944-1000
Mobile - (505) 944-1000
Fax - (505) 944-1000
www.epiceng.com

DATE	0
DESIGNED BY	SM
CHECKED BY	SM
PROJECT NAME	

HORIZ: 1"=100'
DATE: 9/29/2008
SCALE: 1"=100'

HEBER CITY

INDUSTRIAL

PLAN NO: 1
SITE LAYOUT
1:1

4.2 DESIGN GUIDELINES

The proposed conceptual design aligns with the city's intent to provide for a light industrial park that is compatible with surrounding uses and is not unsightly or capable of producing substantial impact on adjacent properties. The design concept is one of integrating light industrial uses into a natural landscape. The guidelines presented herein emphasize integrating complementary buildings within the land and the use of natural materials to maintain the integrity of the natural setting.

4.2.1 CIRCULATION, PARKING AND LOADING

The road layout in the conceptual plan is designed to promote internal circulation and safety in the form of relatively straight roads with high visibility. Preferred locations for employee, visitor, and truck and tractor trailer parking shall be developed as well as loading and off-loading areas.

Pedestrian access to primary building entrances should be separated from automobile access by walkways as much as possible. Visitor parking should be located near the entrance of the building and should not be located near loading areas and truck parking areas to the extent possible. Parking and loading areas should be sized to be sufficient to serve its business purpose without being overly large, and should be designed so that they do not interfere with each other or with other site activities including the need for overflow parking. Adequate access and circulation for trucks and emergency vehicles is paramount.

Parking lot design should include landscape planters, sidewalks or other separators at the end of parking stalls. All parking and loading areas should be separated from landscaped areas by concrete curbs, as appropriate.

4.2.2 LANDSCAPE DESIGN

Use of trees, shrubs and groundcover provide variety, outline circulation patterns and reduce the apparent mass and visual impact of industrial areas. Visual impacts should generally be screened along the outside property boundary, with views within the park maintained throughout for orientation and safety.

Landscape design must comply with the limitations specified in Heber City Zoning Ordinance Section 18.44.060. A landscaped strip of land at least ten (10) feet in width adjacent to the front property line shall be landscaped. A detailed landscape plan must demonstrate that the 10-foot buffer area exists in the proper location for approval. In some cases, additional off-site landscaping may be necessary to adequately mitigate visual, audio and other potentially negative impacts.

Maintenance of landscaping areas should be kept to a minimum to the extent possible. Use of drought-resistant species that require minimal water and care should be used. In addition, all open areas should have ground cover or mulch to minimize weed growth and prevent erosion where appropriate. An automatic sprinkler system should be provided where necessary; temporary irrigation will only be needed until landscaping is established.

4.2.3 FENCING AND SCREENING

In order to minimize noise infiltration and to eliminate its view from nearby properties and general public view, proper fencing and/or screening must be maintained. All exterior

mechanical equipment, garbage storage and containers, outdoor storage of materials or equipment, and other such objects should be located and screened in a manner which is compatible with the design of the property and adjacent development.

A minimum of a 4-foot tall earth berm with planted trees is recommended for proper screening and/or a minimum of a 6-foot fence. Fences shall be designed for compatibility with nearby building and landscape materials. It should have a high quality design and constructed of highly durable materials with wood and masonry preferred. Evergreens and conifers are recommended, with blue spruce pine trees preferable.

4.2.4 EXTERIOR LIGHTING

Exterior lighting should be implemented for safety and security purposes. Exterior lighting type, brightness, and height should be appropriate to the building design, its function and location. Lighting should be adequate but not overly bright and it should generally shine downward and be non-glare. Lights must not glare into adjacent streets or neighboring properties and should be properly scaled to pedestrian and/or automobile use. Security and parking area lighting should be indirect or diffused properly to be shielded from surrounding views.

4.2.5 ARCHITECTURAL DESIGN

Architectural design standards for the light industrial park are meant to closely define the building exteriors and maintain flexibility in design concepts. Buildings should relate to the surrounding structures. General size, bulk, materials and colors should have a complementary design relationship to other buildings in the vicinity. Architectural design quality is particularly important along the entry or access points to the property, where standards should be made higher.

Mixing of unrelated architectural styles, materials and details is not recommended, particularly with buildings that are in close proximity to one another. Accessory buildings such as storage areas are included in the overall design standards and should maintain the overall design continuity.

4.3 SUSTAINABLE DESIGN PRACTICES

Site planning should employ sustainable design practices as much as possible throughout full development of the property. Sustainable practices will help market the industrial park and promote conservation and energy savings, and reduce maintenance costs. The following practices are encouraged:

- Water quality features such as bioswales and reduced pavement widths to recharge groundwater
- Impervious paving should be used in lieu of pervious paving
- Paving should be reduced to the minimum necessary to accomplish site circulation and parking needs
- Capture and filter gray water for irrigation purposes
- Use recycled and recycled-content materials
- Divert and recycle construction waste from going to the landfill
- Capture and direct storm water to landscaped areas prior to release

Additional sustainable practices such as proper building orientation for effective sunlight capture, high efficiency heating and air conditioning systems, use of solar panels or photo-

voltaic cells, natural ventilation, efficient plumbing fixtures, light sensors and the use of local materials should be encouraged as lots become developed.

4.4 CONSTRUCTION COST ESTIMATE

Development of the industrial park will require roadway construction and extension of municipal services including wastewater, water, gas, electric and telecommunications as discussed in Chapter 2. The proposed conceptual design includes approximately 3,855 linear feet of new roadway and utilities, and approximately one acre of storm water retention ponds. All utilities in the development will connect to South Airport Road in the northwest corner of the site except gas, which will require access to the 3-inch IHP line in Airport Road. Extension of the gas line will need to be done through 400 West Street to the property.

The existing 10-inch sewer line will need to be extended from the end of Airport Road an additional 500 feet down South Airport Road to the northwest corner of the site in order to access the property. Lots 3 and 4 in the southwest corner will likely require an ejector pump to deliver solid wastes to the gravity system.

Table 2 below presents the proposed recommendations and estimated costs of utility expansion as per the proposed conceptual layout and items discussed in this report. A more detailed cost estimate of each service including a line item breakdown is included in the Appendix of this report.

Table 2 Construction Cost Estimate

Item	Recommendation	Estimated Cost
Wastewater	Extend municipal line from existing stub at Airport Road south to property	\$ 148,258.00
Water	Connect to existing line in South Airport Road and Airport Road through 400 West Street	\$ 297,926.00
Storm Water	Construct retention basins throughout property	\$ 168,452.00
Gas	Extend service from 3-inch IHP line on Airport Road through 400 West Street to property	\$ 52,176.00
Electric	Connect to existing line in South Airport Road	\$ 66,000.00
Telecommunications	Connect to existing line in South Airport Road	\$ 30,248.00
Roadway	Approximately 3,855 feet of new roadway with curb and gutter and sidewalk	\$ 668,475.00
Landscaping	Landscape main entrance around retention ponds and proposed park and signage	\$ 41,500.00
Sub-Total		\$ 1,473,035.00
Project Total	Includes Engineering Design, Survey, Construction Management, Contingency	\$ 1,982,372.00

The total estimated construction cost for the recommended layout is \$1,982,372.00. This estimate includes the design, survey and construction management costs plus a 20% contingency as shown in the Appendix. In addition to the primary access off of South Airport Road, this roadway construction estimate includes development of 400 West Street and either the access to 2400 South or Daniels Road (not both). Sidewalk is proposed for one side of the street only. Should the proposed layout change to include additional roadway and utilities, costs

will likely increase. Figure 12 depicts the conceptual utility layout including utility stubs, where appropriate, for potential future access points.

SUMMARY

As discussed previously, this master plan is intended to remain flexible to allow decisions to be made that are in the best interest of Heber City. Elements reviewed within this plan including land use, access, existing utilities, ownership, and other physical characteristics of the site will direct the development of the Heber City Industrial Park in the most effective manner. The land use survey was conducted to determine the most viable uses for the industrial park from the viewpoint of city and county officials and other key stakeholders. The proposed lot and roadway configuration is designed to promote development flexibility as industrial uses become realized. Design guidelines are proposed in this master plan to include exterior building construction, parking, fencing and screening, landscaping, exterior lighting and sustainable design practices. These guidelines intend to encourage integrated project designs but are designed to be flexible to allow a wide variety of alternative development concepts.

RESOURCES

1. **Business and Industrial Park Development Handbook, Community Builders Handbook Series, Urban Land Institute, 1988.**
2. **Heber City General Plan, Future Vision 2020, Heber City, Utah Corporation, July 3, 2000**
3. **Heber City Municipal Code, Chapter 18 Section 44, Heber City, Utah Corporation, 2007.**
4. **Soil Survey of Heber Valley Area, Utah, Parts of Wasatch and Utah Counties, United States Department of Agriculture Soil Conservation Service and Forest Service in cooperation with Utah Agricultural Experiment Station, April 1976.**

APPENDIX

HEBER CITY INDUSTRIAL PARK SURVEY

This survey is being sent to the legislative body (Wasatch Economic Development, Heber City Planning, City Council, Planning Commission, City staff, etc.) and is designed to assist in the collection of data related to industrial uses within the proposed ~40-acre Heber City Industrial Park located just south of Airport Road in the I-1 Zone as shown on the attached map. Your information is greatly appreciated and will be utilized in the Master Plan Epic Engineering is currently completing for the property. Results from all completed surveys will be collected and provided to you for informational purposes.

Please respond to the items listed below, providing as much detail as possible. Return surveys by Friday, September 19 via email to Brie Ferry at Epic Engineering, P.C. bferry@epiceng.net, or via fax at 435-554-6622. Please call 435-654-6600 with any questions.

Name, Title _____

Email _____ Phone No. _____

Address _____

What is your vision for Heber City and the Heber Valley? What changes would you like to see within the next 10-20 years? _____

Heber City has identified light industrial zones within their Master Plan along Route 40, 1200 South, and in the southwest corner of the city near the Heber Municipal Airport. On a scale of 1-5, how does the location of the proposed industrial park near the airport compare to other locations in Heber? (please circle)

Unfavorable Location 1 2 3 4 5 Favorable Location

Why? _____

On a scale of 1-5, how would you rate a light industrial park in the proposed location by the airport? (please circle)

Not Viable 1 2 3 4 5 Very Viable

Why? _____

On a scale of 1-5, how would you rate the need for a light industrial park in Heber City: Now?

Not needed 1 2 3 4 5 Necessary

Within the next 20 years? Not needed 1 2 3 4 5 Necessary

Why? _____

This property is currently zoned with a Sexually Oriented Business (SOB) overlay. On a scale of 1-5 how do you feel an SOB overlay zone would affect a light industrial park in this area?

Detrimental 1 2 3 4 5 Positive

Why? _____

If detrimental, where should the SOB zone be? _____



EPIC ENGINEERING, P.C.
 Civil Municipal Project Management Water Resources

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 Heber City, Utah 84032

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Phone (435) 654-6600

On a scale of 1-5 how would you rate the Heber Municipal Airport as a resource for light industrial use? Not a Resource 1 2 3 4 5 Positive Resource
Why? _____

What changes would you like to see at the airport? _____

Please indicate on a scale of 1-5 which light industrial uses would be suitable for this location (note: building density can not exceed 15,000 square feet per acre for a total of approximately 545,000 square feet of industrial use on the property):

Use	Not Viable	Somewhat Viable			Viabale	Notes
	1	2	3	4	5	
Light Manufacturing	1	2	3	4	5	
Light Processing	1	2	3	4	5	
Fabrication	1	2	3	4	5	
Warehousing of goods and materials	1	2	3	4	5	
Automotive and/or Aircraft Repair	1	2	3	4	5	
Welding Shops	1	2	3	4	5	
Equipment/Machinery Storage (earthmoving, farm, etc.)	1	2	3	4	5	
Maintenance Shops	1	2	3	4	5	
Printing Companies	1	2	3	4	5	
Television Production	1	2	3	4	5	
Digital Recordings	1	2	3	4	5	
Flight Training	1	2	3	4	5	
Aviation tourism (hot air balloon, glider, helicopter, etc.)	1	2	3	4	5	
Sports Racing Facility (moteccress, snowmobile, etc.)	1	2	3	4	5	
Lumber Yard	1	2	3	4	5	
Car Rental	1	2	3	4	5	
Pet Care (boarding, day care, etc.)	1	2	3	4	5	
Craft Shop	1	2	3	4	5	
Café/Food service	1	2	3	4	5	
Commercial Retail	1	2	3	4	5	
Commercial Storage Shed	1	2	3	4	5	
Day Care Center	1	2	3	4	5	
Big Box Industrial	1	2	3	4	5	
Other	1	2	3	4	5	
Other	1	2	3	4	5	
Other	1	2	3	4	5	
Other	1	2	3	4	5	
Other	1	2	3	4	5	

What concerns do you have with the specified uses (i.e. traffic, noise, visual, volumes, access, etc.) _____

Additional Comments _____



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Civil Municipal Project Management Water Resources

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Epic Engineering, P.C.

30 East 100 South, Heber City, Utah 84032 (435)659-6600 (435)654-6622 (Fax)

Heber City Industrial Park Conceptual Cost Estimate On-Site Improvements Only

Item No.	Category	Qty	Unit	Unit Price	Total
I	Utilities				
	Electrical	17	EA	\$ 3,000.00	\$ 51,000.00
	Transformer	1	EA	\$ 15,000.00	\$ 15,000.00
	Gas Line	3,568	LF	\$ 7.00	\$ 24,976.00
	Gas Service per lot	17	EA	\$ 1,600.00	\$ 27,200.00
	Telephone Line	3,568	LF	\$ 6.00	\$ 21,408.00
	Telephone Service per lot	17	EA	\$ 520.00	\$ 8,840.00
	Sub-Total				\$ 148,424.00
II	Culinary				
	8" Water Line	3,855	LF	\$ 37.75	\$ 145,526.25
	P.L. Line	3,855	LF	\$ 28.00	\$ 107,940.00
	P.L. Laterals	17	EA	\$ 850.00	\$ 14,450.00
	Culinary Laterals	17	EA	\$ 530.00	\$ 9,010.00
	Fire Hydrants	6	EA	\$ 3,500.00	\$ 21,000.00
	Sub-Total				\$ 297,926.25
III	Roadway				
	Earthwork	4,188	CY	\$ 7.00	\$ 29,316.00
	8" Granular Burrow	146,490	SF	\$ 0.60	\$ 87,894.00
	6" Road Base	146,490	SF	\$ 0.90	\$ 131,841.00
	3" Asphalt	146,490	SF	\$ 2.10	\$ 307,629.00
	Sidewalk	3,855	SF	\$ 14.00	\$ 53,970.00
	2' - 6" Modified Curb and Gutter	3,855	LF	\$ 15.00	\$ 57,825.00
	Sub-Total				\$ 668,475.00
IV	Storm Water				
	Retention Ponds	7,500	CY	\$ 8.00	\$ 62,400.00
	Injection Box (5' Manhole)	9	EA	\$ 4,500.00	\$ 40,500.00
	Storm Drain Pipe	1,928	LF	\$ 34.00	\$ 65,552.00
	Sub-Total				\$ 168,452.00
V	Sewer				
	Manhole	11	EA	\$ 3,600.00	\$ 39,600.00
	8" PVC line	3,083	LF	\$ 26.00	\$ 80,158.00
	Sewer Laterals	19	EA	\$ 1,500.00	\$ 28,500.00
	Subtotal				\$ 148,258.00
VI	Landscaping				
	Open space landscaping	15,000	SF	\$ 2.50	\$ 37,500.00
	Signage	1	EA	\$ 4,000.00	\$ 4,000.00
	Subtotal				\$ 41,500.00
VII	Engineering				
	Design (7%)	1	LS	\$ 100,207.47	\$ 100,207.47
	Site Strategy/Plat (1.5%)	1	LS	\$ 21,473.03	\$ 21,473.03
	Construction Management (4%)	1	LS	\$ 57,261.41	\$ 57,261.41
	Sub-Total				\$ 178,941.91
Total Construction Costs					\$ 1,651,977.16
Contingency (20%)					\$ 330,395.43
Project Total					\$ 1,982,372.59

* Prices based on 2008 construction period.

TAB 3

Mark Anderson

From: Mark Smedley <msmedley@ci.heber.ut.us>
Sent: Thursday, November 13, 2014 8:27 AM
To: 'Heidi Franco'; 'Erik Rowland'; manderson@ci.heber.ut.us
Cc: 'ALAN MC DONALD'
Subject: HLP Board Amendments
Attachments: HLP Operating Agreements 2009 and 2014.doc

Heidi:

T pursuant to your questions last night, the controlling provisions of the new Operating Agreement, I think are Section H and Section N. In section N, specifically subparagraphs 2 and 3.

It appears that the revised Agreement was approved on October 9, 2014.

For any amendments, it appears that three things have to happen:

- There is a party Vote. Only Heber City, Charleston and Midway can vote in such a vote and Heber City gets the weighted percentage of the votes.
- The wording in Subparagraph N 2 indicates that 5 votes are needed. In my way of interpretation that means all five votes of Heber City (3) and Midway (1) and Charleston (1) are needed to amend. The word of unanimous does not appear in the paragraph, but it appears to imply that. Wasatch County cannot vote in a Party Vote. A quorum is 4 votes.
- Then and only then, if passed with all 5 votes, the amendment goes for ratification to the three Cities, to their Councils.
- The current 2002 Operating Agreement appears to have had the same language in Paragraphs N 1,2, and 3. Therefore no change of process pursuant to amending appears to have changed. To amend, pursuant to the 2002 Agreement, the same process applied to Amend (5 votes of the Board and two of the three Cities to ratify).

This is how I understand it. I have just reviewed it again very quickly this morning before Court, so it is not an in-depth review this morning, but it appears consistent with what I had thought before. The one provision that I thought might have changed was N 3, but that language was there also in 2002 and therefore appears to be currently controlling as well; both 2002 and 2014 appear the same in that regard.

I've attached those three documents.

Mark

**HEBER LIGHT & POWER COMPANY
ORGANIZATION AGREEMENT**

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

RECITALS

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

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

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

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

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

NOW THEREFORE, the Parties agree as follows:

A. Definitions

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

1. "Act" shall mean the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as it may be amended from time to time.
2. "Charleston" shall mean Charleston Town, Utah.
3. "Company" shall mean Heber Light & Power Company, an interlocal entity created by the Parties under the Act to accomplish the purpose of their joint or cooperative action as set forth in this Organization Agreement.
4. "Heber" shall mean the Heber City, Utah.
5. "Midway" shall mean the Midway City, Utah.
6. "Organization Agreement" shall mean this agreement.
7. "Party" or "Parties" shall mean Heber, Midway and Charleston either individually or collectively.
8. "Power Board" shall mean the governing body of the Company as provided in Paragraph H of this Organization Agreement.
9. "Party's Company Share" shall mean for Heber City, a 75% interest; Midway City, a 12.5% interest; and Charleston Town, a 12.5% interest.

B. Creation of Heber Light & Power Company

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

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

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

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

C. Location

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

D. Franchise

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

E. Purpose

1. The purpose of this Organization Agreement and of the creation the Company is

to permit the Parties to benefit from the efficiencies and economies of scale that result from the Company's operation, maintenance and acquisition of facilities, services, and improvements that are necessary or desirable for the acquisition, generation, transmission, management, and distribution of electric energy and related services for the use and benefit of the Parties, their citizens, and the inhabitants of surrounding areas.

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

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

F. Company's Powers

To accomplish the purposes set forth in Paragraph E, the Company shall have all powers conferred on an interlocal entity and on an energy services interlocal entity by the Act. In addition, the Parties hereby delegate to the Company all powers possessed by the Parties: (1) to own and operate electric generation, transmission and distribution facilities that provide or deliver electric energy and related services to persons within the Parties' municipal boundaries and in the surrounding areas, and (2) to exercise, in furtherance of its purpose, the power of

eminent domain. Without limiting the foregoing, the Company powers include the power to:

1. adopt, amend, and repeal rules, bylaws, policies, and procedures for the regulation of its affairs and the conduct of its business;
2. sue and be sued;
3. have an official seal and alter that seal at will;
4. make and execute contracts and other instruments necessary or convenient for the performance of its duties and the exercise of its powers and functions;
5. acquire or dispose of real or personal property, or an undivided, fractional, or other interest in real or personal property, necessary or convenient for its purposes sell, lease, or otherwise dispose of that property;
6. directly or by contract with another: (a) own and acquire facilities and improvements or an undivided, fractional, or other interest in facilities and improvements; (b) construct, operate, maintain, and repair facilities and improvements; and (c) provide the services contemplated this Organization Agreement;
7. borrow money, incur indebtedness, and issue revenue bonds, notes, or other obligations and secure their payment by an assignment, pledge, or other conveyance of all or any part of the revenues and receipts from the facilities, improvements, or services that the Company provides;
8. offer, issue, and sell warrants, options, or other rights related to the bonds, notes, or other obligations issued by the Company;
9. sell or contract for the sale of the services, output, product, or other benefits provided by the Company;
10. own, acquire, and, by itself or by contract with another, construct, operate, and maintain a facility or improvement for the generation, transmission, and transportation of electric energy or related fuel supplies;
11. enter into a contract to obtain a supply of electric power and energy and ancillary services, transmission, and transportation services, and supplies of natural gas and fuels necessary for the operation of generation facilities;
12. sell its services within the Parties' boundaries and in the surrounding areas, and
13. adopt and implement risk management policies and strategies and enter into transactions and agreements to manage the risks associated with the purchase and

sale of energy in competitive markets, including forward purchase and sale contracts, hedging, tolling and swap agreements, and other instruments.

G. Assets

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

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

H. Power Board

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

2. The Power Board shall have seven members selected as provided in this Paragraph H.

(a) The Heber City Mayor will select three members from the Heber City Council.

(b) The Midway City Mayor will select two members from the Midway City Council.

(c) The Charleston Town President will select one member from the Charleston Town Council.

(d) The Wasatch County Council shall select one member from the Wasatch County Council.

For the purposes of this Organization, the Heber City Mayor, the Midway City Mayor and the Charleston Town President shall be considered members of their respective councils and may be selected to serve on the Power Board.

The Wasatch County Council's membership on the Board does not entitle Wasatch County to any ownership in or distributions from the Company.

3. The Heber City Mayor or his designee will be the permanent chair of the Board. The Board will select the Power Board's other officers including Vice Chair and Secretary, the later of which need not be a Board Member.

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

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

6. A Board member representing a Party may call for Party Only Vote on any issue. In such case, votes shall be cast on the issue, for which the vote was called, only by Heber's three members, Charleston's one member and Midway's mayor or the mayor's designee. No other Board members may vote. A Party Only Vote shall only occur when Heber's three members, Charleston's one member and Midway's mayor or the mayor's designee are all present. If all of

these members are not present, then Party Only Vote on the issue for which the vote was called shall be continued until a meeting where Heber's three members, Charleston's one member and Midway's mayor or designee are all present. In the event of a Party Only Vote, the Board shall act based upon a majority vote except as otherwise provided in this Organization Agreement.

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

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

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

10. Each Board Member shall make diligent efforts to inform the governing body of the Party that he represents of the Company's business including the Company's operations, long-term contracts, debts, and general financial condition. The Parties agree that they are individually responsible for ensuring that their Board Member keep them properly informed of the Company's business.

I. Budget and Financing

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

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

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

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

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

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

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

J. Distributable Income

1. The Company may periodically pay its Distributable Income to the Parties as provided in this Paragraph J.
2. "Distributable Income" means the amount, if any, of the Company's net income that is available for distribution to the Parties after the payment of all operating expenses and debt service costs of the Company and the funding of all rate stabilization, surplus or similar funds established under the Company's bond indenture or resolution, or of any contingency reserves determined by the Power Board to be reasonably necessary to pay unexpected energy price fluctuations and equipment failures or to provide rate stabilization. The amount of Distributable Income shall not exceed the available amount on deposit in the rate stabilization, surplus or similar fund established under the Company's bond indenture or resolution.
3. At its first meeting after the end of a quarter, the Power Board shall determine: (a) whether Company has Distributable Income and whether it will make a distribution from its Distributable Income, (b) when the distribution will be made, and (c) how much of the Company's Distributable Income will be available for distribution. The Power Board shall have the sole discretion to make distributions from Distributable Income, and the Parties shall have no right to a distribution unless the Power Board approves the distribution.
4. The Power Board may adopt a policy or Bylaw for determining when distributions will be made.
5. Nothing in this Organization Agreement is intended nor should be interpreted to prohibit the Power Board from permitting the Company to accumulate revenues from its operation that exceed its debt reserves and reasonable operation and contingencies reserves.
6. If the Power Board determines to make a distribution from Distributable Income,

each Party shall be entitled to a pro rata portion of the distribution based on their Company Share.

K. Distribution of Assets on Termination

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

L. Transfer of Company Assets to a Party

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

2. The sale of Company assets to a Party must be approved by five Board Members.

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

M. Relationship and Liability of Parties

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

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

defaults of another.

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

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

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

N. Amendments

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

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

3. Upon approval of at least two of the three Parties' governing boards, the

amendment shall become effective.

O. Withdrawal from Organization Agreement

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

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

2. Within thirty days of receipt of the notice of withdrawal, the Power Board shall reject the notice of withdrawal only if: (a) the Parties' withdrawal would adversely affect the Company's contract rights and/or bond obligations, or (b) the withdrawal leaves only one remaining Party and no Third Party will purchase the withdrawing Party's interest.

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

- a. Within sixty days of the Power Board's acceptance of the notice of withdrawal, the remaining Parties would notify the withdrawing Party: (i) of the remaining Parties' intent to purchase the withdrawing Party's interest or (ii) of a Third Party's intent to purchase the withdrawing Party's interest.
- b. The remaining Parties or the Third Party would pay the withdrawing Party an amount equal to the withdrawing Party's Company Share times the Company's net book value. For the purposes of this provision, net book value would equal the Owner's Equity as reflected on the Company's most recent audit report.
- c. The remaining Parties or Third Party would pay the purchase price in quarterly installments over a twenty year period. The purchase price would accrue interest at a reasonable rate not greater than the rate paid by the Utah State Treasury Pool during each year that a balance is due.

4. The term "Third Party" as used in this Paragraph O shall mean a public agency, as defined in the Act, that has been selected or approved by the remaining Parties to purchase the

interest of the withdrawing Party and that has agreed to become a party to this Organization Agreement.

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

P. Termination of Organization Agreement

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

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

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

Q. Governing Law

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

R. Severability

Should any part, term, or provision of this Organization Agreement be held by the Courts to be illegal or in conflict with any law of the State of Utah, or otherwise rendered unenforceable

or ineffectual, the validity of the remaining portions or provisions shall not be affected by such ruling.

S. Effective Date

This Organization Agreement shall take effect when the governing body of each of the Parties adopts a resolution approving the Organization Agreement.

Attest and Countersign:

Dated this ___ day of September, 2002.

Paulette Sherwin 2-28-03
Secretary Date

Lynn Adams
Lynn Adams
Mayor of Heber City

Attest and Countersign:

Dated this ___ day of September, 2002.

Brad Wilson 9/28/03
Secretary Date

Bill Probst
Bill Probst
Mayor of Midway City

Attest and Countersign:

Dated this ___ day of September, 2002.

Sheryl Lambert 11/1/02
Secretary Date

John Whiting
John Whiting
Charleston Town President

HEBER LIGHT & POWER COMPANY
POWER BOARD RESOLUTION

Enacted December 16, 2009

The Power Board of the Heber Light & Power Company ("Company") hereby enacts this Resolution pursuant to Paragraph N of the Company's Organization Agreement dated September 9, 2002 ("Organization Agreement").

WHEREAS, by resolution of their governing bodies and with the approval of their respective counsel, Heber City, Midway City and Charleston Town ("Members") adopted the Organization Agreement to replace and supersede all prior agreements among Heber City, Midway City and Charleston Town concerning the Company's creation, organization, management and powers, and concerning the Parties' respective rights and interests in the Company or its assets.

WHEREAS, Paragraph N of the Organization Agreement provides that the Power Board may propose amendments to the Organization Agreement to the Members respective governing bodies.

WHEREAS, the Power Board wishes to propose the amendments to the Organization Agreement set forth herein.

Now therefore, the Power Board hereby resolves:

The Power Board proposes to the Member's governing bodies the following amendments to the Organization Agreement:

A. Paragraph H. 2 of the Organization Agreement is deleted in its entirety and replaced with the following:

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

(a) The Heber City Mayor shall be a member and chair of the Board and will select two members from the Heber City Council. The Mayor may, but is not required to, designate an alternate chair or members from the Council, to serve when the chair or member is temporarily unable to serve.

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

(c) The Charleston Town President shall be a member and may, but is not required to, designate an alternate member from the Charleston Town Council to serve if the President is temporarily unable to serve.

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

The Wasatch County Council's membership on the Board does not entitle Wasatch County to any ownership in or distributions from the Company.

B. The first sentence of Paragraph H. 3 is amended to delete the phrase "or his designee."

C. Paragraph H. 6 is deleted in its entirety and replaced with the following:

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

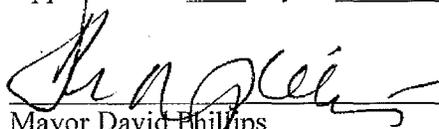
In the event of a Party Only Vote, members votes will be weighted as follow: (a) the votes of the Heber City members shall each have a 25% weight, (b) the vote of the Midway City member shall have a 12.5% weight, and (c) the vote of the Charleston Town member shall have a 12.5% weight. In the event of a Party Only Vote, the Board shall act based upon a 51% vote, except as otherwise provided in this Organization Agreement.

D. Paragraph N. 2 of the Organization Agreement is deleted in its entirety and replaced with the following:

2. The Power Board may amend this Organization Agreement by adopting an amendment as provided in this Paragraph N. 2. The voting on the amendment shall be a Party Only Vote even if a Party does not call for a Party Only Vote.

E. Paragraph N. 3. of the Organization Agreement is deleted in its entirety.

Approved this 16th day of December, 2009.



Mayor David Phillips
Chair, Power Board

HEBER LIGHT & POWER COMPANY ORGANIZATION AGREEMENT

On October 9, 2014, Heber City, Utah, Midway City, Utah, and Charleston Town, Utah made and entered this organization agreement pursuant to the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended.

RECITALS

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

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

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

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

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

NOW THEREFORE, the Parties agree as follows:

A. Definitions

Capitalized terms in this Organization Agreement shall have the following meanings

1. “Act” shall mean the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as it may be amended from time to time.
2. “Alternate” shall mean a councilperson selected as provided in Paragraph H. 2, by the Heber Mayor, the Midway Mayor, the Charleston Mayor, or the Chairperson of the Wasatch County Council to serve for a Director who is temporarily unable to serve.
3. “Board” or “Board of Directors” shall mean the Company’s board of directors and governing body of the Company as provided in Paragraph H of this Organization Agreement.
4. “Chair” is defined in Paragraph H. 2.
5. “Charleston” shall mean Charleston Town, Utah.
6. “Company” shall mean Heber Light & Power Company, an interlocal entity created by the Parties under the Act to accomplish the purpose of their joint or cooperative action as set forth in this Organization Agreement.
7. “Designee” shall mean the councilperson selected as provided in Article H. 2. to serve in the place of the Midway City Mayor, the Charleston Mayor, or the Wasatch County Chairperson.
8. “Director” shall mean a member of the Company’s Board of Directors selected as provided in Article H.
9. “Distributable Income” is defined in Article J. 2.
10. “Heber” shall mean Heber City, Utah.
11. “Midway” shall mean Midway City, Utah.

12. "Organization Agreement" shall mean this agreement.

13. "Party" or "Parties" shall mean Heber, Midway and Charleston either individually or collectively.

14. "Party's Company Share" shall mean for Heber City, a 75% interest; Midway City, a 12.5% interest; and Charleston Town, a 12.5% interest.

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

B. Creation of Heber Light & Power Company

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

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

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

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

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

C. Location

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

D. Franchise

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

E. Purpose

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

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

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

F. Company's Powers

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

1. adopt, amend, and repeal rules, bylaws, policies, and procedures for the regulation of its affairs and the conduct of its business;

2. set rates for services, charge fees (including impact fees), and assess penalties or deny service for violation of Company policies and rules,
3. sue and be sued;
4. have an official seal and alter that seal at will;
5. make and execute contracts and other instruments necessary or convenient for the performance of its duties and the exercise of its powers and functions;
6. acquire or dispose of real or personal property, or an undivided, fractional, or other interest in real or personal property, necessary or convenient for its purposes sell, lease, or otherwise dispose of that property;
7. directly or by contract with another: (a) own and acquire facilities and improvements or an undivided, fractional, or other interest in facilities and improvements; (b) construct, operate, maintain, and repair facilities and improvements; and (c) provide the services contemplated in this Organization Agreement;
8. borrow money, incur indebtedness, and issue revenue bonds, notes, or other obligations and secure their payment by an assignment, pledge, or other conveyance of all or any part of the revenues and receipts from the facilities, improvements, or services that the Company provides;
9. offer, issue, and sell warrants, options, or other rights related to the bonds, notes, or other obligations issued by the Company;
10. sell or contract for the sale of the services, output, product, or other benefits provided by the Company;
11. own, acquire, and, by itself or by contract with another, construct, operate, and maintain a facility or improvement for the generation, transmission, and transportation of electric energy or related fuel supplies;
12. enter into a contract to obtain a supply of electric power and energy and ancillary services, transmission, and transportation services, and supplies of natural gas and fuels necessary for the operation of generation facilities;
13. sell its services within the Parties' boundaries and in the surrounding areas, and
14. adopt and implement risk management policies and strategies and enter into transactions and agreements to manage the risks associated with the purchase and

sale of energy in competitive markets, including forward purchase and sale contracts, hedging, tolling and swap agreements, and other instruments.

G. Assets

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

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

H. Board of Directors

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

them properly informed of the Company's business.

I. Budget and Financing

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

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

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

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

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

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

5. No Party to this Organization Agreement shall be liable for any bond, note, indebtedness or other obligation incurred by the Company, or be liable for the indebtedness of

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

J. Distributable Income

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

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

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

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

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

K. Distribution of Assets on Termination

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

L. Transfer of Company Assets to a Party

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

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

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

M. Relationship and Liability of Parties

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

2. Nothing contained in this Organization Agreement is intended nor should it be interpreted to create an agency, partnership, joint venture, or any other relationship between or

among Heber City, Midway City, Charleston Town, the Company or any two or more of them that would in any way make one them liable for the actions, debts, obligations, liabilities or defaults of another.

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

4. The Parties acknowledge and agree that the protection afforded to the Parties under the Utah Governmental Immunity Act, Title 63G, Chapter 7, Utah Code Annotated 1953, as amended (the "Immunity Act"), shall be extended to the Company and its Directors, officers and employees. It is the express intention of the Parties that all of the protection afforded to the Parties and their officers and employees under the Immunity Act shall be extended to the Company and its Directors, officers and employees. Each of the Parties hereby delegates to the Company and its Directors, officers and employees, to the extent permitted by law, all of the powers, privileges and immunities conferred by the Immunity Act.

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

N. Amendments

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

2. The Board shall approve any proposed amendment to this Organization through a resolution proposing the amendment to the governing bodies of the Parties for approval. The resolution shall only be approved by an affirmative vote of five Directors voting by a Party Only

Vote as provided in Paragraph H. 5. The voting shall be a Party Only Vote even if a Party does not call for a Party Only Vote.

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

O. Withdrawal from Organization Agreement

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

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

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

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

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

- c. The remaining Parties or Third Party would pay the purchase price in quarterly installments over a twenty year period. The purchase price would accrue interest at a reasonable rate not greater than the rate paid by the Utah State Treasury Pool during each year that a balance is due.
4. The withdrawing Party is prohibited from revoking or altering in any fashion the franchise of the Company to provide electrical service to the withdrawing Party, its residents, or the residents in the surrounding areas.

P. Termination of Organization Agreement

- 1. Except as provided in Paragraph P. 2 below, the Company shall have a perpetual existence.
- 2. If all the Parties agree, the Parties may terminate this Organization Agreement and dissolve the Company after the later of:
 - a. five years after the Company has fully paid or otherwise discharged all of its indebtedness;
 - b. five years after the Company has abandoned, decommissioned, or conveyed or transferred all of its interest in its facilities and improvements; or
 - c. five years after the Company's facilities and improvements are no longer useful in providing the service, output, product, or other benefit of the facilities and improvements, as determined under the agreement governing the sale of the service, output, product, or other benefit.

Q. Governing Law

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

R. Severability

Should any part, term, or provision of this Organization Agreement be held by the Courts to be illegal or in conflict with any law of the State of Utah, or otherwise rendered unenforceable

or ineffectual, the validity of the remaining portions or provisions shall not be affected by such ruling.

S. Effective Date

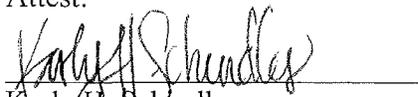
This Organization Agreement shall take effect upon: (1) approval of the Board and (2) review by each of the Parties' respective attorneys as provided in *Utah Code Ann.* § 11-13-202.5(3).

The foregoing amendments to and restatement of the Organization Agreement were approved by the Board of Directors on October 9, 2014 by a unanimous Party Only Vote:



Alan W. McDonald, Chair
Board of Directors
Heber Light & Power Company

Attest:



Karly H. Schindler
Secretary, Board of Directors