

AGENDA
PAROWAN CITY COUNCIL MEETING
May 12, 2016
Parowan City Office, 35 East 100 North, 6:00 P.M.

1. Call Meeting to Order
2. Opening Ceremonies/Thought/Prayer/Pledge of Allegiance – Ben Johnson
3. Does anybody have any conflicts or personal interest in any matter on the agenda which needs to be declared?

CONSENT MEETING

4. Approval of Minutes (April 28, 2016 City Council Meeting)
5. Purchase Orders/Warrant Register
6. Parowan City 2016/2017 Beer Licenses
7. Jones Lot Split – Planning Commission Recommendation

ACTION MEETING

8. Insurance Selection Form – Spectra Benefits
9. IPP Renewal Contract
10. Change Order #13 Remobilization – Precision Pipeline
11. Eagle Rock Road Action
12. Recreation Project Decision

WORK MEETING

13. Discussion on Bees
14. Paragonah Power Response Agreement
15. Valves in Penstock Pipe Discussion – Parowan Reservoir Company
16. Interlocal Agreement with Iron County on Landfill Services
17. Department Report – Von Mellor, Power Superintendent
18. Annual Fee Review
19. Budget Discussion
20. Board Member Compensation
21. Member Reports
22. Public comment & discussion - Two minute limit each
23. Adjourn

CERTIFICATE OF POSTING & FAXING

I hereby certify that on the 11th day of May, 2016 I posted a copy of the foregoing agenda at the Parowan City Office, Parowan City Library, on the State web site, on the City web site, and I emailed a copy to The Spectrum.

Callie Bassett, City Recorder

NOTICE: Persons with disabilities needing special assistance to participate in this meeting should contact the City Office at 477-3331 no later than 24 hours prior to the meeting.

**PAROWAN CITY COUNCIL MEETING
APRIL 28, 2016
PAROWAN CITY OFFICES, 35 EAST 100 NORTH, 6:00 P.M.**

MEMBERS PRESENT: Mayor Donald G. Landes, Councilwoman Vickie Hicks, Councilmen Alan Adams, Ben Johnson, Jay Orton, and Steve Thayer, City Attorney Justin Wayment, City Manager Shayne Scott, City Recorder Callie Bassett

MEMBERS ABSENT: None.

PUBLIC PRESENT: Jared Burton, Jim Shurtleff, Chuck and Dottie Stade, Carol Cable, Alice Heidenreich, Brad and Kate Remund, Emily Johnson, Von Mellor, Jet Smith, Sam Cooke, Hagen Orton, Pat Kehrer, Kevin and Joleen McClellan, Trevor Evans, Jamie Evans, Ted and Janice Steffensen, Jerry Vesely, Bob Whitelaw, Amy Johnson, Kate Scott, Alesia Biasi

CALL TO ORDER: Mayor Landes called the meeting to order at 6:00 p.m.

OPENING CEREMONIES, THOUGHT/PRAYER, PLEDGE OF ALLEGIANCE – STEVE THAYER: Councilman Thayer gave a short thought and offered an invocation. He then led the Council and the public in the Pledge of Allegiance.

DOES ANYBODY HAVE ANY CONFLICTS OR PERSONAL INTEREST IN ANY MATTER ON THE AGENDA WHICH NEEDS TO BE DECLARED? No conflicts were declared at this time.

CONSENT MEETING

**APPROVAL OF MINUTES (APRIL 14, 2016 CITY COUNCIL MEETING)
PURCHASE ORDERS/WARRANT REGISTER
SET FY2016 BUDGET PUBLIC HEARING FOR MAY 26, 2016**

Councilwoman Hicks moved to approve the consent agenda. Councilman Orton seconded the motion. All Council members voted in favor of the motion. The motion carried.

ACTION MEETING

ENERGY TAX RESOLUTION:

The energy tax collected is currently going to the Power Department. This resolution would allow the energy taxes to go to the general fund. Councilman Adams expressed concern about draining the power fund because there are also transfers to the general fund from the power department. Councilman Johnson said these transfers need to be evaluated. He said this is the right way to do the taxes. The general fund is where these taxes should go.

Councilman Johnson moved to approve the Energy Tax Resolution 2016-04-02. Councilman Thayer seconded the motion. A roll call vote was taken as follows:

	<u>AYE</u>	<u>NAY</u>	<u>ABSTAIN</u>	<u>ABSENT</u>
Councilman Thayer	X			
Councilman Orton	X			
Councilwoman Hicks	X			
Councilman Adams	X			
Councilman Johnson	X			

Resolution 2016-04-02 was approved.

CHANGE ORDER #11 PENSTOCK RELOCATION DESIGN – SUNRISE ENGINEERING:

UDOT is asking Parowan City pay \$3,000 for the consulting fee on the Archery Range culvert as part of the Center Creek project.

Councilman Adams moved to approve this item. Councilman Johnson seconded the motion. All Council members voted in favor of the motion. The motion carried

CHANGE ORDER #12 LANDSCAPE CHANGES – SUNRISE ENGEINEERING:

This change order includes the addition of 125 lineal feet of 4’ wide concrete sidewalk, and 1,200 sf of new grass sod on the lawn that is outside of the impact area. Mr. Von Mellor, Power Superintendent, asked Mr. John Dalton, Parks Maintenance, if he would prefer grass or zero-scape at the hydro plant. Mr. Dalton prefers zero scape. Councilman Johnson feels that because the hydro plant is on one of the main entrances to town, this should look pretty, well maintained, and well-groomed. Mayor Landes agreed. Councilman Thayer said the zero scape could include trees and shrubs to make it look nice.

There was quite a bit of discussion about the sprinkler system being torn out. Councilman Johnson said that anything that was disturbed should be replaced by the contractor.

Councilman Johnson moved to approve Change Order #12 Landscape Changes with turf. Councilman Orton asked Mr. John Dalton what he prefers, since he is the one who will have to maintain it. Mr. Dalton said he prefers zero scape. It is less maintenance. The Mayor said he would like to see something really nice done there because it is a main entrance to town. Councilman Adams said he likes the idea of saving water, but agrees that it needs to look really nice. Mr. Mellor said they can take money out of the electric department budget to add trees and shrubs. Councilman Adams seconded Councilman Johnson’s motion.

Aye votes: 2

Nay votes: 3

The motion failed.

Councilman Thayer moved to approve the funds but the type of landscaping would be determined by Mr. Mellor and Mr. Dalton. They could decide and bring this back to the Council to look at. Councilwoman Hicks seconded the motion.

Councilman Adams asked if this motion would take care of what Mr. Mellor needed from tonight’s meeting. Mr. Mellor said no, it wouldn’t because the contractor wants to start tomorrow. Mr. Mellor said the options they are looking at is to let them go with grass, or pull

the money out, give it to Mr. Dalton, and let him do the landscaping. The Council had a discussion with Mr. Dalton about what it would take to get the zero scape in.

Mrs. Jet Smith said that her husband texted her and said the sprinkler system is toast. It will be impossible to determine who tore the sprinkler system out. There was more discussion about the sprinkler system and what the contractor is going to do.

Councilwoman Hicks moved to approve the change order but change from grass to zero scape. Councilman Orton seconded the motion.

Aye votes: 3

Nay votes: 2

The motion carried.

WORK MEETING

EAGLE ROCK ROAD DISCUSSION: The Home Building Association's Chairman said there is an ability to waive impact fees for affordable housing. Attorney Wayment has researched this and talked with other attorneys. He found that if a city's impact fee enactment provides for affordable housing, all impact fees may be waived. Mr. Wayment said he cannot find a definition for affordable housing in Utah State Code. He asked other attorneys how to impose an income for affordable housing. Because this is a private development, the City cannot impose an income range.

Mr. Wayment said he found another area that says an impact fee enactment can provide a provision for impact fee exemptions for "other development activity with a broad public purpose." No one knows what the State meant by that.

Councilman Johnson said his biggest concern is that the City is fair to all builders and developers. After much discussion about impact fees, it was decided that the first step is to find the City's Impact Fee Enactment to see if it has provisions for affordable housing. If there is not a provision, then the enactment can be rewritten. The Council is willing to move this to action.

VALVES IN PENSTOCK PIPE DISCUSSION:

This agenda item was tabled until next meeting.

EVENTS/VISITOR CENTER REPORT – JET SMITH:

Mrs. Jet Smith, Parowan City Events Coordinator, reported on her department. She discussed the winter rec program, the summer rec program, the glider event, the July concert series and the half marathon. They have added some new events this year – the ATV rodeo, monster truck show and motor cross show. She said last year was a good year for events.

Mrs. Smith reported that the Parowan Chamber of Commerce is 48 members strong. They are really looking into promoting Parowan, and want to take advantage of the marketing opportunity with the LDS temple coming to Cedar City. Their car show will be in June and there will be a Friday night cruise and BBQ.

Mrs. Smith told the Council the theater productions went well. The attendance was good and the productions made money. She is working with the theater board on making improvements to the theater.

The Visitor Center is open. They started working on it January 1st and were able to move in April 1st. There were over 500 volunteer hours put into this remodel. Mrs. Smith's husband, Kevin, put in a LOT of time. There were 200 people that came to the open house. The location is excellent. Their advertising is really bad right now, but they have to wait until the next budget year to start advertising. Their tourist merchandise sales have tripled since they have moved.

Mrs. Smith recognized the ladies who work and volunteer in the Visitor Center for all of their hard work. She answered various questions from the Mayor and Council.

Mrs. Smith made a quilt from the Old City Office valances and presented it to Mr. Scott.

IPP RENEWAL DISCUSSION – POWER BOARD RECOMMENDATION:

Councilman Johnson said the recommendation of the Power Board is to proceed with the renewal of the IPP. This gives the City the opportunity to keep its portfolio of power options. The Council agreed to move this to the next action meeting.

FAIRGROUND STALL RENTAL DISCUSSION – COUNCILWOMAN HICKS:

Councilwoman Hicks met with Mrs. Alice Heidenreich, Mr. Kelly Stones, Mr. Cleve Matheson, and Mr. John Dalton to discuss the stall rentals at the fairgrounds. They came up with a recommendation for the Council to consider.

The City currently collects \$25/mo. per stall rental. This amount doesn't even cover the maintenance on the facilities. They did some research and found out what surrounding communities do. They would like to recommend that starting July 1st, the City go to day rentals only. They would like to see a \$15/day fee for the stalls, and an arena fee of \$2/day. They would also like to see annual passes issued; \$10 for 18 years and under and \$20 for adults. Councilwoman Hicks feels that this money could be collected and put back into the facilities. The ultimate goal is to have a covered indoor arena. They would love to have the livestock show here in conjunction with the Iron County fair.

There are currently 6 people renting stalls monthly. They aren't taking care of the stalls and they are beginning to feel entitled and are using the entire facility.

Mr. Jared Burton said he agrees with what is being said. However, he said the Council has to keep in mind that when his family takes off with their horse to a rodeo or event and they pay a fee to spend the night or use an arena, everything is done for them. They don't have to worry about anything. They show up, put their horse in the stall and two or three days later when they leave that rodeo or event, they pack up their horse trailer and leave. He said if you are going to have people pay to stall their horses and do events out there, you have to be able to facilitate them or they won't come.

Councilman Johnson said he had some concerns about this and so he spoke with Brad and Angie Benson. They are concerned about the low monthly rental. But if the City goes up to

\$465/month for stall rentals, there won't be any monthly rentals. He said maybe that is the objective, but he feels that it is these horse people who bring events into our community, and they will take those events somewhere else. If you charge an arena fee, he thinks they will go somewhere else. He said Cedar people like to bring their 4H kids over here because Parowan is easy to deal with. He doesn't want Parowan to become difficult to deal with. Cedar City charges \$15/night for brand new stalls in great shape with cement floors. He said we are comparing dollars without comparing the quality of the facilities.

Mr. Burton said there is a big difference between doing nightly and monthly rentals. He said that these nice facilities they are talking about do not do monthly rentals. You cannot board your horse longer than one day or you have to pay for it. Mr. Dalton said that Parowan has made it very convenient to just leave a horse out at our facilities. \$25/month encourages people to leave their horse out there in the stall unattended and the horse tears up the stall.

Mr. Burton said if the City continues to do monthly rentals then they should capitalize on these people. He said the nightly rentals shouldn't be punished. He said charging an arena fee is good business. He also said that he thinks an annual pass is a good idea.

Mrs. Smith said it is discrimination to charge to use the arena and not the other public facilities. Mr. Scott said he disagreed with Mrs. Smith.

Councilman Johnson said it would be a great idea to hire a high school student to clean out the stalls this summer. Councilwoman Hicks also suggested offering an internship and applying for a grant to help maintain the stalls.

Councilman Adams asked if they want to get the horses out of there, because that sounds like what is happening. Mrs. Smith spoke up and said we shouldn't kick anybody out. She said there are people who are abusing the system but the whole problem comes down to management.

The Council seemed to agree that the monthly fee needs to be raised. They also discussed requiring a deposit for monthly renters. Councilwoman Hicks said they will meet again and try to come up with another recommendation.

FY2016 RECREATION PROJECT PROPOSALS:

Mayor Landes said the Youth Council is going to poll the high school student body for ideas. There are other groups also getting ideas together. Councilman Johnson said there needs to be a due date for the recreation project proposal recommendations.

Miss Kate Scott and Miss Alesia Biasi from Mr. Mike Robinson's 6th grade class reported to the Council what the 6th grade voted on. They came up with six ideas:

1. Bike Trail
2. Skate Park
3. Tennis/Pickle Ball/Basketball Court
4. Zip Line
5. Lazer Tag

6. Climbing Wall

The 5th and 6th grade voted. Lazer tag received the most votes. Zip line and Tennis/Pickle Ball/Basketball court came in next, and the skate park was third. The Council thanked the girls for their report.

It was determined that all ideas should be brought to the next meeting. Mr. Scott said he will try to get more prices for the next meeting.

ANNUAL EMPLOYEE MERIT/COLA POLICY – HUMAN RESOURCE MANUAL ALTERATION:

Mr. Scott said it may be too late to get a policy in place for FY17. The Council can decide what they want to do for raises in July, and then come up with a policy. Mr. Scott suggested hiring a consultant to come in and make those salary comparisons. Councilman Orton said one very important part of this is the evaluation process. Councilman Thayer asked if the City's revenue is enough to cover salary increases. Mr. Scott said that is a valid point, but even though expenses may go up, they can also come down. There are also things that happen that increase the City's revenue, such as the helicopter lease. Mr. Scott said he thinks we are in a pretty good position on where the City salaries are.

This item will be moved to the next action meeting.

ENTERPRISE FUND BUDGET PRESENTATION – SHAYNE SCOTT:

Mr. Scott went over all of the enterprise funds with the Council.

PRESSURIAZED IRRIGATION RATE DISCUSSION – WATER BOARD RECOMMENDATION:

The Water Board has proposed a 35% increase in pressurized irrigation rates. This would provide \$52,000 per year towards fixing the valves up the canyon. Councilman Johnson asked if we are trying to recover too quickly. He feels 35% is out of control.

MEMBER REPORTS:

Councilman Johnson reported that the Youth Council is going to have a family movie night at the Aladdin Theater on May 9th. The proceeds will benefit the Ecuador earthquake victims.

The other Council members did not have anything to report this evening.

PUBLIC COMMENT & DISCUSSION – TWO MINUTE LIMIT EACH:

There were no public comments.

ADJOURN: Councilman Orton moved to adjourn the meeting. Councilman Thayer seconded the motion. All Council members voted in favor of the motion. The meeting was adjourned at 8:51 p.m.

(Signatures on next page.)

Donald G. Landes, Mayor

Callie Bassett, City Recorder

DRAFT

PAROWAN CITY CORPORATION

5 SOUTH MAIN • P.O. BOX 576
 PAROWAN, UT 84761-0576
 (435) 477-3331

THIS ORDER NUMBER MUST APPEAR
 ON ALL PACKAGES, INVOICES AND
 SHIPPING PAPERS

PURCHASE ORDER
 NO. 0959

DATE: May 9, 2016

DELIVERY ADDRESS:

TO Blackburnt Associates
 Box 871
 Cedar City Ut
 (P) 886-8520 (F) 886-0388

DEPARTMENT Impact Parks ACCT. NO.

ITEM NO.	QUANTITY	UNIT	DESCRIPTION	ESTIMATED UNIT PRICE	ESTIMATED AMOUNT
			Lions Park Restrooms Building		\$63,000.00

Kelly Stones
 DEPARTMENT HEAD
Chloe Brunst
 CITY RECORDER

Judy Scares
 CITY TREASURER
Sty SA
 CITY MANAGER

APPROVED BY CITY COUNCIL _____

PAROWAN CITY CORPORATION

5 SOUTH MAIN • P.O. BOX 576
 PAROWAN, UT 84761-0576
 (435) 477-3331

THIS ORDER NUMBER MUST APPEAR
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 SHIPPING PAPERS

TO: *Warren Electric*
BOX 890
Parowan ut 84761

PURCHASE ORDER

NO. *0960*

DATE: *May 9, 2016*

DELIVERY ADDRESS:

DEPARTMENT <i>Impact / PARK</i>			ACCT. NO.		
ITEM NO.	QUANTITY	UNIT	DESCRIPTION	ESTIMATED UNIT PRICE	ESTIMATED AMOUNT
			<i>Lions Park Electrical</i>		<i>\$7,000.00</i>

Kelly Stone
 DEPARTMENT HEAD
Chloe Barnett
 CITY RECORDER

July Schels
 CITY TREASURER
SA
 CITY MANAGER

APPROVED BY CITY COUNCIL _____

PAROWAN CITY CORPORATION

5 SOUTH MAIN • P.O. BOX 576
 PAROWAN, UT 84761-0576
 (435) 477-3331

THIS ORDER NUMBER MUST APPEAR
 ON ALL PACKAGES, INVOICES AND
 SHIPPING PAPERS

TO Summit Valley Plumbing
 Box 1597
 Parowan ut 84761

PURCHASE ORDER
 NO. 0961

DATE: May 9, 2016

DELIVERY ADDRESS:

DEPARTMENT <i>Parks/Inact</i>			ACCT. NO.		
ITEM NO.	QUANTITY	UNIT	DESCRIPTION	ESTIMATED UNIT PRICE	ESTIMATED AMOUNT
			<i>Runs Park Restroom Plumbing</i>		<i>13,000</i>

Kelly Stone
 DEPARTMENT HEAD
Cherie Bissett
 CITY RECORDER

Judy Scherer
 CITY TREASURER
St JH
 CITY MANAGER

APPROVED BY CITY COUNCIL _____

CM5

**Parowan City
Check Register
General Checking - 04/27/2016 to 05/10/2016**

Payee Name	Reference Number	Invoice Number	Payment Date	Amount	Description	Ledger Account
ABRAMS, BRADLEY	27210	100000634.0501	05/04/2016	53.90	Deposit Refund: 100000634 - ABRAMS, BRAD	532135 - CUSTOMER DEPOSITS
ALSCO-AMERICAN LINEN DIVISIO	27211	LSTG689964	05/04/2016	42.29	MAT CLEANING SERVICE	524026 - MAINTENANCE MATERIA
ALSCO-AMERICAN LINEN DIVISIO	27211	LSTG689964	05/04/2016	42.29	MAT CLEANING SERVICE	524126 - MAINTENANCE MATERIA
				\$84.58		
ANIXTER POWER SOLUTIONS, LL	27212	3167242-00	05/04/2016	337.50	BRACE ANGLES - STOCK	534026 - MAINTENANCE MATERIA
BIASI AUTOMOTIVE & DIESEL, INC	27213	33169	05/04/2016	5.00	PUBLIC WORKS REPAIR SPLIT	106125 - REPAIR TO EQUIPMENT
BIASI AUTOMOTIVE & DIESEL, INC	27213	33169	05/04/2016	5.00	PUBLIC WORKS REPAIR SPLIT	107025 - REPAIRS TO EQUIPMENT
BIASI AUTOMOTIVE & DIESEL, INC	27213	33169	05/04/2016	5.00	PUBLIC WORKS REPAIR SPLIT	107125 - REPAIRS TO EQUIPMENT
BIASI AUTOMOTIVE & DIESEL, INC	27213	33169	05/04/2016	5.00	PUBLIC WORKS REPAIR SPLIT	108025 - REPAIRS TO EQUIPMENT
BIASI AUTOMOTIVE & DIESEL, INC	27213	33169	05/04/2016	5.00	PUBLIC WORKS REPAIR SPLIT	108025 - REPAIRS TO EQUIPMENT
BIASI AUTOMOTIVE & DIESEL, INC	27213	33169	05/04/2016	5.00	PUBLIC WORKS REPAIR SPLIT	514025 - REPAIR TO EQUIPMENT
BIASI AUTOMOTIVE & DIESEL, INC	27213	33169	05/04/2016	5.00	PUBLIC WORKS REPAIR SPLIT	524025 - REPAIR TO EQUIPMENT
BIASI AUTOMOTIVE & DIESEL, INC	27213	33169	05/04/2016	5.00	PUBLIC WORKS REPAIR SPLIT	524125 - REPAIRS TO EQUIPMENT
BIASI AUTOMOTIVE & DIESEL, INC	27213	33169	05/04/2016	5.00	PUBLIC WORKS REPAIR SPLIT	574026 - MAINTENANCE MATERIA
BIASI AUTOMOTIVE & DIESEL, INC	27213	33208	05/04/2016	194.65	REPAIRS TO 2013 RAM - KEN CARPENTER	105425 - REPAIRS TO EQUIPMENT
BIASI AUTOMOTIVE & DIESEL, INC	27213	33213	05/04/2016	86.75	repairs to 2013 Ram - Mike Berg	105425 - REPAIRS TO EQUIPMENT
BIASI AUTOMOTIVE & DIESEL, INC	27213	33288	05/04/2016	41.48	PUBLIC WORKS REPAIR SPLIT	106125 - REPAIR TO EQUIPMENT
BIASI AUTOMOTIVE & DIESEL, INC	27213	33288	05/04/2016	41.52	PUBLIC WORKS REPAIR SPLIT	107025 - REPAIRS TO EQUIPMENT
BIASI AUTOMOTIVE & DIESEL, INC	27213	33288	05/04/2016	41.52	PUBLIC WORKS REPAIR SPLIT	107125 - REPAIRS TO EQUIPMENT
BIASI AUTOMOTIVE & DIESEL, INC	27213	33288	05/04/2016	41.52	PUBLIC WORKS REPAIR SPLIT	108025 - REPAIRS TO EQUIPMENT
BIASI AUTOMOTIVE & DIESEL, INC	27213	33288	05/04/2016	41.52	PUBLIC WORKS REPAIR SPLIT	514025 - REPAIR TO EQUIPMENT
BIASI AUTOMOTIVE & DIESEL, INC	27213	33288	05/04/2016	41.52	PUBLIC WORKS REPAIR SPLIT	524025 - REPAIR TO EQUIPMENT
BIASI AUTOMOTIVE & DIESEL, INC	27213	33288	05/04/2016	41.52	PUBLIC WORKS REPAIR SPLIT	524125 - REPAIRS TO EQUIPMENT
BIASI AUTOMOTIVE & DIESEL, INC	27213	33301	05/04/2016	139.96	repairs on 2002 Dodge Dakota	574026 - MAINTENANCE MATERIA
BIASI AUTOMOTIVE & DIESEL, INC	27213	33301	05/04/2016	139.97	repairs on 2002 Dodge Dakota	107125 - REPAIRS TO EQUIPMENT
BIASI AUTOMOTIVE & DIESEL, INC	27213	33301	05/04/2016	139.97	repairs on 2002 Dodge Dakota	107025 - REPAIRS TO EQUIPMENT
BIASI AUTOMOTIVE & DIESEL, INC	27213	33353	05/04/2016	9.09	SHOP SPLIT	108025 - REPAIRS TO EQUIPMENT
BIASI AUTOMOTIVE & DIESEL, INC	27213	33353	05/04/2016	9.09	SHOP SPLIT	106126 - MAINTENANCE, MATERIA
BIASI AUTOMOTIVE & DIESEL, INC	27213	33353	05/04/2016	9.09	SHOP SPLIT	514026 - MAINTENANCE MATERIA
BIASI AUTOMOTIVE & DIESEL, INC	27213	33353	05/04/2016	9.09	SHOP SPLIT	524026 - MAINTENANCE MATERIA
BIASI AUTOMOTIVE & DIESEL, INC	27213	33353	05/04/2016	9.09	SHOP SPLIT	524126 - MAINTENANCE MATERIA
BIASI AUTOMOTIVE & DIESEL, INC	27213	33353	05/04/2016	9.11	SHOP SPLIT	574026 - MAINTENANCE MATERIA
				\$1,127.98		
CENTURY LINK	27214	857404262016	05/04/2016	0.88	CENTURY LINK SPLIT	104228 - TELEPHONE
CENTURY LINK	27214	857404262016	05/04/2016	0.88	CENTURY LINK SPLIT	105828 - TELEPHONE
CENTURY LINK	27214	857404262016	05/04/2016	0.88	CENTURY LINK SPLIT	106928 - TELEPHONE
CENTURY LINK	27214	857404262016	05/04/2016	0.88	CENTURY LINK SPLIT	107528 - TELEPHONE
CENTURY LINK	27214	857404262016	05/04/2016	0.88	CENTURY LINK SPLIT	108028 - TELEPHONE
CENTURY LINK	27214	857404262016	05/04/2016	1.75	CENTURY LINK SPLIT	104128 - TELEPHONE
CENTURY LINK	27214	857404262016	05/04/2016	1.75	CENTURY LINK SPLIT	105928 - TELEPHONE
CENTURY LINK	27214	857404262016	05/04/2016	2.19	CENTURY LINK SPLIT	574028 - TELEPHONE
CENTURY LINK	27214	857404262016	05/04/2016	3.28	CENTURY LINK SPLIT	524028 - TELEPHONE
CENTURY LINK	27214	857404262016	05/04/2016	3.28	CENTURY LINK SPLIT	524128 - TELEPHONE
CENTURY LINK	27214	857404262016	05/04/2016	4.80	CENTURY LINK SPLIT	105428 - TELEPHONE
CENTURY LINK	27214	857404262016	05/04/2016	5.69	CENTURY LINK SPLIT	104328 - TELEPHONE
CENTURY LINK	27214	857404262016	05/04/2016	6.56	CENTURY LINK SPLIT	514028 - TELEPHONE

Parowan City
Check Register
General Checking - 04/27/2016 to 05/10/2016

Payee Name	Reference Number	Invoice Number	Payment Date	Amount	Description	Ledger Account
CENTURY LINK	27214	857404262016	05/04/2016	10.06	CENTURY LINK SPLIT	534028 - TELEPHONE
CENTURY LINK	27215	1372172414	05/04/2016	0.07	CENTURY LINK SPLIT	105828 - TELEPHONE
CENTURY LINK	27215	1372172414	05/04/2016	0.07	CENTURY LINK SPLIT	106928 - TELEPHONE
CENTURY LINK	27215	1372172414	05/04/2016	0.07	CENTURY LINK SPLIT	107528 - TELEPHONE
CENTURY LINK	27215	1372172414	05/04/2016	0.07	CENTURY LINK SPLIT	108028 - TELEPHONE
CENTURY LINK	27215	1372172414	05/04/2016	0.10	CENTURY LINK SPLIT	104228 - TELEPHONE
CENTURY LINK	27215	1372172414	05/04/2016	0.14	CENTURY LINK SPLIT	104128 - TELEPHONE
CENTURY LINK	27215	1372172414	05/04/2016	0.14	CENTURY LINK SPLIT	105928 - TELEPHONE
CENTURY LINK	27215	1372172414	05/04/2016	0.18	CENTURY LINK SPLIT	574028 - TELEPHONE
CENTURY LINK	27215	1372172414	05/04/2016	0.27	CENTURY LINK SPLIT	524028 - TELEPHONE
CENTURY LINK	27215	1372172414	05/04/2016	0.27	CENTURY LINK SPLIT	524128 - TELEPHONE
CENTURY LINK	27215	1372172414	05/04/2016	0.40	CENTURY LINK SPLIT	105428 - TELEPHONE
CENTURY LINK	27215	1372172414	05/04/2016	0.47	CENTURY LINK SPLIT	104328 - TELEPHONE
CENTURY LINK	27215	1372172414	05/04/2016	0.54	CENTURY LINK SPLIT	514028 - TELEPHONE
CENTURY LINK	27215	1372172414	05/04/2016	0.83	CENTURY LINK SPLIT	534028 - TELEPHONE
				\$47.38		
Child Support Services	27255	PR042916-4256	05/05/2016	535.38	Child Support Services	102245 - MISC/PAYROLL PAYABLE
CODALE ELECTRIC SUPPLY, INC	27216	S5556678-002	05/04/2016	163.00	UNIFORM PIECES - BRAD REMUN D	534047 - UNIFORM ALLOWANCE
CODALE ELECTRIC SUPPLY, INC	27216	S5633377.001	05/04/2016	506.00	METERS	534026 - MAINTENANCE MATERIA
				\$669.00		
COWEN MANUFACTURING	27217	1129	05/04/2016	195.00	HONEY ITEMS FOR SOUVENIR SHOP	105929 - SOUVENIOR SHOP SUPP
DECADENCE ENTERPRISES	27218	10014	05/04/2016	35.20	CLEANING SPLIT	524031 - PROFESSIONAL & TECH
DECADENCE ENTERPRISES	27218	10014	05/04/2016	35.20	CLEANING SPLIT	524131 - PROFESSIONAL AND TE
DECADENCE ENTERPRISES	27218	10014	05/04/2016	45.76	CLEANING SPLIT	104231 - PROFESSIONAL AND TE
DECADENCE ENTERPRISES	27218	10014	05/04/2016	45.76	CLEANING SPLIT	105731 - PROFESSIONAL AND TE
DECADENCE ENTERPRISES	27218	10014	05/04/2016	45.76	CLEANING SPLIT	107531 - PROFESSIONAL & TECH
DECADENCE ENTERPRISES	27218	10014	05/04/2016	45.76	CLEANING SPLIT	108031 - PROFESSIONAL & TECH
DECADENCE ENTERPRISES	27218	10014	05/04/2016	70.40	CLEANING SPLIT	514031 - PROFESSIONAL & TECH
DECADENCE ENTERPRISES	27218	10014	05/04/2016	70.40	CLEANING SPLIT	554031 - PROFESSIONAL & TECH
DECADENCE ENTERPRISES	27218	10014	05/04/2016	70.40	CLEANING SPLIT	574031 - PROFESSIONAL AND TE
DECADENCE ENTERPRISES	27218	10014	05/04/2016	91.52	CLEANING SPLIT	105831 - PROFESSIONAL AND TE
DECADENCE ENTERPRISES	27218	10014	05/04/2016	211.20	CLEANING SPLIT	534031 - PROFESSIONAL & TECH
DECADENCE ENTERPRISES	27218	10014	05/04/2016	228.80	CLEANING SPLIT	105431 - PROFESSIONAL AND TE
DECADENCE ENTERPRISES	27218	10014	05/04/2016	411.84	CLEANING SPLIT	104331 - PROFESSIONAL AND TE
				\$1,408.00		
DEPARTMENT OF HEALTH	27219	6H50000000006	05/04/2016	66,568.35	SEED & ADMIN AMOUNT FROM PAROWAN F	104948 - CARE CENTER EXPENSE
FADS	27220	416935	05/04/2016	1.39	SHOP SPLIT	106126 - MAINTENANCE, MATERIA
FADS	27220	416935	05/04/2016	1.40	SHOP SPLIT	514026 - MAINTENANCE MATERIA
FADS	27220	416935	05/04/2016	1.40	SHOP SPLIT	524026 - MAINTENANCE MATERIA
FADS	27220	416935	05/04/2016	1.40	SHOP SPLIT	524126 - MAINTENANCE MATERIA
FADS	27220	416935	05/04/2016	1.40	SHOP SPLIT	534026 - MAINTENANCE MATERIA
FADS	27220	416935	05/04/2016	1.40	SHOP SPLIT	574026 - MAINTENANCE MATERIA
FADS	27220	417056	05/04/2016	18.91	pliers	514026 - MAINTENANCE MATERIA
FADS	27220	417118	05/04/2016	12.51	impact socket	514026 - MAINTENANCE MATERIA
FADS	27220	417180	05/04/2016	5.29	SHOP SPLIT	106126 - MAINTENANCE, MATERIA

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FADS	27220	417180	05/04/2016	5.29	SHOP SPLIT	514026 - MAINTENANCE MATERIA
FADS	27220	417180	05/04/2016	5.29	SHOP SPLIT	524026 - MAINTENANCE MATERIA
FADS	27220	417180	05/04/2016	5.29	SHOP SPLIT	524126 - MAINTENANCE MATERIA
FADS	27220	417180	05/04/2016	5.29	SHOP SPLIT	574026 - MAINTENANCE MATERIA
FADS	27220	417180	05/04/2016	5.30	SHOP SPLIT	534026 - MAINTENANCE MATERIA
FADS	27220	417182	05/04/2016	2.07	SHOP SPLIT	106126 - MAINTENANCE, MATERIA
FADS	27220	417182	05/04/2016	2.07	SHOP SPLIT	514026 - MAINTENANCE MATERIA
FADS	27220	417182	05/04/2016	2.07	SHOP SPLIT	524026 - MAINTENANCE MATERIA
FADS	27220	417182	05/04/2016	2.07	SHOP SPLIT	524126 - MAINTENANCE MATERIA
FADS	27220	417182	05/04/2016	2.07	SHOP SPLIT	534026 - MAINTENANCE MATERIA
FADS	27220	417182	05/04/2016	2.07	SHOP SPLIT	574026 - MAINTENANCE MATERIA
FADS	27220	417453	05/04/2016	3.22	dielectric grease	108026 - MAINTENANCE MATERIA
FADS	27220	417499	05/04/2016	10.99	battery, core deposits	107026 - MAINTENANCE MATERIA
FADS	27220	417499	05/04/2016	11.00	battery, core deposits	107126 - MAINTENANCE MATERIA
FADS	27220	417499	05/04/2016	11.00	battery, core deposits	108026 - MAINTENANCE MATERIA
FADS	27220	417589	05/04/2016	14.99	gloves	107026 - MAINTENANCE MATERIA
FADS	27220	417634	05/04/2016	6.35	PUBLIC WORKS SPLIT	106126 - MAINTENANCE, MATERIA
FADS	27220	417634	05/04/2016	6.37	PUBLIC WORKS SPLIT	524026 - MAINTENANCE MATERIA
FADS	27220	417634	05/04/2016	6.37	PUBLIC WORKS SPLIT	514026 - MAINTENANCE MATERIA
FADS	27220	417634	05/04/2016	6.37	PUBLIC WORKS SPLIT	524126 - MAINTENANCE MATERIA
FADS	27220	417634	05/04/2016	6.37	PUBLIC WORKS SPLIT	574026 - MAINTENANCE MATERIA
FADS	27220	417635	05/04/2016	675.88	pure sine pwr inv	524126 - MAINTENANCE MATERIA
FADS	27220	417754	05/04/2016	38.86	ignition central module	108026 - MAINTENANCE MATERIA
FADS	27220	417802	05/04/2016	3.89	SHOP SPLIT	106126 - MAINTENANCE, MATERIA
FADS	27220	417802	05/04/2016	3.89	SHOP SPLIT	514026 - MAINTENANCE MATERIA
FADS	27220	417802	05/04/2016	3.89	SHOP SPLIT	524026 - MAINTENANCE MATERIA
FADS	27220	417802	05/04/2016	3.89	SHOP SPLIT	524126 - MAINTENANCE MATERIA
FADS	27220	417802	05/04/2016	3.89	SHOP SPLIT	534026 - MAINTENANCE MATERIA
FADS	27220	417802	05/04/2016	3.89	SHOP SPLIT	574026 - MAINTENANCE MATERIA
FADS	27220	417899	05/04/2016	2.56	bulb	105726 - MAINTENANCE MATERIA
FADS	27220	417910	05/04/2016	9.44	2 cycle oil	107026 - MAINTENANCE MATERIA
FADS	27220	417914	05/04/2016	37.70	wiper blades - 2013 Ram 1500	105425 - REPAIRS TO EQUIPMENT
FADS	27220	417923	05/04/2016	2.94	oil, environ. charge	107026 - MAINTENANCE MATERIA
FADS	27220	417939	05/04/2016	35.24	2002 ford truck f 250	105725 - REPAIRS TO EQUIPMENT
FADS	27220	418008	05/04/2016	3.12	spark plug	107025 - REPAIRS TO EQUIPMENT
FADS	27220	418016	05/04/2016	3.47	fuel primer	107025 - REPAIRS TO EQUIPMENT
FADS	27220	418038	05/04/2016	21.30	wiper blades - 1997 freightliner	105725 - REPAIRS TO EQUIPMENT
FADS	27220	418116	05/04/2016	9.27	SHOP SPLIT	106126 - MAINTENANCE, MATERIA
FADS	27220	418116	05/04/2016	9.27	SHOP SPLIT	514026 - MAINTENANCE MATERIA
FADS	27220	418116	05/04/2016	9.27	SHOP SPLIT	524026 - MAINTENANCE MATERIA
FADS	27220	418116	05/04/2016	9.27	SHOP SPLIT	524126 - MAINTENANCE MATERIA
FADS	27220	418116	05/04/2016	9.27	SHOP SPLIT	574026 - MAINTENANCE MATERIA
FADS	27220	418116	05/04/2016	9.29	SHOP SPLIT	534026 - MAINTENANCE MATERIA
FADS	27220	418130	05/04/2016	8.98	wash mitt, purple power car wash	105726 - MAINTENANCE MATERIA
				\$1,085.48		
FEDERAL ENERGY REGULATORY	27221	01273 04282016	05/04/2016	420.89	STATEMENT OF ANNUAL CHARGES FOR U.	534031 - PROFESSIONAL & TECH
FEDERAL ENERGY REGULATORY	27221	02782 04282016	05/04/2016	374.34	STATEMENT OF ANNUAL CHARGES FOR U.	534031 - PROFESSIONAL & TECH
				\$795.23		

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HOLMQUIST, MARANDA	27222	100000705.0501	05/04/2016	128.57	Deposit Refund: 100000705 - HOLMQUIST, MA	532135 - CUSTOMER DEPOSITS
HUNSAKER, KATHY	27223	860160006.0501	05/04/2016	110.30	Deposit Refund: 860160006 - HUNSAKER, KA	532135 - CUSTOMER DEPOSITS
IMAGE PRO	27224	81433	05/04/2016	279.48	SWAP MEET posters & flyers, MEMORIAL DA	107222 - ADVERTISING
IRON COUNTY VISITOR CENTER	27225	04212016	05/04/2016	370.00	ITEMS FOR SOUVENIR SHOP	105929 - SOUVENIOR SHOP SUPP
L N CURTIS & SONS	27226	3168106-00	05/04/2016	722.69	repair parts	105725 - REPAIRS TO EQUIPMENT
L N CURTIS & SONS	27226	3169208-00	05/04/2016	414.26	rubber bunker boots	105749 - SPECIAL DEPARTMENT S
				\$1,136.95		
LONG TERM DISABILITY PROGRA	27256	PR041516-354	05/05/2016	282.78	Long Term Disability	102230 - RETIREMENT PAYABLE
LONG TERM DISABILITY PROGRA	27256	PR042916-354	05/05/2016	298.37	Long Term Disability	102230 - RETIREMENT PAYABLE
				\$581.15		
MICROMARKETING ASSOCIATES	27227	618466	05/04/2016	22.39	BOOK	107521 - BOOKS
MOSDELL SANITATION	27228	05022016	05/04/2016	296.64	dumpster fees	554031 - PROFESSIONAL & TECH
MOSLEY, JUDY	27229	04192016	05/04/2016	1,292.00	RESTITUTION FROM EMILY GRAFF CHECK	104235 - RESTITUTION
Mountain America Credit Union	27257	PR042916-3752	05/05/2016	640.00	Credit Union	102240 - CREDIT UNION PAYABLE
MURPHY, ROD AND DONNA	27230	124800002.0420	05/04/2016	150.00	Deposit Refund: 124800002 - MURPHY, ROD	532135 - CUSTOMER DEPOSITS
NESS, QUINN TIN	27231	519350203.0501	05/04/2016	7.84	Deposit Refund: 519350203 - NESS, QUINNTI	532135 - CUSTOMER DEPOSITS
PETERSON PLUMBING SUPPLY	27232	1661280	05/04/2016	64.25	purple primer, red hot blue glue for pvc, monster	107026 - MAINTENANCE MATERIA
PETERSON PLUMBING SUPPLY	27232	1663376	05/04/2016	274.12	sprinkler parts	107026 - MAINTENANCE MATERIA
				\$338.37		
QUESTAR GAS	27233	320304272016	05/04/2016	11.25	final billing on old visitor center - 73 North Main	105927 - UTILITIES
RAYMOND VANDEWEERD	27258	02292016	05/05/2016	24.53	reimbursement - Home Depot - parts for wind s	108826 - MAINTENANCE MATERIA
RICHARD THATCHER MASONRY	27234	182	05/04/2016	915.00	BLOCK WALL FOR GENERATOR ENCLOSUR	444074 - CAPITAL OUTLAY - EQUI
SCHOLZEN PRODUCTS	27235	6113548-01	05/04/2016	743.97	PIPE FITTINGS AND ITEMS FOR PAROWAN	511601 - CONSTRUCTION IN PRO
SCHOLZEN PRODUCTS	27235	6113548-02	05/04/2016	6,686.98	BACKFLOW FOR PAROWAN RACE TRACK P	511601 - CONSTRUCTION IN PRO
SCHOLZEN PRODUCTS	27235	6113548-03	05/04/2016	83.72	SOLID CAPS AND FITTINGS FOR PAROWAN	511601 - CONSTRUCTION IN PRO
SCHOLZEN PRODUCTS	27235	6115989-00	05/04/2016	153.07	rotor full circle, rotor part circle, pipe fittings	107126 - MAINTENANCE MATERIA
SCHOLZEN PRODUCTS	27235	6115989-00	05/04/2016	153.08	rotor full circle, rotor part circle, pipe fittings	107126 - MAINTENANCE MATERIA
SCHOLZEN PRODUCTS	27235	6117978-00	05/04/2016	29.68	PIPE FITTINGS	524126 - MAINTENANCE MATERIA
SCHOLZEN PRODUCTS	27235	6118375-00	05/04/2016	22.35	torpedo bolts	534026 - MAINTENANCE MATERIA
SCHOLZEN PRODUCTS	27235	6118375-00	05/04/2016	22.35	torpedo bolts	534026 - MAINTENANCE MATERIA
SCHOLZEN PRODUCTS	27235	6118435-00	05/04/2016	12.25	SHOP SPLIT	514026 - MAINTENANCE MATERIA
SCHOLZEN PRODUCTS	27235	6118435-00	05/04/2016	12.25	SHOP SPLIT	524026 - MAINTENANCE MATERIA
SCHOLZEN PRODUCTS	27235	6118435-00	05/04/2016	12.25	SHOP SPLIT	524126 - MAINTENANCE MATERIA
SCHOLZEN PRODUCTS	27235	6118435-00	05/04/2016	12.25	SHOP SPLIT	574026 - MAINTENANCE MATERIA
SCHOLZEN PRODUCTS	27235	6118435-00	05/04/2016	12.26	SHOP SPLIT	106126 - MAINTENANCE MATERIA
SCHOLZEN PRODUCTS	27235	6118435-00	05/04/2016	12.28	SHOP SPLIT	534026 - MAINTENANCE MATERIA
SCHOLZEN PRODUCTS	27235	6118436-00	05/04/2016	784.30	angles, h. r. plates	107154 - STALLS
SCHOLZEN PRODUCTS	27235	6119213-00	05/04/2016	68.64	gray cement	574026 - MAINTENANCE MATERIA
SCHOLZEN PRODUCTS	27235	6119315-00	05/04/2016	70.00	PUBLIC WORKS SPLIT	524026 - MAINTENANCE MATERIA
SCHOLZEN PRODUCTS	27235	6119315-00	05/04/2016	70.00	PUBLIC WORKS SPLIT	106126 - MAINTENANCE, MATERIA

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SCHOLZEN PRODUCTS	27235	6119315-00	05/04/2016	70.00	PUBLIC WORKS SPLIT	514026 - MAINTENANCE MATERIA
SCHOLZEN PRODUCTS	27235	6119315-00	05/04/2016	70.00	PUBLIC WORKS SPLIT	524126 - MAINTENANCE MATERIA
SCHOLZEN PRODUCTS	27235	6119315-00	05/04/2016	70.00	PUBLIC WORKS SPLIT	574026 - MAINTENANCE MATERIA
SCHOLZEN PRODUCTS	27235	6119433-00	05/04/2016	59.72	pipe fittings	574026 - MAINTENANCE MATERIA
SCHOLZEN PRODUCTS	27235	HR 1005151	05/04/2016	431.34	CHLORINE GAS, LIQUIFIED	524126 - MAINTENANCE MATERIA
SCHOLZEN PRODUCTS	27235	HR03007987	05/04/2016	136.96	CYLINDER RENTAL INVOICE	514026 - MAINTENANCE MATERIA
				\$9,799.70		
SHAYNE SCOTT	27236	05022016	05/04/2016	51.80	mileage reimbursement for Rosenberg	104323 - TRAVEL, MEALS AND LO
SHAYNE SCOTT	27236	05022016	05/04/2016	156.80	mileage reimbursement for ULCT	104123 - TRAVEL
SHAYNE SCOTT	27236	05032016	05/04/2016	36.00	meal reimbursement for UAMPS	534023 - TRAVEL, MEALS AND LO
				\$244.60		
SKAGGS	27237	2659247 RI	05/04/2016	15.98	PATCHES FOR MIKE BERG	105447 - UNIFORM ALLOWANCE
SKY BLUE INDUSTRIES INC.	27238	0036196-IN	05/04/2016	2,293.79	CHEMICALS FOR SWIMMING POOL	106926 - MAINTENANCE MATERIA
SOUTH CENTRAL COMMUNICATI	27239	05032016	05/04/2016	20.32	TELEPHONE SPLIT	104228 - TELEPHONE
SOUTH CENTRAL COMMUNICATI	27239	05032016	05/04/2016	20.32	TELEPHONE SPLIT	105728 - TELEPHONE
SOUTH CENTRAL COMMUNICATI	27239	05032016	05/04/2016	20.32	TELEPHONE SPLIT	105828 - TELEPHONE
SOUTH CENTRAL COMMUNICATI	27239	05032016	05/04/2016	20.32	TELEPHONE SPLIT	106928 - TELEPHONE
SOUTH CENTRAL COMMUNICATI	27239	05032016	05/04/2016	20.32	TELEPHONE SPLIT	107128 - TELEPHONE
SOUTH CENTRAL COMMUNICATI	27239	05032016	05/04/2016	20.32	TELEPHONE SPLIT	108028 - TELEPHONE
SOUTH CENTRAL COMMUNICATI	27239	05032016	05/04/2016	40.63	TELEPHONE SPLIT	104128 - TELEPHONE
SOUTH CENTRAL COMMUNICATI	27239	05032016	05/04/2016	40.63	TELEPHONE SPLIT	105928 - TELEPHONE
SOUTH CENTRAL COMMUNICATI	27239	05032016	05/04/2016	50.79	TELEPHONE SPLIT	574028 - TELEPHONE
SOUTH CENTRAL COMMUNICATI	27239	05032016	05/04/2016	76.18	TELEPHONE SPLIT	524028 - TELEPHONE
SOUTH CENTRAL COMMUNICATI	27239	05032016	05/04/2016	76.18	TELEPHONE SPLIT	524128 - TELEPHONE
SOUTH CENTRAL COMMUNICATI	27239	05032016	05/04/2016	101.55	TELEPHONE SPLIT	105428 - TELEPHONE
SOUTH CENTRAL COMMUNICATI	27239	05032016	05/04/2016	101.58	TELEPHONE SPLIT	104328 - TELEPHONE
SOUTH CENTRAL COMMUNICATI	27239	05032016	05/04/2016	152.36	TELEPHONE SPLIT	514028 - TELEPHONE
SOUTH CENTRAL COMMUNICATI	27239	05032016	05/04/2016	253.94	TELEPHONESPLIT	534028 - TELEPHONE
				\$1,015.76		
SOUTHERN UTAH OFFICE MACHI	27240	71361	05/04/2016	29.25	wireless door bell - visitor center	105926 - MAINTENANCE MATERIA
SOUTHERN UTAH OFFICE MACHI	27240	71476	05/04/2016	6.27	pens	106126 - MAINTENANCE MATERIA
SOUTHERN UTAH OFFICE MACHI	27240	71476	05/04/2016	6.27	pens	514024 - OFFICE SUPPLIES AND E
SOUTHERN UTAH OFFICE MACHI	27240	71476	05/04/2016	6.27	pens	524024 - OFFICE SUPPLIES AND E
SOUTHERN UTAH OFFICE MACHI	27240	71476	05/04/2016	6.27	pens	524124 - OFFICE SUPPLIES AND E
SOUTHERN UTAH OFFICE MACHI	27240	71476	05/04/2016	6.28	pens	574026 - MAINTENANCE MATERIA
SOUTHERN UTAH OFFICE MACHI	27240	71537	05/04/2016	0.89	OFFICE SUPPLIES SPLIT	104224 - OFFICE SUPPLIES AND E
SOUTHERN UTAH OFFICE MACHI	27240	71537	05/04/2016	0.89	OFFICE SUPPLIES SPLIT	105824 - OFFICE SUPPLIES AND E
SOUTHERN UTAH OFFICE MACHI	27240	71537	05/04/2016	0.89	OFFICE SUPPLIES SPLIT	106926 - MAINTENANCE MATERIA
SOUTHERN UTAH OFFICE MACHI	27240	71537	05/04/2016	0.89	OFFICE SUPPLIES SPLIT	108026 - MAINTENANCE MATERIA
SOUTHERN UTAH OFFICE MACHI	27240	71537	05/04/2016	1.79	OFFICE SUPPLIES SPLIT	104124 - OFFICE SUPPLIES AND E
SOUTHERN UTAH OFFICE MACHI	27240	71537	05/04/2016	1.79	OFFICE SUPPLIES SPLIT	105926 - MAINTENANCE MATERIA
SOUTHERN UTAH OFFICE MACHI	27240	71537	05/04/2016	4.47	OFFICE SUPPLIES SPLIT	105424 - OFFICE SUPPLIES AND E
SOUTHERN UTAH OFFICE MACHI	27240	71537	05/04/2016	6.25	OFFICE SUPPLIES SPLIT	104324 - OFFICE SUPPLIES AND E
SOUTHERN UTAH OFFICE MACHI	27240	71537	05/04/2016	8.46	OFFICE SUPPLIES SPLIT	524024 - OFFICE SUPPLIES AND E
SOUTHERN UTAH OFFICE MACHI	27240	71537	05/04/2016	8.46	OFFICE SUPPLIES SPLIT	524124 - OFFICE SUPPLIES AND E

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SOUTHERN UTAH OFFICE MACHI	27240	71537	05/04/2016	9.40	OFFICE SUPPLIES SPLIT	574026 - MAINTENANCE MATERIA
SOUTHERN UTAH OFFICE MACHI	27240	71537	05/04/2016	14.10	OFFICE SUPPLIES SPLIT	554024 - OFFICE SUPPLIES AND E
SOUTHERN UTAH OFFICE MACHI	27240	71537	05/04/2016	16.92	OFFICE SUPPLIES SPLIT	514024 - OFFICE SUPPLIES AND E
SOUTHERN UTAH OFFICE MACHI	27240	71537	05/04/2016	18.80	OFFICE SUPPLIES SPLIT	534024 - OFFICE SUPPLIES AND E
SOUTHERN UTAH OFFICE MACHI	27240	71583	05/04/2016	6.69	pens	574026 - MAINTENANCE MATERIA
SOUTHERN UTAH OFFICE MACHI	27240	71583	05/04/2016	6.70	pens	106126 - MAINTENANCE, MATERIA
SOUTHERN UTAH OFFICE MACHI	27240	71583	05/04/2016	6.70	pens	514024 - OFFICE SUPPLIES AND E
SOUTHERN UTAH OFFICE MACHI	27240	71583	05/04/2016	6.70	pens	524024 - OFFICE SUPPLIES AND E
SOUTHERN UTAH OFFICE MACHI	27240	71583	05/04/2016	6.70	pens	524126 - MAINTENANCE MATERIA
				\$188.10		
ST. GEORGE NEWS	27241	3684	05/04/2016	4,500.00	advertising on St. George.com, Cedarcity.com,	107222 - ADVERTISING
STATE BANK OF SOUTHERN UTA	5051601	PR042916-424	05/05/2016	1,578.94	Medicare Tax	102221 - FICA PAYABLE
STATE BANK OF SOUTHERN UTA	5051601	PR042916-424	05/05/2016	4,661.06	Federal Income Tax	102222 - FEDERAL WITHHOLDING
STATE BANK OF SOUTHERN UTA	5051601	PR042916-424	05/05/2016	6,751.30	Social Security Tax	102221 - FICA PAYABLE
				\$12,991.30		
STEFFENSEN, TED	27242	100000640.0420	05/04/2016	85.32	Deposit Refund: 100000640 - STEFFENSEN, T	532135 - CUSTOMER DEPOSITS
STEVE REGAN CO.	27243	724376	05/04/2016	63.06	alligare - 1 gallon	534026 - MAINTENANCE MATERIA
SUNRISE ENGINEERING, INC	27244	0080548	05/04/2016	1,663.00	parowan city trails master plan - professional se	444031 - ENGINEERING
SUNROC CORP	27245	40423745	05/04/2016	276.00	cement for generator pad - Parowan City Office	444074 - CAPITAL OUTLAY - EQUI
SYMBOL ARTS	27246	0256028-IN	05/04/2016	1,800.00	POLICE - COINS - PAROWAN PD BADGE OA	105449 - SPECIAL DEPARTMENT S
THE GYM ON MAIN	27247	APRIL 2016	05/04/2016	450.00	APRIL MEMBERSHIP DUES	101590 - GYM MEMBERSHIP
UAMPS	27248	05032016	05/04/2016	56,353.30	MARCH 2016 POWER PURCHASE	534050 - POWER PURCHASE
URESK, TYLER	27249	05052016	05/04/2016	54.00	MEAL REIMBURSEMENT - COMBAT LIFESAV	105423 - TRAVEL, MEALS AND LO
URESK, TYLER	27249	05162016	05/04/2016	322.00	MEAL AND LODGING REIMBURSEMENT - P	105423 - TRAVEL, MEALS AND LO
				\$376.00		
UTAH RETIREMENT SYSTEMS	5051602	PR042916-487	05/05/2016	208.33	Roth IRA	102230 - RETIREMENT PAYABLE
UTAH RETIREMENT SYSTEMS	5051602	PR042916-487	05/05/2016	1,412.08	457 Plan	102230 - RETIREMENT PAYABLE
UTAH RETIREMENT SYSTEMS	5051602	PR042916-487	05/05/2016	1,465.81	401k Loan	102230 - RETIREMENT PAYABLE
UTAH RETIREMENT SYSTEMS	5051602	PR042916-487	05/05/2016	3,163.78	401k Plan	102230 - RETIREMENT PAYABLE
UTAH RETIREMENT SYSTEMS	5051602	PR042916-487	05/05/2016	9,786.35	State Retirement	102230 - RETIREMENT PAYABLE
				\$16,036.35		
UTAH STATE TAX COMMISSION	27250	APRIL 2016	05/04/2016	4,196.25	SALES TAX FOR PERIOD 04012016 THRU 04	532150 - SALES TAX PAYABLE
UTAH STATE TREASURER	27251	APRIL 2016	05/04/2016	3,576.30	APRIL 2016 COURT SURCHARGE	104236 - ASSESSMENTS
VERIZON WIRELESS	27252	9764128860	05/04/2016	17.53	VERIZON SPLIT - CELL PHONE	104228 - TELEPHONE
VERIZON WIRELESS	27252	9764128860	05/04/2016	17.53	VERIZON SPLIT - CELL PHONE	105728 - TELEPHONE
VERIZON WIRELESS	27252	9764128860	05/04/2016	17.53	VERIZON SPLIT - CELL PHONE	105828 - TELEPHONE
VERIZON WIRELESS	27252	9764128860	05/04/2016	17.53	VERIZON SPLIT - CELL PHONE	106928 - TELEPHONE
VERIZON WIRELESS	27252	9764128860	05/04/2016	17.53	VERIZON SPLIT - CELL PHONE	107128 - TELEPHONE
VERIZON WIRELESS	27252	9764128860	05/04/2016	17.55	VERIZON SPLIT - CELL PHONE	108028 - TELEPHONE
VERIZON WIRELESS	27252	9764128860	05/04/2016	35.07	VERIZON SPLIT - CELL PHONE	104128 - TELEPHONE
VERIZON WIRELESS	27252	9764128860	05/04/2016	35.07	VERIZON SPLIT - CELL PHONE	107228 - TELEPHONE

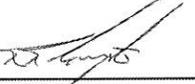
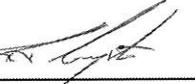
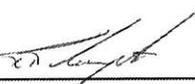
Parowan City
Check Register
General Checking - 04/27/2016 to 05/10/2016

Payee Name	Reference Number	Invoice Number	Payment Date	Amount	Description	Ledger Account
VERIZON WIRELESS	27252	9764128860	05/04/2016	43.84	VERIZON SPLIT - CELL PHONE	554028 - TELEPHONE
VERIZON WIRELESS	27252	9764128860	05/04/2016	43.84	VERIZON SPLIT - CELL PHONE	574028 - TELEPHONE
VERIZON WIRELESS	27252	9764128860	05/04/2016	65.76	VERIZON SPLIT - CELL PHONE	524028 - TELEPHONE
VERIZON WIRELESS	27252	9764128860	05/04/2016	65.76	VERIZON SPLIT - CELL PHONE	524128 - TELEPHONE
VERIZON WIRELESS	27252	9764128860	05/04/2016	87.67	VERIZON SPLIT - CELL PHONE	104328 - TELEPHONE
VERIZON WIRELESS	27252	9764128860	05/04/2016	87.67	VERIZON SPLIT - CELL PHONE	105428 - TELEPHONE
VERIZON WIRELESS	27252	9764128860	05/04/2016	131.51	VERIZON SPLIT - CELL PHONE	514028 - TELEPHONE
VERIZON WIRELESS	27252	9764128860	05/04/2016	175.35	VERIZON SPLIT - CELL PHONE	534028 - TELEPHONE
				\$876.74		
WORKFORCE QA	27253	507046	05/04/2016	50.00	drug screens - Mike Berg	105431 - PROFESSIONAL AND TE
WORKMAN KEVIN DEBRA	27254	513250005.0425	05/04/2016	28.65	Deposit Refund: 513250005 - WORKMAN KEVI	532135 - CUSTOMER DEPOSITS
ZIONS BANK	27207	2 - 2014 Electric	04/27/2016	34,640.00	Interest - 2014 Electric Revenue	534059 - INTEREST EXPENSE
ZIONS BANK	27207	2 - 2014 Electric	04/27/2016	92,000.00	Principal - 2014 Electric Revenue	532513.2 - 2014 Electric Revenue re
ZIONS BANK	27207	6926637	04/27/2016	250.00	paying agent fee due on issue number #4452	534060 - BOND AGENT PAYING C
ZIONS BANK	27208	6926637A 04272	04/27/2016	1,965.00	MONTHLY RESERVE REQUIREMENT - MAY	531801 - Bond issue costs to be amo
				\$128,855.00		
				\$324,947.45		

Dated: _____
 Mayor: _____
 City Council: _____

 City Recorder: _____
 City Treasurer: _____

2016/2017 Beer Licenses

NAME	CLASS	POLICE APPROVAL	DATE	CITY COUNCIL APPROVAL	DATE
Hamburger Patty's	B		05/04/16		
KB Express	A		05/04/16		
Maverik	A		05/04/16		
My Place on Main	B		05/04/16		
Pizza Barn	B		05/04/16		
Southern Country Stores	A		05/04/16		
TA Operating Corp dba Travel Centers	A		05/04/16		

PAROWAN CITY

FOR A PROPOSED EFFECTIVE DATE OF

JULY 1, 2016



SPECTRAMANAGEMENT
Corporate & Personal Financial & Insurance Services



INSURANCE



EMPLOYEE BENEFITS



INVESTMENTS



SPECTRAMANAGEMENT
Corporate & Personal Financial & Insurance Services

Medical		Summit Exclusive		Summit Exclusive Star HSA \$1,300		Advantage / Summit Care \$500		Star HSA \$2,500	
		Network	Non Network	Network	Non Network	Network	Non Network	Network	Non Network
Deductible (Individual / Family)		\$250 / \$500		\$1,300 / \$2,600		\$500 / \$1,000		\$2,500 / \$5,000	
Out of Pocket Maximum (Individual / Family)		\$3,000 / \$6,000		\$2,600 / \$5,200		\$4,000 / \$8,000		\$2,500 / \$5,000	
Preventative Care		Covered 100%	30% ^{AD}	Covered 100%	40% ^{AD}	Covered 100%	40% ^{AD}	Covered 100%	20% ^{AD}
Office Visit (Primary / Specialist)		\$15 / \$25	30% ^{AD}	20% ^{AD}	40% ^{AD}	\$20 / \$30	0% ^{AD}	0% ^{AD}	20% ^{AD}
Outpatient Services		10% ^{AD}	30% ^{AD}	20% ^{AD}	40% ^{AD}	20% ^{AD}	0% ^{AD}	0% ^{AD}	20% ^{AD}
Inpatient Hospital Services		10% ^{AD}	30% ^{AD}	20% ^{AD}	40% ^{AD}	20% ^{AD}	0% ^{AD}	0% ^{AD}	20% ^{AD}
Urgent Care		\$35	30% ^{AD}	20% ^{AD}	40% ^{AD}	\$40	0% ^{AD}	0% ^{AD}	20% ^{AD}
Emergency Room		\$75		20% ^{AD}		\$100		0% ^{AD}	
Prescriptions		\$15 / \$30 / \$65		\$15 / \$30 / \$65		\$15 / \$30 / \$65		0% ^{AD}	
Web Access / Provider Lookup		www.pehp.org		www.pehp.org		www.pehp.org		www.pehp.org	

Coverage	Traditional	STAR	Current		Renewal	
			Current	Renewal	Current	Renewal
Employee	0	1	\$562.00	\$595.72	\$479.88	\$508.66
Employee + Spouse	3	1	\$1,163.34	\$1,233.14	\$993.32	\$1,052.92
Employee + Child	0	0	\$1,163.34	\$1,233.14	\$993.32	\$1,052.92
Employee + Child(ren)	0	0	\$1,573.60	\$1,668.02	\$1,343.62	\$1,424.24
Family	13	3	\$1,573.60	\$1,668.02	\$1,343.62	\$1,424.24
Monthly Premium			\$20,456.80	\$21,684.26	\$5,504.06	\$5,834.30
Total Monthly Premium			Current : \$26,635.26 / Renewal : \$28,233.42			
Percent Change			6.0%			
			-\$25,754.98			
			-0.8%			

This proposal is a brief summary of coverages. Please refer to policy for a complete description of terms and exclusions.



SPECTRAMANAGEMENT
Corporate & Personal Financial & Insurance Services

Medical	selecthealth				Regence BlueCross BlueShield of Utah			
	Signature \$250		HealthSave \$1,500		Gold \$500		Gold HSA \$1,400	
	Network	Non Network	Network	Non Network	Network	Non Network	Network	Non Network
Deductible (Individual / Family)	\$250 / \$750	\$500 / \$1,500	\$1,500 or \$3,000	\$2,000 or \$4,000	\$500 / \$1,000	\$3,000 / \$6,000	\$1,400 or \$2,800	\$4,000 or \$8,000
Out of Pocket Maximum (Individual / Family)	\$6,000 / \$12,000	\$7,000 / \$14,000	\$6,450 / \$12,900 (\$6,450 Per Person)	\$7,500 / \$15,000 (\$7,500 Per Person)	\$6,850 / \$13,700	\$10,000 / \$20,000	\$2,750 or \$5,500 (\$6,850 Per Person)	\$10,000 or \$20,000
Preventative Care	Covered 100%	Not Covered	Covered 100%	Not Covered	Covered 100%	50% ^{AD}	Covered 100%	50% ^{AD}
Office Visit (Primary / Specialist)	\$25 / \$40	50% ^{AD}	\$35 ^{AD} / \$50 ^{AD}	50% ^{AD}	\$25 / \$45	50% ^{AD}	\$20 ^{AD} / \$30 ^{AD}	50% ^{AD}
Outpatient Services	20% ^{AD}	50% ^{AD}	20% ^{AD}	50% ^{AD}	20% ^{AD}	50% ^{AD}	20% ^{AD}	50% ^{AD}
Inpatient Hospital Services	20% ^{AD}	50% ^{AD}	20% ^{AD}	50% ^{AD}	20% ^{AD}	50% ^{AD}	20% ^{AD}	50% ^{AD}
Urgent Care	\$40	50% ^{AD}	\$50 ^{AD}	50% ^{AD}	\$45	50% ^{AD}	\$30 ^{AD}	50% ^{AD}
Emergency Room	\$350 ^{AD}		\$350 ^{AD}		\$250 ^{AD}		20% ^{AD}	
Prescriptions	\$10 / 25% / 50% / 20%		\$10 ^{AD} / 25% ^{AD} / 50% ^{AD} / 20% ^{AD}		\$10 / \$40 / 50% / 50%		10% ^{AD} / 20% ^{AD} / 50% ^{AD} / 50% ^{AD}	
Web Access / Provider Lookup	www.selecthealth.org		www.selecthealth.org		www.regence.ut.com		www.regence.ut.com	

Coverage **Traditional** **STAR**

Employee	0	1	\$515.36	\$461.07
Employee + Spouse	3	1	\$1,030.72	\$922.14
Employee + Child	0	0	\$1,082.26	\$968.25
Employee + Child(ren)	0	0	\$1,082.26	\$968.25
Family	13	3	\$1,597.62	\$1,429.32
Monthly Premium			\$20,769.06	\$5,671.17
Total Monthly Premium			\$26,440.23	
Percent Change	8.7%			1.8%



SPECTRAMANAGEMENT

Corporate & Personal Financial & Insurance Services

Dental		Current / Renewal		Alternate 1 (Dual Option)	
		PPO Platinum		Gold Co-Pay	
		Network	Non Network	Network	Non Network
Deductible (Individual / Family)		\$50 / \$150		None	
Maximum Benefit (Per Person)		\$1,500		Unlimited	
Preventive		100% Covered	20%	100% Covered	See Out of Network Payment
Basic		20% ^{AD}	30% ^{AD}	See Patient Co-Pay Schedule	See Out of Network Payment
Major		50% ^{AD}	50% ^{AD}	See Patient Co-Pay Schedule	See Out of Network Payment
Orthodontics		50% (\$1,000 Lifetime Max)		20% Discount	No Coverage
Waiting Periods		None		None	
Web Access / Provider Lookup		www.dentalselect.com		www.dentalselect.com	

Coverage	# Enrolled	Current	Renewal
Single			
Employee + Spouse			
Employee + Child(ren)			
Family			
Monthly Premium		\$0.00	\$0.00
Percent Change		#DIV/0!	#DIV/0!



SPECTRAMANAGEMENT

Corporate & Personal Financial & Insurance Services

Dental	PPO Plan A		Elite Choice PPO Co-Pay		Prepaid DHMO	
	Network	Non Network	Network	Non Network	Network	Non Network
Deductible (Individual / Family)	\$50 / \$150		None		None	
Maximum Benefit (Per Person)	\$1,500		\$5,000		Unlimited	
Preventive	100% Covered	20%	100% Covered After \$15 Co-Pay	Approx. 30%	100% Covered After \$25 Co-Pay	No Coverage
Basic	20% ^{AD}	30% ^{AD}	Approx. 20% ^{AD}	Approx. 50% ^{AD}	Approx. 20% ^{AD}	No Coverage
Major	50% ^{AD}	50% ^{AD}	Approx. 45% ^{AD}	Approx. 65% ^{AD}	Approx. 50% ^{AD}	No Coverage
Orthodontics	50% (\$1,000 Lifetime Max)		15% - 25% Discount	No Coverage	15% - 25% Discount	No Coverage
Waiting Periods	None		None		None	
Web Access / Provider Lookup	www.tddental.com		www.tddental.com		www.tddental.com	

Coverage	# Enrolled
Single	
Employee + Spouse	
Employee + Child(ren)	
Family	
Monthly Premium	\$0.00
Percent Change	#DIV/0!
	\$0.00
	#DIV/0!

This proposal is a brief summary of coverages. Please refer to policy for a complete description of terms and exclusions.



SPECTRAMANAGEMENT

Corporate & Personal Financial & Insurance Services

Dental	Plan Vol 2 - PPO		Choice PPO	
	Network	Non Network	Advantage	Premier
	Non Network			Non Network
Deductible (Individual / Family)	\$50 / \$150		\$0 / \$0	\$50 / \$150
Maximum Benefit (Per Person)	\$1,500		\$2,000	\$1,500
Preventive	100% Covered	100% Covered	100% Covered	20%
Basic	20% ^{AD}	20% ^{AD}	20% ^{AD}	30% ^{AD}
Major	50% ^{AD}	50% ^{AD}	50% ^{AD}	50% ^{AD}
Orthodontics	50% (\$1,000 Lifetime Max / \$350 Annually)		50% (\$1,000 Lifetime Max)	
Waiting Periods	Major / Ortho - 12 Months		None	
Web Access / Provider Lookup	www.deltadentalins.com			www.emihealth.com

Coverage # **Enrolled**

Single
Employee + Spouse
Employee + Child(ren)
Family

Monthly Premium
Percent Change

\$0.00	\$0.00
#DIV/0!	#DIV/0!



SPECTRAMANAGEMENT

Corporate & Personal Financial & Insurance Services

Dental		VoI PPO INFS		Choice Plus Indemnity	
	Network	Non Network	Network	Non Network	
Deductible (Individual / Family)		\$50 / \$150		\$50 / \$150	
Maximum Benefit (Per Person)		\$1,500		\$1,500	
Preventive	100% Covered	20%	100% Covered	100% Covered	
Basic	20% ^{AD}	50% ^{AD}	20% ^{AD}	20% ^{AD}	
Major	50% ^{AD}	50% ^{AD}	50% ^{AD}	50% ^{AD}	
Orthodontics		50% 18 & Under (\$1,000 Lifetime Max)		50% (\$1,500 Lifetime Max)	
Waiting Periods		Subject to Service		None	
Web Access / Provider Lookup		www.humana.com		www.uhc.com	

Coverage	# Enrolled	Monthly Premium	Percent Change
Single			
Employee + Spouse			
Employee + Child(ren)			
Family			
		\$0.00	#DIV/0!
		\$0.00	#DIV/0!



March 18, 2016

VIA US MAIL AND EMAIL

The Honorable Donald Landes
Parowan City Corporation
5 South Main
PO Box 106
Parowan, UT 84761

parowanmayor@infowest.com

Re: Renewal Offer

Dear Mayor Landes:

Intermountain Power Agency (“IPA”) is pleased to announce that the Second Amendatory Power Sales Contracts between IPA and the thirty-five purchasers of the entitlement and capacity (the “Purchasers”) of the Intermountain Power Project (“IPP”) other than PacifiCorp (the “Amendatory Contracts”) have become effective as of March 16, 2016. The Final PacifiCorp Amendatory Power Sales Contract has also become effective resulting in PacifiCorp no longer being an IPP Purchaser as of that date as well.

IPA is also pleased to present the enclosed materials relating to the Renewal Offer contemplated by the Amendatory Contracts. As you may be aware, the Renewal Offer provides for the continuation of IPP beyond IPP’s current projected termination date of June 15, 2027. The Renewal Offer materials consist of the following (the “Renewal Documents”):

1. Offer Letter executed by IPA;
2. Acceptance Letter (to be executed by all Purchasers who desire to obtain generation and transmission entitlements in IPP after the termination of the existing Power Sales Contracts); and
3. Renewal Power Sales Contract (including the Agreement for Sale of Renewal Excess Power as an attachment).

The IPA Board of Directors has approved these Renewal Documents for distribution to the Purchasers and requests that all Purchasers approve, execute and deliver the documents according to the provisions of the Renewal Documents and the proposed procedures attached as Exhibit A to this letter (the “Procedures”). The IPA Board of Directors has set **May 25, 2016** as the deadline for the Purchasers to have subscribed for 100% of the Generation Entitlement

Shares under the Renewal Documents in connection with this initial offer. The IPA Board of Directors has the ability to extend the period of this initial offer and plans to assess the progress toward the completion of the Renewal Offer over the next several weeks, including at its meeting scheduled for May 23, 2016.

Redlined versions of the Renewal Documents that are representative of the changes that have been made since the documents were last distributed with the Second Amendatory Power Sales Contract last year are attached to this letter as Exhibit B (changes to the Beaver City Renewal Documents are provided as representative of the changes made in all Purchasers' Renewal Documents excluding changes to insert Purchaser-specific information, such as information in the initial paragraphs, signature blocks and notice provisions and non-substantive changes). Please refer to the full copy of the Renewal Documents provided with this letter to confirm that the Purchaser-specific information is correct for the Purchaser you represent (e.g., Purchaser name in the initial paragraphs and signature blocks of the Renewal Documents and the contact information in Section 34.1 of the Renewal Power Sales Contracts).

Please note the following key elements of the renewal process:

- Obtaining Approvals. If the Purchaser you represent desires to subscribe for all or any smaller portion of the Purchaser's current Generation Entitlement Share, then the Purchaser should
 - immediately get on the agenda of the relevant power board, municipal council and/or entity board to obtain the requisite approvals from those bodies (some Purchasers already obtained approval of the Renewal Documents at the time that such Purchasers obtained approval of the Second Amendatory Power Sales Contracts and will need to consider with legal counsel whether separate or additional approval of the Renewal Documents will be required—for those Purchasers that have not obtained the requisite approval, form resolutions are attached that such Purchasers may find helpful in preparing to obtain that approval); and
 - immediately initiate the process of obtaining the approval of the appropriate regulatory authorities.
- Delivery of Documents and Opinions. Once the requisite approvals are obtained, a renewing Purchaser should execute the enclosed Offer Acceptance and Renewal Power Sales Contract and return them to IPA along with the opinions of counsel in the form to be distributed at a later date.
- Potential for Additional Rounds of Offers. As provided in the Renewal Documents, IPA will need to receive subscriptions for 100% of the Generation Entitlements Shares (as they are currently allocated) in response to this initial offer to complete the

Renewal Offer. If IPA does not receive subscription for 100% of the Generation Entitlement Shares under the Renewal Power Sales Contract in response to this initial offer, then IPA will follow the procedures outlined in Section 26 of the Renewal Power Sales Contracts for one or more additional offer rounds.

- Allocation of Unsubscribed Generation Entitlement Shares. Any additional offer rounds would involve opportunities to allocate unsubscribed Generation Entitlement Shares by consensus among renewing Purchasers (according to whether the Purchasers are California Purchasers or Utah Purchasers) and opportunities to subscribe on a pro rata basis for unsubscribed Generation Entitlement Shares (first according to whether Purchasers are California Purchasers or Utah Purchasers and then among the Purchasers as a whole). A proposed form of document for allocation of Generation Entitlement Shares will be provided at a later date.
- Action on Agreement for Sale of Renewal Excess Power. Once the Renewal Power Sales Contracts are effective, the Utah Purchasers who have subscribed for Generation Entitlement Share in accordance with the terms of the Renewal Power Sales Contract will have forty-five (45) days from the effective date of the Renewal Power Sales Contracts to elect to enter into the Agreement for Sale of Renewal Excess Power. The Agreement for Sale of Renewal Excess Power does not need to be executed at this time. Execution copies of the Agreement for Sale of Renewal Excess Power will be sent to the Purchasers who enter into Renewal Power Sales Contracts once the Renewal Power Sales Contracts are effective. Even though execution copies of the Agreement for Sale of Renewal Excess Power will be distributed at a later date, IPA encourages the Purchasers who anticipate entering into the Agreement for Sale of Renewal Excess Power to obtain the necessary approval of the Agreement for Sale of Renewal Excess Power at this time. The forty-five (45) period following the effectiveness of the Renewal Power Sales Contracts may not provide enough time for Purchasers to obtain board, council and regulatory approvals. The proposed resolutions attached to this letter include a form of resolution to approve the Agreement for Sale of Renewal Excess Power.

The Renewal Documents are an invitation for the Purchaser you represent to continue in what IPA believes has been a very successful project for the Purchasers. IPP has operated as a very reliable, low cost resource. The Project's wide range of valuable assets is approaching full cost amortization. IPP not only has been operated in an environmentally supportive location but its history of governance is a hallmark of cooperation among 36 Purchasers who have been successful in resolving issues in IPP's nearly 30 years of operating history.

Mayor Donald Landes
March 18, 2016
Page 4 of 4

Renewing participation in IPP now extends the availability of the Project's resources under favorable terms and conditions and provides the following benefits:

- An opportunity for Purchasers to maximize their investment in valuable IPP assets such as rights of way, transmission, water, ample land for growth, air shed, rail, hub capability, trained in-place work force and other critical infrastructure and support facilities at their amortized cost. These assets and potential are in place and repowering IPP avoids inherent risks associated in greenfield sites.
- Flexibility for the Purchasers in planning future generation capacity and other development at IPP.
- Potential for the California Purchasers and the Utah Purchasers to maintain the current balance of voting rights on the Renewal Contract Coordinating Committee.
- Opportunity for Utah Purchasers to maintain an excess power sales arrangement with the ability to put recalled power back to one or more California Purchasers.
- A higher degree of certainty for all Purchasers with respect to the allocation of costs for retirement of IPP assets.
- IPP's continued role as an economic engine for the state and communities of Utah.

Please note that this letter is not a complete statement of everything in the Renewal Documents. In the event of any inconsistency between the statements in this letter and the Renewal Documents, the Renewal Documents govern. Furthermore, IPA has provided the form resolutions for your consideration in connection with obtaining approvals. You are encouraged to consult with your respective legal counsel to determine whether the Procedures, including the form of resolution, work for your organization.

If you have any questions regarding any of the enclosed documents, please contact me. Additionally, your legal counsel may contact Eric D. Bawden at Holland & Hart (801-799-5900).

Very Truly Yours,



R. Dan Eldredge

Enc.

Exhibit A

Procedures

[see attached]

PROCEDURES FOR ADOPTING, EXECUTING AND DELIVERING RENEWAL DOCUMENTS PROVIDED BY INTERMOUNTAIN POWER AGENCY

March 18, 2016

The following procedures (these “Procedures”) provide an outline of action items for the Purchasers to consider in accepting the Offer Letter provided by Intermountain Power Agency (“IPA”). These Procedures are subject to the provisions of each Purchaser’s Offer Letter (Exhibit 1 to these Procedures), Offer Acceptance (Exhibit 2 to these Procedures) and Renewal Power Sales Contract (Exhibit 3 to these Procedures). The failure of a Purchaser to complete any step in the order specified may result in a termination of the renewal process with respect to that Purchaser, however. While detailed, these Procedures are not intended to be comprehensive or authoritative with respect to the requirements that must be met to support an opinion of counsel with respect to the Renewal Documents (as defined below). Each Purchaser is encouraged to confer with its legal counsel prior to taking any actions identified in these Procedures or otherwise with respect to the Renewal Documents.

Adoption and Execution of Resolutions

- If the Purchaser has a board that governs its power system or assets in addition to or under the direction of the Purchaser’s governing body (such board being the “Board”) and has not already obtained the requisite approval from the Board, then if and as required under the law governing the Purchaser and the Board:
 - The governing body of the Purchaser’s power system (the “Board”) sets a date for a meeting to discuss and vote on the adoption of the following documents (such meeting being the “Board Meeting” and such documents being the “Renewal Documents”):
 - Offer Acceptance;
 - Renewal Power Sales Contract; and
 - Agreement for Sale of Renewal Excess Power
- The Purchaser is not required to enter into the Agreement for Sale of Renewal Excess Power in order to participate in IPP after June 15, 2027 but if the Purchaser desires to enter into the Agreement for Sale of Renewal Excess Power, as a Seller, in the case of the Utah Purchasers, or as a California Purchaser, then the Purchaser must deliver the Agreement for Sale of Renewal Excess Power within periods specified in Section 26.6 of the Renewal Power Sales Contracts (within forty-five (45) days of the Entitlement Determination Date for Utah Purchasers).

- IPA encourages Purchasers who desire to enter into the Agreement for Sale of Renewal Excess Power to seek approval of the document simultaneous with the approval of the Purchaser's Renewal Power Sales Contract (see Appendix D to the Renewal Power Sales Contract attached as Exhibit 3 to these Procedures).
 - The Board gives public notice of the Board Meeting in accordance with the law and documents governing the Board (including whether the Board Meeting has to be preceded by or include a public hearing).
 - The Board discusses, approves and recommends approval by the Purchaser's governing body of the Renewal Documents (including, if desired, the Agreement for Sale of Renewal Excess Power).
 - The authorized representative of the Board executes a resolution evidencing such approval and recommendation.
 - The Board takes all other action required by the law governing the Purchaser or the Board to be taken by the Board to approve the Renewal Documents (including, if desired, the Agreement for Sale of Renewal Excess Power).
- If the Purchaser does not have a Board or after the Board has taken the action described above, as required under the law governing the Purchaser:
 - The governing body of the Purchaser (the "Governing Body") sets a date for a meeting to discuss and vote on the adoption of the Renewal Documents (such meeting being the "Governing Body Meeting").
 - The Governing Body gives public notice of the Governing Body Meeting in accordance with the law and documents governing the Purchaser (including whether the Governing Body Meeting has to be preceded by or include a public hearing).
 - The Governing Body discusses and approves the Renewal Documents (including, if desired, the Agreement for Sale of Renewal Excess Power).
 - The authorized representative of the Governing Body executes a resolution evidencing such approval.
 - The Purchaser records the resolutions of the Board and the Governing Body approving the Renewal Documents (including, if desired, the Agreement for Sale of Renewal Excess Power) with its clerk or recorder or as otherwise required by law (such resolutions being the "Resolutions").
 - The Governing Body takes all other action required by the law governing the Purchaser and the Governing Body to be taken by the Governing Body to approve

the execution and delivery of the Renewal Documents (including, if desired, the Agreement for Sale of Renewal Excess Power) by the Purchaser.

- Forms of resolutions for a municipal council to approve the Renewal Documents, including, if desired, the Agreement for Sale of Renewal Excess Power, are provided with these Procedures for the convenience of the Purchaser (see Exhibits 4 and 5 to these Procedures). The Purchaser may use these forms if the Purchaser determines that the forms are appropriate or the Purchaser may prepare its own as the Purchaser deems appropriate to ensure that actions by the Board, the Governing Body and the Purchaser are, among other things, sufficient to support a due authorization opinion of counsel to be issued in connection with the documents described in these Procedures. As appropriate, the Purchaser may modify the enclosed forms to provide for approval by the Board (including, if appropriate, adding a recommendation by the Board). Versions of the resolutions are available in Microsoft Word format upon request. The Purchaser may disregard the form of resolution approving the Agreement for Sale of Renewal Excess Power if the Purchaser does not desire to enter into that agreement. To the extent that any change is proposed to the form of Resolutions, please provide any proposed changes to IPA's legal counsel (identified below) at your earliest convenience:

Eric D. Bawden
Holland & Hart LLP
222 South Main Street, Suite 2200
Salt Lake City, Utah
(801) 799-5900
edbawden@hollandhart.com

- The Entitlement Determination Date (as defined in the Renewal Power Sales Contracts), is the date that represents, generally, the completion of the renewal offer rounds and the effectiveness of the Renewal Power Sales Contracts with respect to 100% of the Generation Entitlement Share being offered in the Offer Letters. Promptly following the Entitlement Determination Date, IPA intends to distribute execution copies of the Agreement for Sale of Renewal Excess Power for execution by each Utah Purchaser who elects to sell Excess Entitlement Share (as defined in the Agreement for Sale of Renewal Excess Power) under the Agreement for Sale of Renewal Excess Power. Promptly following the forty-fifth (45th) day after the Entitlement Determination Date, IPA intends to distribute execution copies of the Agreement for Sale of Renewal Excess Power for execution by each California Purchaser who elects to purchase Excess Entitlement Share under the Agreement for Sale of Renewal Excess Power.

Execution of Renewal Documents

- The representative of the Purchaser authorized by the Resolutions executes:
 - Offer Acceptance;
 - Renewal Power Sales Contract; and

- if desired and so authorized, Agreement for Sale of Renewal Excess Power.
- The Purchaser records the Renewal Documents with its clerk or recorder or any other actions relating to its records required by law.

Delivery of Renewal Documents

- Please mail the signed Renewal Documents to:

R. Dan Eldredge
General Manager
Intermountain Power Agency
10653 South River Front Parkway
Suite 120
South Jordan, Utah 84095

- The executed Renewal Documents must be accompanied by:
 - A copy of the Resolutions relating to the Renewal Documents; and
 - An opinion to IPA regarding the Renewal Documents, including, if applicable, the Agreement for Sale of Renewal Excess Power (a form of opinion will be distributed to counsel following discussions with counsel to the California Purchasers regarding regulatory matters that may impact the form of opinion).
- If, after one or more offer rounds, IPA determines that a sufficient number of Purchasers has accepted the Renewal Offer in the manner specified in the Renewal Documents, provided required opinions and obtained required regulatory approvals, IPA intends to deliver a fully executed copy of the Renewal Power Sales Contract, and, if applicable, the Agreement for Sale of Renewal Excess Power, executed by the Purchaser (accompanied by an opinion of IPA counsel) to the Purchaser. If your organization requires an original executed copy of any of the Renewal Documents, please advise IPA so additional original signature pages from IPA can be provided. IPA does not anticipate gathering additional original signatures from any Purchaser for the purpose of distributing original signatures of such Purchaser to any other Purchaser.

Exhibit 1 to
Procedures

Offer Letter

[see attached]



March 18, 2016

Re: Renewal Offer Letter

Mayor Donald Landes
5 South Main
PO Box 106
Parowan, UT 84761

Dear Mayor Landes:

The Power Sales Contract, dated September 28, 1978, by Intermountain Power Agency ("IPA") with Parowan City Corporation (the "Purchaser"), as heretofore amended, including the amendments by the Second Amendatory Power Sales Contract, and the other Power Sales Contracts by IPA, as so amended, with other utilities (collectively including Purchaser's Power Sales Contract, the "Original Power Sales Contracts") provide for participation by Purchaser and such other utilities (collectively including Purchaser, the "Original Purchasers") in the Intermountain Power Project (the "Project"). Under Section 33 of the Original Power Sales Contracts IPA agrees to offer (the "Renewal Offer") to Purchaser and such other Original Purchasers renewal of their participation in the rights and benefits of the Project from and after the expiration on June 15, 2027 (or such later date of termination of the Original Power Sales Contracts that occurs pursuant to Section 26.1 thereof).

This Offer Letter and the terms of the completed form of Offer Acceptance (the "Offer Acceptance") and the terms of the form of the Renewal Power Sales Contract (the "Renewal Power Sales Contract"), including the form of Agreement for Sale of Renewal Excess Power (the "Excess Renewal Power Sales Agreement") included as Appendix D to the Renewal Power Sales Contract, which accompany this Offer Letter constitute the initial offer (the "First Round Offer") by IPA under its Renewal Offer. Such renewal of participation in the Project will be under and pursuant to the Renewal Power Sales Contracts to be entered into by IPA with the Original Purchasers that provide Offer Acceptances of the First Round Offer.

Initially capitalized terms used in this Offer Letter and in the Offer Acceptance which are defined in Section 4 of the Renewal Power Sales Contract shall have the same meanings, respectively, in this Offer Letter and the Offer Acceptance as given such terms in Section 4 of the Renewal Power Sales Contract.

First Round Offer: IPA hereby offers to Purchaser participation, commencing on June 16, 2027 (or such later date following termination of the Original Power Sales Contract that occurs pursuant to Section 26.1 thereof), in the rights and benefits of the Project in proportion to Purchaser's Original Purchaser Entitlements. Purchaser may accept this First Round Offer, in whole or in part, by completing and executing the Offer Acceptance accompanying this Offer Letter. Purchaser should set forth in the space provided in the Offer Acceptance (i) the Generation Entitlement Share that is accepted by Purchaser which may be equal to (but not

exceed) its Generation Entitlement Share under its Original Power Sales Contract or may be a specified portion of such Generation Entitlement Share, (ii) the Generation Cost Share accepted by Purchaser which shall be the same percentage as the Generation Entitlement Share set forth pursuant to (i) above, and (iii) Purchaser's Point of Delivery (consistent with Section 9.9 of the Renewal Power Sales Contract). Purchaser's Transmission Cost Share will be calculated as provided under the Renewal Power Sales Contract by dividing the Generation Entitlement Share as set forth by Purchaser pursuant to (i) above that is to be delivered at the Point of Delivery set forth pursuant to (iii) above, by the aggregate of all Generation Entitlement Shares specified in the Offer Acceptances of Purchaser and the other Original Purchasers to be delivered at such Point of Delivery. The completed Offer Acceptance of Purchaser shall be duly authorized and executed by Purchaser, shall have received any and all Regulatory Contract Approvals and shall be submitted to IPA by May 25, 2016 or any extension thereof by IPA (the "First Round Offer Acceptance Date"), all in accordance with Section 26 of the Renewal Power Sales Contract.

Any portion of Purchaser's Original Purchaser Entitlements not accepted by Purchaser by its Offer Acceptance of the First Round Offer shall become part of the Orphan Original Purchaser Entitlements under the Renewal Power Sales Contracts. If Purchaser does not timely respond to this First Round Offer, or if Purchaser responds by rejecting in writing its entire Original Purchaser Entitlement, all Purchaser's Original Purchaser Entitlements shall become part of the Orphan Original Purchaser Entitlements, and Purchaser will be deemed to have rejected the Renewal Offer and shall have no further right to participate in the Renewal Offer.

As set forth in the Offer Acceptance, the Renewal Offer process will conclude with no further offers being made in the event Offer Acceptances of the First Round Offer result in the Renewal Power Sales Contracts by IPA with Purchaser and the other Original Purchasers becoming fully effective for one hundred percent (100%) of the Generation Entitlement Shares, Generation Cost Shares and the applicable Transmission Cost Shares of the Project, all as provided in the Offer Acceptance and in Section 26.2.2 of the Renewal Power Sales Contract. In the event, however, that the First Round Offer does not result in such Offer Acceptances, the Renewal Offer will continue with the Second Round Offer under which IPA will provide (i) that (a) the Utah Committed Purchasers shall have the right to provide to IPA a Utah Orphan Entitlement Allocation Document within 45 days following the date on which IPA provides its Offer Letter for the Second Round Offer, and (b) if the Utah Committed Original Purchasers fail to provide to IPA such a Utah Orphan Entitlement Allocation Document, such remaining Utah Orphan Purchaser Entitlements shall then be offered to each of the Utah Committed Original Purchasers as provided under Section 26.3.1.1 of the Renewal Power Sales Contracts, and (ii) that (a) the California Committed Purchasers shall have the right to provide to IPA a California Orphan Entitlement Allocation Document within 45 days following the date on which IPA provides its Offer Letter for the Second Round Offer, and (b) if the California Committed Original Purchasers fail to provide to IPA such a California Orphan Entitlement Allocation Document, such remaining California Orphan Original Purchaser Entitlements shall then be offered to each of the California Committed Original Purchasers as provided under Section 26.3.1.2 of the Renewal Power Sales Contracts. In the event, however, that the Second Round Offer does not result in Offer Acceptances for at least eighty-five percent (85%) of the aggregate Original Purchaser Entitlements, the Renewal Offer will continue with the Final Offer in accordance with Section 26.4 of the Renewal Power Sales Contracts.

The same offer as provided in this Offer Letter is being extended to each of the other Original Purchasers.

Upon the Renewal Power Sales Contracts becoming fully effective, each Utah Purchaser accepting this First Round Offer pursuant to an Offer Acceptance that elects to enter into the Excess Renewal Power Sales Agreement should furnish IPA with a notice of its election in accordance with Section 26.6.1 of the Renewal Power Sales Contracts. Los Angeles, as well as each of the other California Purchasers accepting this Renewal Offer that elects to enter into the Excess Renewal Power Sales Agreement, should furnish IPA with a notice of its election in accordance with Section 26.6.1 of the Renewal Power Sales Contracts.

If you have questions regarding this Renewal Offer or would like to discuss any of the terms and provisions of the Offer Acceptance or Renewal Power Sales Contract, please contact us and we will put you in contact with the appropriate person to address those matters.

INTERMOUNTAIN POWER AGENCY

By: _____

Its: General Manager

Exhibit 2 to
Procedures

Offer Acceptance

[see attached]

OFFER ACCEPTANCE

_____, 2016

To: Intermountain Power Agency (“IPA”)

Parowan City Corporation (also known as City of Parowan) (“Purchaser”) hereby accepts the First Round Offer in accordance with the terms of IPA’s Offer Letter, dated March 18, 2016, including this Offer Acceptance and the accompanying form of Renewal Power Sales Contract (the “Renewal Power Sales Contract”), and hereby specifies for its Offer Acceptance of the First Round Offer the following:

Purchaser’s Accepted Generation Entitlement Share: ___ %

Purchaser’s Accepted Generation Cost Share: _____ %¹

Purchaser’s Accepted Point of Delivery: _____²

Purchaser understands and agrees that its transmission entitlement in the Project and its Transmission Cost Share will be determined as provided in the Renewal Power Sales Contract.

Initially capitalized terms used in this Offer Acceptance which are defined in Section 4 of the Renewal Power Sales Contract shall have the same meanings, respectively, in this Offer Acceptance as given such terms in Section 4 of the Renewal Power Sales Contract.

By this Offer Acceptance, Purchaser agrees that based upon such Offer Acceptance and as provided by the applicable terms of the Renewal Power Sales Contract, IPA will prepare and will execute and deliver to Purchaser the Renewal Power Sales Contract to be entered into with Purchaser, including Appendices A and B thereto, all as provided in Section 26.2 of the Renewal Power Sales Contract, and Purchaser agrees to execute and deliver to IPA such Renewal Power Sales Contract which shall become effective as of the First Round Offer Acceptance Date.

If, there shall have been Offer Acceptances by the Original Purchasers of the First Round Offer so that IPA shall enter into Renewal Power Sales Contracts with Purchaser and all the other Original Purchasers for one hundred percent (100%) of the Generation Entitlement Shares, Generation Cost Shares and the applicable Transmission Cost Shares of the Project, all as provided in Section 26.2.2 of the Renewal Power Sales Contract, Purchaser agrees in accordance with Section 26.2.2 that its Renewal Power Sales Contract, together with such Renewal Power Sales Contracts by IPA with the other Original Purchasers, shall be fully effective in accordance with the terms thereof.

¹ Purchaser’s Generation Cost Share must be the same as its Generation Entitlement Share as required by the Renewal Power Sales Contract.

² Purchaser’s Point of Delivery must be designated in accordance with Section 9.9 of the Renewal Power Sales Contract.

As provided in Section 26.2.2 of the Renewal Power Sales Contract, upon the receipt by Purchaser and IPA of any and all required Regulatory Contract Approvals and upon Purchaser and IPA furnishing, each to the other, the legal opinions required pursuant to Section 25.3 of the Renewal Power Sales Contract, the Renewal Power Sales Contract of Purchaser with IPA, together with the Renewal Power Sales Contracts of IPA with such other Original Purchasers, shall be effective in accordance with the terms thereof, all as of the First Round Offer Acceptance Date.

Purchaser hereby certifies that the Renewal Power Sales Contract executed and delivered by it as above provided has been duly authorized by Purchaser, and Purchaser has obtained any and all Regulatory Contract Approvals required for its Renewal Power Sales Contract to be fully effective.

It is understood and agreed by Purchaser that in the event that the Offer Acceptances by the Original Purchasers do not permit the Renewal Power Sales Contract to become fully effective as provided in Section 26.2.2, Purchaser's Renewal Power Sales Contract with IPA will, however, become effective in accordance with Section 26.2.1, and Purchaser, together with the other Original Purchasers furnishing Offer Acceptances, will be entitled to receive the Second Round Offer under IPA's continuation of the Renewal Offer, as provided in Section 26.3 of the Renewal Power Sales Contract.

Parowan City Corporation (also known as City of Parowan), as Purchaser, hereby causes this Offer Acceptance to be executed on its behalf on the date provided above.

PAROWAN CITY CORPORATION
(also known as CITY OF PAROWAN)

By: _____

Its: _____

Exhibit 3 to
Procedures

Renewal Power Sales Contract

[see attached]

RENEWAL POWER SALES CONTRACT

BETWEEN

INTERMOUNTAIN POWER AGENCY

AND

PAROWAN CITY CORPORATION

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RENEWAL POWER SALES CONTRACT

1. **PARTIES:** This Renewal Power Sales Contract (this “Contract”), is made and entered into as of this ____ day of _____, 2016, by and between INTERMOUNTAIN POWER AGENCY, a political subdivision of the State of Utah (“IPA”), created under the provisions of the Act, and PAROWAN CITY CORPORATION (also known as CITY OF PAROWAN) (“Purchaser”).

2. **RECITALS:** This Contract is made with reference to the following facts, among others:

2.1 IPA is the owner of the Project.

2.2 Pursuant to the Original Power Sales Contracts, IPA has sold to the Original Purchasers, and the Original Purchasers have purchased from IPA, all of the generation and transmission capacity of the Project.

2.3 The Original Power Sales Contracts were last amended by the Second Amendatory Power Sales Contracts which provide for the construction and installation of natural gas-fired combined cycle power blocks and related equipment and facilities as a Capital Improvement of the Project which upon completion, will replace the existing coal-fired generating units of the Project.

2.4 The term of each of the Original Power Sales Contracts is to end on June 15, 2027.

2.5 Section 33 of each of the Original Power Sales Contracts, as amended by the Second Amendatory Power Sales Contract, provides for IPA to make the Renewal Offer to the Original Purchasers which is to include offers to renew, and under certain circumstances may include offers to increase, the entitlements of Original Purchasers to the generation and, as applicable, transmission capacity of the Project for a term subsequent to June 15, 2027, all upon the terms set forth or described in such Section 33.

2.6 By its terms each of the Second Amendatory Power Sales Contracts is subject to termination if the Renewal Offer is not accepted by the Original Purchasers by entering into the Renewal Power Sales Contracts with IPA for one hundred percent (100%) of the Generation Entitlement Shares, Generation Cost Shares and applicable Transmission Cost Shares of the Project, all in accordance with the terms of the Renewal Offer including the provisions of Section 26 of the Renewal Power Sales Contracts.

2.7 IPA has made the initial Renewal Offer to the Original Purchasers, including the Purchaser, and by execution and delivery of this Contract, Purchaser has accepted on the terms set forth in this Contract the Renewal Offer made to Purchaser by IPA with respect to the Generation Entitlement Share and Point of Delivery set forth in Appendix B hereto and the Generation Cost Share and the Transmission Cost Share, as applicable, set forth in Appendix A hereto, as the same may be increased as provided in Section 26 of this Contract.

2.8 IPA and Purchaser are entering into this Contract in conjunction with the execution and delivery of Renewal Power Sales Contracts between IPA and other Purchasers, in order to set forth the terms and conditions upon which IPA shall sell to Purchaser, and Purchaser shall purchase from IPA, a portion of the generation and the applicable transmission capacity of the Project after June 15, 2027.

3. **AGREEMENT:** For and in consideration of the premises and the mutual covenants and agreements hereinafter set forth, it is agreed by and between the parties hereto as follows:

4. **DEFINITIONS:** All references herein to a “Section” shall refer to the referenced Section of this Contract unless otherwise specifically provided herein. The following terms, whether in the singular or in the plural, when used in this Contract, including the Recitals hereof and the Appendices attached hereto, which are initially capitalized, shall have the meanings specified below:

4.1 **Act:** The Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated, 1953, as amended.

4.2 **Additional Non-Project Facilities:** (a) Any Additional Non-Project Generating Facilities; (b) any transmission facilities that may be constructed at the Project site that do not constitute a part of the Northern Transmission System or the Southern Transmission System; and (c) any other improvements or facilities that do not constitute a part of the Project and that are constructed or installed in connection with or to provide support to any Additional Non-Project Generating Facilities or any transmission facilities described in the preceding clause (b).

4.3 **Additional Non-Project Generating Facilities:** Any generating unit or units that may be acquired, constructed, reconstructed or installed at the site of the Generation Station in addition to Gas Unit 1 and Gas Unit 2, and may include, without limitation, the renewal, modification, reconstruction, improvement or utilization of surplus generating properties, facilities and related equipment of the Project or interests therein and rights pertaining thereto that have been transferred from the Project; provided that such generating unit or units and related properties, facilities and equipment shall not constitute part of the Project.

4.4 **Aggregate Debt Service:** For any period and with respect to all series, issues or tranches of any specified Project Indebtedness, shall mean, as of any date of calculation, the sum of the amounts of Debt Service for such period with respect to all such series, issues or tranches of such Project Indebtedness.

4.5 **Annual Budget:** A budget for any Power Supply Year or portion thereof adopted by IPA pursuant to Section 5.4.

4.6 **Augmented Tax Equivalent Payments:** The amount of Tax Equivalent Payments imposed for any period with respect to the Project, together with the additional amount of Tax Equivalent Payments, if any, that would have been so imposed for such period but for any exemption, deduction or credit granted by the Act or under any other Utah law

based upon the status of any Utah Municipal Purchaser as a municipality or political subdivision of the State of Utah.

4.7 **Auxiliary Facilities:** As of any particular point in time, all property, rights, equipment and facilities, or any rights or interests therein, that constituted a part of any Project Component as to which the Permanent Removal From Service Date has then occurred to the extent: (a) such property, rights, equipment or facilities are necessary or desirable to operate or maintain in accordance with Prudent Utility Practice any Project Component as to which the Permanent Removal From Service Date has not then occurred; or (b) IPA has agreed to provide or make the same available to support any Additional Non-Project Facilities or any IPA Retained Facility pursuant to any Section 39 Facilities Agreement.

4.8 **Auxiliary Facilities Report:** Shall have the meaning set forth in Section 23.2.

4.9 **Available Generating Capability:** The capability at any time of each Gas Unit of the Generation Station to produce power at the high voltage side of its generation transformers, less (a) allocated General Service Requirements and (b) any capacity and energy scheduled by IPA in order to furnish black start or start-up power to PacifiCorp, Deseret Generation & Transmission Co-operative or other utilities pursuant to agreements or arrangements entered into prior to the Transition Date approved by the Original Coordinating Committee or agreements or arrangements entered into on or after the Transition Date that are approved by the Renewal Contract Coordinating Committee.

4.10 **Billing Statement:** The written statement prepared or caused to be prepared each Month by IPA setting forth the monthly amount to be paid to IPA by Purchaser pursuant to such statement in accordance with the provisions of Section 7.

4.11 **Billing Statement Amount:** The total amount due and owing by a Purchaser to IPA for any Month, as set forth in such Purchaser's Billing Statement for such Month.

4.12 **Bond Resolution:** The Original Bond Resolution and any other bond resolution, indenture, loan agreement or other document, including any amendment thereof or supplement thereto, setting forth the terms and conditions or providing for the security of any Project Indebtedness issued or incurred by IPA.

4.13 **Business Day:** A day other than Saturday, Sunday or any day on which banks located in Salt Lake City, Utah are authorized or obligated to close.

4.13A **California Committed Original Purchasers:** The Original California Purchasers that are Committed Original Purchasers.

4.14 **California Purchasers:** The Purchasers who provide electric service primarily in the State of California.

4.15 **California Excess Power Purchasers:** The California Purchaser or California Purchasers that shall authorize and enter into the Excess Renewal Power Sales

Agreement pursuant to Section 26; provided that in any event the California Excess Power Purchasers shall include Los Angeles.

4.15A **California Orphan Entitlement Allocation Document:** A written document signed by all the California Committed Original Purchasers, as set forth under Section 26.3.1.2, providing for the allocation to and acceptance by those California Committed Original Purchasers designated in such document of the then remaining California Orphan Original Purchaser Entitlements; provided that together with such document such designated California Committed Original Purchasers shall provide Offer Acceptances with respect to the California Orphan Original Purchaser Entitlements allocated to such designated California Committed Original Purchasers, respectively, in such document and such document shall be filed with IPA.

4.15B **California Orphan Original Purchaser Entitlements:** As of any particular point in time on and after the First Round Offer Acceptance Date and with respect to the Original Purchaser Entitlements that have been offered under the First Round Offer to the Original California Purchasers, California Orphan Original Purchaser Entitlements shall mean and include: (i) the amount of such Original Purchaser Entitlements (or the portions thereof) that have been declined, rejected or otherwise relinquished in writing to the reasonable satisfaction of IPA by one or more Original California Purchasers, (ii) in the case of an acceptance of the First Round Offer by any of the Original California Purchasers in part, that part of such Original California Purchasers' Original Purchaser Entitlements that is not accepted and not included under such Original California Purchasers' Renewal Power Sales Contracts (which part shall be deemed declined, rejected or otherwise relinquished by such Original California Purchasers), and (iii) in the case where one or more of the Original California Purchasers fail to enter into any Offer Acceptance (in whole or in part) or fail to decline, reject or otherwise relinquish in writing the First Round Offer (in whole or in part), all of such Original California Purchasers' Original Purchaser Entitlements.

4.16 **Capital Improvement Acquisition and Construction Costs:** With respect to any particular Capital Improvement, all costs of planning, designing, acquiring, constructing and installing such Capital Improvement, including, without limitation, costs of labor, materials, equipment, supplies, interests in real or personal property, taxes, reasonable operating, repair or replacement reserves relating to such Capital Improvement, and any Issuance and Financing Costs associated with any Project Indebtedness issued or to be issued to pay any such costs.

4.17 **Capital Improvements:** All renewals or replacements of or repairs, additions, improvements, modifications or betterments to the Project or any interest in the Project, including, without limitation, the acquisition of natural gas production wells or interests therein and related facilities and properties and gas transmission or transportation facilities for the Project, and the prepayment for the purchase of natural gas supplies for the Project, that are (a) consistent with Prudent Utility Practice and determined to be necessary or desirable by the Original Coordinating Committee, or, if such Capital Improvement is made after the Transition Date, by the Renewal Contract Coordinating Committee, in order to keep the Project or any interest in the Project in good operating condition, to prevent a loss of revenue therefrom, or to increase the capacity, reliability or usefulness of the Project or any interest therein, (b) required by any governmental agency having jurisdiction over the Project, (c) required by the

Construction Management and Operating Agreement, or (d) required by any Bond Resolution; provided, however, that Capital Improvements shall not include any generating unit added to the Project in addition to those included in the Project which continue to generate electric capacity and energy of the Project. Capital Improvements shall consist of Ordinary Capital Improvements and Major Capital Improvements. Each Capital Improvement constitutes a part of the Project Component to which it relates.

4.18 **Committed Original Purchaser:** An Original Purchaser that has (i) accepted its Renewal Offer by entering into an Offer Acceptance as to all of its Original Purchaser Entitlement or (ii) accepted its Renewal Offer by entering into an Offer Acceptance as to part of its Original Purchaser Entitlement and declined, rejected or otherwise relinquished in writing and to the reasonable satisfaction of IPA the Renewal Offer as to the remainder of its Original Purchaser Entitlement, or deemed to have so declined, rejected or otherwise relinquished the same as provided in this Contract.

4.19 **Construction Aid Agreement:** Shall have the meaning set forth in Section 38.2.

4.20 **Construction Management and Operating Agreement:** The Intermountain Power Project Construction Management and Operating Agreement, dated as of September 12, 1980, by and between Los Angeles and IPA relating to the construction and operation of the Project during the term of the Original Power Sales Contracts and the term of the Renewal Power Sales Contracts and any replacements or renewals thereof, as such Agreement, or such replacements or renewals thereof, may from time to time be amended and supplemented.

4.21 **Contract:** Shall have the meaning set forth in Section 1 and is one of the Renewal Power Sales Contracts.

4.22 **Cooperative Purchasers:** The Purchasers that are incorporated and organized as cooperative corporations and provide electric energy to retail customers in any of the States of Utah, Nevada or Wyoming. The Cooperative Purchasers shall not include any of the California Purchasers or the Utah Municipal Purchasers.

4.23 **Cost Shares:** With respect to a Purchaser, shall mean its Generation Cost Share and its Northern Transmission Cost Share or Southern Transmission Cost Share, as applicable.

4.24 **Debt Instruments:** All bonds, notes and other instruments evidencing IPA's obligation to pay or repay Project Indebtedness.

4.25 **Debt Service:** For any period shall mean, as of any date of calculation and with respect to any particular series, issue or tranche of any specified Project Indebtedness an amount equal to the sum of (i) interest accruing during such period on such series, issue or tranche of Project Indebtedness, except to the extent that such interest is to be paid through capitalized interest funded with the proceeds thereof and (ii) that portion of each principal installment (including any unsatisfied balance of a sinking fund installment) with respect to such series, issue or tranche of Project Indebtedness which would accrue during such period if such

principal installment were deemed to accrue daily in equal amounts from the next preceding principal installment due date, for such series, issue or tranche of Project Indebtedness (or, if there shall be no such preceding principal installment due date, from a date one year preceding the due date of such principal installment or from the date of issuance or incurrence of such Project Indebtedness, whichever date is later). Such interest and principal installments for such Project Indebtedness shall be calculated on the assumption that no such Project Indebtedness outstanding at the date of calculation will cease to be outstanding except by reason of the payment of each principal installment on the due date thereof.

4.26 **Reserved**

4.27 **Default Interest Rate:** A variable per annum interest rate equal to 300 basis points above the current General Interest Rate, which interest rate shall be adjusted as of the close of business on the first Business Day of each Month.

4.28 **Designated Project Indebtedness:** Project Indebtedness (other than Project Indebtedness any portion of which bears a variable rate of interest) that is issued or incurred (a) to finance a Capital Improvement where (i) the date of the last maturity of such Project Indebtedness is on or about the end of the estimated useful life of such Capital Improvement as determined by IPA and the Renewal Contract Coordinating Committee, in each case based upon advice provided by a Qualified Independent Engineer with expertise in the relevant subject matter, and (ii) either (x) such Project Indebtedness has Substantially Equal Debt Service for each Fiscal Year such Project Indebtedness is scheduled to be outstanding or (y) there is Substantially Equal Aggregate Debt Service with respect to all Designated Project Indebtedness, including such Project Indebtedness being issued or incurred, for each Fiscal Year such Designated Project Indebtedness is scheduled to be outstanding (using in each case where such Project Indebtedness being issued or incurred is to be sold by competitive bidding, an average interest rate therefor as estimated by IPA), provided that, there shall not be taken into account in the case of either (ii) (x) or (ii) (y) above any Fiscal Year in which all or any portion of the interest on such Project Indebtedness or Designated Project Indebtedness is to be paid through capitalized interest funded with the proceeds thereof or any Fiscal Year during which such Project Indebtedness or Designated Project Indebtedness is scheduled to be outstanding for only a part of such Fiscal Year; or (b) to refund or refinance any outstanding Designated Project Indebtedness where (i) upon the issuance of such Project Indebtedness the Designated Project Indebtedness being refunded or refinanced is defeased and no longer outstanding under the terms of the Bond Resolution under which such Designated Project Indebtedness was issued or incurred and (ii) the Aggregate Debt Service for the then current and each future Fiscal Year with respect to all Designated Project Indebtedness (including such Project Indebtedness being issued or incurred) outstanding immediately after the issuance or incurrence of such Project Indebtedness being issued or incurred, is not greater than the Aggregate Debt Service for each such Fiscal Year with respect to all Designated Project Indebtedness outstanding immediately prior to the issuance or incurrence of such Project Indebtedness being issued or incurred.

4.29 **Effective Date:** The First Round Offer Acceptance Date on which this Contract shall be executed and delivered by or on behalf of IPA and Purchaser and all Regulatory Contract Approvals have been obtained by Purchaser and IPA, respectively, and Purchaser and IPA have each provided the legal opinions as set forth in Section 25.3.

4.30 **Entitlement Determination Date:** Such date, as determined in accordance with the provisions of Section 26, upon which Offer Acceptances shall have been received by IPA that result in Renewal Power Sales Contracts becoming effective for one hundred percent (100%) of the Generation Entitlement Shares, Generation Cost Shares and the applicable Transmission Cost Shares of the Project.

4.31 **Essential Capital Improvement:** A Capital Improvement approved by the Original Coordinating Committee and designated as either a Major Capital Improvement or an Ordinary Capital Improvement that is determined by IPA to be (a) reasonably necessary for the operation or maintenance of the Project or any interest in the Project in accordance with Prudent Utility Practice, (b) required to prevent a loss of revenues of the Project, (c) required by any applicable law or regulation, (d) required by the Bond Resolution, or (e) required by the Construction Management and Operating Agreement; provided, however, that an Essential Capital Improvement shall not include any Capital Improvement that is undertaken primarily for the purpose of effecting an increase in the rated capacity of any Project Component.

4.32 **Estimated Reserve Free-up Amount:** Shall have the meaning set forth in Section 23.4.

4.33 **Estimated Retirement Account Balance:** Shall have the meaning set forth in Section 23.4.

4.34 **Estimated Retirement Account Deficiency:** Shall have the meaning set forth in Section 23.4.

4.35 **Estimated Retirement Account Surplus:** Shall have the meaning set forth in Section 23.4.

4.36 **Estimated Retirement Costs:** Shall have the meaning set forth in Section 23.4.

4.37 **Estimated Retirement Salvage Proceeds:** Shall have the meaning set forth in Section 23.4.

4.37A **Excess Entitlement Share:** Shall have the meaning set forth in the Excess Renewal Power Sales Agreement.

4.38 **Excess Renewal Power Sales Agreement:** The Agreement for Sale of Renewal Excess Power in substantially the form included in Appendix D to the Renewal Power Sales Contracts and completed and entered into pursuant to Section 26.6 of the Renewal Power Sales Contracts.

4.39 **FAS 143:** The Statement of Financial Accounting Standards No. 143 issued by the FASB, as further affected or interpreted by additional FASB statements or FASB interpretations.

4.40 **FASB:** The Financial Accounting Standards Board or any successor organization thereto.

4.41 **Final Offer:** IPA's continued Renewal Offer, if necessary as provided in Section 26.4.1, with respect to the then remaining Orphan Original Purchaser Entitlements to each of the Committed Original Purchasers in the order of their respective Subscription Generation Entitlement Shares, beginning with the Committed Original Purchaser with the highest Subscription Generation Entitlement Share, as then set forth in Appendix B of the Renewal Power Sales Contracts, and continuing with the Committed Original Purchasers in descending order of values of their Subscription Generation Entitlement Shares under Appendix B; provided that such Final Offer shall cease to be offered any further upon the first to occur of the receipt of an Offer Acceptance by a Committed Original Purchaser that complies with Section 26.4.2 or such an Offer Acceptance that complies with Section 26.4.3.

4.42 **Final Offer Acceptance Date:** Such date as specified in the Offer Letter by IPA with respect to the Final Offer, as such date may be thereafter extended by IPA.

4.43 **Final Retirement Date:** With respect to any particular Project Component, the date upon which all conditions set forth in Section 23.9 have been satisfied as to such Project Component.

4.44 **First Round Offer:** The initial offer under IPA's Renewal Offer offering to each Original Purchaser the renewal, in whole or in part, of its Original Purchaser Entitlements as provided in Section 26.2.

4.45 **First Round Offer Acceptance Date:** May 25, 2016, as such date may be extended by IPA.

4.46 **Fiscal Year:** Any period commencing on July 1 of any calendar year and ending on June 30 of the next succeeding calendar year.

4.47 **Fuel Management Practices and Procedures:** The fuel management practices and procedures approved by the Renewal Contract Coordinating Committee as provided in Section 6.2.10.

4.48 **Gas Repowering:** The construction and installation of Gas Unit 1 and Gas Unit 2 as provided in Section 44.1 of the Original Power Sales Contract, together with the decommissioning and retirement of existing generating units and related facilities and properties as provided in Section 44.2 of the Original Power Sales Contracts.

4.49 **Gas Unit:** Includes:

4.49.1 **Gas Unit 1:** The natural gas-fired combined cycle power block and related facilities and properties constituting a part of the Generation Station and referred to as Intermountain Power Project Unit 1, as shall be set forth in the Description of Project attached hereto as Appendix C, together with any Auxiliary Facilities of such generating unit as set forth in Section 23.8.

4.49.2 **Gas Unit 2:** The natural gas-fired combined cycle power block and related facilities and properties constituting a part of the Generation Station and referred to as Intermountain Power Project Unit 2, as shall be set forth in the Description of

Project attached hereto an Appendix C, together with any Auxiliary Facilities of such generating unit as set forth in Section 23.8

4.50 **General Interest Rate:** A variable per annum interest rate equal to 100 basis points less than the Prime Rate; provided, however, that if the Prime Rate cannot be identified for an applicable Business Day in a publication reasonably available to IPA, then the General Interest Rate shall be equal to 100 points above the yield on thirty-day (30-day) notes issued by a corporation specified by IPA, which corporation must (x) be incorporated and headquartered in the United States and (y) have outstanding senior, unsecured debt rated by Standard & Poor's in its highest credit rating category. If Standard & Poor's is no longer issuing credit ratings or, in IPA's reasonable determination, has ceased to be a reliable source of credit information, then IPA shall specify a comparable corporation with outstanding senior, unsecured debt rated in a similar credit rating category by a nationally recognized credit rating agency other than Standard & Poor's.

4.51 **General Service Requirements:** The capacity and energy required for operation of all generating facilities and other equipment and systems used or required at the Generation Station in connection with the operation and maintenance of the Generation Station.

4.52 **Generation Cost Share:** The share (expressed as a percentage) of each Purchaser as set forth in Appendix A attached hereto, as such share may be adjusted from time to time pursuant to Section 26 or other applicable provisions of this Contract, with respect to the costs associated with the Generation Station. A Purchaser's Generation Cost Share shall at all times be the same as its Generation Entitlement Share.

4.53 **Generation Entitlement Share:** The percentage entitlement of each Purchaser in each generating unit of the Project, as set forth in Appendix B attached hereto, as adjusted from time to time pursuant to Section 26 or other applicable provisions of this Contract.

4.54 **Generation Station:** The Generation Station as set forth in the Description of the Project attached hereto as Appendix C together with all applicable Auxiliary Facilities.

4.55 **Reserved**

4.56 **Investment Securities:** Means and includes any of the following securities with maturities consistent with the needs by IPA for such funds: (a) any bonds or other obligations that as to principal and interest constitute direct obligations of, or are unconditionally guaranteed by, the United States of America; (b) direct and general obligations of any state of the United States of America, to the payment of the principal of and interest on which the full faith and credit of such state is pledged, provided that at the time of their purchase such obligations are rated in either of the two highest rating categories by a nationally recognized bond rating agency; (c) certificates of deposit, whether negotiable or nonnegotiable, issued by any bank or trust company organized under the Laws of any state of the United States of America or any national banking association, provided that such certificates of deposit shall be purchased directly from such bank, trust company or national banking association and shall be continuously and fully insured by the Federal Deposit Insurance Corporation; (d) any repurchase

agreement or reverse repurchase agreement with any bank or trust company organized under the Laws of any state of the United States of America or any national banking association or government bond dealer reporting to, trading with, and recognized as a primary dealer by any Federal Reserve Bank, which agreement is secured by any of the securities described in clause (a) above, and (e) to the extent approved by IPA and the Renewal Contract Coordinating Committee (i) any deposit or investment permitted for public funds under Utah's State Money Management Act, Utah Code Title 51, Chapter 7 and (ii) any securities, bonds, obligations, certificates, deposits or investments permitted under the Bond Resolution.

4.57 **IPA:** Shall have the meaning set forth in Section 1.

4.58 **IPA Member:** Any party to the IPA Organization Agreement dated May 10, 1977, as such Agreement has been or may hereafter be amended from time to time.

4.59 **IPA Retained Facility:** Shall have the meaning set forth in Section 24.

4.60 **Issuance and Financing Costs:** With respect to any particular issue, series or tranche of Project Indebtedness, all capitalized interest, debt service funds or accounts and debt service reserve funds or accounts financed with such Project Indebtedness, and all underwriters' or brokers' discounts or fees, bond insurance premiums, rating agency fees, attorneys' fees and other issuance costs of any type or nature associated with such Project Indebtedness.

4.61 **Los Angeles:** The Department of Water and Power of the City of Los Angeles, a department organized and existing under the Charter of the City of Los Angeles, a municipal corporation of the State of California.

4.62 **Major Capital Improvements:** All Capital Improvements that are approved by the Original Coordinating Committee or Renewal Contract Coordinating Committee, as applicable, and designated thereby as "Major Capital Improvements." All Major Capital Improvements shall be undertaken, acquired and constructed as provided under Section 14. For the avoidance of doubt, the Gas Repowering constitutes a Major Capital Improvement.

4.63 **Maximum Generating Capability:** The maximum net capability of each generating facility of the Generation Station to produce power, determined at the high side of its generation transformer, for sustained periods under conditions existing from time to time.

4.63A **Maximum Purchase Percentage:** with respect to a particular California Purchaser, the percentage obtained by dividing (i) such California Purchaser's Generation Entitlement Share by (ii) the sum of the Generation Entitlement Shares of all California Purchasers.

4.64 **Minimum Generating Capability:** The lowest net capability of each Gas Unit of the Generation Station to produce power, as determined at the high side of its generation transformer, at which such Gas Unit can be maintained in service reliably on a continuous basis under automatic control.

4.65 **Minimum Reserve Funding Amount:** Shall have the meaning set forth in Section 5.13.1.

4.66 **Month:** A calendar month.

4.67 **Monthly Power Costs:** From and after the Transition Date all of IPA's costs, to the extent not paid or to be paid from the proceeds of Debt Instruments, resulting from or attributable to the ownership, operation and maintenance of and renewals and replacements to the Project, together with any Tax Equivalent Payment Differential, all Retirement Costs constituting or payable as Monthly Power Costs, and Debt Service with respect to Renewal Contract Project Indebtedness. IPA shall apply as a credit against Monthly Power Costs, Ordinary Salvage Receipts and interest earned on or after the Transition Date on investments, other than the investment of amounts on deposit in any account in the Retirement Reserve Fund. Monthly Power Costs shall consist of a minimum cost component and a variable cost component and shall include, but not be limited to, the items of cost and expense referred to in this Section 4.67 that are accrued or paid by IPA during each Month of each Power Supply Year. If any Power Supply Year shall include fewer than twelve (12) Months, the fraction expressed in Sections 4.67.1.3, 4.67.1.4, 4.67.1.5, 4.67.1.6 and 4.67.1.7 shall be adjusted accordingly, and, in the event of any revision of the Annual Budget after the commencement of any Power Supply Year, the amount determined pursuant to Sections 4.67.1.3, 4.67.1.4, 4.67.1.5, 4.67.1.6, 4.67.1.7 and 4.67.1.8 shall be appropriately adjusted so that any increase or decrease in the portion of the Annual Budget applicable to said Sections shall be evenly apportioned over the remaining Months of such Power Supply Year.

4.67.1 The minimum cost component of Monthly Power Costs shall consist of:

4.67.1.1 Debt Service with respect to Renewal Contract Project Indebtedness for which amounts are not payable from or have not been previously paid or deposited into any fund or account referenced in Section 4.67.1.2.

4.67.1.2 The amounts that IPA is required under any Bond Resolution to pay or deposit during such Month into any funds or accounts established by such Bond Resolution for Debt Service or Debt Service reserve with respect to Renewal Contract Project Indebtedness or for any other reserve requirements for such Debt Service.

4.67.1.3 One-twelfth (1/12th) of the amount (not otherwise included under any item in this Section 4.67.1 or in Section 4.67.2) that IPA is required under any Bond Resolution to pay or deposit during such Power Supply Year into any fund or account established by such Bond Resolution, and shall include, without limitation, any amounts required to make up a deficiency in any fund required or permitted by such Bond Resolution whether or not resulting from a default in payments by any Purchaser of amounts due under any Renewal Power Sales Contract.

4.67.1.4 To the extent not included in any item referenced in Section 4.67.1.3, one-twelfth (1/12th) of the amount set forth in the Annual Budget for such Power Supply Year to be deposited into any reserve established by IPA from time to time for operation, maintenance, renewal or replacement costs, contingencies, or for general reserves, together with any amounts set forth in any amended Annual Budget to replenish amounts used from such reserves, or into any account in the Retirement Reserve Fund.

4.67.1.5 One-twelfth (1/12th) of the cost of producing and delivering capacity and energy during such Power Supply Year, including, but not limited to, (a) water costs, operation and maintenance costs, administrative and general costs, insurance costs (including amounts to fund any self-insurance program), overhead costs and any other costs payable by IPA in connection with the output of the Project; and (b) all costs related to conducting the business of IPA with respect to the Project, including personnel compensation, fees for legal, engineering, financial and other services, expenses of members of the IPA Board of Directors incurred in connection with attendance at meetings of the IPA Board of Directors or any committee thereof and meetings of the Renewal Contract Coordinating Committee, costs attributable to performance by IPA under the Excess Renewal Power Sales Agreement as provided under Section 26.6, and all other expenses properly related to the conduct of such affairs of IPA; provided, however, that minimum costs included under this Section 4.67.1.5 shall with respect to fuel costs include only the fixed costs of fuel, as follows:

4.67.1.5.1 The cost of the Project Fuel associated with Zero Net Load;

4.67.1.5.2 The labor and labor loading expenses for fuel handling;

4.67.1.5.3 The cost of fuel oil delivered to the plant site;

4.67.1.5.4 The cost associated with providing or increasing any Project Fuel storage;

4.67.1.5.5 The cost associated with contract payments under minimum or guaranteed payment provisions that are determined by the Renewal Contract Coordinating Committee to constitute costs of Project Fuel to be included in the minimum cost component;

4.67.1.5.6 The cost of transmission or transportation of Project Fuel unless otherwise determined

by the Renewal Contract Coordinating Committee pursuant to Section 6.2.10;

Provided further that in the event that any one or more Purchasers shall elect to procure its or their own fuel under Section 9.11, Monthly Power Costs applicable to any such Purchaser for the period during which it procures its own fuel shall include such minimum costs of fuel as provided in Sections 4.67.1.5.2, 4.67.1.5.3 and 4.67.5.4 and shall not include costs relating to Project Fuel provided for in Sections 4.67.1.5.1, 4.67.1.5.5, or 4.67.1.5.6.

4.67.1.6 One-twelfth (1/12th) of the amount necessary during such Power Supply Year to pay or provide reserves for payments (a) pursuant to the Act by IPA to the counties, municipalities and school districts affected by the Project, (b) of all Tax Equivalent Payments and (c) of all taxes required to be paid by IPA.

4.67.1.7 One-twelfth (1/12th) of the Tax Equivalent Payment Differential for such Power Supply Year.

4.67.1.8 Any amounts (not otherwise included under any item in this Section 4.67.1 or Section 4.67.2) constituting Monthly Power Costs pursuant to Sections 5.13, 23.9.3 or 23.9.4.

4.67.2 The variable cost component of the Monthly Power Costs with respect to any Month shall be based upon the costs referenced below associated with the Project Fuel actually used during such Month and shall include:

4.67.2.1 The cost of Project Fuel not otherwise included under Section 4.67.1.5.

4.67.2.2 If and to the extent so determined by the Renewal Contract Coordinating Committee pursuant to Section 6.2.10, the cost of transmission or transportation of Project Fuel other than such transmission or transportation referenced in Section 4.67.1.5.6.

Provided that, for the avoidance of doubt, such variable cost component of Monthly Power Costs shall not be applicable to any Purchaser that elects to procure its own fuel under Section 9.11 for the period during which it procures its own fuel.

4.68 **Northern Transmission Cost Share:** As to any particular Purchaser, the share (expressed as a percentage) set forth for such Purchaser in Appendix A attached hereto, as adjusted pursuant to Section 26, with respect to the costs associated with the Northern Transmission System that are to be allocated among the Purchasers with Points of Delivery on the Northern Transmission System, under the Renewal Power Sales Contracts. Each Purchaser's Northern Transmission Cost Share shall be equal to the quotient obtained by dividing that portion of such Purchaser's Generation Entitlement Share that is to be delivered at a Point of Delivery on the Northern Transmission System by the aggregate of those portions of all Purchasers' Generation Entitlement Shares that are to be delivered at Points of Delivery on the Northern Transmission System.

4.69 **Northern Transmission System:** The A.C. transmission system as set forth in the Description of the Project attached hereto as Appendix C together with all applicable Auxiliary Facilities.

4.70 **Offer Acceptance:** The acceptance by an Original Purchaser of a Renewal Offer which shall be effective as provided by Section 26 hereof.

4.71 **Offer Letter:** The letter by IPA that makes the First Round Offer, the Second Round Offer, if necessary, or the Final Offer, if necessary, as the case may be.

4.72 **Operating Agent:** The entity (Los Angeles) responsible for the operation and maintenance of the Project, in accordance with the Construction Management and Operating Agreement.

4.73 **Operating Budget:** The annual operating budget for each Power Supply Year prepared by the Operating Agent pursuant to the Construction Management and Operating Agreement and approved by the Renewal Contract Coordinating Committee that is incorporated by IPA in the Annual Budget for such Power Supply Year as provided by Section 5.4.1.

4.74 **Operational Period:** With respect to any particular Project Component, the period beginning on the Transition Date and ending on the Permanent Removal From Service Date of such Project Component.

4.75 **Operational Reserves:** Shall have the meaning set forth in Section 5.13.1.

4.76 **Operational Term:** The period beginning on the Transition Date and ending on the Renewal Contract Final Termination Date.

4.77 **Ordinary Capital Improvements:** All Capital Improvements other than Major Capital Improvements that are approved by the Original Coordinating Committee or Renewal Contract Coordinating Committee, as applicable, and designated thereby as an Ordinary Capital Improvement. All Ordinary Capital Improvements shall be undertaken, acquired and constructed as provided under Section 14.

4.78 **Ordinary Salvage Receipts:** All receipts, revenues and other moneys actually received by IPA from the sale or other disposition after the Transition Date of surplus equipment, materials and supplies; provided, however, that Ordinary Salvage Receipts shall not include any receipts, revenues or other moneys received by IPA in connection with the sale or other disposition of equipment, materials or supplies constituting all or part of any Project Component on or after the Permanent Removal From Service Date of such Project Component.

4.79 **Organization Agreement:** That certain Intermountain Power Agency Organization Agreement dated as of May 10, 1977 providing for the creation of IPA, as amended and supplemented.

4.80 **Original Bond Resolution:** The Amended and Restated Power Supply Revenue Bond Resolution adopted by the IPA Board of Directors on August 28, 1998, and effective on July 20, 2007, as it has previously been, and as it may hereafter be, supplemented or amended.

4.80A **Original California Purchasers:** The Original Purchasers that are California Purchasers as California Purchasers is defined in the Original Power Sales Contracts.

4.81 **Original Coordinating Committee:** The committee established pursuant to Section 6.1 of each of the Original Power Sales Contracts.

4.82 **Original Power Sales Contracts:** The Power Sales Contracts between IPA and each of the thirty-six (36) Original Purchasers, pursuant to which IPA has sold and will continue to sell the capacity and energy of the Project through June 15, 2027, as such Contracts have been heretofore amended or supplemented, including without limitation by the Second Amendatory Power Sales Contract, and as such Contracts may hereafter be amended or supplemented.

4.83 **Original Purchaser Entitlements:** As to a particular Original Purchaser, its Generation Entitlement Share (as defined in the Original Power Sales Contracts) and its Generation Cost Share (as defined in the Original Power Sales Contracts) under its Original Power Sales Contract and its transmission entitlement and Transmission Cost Share (as defined in the Original Power Sales Contracts) under its Original Power Sales Contract, all as to which it is entitled to receive a Renewal Offer.

4.84 **Original Purchasers:** Each party, including Purchaser, other than IPA, to an Original Power Sales Contract; provided that in the event any such party shall have assigned its Original Purchaser Entitlement (including its rights as to the IPA renewal offer under Section 33 of such Original Power Sales Contract) in accordance with Section 19.2 of such Original Power Sales Contract prior to the acceptance or rejection by such party of the Renewal Offer, such assignee shall be deemed to be the Original Purchaser with respect to such assigned Original Purchaser Entitlement for the purposes of this Contract.

4.84A **Original Utah Purchasers:** The Original Purchasers that are Utah Purchasers as Utah Purchasers is defined in the Original Power Sales Contracts.

4.85 **Orphan Original Purchaser Entitlements:** As of any particular point in time on and after the First Round Offer Acceptance Date and with respect to the Original Purchaser Entitlements that have been offered under the First Round Offer to the Original Purchasers, Orphan Original Purchaser Entitlements shall mean and include: (i) the amount of such Original Purchaser Entitlements (or the portions thereof) that have been declined, rejected or otherwise relinquished in writing to the reasonable satisfaction of IPA, (ii) in the case of an acceptance of the First Round Offer by any of the Original Purchasers in part, that part of such Original Purchasers' Entitlements that is not accepted and not included under such Original Purchasers' Renewal Power Sales Contracts (which part shall be deemed declined, rejected or otherwise relinquished by such Original Purchasers), and (iii) in the case where any of the Original Purchasers fail to enter into any Offer Acceptance (in whole or in part) or fail to decline,

reject or otherwise relinquish in writing the First Round Offer (in whole or in part), all of such Original Purchaser Entitlements; and all Orphan Original Purchaser Entitlements shall continue as such under the continued Renewal Offer except to the extent subsequently accepted (in whole or in part) by an Offer Acceptance.

4.86 **Reserved**

4.87 **Permanent Removal From Service Date**: Shall have the meaning set forth in Section 23.1.

4.88 **Point of Delivery**: The point at which each Purchaser is entitled to take delivery of electric energy associated with its Generation Entitlement Share, which point, as to each Purchaser, is set forth on Appendix B attached hereto.

4.89 **Power Supply Year**: The twelve (12) month period commencing at 12:01 a.m. on July 1 of each year during the Operational Term and ending at 12:01 a.m. on the following July 1; provided, however, that (a) if the Transition Date does not occur on July 1 of any year, then the first Power Supply Year shall begin at 12:01 a.m. on the Transition Date and shall end at 12:01 a.m. on the immediately following July 1, and (b) if the Operational Term does not end on June 30 of any year, then the last Power Supply Year shall begin at 12:01 a.m. on the July 1 immediately preceding the last day of the Operational Term and shall end at 12:01 a.m. on the last day of the Operational Term.

4.90 **Prime Rate**: The interest rate per annum for the United States as published on the first Business Day of each Month in the Wall Street Journal under the sub-caption "Prime Rates" under the caption "Money Rates", which interest rate shall be adjusted as of the close of business on the first Business Day of each Month, or, if the Wall Street Journal fails to publish the Prime Rate for the United States on such Business Day, IPA shall select a comparable publication for determination of the Prime Rate.

4.91 **Project**: Means (a) as applicable at any time on and after the Transition Date, the Generation Station, the Southern Transmission System, the Northern Transmission System and the Capital Improvements, and (b) as applicable at any time prior to the Transition Date, the "Project" as defined in the Original Power Sales Contracts.

4.92 **Project Fuel**: The natural gas procured or acquired by or on behalf of IPA during the Operational Period for use in the Generation Station.

4.93 **Project Component**: Any of the following: (a) Gas Unit 1 of the Generation Station, (b) Gas Unit 2 of the Generation Station, (c) the Southern Transmission System or (d) the Northern Transmission System.

4.94 **Project Indebtedness**: All monetary obligations or liabilities incurred by IPA pursuant to any Debt Instrument issued by IPA after the Effective Date to: (a) refund or refinance any bonds or other indebtedness of IPA issued for the Project and outstanding as of the Effective Date; (b) finance or refinance the costs of Capital Improvements; or (c) finance or refinance Retirement Costs or deposits into the Retirement Reserve Fund.

4.95 **Project Manager:** The entity (Los Angeles) responsible for the construction of the Project, in accordance with the Construction Management and Operating Agreement.

4.96 **Project Water Rights:** All water rights, well rights, shares or ownership interests in water companies, or other rights, titles or interests in or to riparian, underground or other water owned by IPA and acquired for the Project.

4.97 **Proposed Removal From Service Date:** Shall have the meaning set forth in Section 23.1.

4.98 **Prudent Utility Practice:** Any of the practices, methods and acts that, in the exercise of reasonable judgment in light of the facts (including, but not limited to, the practices, methods and acts engaged in or approved by a significant portion of the electrical utility industry prior thereto) known at the time the decision was made, would have been expected to accomplish the desired result at the lowest reasonable cost consistent with good business practices, reliability, safety and expedition, taking into account the fact that Prudent Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others, but rather to be a spectrum of possible practices, methods or acts that could have been expected to accomplish the desired result at the lowest reasonable cost consistent with reliability, safety and expedition. Prudent Utility Practice includes due regard for manufacturers' warranties and the requirements of governmental agencies of competent jurisdiction and shall apply not only to functional parts of the Project, but also to appropriate structures, landscaping, painting, signs, lighting, other facilities and public relations programs reasonably designed to promote public enjoyment, understanding and acceptance of the Project.

4.99 **Purchaser:** Shall have the meaning set forth in Section 1 and, as the context requires, shall also refer to each of the other Purchasers individually.

4.100 **Purchase Percentage:** Shall have the meaning set forth in the Excess Renewal Power Sales Agreement.

4.101 **Purchaser Representative:** Shall have the meaning set forth in the Excess Renewal Power Sales Agreement.

4.102 **Purchasers:** Those entities, other than IPA, executing Renewal Power Sales Contracts, together with their respective successors and assigns and any entity to which a Purchaser's rights and obligations may be transferred pursuant to Section 17.4. Appendix A and Appendix B attached hereto, listing all Purchasers, shall be completed, revised, replaced and furnished by IPA to all Purchasers in accordance with Section 26 and may thereafter be replaced from time to time as provided in this Contract.

4.103 **Qualified Independent Engineer:** An independent engineer or firm of independent engineers, selected by IPA, of national reputation generally recognized to be well qualified in matters relating to electric power systems.

4.104 **Regulatory Contract Approvals:** All governmental regulatory approvals, consents and authorizations required or necessary for the execution and delivery of

this Contract by Purchaser or IPA, the performance by Purchaser or IPA of its duties and obligations hereunder for this Contract to become the legal, valid and binding obligation of Purchaser or IPA (including, but not limited to, such applicable approvals, consents or authorizations by a public service commission or utility regulatory authority).

4.105 **Renewal Contract Coordinating Committee:** The committee established pursuant to Section 6.1 of this Contract and the other Renewal Power Sales Contracts.

4.106 **Renewal Contract Final Termination Date:** The earlier of (a) June 15, 2077, (b) the latest date to which the term of the Contract may extend under the Act (as the Act may be amended from time to time to increase the permissible period for which the term of a contract under the Act may extend) or (c) the Final Retirement Date of the Project Component that results in the Final Retirement Date having occurred with respect to all of the Project Components.

4.107 **Renewal Contract Project Indebtedness:** (a) Project Indebtedness that is incurred by IPA on or after the Transition Date; and (b) the portion of any Transition Project Indebtedness that, by its terms, is scheduled to become due and payable on or after the Transition Date; provided, however, that Renewal Contract Project Indebtedness shall not, in any event, include Debt Service on any Transition Project Indebtedness for any period prior to the Transition Date.

4.108 **Renewal Contract Term:** The period beginning on the Effective Date and ending on the Renewal Contract Final Termination Date.

4.109 **Renewal Offer:** The offer made by IPA pursuant to Section 33 of the Original Power Sales Contracts to each of the Original Purchasers to renew their Original Purchaser Entitlements and any offers of Orphan Original Purchaser Entitlements thereafter made by IPA to Committed Original Purchasers in accordance with the terms and provisions set forth in Section 26 of the Renewal Power Sales Contracts and consisting of the First Round Offer, the Second Round Offer, if necessary, and the Final Offer, if necessary.

4.110 **Renewal Power Sales Contracts:** This Contract and any contract with terms that shall be determined by IPA to be similar in substance to the terms of this Contract and that may contain such variations or differences from the terms of this Contract as shall be approved by IPA as not deviating from the substance of this Contract, entered into pursuant to the Renewal Offer by IPA and a Purchaser, together with amendments and supplements thereto.

4.111 **Retirement Actions:** Shall have the meaning set forth in Section 23.9.1.

4.112 **Retirement Consultant:** An independent consultant or other appropriate professional person or firm selected by IPA that is acceptable to the Coordinating Committee, and that has a nationwide and favorable reputation for skill and experience in the retirement and decommissioning of electric generating and transmission facilities similar to those of the Project, including, without limitation, in the identification of tasks, actions and other matters involved in the retirement and decommissioning of such facilities and the estimation of

the costs thereof. Inasmuch as Section 23.4 contemplates that a Retirement Consultant may be retained at various times during the Renewal Contract Term, it is recognized that IPA and the Renewal Contract Coordinating Committee may not, for various reasons, necessarily select the same independent consultant or other professional person or firm each time a Retirement Consultant is to be retained.

4.113 **Retirement Cost Debt Instruments:** Shall have the meaning set forth in Section 15.2.3.

4.114 **Retirement Cost Deficiency:** Shall have the meaning set forth in Section 23.9.3.

4.115 **Retirement Cost Report:** Shall have the meaning set forth in Section 23.4.

4.116 **Retirement Costs:** With respect to any Project Component, the amounts payable with respect to the “asset retirement costs” associated with the Project Component as determined pursuant to FAS 143. Such asset retirement costs shall include, without limitation, all Retirement Actions. In determining such asset retirement costs, to the extent that FAS 143 requires that any probability be assigned to one or more elements of determining such costs (e.g., the degree of the decommissioning and remediation obligation and the potential costs for performing that obligation), a probability of 100% shall be assigned to the potential outcome that results in the highest potential asset retirement cost. The funds received from salvage of the Project Component shall be credited as provided in FAS 143 for purposes of calculating such asset retirement costs.

4.117 **Retirement Election:** Shall have the meaning set forth in Section 23.1.

4.118 **Retirement Reserve Fund:** The Retirement Reserve Fund established pursuant to Section 22.1 which includes a separate account for each Project Component.

4.119 **Retirement Salvage Proceeds:** With respect to any particular Project Component or any facility or portion of such Project Component, the proceeds IPA actually realizes from the sale or other disposition of the property or property rights constituting a part of such Project Component on or after the Permanent Removal From Service Date of such Project Component; provided, however, that (a) with respect to any IPA Retained Facility other than Project Water Rights, the Retirement Salvage Proceeds of such IPA Retained Facility shall be deemed to be the estimated Retirement Salvage Proceeds thereof determined by the Retirement Consultant pursuant to Section 23.4, and shall not include any proceeds or revenues IPA may realize from any subsequent sale or other disposition by IPA of such IPA Retained Facility or any portion thereof; and (b) with respect to Project Water Rights that become an IPA Retained Facility pursuant to Section 24.1, the Retirement Salvage Proceeds of such Project Water Rights shall be deemed to be the amount determined pursuant to Section 24.2.

4.120 **Second Amendatory Power Sales Contract:** The Second Amendatory Power Sales Contract, dated as of December 8, 2015, entered into by IPA with each Original Purchaser, together with any amendments thereof and supplements thereto.

4.121 **Second Round Offer Acceptance Date:** Such date specified in the Offer Letter by IPA with respect to the Second Round Offer, as such date may be extended by IPA.

4.122 **Second Round Offer:** IPA's continued Renewal Offer pursuant to Section 26.3 hereof.

4.123 **Section 39 Facilities:** Section 39 Facilities shall mean rights, properties, facilities and appurtenances that pursuant to and as provided in Section 39 of the Renewal Power Sales Contracts are to be or have been sold, leased or otherwise made available by IPA for the construction or operation of any generating unit or units, transmission facilities or other facilities or properties at the Project site that shall not be part of the Project.

4.124 **Section 39 Facilities Agreement:** Section 39 Facilities Agreement shall mean any agreement or arrangement pursuant to which IPA sells, leases or otherwise makes available Section 39 Facilities in accordance with Section 39 of the Renewal Power Sales Contracts for any generating unit or units, transmission facilities or other facilities or properties located at the Project site but not constituting part of the Project.

4.125 **Southern Transmission Cost Share:** As to any particular Purchaser, the share (expressed as a percentage) set forth for such Purchaser in Appendix A attached hereto, as adjusted pursuant to Section 26, with respect to the costs associated with the Southern Transmission System that are to be allocated among the Purchasers with the Point of Delivery on the Southern Transmission System under the Renewal Power Sales Contracts. Each Purchaser's Southern Transmission Cost Share shall be equal to the quotient obtained by dividing that portion of such Purchaser's Generation Entitlement Share that is to be delivered at the Point of Delivery on the Southern Transmission System by the aggregate of those portions of all Purchasers' Generation Entitlement Shares that are to be delivered at the Point of Delivery on the Southern Transmission System.

4.126 **Southern Transmission System:** The transmission system by that name set forth in the Description of the Project attached hereto as Appendix C together with all applicable Auxiliary Facilities.

4.127 **Subscription Generation Cost Share:** Purchaser's Subscription Generation Cost Share as initially established pursuant to Section 26, as increased from time to time, if applicable, pursuant to Section 26.

4.128 **Subscription Generation Entitlement Share:** Purchaser's Subscription Generation Entitlement Share as initially established pursuant to Section 26, as increased from time to time, if applicable, pursuant to Section 26.

4.129 **Substantially Equal Aggregate Debt Service:** For any period of Fiscal Years and with respect to all series, issues or tranches of a specified Project Indebtedness, shall mean that the greatest Aggregate Debt Service for any Fiscal Year in such period is not in excess of one hundred ten percent (110%) of the Aggregate Debt Service for any preceding Fiscal Year in such period.

4.130 **Substantially Equal Debt Service:** For any period of Fiscal Years and with respect to any particular series, issue or tranche of any specified Project Indebtedness, shall mean that the greatest Debt Service for any Fiscal Year in such period is not in excess of one hundred ten percent (110%) of the smallest Debt Service for any Fiscal Year in such period.

4.131 **Switchyard:** The switchyard as described in Appendix C that comprises part of the Generation Station.

4.132 **Tax Equivalent Payment Differential:** For any Power Supply Year, the difference, if any, between the amount of Tax Equivalent Payments and the amount of Augmented Tax Equivalent Payments with respect to such Power Supply Year.

4.133 **Tax Equivalent Payments:** All ad valorem property taxes or payments in lieu of ad valorem property taxes imposed with respect to the Project or any portion thereof by all taxing agencies of the State of Utah.

4.134 **Terminated and Reduced Purchaser Entitlements:** With respect to the California Purchaser or the California Purchasers, if any, that terminate its or their Renewal Power Sales Contracts or reduce its or their Generation Entitlement Shares pursuant to Section 42, the total of such terminated entitlements, and such reduction of entitlements with respect to its or their Generation Entitlement Shares and Generation Cost Shares under the Renewal Power Sales Contracts, together with its or their transmission entitlements and Transmission Cost Shares under the Renewal Power Sales Contracts.

4.135 **Transfer:** Shall have the meaning set forth in Section 20.2.

4.136 **Transition Bond Resolution:** Any Bond Resolution adopted prior to the Transition Date under which Transition Project Indebtedness is incurred or issued by IPA.

4.137 **Transition Date:** June 16, 2027; provided, however, that if the date upon which the Original Power Sales Contracts terminate is extended pursuant to Section 26.1 of the Original Power Sales Contracts, then the Transition Date shall be the date that is next succeeding the date upon which the Original Power Sales Contracts terminate in accordance with their terms.

4.138 **Transition Debt Instruments:** Any Debt Instrument issued by IPA prior to the Transition Date by which Transition Project Indebtedness is incurred or evidenced.

4.139 **Transition Project Indebtedness:** Project Indebtedness that is incurred by IPA prior to the Transition Date and that, by its terms, is scheduled to remain outstanding after the Transition Date, provided that no such Project Indebtedness shall be incurred or authorized on or prior to the Entitlement Determination Date.

4.140 **Transmission Cost Share:** With respect to any Purchaser, shall mean, the Northern Transmission Cost Share or the Southern Transmission Cost Share, as applicable.

4.141 **Reserved**

4.142 **Uncontrollable Forces:** Any cause beyond the control of IPA that by the exercise of due diligence IPA is unable to prevent or overcome, including, but not limited to, failure or refusal of any other person or entity (including any Purchaser) to comply with any of the then existing contracts, an act of God, fire, flood, explosion, strike, sabotage, pestilence, an act of the public enemy, terrorist act, civil or military authority including court orders, injunctions and orders of governmental agencies with proper jurisdiction, insurrection or riot, an act of the elements, failure of equipment, inability of IPA or any person or entity engaged in work on the Project to obtain or ship materials or equipment because of the effect of similar causes on suppliers or carriers, or the inability of IPA to sell or issue its Debt Instruments.

4.143 **Uniform System of Accounts:** The “Uniform Systems of Accounts prescribed for Class A and B Public Utilities and Licensees” as prescribed and, from time to time, as amended or modified or substitution therefor made by the Federal Energy Regulatory Commission or its successor, whether or not IPA is subject to Federal Energy Regulatory Commission jurisdiction.

4.144 **Unsubscribed Original Purchaser Entitlements:** The Original Purchaser Entitlements as to which, prior to the First Round Offer Acceptance Date, there has not been an Offer Acceptance.

4.145 **Utah Committed Original Purchasers:** The Original Utah Purchasers that are Committed Original Purchasers.

4.146 **Utah Municipal Purchasers:** The Purchasers that are political subdivisions of the State of Utah.

4.146A **Utah Orphan Entitlement Allocation Document:** A written document signed by all the Utah Committed Original Purchasers, as set forth under Section 26.3.1.1, providing for the allocation to and acceptance by those Utah Committed Original Purchasers designated in such document of the then remaining Utah Orphan Original Purchaser Entitlements; provided that together with such document such designated Utah Committed Original Purchasers shall provide Offer Acceptances with respect to the Utah Orphan Original Purchaser Entitlements allocated to such designated Utah Committed Original Purchasers, respectively, in such document and such document shall be filed with IPA.

4.146B **Utah Orphan Original Purchaser Entitlements:** As of any particular point in time on and after the First Round Offer Acceptance Date and with respect to the Original Purchaser Entitlements that have been offered under the First Round Offer to the Original Utah Purchasers, Utah Orphan Original Purchaser Entitlements shall mean and include: (i) the amount of such Original Purchaser Entitlements (or the portions thereof) that have been declined, rejected or otherwise relinquished in writing to the reasonable satisfaction of IPA by one or more Original Utah Purchasers, (ii) in the case of an acceptance of the First Round Offer by any of the Original Utah Purchasers in part, that part of such Original Utah Purchasers’ Original Purchaser Entitlements that is not accepted and not included under such Original Utah Purchasers’ Renewal Power Sales Contracts (which part shall be deemed declined, rejected or otherwise relinquished by such Original Utah Purchasers), and (iii) in the case where one or more of the Original Utah Purchasers fail to enter into any Offer Acceptance (in whole or in part) or fail to decline, reject or

otherwise relinquish in writing the First Round Offer (in whole or in part), all of such Original Utah Purchasers' Original Purchase Entitlements.

4.146C **Utah Purchasers:** The Utah Municipal Purchasers and the Cooperative Purchasers.

4.147 **Voting Rights:** Shall have the meaning set forth in Section 6.1.9.

4.148 **Willful Action:**

4.148.1 Action taken or not taken by a party to this Contract at the direction of its directors or other governing body, officers or employees having management or administrative responsibility affecting its performance under this Contract and that:

4.148.1.1 Is knowingly or intentionally taken or not taken with conscious indifference to the consequences thereof or with the intent that injury or damage would result therefrom;

4.148.1.2 Has been determined by a final arbitration award or judgment or judicial decree to be a material default under this Contract, and which action occurs or continues beyond the time specified in such arbitration award or judgment or judicial decree for curing such default, or, if no time to cure is specified therein, occurs or continues thereafter beyond a reasonable time to cure such default; or

4.148.1.3 Is knowingly or intentionally taken or not taken with the knowledge that such action so taken or not taken is a material default under this Contract.

4.148.1.4 As used in this definition:

(a) "Willful Action" does not include any act or failure to act that is merely involuntary, accidental or negligent.

(b) The phrase "employees having management or administrative responsibility" means those employees of a party to this Contract who are responsible for one or more of the executive functions of planning, organizing, coordinating, directing, controlling or supervising such party's performance under this Contract.

4.149 **Zero Net Load:** The electric load upon a generating unit when such generating unit's gross electric energy output equals its allocated General Service Requirements.

5. OBLIGATIONS OF IPA AND PURCHASER:

5.1 **Project Output During Operational Period:** During the Operational Period of each Project Component, IPA shall provide to Purchaser and Purchaser shall take its share of capacity and energy and associated services from such Project Component pursuant to the terms of this Contract. IPA will be responsible for planning, negotiating, designing, financing, constructing, insuring, contracting for, administering, operating and maintaining the Project to effectuate during the Operational Period each respective Project Component and the delivery and sale of such share of capacity and energy and associated services thereof to Purchaser.

5.2 **Project Manager and Operating Agent:** IPA has appointed Los Angeles as Project Manager and Operating Agent to construct, operate and maintain the Project during the Operational Period of each respective Project Component in accordance with the Construction Management and Operating Agreement.

5.3 **Project Covenants:** IPA covenants for the benefit of Purchaser and each of the other Purchasers that during the period beginning on the Effective Date and ending on the day prior to the Transition Date, it will comply with the provisions of the Original Power Sales Contracts relating to the acquisition, construction, maintenance and operation of the Project, including without limitation, the provisions of Section 44 of the Original Power Sales Contracts. IPA will also operate and maintain the Project in such a manner, and make such replacements and repairs thereto, as and to the extent necessary to keep the Project in at least as good a condition as IPA has agreed with the Original Purchasers to keep the Project pursuant to the Original Power Sales Contracts. It is the intention of the parties that this covenant obligate IPA to render the Project, as of the Transition Date, in as good a condition as it would be had IPA fully performed each of its operation, maintenance, repair and replacement obligations with respect to the Project under the Original Power Sales Contracts during the term thereof, but not impose upon IPA any duties or obligations with respect to the operation, maintenance, repair and replacement of the Project that are more extensive or onerous than, or that otherwise exceed the scope of, IPA's duties and obligations with respect to such matters under the Original Power Sales Contracts.

5.4 **Annual Budget:**

5.4.1 IPA will prepare and submit to Purchaser and the other Purchasers a proposed Annual Budget at least two hundred forty (240) days prior to the beginning of each Power Supply Year. In connection with the preparation of each such Annual Budget, IPA shall incorporate therein the Operating Budget (including provisions for the payment of Retirement Costs) for such Power Supply Year as prepared by the Operating Agent pursuant to the Construction Management and Operating Agreement and approved by the Renewal Contract Coordinating Committee and an estimate of all credits, if any, to be granted for such Power Supply Year to each Utah Municipal Purchaser pursuant to Section 7.6. Purchaser and the other Purchasers may then submit to IPA, at any time until the Annual Budget is adopted, any matters or suggestions relating to the Annual Budget. IPA shall adopt the Annual Budget not less than thirty (30) nor more than sixty (60) days prior to the beginning of each such Power Supply Year and shall cause copies of such adopted Annual Budget to be delivered to

Purchaser and the other Purchasers. As required from time to time during any Power Supply Year, after thirty (30) days prior notice to Purchaser and all other Purchasers, IPA may, pursuant to the foregoing provisions for adopting the Annual Budget, adopt an amended Annual Budget for and applicable to such Power Supply Year for the remainder of such Power Supply Year. The Annual Budget shall set forth a detailed estimate of the Monthly Power Costs and all revenues, income or other funds to be applied to such costs for the applicable Power Supply Year, shall establish the basis for the billing of the minimum cost components of Monthly Power Costs and shall establish the rate of billing for the variable cost component, all as hereinafter provided.

5.4.2 In addition to the matters set forth in Section 5.4.1, the Annual Budget for the first Power Supply Year shall include the matters set forth in Section 5.13.

5.5 **Reports:** During the Operational Period, IPA will prepare and issue, or have prepared and issued, to Purchaser and the other Purchasers the following reports each Month of each Power Supply Year:

5.5.1 Financial and operating statements relating to the Project.

5.5.2 Status of the Annual Budget.

5.5.3 Status of any budget for a Major Capital Improvement.

5.5.4 Analysis of operations relating to the Project.

5.6 **Records and Accounts:** During the Operational Period of each Project Component, IPA will keep accurate records and accounts of each of the facilities comprising the Project as well as of the operations of IPA in a manner similar to the Uniform System of Accounts. Said accounts shall be audited annually by an independent firm of certified public accountants selected by IPA, experienced in electric utility accounting; provided, however, that IPA shall not be required to duplicate any of the audits conducted by the Renewal Contract Coordinating Committee under Section 6.5. Such audit shall be completed and submitted to IPA within one hundred twenty (120) days after the close of each Power Supply Year. All transactions of IPA relating to the Project with respect to each Power Supply Year shall be subject to such an audit. IPA shall promptly furnish to Purchaser and the other Purchasers complete copies of all such audits. Purchaser shall have the right at its own expense to examine and copy the records and accounts referred to above on reasonable prior written notice to IPA during regular business hours.

5.7 **Adjustment of Billing:** Within 30 days following the submission to IPA of the audit conducted pursuant to Section 5.6 and no later than one hundred fifty (150) days after the end of each Power Supply Year, IPA will submit to Purchaser and the other Purchasers a detailed statement of the actual aggregate Monthly Power Costs with respect to each Purchaser and other amounts payable hereunder, including credits thereto, for all of the Months of such Power Supply Year, and the adjustments of the aggregate Monthly Power Costs and other amounts payable hereunder, if any, for such Power Supply Year or any prior Power Supply Year, based on the annual audit of accounts provided for in Section 5.6. If, on the basis of the statement submitted as provided in this Section 5.7, the actual aggregate Monthly Power

Costs and other amounts payable for any Power Supply Year exceed the amount thereof that Purchaser and the other Purchasers have been billed, Purchaser and the other Purchasers shall pay IPA promptly the amount to which IPA is entitled. If, on the basis of the statement submitted pursuant to this Section 5.7, the actual aggregate Monthly Power Costs or other amounts payable for any Power Supply Year are less than the amount thereof that Purchaser and the other Purchasers have been billed and paid, IPA shall credit such excess against Purchaser's and the other Purchasers' next monthly payment or payments until such credit has been fully applied. If the failure of Purchaser to make its payments in accordance with this Contract shall have resulted in the application of amounts in any reserve or working fund under any Bond Resolution to the payment of costs payable from such reserve or working fund and the other Purchasers shall have made up the deficiency created by such application or paid additional amounts into such reserve or working fund, amounts thereafter paid to IPA by Purchaser for application to such past due payments, including interest thereon, shall be credited on the Billing Statements of such other Purchasers in the next Month or Months as shall be appropriate.

5.8 **Disputed Monthly Billing Statement:** In case any portion of any Billing Statement received by Purchaser from IPA shall be in bona fide dispute, Purchaser shall pay IPA the full amount of such Billing Statement, and, upon determination of the correct amount, the difference between such correct amount and such full amount so paid by Purchaser, if any, including interest thereon at the General Interest Rate on any overpayment, will be credited to Purchaser by IPA after such determination; provided, however, that such interest shall not accrue on any overpayment that is acknowledged by IPA and returned to Purchaser by the fifth (5th) day following the later of receipt by IPA of the disputed overpayment or receipt by IPA of written notification by Purchaser of such dispute. If any Billing Statement is in dispute, IPA will give consideration to such dispute and will advise Purchaser with regard to IPA's position relative thereto within thirty (30) days following written notification by Purchaser of such dispute.

5.9 **Source of Payments:** The obligations of Purchaser to make the payments to IPA required under this Contract shall constitute a cost of purchased electric capacity and energy and an operating expense of such Purchaser payable solely from its electric revenue funds, and Purchaser will annually in each and every fiscal year of Purchaser during the Renewal Contract Term include in its power system budget, whether or not any other items are included, an appropriation from the revenues of its electric system sufficient to satisfy all the payments required to be made in such fiscal year under this Contract until all payments required under this Contract have been paid in full.

5.10 **Information to be Supplied:** Purchaser agrees to supply IPA, upon request, with such information and documentation as IPA shall reasonably determine to be requisite and necessary with respect to the financing, design, construction, operation and maintenance of the Project, including information reasonably available to allow IPA to respond to requests for such information from any Federal, state or local regulatory or other authority.

5.11 **Availability of Consultants:** IPA shall make available to the Renewal Contract Coordinating Committee at the latter's request, all consultants and advisors on financial matters, including, but not limited to, financial advisors and bond counsel (but excluding the general legal counsel of IPA), that are retained by IPA and such consultants and advisors shall be authorized to consult with and advise the Renewal Contract Coordinating Committee on financial matters.

5.12 **Rate Covenant:** Purchaser will establish, maintain and collect rates and charges for the electric service of its electric system so as to provide revenues sufficient, together with available electric system reserves and other available funds, to enable Purchaser to pay to IPA all amounts payable when due under this Contract and to pay all other amounts payable from, and all lawful charges against or liens on, the revenues of its electric system.

5.13 **Initial Funding of Certain Reserves:**

5.13.1 IPA, the Renewal Contract Coordinating Committee and the Purchasers shall provide for the establishment and initial funding, upon or immediately after the Transition Date, of reserves for Project operations, maintenance, renewals, replacements and contingencies (collectively, "Operational Reserves") in accordance with this Section 5.13. In connection with the preparation of the Annual Budget for the first Power Supply Year pursuant to Section 5.4, IPA shall identify all Operational Reserves required to be maintained by IPA, and the minimum amounts required to be on deposit therein pursuant to any Bond Resolution or other contractual obligation of IPA (such minimum amounts being referred to as the "Minimum Reserve Funding Amount"). Thereupon, IPA and the Renewal Contract Coordinating Committee, by their mutual approval, shall determine whether any Operational Reserves, other than contractually required Operational Reserves in the Minimum Reserve Funding Amount, should be established and the appropriate minimum funding levels of such Operational Reserves. Based upon such determination, IPA shall include in the Annual Budget for the first Power Supply Year, as Monthly Power Costs, the full amounts required to initially fund all such Operational Reserves at the levels so determined; and, in the case of contractually required Operational Reserves, at the Minimum Reserve Funding Amount required by the applicable Bond Resolution or other contractual obligation if IPA and the Renewal Contract Coordinating Committee shall not have determined to fund such Operational Reserves at higher levels.

5.13.2 The amounts included for Operational Reserves in the Annual Budget for the first Power Supply Year pursuant to Section 5.13.1 shall constitute Monthly Power Costs for the first Month of such Power Supply Year. As such, those amounts shall be allocated among the Purchasers pursuant to Sections 7.1 and 7.2 and each Purchaser's full allocated share thereof shall be included in the Billing Statement for such Month issued to such Purchaser pursuant to Section 7.4.2 and shall be due and payable in full on or before the due date of such Billing Statement. Each Purchaser shall receive a credit against such Billing Statement for any amounts available to such Purchaser that it directs IPA to transfer to such Operational Reserves from its share, if any, of the reserves held by IPA pursuant to the Original Power Sales Contracts.

5.13.3 Except as otherwise may be required pursuant to the applicable Bond Resolution, any amounts held by IPA as debt service reserve funds for Project

Indebtedness at the end of the term of the Original Power Sales Contracts shall continue to be held by IPA after the Transition Date in accordance with, and applied as set forth in, the provisions of the applicable Bond Resolution. Except as IPA may be directed pursuant to Section 5.13.2, IPA shall have no obligation to make amounts held by it as reserves pursuant to the Original Power Sales Contracts available for the funding of Operational Reserves on or after the Transition Date.

5.14 **Project Developments: Amendment of Original Power Sales**

Contract: The Purchaser and the other Purchasers recognize that prior to the Operational Period the Project will be operated and maintained, and, subject to compliance with the applicable provisions of Section 15.1, Capital Improvements may be undertaken, acquired and constructed, and the Project may include contractual arrangements all of which shall be performed, provided for and entered into under and in accordance with Section 36 of the Original Power Sales Contract and other terms and provisions of the Original Power Sales Contracts; provided, however, that the Original Power Sales Contracts shall not be further amended or supplemented subsequent to the Effective date in any manner that adversely affects the rights or interests of the Purchaser and the other Purchasers. Accordingly, IPA hereby agrees not to enter into any amendment or supplement to the Original Power Sales Contracts after the Effective Date that adversely affects the rights or interests of the Purchaser or any of the other Purchasers without obtaining the prior consent to such amendment and supplement to the Original Power Sales Contracts by each of the Purchasers.

6. **ADMINISTRATION:**

6.1 **Renewal Contract Coordinating Committee; Appointment of**

Representatives: The Renewal Contract Coordinating Committee shall be established in order to provide for the effective cooperation and interchange of information and to provide coordination on a prompt and orderly basis among the Purchasers and IPA in connection with the various administrative, technical and other matters that may arise from time to time in connection with the Project. The representatives on the Renewal Contract Coordinating Committee shall be appointed as follows:

6.1.1 One (1) representative shall be appointed by IPA, which representative shall at all times serve as the Chairman of the Renewal Contract Coordinating Committee. Such representative shall have no Voting Rights. IPA may also appoint an alternate representative who shall be entitled to act in place of its regular representative in the event of the absence of the regular representative.

6.1.2 Each California Purchaser shall be entitled to appoint one (1) representative; provided, however, that if more than one California Purchaser has Voting Rights of less than one and four-tenths percent (1.40%), then all such California Purchasers having Voting Rights of less than one and four-tenths percent (1.40%) shall, as a group, be entitled to appoint one (1) representative, which representative shall be elected by a weighted majority vote of all such California Purchasers having Voting Rights of less than one and four-tenths percent (1.40%) based on their respective Voting Rights.

6.1.3 Each Purchaser, other than the California Purchasers, that has Voting Rights of one and four-tenths percent (1.40%) or more shall be entitled to appoint one (1) representative.

6.1.4 One (1) representative shall be collectively appointed by the Utah Municipal Purchasers who are not individually entitled to appoint a representative pursuant to Section 6.1.3, which representative shall be elected by a weighted majority vote, based on their respective Voting Rights, of all such Utah Municipal Purchasers not individually entitled to appoint a representative.

6.1.5 One (1) representative shall be collectively appointed by the Cooperative Purchasers who are not individually entitled to appoint a representative pursuant to Section 6.1.3, which representative shall be elected by a weighted majority vote, based on their respective Voting Rights, of all such Cooperative Purchasers not individually entitled to appoint a representative.

6.1.6 **Reserved**

6.1.7 All Purchasers who are entitled to individually appoint a representative to the Renewal Contract Coordinating Committee pursuant to Sections 6.1.2 or 6.1.3 shall give the Chairman of the Renewal Contract Coordinating Committee written notice of their initial appointments (and any initial alternates thereafter) and of any change in the appointment of their representative, or alternates, which appointments and changes shall be effective immediately upon receipt of such notice by the Chairman. Each group of Purchasers who are entitled to collectively appoint a representative to the Renewal Contract Coordinating Committee pursuant to Sections 6.1.2, 6.1.4 or 6.1.5 shall hold an election within thirty (30) days after the Entitlement Determination Date, and thereafter within the first sixty (60) days of the first calendar year following the date of this Contract and within the first sixty (60) days of each fifth (5th) calendar year thereafter, to elect its representative (and any alternates) to the Renewal Contract Coordinating Committee. Within thirty (30) days after each such election, the Purchasers within such group shall certify in writing to the Chairman of the Renewal Contract Coordinating Committee the results of such election and the name of the representative (and any alternates) so appointed to the Renewal Contract Coordinating Committee.

6.1.8 In addition, each group of Purchasers entitled to collectively appoint a representative to the Renewal Contract Coordinating Committee pursuant to this Section 6.1 may remove any representative (or any alternate) previously appointed. Any vacancy so created, or any vacancy created by the death or resignation of any representative (or any alternate), shall be filled by the group of Purchasers that appointed such representative (or alternate, as the case may be), and the Purchasers within such group shall certify in writing to the Chairman of the Renewal Contract Coordinating Committee the results of such election and the name of the group's replacement representative (and any additional alternates that may at any time be appointed) on the Renewal Contract Coordinating Committee.

6.1.9 For purposes of this Contract, at any particular time on or after the Entitlement Determination Date and with respect to any Purchaser, "Voting Rights" shall

mean such Purchaser's Generation Entitlement Share in effect at such time under its Renewal Power Sales Contract.

6.1.10 Procedures of the Renewal Contract Coordinating Committee shall include:

6.1.10.1 Alternate representatives appointed by any Purchaser or group of Purchasers shall be entitled to act on behalf of such Purchaser or group of Purchasers in the absence of the regular representative, or to act on specified occasions with respect to specified matters. An alternate representative may attend all meetings of the Renewal Contract Coordinating Committee or any committee or sub-committee thereof but may vote only if the representative for which he or she serves as alternate is absent from such meeting. No party's representative(s) shall exercise any greater authority than permitted by the party or parties that he or she represents.

6.1.10.2 The Chairman of the Renewal Contract Coordinating Committee shall be responsible for calling and presiding over the meetings of the Renewal Contract Coordinating Committee. The Chairman shall promptly call a meeting of the Renewal Contract Coordinating Committee at the written request of any representative. All action taken by the Renewal Contract Coordinating Committee shall require an affirmation of representatives of Purchasers having Voting Rights aggregating at least eighty percent (80%), except as otherwise provided in Section 23.1, with respect to the retirement from service of the Northern Transmission System or the Southern Transmission System, or in Section 6.2.10, with respect to approval of the Fuel Management Practices and Procedures, and action may be taken by vote given in an assembled meeting of the representatives or by telephone, telefax, videophone, e-mail, nationally recognized overnight courier service, certified or registered letter or by any combination thereof; provided, however, that if two or more of the City of Burbank, the City of Glendale, the City of Pasadena and the City of Riverside (such cities being, collectively, the "Other California Purchasers"), hold, collectively, Generation Entitlement Shares totaling at least 15%, then, at any time prior to August 3, 2019, the approval of an Alternative Repowering (as defined in the Original Power Sales Contracts) requested of the Renewal Contract Coordinating Committee shall require an affirmation of representatives of Purchasers having Voting Rights aggregating at least eighty percent (80%), including, without limitation, the affirmation of at least one of the representatives of the Other California Purchasers.

6.1.10.3 The Renewal Contract Coordinating Committee shall be organized within thirty (30) days after the Entitlement Determination Date; provided, however, that except as specifically set forth under Sections 6.3, 6.4 or 15.1, the Renewal Contract Coordinating

Committee shall have no responsibilities, duties or rights under the Renewal Power Sales Contracts prior to the Transition Date.

6.2 **Renewal Contract Coordinating Committee Responsibilities:** From and after the Transition Date, the Renewal Contract Coordinating Committee shall have the following responsibilities:

6.2.1 To the extent not finalized or effective on the Transition Date, review, modify and approve specifications, proposals, bid evaluations and contracts, and any other business as determined by the Renewal Contract Coordinating Committee.

6.2.2 Provide liaison among IPA and the Purchasers at the management level with respect to the operation of the Project and any construction thereof then or thereafter ongoing.

6.2.3 Exercise general supervision over the committees or sub-committees established pursuant to Section 6.6.

6.2.4 Review, discuss and attempt to resolve any disputes among IPA and the Purchasers or other parties relating to the Project; provided, however, that such responsibility shall not impose on IPA or its legal counsel any obligation to waive attorney-client privilege, attorney work product privilege or other privilege or disclose any confidential information.

6.2.5 Make recommendations to the Project Manager and Operating Agent with respect to the operation of the Project or any then ongoing or future construction.

6.2.6 Review, modify and approve written statistical and administrative reports and information and other similar records to be furnished to the Renewal Contract Coordinating Committee by the Project Manager or Operating Agent.

6.2.7 Review, modify and approve the practices and procedures formulated by the Operating Agent to be followed by the Purchasers for the scheduling and controlling of capacity and energy of the Project.

6.2.8 Review, modify and approve the schedule of planned maintenance outages formulated by the Operating Agent, including the policies for selection and utilization of third party maintenance contractors included in the budgets with respect to the Project; in approving such schedules, consideration shall be given to each Purchaser's system conditions that may prevail during such planned maintenance outages.

6.2.9 Review, modify and approve procedures formulated by the Operating Agent for starting up and shutting down each Gas Unit of the Generation Station.

6.2.10 Review, modify and approve practices and procedures formulated by the Operating Agent for the management of fuel for the Project, including (i) programs and policies for the procurement of Project Fuel, the hedging of Project Fuel costs and determining values, quantities, expenses and costs of Project Fuel; (ii) procedures for billing

Project Fuel acquisition costs and for billing Project Fuel transmission or transportation costs, which may modify, implement or supplement the costs of such Project Fuel acquisition as provided for under Section 4.67.1.5.5, and costs of transmission or transportation of Project Fuel as provided for under Section 4.67.1.5.6, provided however, to the extent that any such procedure modifies the payment responsibility of any of the Purchasers for costs of Project Fuel acquisition or the costs of Project Fuel transmission or transportation, as then determined pursuant to the Renewal Power Sales Contracts, such procedure shall require affirmation by Renewal Contract Coordinating Committee representatives of Purchasers having Voting Rights totaling one hundred percent (100%); (iii) procedures providing the conditions for and the arrangements under which a Purchaser is permitted to procure its own fuel for use in the Generation Station to generate its Generation Entitlement Share consistent with the applicable provisions of the Renewal Power Sales Contract; (iv) practices and procedures with respect to the amount of Project Fuel for active storage and the rate of Project Fuel consumption for General Service Requirements and the costs of startup; (v) practices and procedures for the emergency purchases of Project Fuel in recognition of the needs of each Purchaser; and (vi) such other practices and procedures as may be necessary or appropriate for the management of fuel for the Project.

6.2.11 Review, modify and approve all budgets and revisions thereof prepared and submitted by the Project Manager or Operating Agent pursuant to the Construction Management and Operating Agreement.

6.2.12 Review, modify and approve the practices and procedures formulated by the Project Manager or Operating Agent under the Construction Management and Operating Agreement and review and approve all Project interconnection agreements or arrangements and all amendments and supplements to the Construction Management and Operating Agreement.

6.2.13 Review, modify and approve other recommendations of the Project Manager or Operating Agent made pursuant to the provisions of the Construction Management and Operating Agreement.

6.2.14 Review, modify and approve all administrative and general costs to be included in the Annual Budget related to the conduct of the business of IPA with respect to the Project, and all payments and contributions by IPA to the counties, municipalities and school districts affected by the Project other than such payments and contributions as are mandated, and the amount of which is specified (whether by formula, assessment criteria or otherwise) by Utah law.

6.2.15 Review, modify and approve all Capital Improvements (other than Essential Capital Improvements) and the budgets or other provisions for the payment or financing thereof.

6.2.16 Approve all consultants or advisors with respect to Project matters that may be retained by IPA, including, but not limited to, financial advisors and bond counsel (but excluding any Qualified Independent Engineer retained by IPA as provided in Section 6.2.22 and the general legal counsel of IPA); provided, however, that the failure of the

Renewal Contract Coordinating Committee to act within forty five (45) days after written notice by IPA of an intent to retain any such consultant or advisor shall constitute a waiver of the right of approval.

6.2.17 Review, modify and approve, consistent with the terms of Section 33, IPA's insurance program, including, without limitation, a self-insurance program.

6.2.18 Formulate practices and procedures for the use of the unutilized operating capabilities of the transmission facilities of the Project among the Purchasers entitled to schedule, without regard to source or origin, the use of such operating capabilities.

6.2.19 Make recommendations with respect to and review and approve the revisions by IPA of the Description of the Project attached hereto as Appendix C, (i) as such Description of the Project shall be revised by IPA at the commencement of the Operational Period to conform such Description of the Project to the Project as it shall then exist, and (ii) as such Description of the Project shall be thereafter modified by IPA to conform such Description of the Project to the actual Project as it evolves and changes during the Operational Period; provided that all such revisions of the Description of the Project shall be in accordance with Prudent Utility Practice, and IPA shall cause Appendix C attached hereto to be revised, with such approval of the Renewal Contract Coordinating Committee, as necessary so that the Description of the Project set forth in Appendix C shall conform to the actual Project.

6.2.20 In connection with the budgeting process set forth in Section 5.4, establish minimum balances for the various IPA reserve funds and accounts and the amounts of the contributions to be made to each such fund or account from billings to Purchasers during each Power Supply Year; provided, however, that in the case of reserve funds and accounts required under any Bond Resolution, the amounts of such reserve funds and accounts shall comply with any requirements regarding the establishment, minimum balance levels, maintenance, funding and investment of such reserve funds and accounts.

6.2.21 Review, require (as a condition to approval, but not otherwise) modifications with respect to, and approve any Bond Resolution adopted or entered into by IPA after the Transition Date, including any amendments or supplements thereto, and any amendment or supplement adopted or entered into by IPA after the Transition Date with respect to any Bond Resolution that was adopted or entered into by IPA on or prior to the Transition Date; provided, however, such approval shall not be required, and this Section 6.2.21 shall not apply with respect to any supplement to any such Bond Resolution with respect to Designated Project Indebtedness as to which the Renewal Contract Coordinating Committee is entitled to make recommendations pursuant to Section 6.2.22.

6.2.22 With respect to any Project Indebtedness issued or incurred after the Transition Date that constitutes Designated Project Indebtedness, make recommendations to IPA, in a timely manner, with respect to: (a) each supplement to any Bond Resolution or other instrument authorizing the issuance or sale of or providing the security for any such Project Indebtedness and the contract of purchase under which the Debt Instruments evidencing such Project Indebtedness are to be sold, (b) the contract of purchase under which such Debt Instruments are to be sold, (c) the selection of the managing underwriter(s) for such

Debt Instruments and the selection of any Qualified Independent Engineer to provide services in connection with the issuance of such Debt Instruments, (d) the manner and timing of marketing and the amounts of such Debt Instruments and (e) the manner and timing of marketing and amounts of notes or other evidences of indebtedness issued in anticipation of the issuance of such Debt Instruments. The recommendations, if any, made pursuant to this Section 6.2.22 shall not be legally binding on IPA and, if the Renewal Contract Coordinating Committee fails to make any such recommendations, action by IPA with respect to such matters shall not be precluded.

6.2.23 With respect to any Project Indebtedness issued or incurred after the Transition Date that does not constitute Designated Project Indebtedness: (a) approve each supplement to any Bond Resolution or other instrument authorizing the issuance of or providing the security for any such Project Indebtedness pursuant to Section 6.2.21, (b) approve the terms and provisions of the contract of purchase under which the Debt Instruments relating to such Project Indebtedness are to be sold, and (c) make recommendations to IPA, in a timely manner, with respect to the selection of the managing underwriter(s), if any, for each series of publicly-issued Debt Instruments relating to such Project Indebtedness and the manner and timing of marketing and amounts of each series of Debt Instruments relating to such Project Indebtedness. The recommendations, if any, made pursuant to the immediately preceding clause (c) shall not be legally binding on IPA and, if the Renewal Contract Coordinating Committee fails to make any such recommendations, action by IPA with respect to such matters shall not be precluded.

6.2.24 Perform such other functions and duties as may be provided for under this Contract or as may be necessary or appropriate to carry out its duties and powers as provided for under this Contract.

6.3 **Required Approvals Prior to Transition Date:** Prior to the Transition Date, IPA shall obtain the approval, which shall not be unreasonably withheld, conditioned or delayed, of the Renewal Contract Coordinating Committee with respect to each of the following:

6.3.1 The incurrence of any Project Indebtedness to the extent such Project Indebtedness expressly requires the approval of the Renewal Contract Coordinating Committee pursuant to Section 15.1.

6.3.2 The adoption or entering into by IPA of any Bond Resolution or amendment or supplement thereto, to the extent, and only to the extent, it authorizes the issuance or sale of or provides for the security for any Transition Project Indebtedness, provided, no such approval shall be required with respect to any such Bond Resolution, amendment or supplement to the extent it relates to Transition Project Indebtedness for the Gas Repowering or for an Essential Capital Improvement so long as the requirements of the proviso in Section 15.1.2 are satisfied; provided further that, notwithstanding any other provision of this Contract, in no event shall any Renewal Contract Project Indebtedness be issued, nor shall the issuance thereof be approved by the Renewal Contract Coordinating Committee, prior to November 1, 2019.

6.3.3 Any reduction in the design capacity of a Gas Unit or Gas Units of the Gas Repowering pursuant to Section 44.1 of the Original Power Sales Contract as added by the Second Amendatory Power Sales Contract.

6.3.4 Any other matter arising after the Entitlement Determination Date and prior to the Transition Date as to which Renewal Contract Coordinating Committee approval is required pursuant to any other provision of this Contract and the other Renewal Power Sales Contracts.

6.4 **Consultation Matters:** Prior to the Transition Date, IPA shall consult with, inform or provide, as indicated below, the Renewal Contract Coordinating Committee with regard to the following matters, but shall have no obligation to obtain any approval of or recommendations from the Renewal Contract Coordinating Committee with respect to any such matter:

6.4.1 Consult and inform the Renewal Contract Coordinating Committee with regard to Transition Project Indebtedness to finance the Gas Repowering or Essential Capital Improvements and meeting the requirements of the proviso in Section 15.1.2.

6.4.2 Provide to the Renewal Contract Coordinating Committee IPA's annual financial statements and periodic operating reports to the extent such items are provided in the ordinary course of business to the Original Coordinating Committee.

6.5 **Audits:** The following shall apply with respect to each Power Supply Year beginning on or after the Transition Date:

6.5.1 The Renewal Contract Coordinating Committee shall arrange for annual audits by independent auditors of the books and cost records of IPA, the Project Manager and the Operating Agent, and, to the extent the Renewal Contract Coordinating Committee determines necessary or appropriate, any consultant or cost reimbursable contractor retained by IPA, the Project Manager or the Operating Agent in connection with the operation of the Project or any construction then ongoing and relating thereto; provided, however, that the Renewal Contract Coordinating Committee shall not be required to duplicate any of the audits conducted by IPA under Section 5.6 or conducted at the request of any representative or representatives on the Renewal Contract Coordinating Committee pursuant to Section 6.5.2.

6.5.2 At the request of any representative or representatives on the Renewal Contract Coordinating Committee, IPA, under the direction of the Renewal Contract Coordinating Committee, shall arrange for audits by independent auditors in addition to those required under Section 6.5.1 of the books and cost records of IPA, the Project Manager, the Operating Agent, and any consultant or cost reimbursable contractor retained by IPA, the Project Manager or the Operating Agent in connection with the operation of the Project or any construction then ongoing and relating thereto. If representatives of Purchasers having Voting Rights in excess of fifty percent (50%) request any such audit, the costs of such audit shall constitute Monthly Power Costs and shall be paid by all of the Purchasers in accordance with the terms and conditions of the Renewal Power Sales Contracts. If a representative or representatives of Purchasers with Voting Rights that do not exceed fifty percent (50%) request

any such audit, such Purchasers shall pay the full cost of such audit, including, without limitation, the costs of the entity or entities that are the subject of such audit in responding thereto, and it shall be a condition precedent to the Renewal Contract Coordinating Committee's obligation to arrange for such audit, that Purchaser or the Purchasers represented by the representative or representatives requesting the same provide assurances, reasonably satisfactory to the Renewal Contract Coordinating Committee, for the payment of such costs.

6.5.3 IPA shall, and shall cause the Project Manager and the Operating Agent to, cooperate with any audit provided for in this Section 6.5. In addition, IPA shall, to the extent reasonable and consistent with customary business practices, use its reasonable best efforts to cause its consultants and contractors to cooperate with each such audit.

6.5.4 The Renewal Contract Coordinating Committee shall promptly furnish Purchaser and each of the other Purchasers with copies of all such audits.

6.6 **Committees:** The Renewal Contract Coordinating Committee shall establish an Engineering and Operating Committee, a Fuel Management Committee, and a Risk Management Committee and shall assign to each such Committee such responsibilities as the Renewal Contract Coordinating Committee deems appropriate. The Renewal Contract Coordinating Committee may establish other committees including, but not limited to, auditing, legal, financial, insurance, environmental and public information committees or sub-committees. Each committee or sub-committee established by the Renewal Contract Coordinating Committee shall be responsible and report to the Renewal Contract Coordinating Committee.

6.7 **Minutes:** All actions, resolutions, determinations and reports made by the Renewal Contract Coordinating Committee, as required by this Contract shall be set forth in its minutes, except when made by a telephone call or videophone pursuant to Section 6.1, whereupon a written record thereof will be made as soon as possible.

6.8 **Costs of Consultants:** Costs of consultants and others employed or appointed by the Renewal Contract Coordinating Committee to perform the duties hereunder shall be included in the Monthly Power Costs and shall be billed to IPA, the Project Manager or the Operating Agent, as appropriate.

6.9 **Expenses of Representatives:** Except as provided in Section 4.67.1.5, any expenses incurred by any representative of any Purchaser or group of Purchasers serving on the Renewal Contract Coordinating Committee or any committee or sub-committee in connection with his or her duties in connection therewith shall be paid by Purchaser or the Purchasers that he or she represents and shall not be included in Monthly Power Costs.

6.10 **Disputed Matters:** The parties hereto recognize that if the Renewal Contract Coordinating Committee is unable or fails to agree with respect to any matter or dispute that it is authorized to determine, resolve, approve or otherwise act upon after a reasonable opportunity to do so, or within the time limits specified in the Construction Management and Operating Agreement, then the Project Manager or the Operating Agent, as appropriate, is authorized to take such action, in a manner consistent with Prudent Utility

Practice, as in its discretion is necessary for its timely performance under the Construction Management and Operating Agreement pending the resolution of any such inability or failure to agree; provided, however, that nothing herein shall be construed to allow the Project Manager or the Operating Agent to act in violation of the express terms of the Construction Management and Operating Agreement or this Contract.

6.11 **Compliance with Bond Resolution:** The planning, financing, construction, acquisition, operation and maintenance of the Project must comply in all respects with the requirements of any Bond Resolution in effect from time to time and all licenses, permits and regulatory provisions necessary for such planning, financing, construction, acquisition, operation and maintenance. Therefore, the parties hereto agree that, notwithstanding Section 6.10 or any other provision of this Contract, no action by the Renewal Contract Coordinating Committee, the Project Manager or the Operating Agent shall require IPA to act in any manner inconsistent with any such requirements or to refrain from acting as thereby required, and if the Renewal Contract Coordinating Committee, the Project Manager or the Operating Agent shall fail to make recommendations or to act with respect to any matter in connection with which action is required to be taken pursuant to any of the foregoing, IPA shall take such action as is appropriate to assure compliance therewith.

7. CHARGES AND BILLINGS:

7.1 **Account Allocations:** For the purpose of determining the payments to be made by Purchaser pursuant to Section 7.2 and by each of the other Purchasers, the total amount of the Monthly Power Costs shall be allocated by IPA among four (4) accounts, as follows:

7.1.1 Minimum cost component associated with the Generation Station.

7.1.2 Minimum cost component associated with the Northern Transmission System.

7.1.3 Minimum cost component associated with the Southern Transmission System.

7.1.4 Variable cost component as defined in Section 4.67.2.

7.2 **Payments to IPA:** From and after the Transition Date, the amount to be paid by Purchaser to IPA for any Month shall be the sum of the following, less, if Purchaser is a Utah Municipal Purchaser, any credit to which Purchaser is entitled under Section 7.6:

7.2.1 Purchaser's Generation Cost Share multiplied by the minimum cost component of Monthly Power Costs for such Month associated with the Generation Station; provided that, in the event any one or more Purchasers shall have elected to procure its or their own fuel under Section 9.11 for a Month or Months, (i) the amount of the minimum cost component of Monthly Power Costs as set forth in Sections 4.67.1.5.1, 4.67.1.5.5 and 4.67.1.5.6 for such Month or Months shall be payable on a pro rata basis by Purchaser (if it shall not have elected to procure its own fuel) and each of the other Purchasers that has not elected to procure

its own fuel, with Purchaser paying the share thereof that is in the same proportion as its Generation Cost Share bears to the Generation Cost Shares of all such Purchasers that have not elected to procure their own fuel, and (ii) the amount of the minimum cost component of Monthly Power Costs, as set forth in Sections 4.67.1.5.2, 4.67.1.5.3 and 4.67.1.5.4 for such Month or Months shall remain payable by Purchaser and each of the other Purchasers (including each Purchaser that has elected to procure its own fuel) by multiplying a Purchaser's Generation Cost Share by the amount of such minimum cost component.

7.2.2 Purchaser's Northern Transmission Cost Share multiplied by the minimum cost component of Monthly Power Costs for such Month associated with the Northern Transmission System.

7.2.3 Purchaser's Southern Transmission Cost Share multiplied by the minimum cost component of Monthly Power Costs for such Month associated with the Southern Transmission System.

7.2.4 If and to the extent that Purchaser's Generation Entitlement Share shall have been generated by use of Project Fuel, the variable cost component of Monthly Power Costs for such Month, as determined under Section 4.67.2, multiplied by a fraction, the numerator of which is the kilowatt hours generated by use of Project Fuel as provided in Section 4.67.2 and delivered from the Generation Station to Purchaser during such Month, and the denominator of which is the kilowatt hours generated by use of Project Fuel as provided in Section 4.67.2 and delivered from the Generation Station to all Purchasers during such Month, unless the Renewal Contract Coordinating Committee shall have determined otherwise pursuant to Section 6.2.10, in which case, the variable cost component of Monthly Power Costs for such Month shall be as so determined by the Renewal Contract Coordinating Committee. For avoidance of doubt, in the event that Purchaser shall have elected in accordance with the Fuel Management Practices and Procedures to procure its own fuel for such Month, such variable cost component of Monthly Power Costs shall not apply to Purchaser or the cost of the fuel procured by Purchaser and used in the Generation Station for the generation of Purchaser's Generation Entitlement Share during such Month as provided under Section 9.11.

7.3 **Monthly Billings:** For billing purposes, the amount of the minimum cost component of Monthly Power Costs to be paid by Purchaser each Month pursuant to Sections 7.2.1 through 7.2.3, shall be billed in advance and shall be based on the then current Annual Budget. The amount of the variable cost component of Monthly Power Costs to be paid by Purchaser each Month pursuant to Section 7.2.4 shall be billed the Month following the Month the Project Fuel associated with such variable cost component was used.

7.4 **Billing Statements:**

7.4.1 By the fifth (5th) day of each Month during each Power Supply Year, IPA shall bill Purchaser for the amount of (a) the minimum cost component of Monthly Power Costs for the current Month, and (b) the variable cost component of Monthly Power Costs to be paid by Purchaser for the preceding Month, by providing Purchaser with a Billing Statement providing for the charges established pursuant to the provisions of this Contract. Such Billing Statements shall detail the matters covered in Section 4.67, shall set forth, among other

things, the amounts due for such Months from Purchaser with respect to the items of Monthly Power Costs and shall set forth, as a deduction from such amounts due, any credit to which Purchaser may be entitled under Section 7.6 if Purchaser is a Utah Municipal Purchaser. Purchaser shall pay IPA the amounts billed to it pursuant to each such Billing Statement on or before the twentieth (20th) day after receipt of such Billing Statement.

7.4.2 Notwithstanding anything in Section 7.3 or Section 7.4.1 to the contrary, the first Billing Statement for the first Power Supply Year shall be issued by IPA to Purchaser by the twentieth (20th) day prior to the Transition Date and Purchaser shall pay the amounts billed to it pursuant to such Billing Statement on or before the Transition Date. Such Billing Statement shall cover the minimum cost component of Monthly Power Costs for the first Month of the first Power Supply Year (or for the entire first Power Supply Year if it is less than one Month in length) and shall also cover all amounts required to be paid by Purchaser pursuant to Section 5.13.2.

7.4.3 While Retirement Actions are being conducted for any Project Component, IPA may, in its discretion, issue Billing Statements to Purchaser at any time and from time to time (but not more frequently than once each Month) for Purchaser's payment obligations under Section 23.9.3. Purchaser shall pay IPA the amounts billed to it pursuant to each such Billing Statement on or before the twentieth (20th) day after receipt of such Billing Statement.

7.4.4 IPA shall apply the amounts paid pursuant to the Billing Statements or cause the same to be applied to Monthly Power Costs as provided for in the then current Annual Budget.

7.5 **Interest on Late Payments:** If Purchaser fails to pay any Billing Statement when due, Purchaser shall pay to IPA interest on such late payment at a per annum rate equal to the Default Interest Rate on the unpaid amount thereof until paid.

7.6 **Credits to Utah Municipal Purchasers:** If Purchaser is a Utah Municipal Purchaser, it shall be entitled to a credit to reflect the Tax Equivalent Payment Differential, if any, attributable to Purchaser under Utah law. Such credit shall be applied, in calculating the amounts owed by Purchaser under Section 7.2, by providing Purchaser, each Month, one-twelfth (1/12th) of the estimated credit to which Purchaser will be entitled for the Power Supply Year, as set forth in the Annual Budget. Such credit shall be subject to adjustment pursuant to Section 5.7 and to reflect increases or decreases in the Tax Equivalent Payment Differential attributable to Purchaser under Utah law that may result from the outcome of any appeals or challenges against or negotiated settlements with the applicable taxing jurisdictions and bodies.

7.7 **Commencement of Payment Obligations:** Notwithstanding anything in this Section 7 to the contrary, the obligation of Purchaser to make payments pursuant to this Section 7, including, without limitation, payments with respect to Renewal Contract Project Indebtedness (without regard to when such Renewal Contract Project Indebtedness was incurred), payments into the Retirement Reserve Fund and to pay Retirement Costs and any other payments expressly required to be made by Purchaser under this Contract, shall apply

only with respect to Monthly Power Costs incurred or attributable to any period on or after the Transition Date.

8. **PAYMENT OBLIGATIONS:** Purchaser shall pay IPA the amounts of Monthly Power Costs set forth in the Billing Statements submitted by IPA in accordance with the provisions of Section 7, whether or not the Project or any part thereof is operating or operable and whether or not its output is suspended, interrupted, interfered with, reduced, curtailed or terminated, in whole or in part, and such payments shall not be subject to reduction whether by offset or otherwise and shall not be conditional upon the performance or non-performance by any party of any agreement for any cause whatever.

9. **GENERATION STATION CAPACITY AND ENERGY ENTITLEMENTS:**

9.1 **Scheduling of Energy:** At all times during the Operational Period of the Generation Station, Purchaser shall be entitled to schedule for its account energy (other than test energy) from the Generation Station up to an amount equal to the product of its Generation Entitlement Share multiplied by the Available Generating Capability of the Generation Station.

9.2 **Abnormal Operating Conditions:** At all times during the Operational Period of the Generation Station, upon the occurrence of abnormal operating conditions on Purchaser's system, and upon the written request of Purchaser, the Operating Agent shall increase or decrease Purchaser's schedule of energy allocation consistent with Prudent Utility Practice. Such increase or decrease shall not cause Purchaser's schedule of energy to exceed the amounts of capacity and energy provided for Purchaser in Sections 9.1, 9.3 or 9.4 and shall not be detrimental to any other Purchaser.

9.3 **Start-Up Power-Purchaser Requested:** When Purchaser requests delivery of capacity and energy, and such delivery requires the start-up of a Gas Unit, Purchaser shall, unless otherwise agreed in writing by IPA, schedule for its account an amount of capacity and energy at least equal to its Generation Entitlement Share multiplied by the Minimum Generating Capability established for such Gas Unit. At any time when Purchaser has so scheduled from such Gas Unit an amount of capacity and energy in excess of the product of its Generation Entitlement Share and the Minimum Generating Capability of such Gas Unit, each of the non-requesting Purchasers shall only be obligated to schedule for its account an amount of capacity and energy equal to the product of the remaining unscheduled Minimum Generating Capability and the ratio that its Generation Entitlement Share bears to the sum of the Generation Entitlement Shares of the non-requesting Purchasers.

9.4 **Start-Up Power-Another Purchaser's Request:** When another Purchaser requests delivery of capacity and energy, and such delivery requires the start-up of a Gas Unit, Purchaser shall, unless otherwise agreed to in writing by IPA, schedule for its account an amount of capacity and energy at least equal to its Generation Entitlement Share multiplied by the Minimum Generating Capability established for such Gas Unit. At any time when a Purchaser has so scheduled from such Gas Unit an amount of capacity and energy in excess of the product of its Generation Entitlement Share and the Minimum Generating Capability of such Gas Unit, Purchaser shall only be obligated to schedule for its account an amount of capacity and energy equal to the product of the remaining unscheduled Minimum Generating Capability

and the ratio that its Generation Entitlement Share bears to the sum of its Generation Entitlement Share and the Generation Entitlement Shares of the other non-requesting Purchasers.

9.5 **Outages, Curtailments and Emergencies:** Operation of any Gas Unit by the Operating Agent shall be subject to scheduled outages or curtailments, operating emergencies and unscheduled outages or curtailments of such Gas Unit.

9.6 **Scheduling of Energy:** The capacity and energy of the Generation Station shall be scheduled or controlled by the Purchasers under practices and procedures approved by the Renewal Contract Coordinating Committee pursuant to Section 6.

9.7 **No Diminishment of Rights:** The capacity and energy of the Generation Station shall be controlled in a manner that shall not diminish the rights of Purchaser to receive its entitlement of capacity and energy.

9.8 **Capacity for Start-Up:** Purchaser shall be obligated, in proportion to its Generation Entitlement Share, to provide for capacity and energy requirements for starting up and shutting down each Gas Unit in compliance with the procedures approved by the Renewal Contract Coordinating Committee pursuant to Section 6.2.9.

9.9 **Points of Delivery:** The Point of Delivery of Purchaser's capacity and energy is set forth in Appendix B attached hereto. IPA shall provide for and Purchaser shall take delivery of its capacity and energy at its Point of Delivery. Purchaser is responsible for arranging for transmission of its capacity and energy from such Point of Delivery to its system. A Purchaser may not designate a Point of Delivery under this Contract that is different from its Point of Delivery in the Original Power Sales Contracts.

9.10 **Disposal of Energy:** Nothing herein shall prevent Purchaser from disposing of its energy under this Contract; provided, however, that such disposal shall not affect any of the obligations of Purchaser under this Contract.

9.11 **Procurement of Fuel by Purchaser:** Purchaser may elect to procure its own fuel in accordance with the provisions of the Fuel Management Practices and Procedures for use in the Generation Station for the generation of its Generation Entitlement Share, except that Project Fuel shall be utilized for purposes of providing for the fuel storage for the Project for use by Purchaser and the other Purchasers.

10. **TRANSMISSION SYSTEM ENTITLEMENTS:**

10.1 **Southern Transmission System Entitlement:** During the Operational Period of the Southern Transmission System, each Purchaser with a Point of Delivery on the Southern Transmission System shall at all times be entitled to schedule, without regard to source or origin and in accordance with the practices and procedures approved by the Renewal Contract Coordinating Committee pursuant to Section 6.2.7, the use of the operating capabilities of the Southern Transmission System. Such entitlement shall constitute a right to capacity in the Southern Transmission System and shall be determined by dividing (i) such Purchaser's Generation Entitlement Share specified in Appendix B to be delivered at its Point of Delivery

on the Southern Transmission System, by (ii) the aggregate Generation Entitlement Shares of all Purchasers specified in Appendix B to be delivered at a Point of Delivery on the Southern Transmission System.

10.2 **Northern Transmission System Entitlement:** During the Operational Period of the Northern Transmission System, each Purchaser with a Point of Delivery on the Northern Transmission System shall at all times be entitled to schedule, without regard to source or origin and in accordance with the practices and procedures approved by the Renewal Contract Coordinating Committee pursuant to Section 6.2.7 the use and operating capabilities of the Northern Transmission System. Such entitlement shall constitute a right to capacity in the Northern Transmission System and shall be determined by dividing (i) such Purchaser's Generation Entitlement Share specified in Appendix B to be delivered at its Point of Delivery on the Northern Transmission System by (ii) the sum of the aggregate Generation Entitlement Shares of all Purchasers specified in Appendix B to be delivered at Points of Delivery on the Northern Transmission System. For the avoidance of doubt, a Purchaser with a Point of Delivery on the Northern Transmission System shall be entitled to schedule, from time to time, on the segment of the Northern Transmission System that connects the Generation Station to such Purchaser's Point of Delivery, that amount of capacity at least equal to the amount of such Purchaser's Generation Entitlement Share.

10.3 **Curtailment of Energy Flows:** If it is necessary to curtail scheduled energy flows over all or any part of either the Southern Transmission System or the Northern Transmission System, each affected Purchaser shall be allocated a portion of the transmission capabilities remaining in service in the ratio that such Purchaser's Generation Entitlement Share scheduled over such affected transmission system (or part thereof) bears to the Generation Entitlement Shares scheduled over such affected transmission system (or part thereof) of all affected Purchasers.

10.4 **Excess Energy Requirements:** Any Purchaser desiring to schedule capacity and energy in excess of its rights pursuant to Sections 10.1 or 10.2 may make appropriate arrangements with another Purchaser having rights to unused transmission capacity. Each Purchaser so involved shall notify the Operating Agent of such arrangements and provide for proper schedules to accommodate such arrangements.

10.5 **Right to Schedule:** Notwithstanding the provisions of Sections 10.1, 10.2 and 10.4, each Purchaser's right to schedule the use of the operating capabilities of the Northern Transmission System or the Southern Transmission System and to schedule capacity and energy in excess of its rights pursuant to this Section 10 shall be limited to the extent that no Purchaser may act in such a manner as shall adversely affect the eligibility for exemption from Federal income taxes of the interest paid, or to be paid, on the Debt Instruments that have been or may in the future be issued by IPA.

11. SWITCHYARD USAGE:

11.1 **Right to Switchyard:** During the Operational Period of any Project Component, each Purchaser with a Point of Delivery on the Northern Transmission System, each Purchaser with a Point of Delivery on the Southern Transmission System and any

Purchaser having designated the Project bus as its Point of Delivery shall have the right to use the Switchyard, if it is also operational, for its Generation Entitlement Share of the Available Generating Capability.

11.2 **Right to Switchyard for Energy Flows:** Each of the Purchasers and IPA, and their respective successors and assigns, shall have the right to use the Switchyard for any energy flows on any transmission lines that it has the right to use that are connected to the Switchyard, unless such use interferes with any entitlement of any Purchaser pursuant to Section 11.1; provided, however, that such use may not adversely affect the eligibility for exemption from Federal income taxes of the interest paid, or to be paid, on Debt Instruments that have been or may in the future be issued by IPA.

12. **METERING:** Pursuant to this Contract and the Construction Management and Operating Agreement, IPA will provide for the installation of meters and will provide or cause to be provided all necessary metering equipment for determining the quantity of energy delivered by IPA; provided, however, that any Purchaser may make arrangements with the Operating Agent and at its own cost check the existing metering equipment or, with the prior written approval of the Renewal Contract Coordinating Committee, install additional metering equipment, provided that any such Purchaser-installed metering equipment does not have any adverse impact on the Project.

13. **PLEDGE OF PAYMENTS:** All payments required to be made by Purchaser in accordance with or pursuant to any provision of this Contract may be pledged by IPA to secure the payment of Renewal Contract Project Indebtedness, subject to the application thereof to such purposes and on such terms as provided in any Bond Resolution securing such Renewal Contract Project Indebtedness and as required by the Act; provided, however, that payments made by Purchaser (or any other Purchasers) for deposit into the Retirement Reserve Fund may not be so pledged after such monies have been deposited into the Retirement Reserve Fund.

14. **CAPITAL IMPROVEMENTS:**

14.1 **Capital Improvement Costs:** IPA agrees that on and after the Transition Date, Capital Improvements approved by the Renewal Contract Coordinating Committee shall be undertaken, acquired and constructed in accordance with the Construction Management and Operating Agreement. Costs for such Capital Improvements that are Ordinary Capital Improvements shall be approved by the Renewal Contract Coordinating Committee and shall be set forth in the Operating Budget and included in the Annual Budget payable as Monthly Power Costs, except to the extent payable from the proceeds of any Renewal Contract Project Indebtedness. Costs for such Capital Improvements that are Major Capital Improvements shall be approved by the Renewal Contract Coordinating Committee and shall be included in a budget for each such Major Capital Improvement payable from the proceeds of Renewal Contract Project Indebtedness, except to the extent included in the Operating Budget payable as Monthly Power Costs.

14.2 **Performance by Operating Agent and Project Manager:** Each Ordinary Capital Improvement shall be undertaken, acquired and constructed by the Operating Agent and each Major Capital Improvement shall be undertaken, acquired and constructed by

the Project Manager, all in accordance with the Construction Management and Operating Agreement.

14.3 **Recommendations and Cash Requirements:** On and after the Transition Date the recommendations made by the Project Manager under the Construction Management and Operating Agreement with respect to each Major Capital Improvement and the recommendations made by the Operating Agent under the Construction Management and Operating Agreement with respect to each Ordinary Capital Improvement shall be submitted to IPA for its information simultaneously with the submission of such respective recommendations to the Renewal Contract Coordinating Committee for its review, modification and approval. In addition, in accordance with the Construction Management and Operating Agreement, the Operating Agent shall submit to the Renewal Contract Coordinating Committee for its review, modification and approval and simultaneously to IPA for its information, forecasts of cash requirements for each Ordinary Capital Improvement, and the Project Manager shall submit to the Renewal Contract Coordinating Committee for its review, modification and approval and simultaneously to IPA for its information, forecasts of cash requirements for each Major Capital Improvement.

14.4 **Certification upon Completion:** On and after the Transition Date, as soon as practicable after the completion of an Ordinary Capital Improvement or a Major Capital Improvement, IPA shall cause the Operating Agent or Project Manager, as applicable, to submit a certification to the Renewal Contract Coordinating Committee stating (a) that such Capital Improvement has been completed in accordance with the plans and specifications applicable thereto and in accordance with this Contract and the Construction Management and Operating Agreement, (b) the date of such completion and (c) the amount, if any, required for the payment of any remaining part of the cost of such Capital Improvement.

14.5 **Project Component:** Each Capital Improvement shall constitute a part of the Project Component to which it relates as shall be provided by the Renewal Contract Coordinating Committee in connection with its approval of such Capital Improvement.

14.6 **Alternative Repowering:** As of the date of the approval of an Alternative Repowering, if any, by IPA, the Coordinating Committee and, in accordance with Section 6.1.10.2 of this Contract, the Renewal Contract Coordinating Committee, (a) as used in this Contract, the term “Gas Repowering” shall mean such Alternative Repowering, (b) such Alternative Repowering shall constitute the source for electric generation for the Project, (c) such Alternative Repowering shall replace any prior plan for repowering the Project, (d) such Alternative Repowering shall constitute a Capital Improvement determined to be necessary or desirable by the Original Coordinating Committee and the Renewal Contract Coordinating Committee and (e) without the need for consent of Purchaser (other than the affirmation, if any, of Purchaser’s representative that may be necessary for the Original Coordinating Committee or the Renewal Contract Coordinating Committee to take action to approve the revising of this Contract as described in the remainder of this Section 14.6), this Contract shall be revised to the extent determined by IPA, the Coordinating Committee and the Renewal Contract Coordinating Committee (simultaneous with or prior to the approval of such Alternative Repowering) to be necessary to describe such Alternative Repowering as the source or sources of electric generation for the Project.

15. **PROJECT INDEBTEDNESS:**

15.1 **Project Indebtedness Issued Prior to Transition Date:** The following provisions shall apply with respect to the incurrence by IPA of Project Indebtedness prior to the Transition Date:

15.1.1 IPA shall not be required to obtain any approval or consent of the Renewal Contract Coordinating Committee or the Purchasers to incur any Project Indebtedness that is not Transition Project Indebtedness.

15.1.2 If, prior to the Transition Date, IPA issues or incurs any Transition Project Indebtedness, IPA shall obtain the prior approval of the Renewal Contract Coordinating Committee for the incurrence of such Transition Project Indebtedness; provided, however, that no such prior approval shall be required if either (A) (i) such Transition Project Indebtedness is being issued or incurred to finance the Gas Repowering, including any modification thereof or addition thereto, or an Essential Capital Improvement; (ii) such Transition Project Indebtedness shall have Substantially Equal Debt Service for each Fiscal Year such Transition Project Indebtedness is scheduled to be outstanding (using in the case of any such Transition Project Indebtedness sold by competitive bidding an average interest rate therefor as estimated by IPA), provided that there shall not be taken into account any Fiscal Year in which all or any portion of the interest on such Transition Project Indebtedness is to be paid through capitalized interest funded with proceeds of such Transition Project Indebtedness or any Fiscal Year during which such Transition Project Indebtedness is scheduled to be outstanding for only part of such Fiscal Year; and (iii) IPA and the Original Coordinating Committee determine, in each case, in their sole but reasonable discretion and in reliance upon advice provided by a Qualified Independent Engineer with expertise in the relevant subject matters, that the period during which such Transition Project Indebtedness is scheduled to be outstanding will end not later than the earliest of (a) the end of the estimated useful life of the Gas Repowering or Essential Capital Improvement, as applicable, as to which the associated Capital Improvement Acquisition and Construction Costs relate, (b) in the case of an Essential Capital Improvement the end of the useful life of the Project Component as to which such Essential Capital Improvement is to become a part, as then estimated and used for the purposes of Section 22, or (c) forty (40) years; or (B) such Transition Project Indebtedness shall be issued or incurred to refund or refinance any outstanding Transition Project Indebtedness where (i) upon the issuance of such refunding Transition Project Indebtedness, the Transition Project Indebtedness being refunded or refinanced shall be defeased and no longer outstanding in accordance with the terms of the Bond Resolution under which such Transition Project Indebtedness was issued or incurred and (ii) and the Aggregate Debt Service for the then current and each future Fiscal Year with respect to all Transition Project Indebtedness outstanding immediately after the date of issuance or incurrence of such refunding Transition Project Indebtedness is not greater than the Aggregate Debt Service for each Fiscal Year with respect to all Transition Project Indebtedness (including such refunding Transition Project Indebtedness) outstanding immediately prior to the issuance or incurrence of such refunding Transition Project Indebtedness.

15.1.3 Except as otherwise provided in Section 15.1.2, IPA shall obtain the prior approval of the Renewal Contract Coordinating Committee before incurring any

Transition Project Indebtedness, including, without limitation, Renewal Contract Project Indebtedness incurred to refund or refinance outstanding Project Indebtedness.

15.2 **Renewal Contract Project Indebtedness Issued After Transition**

Date: The following provisions shall apply with respect to the incurrence by IPA of Renewal Contract Project Indebtedness on or after the Transition Date:

15.2.1 Renewal Contract Project Indebtedness may be incurred by IPA in accordance with this Contract and the provisions of any Bond Resolution at any time and from time to time after the Transition Date to provide funds to finance Capital Improvements, and, at the request of the Renewal Contract Coordinating Committee, IPA shall use its reasonable commercial efforts to provide funding for such Capital Improvements by issuing Renewal Contract Project Indebtedness.

15.2.2 If Monthly Power Costs may be reduced by the refunding or refinancing of any outstanding Renewal Contract Project Indebtedness, or if it shall otherwise be advantageous, in the opinion of IPA, to refund or refinance any outstanding Renewal Contract Project Indebtedness, IPA may issue and sell Debt Instruments to refund or refinance such Renewal Contract Project Indebtedness.

15.2.3 IPA may issue Debt Instruments (“Retirement Cost Debt Instruments”) in accordance with this Contract to pay for any Retirement Cost Deficiencies with respect to any Project Component, and, at the request of the Renewal Contract Coordinating Committee, IPA shall use its reasonable commercial efforts to provide funding for such Retirement Cost Deficiencies by issuing Retirement Cost Debt Instruments.

15.2.4 IPA shall obtain the approval of the Renewal Contract Coordinating Committee for the authorization and sale of any Renewal Contract Project Indebtedness described in this Section 15.2 and the terms and provisions thereof prior to issuing such Renewal Contract Project Indebtedness if and to the extent required to do so under Section 6.2.21 or 6.2.23.

15.3 **Information and Documentation:** Purchaser agrees to supply IPA, upon request, with such information and documentation, including opinions of counsel for Purchaser, as IPA shall reasonably determine to be necessary to facilitate the issuance of Renewal Contract Project Indebtedness for the purposes described in this Section 15.

15.4 **Certain Financing Covenants of IPA:**

15.4.1 IPA shall not adopt any Transition Bond Resolution or other Bond Resolution, or issue any Debt Instrument that imposes any covenants or obligations on IPA that would prevent or hinder IPA from performing its duties and obligations under this Contract, or that would prevent Purchaser or the other Purchasers from realizing the benefits to be provided to them under their respective Renewal Power Sales Contracts upon the performance by them of their respective duties and obligations thereunder.

15.4.2 The Renewal Contract Project Indebtedness evidenced by Debt Instruments issued by IPA that, by their terms, will be outstanding after the Transition Date, shall be allocated to the Project Component to which it relates so that only the Renewal Contract Project Indebtedness relating to a particular Project Component shall be required to be discharged in order to comply with Section 23.6.3 upon the retirement of such Project Component.

16. ADJUSTMENTS DUE TO EXCESS PROCEEDS OF PROJECT INDEBTEDNESS:

16.1 **Excess Proceeds of Renewal Contract Project Indebtedness:** Except as provided in Section 16.2 with respect to Transition Project Indebtedness, if the proceeds derived from the sale of any Debt Instruments evidencing Renewal Contract Project Indebtedness exceed the aggregate required for the purposes for which such Debt Instruments were issued, the amount of such excess shall be used to make up a deficiency, if any, existing in any funds or accounts under the applicable Bond Resolution pursuant to which such Debt Instruments were issued, in the manner therein provided, and any remaining excess shall be used to (a) retire, by purchase or redemption in advance of maturity, the Debt Instruments from which such proceeds were derived; or (b) reduce the payments of Monthly Power Costs by Purchaser and the other Purchasers required pursuant to Section 8. The Renewal Contract Coordinating Committee shall determine whether the excess proceeds will be applied pursuant to clause (a) above, clause (b) above or some combination thereof. Based on such determinations by the Renewal Contract Coordinating Committee, IPA shall determine, in a manner consistent with this Section 16, the specific Debt Instruments to be purchased or redeemed or the elements of Monthly Power Costs that will be reduced and shall take the actions necessary to implement such determinations. Notwithstanding anything in this Section 16 to the contrary, IPA shall not apply any such proceeds in a manner that would adversely affect any tax exempt status of any of its Debt Instruments.

16.2 **Excess Proceeds of Transition Project Indebtedness:** In the case of any issue, tranche or series of Transition Project Indebtedness, if the proceeds derived from the sale of any Transition Debt Instruments evidencing such Transition Project Indebtedness exceed the aggregate required for the purposes for which such Transition Debt Instruments were issued, the amount of such excess shall be used to retire, by purchase or redemption in advance of maturity, Transition Debt Instruments of such Transition Project Indebtedness so that there shall be, as nearly as practicable, a pro rata reduction in Debt Service thereon for each Fiscal Year.

17. DEFAULT:

17.1 **IPA's Rights upon Purchaser Default:** If Purchaser shall be unable to perform or shall default in the performance of any of its obligations under this Contract, IPA may (a) if any payment due under this Contract remains unpaid subsequent to the due date thereof, upon one hundred twenty (120) days' prior written notice to Purchaser, discontinue the delivery of capacity and energy and the use of all other Project facilities to Purchaser under this Contract during the period of such default, without reduction of the obligation of Purchaser to make payments under this Contract except to the extent provided in Section 17.4; (b) bring any suit, action or proceeding at law or in equity as may be necessary or appropriate to enforce any

covenant, agreement or obligation of Purchaser; or (c) take any action permitted by applicable law to enforce its rights under this Contract or recover damages for breach hereof.

17.2 **Purchaser Default under Original Power Sales Contract:** If, as an Original Purchaser, Purchaser (after taking into account any applicable cure period) breaches or defaults in the performance of any of its duties or obligations under its Original Power Sales Contract, such breach or default shall constitute a breach or default by Purchaser under this Contract, and shall entitle IPA to: (a) cancel this Contract; (b) take the actions set forth under Section 17.4 of this Contract with respect to the transfer of Purchaser's rights and entitlements to the Project under this Contract if IPA takes the actions set forth under Section 17.3 of Purchaser's Original Power Sales Contract; (c) bring any suit, action or proceeding at law or in equity as may be necessary or appropriate to enforce any covenant, agreement or obligation of Purchaser; or (d) take any action permitted by applicable law to enforce its rights under this Contract or recover damages for breach hereof. The rights and remedies of IPA under this Section 17.2 are in addition to any other rights or remedies to which IPA may be entitled under Purchaser's Original Power Sales Contract or otherwise as the result of such breach or default.

17.3 **Limitation of Remedies Against IPA:** IPA shall not be liable for its own non-performance under this Contract resulting from any default by a Purchaser, or for its failure to perform any of its obligations hereunder, as a result thereof, except in the case of Willful Action by IPA, in which case the remedy shall include specific performance and other applicable legal or equitable remedies; provided, however, that any claim for damages shall not include loss of profits or consequential damages; and provided further, however, that no such default or non-performance by IPA shall relieve Purchaser from its obligation to make its payments required under this Contract and such payments shall not be subject to any reduction, whether by offset, counterclaim or otherwise.

17.4 **Transfer of Defaulting Purchaser's Rights:** In the event of a default by Purchaser and the discontinuance, pursuant to Section 17.1(a), of the delivery of capacity and energy and of the use of all other Project facilities, IPA shall transfer on a pro rata basis to all requesting Purchasers that are not in default, the defaulting Purchaser's rights and entitlements under this Contract to the delivery of Project capacity and energy, including without limitation, its rights under Section 9.11, and to the use of all other Project facilities that shall have been discontinued by reason of such default, and such requesting Purchasers shall assume the defaulting Purchaser's obligations under this Contract with respect to such rights and entitlements so transferred, and, to the extent any portion of the defaulting Purchaser's rights and entitlements with respect to the Project are not so transferred, IPA shall, to the extent possible, dispose of such remaining portion on the best terms readily available in accordance with the procedures formulated by the Renewal Contract Coordinating Committee; provided, however, that IPA may not transfer or dispose of such defaulting Purchaser's rights and entitlements in such a manner as shall adversely affect the eligibility for any tax exemption with respect to Federal income taxes of the interest paid, or to be paid, on the Debt Instruments issued or to be issued by IPA unless such a transfer or disposal of such defaulting Purchaser's rights and entitlements is approved by the Renewal Contract Coordinating Committee and provision is made for the remediation pursuant to federal tax laws and regulations of such adverse effect on such tax exemption of interest on the Debt Instruments issued by IPA; and provided further, however, that the obligation of the defaulting Purchaser to pay IPA the costs

incurred by it related to such default and transfer, shall be reduced to the extent that payments are received by IPA for that portion of the defaulting Purchaser's rights and entitlements with respect to the Project that are so transferred or disposed of.

18. CHARACTER, CONTINUITY OF SERVICE AND INTERCONNECTIONS:

18.1 **Temporary Interruptions of Capacity:** The Operating Agent may temporarily interrupt or curtail deliveries of capacity and energy to Purchaser and the other Purchasers in proportion to their respective Generation Entitlement Shares if the Operating Agent determines that such interruption or curtailment is necessary in case of emergencies, in order to install new equipment or make repairs to or replacements of existing equipment, conduct investigations and/or inspections, or to perform other maintenance work on the Project facilities; provided, however, that such interruption or curtailment shall not relieve Purchaser or any of the other Purchasers of their obligations to make payments under their respective Renewal Power Sales Contracts. After informing Purchaser and the other Purchasers regarding any such planned interruption or curtailment, giving the reason therefor, and stating the probable duration thereof, the Operating Agent will, to the best of its ability, schedule such interruption or curtailment at a time that will cause the least interference with the operations of Purchaser and the other Purchasers.

18.2 **Uncontrollable Forces:** IPA shall not be required to provide, and neither IPA nor the Operating Agent shall be liable for failing to provide, service under this Contract when such failure or the cessation or curtailment of or interference with the service is caused by Uncontrollable Forces or by the inability of IPA to obtain any required governmental approval to enable it to acquire, construct or operate any Project facilities; provided, however, that neither Purchaser nor any of the other Purchasers shall thereby be relieved of their obligations to make payments under its respective Renewal Power Sales Contract.

18.3 **Electrical Interconnections:** Where there is to be an electrical interconnection of the Project with the electric system of Purchaser, the design and construction with respect to such interconnection and the operating procedures adopted for the Project will not be such so as to jeopardize the electrical operation of the electric system of Purchaser; provided, however, that this provision shall have no application after the interconnection has been established where the jeopardy with respect to the electric system of Purchaser shall be the result of changes made or to be made by Purchaser in its system operation or facilities. The parties hereto shall use their best efforts to cooperate and coordinate their planning and actions so that each such electrical interconnection is operated in accordance with Prudent Utility Practice and the operations of the Project and those of the electric system of Purchaser shall continue to be compatible.

19. **LIABILITY:** Except for failure to pay money pursuant to a provision of a Renewal Power Sales Contract, IPA, Purchaser and each of the other Purchasers shall be solely responsible and liable for performance under their respective Renewal Power Sales Contracts and for the maintenance and operation of their respective properties, and each party thereto shall indemnify and save harmless the other party thereto, the Project Manager and the Operating Agent from all liability and expense on account of any and all damages, claims or actions,

including, but not limited to, injury to or death of persons arising from any act or accident in connection with the installation, presence, maintenance and operation of the property and equipment of the indemnifying party and not caused, in whole or in part, by the Willful Action of the other party or any indemnified party; provided, however, that any liability that is incurred by IPA through the operation and maintenance of the Project and that is not covered, or not covered sufficiently, by insurance, shall be paid solely from the revenues and reserves of IPA, subject to any prior pledge of or limitation on the use of such revenues or reserves under any Bond Resolution, and any payments made by IPA to satisfy any such liability shall become part of the Annual Budget.

20. **RESTRICTIONS ON DISPOSITION:**

20.1 **Restrictions on Sale:** During the Renewal Contract Term, Purchaser shall not, at any time, sell, lease or otherwise dispose of all or substantially all of its electric system except on ninety (90) days' prior written notice to IPA and, in any event, shall not so sell, lease or otherwise dispose of the same unless the following conditions are met: (a) Purchaser shall assign this Contract and all of its rights and interests hereunder to such purchaser or lessee of said electric system, and such purchaser or lessee shall assume for the full term of this Contract, pursuant to a written assumption agreement in form and substance acceptable to IPA, in its reasonable discretion, all of the obligations of Purchaser under this Contract; (b) the senior debt of such purchaser or lessee is rated in one of the three (3) highest rating categories by at least one nationally-recognized bond rating agency; (c) a Qualified Independent Engineer shall deliver an opinion to IPA, which may be based on assumptions deemed reasonable by such a Qualified Independent Engineer, that such purchaser or lessee is reasonably able to charge and collect rates and charges in the then current year and each future year for the electric service of its electric system as shall be required to meet its obligations under this Contract; and (d) IPA shall by resolution determine (which determination shall not be unreasonably withheld) that such sale, lease or other disposition will not adversely affect the value of this Contract as security for the payment of the Project Indebtedness and the interest thereon and will not adversely affect the eligibility for any exemption from Federal income taxes of the interest paid, or to be paid, on the Project Indebtedness or Debt Instruments then outstanding or that IPA may incur or issue thereafter (taking into account any undertakings of such purchaser or lessee of said electric system to bear the economic cost of any remedial action necessary to maintain such eligibility for exemption). Upon a sale, lease or other disposal of all or substantially all of Purchaser's electric system and the satisfaction of all of the conditions set forth in clauses (a), (b), (c) and (d) of this Section 20.1, Purchaser shall be released of its duties, obligations and liabilities under this Contract, provided, however, Purchaser shall remain fully liable to IPA, and such release shall not apply, with respect to any accrued or unpaid obligation of such Purchaser existing at the time of such release or any breach or default on the part of Purchaser under this Contract occurring prior to such sale, lease or other disposition of Purchaser's electric system; and provided further, however, that such release of Purchaser shall not, in any way or to any extent, diminish, limit or extinguish the obligation of the purchaser or lessee of Purchaser's electric system to fully perform all duties and obligations and satisfy all liabilities under this Contract assumed by such purchaser or lessee.

20.2 **Restrictions on Assignments or Sales:** Notwithstanding anything in this Contract to the contrary, Purchaser shall not sell, assign or otherwise dispose of (a

“Transfer”) all or any portion of its Generation Entitlement Share, including, without limitation, its rights under Section 9.11, or its capacity rights granted under this Contract in the Northern Transmission System or the Southern Transmission System, as the case may be, unless IPA shall have by resolution determined (which determination shall not be unreasonably withheld) that such Transfer will not adversely affect the eligibility for exemption from Federal income taxes of the interest paid, or to be paid, on the Project Indebtedness or Debt Instruments then outstanding or that IPA may incur or issue thereafter (taking into account any undertakings of the purchaser, assignee or transferee of any such Generation Entitlement Share or capacity rights to bear the economic cost of any remedial action necessary to maintain such eligibility for exemption).

20.3 **No Release:** Except as otherwise provided in Section 20.1, no Transfer by Purchaser in accordance with the provisions of this Section 20 shall release Purchaser from any of its duties, obligations and liabilities under this Contract and Purchaser shall continue to be fully liable under this Contract for the performance of all such duties, obligations and liabilities even though the same are to be performed by any such purchaser, assignee or transferee on its behalf.

20.4 **Transfer by IPA:** Without limiting any other right IPA may have to sell, assign or otherwise dispose of all or any portion of its right, title or interest under this Contract, IPA may assign the payments by Purchaser under this Contract to secure Debt Instruments to which such payments relate.

21. **ASSIGNMENT OF CONTRACT:** This Contract shall inure to the benefit of and be binding upon the respective successors of the parties hereto and the respective purchasers, assignees or transferees of the Purchaser pursuant to Sections 17 or 20.

22. **RETIREMENT RESERVE:**

22.1 **Establishment of Retirement Reserve Fund:** As of the Transition Date, IPA shall establish a Retirement Reserve Fund (the “Retirement Reserve Fund”), to provide for the accumulation of funds to pay Retirement Costs. The Retirement Reserve Fund shall consist of four separate accounts, designated respectively as the Gas Unit 1 Retirement Account, the Gas Unit 2 Retirement Account, the Northern Transmission System Retirement Account and the Southern Transmission System Retirement Account, each of which accounts shall be used for the accumulation of funds to pay Retirement Costs with respect to each of the respective Project Components, as indicated by the name of the account. The Retirement Reserve Fund shall be held and administered by IPA and, except as otherwise provided in Sections 23.5 and 23.9.3 of this Contract and the other Renewal Power Sales Contracts, be used solely to pay Retirement Costs. All earnings from the investment of amounts on deposit in any account of the Retirement Reserve Fund shall be deposited into and become a part of such account.

22.2 **Funding of Retirement Reserve Fund:** Purchaser and each of the other Purchasers agree that by the end of the useful life of each Project Component, the account of the Retirement Reserve Fund designated for such Project Component shall be funded with sufficient funds to pay all Retirement Costs with respect to such Project Component, taking into

account the expected Retirement Salvage Proceeds of such Project Component and any Operational Reserves expected to be made available for deposit into such account, upon the removal from service of such Project Component. IPA, Purchaser and each of the other Purchasers also agree that each such account shall be funded in such amounts and during such period or periods as determined with respect to each Project Component from time to time by IPA and the Renewal Contract Coordinating Committee based on recommendations of a Retirement Consultant provided for under Section 22.3, and that each Annual Budget during such period provide for such amount to be included in Monthly Power Costs to provide for such contributions on a monthly basis. IPA shall also deposit into the account for each Project Component within the Retirement Reserve Fund, in addition to all payments made by the Purchasers for deposit therein: (i) all Retirement Salvage Proceeds realized with respect to such Project Component; and (ii) the portion of IPA's Operational Reserves that the IPA Board of Directors and the Renewal Contract Coordinating Committee determine, based upon the recommendation of the Operating Agent, will no longer be needed, upon the Permanent Removal From Service Date of such Project Component, taking into account any other Project Components as to which the Operational Period will not have then ended and any Auxiliary Facilities that will remain in service.

22.3 **Periodic Retirement Consultant Recommendations:** Promptly after the Transition Date, IPA shall retain a Retirement Consultant to prepare recommendations, based upon Prudent Utility Practice, as to the amounts, if any, that should be deposited each Power Supply Year into each account of the Retirement Reserve Fund to achieve the objectives set forth in Section 22.2. Unless otherwise determined by IPA and the Renewal Contract Coordinating Committee, at approximate five (5) year intervals thereafter, IPA shall retain a Retirement Consultant to review, revise and supplement such recommendations. IPA and the Renewal Contract Coordinating Committee shall use such recommendations as a basis for determining the amounts that must be included in each Annual Budget and included in Monthly Power Costs to accumulate amounts in each account of the Retirement Reserve Fund consistent with Section 22.2.

23. RETIREMENT OF PROJECT COMPONENTS:

23.1 **Retirement Election:** The Renewal Contract Coordinating Committee may elect to permanently retire any Project Component (a "Retirement Election") by taking action (i) by representatives of Purchasers that have Voting Rights aggregating at least eighty percent (80%) of all Voting Rights pursuant to Section 6.1 in the case of a Retirement Election as to Gas Unit 1 or Gas Unit 2, (ii) by representatives of Purchasers with entitlements in the Northern Transmission that have Voting Rights aggregating at least eighty percent (80%) of the Voting Rights of all such Purchasers with entitlements in the Northern Transmission System, in the case of a Retirement Election as to the Northern Transmission System, and (iii) by representatives of Purchasers with entitlements in the Southern Transmission System that have Voting Rights aggregating at least eighty percent (80%) of the Voting Rights of all such Purchasers with entitlements in the Southern Transmission System, in the case of a Retirement Election as to the Southern Transmission System. In connection with the making of each such Retirement Election, such Renewal Contract Coordinating Committee action shall specify a date for the removal from service of such Project Component which date shall not be earlier than three (3) years after the Renewal Contract Coordinating Committee makes such election;

provided, however, such Renewal Contract Coordinating Committee action may specify an earlier date, without regard to such three (3) year limitation, for the removal from service of such Project Component upon the approving vote of representatives of all Purchasers entitled as provided above to vote on the removal from service of such Project Component. The date so specified by such Renewal Contract Coordinating Committee action for the removal from service of such Project Component is referred to in this Contract as the "Proposed Removal From Service Date" with respect to such Project Component, and the date upon which such Project Component is permanently removed from service (which removal from service shall also be deemed to occur in the event that such Project Component or portion thereof shall become, and upon its becoming, an IPA Retained Facility) pursuant to and upon the satisfaction of the terms and conditions set forth in Sections 23.6 and 23.7, is referred to in this Contract as the "Permanent Removal From Service Date" with respect to such Project Component.

23.2 Requests for Project Consultant and Preliminary Report: The Purchasers entitled as provided in Section 23.1 to vote on the retirement from service of a Project Component may, in connection with their consideration of whether to make a Retirement Election with respect to such Project Component, request IPA by vote as provided above to retain a Retirement Consultant prior to making such Retirement Election to provide information to assist in such consideration. If such Purchasers make such a request, IPA shall promptly retain a Retirement Consultant and direct it to provide a preliminary report setting forth all or a portion, as requested, of the matters to be set forth in the Retirement Consultant's report pursuant to Section 22.4. Such Purchasers by vote as provided above may also request, in connection with their consideration of whether to make such a Retirement Election, that the Operating Agent prepare, on a preliminary basis, a report describing the work and materials to be performed and acquired in connection with the retirement from service of such Project Component, in which case, IPA shall cause the Operating Agent to promptly prepare and provide to such Purchasers such report.

23.3 Identification of Auxiliary Facilities, Allocable Project Water Rights and Unneeded Operational Reserves: Upon the making of a Retirement Election with respect to any Project Component, IPA shall cause the Operating Agent to prepare a report (the "Auxiliary Facilities Report") setting forth each of the following: (i) a description of the portions of such Project Component that constitute Auxiliary Facilities with respect to any other Project Component as to which the Operational Period has not ended or as to Additional Non-Project Facilities; (ii) a description of the portions of any other Project Component that constitute Auxiliary Facilities with respect to such Project Component; (iii) recommendations as to actions to be taken to maintain in operation the Auxiliary Facilities described in clause (i) above; (iv) a determination as to whether, upon the removal from service of such Project Component, any of the Auxiliary Facilities described in clause (ii) above may also be removed from service and, if so, recommendations as to the actions to be taken to so remove them from service; (v) a recommendation as to the amount of Project Water Rights allocable to such Project Component (which shall be at least the amount of Project Water Rights necessary to operate and maintain such Project Component at maximum capacity); and (vi) a recommendation as to the Operational Reserves, or portions thereof, that will no longer be necessary or appropriate upon the Permanent Removal From Service Date of such Project Component. Promptly upon the completion of the Auxiliary Facilities Report, IPA shall submit such report to the Renewal Contract Coordinating Committee and upon approval thereof by the

Renewal Contract Coordinating Committee the Auxiliary Facilities Report and the determinations as to Auxiliary Facilities and the other recommendations therein shall become final for the purposes of this Contract.

23.4 **Retirement Consultant:** Upon the making of a Retirement Election with respect to any Project Component, as provided in Section 23.1, IPA shall promptly retain a Retirement Consultant, which shall, if a Retirement Consultant was retained pursuant to Section 23.2, be the same Retirement Consultant unless such Retirement Consultant is no longer able or willing to serve or IPA and the Purchasers entitled under Section 23.1 to vote on such Retirement Election by vote as provided in Section 23.1 agree to the retention of another Retirement Consultant. Such Retirement Consultant shall be directed to perform a study and prepare a written report (the "Retirement Cost Report"), taking into account any report of the Operating Agent furnished as provided in Section 23.2 that describes the work and materials to be performed and acquired for the retirement of such Project Component, and any Auxiliary Facilities identified and the recommendations of the Operating Agent set forth in the report referenced in Section 23.3, and setting forth each of the following items, together with information and materials reasonably supporting and justifying each such item: (i) a description of the work and materials required to accomplish the actions described in Section 23.9.1 for a Project Component with respect to which a Retirement Election has been made (i.e., the work and materials required to retire such Project Component) and a reasonable timeline for performing such work; (ii) an estimate of the Retirement Costs (the "Estimated Retirement Costs") that will be incurred or need to be incurred by IPA in connection with the retirement of such Project Component; (iii) an estimate as to the portion of the Operational Reserves expected to be held by IPA on the Permanent Removal From Service Date of such Project Component that will no longer be needed upon the removal from service of such Project Component, taking into account any other Project Components as to which the Operational Period will not have then ended and any Auxiliary Facilities that will remain in service (the "Estimated Reserve Free-up Amount"); (iv) an estimate of the Retirement Salvage Proceeds that can be realized with respect to such Project Component, which estimate shall provide detail as to the estimate of the Retirement Salvage Proceeds of each significant facility, improvement or asset constituting a part of such Project Component (the "Estimated Retirement Salvage Proceeds"); (v) an estimate of the amount that will be on deposit in the account for such Project Component within the Retirement Reserve Fund, taking into account a reasonable estimate of interest that may be earned during any relevant period on amounts on deposit in such account, but not taking into account the payments to be made by Purchasers for deposit in such account pursuant to Section 23.5 (the "Estimated Retirement Account Balance"); and (vi) the calculation, as applicable, of either (A) an amount (the "Estimated Retirement Account Deficiency") equal to the Estimated Retirement Costs as set forth in clause (ii), less the sum of: (a) the Estimated Reserve Free-up Amount as set forth in clause (iii), (b) the estimated Retirement Salvage Proceeds as set forth in clause (iv), and (c) the Estimated Retirement Account Balance as set forth in clause (v), or (B) an amount (the "Estimated Retirement Account Surplus") equal to the Estimated Retirement Account Balance as set forth in clause (v), less the remainder resulting from the subtraction of the sum of the Estimated Reserve Free-up Amount as set forth in clause (iii) plus the estimated Retirement Salvage Proceeds as set forth in clause (iv) from the Estimated Retirement Costs as set forth in clause (ii). The Retirement Consultant shall be directed to provide the Retirement Cost Report to IPA, and, promptly upon IPA's receipt thereof, IPA shall distribute a copy to each of the Purchasers entitled under Section 23.1 to vote

on its Retirement Election with respect to such Project Component. Within 60 days after the Retirement Cost Report is provided to IPA by the Retirement Consultant, IPA or any such Purchaser may submit to the Retirement Consultant, in writing, any objections it may have to the estimates and conclusions set forth in the Retirement Cost Report, a copy of which objections shall be provided to each of such Purchasers and IPA. Upon consideration of any such objections, the Retirement Consultant may, in its sole discretion, revise the Retirement Cost Report to take into account or respond to any such objections, but otherwise, the Retirement Cost Report of the Retirement Consultant, as so revised, if applicable, shall be final for all purposes of this Contract and shall not be subject to challenge or appeal by IPA or any such Purchaser; provided, however, if both IPA and such Purchasers by vote as provided in Section 23.1 determine at any time that an update of the Retirement Cost Report should be done, then the Retirement Consultant shall be retained to perform such an update, and the final report shall include such update; and further provided, however, that such Retirement Cost Report may be revised, if necessary, pursuant to Section 24.1.5.

23.5 Payment of Estimated Retirement Account Deficiency or Surplus:

Promptly after the issuance of the final Retirement Cost Report with respect to any Project Component pursuant to Section 23.4, and (i) in the event of the calculation of an Estimated Retirement Account Deficiency, the Annual Budget for the then current Power Supply Year shall be amended to provide, and each Annual Budget for each Power Supply Year thereafter to and including the Power Supply Year in which the Proposed Removal From Service Date falls shall provide, for amounts to be included in Monthly Power Costs with respect to such Project Component sufficient to provide to IPA for deposit into the account for such Project Component within the Retirement Reserve Fund on or before the Proposed Removal From Service Date an amount equal to: (a) the Estimated Retirement Account Deficiency, plus (b) any other amounts required to satisfy the conditions set forth in Section 23.6.1; or (ii) in the event of the calculation of an Estimated Retirement Account Surplus there shall be refunded to the Purchasers that were eligible to vote on the Retirement Election for such Project Component in proportion to their respective Cost Shares applicable to such Project Component on or before the Proposed Removal from Service Date an amount equal to the Estimated Retirement Account Surplus. The provisions of this Section with respect to funding of an Estimated Retirement Account Deficiency are in addition to the obligations to fund Retirement Costs provided by Section 23.9.3 which shall continue to be applicable.

23.6 Conditions to End of Operational Period: Following the making of a Retirement Election pursuant to Section 23.1 with respect to any Project Component, the Operational Period for the Project Component to which such Retirement Election relates shall end, with the consequences set forth in Section 23.7, upon, and only upon, the satisfaction of each of the following terms and conditions:

23.6.1 There shall be on deposit in the account for such Project Component in the Retirement Reserve Fund, taking into account the amount IPA is required to deposit therein from Operational Reserves pursuant to Section 23.4, an amount equal to the Estimated Retirement Costs less the Estimated Salvage Proceeds for such Project Component, as such amounts are set forth in the report of the Retirement Consultant referenced in Section 23.4.

23.6.2 IPA and the Operating Agent shall be reasonably satisfied that the permanent removal from service of such Project Component will not have a material adverse effect on any other Project Component as to which its Operational Period has not ended.

23.6.3 There shall have been paid in full or fully defeased all Renewal Contract Project Indebtedness (other than Retirement Cost Debt Instruments) that is allocated to such Project Component pursuant to Section 15.4.2.

23.6.4 The Proposed Removal From Service Date shall have occurred.

23.7 **End of Operational Period of Project Component:** Upon the end of the Operational Period for any Project Component, such Project Component shall be removed from service, except for any IPA Retained Facility constituting a portion thereof and any portions thereof constituting Auxiliary Facilities to any other Project Component as to which the Operational Period has not ended, or to any IPA Retained Facility or any Additional Non-Project Facilities as to which such Auxiliary Facilities are to be provided or to be made available, and thereupon: (a) except as specifically provided in Section 23.9.1, IPA shall have no duties or obligations to Purchaser or any of the other Purchasers with respect to such Project Component; (b) neither Purchaser nor any of the other Purchasers shall have any further right whatsoever to the output, capacity, energy or use of such Project Component; and (c) except as specifically provided in Section 23.9, neither Purchaser nor any of the other Purchasers shall have any further duties or obligations to IPA under their respective Renewal Power Sales Contracts with respect to such Project Component.

23.8 **Treatment of Auxiliary Facilities:** Notwithstanding anything in this Section 23 to the contrary, the retirement of any Project Component shall not result in the retirement or removal from service of any facilities or portion of such Project Component that constitute Auxiliary Facilities with respect to any other Project Component as to which the Operational Period has not ended or with respect to any Additional Non-Project Facilities. Upon the Permanent Removal From Service Date of any Project Component, the facilities or portion of such Project Component that constitute Auxiliary Facilities with respect to any other Project Component or Project Components as to which the Operational Period has not ended shall become part of such other Project Component or Project Components.

23.9 **Retirement of Project Component:** The following provisions shall apply with respect to each Project Component as to which the Permanent Removal From Service Date has occurred, excluding a Project Component, or any portion thereof, that constitutes an IPA Retained Facility:

23.9.1 IPA shall make reasonable commercial efforts to: (i) sell or otherwise dispose of the marketable property and rights constituting a portion of the Project Component, upon terms and conditions that are economically favorable to IPA and consistent with Prudent Utility Practice; (ii) render such Project Component in a condition that complies with all then applicable laws and all contractual obligations of IPA with respect thereto; (iii) dismantle and remove such Project Component thereof so as to restore the area impacted thereby, (iv) render such Project Component in a condition that, in IPA's reasonable discretion, is secure, safe, sanitary and sightly; and (v) insure or otherwise protect IPA from claims and

liabilities that may arise with respect to such Project Component. The actions described in this Section 23.9.1 are referred to in this Contract as the “Retirement Actions” with respect to such Project Component.

23.9.2 IPA shall apply the amounts on deposit in the account in the Retirement Reserve Fund relating to such Project Component to pay the Retirement Costs with respect thereto.

23.9.3 Notwithstanding that the Operational Period with respect to any Project Component (other than an IPA Retained Facility) shall have ended, and notwithstanding anything in this Contract to the contrary, if, at any time or from time to time, IPA incurs Retirement Costs in connection with the Retirement Actions relating to such Project Component in excess of the amount on deposit in the account for such Project Component within the Retirement Reserve Fund and any amounts in the then current Annual Budget for the payment of Retirement Costs for such Project Component (the amount of such excess being referred to as the “Retirement Cost Deficiency”), there shall be provided in the Annual Budget (in addition to any such amounts in the then current Annual Budget), or an amendment thereto, for the Power Supply Year in which such Retirement Cost Deficiency is incurred or expected to be incurred, as Monthly Power Costs with respect to such Project Component, the amount of such Retirement Cost Deficiency, it being intended that IPA shall be entitled to bill, as Monthly Power Costs, amounts it incurs for Retirement Costs for which inadequate funds are available as and when such excess Retirement Costs are incurred. If, upon the completion by IPA of all Retirement Actions with respect to such Project Component and the payment of all costs of such Retirement Actions, amounts remain on deposit in the account relating to such Project Component within the Retirement Reserve Fund, IPA shall refund such remaining balance to the Purchasers in proportion to their respective Cost Shares applicable to such Project Component.

23.9.4 There shall also be included in Retirement Costs and Monthly Power Costs with respect to such Project Component, all Debt Service on Retirement Cost Debt Instruments issued to fund Retirement Costs of such Project Component as provided in Section 15.2.3.

23.9.5 Upon the completion of all Retirement Actions with respect to such Project Component and upon the payment or defeasance in full of all Retirement Cost Debt Instruments with respect thereto: (i) such Project Component shall no longer constitute a part of the Project for purposes of this Contract; and (ii), subject to Section 23.9.6, neither IPA nor Purchaser shall have any duties or obligations to the other with respect to such Project Component.

23.9.6 Nothing in Sections 23.7(c) or 23.9.5(ii) shall relieve Purchaser or any other Purchaser of any duty or obligation of such Purchaser under its respective Renewal Power Sales Contracts as to which such Purchaser is in breach or default.

23.10 **Completion of Retirement of Facilities:** For the avoidance of doubt, in the event that Retirement Actions (used as defined in the Original Power Sales Contracts) have not been performed and completed as provided in the Section 44 Retirement Plan (used as defined in the Original Power Sales Contracts) by the Transition Date with respect to: (i) any

rights, properties, facilities, structures, equipment, assets and appurtenances constituting a portion of the Project as of, or added to after, the effective date of the Second Amendatory Power Sales Contracts that are part of the Project immediately prior to the Transition Date, and (ii) any generating unit or units and related facilities and properties replaced by or no longer used or useful due to the construction or operation of the Gas Repowering, then such Retirement Actions (as so defined in the Original Power Sales Contracts) with respect thereto shall be continued and completed by the Project Manager under the Renewal Power Sales Contracts and amounts reserved therefor by IPA pursuant to the Original Power Sales Contracts shall be applied to the payment of the Retirement Costs (as defined in the Original Power Sales Contracts) thereof, all as contemplated by Section 44.2 of the Original Power Sales Contracts as added by the Second Amendatory Power Sales Contracts.

24. IPA RETAINED FACILITY:

24.1 IPA Election to Retain Project Component: Subject to the terms and conditions of this Section 24.1, IPA may elect, but shall not be required, to retain, as its sole and exclusive property, free and clear of any obligation it may have to any Purchaser under any Renewal Power Sales Contract, any Project Component or any portion thereof as to which a Retirement Election has been made pursuant to Section 23.1. In order to retain any such Project Component or portion thereof, IPA shall provide to the Purchasers that were entitled to make such Retirement Election, on or prior to the date that is six (6) months after the Renewal Contract Coordinating Committee makes such Retirement Election or, if later, the date that is three (3) months prior to the Proposed Removal From Service Date for such Project Component, written notice of its election to retain such Project Component or portion thereof. IPA may make such an election only with respect to a complete Project Component (exclusive of any portion thereof constituting Auxiliary Facilities as provided in Section 23.3 with respect to any other Project Component or Additional Non-Project Facilities), or any portion thereof that constitutes an integrated and substantial facility, or all or any portion of the allocable Project Water Rights, and may only make such election as to a Project Component or portion thereof that IPA does not intend to resell or transfer other than to one or more IPA Members, any entity formed under the Act of which any IPA Member is a member, or any other joint powers or joint action agency or business entity of which an IPA Member is a member or owner, for such IPA Member's or such entity's own use or the use of its customers or constituents. Any Project Component, or portion thereof, as to which IPA makes the election set forth in this Section 24.1, together with the rights of IPA or any successor or assign of IPA under any Section 39 Facilities Agreement that may be consummated with respect to such Project Component or portion thereof pursuant to Section 24.1.6, is referred to in this Contract as an "IPA Retained Facility". If IPA elects to so retain any Project Component, or portion thereof, then the following provisions shall apply with respect to such Project Component or portion thereof:

24.1.1 On and after the Permanent Removal From Service Date of such Project Component, IPA shall have full and exclusive ownership and control, free and clear of any obligation to Purchaser or any of the other Purchasers under their respective Renewal Power Sales Contracts or otherwise, of the IPA Retained Facility (other than any obligations arising under a Section 39 Facilities Agreement entered into as provided in Section 24.1.6.)

24.1.2 IPA shall be entitled, as its sole and exclusive property, free and clear of any obligation to Purchaser or any of the other Purchasers, to the funds in the account for such Project Component within the Retirement Reserve Fund allocated or designated for such IPA Retained Facility, including the deposit therein from Operational Reserves with respect to such Project Component pursuant to Section 23.6.1.

24.1.3 Except as set forth in Section 24.1.2, neither Purchaser, nor any other Purchaser, shall have any duty or obligation to pay Retirement Costs with respect to such IPA Retained Facility, but the obligations of Purchasers with respect to any Retirement Cost Debt Instruments shall not be affected.

24.1.4 Such IPA Retained Facility shall no longer, as of the Permanent Removal From Service Date of the Project Component of which it is a part, constitute a part of the Project or be subject to the terms and conditions of this Contract or any of the other Renewal Power Sales Contracts.

24.1.5 Promptly following any election by IPA under this Section 24.1 to retain any Project Component or portion thereof, the Retirement Consultant who prepared or is preparing the report referenced in Section 23.4 with respect to such Project Component shall be instructed to take into account in the preparation of such report, and to revise such report if necessary, to take into account such election and the effect it may have on the information set forth in such report.

24.1.6 If any Project Component or portion thereof that IPA elects to retain pursuant to this Section 24.1 is of a nature that its proper or economic use or operation requires that any property, rights, equipment or facilities constituting a part of the Project be made available with respect thereto, then the Renewal Contract Coordinating Committee and IPA shall use their reasonable efforts to reach agreement with respect to a Section 39 Facilities Agreement whereby such property, rights, equipment or facilities would be made available to IPA and its successors and assigns for such purpose. In addition to any other provisions of this Contract that may be applicable to such Section 39 Facilities Agreement, the following provisions shall apply to the negotiation, establishment, terms and conditions of such Section 39 Facilities Agreement:

24.1.6.1 The Section 39 Facilities Agreement shall only provide for any such property, rights, equipment or facilities to be made available to the extent the same have excess capacity, after taking into account their use for the needs of the Project and for IPA to perform its obligations under any other Section 39 Facilities Agreement then in effect.

24.1.6.2 The Section 39 Facilities Agreement shall not contain any provisions or create any rights in favor of IPA or its successors and assigns that, in the reasonable determination of the Renewal Contract Coordinating Committee, would create a significant risk of any material adverse impact on the Project, and shall contain such provisions and limitations as the Renewal Contract Coordinating Committee reasonably determines are necessary to protect the Project

from a material adverse risk as to the Project. Such provisions may include requirements that IPA and each of its successors and assigns obtain the approval of the Renewal Contract Coordinating Committee prior to assigning or transferring to any other party any interest in the Section 39 Facilities Agreement, provided, however, such approval would not be withheld unless the assignment or transfer would cause or create a significant risk of a material adverse impact on the Project.

24.1.6.3 The Section 39 Facilities Agreement shall contain economic terms that would fully require all costs of making such property, rights, equipment or facilities available for such purpose, including, without limitation, a fair allocation of depreciation and overhead, to be fully covered by sources other than Project funds or billings of Monthly Power Costs to the Purchasers; provided, however, such economic terms shall not include or result in any direct or indirect profit component to the Project or the Purchasers.

24.1.6.4 IPA and the Renewal Contract Coordinating Committee shall use their reasonable efforts to determine the form of the Section 39 Facilities Agreement, including the necessary parties thereto.

24.1.6.5 Although the final form and substance of the Section 39 Facilities Agreement shall be subject to the approval of the Renewal Contract Coordinating Committee, one or more Purchasers may be designated by the Renewal Contract Coordinating Committee to act on its behalf in negotiations with IPA and may make recommendations to the Renewal Contract Coordinating Committee regarding the terms and provisions of the Section 39 Facilities Agreement, and the Renewal Contract Coordinating Committee may determine to authorize such Purchaser or Purchasers to enter into the Section 39 Facilities Agreement on behalf of and for the benefit of the Purchasers.

24.2 **Valuation of Project Water Rights:** In determining the Retirement Salvage Proceeds of Project Water Rights allocable to a Project Component pursuant to Section 23.3 as to which IPA makes an election under Section 24.1, IPA shall issue a request for proposals to water users within the basin or watershed to which such water rights relate for the purchase or other acquisition of such water rights. Such request for proposals shall state that IPA is not obligated to sell or otherwise dispose of such Project Water Rights, but rather, may elect to do so based upon the purchase or other acquisition proposals submitted in respect thereto. For purposes of this Contract, the Retirement Salvage Proceeds of any such Project Water Rights shall be deemed to be the cash amount of the highest bona fide bid therefor submitted in response to such request for proposals and such amount shall constitute the Retirement Salvage Proceeds for purposes of Sections 23.4 and 23.5 with respect to such Project Component, notwithstanding any provision thereof to the contrary. In order to constitute a bona fide bid, a bid must be a firm, cash bid, legally binding and subject only to reasonable title assurances to the buyer, and submitted by a party that is reasonably able to pay the amount so bid.

25. **TERM OF CONTRACT:**

25.1 **Term:** The term of this Contract shall begin on the Effective Date and, unless this Contract is terminated earlier as provided in Section 17, 31 or 42, the term of this Contract shall end on the Renewal Contract Final Termination Date.

25.2 **Regulatory Contract Approvals:** Purchaser and IPA, respectively, shall each obtain any and all required Regulatory Contract Approvals as confirmed by its counsel's legal opinion provided pursuant to Section 25.3. For the avoidance of doubt this Contract shall be void and any and all energy deliveries and any other rights or services under this Contract shall be terminated no later than the effective date of any denial of a required Regulatory Contract Approval, including, without limitation, a decision of the California Energy Commission.

25.3 **Legal Opinions:** Upon the Effective Date and upon the Entitlement Determination Date if different than the Effective Date, (a) Purchaser shall provide to IPA a written opinion of counsel to Purchaser, such counsel to be reasonably acceptable to IPA, addressed to IPA concerning this Contract, including receipt by Purchaser of any and all required Regulatory Contract Approvals, in form and substance reasonably acceptable to IPA, and (b) IPA shall provide to Purchaser a written legal opinion of counsel to IPA addressed to Purchaser concerning this Contract, including receipt by IPA of any and all required Regulatory Contract Approvals, in form and substance reasonably acceptable to Purchaser.

25.4 **Purchaser's Rights:** Notwithstanding anything in this Contract to the contrary, except as provided in any Original Power Sales Contract to which Purchaser is a party, Purchaser shall have: (a) no rights or benefits with respect to the output, capacity, energy or use of the Project prior to the Transition Date; (b) no duty or obligation to pay Monthly Power Costs with respect to any period prior to the Transition Date; and (c) except as expressly stated in Sections 6.3 or 15, no right prior to the Transition Date, either directly or through the Renewal Contract Coordinating Committee, to approve, consent to or direct the business or affairs of IPA, the Project Manager or the Operating Agent and thereafter shall have such rights only to the extent granted pursuant to this Contract.

26. **RENEWAL OFFER AND SALE OF ENTIRE PROJECT OUTPUT:**

26.1 **Renewal Offer and Renewal Power Sales Contracts; Effectiveness of Offer Acceptance:**

26.1.1 The Renewal Offer shall be made by IPA pursuant to Offer Letters to all Original Purchasers in accordance with the provisions of Section 33 of the Original Power Sales Contracts. IPA shall use its reasonable commercial efforts in accordance with the terms of the Renewal Offer to: (i) obtain Offer Acceptances with respect to Unsubscribed Original Purchaser Entitlements and any Orphan Original Purchaser Entitlements before the Entitlement Determination Date; and (ii) enter into Renewal Power Sales Contracts with Purchasers that have provided Offer Acceptances in accordance with the Renewal Offer and Section 26.2.

26.1.2 To be effective for purposes of this Contract each Offer Acceptance by Purchaser shall be submitted by Purchaser to IPA and shall be received by IPA in accordance with the terms of the Renewal Offer and this Contract; and such Offer Acceptance, including the specified entitlements and other terms thereof that are then set forth in Appendix A and Appendix B of this Contract in accordance with the applicable provisions of Section 26.2 hereof, shall have been duly authorized by Purchaser and Purchaser shall have obtained any and all Regulatory Contract Approvals applicable thereto.

26.2 First Round Offer; Establishment of Generation Entitlement Shares and Cost Shares; Completion of Appendices A and B; Effectiveness of Renewal Power Sales Contracts:

26.2.1 As of the First Round Offer Acceptance Date, if the Offer Acceptances by Purchaser and the other Original Purchasers of the First Round Offer do not permit compliance with Section 26.2.2, IPA shall prepare and shall execute and deliver to Purchaser for execution and delivery by Purchaser the Renewal Power Sales Contract with Purchaser, which shall include (i) Appendix A thereof setting forth Purchaser's Subscription Generation Cost Share and its applicable Transmission Cost Share in accordance with such Offer Acceptance by Purchaser, together with the Generation Cost Shares and applicable Transmission Cost Shares of the other Committed Original Purchasers submitting such Offer Acceptances, and (ii) Appendix B thereof setting forth Purchaser's Subscription Generation Entitlement Share and its Point of Delivery in accordance with such Offer Acceptance by Purchaser, together with the respective Generation Entitlement Shares and Points of Delivery of such other Committed Original Purchasers submitting such Offer Acceptances. Upon the execution by Purchaser of the Renewal Power Sales Contract and its delivery to IPA, and upon the receipt by Purchaser and IPA of any and all required Regulatory Contract Approvals and IPA and Purchaser furnishing, each to the other, the required legal opinions pursuant to Section 25.3, such Renewal Power Sales Contract shall become effective as of the First Round Offer Acceptance Date and IPA and Purchaser shall comply with the provisions of 26.3 and 26.4.

26.2.2 If, as of the First Round Offer Acceptance Date, there shall have been Offer Acceptances by Purchaser and the other Original Purchasers for one hundred percent (100%) of the Generation Entitlement Shares, Generation Cost Shares and the applicable Transmission Cost Shares of the Project, then such First Round Offer Acceptance Date shall constitute the Entitlement Determination Date; and IPA shall provide Purchaser and the other Original Purchasers with Appendix A for the Renewal Power Sales Contracts which shall set forth the Generation Cost Shares of Purchaser and the other Original Purchasers, as provided in their respective applicable Transmission Cost Shares, and Appendix B for the Renewal Power Sales Contracts which shall set forth the Generation Entitlement Shares of Purchaser and the other Original purchasers, as provided in their respective Offer Acceptances and the applicable Point of Delivery of Purchaser and the other Original Purchasers; and IPA shall enter into the Renewal Power Sales Contracts with the Purchaser and the other Original Purchasers. Upon receipt by Purchaser and the other Original Purchasers and by IPA of any and all required Regulatory Contract Approvals and upon IPA and Purchaser and the other Original Purchasers furnishing the required legal opinions pursuant to Section 25.3 of the Renewal Power Sales Contracts, such Renewal Power Sales Contract by IPA and Purchaser, together with the Renewal

Power Sales Contracts by IPA with all other Original Purchasers, shall be effective, all as of such Entitlement Determination Date.

26.3 Second Round Offer; Increase of Generation Entitlement Shares and Cost Shares; Replacement of Appendices A and B:

26.3.1 In the event that Offer Acceptances by the Purchaser and the other Committed Original Purchasers of the First Round Offer do not permit compliance with Section 26.2.2, then IPA shall continue the Renewal Offer by providing the Second Round Offer to the Committed Original Purchasers. Upon the Renewal Power Sales Contracts becoming effective for purposes of the continuation of the Renewal Offer as provided in Section 26.2.1, IPA shall proceed with the Second Round Offer to the Committed Original Purchasers as follows:

26.3.1.1 If, as of the First Round Offer Acceptance Date, any remaining Orphan Original Purchaser Entitlements consist of Utah Orphan Original Purchaser Entitlements, then IPA shall pursuant to its Offer Letter for the Second Round Offer to each of the Utah Committed Original Purchasers provide that (i) the Utah Committed Original Purchasers shall have the right to provide to IPA a Utah Orphan Entitlement Allocation Document within 45 days following the date on which IPA provides its Offer Letter for the Second Round Offer, and (ii) if the Utah Committed Original Purchasers fail to provide to IPA a Utah Orphan Entitlement Allocation Document as provided in (i) above, such remaining Utah Orphan Purchaser Entitlements shall then be offered to each of the Utah Committed Original Purchasers in proportion to their respective Subscription Generation Entitlement Shares (as a fraction of the Subscription Generation Entitlement Shares for all Utah Committed Original Purchasers) as then set forth in Appendix B of their respective Renewal Power Sales Contracts; and

26.3.1.2 If, as of the First Round Offer Acceptance Date, any remaining Orphan Original Purchaser Entitlements consist of California Orphan Original Purchaser Entitlements, then, IPA shall pursuant to its Offer Letter for the Second Round Offer to each of the California Committed Original Purchasers provide that (i) the California Committed Original Purchasers shall have the right to provide to IPA a California Orphan Entitlement Allocation Document within 45 days following the date on which IPA provides its Offer Letter for the Second Round Offer, and (ii) if the California Committed Original Purchasers fail to provide to IPA a California Orphan Entitlement Allocation Document as provided in (i) above, such remaining California Orphan Purchaser Entitlements shall then be offered to each of the California Committed Original Purchasers in proportion to their respective Subscription Generation Entitlement Shares (as a fraction of the Subscription Generation Entitlement Shares for all California Committed Original Purchasers) as then set forth in Appendix B of their respective Renewal Power Sales Contracts.

26.3.2 If, as of the Second Round Offer Acceptance Date, the Offer Acceptances by the Utah Committed Original Purchasers and the California Committed Original Purchasers, respectively, do not permit compliance with Section 26.3.3 or Section 26.3.4, Purchaser's and such other Committed Original Purchasers' Subscription Generation Cost Shares and Subscription Generation Entitlement Shares shall be increased by IPA pursuant to any such Offer Acceptances of the Second Round Offer and their respective Transmission Cost Shares shall be adjusted, if necessary, to reflect such increases, and IPA shall provide Purchaser with a replacement Appendix A for Purchaser's Renewal Power Sales Contract which shall set forth the Generation Cost Shares of Purchaser and such other Committed Original Purchasers (all as increased as provided above) and their applicable Transmission Cost Shares and a replacement Appendix B for Purchaser's Renewal Power Sales Contract which shall set forth the Generation Entitlement Shares of Purchaser and such other Committed Original Purchasers (all as increased as provided above) and their applicable Points of Delivery. Upon the receipt by Purchaser and IPA of any and all required Regulatory Contract Approvals and upon IPA and Purchaser furnishing, each to the other, the required legal opinions pursuant to Section 25.3, such Renewal Power Sales Contract shall be effective as of the Second Round Offer Acceptance Date for purposes of the continuation of the Renewal Offer as provided in Section 26.4.

26.3.3 If, as of the Second Round Offer Acceptance Date, (i) the Offer Acceptances, if any, by the Utah Committed Original Purchasers under Section 26.3.1.1 shall be for all of the remaining Utah Orphan Original Purchaser Entitlements, if any, and (ii) the Offer Acceptances, if any, by the California Committed Original Purchasers under Section 26.3.1.2 shall be for all of the remaining California Original Purchaser Entitlements, if any, then Purchaser's and such other Committed Original Purchasers' Subscription Generation Cost Shares and Subscription Generation Entitlement Shares shall be increased by IPA pursuant to such Offer Acceptances and their respective Transmission Cost Shares shall be adjusted, if necessary, to reflect such increases, then, such Second Round Offer Acceptance Date shall constitute the Entitlement Determination Date; and IPA shall provide Purchaser with a replacement Appendix A for Purchaser's Renewal Power Sales Contract which shall set forth the Generation Cost Shares of Purchaser and such other Committed Original Purchasers (all as increased as provided above) and their applicable Transmission Cost Shares, and a replacement Appendix B for Purchaser's Renewal Power Sales Contract which shall set forth the Generation Entitlement Shares of Purchaser and such other Committed Original Purchasers (all as increased as provided above) and the applicable Points of Delivery of Purchaser and such other Committed Original Purchasers. Upon receipt by IPA and Purchaser and each of the other Committed Original Purchasers of any and all required Regulatory Contract Approvals and upon IPA and Purchaser and each of the other Committed Original Purchasers furnishing the required legal opinions pursuant to Section 25.3 of the Renewal Power Sales Contracts, the Renewal Power Sales Contracts by IPA with Purchaser and with each of the other Committed Original Purchasers for one hundred percent (100%) of the Generation Entitlement Shares, Generation Cost Shares and the applicable Transmission Cost Shares of the Project shall be effective, all as of such Entitlement Determination Date.

26.3.4 In the event that Offer Acceptances under the continued Second Round Offer do not permit compliance with Section 26.3.3, then if, as of the Second Round Offer Acceptance Date, the additional Offer Acceptances, if any, by Committed Original Purchasers of the Second Round Offer for Orphan Original Purchaser Entitlements, together with

the prior Offer Acceptances of the Committed Original Purchasers under the Renewal Offer, provide Offer Acceptances under the Renewal Offer for at least eighty-five percent (85%), but less than one hundred percent (100%), of the aggregate Original Purchaser Entitlements, then, effective as of the Second Round Offer Acceptance Date, (i) Purchaser's Subscription Generation Cost Share, as set forth on Appendix A of Purchaser's Renewal Power Sales Contract, shall be increased to include that portion of the then remaining amount of the applicable Orphan Original Purchaser Entitlements determined in accordance with the ratio that Purchaser's Subscription Generation Cost Share then set forth in such Appendix A bears to the Subscription Generation Cost Shares then set forth in such Appendix A for all Committed Original Purchasers that are parties to Renewal Power Sales Contracts; (ii) Purchaser's Subscription Generation Entitlement Share, as set forth in Appendix B of Purchaser's Renewal Power Sales Contract, shall be increased to include that portion of the then remaining amount of the applicable Orphan Original Purchaser Entitlements determined in accordance with the ratio that Purchaser's Subscription Generation Entitlement Share then set forth in such Appendix B bears to the Subscription Generation Entitlement Shares then set forth in such Appendix B of all Committed Original Purchasers that are parties to the Renewal Power Sales Contracts; and (iii) Purchaser's Transmission Cost Share shall be adjusted if necessary to reflect such increase in Purchaser's Subscription Generation Entitlement Share. Thereupon, such Second Round Offer Acceptance Date shall constitute the Entitlement Determination Date, and IPA shall provide Purchaser with a replacement Appendix A for Purchaser's Renewal Power Sales Contract which shall set forth the Generation Cost Share of Purchaser and the Generation Cost Shares of such other Committed Original Purchasers (all as increased in the same manner as above provided) and the applicable Transmission Cost Shares of Purchaser and such other Committed Original Purchasers, and a replacement Appendix B for Purchaser's Renewal Power Sales Contract which shall set forth the Generation Entitlement Share of Purchaser and the Generation Entitlement Shares of such other Committed Original Purchasers (all as increased in the same manner as provided above) and the applicable Points of Delivery of Purchaser and such other Committed Original Purchasers. Upon receipt by IPA and Purchaser and each of the other Committed Original Purchasers of any and all required Regulatory Contract Approvals and upon IPA and Purchaser and each of the other Committed Original Purchasers furnishing the required legal opinions pursuant to Section 25.3 of the Renewal Power Sales Contracts, the Renewal Power Sales Contracts by IPA with Purchaser and with each of the other Committed Original Purchasers for one hundred percent (100%) of the Generation Entitlement Shares, Generation Cost Shares and the applicable Transmission Cost Shares of the Project shall be effective, all as of such Entitlement Determination Date.

26.4 Final Offer; Increase of Generation Entitlement Shares and Cost Shares; Replacement of Appendices A and B:

26.4.1 In the event that Offer Acceptances under the continued Second Round Offer do not permit compliance with Section 26.3.3 or Section 26.3.4, then IPA shall continue the Renewal Offer by providing the Final Offer to Purchaser and the other Committed Original Purchasers.

26.4.2 If, as of the Final Offer Acceptance Date, there shall have been additional Offer Acceptances of the Final Offer by or one or more of the Committed Original Purchasers for all of the remaining outstanding Orphan Original Purchaser Entitlements, and

such Committed Original Purchaser's or Committed Original Purchasers' Subscription Generation Cost Share or Shares, as applicable, and Subscription Generation Entitlement Share or Shares, as applicable, shall be increased to include such remaining amount of Orphan Original Purchaser Entitlements and their respective Transmission Cost Shares shall be adjusted if necessary to reflect such increases, then, such Final Offer Acceptance Date shall constitute the Entitlement Determination Date, and IPA shall provide Purchaser with a replacement Appendix A for Purchaser's Renewal Power Sales Contract which shall set forth the Generation Cost Share of Purchaser and the Generation Cost Shares of such other Committed Original Purchasers (all as including the applicable increase as provided above) and the applicable Transmission Cost Shares of Purchaser and such other Committed Original Purchasers, and a replacement Appendix B for Purchaser's Renewal Power Sales Contract which shall set forth the Generation Entitlement Share of Purchaser and the Generation Entitlement Shares of such other Committed Original Purchasers (all as including the applicable increase as provided above) and the applicable Points of Delivery of Purchaser and such other Committed Original Purchasers; and upon receipt by IPA and Purchaser and each of the other Committed Original Purchasers of any and all required Contract Regulatory Approvals and upon IPA and Purchaser and each of the other Committed Original Purchasers furnishing the required legal opinions pursuant to Section 25.3 of the Renewal Power Sales Contracts, the Renewal Power Sales Contracts by IPA with Purchaser and with each of the other Committed Original Purchasers for one hundred percent (100%) of the Generation Entitlement Shares, Generation Cost Shares and the applicable Transmission Cost Shares of the Project shall be effective, all as of such Entitlement Determination Date.

26.4.3 Unless there shall have been compliance with Section 26.4.2, if as of the Final Offer Acceptance Date, there shall have been additional Offer Acceptances of the Final Offer by one or more of the Committed Original Purchasers, of Orphan Original Purchaser Entitlements which, together with the prior Offer Acceptances of the Committed Original Purchasers under the Renewal Offer, provide Offer Acceptances under the Renewal Offer of at least eighty-five percent (85%), but less than one hundred percent (100%), of the aggregate Original Purchaser Entitlements, then, effective as of the Final Offer Acceptance Date, (i) Purchaser's Subscription Generation Cost Share, as set forth in Appendix A of Purchaser's Renewal Power Sales Contract shall be increased to include that portion of the then remaining amount of the applicable Orphan Original Purchaser Entitlements determined in accordance with the ratio that Purchaser's Subscription Generation Cost Share then set forth in Appendix A bears to the Subscription Generation Cost Shares then set forth in Appendix A for all such Committed Original Purchasers; (ii) Purchaser's Subscription Generation Entitlement Share, as set forth in Appendix B of Purchaser's Renewal Power Sales Contract, shall be increased to include such portion of the then remaining applicable Orphan Original Purchaser Entitlements determined in accordance with the ratio that Purchaser's Subscription Generation Entitlement Share then set forth in Appendix B bears to the Subscription Generation Entitlement Shares then set forth in Appendix B for all such Committed Original Purchasers; and (iii) Purchaser's Transmission Cost Share shall be adjusted if necessary to reflect such increase in Purchaser's Subscription Generation Entitlement Share. Thereupon, such Final Offer Acceptance Date shall constitute the Entitlement Determination Date, and IPA shall provide Purchaser with a replacement Appendix A for Purchaser's Renewal Power Sales Contract which shall set forth the Generation Cost Share of Purchaser and the Generation Cost Shares of such other Committed Original Purchasers (all as including the applicable increase as provided) and the applicable Transmission Cost Shares of

Purchaser and such other Committed Original Purchasers, and a replacement Appendix B for Purchaser's Renewal Power Sales Contract which shall set forth the Generation Entitlement Share of Purchaser and the Generation Entitlement Shares of such other Committed Original Purchasers (all as increased as provided above) and the applicable Points of Delivery of Purchaser and such other Committed Original Purchasers. Upon receipt by IPA and Purchaser and each of the other Committed Original Purchasers of any and all required Contract Regulatory Approvals and upon IPA and Purchaser and each of the other Committed Original Purchasers furnishing the required legal opinions pursuant to Section 25.3 of the Renewal Power Sales Contracts, the Renewal Power Sales Contracts by IPA with Purchaser and with each of the other Committed Original Purchasers for one hundred percent (100%) of the Generation Entitlement Shares, Generation Cost Shares and the applicable Transmission Cost Shares of the Project shall be effective, all as of such Entitlement Determination date.

26.5 Final Generation Cost Share, Generation Entitlement Share and Transmission Cost Share: Effective from and after the Entitlement Determination Date, Purchaser's Generation Cost Share, as then set forth on Appendix A attached hereto, Purchaser's Generation Entitlement Share, as then set forth on Appendix B attached hereto, and Purchaser's applicable Transmission Cost Share, as then set forth on such Appendix A, all as determined in accordance with the Renewal Offer and the provisions of this Section 26, shall constitute Purchaser's Generation Cost Share and its Generation Entitlement Share, respectively, and its applicable Transmission Cost Share, under this Contract.

26.6 Excess Renewal Power Sales Agreement; Performance by IPA:

26.6.1 Each Utah Purchaser entering into a Renewal Power Sales Contract may elect to enter into the Excess Renewal Power Sales Agreement. Such election shall be made by such Utah Purchaser by furnishing to IPA within forty-five (45) days following the Entitlement Determination Date a written notice of such election. Such notice furnished by such Utah Purchaser shall also specify its Excess Entitlement Share. Each of the California Purchasers that enters into a Renewal Power Sales Contract, other than Los Angeles, may elect to enter into the Excess Renewal Power Sales Agreement and thereby be a California Excess Power Purchase thereunder. Such election shall be made by such California Purchaser by furnishing to IPA within forty-five (45) days immediately following the Utah Purchasers' election period as set forth above, a written notice of its election to enter into the Excess Renewal Power Sales Agreement, which notice shall designate such California Purchaser's Purchase Percentage (which shall not exceed its Maximum Purchase Percentage). Los Angeles shall be a California Excess Power Purchaser and its Purchase Percentage shall be that Purchase Percentage which, when added to the Purchaser Percentages of all such other California Purchasers electing to enter into the Excess Renewal Power Sales Agreement, shall equal 100%. IPA shall provide each of the Purchasers, and the Purchaser's Representative for the California Excess Power Purchasers copies of each such notice received by it from such Utah Purchasers and such California Purchasers that elect to enter into the Excess Renewal Power Sales Agreement.

26.6.2 Promptly following the end of the period set forth in Section 26.6.1 for such California Purchasers to furnish notice of their election to enter into the Excess Renewal Power Sales Agreement, IPA shall complete Appendix A and Appendix B of the

Excess Renewal Power Sales Agreement by listing each such Utah Purchaser that has elected to enter into the Excess Renewal Power Sales Agreement and listing each California Excess Power Purchaser and setting forth its Purchase Percentage and shall otherwise prepare the Excess Renewal Power Sales Agreement for execution by such Utah Purchasers, the California Excess Power Purchasers, the Purchaser Representative for the California Excess Power Purchasers and IPA. Such Excess Renewal Power Sales Agreement shall be executed by the parties thereto and copies thereof delivered to each of the parties, and the Excess Renewal Power Sales Agreement shall become effective in accordance with its terms. The Excess Entitlement Share of each of such Utah Purchasers that entered into the Excess Renewal Power Sales Agreement shall be set forth in Appendix A of the Excess Renewal Power Sales Agreement as provided in Section 5.1 thereof and shall be revised thereafter as provided in Section 5.2 thereof.

26.6.3 During the term of the Excess Renewal Power Sales Agreement IPA shall provide the services, take the actions and perform its other obligations under the Excess Renewal Power Sales Agreement that are applicable to the Utah Purchasers that are parties to the Excess Renewal Power Sales Agreement; provided that such provision of services, taking of actions or performance of its obligations by IPA shall not interfere with or adversely affect the performance by IPA of any of its obligations under this Renewal Power Sales Contract. IPA's costs of providing such services, taking such actions and performing such obligations shall constitute Monthly Power Costs under this Renewal Power Sales Contract .

27. **RENEWAL OFFER OBLIGATION:** Purchaser and IPA hereby agree and acknowledge that as of the Entitlement Determination Date IPA shall have satisfied its obligation under Section 33 of the Original Power Sales Contract to offer the Original Purchasers participation in the rights and benefits of the Project on and after the Transition Date.

28. **CONTRACT SUBJECT TO EACH BOND RESOLUTION:** The parties hereto recognize that IPA, in undertaking the planning, financing, construction, acquisition, operation and maintenance of the Project, must comply with the requirements of each Bond Resolution and all licenses, permits and regulatory approvals necessary for such planning, financing, construction, acquisition, operation and maintenance, and it is therefore agreed that this Contract is made subject to the provisions of any Bond Resolution and all such licenses, permits and regulatory approvals.

29. **COVENANT TO COMPLY WITH EACH BOND RESOLUTION:** IPA covenants and agrees, for the benefit of Purchaser, to comply in all material respects with all terms, conditions and covenants of each Bond Resolution that may be in effect from time to time and all licenses, permits and regulatory approvals relating to the Project; provided, however, that IPA shall not be prevented from contesting the validity or applicability of any thereof in good faith by appropriate proceedings.

30. **SEVERABILITY:** In case any one or more of the provisions of this Contract shall for any reason be held to be illegal or invalid by a court of competent jurisdiction, it is the intention of each of the parties hereto that such illegality or invalidity shall not affect any other provision hereof, but that this Contract shall be construed and enforced as if such illegal or invalid provision had not been contained herein (unless a court of competent jurisdiction holds

that the provision(s) held to be illegal or invalid are not separable from all other provisions of this Contract).

31. **TERMINATION OR AMENDMENT:**

31.1 **Project Indebtedness Outstanding:** So long as any Renewal Contract Project Indebtedness is outstanding or until adequate provision for the payment thereof has been made in accordance with the provisions of the applicable Bond Resolution, this Contract shall not be terminated, amended, modified or otherwise altered in any manner (a) that will reduce the payments pledged as security for the Debt Instruments evidencing such Renewal Contract Project Indebtedness or extend the time of such payments provided herein, or (b) that will in any manner impair or adversely affect the rights of the holders from time to time of the Debt Instruments.

31.2 **Restrictions on Termination and Amendment:** None of the Renewal Power Sales Contracts may be terminated as to any one or more of the Purchasers or be amended as to any one or more of the Purchasers so as to provide terms and conditions materially different from those herein contained, except, subject to the provisions of Section 31.1 and consistent with each Bond Resolution, upon written notice to and written consent or waiver by each of the other Purchasers and upon a substantially similar amendment being made to the Renewal Power Sales Contract of any other Purchaser requesting such amendment after receipt by such Purchaser of notice of such amendment.

31.3 **Termination:**

31.3.1 Notwithstanding anything in this Contract to the contrary:

31.3.1.1 This Contract shall be automatically terminated if on or prior to the Final Offer Acceptance Date, IPA has not entered into Renewal Power Sales Contracts with Purchasers that have entered into Offer Acceptances as to at least eight-five percent (85%) of the aggregate Original Purchaser Entitlements and associated transmission entitlements and the Entitlement Determination Date shall not have occurred as provided by the applicable provisions of Section 26.

31.3.1.2 This Contract shall be automatically terminated, without any action required to be taken by either IPA or the Purchaser, if, as provided in Section 45.1 of the Original Power Sales Contracts as added by the Second Amendatory Power Sales Contracts, the Gas Repowering shall not be undertaken.

31.3.2 Upon termination of this Contract, neither Purchaser nor IPA shall have any further obligation under this Contract (including, without limitation, with respect to Retirement Costs) from and after the effectiveness of such termination but such termination shall not release either IPA or Purchaser, respectively, from any of such party's obligations and liabilities under this Contract that have accrued prior to the effectiveness of such termination.

31.4 **Bond Resolution Changes:** IPA shall not, without the written consent of Purchaser and each of the other Purchasers, amend, modify, supplement or otherwise change any Bond Resolution if such amendment, modification, supplement or change would adversely affect the rights or obligations of Purchaser or the other Purchasers under their respective Renewal Power Sales Contracts; provided that this Section 31.4 shall not limit the power or authority of IPA to supplement any such Bond Resolution in accordance with the terms and provisions of this Contract to provide for the issuance of a series of Debt Instruments for any of the purposes permitted under Section 15.

32. **GOVERNING LAW:** This Contract shall be interpreted, governed by and construed under the laws of the State of Utah.

33. **ARBITRATION:** If a dispute arises between the parties under this Contract that is not resolved by the Renewal Contract Coordinating Committee, the parties to such dispute may submit the dispute to arbitration.

34. **NOTICES:** Notices, demands or requests shall be effected as follows:

34.1 **Manner of Giving of Notice:** Any notice, demand or request provided for in this Contract shall be in writing and shall be deemed properly served, given or made shall be effective if (a) delivered in person; (b) sent by registered or certified mail, postage prepaid; (c) sent by fax to the fax number below; or (d) sent by e-mail to the address indicated below, and to the attention of the person specified below:

34.1.1 Intermountain Power Agency
c/o General Manager
10653 South River Front Parkway, Suite 120
South Jordan, Utah 84095
Phone: (801) 938-1333
Fax: (801) 983-1330
E-mail: dan@ipautah.com

34.1.2 Parowan City Corporation
Mayor Donald Landes
5 South Main
PO Box 106
Parowan, Utah 84761
Phone: (435) 477-9556
Fax: (435) 477-8092
E-mail: parowanmayor@infowest.com

34.2 **Change of Delivery Information:** By giving written notice to the other party in the manner set forth in Section 34.1, either party to this Contract may, from time to time, change its address, fax number or e-mail address for purposes of this Section 34, and upon such notice being properly given, Section 34.1.1 or 34.1.2, as the case may be, shall be deemed amended to reflect the change.

35. **USE OF PROJECT DOCUMENTS:**

35.1 **Non-Assignable License:** Upon the request of any one or more of the Purchasers, IPA will grant on a non-exclusive basis to such Purchasers or an entity acting on their behalf a non-assignable license to use reproductions of any or all documents, drawings, contracts and systems relating to the Project for use by such Purchaser or Purchasers or such entity in constructing or operating electric generation or transmission facilities at a site designated by such Purchaser, Purchasers or entity; provided, however, that no such license shall be granted if it would adversely affect the eligibility for exemption from Federal income taxes of the interest paid, or to be paid, on any Project Indebtedness.

35.2 **Charge for Reproductions:** IPA shall charge, and such Purchaser, Purchasers or entity shall pay, an amount for such license based on one-half (1/2) of the savings to such person or entity using such reproductions, as determined by the Renewal Contract Coordinating Committee and IPA, or shall make payment based on such other considerations as shall be acceptable to the Renewal Contract Coordinating Committee and IPA.

36. **INTERCONNECTION AGREEMENTS:** Purchaser hereby agrees that IPA may comply with the requirements of any agreement or arrangement approved by the Original Contract Coordinating Committee or the Renewal Contract Coordinating Committee with respect to furnishing start-up and black start power from the Project. All amounts received by IPA for furnishing such service after the Transition Date shall be applied as a credit against Monthly Power Costs pursuant to the Renewal Power Sales Contracts.

37. **INSURANCE PROVISIONS:** IPA shall take reasonable and prudent steps in the interest and for the protection of all Purchasers to maintain, or cause to be maintained, properly designed and properly underwritten Project property and casualty insurance programs for each Project Component during the Operational Period and for each Capital Improvement during the construction phase thereof and, as determined by IPA, fiduciary liability insurance for directors and officers of IPA. Such insurance programs shall provide the broadest coverage economically feasible. IPA shall make every economically feasible effort to incorporate into the Project such insurance, including without limitation, property insurance program extra-expense and business interruption coverage tied to all perils covered by the property insurance program, automobile liability insurance, insurance against risk of liability under environmental laws and regulations and insurance covering losses resulting from failure or interruption of the Project Fuel supply for the Project.

38. **PAYMENTS-IN-AID OF CONSTRUCTION:**

38.1 **Project Components:** Subject to compliance with the conditions contained in this Section 38:

38.1.1 If and to the extent requested by IPA, any one or more Purchasers or an entity acting on behalf of one or more Purchasers may agree to make payments-in-aid of construction for the Generation Station.

38.1.2 The California Purchasers or an entity acting on their behalf may agree to make payments-in-aid of construction for the Southern Transmission System.

38.1.3 The Utah Purchasers or an entity acting on their behalf may agree to make payments-in-aid of construction for the Northern Transmission System.

38.2 **Construction Aid Agreement:** Any payments-in-aid of construction provided for by this Section 38 shall be made in accordance with an agreement entered into between such Purchasers or entity acting on their behalf and IPA (the "Construction Aid Agreement"). The Construction Aid Agreement shall set forth the procedures for the making of such payments, and such other matters relating thereto as shall be consistent with applicable IPA agreements and which shall be agreed to by the parties.

38.3 **Application of Payments:** All payments-in-aid of construction made pursuant to the provisions of this Section 38 shall be deposited in a construction fund account relating to the facility with respect to which such payments are being made. Subject to the lien and pledge of and the covenants under any Bond Resolution with respect to such fund, IPA agrees to use such deposits for payment of the cost of acquisition and construction with respect to such facility.

38.4 **Recognition of Benefits:** No such payments-in-aid of construction shall change or otherwise affect IPA's ownership of such facility or of the Project or any of the rights and obligations of IPA or the Purchasers under this Contract. It is recognized, however, that under this Contract, to the extent that payments-in-aid of construction are received and applied to the payment of costs of a facility of the Project, IPA would not be obligated to issue bonds for the payment of such costs and consequently, to that extent, the minimum cost component allocated to such facility pursuant to Section 7 will be less, reflecting the application of such payments-in-aid of construction to the payment of such costs of such facility instead of the issuance of bonds or other obligations therefor and the allocation of the debt service on such bonds or other obligations thereto.

38.5 **Bond Counsel Opinion:** No arrangement made in connection therewith shall become effective until IPA's bond counsel shall have rendered an opinion that such agreement or arrangement is in compliance with applicable IPA agreements entered into in accordance with the terms and provisions of this Contract.

39. USE AND DISPOSITION OF CERTAIN FACILITIES:

39.1 **Project Common Facilities:** It is hereby recognized that on or after the Transition Date, the Project may consist of certain rights, properties, facilities and appurtenances that could be used or useful in connection with the construction, reconstruction, use and operation at the Project site of additional generating units or transmission facilities or other facilities or properties associated therewith.

39.2 **No Adverse Effect; Receipt of Value:** Subject to Section 39.3, on or after the Transition Date, IPA may, with the approval of the Renewal Contract Coordinating Committee, sell, lease, dispose of or otherwise make available to another entity such rights, properties, facilities and appurtenances for such construction or operation of other units, facilities or properties at the Project site; provided, however, such sale, lease, disposition or availability arrangement shall comply with all laws and governmental regulations applicable to

IPA or to any Purchaser, and shall not have a material adverse effect on the revenues or operations of IPA or any Purchaser, and provided further that no such disposition shall interfere with the operation of the Project or adversely affect the eligibility for any exemption from Federal income taxes of the interest paid, or to be paid, on Debt Instruments issued or to be issued by IPA. No such arrangement shall be entered into unless IPA shall receive fair value therefor, as determined by IPA and the Renewal Contract Coordinating Committee, and all amounts received shall be credited against Monthly Power Costs pursuant to the Renewal Power Sales Contracts. Section 39 Facilities Agreements providing for such an arrangement with respect to the availability, transfer and use of such rights, properties, facilities and appurtenances may be entered into by IPA, upon approval of the Renewal Contract Coordinating Committee, with an entity or entities, including, without limitation, one or more members of IPA or any entity formed under the Act which includes one or more members of IPA. IPA shall use its reasonable efforts to enter into such Section 39 Facilities Agreements pursuant to this Section 39 to provide for, among other matters, the selling, leasing and/or making available to the other parties to such Section 39 Facilities Agreements of the rights, properties, facilities and appurtenances that are not to be used for the generation or transmission of power pursuant to the Renewal Power Sales Contracts.

39.3 **Effectiveness:** The obligations, limitations and requirements imposed on IPA pursuant to Section 39.2 shall be effective only with respect to dealings, transactions or arrangements made or occurring on or after the Transition Date and involving rights, properties, facilities or appurtenances described in Section 39.1 owned or held by IPA on or after the Transition Date. Except to the extent the obligations of IPA under Section 5.14 or Section 6.3 may apply, nothing in this Contract shall require IPA to obtain the approval of the Renewal Contract Coordinating Committee, or otherwise limit or impose obligations or requirements on IPA, with respect to dealings, transactions or arrangements in which IPA may engage or become a party pursuant to Section 36 of the Original Power Sales Contracts. Neither Purchaser nor any of the other Purchasers shall have any right, under their respective Renewal Power Sales Contracts, to any credit against Monthly Power Costs or otherwise have any rights or interests with respect to any revenues or proceeds IPA may receive pursuant to any dealings, transactions or arrangements referenced in the preceding sentence.

40. **EXPANSION OF TRANSMISSION SYSTEMS:**

40.1 **Expansion of Southern Transmission System:** Following the Transition Date, any other provision of this Contract to the contrary notwithstanding, any proposal for a major expansion of or addition to the Southern Transmission System shall be initiated by the Renewal Contract Coordinating Committee. Such proposal shall comply with applicable IPA agreements entered into in accordance with the terms and provisions of this Contract and shall provide that, subject to compliance with the laws of Utah, the Purchasers having entitlements in the Southern Transmission System shall have the right to participate in the additional capacity of such expansion or addition in proportion to their respective entitlement shares. Upon approval of any such proposal by IPA and the Renewal Contract Coordinating Committee, IPA shall use its best efforts to proceed, subject to compliance with the laws of Utah and such applicable IPA agreements, with the development of such expansion or addition. The foregoing procedures may be modified with the approval of IPA and the Renewal Contract Coordinating Committee.

40.2 **Expansion of Northern Transmission System:** Following the Transition Date, any other provision of this Contract to the contrary notwithstanding, any proposal for a major expansion of or addition to the Northern Transmission System shall be initiated by the Renewal Contract Coordinating Committee. Such proposal shall comply with applicable IPA agreements entered into in accordance with the terms and provisions of this Contract and shall provide that, subject to compliance with the laws of Utah, the Purchasers having entitlements in the Northern Transmission System shall have the right to participate in the additional capacity of such expansion or addition in proportion to their respective entitlement shares. Upon approval of any such proposal by IPA and the Renewal Contract Coordinating Committee, IPA shall use its best efforts to proceed, subject to compliance with the laws of Utah and such applicable IPA agreements, with the development of such expansion or addition. The foregoing procedures may be modified with the approval of IPA and the Renewal Contract Coordinating Committee.

41. **NORTHERN TRANSMISSION SYSTEM TRANSMISSION SERVICE:**

41.1 **Unused Capacity:** Subject to contractual rights with respect to the Northern Transmission System, IPA may schedule the unused capacity of such System for transmission service for other utilities pursuant to procedures prescribed by the Operating Agent.

41.2 **Application of Payments:** All amounts received by IPA after the Transition Date as payments for any such transmission service pursuant to this Section 41 shall be applied as a credit against Monthly Power Costs with respect to the Northern Transmission System pursuant to the Renewal Power Sales Contracts.

42. **RIGHTS OF CERTAIN PURCHASERS TO TERMINATE THEIR RENEWAL POWER SALES CONTRACTS OR REDUCE THEIR GENERATION ENTITLEMENT SHARES:**

42.1 **Termination of Renewal Power Sales Contracts or Reduction of Generation Entitlements.** From and after the Entitlement Determination Date, each of the California Purchasers, other than Los Angeles, shall have the right to terminate its Renewal Power Sales Contract or to reduce its Generation Entitlement Share and its Generation Cost Share, respectively, by an amount not exceeding twenty (20%) percent thereof, effective November 1, 2019, by providing written notice to IPA of such termination of its Renewal Power Sales Contract or such reduction of its Generation Entitlement Share and Generation Cost Share, as applicable, at least ninety (90) days prior to November 1, 2019. Such a notice by such a California Purchaser with respect to a reduction of its Generation Entitlement Share and Generation Cost Share shall specify the portion thereof (not exceeding twenty (20%) percent thereof) to be reduced. IPA agrees to inform each of the other Purchasers of its receipt of such a notice or notices from each such California Purchaser. Effective on November 1, 2019, (i) the Renewal Power Sales Contract of each such California Purchaser providing such notice of the termination thereof shall terminate, and the Generation Entitlement Share and Generation Cost Share of each such California Purchaser providing such notice of reduction thereof shall be reduced (as specified in such notice) under the Renewal Power Sales Contracts; and (ii) except as otherwise provided in Section 42.3, the respective Generation Entitlement Share and

Generation Cost Share of each remaining Purchaser (other than any such California Purchaser that provides such notice to IPA) shall be increased to include that portion of the amount of the Terminated and Reduced Entitlements as determined in accordance with the ratio that such remaining Purchaser's Generation Entitlement Share bears to the total of the Generation Entitlement Shares of all such remaining Purchasers.

42.2 **Replacement of Appendices A and B.** In the event of the termination by one or more of the California Purchasers (excluding Los Angeles) of its or their Renewal Power Sales Contracts or the reduction by one or more of such California Purchasers of its or their Generation Entitlement Shares and Generation Cost Shares, in each case as provided in Section 42.1, IPA, except as otherwise provided in Section 42.3, shall on or prior to November 1, 2019 furnish each of the Purchasers (including Los Angeles) that remains a party to its Renewal Power Sales Contract with replacements of Appendix A and Appendix B of its Renewal Power Sales Contract providing for the following:

42.2.1 The removal from Appendix A and Appendix B of such California Purchaser or California Purchasers that shall have terminated its or their Renewal Power Sales Contracts and the deletion from Appendix A and Appendix B of its or their applicable Cost Shares and Generation Entitlement Shares.

42.2.2 The increase of the Generation Cost Share of each remaining Purchaser under its Renewal Power Sales Contract to include that portion of the amount of the Terminated and Reduced Purchaser Entitlements determined in accordance with the ratio that each such remaining Purchaser's Generation Cost Share set forth in Appendix A bears to the total of the Generation Cost Shares set forth in such Appendix A for all remaining Purchasers.

42.2.3 The increase of the Generation Entitlement Share of each remaining Purchaser under its Renewal Power Sales Contracts to include that portion of the amount of the Terminated and Reduced Purchaser Entitlements determined in accordance with the ratio that each such remaining Purchaser's Generation Entitlement Share set forth in Appendix B bears to the total of the Generation Entitlement Shares set forth in Appendix B for all remaining Purchasers.

42.2.4 The adjustment, if necessary, of the Transmission Cost Share of each such remaining Purchaser to reflect the increase of each such remaining Purchaser's Generation Entitlement Share as provided for under Section 42.2.3.

42.3 **Separate Agreement By Los Angeles.** In the event, however, of the termination by one or more of the California Purchasers (excluding Los Angeles) of its or their Renewal Power Sales Contracts or the reduction by one or more of such California Purchasers of its or their Generation Entitlement Shares and Generation Cost Shares, in each case as provided in Section 42.1 and the separate agreement under the Renewal Power Sales Contracts by Los Angeles prior to November 1, 2019 to increase its Generation Entitlement Share and its Generation Cost Share to include the amount of the Terminated and Reduced Purchaser Entitlements, or any portion thereof, and to the adjustment of its Southern Transmission Cost Share to reflect such increase of its Generation Entitlement Share, then IPA shall furnish each of such remaining Purchasers (including Los Angeles) with replacements of Appendix A and

Appendix B of its Renewal Power Sales Contract. In addition to the removal from such replacements of Appendix A and Appendix B of each such California Purchaser or California Purchasers that shall have terminated its or their Renewal Power Sales Contracts and the deletion therefrom of its or their Generation Entitlement Shares and Cost Shares, such replacements of Appendix A and Appendix B shall provide for such increase, as agreed to by Los Angeles, of its Generation Entitlement Share and its Generation Cost Share by the amount of such Terminated and Reduced Purchaser Entitlements, or such portion thereof, and for such adjustment of Los Angeles' Southern Transmission Cost Share to reflect such increase in its Generation Entitlement Share. Any remaining portion of such Terminated and Reduced Purchaser Entitlements that is not included under such agreement by Los Angeles shall be allocated to such remaining Purchasers, including Los Angeles, in the manner provided in Section 42.2; and IPA shall provide in such replacement Appendix A and replacement Appendix B for such allocation of the remaining Terminated and Reduced Purchaser Entitlements to such remaining Purchasers, including Los Angeles.

42.4 **Reduction of Design Capacity of Gas Units by Terminated and Reduced Purchaser Entitlements.** Except to the extent that Los Angeles shall agree to the allocation to it of the Terminated and Reduced Purchaser Entitlements, or a portion thereof, as provided in Section 42.3, the design capacity of the Gas Units under Section 44.1 of the Original Power Sales Contracts, as added by the Second Amendatory Power Sales Contracts, shall be reduced by that amount of the generating capacity of the terminated and reduced Generation Entitlement Shares included in the Terminated and Reduced Purchaser Entitlements that is not included in any Generation Entitlement Share of Los Angeles as adjusted pursuant to Section 42.3.

IN WITNESS WHEREOF, the parties hereto have duly caused this Renewal Power Sales Contract to be executed on their respective behalves on the date first above provided.

INTERMOUNTAIN POWER AGENCY,
a political subdivision of the State of Utah

By: _____

Its: General Manager

**PAROWAN CITY CORPORATION (also
known as CITY OF PAROWAN)**

By: _____

Its: _____

ATTEST:

_____, Clerk/Recorder

APPENDIX A

**SCHEDULE OF GENERATION COST SHARES AND
TRANSMISSION COST SHARES**

<u>Purchaser</u>	Generation <u>Cost Share</u> %	Northern Transmission <u>Cost Share</u> %	Southern Transmission <u>Cost Share</u> %
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APPENDIX B

**SCHEDULE OF GENERATION ENTITLEMENT SHARES
AND POINTS OF DELIVERY**

<u>Purchaser</u>	<u>Generation Entitlement Share</u> %	<u>Point of Delivery</u> %
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APPENDIX C

DESCRIPTION OF PROJECT

The following description of the Project, as authorized under the Original Power Sales Contracts, shall be revised by IPA at the commencement of the Operational Period, and shall be revised thereafter by IPA, from time to time, as is necessary to reflect the actual Project description as the Project evolves and changes, provided that each such revision shall be subject to approval of the Renewal Contract Coordinating Committee as provided under Section 6.2.19 of the Renewal Power Sales Contracts; provided further, that IPA cannot by such action change the aggregate Maximum Generating Capability of the Generation Station, unless such change shall have received the prior approval of the Renewal Contract Coordinating Committee.

C.1. GENERATION STATION: The Generation Station shall consist of the following:

- C.1.1. Land and rights in land in the State of Utah used or to be used in connection with the construction and operation of the Generation Station.
- C.1.2. Two natural gas combined cycle power blocks, consisting of Gas Unit 1 and Gas Unit 2, respectively, each with a design capacity of approximately 600 MW (or such lesser capacity as determined pursuant to Section 44.1 of the Original Power Sales Contracts) and each with a power block including natural gas-fired combustion turbine generating units, four heat recovery steam generators and two steam turbines, heat exchangers, zero liquid discharge systems and all equipment and facilities ancillary to such combined cycle power blocks, including potential use of mechanical draft cooling towers, re-circulating water system and auxiliary cooling water; provided that upon authorization pursuant to Section 44.1 of the Original Power Sales Contract (i) one of such combined cycle power blocks may be modified to include the existing steam turbine generator, or (ii) an addition to such combined cycle power blocks and related facilities may be installed consisting of selective catalytic reduction pollution control systems and related facilities for such combined cycle power blocks.
- C.1.3. All auxiliary equipment associated with such power blocks.
- C.1.4. A switchyard of a basic breaker and one-half design including the high voltage busses, power circuit breakers, disconnect switches, control house and other structures, facilities and appurtenances which shall be necessary or incidental in the useful construction or operation of the switchyard.
- C.1.5. An administration building, machine shop and warehouse to be located adjacent to the power plant.
- C.1.6. A water supply system consisting of all facilities necessary to store, pump and convey water to the power plant and an allocable portion of the supply of water for the Project.

- C.1.7. Generation transformers and all equipment associated therewith.
- C.1.8. General service transformers and all equipment associated therewith.
- C.1.9. Plant control and communication facilities and associated buildings and equipment.
- C.1.10. Natural gas transmission delivery facilities extending from the interconnection with the gas transmission system to the power plant including related facilities and equipment.
- C.1.11. Natural gas storage facilities.
- C.1.12. An allocable portion of services, structures, equipment, supplies, other facilities and other costs necessary for IPA to conduct the business of financing, designing, constructing, operating and maintaining the Project.
- C.1.13. An allocable portion of all assistance to local communities in providing for facilities and impact alleviation expenses required for personnel involved with the construction and operation of the Project.
- C.1.14. An allocable portion of a microwave communications system.
- C.1.15. All other land, rights-of-way, buildings, structures, facilities, appurtenances, services and contract rights, or such allocable portion of the foregoing which shall be necessary or incidental in the useful construction or operation of the Generation Station. The limits of the Generation Station for the purpose of this Power Sales Contract shall be at the connection of the Northern Transmission System and Southern Transmission System leads to the high voltage switchrack.
- C.2. NORTHERN TRANSMISSION SYSTEM: The Northern Transmission System, which shall consist of the A.C. transmission facilities necessary to deliver capacity and energy from the Generation Station to the points of delivery at Mona and Gonder, shall include:
 - C.2.1. Two 345 kv transmission lines from the Generation Station to Mona terminating at appropriate switchracks, together with contractual rights to use the Mona Substation and the obligation to pay the costs of such rights and use.
 - C.2.2. One 230 kv transmission line from the Generation Station to Gonder terminating at appropriate switchracks, together with ownership or contractual rights in the Gonder Substation and the obligation to pay the costs of such ownership or rights and such use.
 - C.2.3. An allocable portion of services, structures, equipment, supplies, other facilities and other costs necessary for IPA to conduct the business of financing, designing, constructing, operating and maintaining the Project.
 - C.2.4. An allocable portion of a microwave communications system.

- C.2.5. All other land, rights-of-way, buildings, structures, facilities, appurtenances, services and contract rights, or such allocable portion of the foregoing, which shall be necessary or incidental in the useful construction or operation of the Northern Transmission System.
- C.3. SOUTHERN TRANSMISSION SYSTEM: The Southern Transmission System, which shall consist of D.C. transmission and conversion facilities necessary to deliver capacity and energy from the Generation Station to the point of delivery at Adelanto, shall include:
- C.3.1. A single bipole ± 500 kv DC transmission line with an AC-DC converter station at each end, together with ownership or contractual rights in any substation and the obligation to pay the costs of such ownership or rights and such use.
- C.3.2. An allocable portion of the supply of water for the Project.
- C.3.3. An allocable portion of services, structures, equipment, supplies, other facilities and other costs necessary for IPA to conduct the business of financing, designing, constructing, operating and maintaining the Project.
- C.3.4. An allocable portion of all assistance to local communities in providing for facilities and impact alleviation expenses required for personnel involved with the construction and operation of the Project.
- C.3.5. An allocable portion of a microwave communication system.
- C.3.6. All other land, rights-of-way, buildings, structures, facilities, appurtenances, services and contracts, or such allocable portion of any of the foregoing, which shall be necessary or incidental in the useful construction or operation of the Southern Transmission System.

All property that will remain attached to and incorporated into the Project throughout the useful life of the Project or such property is an integral part of the Project and constitutes real property.

APPENDIX D

FORM OF AGREEMENT FOR SALE OF RENEWAL EXCESS POWER

[See attached]

AGREEMENT FOR SALE OF RENEWAL EXCESS POWER

AMONG

EACH SELLER NAMED HEREIN

and

CALIFORNIA PURCHASERS NAMED HEREIN

and

DEPARTMENT OF WATER AND POWER OF THE CITY OF LOS ANGELES, as
Representative of the California Purchasers

and

INTERMOUNTAIN POWER AGENCY

Dated: _____, 201__

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AGREEMENT FOR SALE OF RENEWAL EXCESS POWER

1. PARTIES. This Agreement made and entered into as of the _____ day of _____, 201____, among each Seller named on Appendix B hereto (each, a “Seller” and collectively, the “Sellers”), each California Purchaser named on Appendix B hereto (each, a “California Purchaser” and collectively, the “California Purchasers”), the Department of Water and Power of the City of Los Angeles (“LADWP”), as representative of the California Purchasers, and Intermountain Power Agency (“IPA”).
2. RECITALS.
 - 2.1 Each Seller and each of the California Purchasers are purchasers under certain Power Sales Contracts with IPA entered into as of September 28, 1978 (for the Sellers) and August 6, 1980 (for the California Purchasers), as amended, for the purchase of electric power and transmission capacity from the Intermountain Power Project from IPA (the “Original Power Sales Contracts”); and
 - 2.2 Certain of the Sellers and certain of the California Purchasers are parties to the Excess Power Sales Agreement, entered into as of December 1, 1980, as amended, for the purchase by such California Purchasers of certain excess electric capacity and associated energy of the Project from such Sellers during the term of the Original Power Sales Contracts; and
 - 2.3 Each of the Sellers has entered into a Renewal Power Sales Contract, dated as of _____, 201____, by and between it and IPA (together with substantially similar contracts by IPA with other participants in the Project, the “Renewal Power Sales Contracts”) providing to each Seller a Generation Entitlement Share and entitling such Seller, commencing upon the expiration of the Original Power Sales Contracts, to schedule electric capacity and energy from each generating facility of the Project and to use the operating capabilities of the Northern Transmission System of the Project; and
 - 2.4 Each Seller will determine the amount, if any, of Project electric capacity and associated energy to which it is entitled pursuant to its Renewal Power Sales Contract with IPA that will be in excess of its electric requirements; and
 - 2.5 Each Seller desires to sell, and the California Purchasers desire to purchase, on the terms and conditions set forth in this Agreement any such excess Project electric capacity and associated energy of such Seller under its Renewal Power Sales Contract; and
 - 2.6 Each Seller has further determined that a portion of its Northern Transmission System capacity entitlement will be excess to its needs.

3. AGREEMENT. For and in consideration of the premises and the mutual covenants and agreements hereinafter set forth, it is agreed by and among the parties hereto as follows:
4. DEFINITIONS. In addition to the terms defined in the Recitals hereof, the following terms, whether in the singular or in the plural, when used herein and in the Appendices hereto and initially capitalized, shall have the meanings specified:
 - 4.1 “Agreement”: This Agreement for Sale of Renewal Excess Power, as the same may be amended from time to time in accordance with the terms hereof.
 - 4.2 “Annual Budget”, “Available Generating Capability”, “Bond Resolution”, “California Excess Power Purchasers”, “Coordinating Committee”, “Construction Management and Operating Agreement”, “Fuel Management Practices and Procedures”, “Gas Repowering”, “Generation Entitlement Share”, “Generation Cost Share”, “General Service Requirements”, “Generation Station”, “Los Angeles”, “Minimum Generating Capability”, “Month”, “Monthly Power Costs”, “Northern Transmission System”, “Operating Agent”, “Point of Delivery”, “Project”, “Project Fuel”, “Project Indebtedness”, “Prudent Utility Practice”, “Purchasers”, “Switchyard”, “Uncontrollable Forces”, “Uniform System of Accounts” and “Willful Action” shall have the respective meanings given thereto in the Renewal Power Sales Contracts.
 - 4.3 “Appendix A”: The Initial Appendix A and each Revised Appendix A.
 - 4.4 “Assigned Northern Transmission System Entitlement”: That portion of the Northern Transmission System entitlement of each Seller (as determined pursuant to Section 10.2 of such Seller’s Renewal Power Sales Contract) that is equal to fifty percent (50%) of such Seller’s Excess Northern Transmission System Entitlement.
 - 4.5 “Assignment Share”: With respect to each Seller and a particular California Purchaser, that portion of such Seller’s Assigned Northern Transmission System Entitlement determined by multiplying such California Purchaser’s Purchase Percentage by such Seller’s Assigned Northern Transmission System Entitlement.
 - 4.6 “California Purchasers”: Los Angeles and each of the other California Excess Power Purchasers so denominated on Appendix B, together with any successor to any such entity.
 - 4.7 “Complete Outage”: A Complete Outage shall, for purposes of this Agreement, be deemed to have occurred if during the Operational Period the condition shall exist that, for other than normal maintenance, no generating facility of the Project produces power at the high voltage side of its generating transformers in excess of its allocated General Service Requirements and any such Complete Outage shall be deemed to continue in effect until such time after the commencement thereof as a generating facility of the Project first produces power at the high voltage side

of its generating transformers in excess of its allocated General Service Requirements.

- 4.8 “Effective Date”: Shall have the meaning ascribed thereto in Section 20.1 hereof.
- 4.9 “Excess Entitlement Share”: As of any date of determination and for each Seller, the percentage entitlement of such Seller in the electric capacity and associated energy of each generating facility of the Project as then set forth for Summer Seasons or Winter Seasons, respectively, in Appendix A which shall have been designated by such Seller as excess to its electric requirements. Such entitlement is derived from such Seller’s Generation Entitlement Share; provided, however, that at no time shall the Excess Entitlement Share for such Seller with respect to Summer Seasons or Winter Seasons exceed its Generation Entitlement Share.
- 4.10 “Excess Entitlement Share Effective Date”: The date on which the Excess Entitlement Share for Summer Seasons or for Winter Seasons (or any revision of such Excess Entitlement Share in accordance with Section 5) shall become effective as provided in Sections 5.1 and 5.2 hereof.
- 4.11 “Excess Northern Transmission System Entitlement”: That portion of a particular Seller’s entitlement to schedule the operating capabilities of the Northern Transmission System under its Renewal Power Sales Contract, without regard to source or origin, constituting such Seller’s rights to the capacity thereof, which is equal to the difference between such Seller’s entitlement to capacity of the Northern Transmission System determined pursuant to Section 10.2 of its Renewal Power Sales Contract and the amount of such capacity of the Northern Transmission System required for delivery of such Seller’s Generation Entitlement Share of Project capacity and associated energy to such Seller’s Point of Delivery.
- 4.12 “Excess Power Obligation”: At any time and as to any particular California Purchaser and as to a particular Seller, the percentage obtained by multiplying the Summer Excess Entitlement Share or Winter Excess Entitlement Share of such Seller in effect at such time as shown on the then effective Appendix A, by the Purchase Percentage (expressed as a decimal) of such California Purchaser. The Excess Power Obligation with respect to a particular California Purchaser and a particular Seller shall change each time the Summer Excess Entitlement Share or the Winter Excess Entitlement Share, as applicable, of such Seller shall change.
- 4.13 “Excess Power Supply Year”: The twelve (12) Month period commencing at 12:01 a.m. on July 1 of each year during the Operational Period and ending at 12:01 a.m. on the following July 1; provided, however, that (a) if the Operational Period Commencement Date does not occur on July 1 of any year, then the first Excess Power Supply Year shall begin at 12:01 a.m. on the Operational Period Commencement Date and shall end at 12:01 a.m. on the next following July 1, and (b) if the Operational Period does not end on June 30 of any year, then the last Excess Power Supply Year shall begin at 12:01 a.m. on the July 1 immediately

preceding the last day of the Operational Period and shall end at 12:01 a.m. on the last day of the Operational Period.

- 4.14 “Initial Appendix A”: The Appendix A attached to this Agreement at its Effective Date, which shall set forth the Purchase Percentage of each California Purchaser and subsequently shall set forth, as provided in Section 5.1 hereof, the Excess Entitlement Share of each of the Sellers.
- 4.15 “Operational Period”: The period beginning on the Operational Period Commencement Date and ending upon the date that all Renewal Power Sales Contracts shall terminate.
- 4.16 “Operational Period Commencement Date”: June 16, 2027; provided, however, that if the date upon which the Original Power Sales Contracts terminate is extended pursuant to Section 26.1 of the Original Power Sales Contracts, then the Operational Period Commencement Date shall be the date that is next succeeding the date upon which the Original Power Sales Contracts terminate in accordance with their terms.
- 4.17 “Primary Purchasers”: Those entities (other than IPA) executing Renewal Power Sales Contracts, together in each case with their respective successors or assigns.
- 4.18 “Purchase Percentage”: As to each California Purchaser, the percentage set forth in Appendix A with respect to such California Purchaser of the Summer Excess Entitlement Share and the Winter Excess Entitlement Share, respectively, of each Seller as in effect from time to time which such California Purchaser has agreed to purchase pursuant to this Agreement. The Purchase Percentage of each California Purchaser shall be, and shall continue to be throughout the term of this Agreement, the percentage indicated on Appendix A.
- 4.19 “Purchasers’ Representative”: Los Angeles which is hereby designated by the California Purchasers to carry out the duties and responsibilities set forth in this Agreement for the Purchasers’ Representative.
- 4.20 “Remaining NTS Entitlement”: With respect to a particular Seller, such Seller's entitlement in the Northern Transmission System, as calculated under and in accordance with Section 10.2 of its Renewal Power Sales Contract, less such Seller's Assigned Northern Transmission System Entitlement.
- 4.21 “Renewal Power Sales Contracts”: The Renewal Power Sales Contracts defined in Section 2.3 hereof, together with all amendments and supplements hereafter entered into.
- 4.22 “Retained Generation Entitlement Share”: means, with respect to a particular Seller, during a particular Season, such Seller’s Generation Entitlement Share less its Summer Excess Entitlement Share or its Winter Excess Entitlement Share, as applicable, then in effect as set forth in Appendix A.

- 4.23 “Revised Appendix A”: Shall have the meaning ascribed thereto in Section 5.2 hereof.
- 4.24 “Season”: A Summer Season or a Winter Season provided, however, that (a) if the Operational Period Commencement Date does not occur on the first day of a Summer Season or a Winter Season, as the case may be, then the first Summer Season or the first Winter Season shall begin at 12:01 a.m. on the Operational Period Commencement Date and shall end at 12:01 a.m. on the last day of such Summer Season or such Winter Season, as applicable, and (b) if the Operational Period does not end on the last day of a Summer Season or on the last day of a Winter Season, then the last Summer Season or the last Winter Season, as applicable, of the Operational Period shall end at 12:01 a.m. on the last day of the Operational Period.
- 4.25 “Sellers”: Each of the entities so denominated on Appendix B, together with any successor to any such entity.
- 4.26 “Summer Excess Entitlement Share”: The Excess Entitlement Share then in effect for Summer Seasons.
- 4.27 “Summer Season”: The four-month period commencing at 12:01 a.m. on June 1 of each Excess Power Supply Year and ending at 12:01 a.m. on October 1 of the immediately following Excess Power Supply Year; provided that the first Summer Season or the last Summer Season of the Operational Period may have less than a four-month period as provided by Section 4.24.
- 4.28 “Total Excess Entitlement Share”: At any time during a Summer Season, the aggregate of the Summer Excess Entitlement Shares of all Sellers as then in effect, and at any time during a Winter Season, the aggregate of the Winter Excess Entitlement Shares of all Sellers as then in effect.
- 4.29 “Winter Excess Entitlement Share”: The Excess Entitlement Share then in effect for Winter Seasons.
- 4.30 “Winter Season”: The eight-month period commencing at 12:01 a.m. on October 1 of each Excess Power Supply Year and ending at 12:01 a.m. on June 1 of the same Excess Power Supply Year provided that the first Winter Season or the last Winter Season of the Operational Period may have less than an eight-month period as provided in Section 4.24.
5. APPENDIX A AND REVISIONS THERETO; DECREASE OR INCREASE OF EXCESS ENTITLEMENT SHARE.
- 5.1 At the Effective Date the Initial Appendix A attached to this Agreement shall set forth the Purchase Percentage of each of the California Purchasers; provided that, in the event that any California Purchaser or California Purchasers (excluding Los Angeles) shall terminate its or their Renewal Power Sales Contracts pursuant to Section 42 of the Renewal Power Sales Contracts, the Initial Appendix A shall be

revised by IPA so as to allocate to Los Angeles under this Agreement the terminated Purchase Percentage of such California Purchaser or the terminated Purchase Percentages of such California Purchasers, as the case may be, that shall have terminated its or their Renewal Power Sales Contracts, and copies of such revised Initial Appendix A shall be furnished to each of the Sellers and to each of the California Purchasers, including Los Angeles, that remain parties to this Agreement. At least twelve (12) Months prior to the Operational Period Commencement Date each Seller shall furnish written notice to each of the California Purchasers and IPA of such Seller's Excess Entitlement Share for each Season; and IPA shall set forth in the Initial Appendix A (as the same may have been revised as provided hereinabove) the Excess Entitlement Share of each such Seller for each Season as specified in its notice furnished as above provided. Thereupon the Excess Entitlement Share of each Seller for each Season shall become effective and IPA shall furnish copies of such Initial Appendix A to each of the Sellers and each of the California Purchasers. The Initial Appendix A shall remain in effect for purposes of this Agreement until such time as a Revised Appendix A is prepared and furnished in accordance with Section 5.2 hereof.

5.2 Subject to Sections 5.2.1, 5.2.2 and 5.2.3, on and after the Operational Period Commencement Date each Seller shall have the right to revise (whether by decreasing or increasing) its Summer Excess Entitlement Share (other than for the first Summer Season of the Operational Period) as then set forth in Appendix A, or its Winter Excess Entitlement Share (other than for the first Winter Season of the Operational Period) as then set forth in Appendix A.

5.2.1. A Seller may elect to increase or decrease its Summer Excess Entitlement Share or its Winter Excess Entitlement Share by furnishing to each of the California Purchasers and IPA a written notice specifying such increased or decreased Excess Entitlement Share. In the case of an increase or decrease of its Summer Excess Entitlement Share, Seller must furnish such notice at least twelve (12) months prior to the first day of the Summer Season for which such increased or decreased Summer Excess Entitlement Share shall become effective. In the case of the increase or decrease of its Winter Excess Entitlement Share, Seller must furnish such notice at least twelve (12) Months prior to the first day of the Winter Season for which such increased or decreased Winter Excess Entitlement Share shall become effective. Such increased or decreased Excess Entitlement Share shall become effective on the date of commencement of the Season for which such notice is given. Prior to such Excess Entitlement Share Effective Date, IPA shall prepare a revision of Appendix A (a "Revised Appendix A") which shall set forth the increased or decreased Summer Excess Entitlement Share or the increased or decreased Winter Excess Entitlement Share of such Seller with respect to which such Seller has provided timely notice pursuant to this Section 5.2.1 and furnish such Revised Appendix A to each of the Sellers and to each of the California Purchasers. On such Excess Entitlement Share Effective Date such Revised Appendix A shall replace the then current Appendix A

and shall thereupon become effective for the purposes of this Agreement until such time as a Revised Appendix A is thereafter prepared and furnished in accordance with this Section 5.2.1.

5.2.2. If a Seller elects to decrease its Summer Excess Entitlement Share or its Winter Excess Entitlement Share, the amount of such decrease shall remain in effect for at least the three (3) consecutive twelve-month periods commencing on the Excess Entitlement Share Effective Date for such Summer Excess Entitlement Share or such Winter Excess Entitlement Share. Notwithstanding such three (3) consecutive twelve-month periods required for the amount of such decrease of the Summer Excess Entitlement Share or the Winter Excess Entitlement Share, Seller shall have the right by providing notice in accordance with Section 5.2.1 to further decrease such Summer Excess Entitlement Share or such Winter Excess Entitlement Share, as the case may be; provided that the amount of such further decrease shall remain in effect for at least the three (3) consecutive twelve-month periods commencing on the Excess Entitlement Share Effective Date with respect to such further decrease of such Excess Entitlement Share. No decrease in a Seller's Summer Excess Entitlement Share or Winter Excess Entitlement Share shall cause such Excess Entitlement Share to be less than zero.

5.2.3. (a) If a Seller elects, in accordance with Section 5.2.1, to increase its Summer Excess Entitlement Share or its Winter Excess Entitlement Share and such increase is the first increase following the commencement of the Operational Period or the first increase following any decrease in such Excess Entitlement Share, then, subject to compliance with the requirements of Section 5.2.2 with respect to the period that the amount of any decrease of an Excess Entitlement Share shall remain in effect, Seller, upon providing notice in accordance with Section 5.2.1, may increase (such increase being an "Initial Increase") such Summer Excess Entitlement Share or such Winter Excess Entitlement Share by up to fifty percent (50%) of such Seller's Retained Generation Entitlement Share that will be in effect for the next Summer Season (if such increase is to the Summer Excess Entitlement Share) or the next Winter Season (if such increase is to the Winter Excess Entitlement Share) following such notice (the first day of such next Season as of which the Retained Generation Entitlement Share is determined to be in effect being the "Retained Generation Entitlement Share Reference Date").

(b) If a Seller elects, in accordance with Section 5.2.1, to increase its Summer Excess Entitlement Share or Winter Excess Entitlement Share otherwise than as provided under (a) above (such an increase being a "Further Increase"), then, subject to compliance with the requirements of Section 5.2.2 with respect to the period that the amount of any decrease of an Excess Entitlement Share shall remain in effect, Seller, upon providing notice in accordance with Section 5.2.1, may increase such Summer

Excess Entitlement Share or such Winter Excess Entitlement Share by up to fifty percent (50%) of its Retained Generation Entitlement Share that was in effect at the most recent Retained Generation Entitlement Share Reference Date as determined pursuant to (a) above with respect to the most recent Initial Increase, so that such Initial Increase, together with such Further Increase or Further Increases of the Summer Excess Entitlement Share or Winter Excess Entitlement Share that occur after such Initial Increase and prior to the next decrease of such Summer Excess Entitlement Share or such Winter Excess Entitlement Share, shall not exceed such Retained Generation Entitlement Share of Seller that was in effect on such most recent Retained Generation Entitlement Share Reference Date as determined pursuant to (a) above.

(c) No increase in a Seller's Excess Entitlement Share shall cause such Seller's Excess Entitlement Share to exceed its Generation Entitlement Share.

6. EXCESS CAPACITY AND ENERGY ENTITLEMENTS; USE OF SWITCHYARD

6.1 Beginning with the Season that commences on the Operational Period Commencement Date, and during each Summer Season and Winter Season thereafter, (i) each Seller shall sell, assign and provide to each California Purchaser the Excess Power Obligation applicable to such California Purchaser during such Season of capacity and energy from the Project, and (ii) each California Purchaser shall purchase and take from such Seller the Excess Power Obligation applicable to such California Purchaser during such Season of the capacity and energy from the Project. Such sale and assignment by Seller to each California Purchaser with respect to Seller's Excess Power Obligation applicable to such California Purchaser shall include Seller's right under Section 9.11 of the Renewal Power Sales Contract to elect to procure its own fuel in accordance with the provisions of the Fuel Management Practices and Procedures for use in the Generation Station for the generation of its Excess Entitlement Share to the extent of such Excess Power Obligation, and such California Purchaser shall therefore have such right to elect to bring its own fuel in accordance with the Fuel Management Practices and Procedures for use in the Generation Station for generation of such Excess Power Obligation. For purposes of this Agreement, energy delivered to any California Purchaser from the Project shall be deemed to have been delivered first (up to its entitlement thereunder) pursuant to such California Purchaser's Renewal Power Sales Contract, and thereafter pursuant to this Agreement. Such California Purchaser shall pay for such capacity and energy and associated rights as provided in Section 9 hereof.

6.2 At all times on and after the Operational Period Commencement Date, each California Purchaser during a Summer Season or a Winter Season shall be entitled to schedule for its account, with respect to each Seller, capacity and energy (other than test energy) from each generating facility of the Project up to an amount equal to the product of the Available Generation Capability of such generating

facility multiplied by the Excess Power Obligation applicable to such California Purchaser and such Seller during such Season. Upon the occurrence of abnormal operating conditions on a California Purchaser's system, upon the request of such California Purchaser, the Operating Agent shall increase or decrease such California Purchaser's schedule consistent with Prudent Utility Practice. Such increase or decrease shall not cause the schedule of such California Purchaser to exceed the amounts of capacity and energy to which such California Purchaser is entitled as provided for in this Section 6.2 or in Sections 6.3, 6.4 or 6.5 hereof and shall not be detrimental to any other California Purchaser or Primary Purchaser.

- 6.3 When any Seller requests delivery during a Summer Season or a Winter Season of capacity and energy under its Renewal Power Sales Contract, and such delivery requires the start-up of a generating facility of the Project, each California Purchaser shall, unless otherwise agreed, schedule for its account an amount of capacity and energy at least equal to the product obtained by multiplying its Purchase Percentage (expressed as a decimal) by the Total Excess Entitlement Share then in effect (expressed as a decimal) and by multiplying such product times the Minimum Generating Capability established for such generating facility. At any time when such Seller has so scheduled from such generating facility an amount of capacity and energy in excess of the product of its Generation Entitlement Share and the Minimum Generating Capability of such generating facility, then each of the California Purchasers shall only be obligated to schedule for its account an amount of capacity and energy equal to the product obtained by multiplying (a) the remaining unscheduled amount of Minimum Generating Capability times (b) the Total Excess Entitlement Share then in effect (expressed as a decimal) times (c) the ratio which its Purchase Percentage bears to the sum of the Purchase Percentages of all California Purchasers.
- 6.4 When a Primary Purchaser (other than a Seller) requests delivery during a Summer Season or a Winter Season of capacity and energy under its Renewal Power Sales Contract, and such delivery requires the start-up of a Project generating facility, each California Purchaser shall, unless otherwise agreed, schedule for its account an amount of capacity and energy at least equal to the product obtained by multiplying its Purchase Percentage (expressed as a decimal) by the Total Excess Entitlement Share then in effect (expressed as a decimal) and multiplying such product times the Minimum Generating Capability established for such generating facility. At any time when a Primary Purchaser has so scheduled from such generating facility an amount of capacity and energy in excess of the product of its Generation Entitlement Share and the Minimum Generating Capability of such generating facility, then each of the California Purchasers shall only be obligated to schedule for its account an amount of capacity and energy equal to the product obtained by multiplying (a) the remaining unscheduled amount of Minimum Generating Capability times (b) the Total Excess Entitlement Share then in effect (expressed as a decimal) times (c) the ratio which its Purchase Percentage bears to the sum of the Purchase Percentages of all California Purchasers.

- 6.5 When a California Purchaser requests delivery during a Summer Season or a Winter Season of capacity and energy under this Agreement, and such delivery requires the start-up of a generating facility of the Project, each other California Purchaser and each Seller shall, unless otherwise agreed, schedule for their respective accounts an amount of capacity and energy equal to (i) in the case of each such other California Purchaser, the product obtained by multiplying its Purchase Percentage (expressed as a decimal) by the Total Excess Entitlement Share then in effect (expressed as a decimal) and multiplying such product times the Minimum Generating Capability established for such generating facility and (ii) in the case of each Seller, the product obtained by multiplying the difference between its Generation Entitlement Share and its Excess Entitlement Share then in effect (expressed as a decimal) by the Minimum Generating Capability established for such generating facility. At any time when such requesting California Purchaser has so scheduled from such generating facility an amount of capacity and energy in excess of the product of its Purchase Percentage (expressed as a decimal) and the Total Excess Entitlement Share then in effect (expressed as a decimal) and the Minimum Generating Capability of such generating facility, then (x) each other California Purchaser shall only be obligated to schedule for its account an amount of capacity and energy equal to the product obtained by multiplying the remaining unscheduled amount of Minimum Generating Capability times the Total Excess Entitlement Share then in effect (expressed as a decimal) times the ratio which its Purchase Percentage bears to the sum of the Purchase Percentages of all such other California Purchasers and (y) each Seller shall only be obligated to schedule for its account an amount of capacity and energy equal to the product obtained by multiplying the remaining unscheduled amount of Minimum Generating Capability times the ratio which the difference between its Generation Entitlement Share then in effect and its Excess Entitlement Share then in effect bears to the difference between the total of the Generation Entitlement Shares of all Sellers and the Total Excess Entitlement Share then in effect.
- 6.6 Operation of any generating facility of the Project shall be subject to scheduled outages or curtailments, operating emergencies and unscheduled outages or curtailments of such facility.
- 6.7 The capacity and energy of the Generation Station shall be controlled in a manner which shall not diminish the rights of any California Purchaser to receive its entitlement of capacity and energy under this Agreement.
- 6.8 Each California Purchaser shall be obligated during a Summer Season or a Winter Season to the extent of its Purchase Percentage (expressed as a decimal) times the Total Excess Entitlement Share in existence during such Season to provide for capacity and energy requirements for starting up and shutting down each generating facility in compliance with procedures approved pursuant to the Renewal Power Sales Contracts.

- 6.9 The point of delivery of each California Purchaser's capacity and energy under this Agreement shall be the Generation Station bus. It is the obligation of each California Purchaser to arrange for transmission of its capacity and energy from such point to its system.
- 6.10 Each Seller and each California Purchaser shall furnish to IPA and the Operating Agent, as applicable, such notices, instructions or advice and take such other action as shall be necessary to give effect to this Agreement.
- 6.11 Notwithstanding anything to the contrary contained herein, (i) a California Purchaser shall be entitled to schedule with the Operating Agent the aggregate of the capacity and energy to which it is from time to time entitled hereunder, as opposed to having to individually schedule with respect to each Seller the capacity and energy to which such Purchaser is entitled from such Seller and (ii) the Purchaser's Representative shall, on behalf of each California Purchaser, make all schedules and changes therein required or permitted to be made by this Agreement by such California Purchaser.
- 6.12 Seller hereby sells and assigns to each California Purchaser, and each California Purchaser shall have the right to use, the Switchyard for its Excess Power Obligation of the Available Generating Capability.
- 6.13 IPA hereby acknowledges the sale and assignment pursuant to this Agreement to each California Purchaser by each Seller of the Excess Power Obligation, applicable to such California Purchaser and such Seller of capacity and energy from the Project and the associated Switchyard rights, together with the provision by such Seller of associated Northern Transmission System rights as provided for in Section 7.1 hereof and certifies that it has made the determination with respect to such sale and assignment provided for in Section 20.2 of the Renewal Power Sales Contract with such Seller. Payments made by such California Purchaser for such Excess Power Obligation of capacity and energy and associated Switchyard rights and for such associated Northern Transmission System rights shall be in addition to and shall not affect such California Purchaser's obligations under Section 8.1 hereof or under its Renewal Power Sales Contract.
- 6.14 Except as provided in Section 17 hereof, a California Purchaser shall not sell or assign to a purchaser or assignee the Excess Power Obligation or any portion thereof, applicable to such California Purchaser and each Seller of capacity and energy from the Project and associated Switchyard rights and associated Northern Transmission System rights, except on prior written notice to such Seller and IPA; provided that (i) such California Purchaser shall remain obligated to make the payments provided in Section 9 and otherwise to comply with the applicable provisions of this Agreement, and such California Purchaser shall be discharged from such payments and otherwise relieved from such compliance only if and to the extent of such payments made and such compliance performed by such purchaser or assignee; and (ii) such sale or assignment will not adversely affect

the eligibility for exemption from Federal income taxes of the interest on Project Indebtedness then outstanding or to be incurred by IPA.

7. USE OF NORTHERN TRANSMISSION SYSTEM WITH RESPECT TO EXCESS POWER

- 7.1 Pursuant to this Agreement, each Seller having a right pursuant to its Renewal Power Sales Contract to use the Northern Transmission System hereby agrees to permit and to provide the rights to each California Purchaser to schedule from time to time, without regard to source or origin, and in accordance with the Renewal Power Sales Contracts, the use of the operating capabilities of the Northern Transmission System up to an amount equal to (i) the Excess Power Obligation in effect for such California Purchaser and such Seller at the time of such scheduling, (ii) divided by the Generation Entitlement Share of such Seller, (iii) times such Seller's Remaining NTS Entitlement. Such California Purchaser shall pay for such use of the Northern Transmission System as provided in Section 9 hereof.
- 7.2 If it is necessary to curtail scheduled power flows over all or any part of the Northern Transmission System, then each California Purchaser shall have the right to use the Northern Transmission System in an amount determined by multiplying that portion of the total amount of the Remaining NTS Entitlements of all Sellers that then remains available by the ratio (expressed as a decimal) which the Total Excess Entitlement Share at the time bears to the Total Generation Entitlement Shares of the Sellers, and by then multiplying the resultant product by the ratio (expressed as a decimal) that the aggregate of the capacity scheduled over the Northern Transmission System or part thereof by such California Purchaser pursuant to its rights provided by all the Sellers under Section 7.1 hereof bears to the aggregate of the capacity scheduled over the Northern Transmission System or part thereof by all California Purchasers pursuant to their rights provided by all the Sellers under Section 7.1 hereof.
- 7.3 Any California Purchaser desiring to schedule the use of the operating capabilities of the Northern Transmission System in excess of its rights under this Agreement may make appropriate arrangements with another California Purchaser having rights to unused transmission capability. It is the responsibility of each California Purchaser so involved to notify the Operating Agent of such arrangements and to provide for proper schedules to accommodate such arrangements. Notwithstanding anything to the contrary contained herein, each California Purchaser's right to schedule the use of the operating capabilities of the Northern Transmission System pursuant to Section 7.1 hereof and to schedule such capability in excess of its rights under the Agreement as provided in this Section 7.3 shall be limited to the extent that such California Purchaser may not act in such a manner that adversely affects the eligibility for exemption from Federal income taxes of the interest paid, or to be paid, on the Project Indebtedness outstanding or to be incurred by IPA.

7.4 Scheduling by the California Purchasers of the use of the operating capability of the Northern Transmission System pursuant to Sections 7.1, 7.2 or 7.3 of this Agreement shall not interfere with the use of the Northern Transmission System to transmit Generation Entitlement Shares under Renewal Power Sales Contracts of any Primary Purchaser having a Point of Delivery thereon.

8. ASSIGNMENT OF CERTAIN NORTHERN TRANSMISSION SYSTEM RIGHTS.

8.1 Effective from and after the Operational Period Commencement Date, each Seller hereby assigns and transfers to each California Purchaser, and each such California Purchaser hereby accepts such assignment and transfer of that portion of each such Seller's entitlement to the Northern Transmission System under Section 10.2 of its Renewal Power Sales Contract that is equal to such California Purchaser's Purchase Percentage of such Seller's Assigned Northern Transmission System Entitlement. Such assignment and transfer shall be in effect for the Operational Period under this Agreement. Each Seller shall furnish to each California Purchaser information as to the amount of Northern Transmission System costs payable each Month by such Seller under its Renewal Power Sales Contract (including such costs payable by such California Purchaser pursuant to Section 9.1.2 hereof) and any adjustments of such costs pursuant to Section 5.7 of the Renewal Power Sales Contracts. Each California Purchaser shall pay directly to IPA each Month at the time required for payment thereof by each of the Sellers under its Renewal Power Sales Contract the Assignment Share with respect to such Seller and such California Purchaser of such costs with respect to the Northern Transmission System payable by such Seller under its Renewal Power Sales Contract (including any adjustments with respect to such costs pursuant to Section 5.7 thereof). Such payments received by IPA shall be applied in discharge of such Seller's obligation under its Renewal Power Sales Contract to pay such costs, which shall be discharged only to the extent of such receipt. Except as discharged as herein provided, the obligation of each Seller to pay costs with respect to the Northern Transmission System payable by it under its Renewal Power Sales Contract shall continue and shall not otherwise be affected by the provisions of Section 8 hereof.

8.2 IPA hereby acknowledges the assignment and transfer pursuant to Section 8.1 hereof by each Seller to each California Purchaser of such California Purchaser's Purchase Percentage of the Assigned Northern Transmission System Entitlement with respect to such Seller and certifies that it has made the determination with respect to such assignment and transfer provided for in Section 20.2 of its Renewal Power Sales Contract with such Seller.

8.3 Except as provided in Section 17 hereof, a California Purchaser shall not sell, assign or transfer to any purchaser, assignee or transferee thereof the Northern Transmission System entitlement, or any portion thereof, assigned or transferred to it by a Seller under Section 8.1, except on prior written notice to such Seller and IPA; provided that (i) such California Purchaser shall remain obligated to make the payments and otherwise comply with the provisions of this Section 8

and shall be discharged from such payments and otherwise relieved from such compliance only if and to the extent of such payments shall be made and such compliance performed by such purchaser, assignee or transferee; and (ii) such sale, assignment or transfer will not adversely affect the eligibility for exemption from Federal income taxes of the interest on Project Indebtedness then outstanding or to be incurred by IPA.

9. CHARGES AND BILLINGS FOR EXCESS POWER AND NORTHERN TRANSMISSION SYSTEM RIGHTS.

9.1 The amount payable by a particular California Purchaser for any Month during an Excess Power Supply Year for the account of each Seller with respect to the minimum cost component of Monthly Power Costs shall be the sum of the following:

9.1.1. The Excess Power Obligation in effect for such Month with respect to such Seller and such California Purchaser times the minimum cost component of Monthly Power Costs for such Month associated with the Generation Station as computed under and in accordance with Section 7.1.1 of the Renewal Power Sales Contracts; plus

9.1.2. In consideration of such California Purchaser's right to schedule a portion of the entitlement of such Seller in the Northern Transmission System granted by Section 7.1 of this Agreement, an amount equal to the Excess Power Obligation in effect for such Month with respect to such California Purchaser and such Seller divided by the Generation Entitlement Share of such Seller times the amount for such Month (or portion thereof) of costs in respect of the Northern Transmission System that such Seller is obligated to pay pursuant to its Renewal Power Sales Contract (which for purposes of calculation shall include the total of the Assignment Shares of such Northern Transmission System costs payable by the California Purchasers as provided for in Section 8.1 hereof).

In the event that payments are due under this Section 9.1 for only a portion of a Month, the above computations shall be made so as to allocate the above-mentioned costs for such Month equally among the days of such Month and to take into account the number of days in such Month such Excess Power Obligation was in effect.

9.2 The amount payable by a particular California Purchaser for any Month during an Excess Power Supply Year for the account of all Sellers with respect to the variable cost component of Monthly Power Costs, shall be the product obtained by multiplying the variable cost component of Monthly Power Costs for such Month, as computed under and in accordance with Section 7.1.4 of the Renewal Power Sales Contracts, by a fraction the numerator of which is the kilowatt hours generated by the use of Project Fuel as provided in Section 4.67.2 of the Renewal Power Sales Contracts and delivered at the Project bus from the Generation

Station to such California Purchaser pursuant to this Agreement and the denominator of which is all kilowatt hours generated by the use of Project Fuel as provided in Section 4.67.2 of the Renewal Power Sales Contract and delivered at the Project bus during such Month. The amount so to be paid by such California Purchaser shall be allocated to each Seller in proportion to the ratio which its Excess Entitlement Share for such Month bears to the Total Excess Entitlement Share for such Month.

9.3 RESERVED

9.4 For billing purposes, the amount of the minimum cost component of the Monthly Power Costs to be paid by each California Purchaser each Month in amounts pursuant to Sections 9.1.1 and 9.1.2 hereof shall be billed in advance and shall be based on the then current Annual Budget. The amount of the variable cost component of the Monthly Power Costs to be paid by each California Purchaser each Month pursuant to Section 9.2 hereof shall be billed the Month following the Month such variable cost was incurred and shall be based on the cost of the Project Fuel and associated costs (determined under Section 4.67.2 of the Renewal Power Sales Contracts) during such Month.

9.5 By the fifth calendar day of each Month for which payments are required by Sections 9.1 or 9.2 hereof, IPA on behalf of the Sellers shall bill each California Purchaser for the amount of the minimum cost component of the Monthly Power Costs to be paid by such California Purchaser to each Seller hereunder for the current Month, and for the amount of the variable cost component of the Monthly Power Costs to be paid by such California Purchaser hereunder for the preceding Month (in the case of amounts payable pursuant to Section 9.2 hereof) by providing such California Purchaser with a copy to each of the Sellers with a billing statement in accordance with the charges established pursuant to the provisions of this Agreement. Such billing statement shall detail the matters covered in Section 4.67.2 of the Renewal Power Sales Contracts (in the case of amounts payable pursuant to Section 9.2 hereof) and shall set forth, among other things, the amounts due for such Months by such California Purchaser with respect to the items of Monthly Power Costs set forth in Section 9.1 or Section 9.2 hereof. The amounts set forth on such billing statement shall be paid to IPA for the account of each of the Sellers by such California Purchaser on or before 20 days after receipt of such billing statement.

9.6 If a California Purchaser fails to pay any bill when due, interest shall accrue at a rate of one percent per Month on the unpaid amount of the billing statement.

9.7 Within 30 days following the submission to IPA, the California Purchasers, and each of the Sellers of the audit conducted pursuant to Section 13 hereof and no later than 150 days after the end of each Excess Power Supply Year, IPA will submit to each California Purchaser a detailed statement of the actual aggregate amounts payable hereunder by such California Purchaser for the account of each Seller, including credits thereto, for all of the Months of such Excess Power

Supply Year, and the adjustments of the aggregate Monthly Power Costs payable by such California Purchaser hereunder, if any, for any prior Excess Power Supply Year, based on the annual audit of accounts provided for in Section 13. If, on the basis of the statement submitted as provided in this Section 9.7, the actual aggregate amounts payable hereunder by a particular California Purchaser to a particular Seller for any Excess Power Supply Year exceeds the amount thereof which such California Purchaser has been billed in respect of such Seller, such California Purchaser shall promptly pay IPA for the account of such Seller the amount to which such Seller is entitled. If, on the basis of the statement submitted pursuant to this Section 9.7, the actual aggregate amounts payable hereunder for any Excess Power Supply Year by a particular California Purchaser to a particular Seller are less than the amount therefor which such California Purchaser has been billed IPA for the account of such Seller shall credit such excess against such California Purchaser's next monthly payment due in respect of such Seller.

- 9.8 If, in any billing statement received by a California Purchaser from IPA an amount shown thereon as being due by such California Purchaser to a particular Seller shall be in bona fide dispute, such California Purchaser shall pay such amount in full, and, upon determination of the correct amount, the difference between such correct amount and such amount paid, if any, including interest at one percent per Month on any overpayment, will be credited, in respect of such Seller, to such California Purchaser by IPA after such determination, provided, however that such interest shall not accrue on any overpayment that is acknowledged by IPA and returned to such California Purchaser by the fifth day following the receipt by IPA of the disputed overpayment. In the event any such amount is in dispute, IPA will give consideration to the California Purchaser's position relative thereto within 30 days following written notification by such California Purchaser of such dispute.
- 9.9 Amounts paid by the California Purchasers to IPA shall be applied as follows:
- 9.9.1. IPA shall, promptly upon receipt of the amounts payable pursuant to Section 9.1 hereof by a particular California Purchaser for the account of a particular Seller, apply such amounts for the account of such Seller.
- 9.9.2. IPA shall, promptly upon receipt of the amounts payable pursuant to Section 9.2 hereof by a particular California Purchaser, as allocated pursuant to Section 9.2 to a particular Seller, apply such allocated amount for the account of such Seller.
- 9.10 Payments made to IPA pursuant to Sections 9.9.1 and 9.9.2 hereof for the account of a particular Seller shall be applied in discharge of such Seller's obligations to pay such amounts payable by it under its Renewal Power Sales Contract, and such Seller's obligation to pay such amounts shall be discharged only to the extent of receipt thereof by IPA. Except as discharged as herein provided, the obligations

of each Seller to pay amounts under its Renewal Power Sales Contract shall continue and shall not otherwise be affected by the provisions of this Section 9.

- 9.11 The provisions of this Section 9 shall not be applicable to payments required by each California Purchaser to be made to IPA pursuant to Section 8.1 hereof and such payments shall be governed by the provisions of Section 8 hereof.
10. PAYMENTS. Each California Purchaser shall pay the amounts set forth in the billing statements submitted by IPA to such California Purchaser in accordance with the provisions of Section 9 hereof, whether or not the Project or any part thereof is operating or operable or its output is suspended, interrupted, interfered with, reduced or curtailed or terminated in whole or in part.
11. SOURCE OF PAYMENTS. The obligation of each California Purchaser to make the payments under this Agreement to IPA for the account of each of the Sellers shall constitute a cost of purchased electric capacity and energy and an operating expense of such California Purchaser payable solely from its electric system revenue funds. Each California Purchaser will annually in each and every fiscal year of such California Purchaser during the term of this Agreement include in its power system budget, whether or not any other items are included, an appropriation from the revenues of its electric system sufficient to satisfy all the payments required to be made in such year under this Agreement until all payments required under this Agreement have been paid in full.
12. RATE COVENANT. Each California Purchaser will establish, maintain, and collect rates and charges for the electric service of its electric system so as to provide revenues sufficient, together with available electric system reserves, to enable such California Purchaser to pay all amounts payable when due under this Agreement and to pay all other amounts payable from, and all lawful charges against or liens on, the revenues of its electric system.
13. RECORDS AND ACCOUNTS. To the extent not kept pursuant to the Renewal Power Sales Contracts, IPA will keep or cause to be kept accurate records and accounts concerning the matters contemplated by this Agreement in a manner similar to the Uniform System of Accounts. Said accounts shall be audited annually by an independent firm of certified public accountants experienced in electric utility accounting and selected by IPA, which firm may be the same firm hired pursuant to the provisions of Section 5.6 of the Renewal Power Sales Contracts. Such audit shall be completed and submitted to IPA, the California Purchasers and each of the Sellers within 120 days after the close of each Excess Power Supply Year. All transactions of IPA, the California Purchasers and the Sellers relating to this Agreement with respect to each Excess Power Supply Year shall be subject to such an audit. Each California Purchaser shall have the right at its own expense to examine and copy the records and accounts referred to above on reasonable notice and during regular business hours.
14. INFORMATION AND DOCUMENTS. Each California Purchaser agrees to supply IPA and any Seller upon request, such information and documentation as IPA or such Seller shall reasonably determine to be requisite to and necessary for the accomplishment of the

matters contemplated by this Agreement including information reasonably available to allow IPA or such Seller to respond to requests for such information from any federal, state or local regulatory or other authority.

15. METERING. IPA will be responsible for providing or causing to be provided all necessary metering equipment for determining the quantity of energy delivered by each Seller hereunder; provided, however, that such obligation of IPA may, in IPA's discretion, be discharged by IPA's use of the meters provided pursuant to the Renewal Power Sales Contracts. Notwithstanding the foregoing, any California Purchaser may by arrangements with the Operating Agent and at its own cost check existing metering or, with approval of the Coordinating Committee, install additional metering equipment.

16. CHARACTER AND CONTINUITY OF SERVICE.

- 16.1 The Operating Agent may temporarily interrupt or curtail deliveries of capacity and energy under this Agreement to the California Purchasers in proportion to their respective Purchase Percentages if it determines that such interruption or curtailment is necessary in case of emergencies or in order to install equipment in or make repairs to or replacements, investigations, and inspections of or to perform other maintenance work on the Project facilities, provided, however, that such interruption or curtailment shall not relieve any California Purchaser of its obligation to make payments under this Agreement. After informing the California Purchasers regarding any such planned interruption or curtailment, giving the reason therefor, and stating the probable duration thereof, IPA on behalf of each of the Sellers will, to the best of its ability, cause the scheduling of such interruption or curtailment at a time which will cause the least interference with the operations of the California Purchasers.

- 16.2 A Seller shall not be required to provide, and shall not be liable for failure to provide, service under this Agreement when such failure or the cessation or curtailment of or interference with the service is caused by Uncontrollable Forces or by the inability of IPA, or such Seller to obtain any required governmental approvals to enable IPA or such Seller to accomplish the purposes of this Agreement, provided however that the California Purchasers shall not thereby be relieved of their obligations to make payments under this Agreement.

17. RESTRICTIONS ON DISPOSITION. No California Purchaser shall sell, lease or otherwise dispose of all or substantially all of its electric utility system except on 90 days prior written notice to IPA and, in any event, shall not so sell, lease or otherwise dispose of the same unless the following conditions shall be met: (i) such California Purchaser shall assign this Agreement and its rights and interest hereunder to such purchaser, lessee or transferee of said electric system, and such purchaser, lessee or transferee shall assume all obligations of such California Purchaser under this Agreement; (ii) the senior debt of such purchaser, lessee or transferee is rated in one of the two highest rating categories by at least one nationally-recognized bond rating agency; (iii) an independent engineer or engineering firm of national reputation generally recognized to be well qualified in matters relating to electric power and energy systems, selected by IPA, shall deliver an

opinion, which may be based on assumptions deemed reasonable by such engineer or engineering firm, that such purchaser, lessee or transferee is reasonably able to charge and collect rates and charges in the then current and each future year for the electric service of its electric system as shall be required to meet its obligations under this Agreement; and (iv) such California Purchaser has complied with the requirements of its Renewal Power Sales Contract with respect to such sale, lease or other disposition. IPA shall deliver to the Sellers each notice received by IPA from a California Purchaser pursuant to this Section 17 with respect to a proposed sale, lease or other disposal of such California Purchaser's electric utility system.

18. DEFAULT.

18.1 If a California Purchaser shall be unable to perform or shall default in the performance of any of its obligations under this Agreement, (i) in the event any payment due under this Agreement remains unpaid subsequent to the due date thereof, upon 120 days written notice to such California Purchaser, at the request of any Seller, IPA may cause the delivery of capacity and energy to such California Purchaser and the use of the other Project facilities by such California Purchaser under this Agreement to be discontinued during the period of such default, without reduction of the obligation of such California Purchaser to make payments under this Agreement except to the extent provided in Section 18.3 hereof, and (ii) any Seller may (a) bring any suit, action or proceeding at law or in equity as may be necessary or appropriate to enforce any covenant, agreement or obligation against such California Purchaser, or (b) take any action permitted by law to enforce its rights under this Agreement or recover damages for breach thereof.

18.2 Neither any Seller nor IPA shall be liable for nonperformance resulting from default, or from the failure to perform any of its obligations under this Agreement, except in the case of Willful Action by such Seller or IPA in which case the remedy shall include specific performance and other applicable legal or equitable remedies; provided, however, that any claim for damages shall not include loss of profits or consequential damages; and provided, further, that no such default by any Seller or IPA shall relieve any California Purchaser from its obligations to make its payments required under this Agreement.

18.3 In the event of a default by a California Purchaser and the discontinuance, pursuant to Section 18.1(i) hereof, of the delivery of capacity and energy and of the use of all other Project facilities under this Agreement, IPA, on behalf of the Sellers, shall transfer on a pro rata basis to all requesting California Purchasers which are not in default, the defaulting California Purchaser's rights to the delivery of capacity and energy and the use of all other Project facilities under this Agreement, including, without limitation, its rights under Section 6.1 hereof, which shall have been discontinued by reason of such default, and such requesting California Purchasers shall assume the defaulting California Purchaser's obligations with respect to such rights so transferred, and if any of the defaulting California Purchaser's rights with respect to the Project are not so transferred,

IPA shall, to the extent possible, dispose of such remaining portion on the best terms readily available; provided, however, that IPA may not so transfer or dispose of such defaulting California Purchaser's rights and obligations in such a manner as shall adversely affect the eligibility for tax exemption for Federal income taxes of the interest paid, or to be paid, on the Project Indebtedness of IPA, and further provided that the obligation of the defaulting California Purchaser to pay IPA for the accounts of the Sellers amounts due hereunder including the costs to IPA or any Seller related to such default, transfer and sale, shall be reduced to the extent that payments are received by IPA for the accounts of the Sellers for that portion of the defaulting California Purchaser's rights with respect to the Project which are so transferred or disposed, with any such reduction being made pro rata among all Sellers in accordance with such amounts due with respect to each Seller.

18.4 IPA shall have the remedies available under the law to enforce its rights under this Agreement.

19. **LIABILITY.** IPA, each Seller, the Purchasers' Representative and each California Purchaser shall be solely responsible and liable for performance of their respective obligations under this Agreement and for the maintenance and operation of their respective properties and each shall indemnify and save harmless the other from all liability and expense on account of any and all damages, claims, or actions, including injury to or death of persons arising from any act or accident in connection with the installation, presence, maintenance, and operation of the property and equipment of the indemnifying party and not caused in whole or in part by the Willful Action of the other party or IPA. The covenants, obligations and liabilities of the parties are intended to be several and not joint or collective and nothing herein contained shall ever be construed to create an association, joint venture, trust or partnership, or to impose a trust or partnership covenant, obligation or liability on or with regard to one or more of the parties. No party shall be under the control of or shall be deemed to control any other party. No party shall be the agent of or have a right or power to bind any other party without its express written consent, except as expressly provided in this Agreement.

20. **EFFECTIVE DATE AND TERM; EARLY TERMINATION.**

20.1 This Agreement shall become effective on the date (the "Effective Date") as to each Seller, IPA, the Purchasers' Representative, and each of the California Purchasers (i) when it has been duly executed and delivered by and among IPA, the Purchasers' Representative, each California Purchaser and each Seller, (ii) each such party shall have received all required governmental regulatory approvals, and (iii) the Renewal Power Sales Contracts shall be fully effective in accordance with their terms for one hundred percent (100%) of the Generation Entitlement Shares, Generation Cost Shares and applicable Transmission Cost Shares of the Project; provided that this Agreement shall be void and any and all energy deliveries and any other rights or services under this Agreement shall be terminated no later than the effective date of any denial of a required governmental regulatory approval including, without limitation, a decision by the

California Energy Commission. The term of this Agreement shall continue until the date upon which all Renewal Power Sales Contracts shall terminate, unless this Agreement shall be earlier terminated in accordance with its terms. For the avoidance of doubt, unless earlier terminated, this Agreement shall terminate, without any action required to be taken by any of the parties hereto, in the event that, as provided in Section 45.1 of the Original Power Sales Contracts as added by the Second Amendatory Power Sales Contracts, dated as of _____, by and among IPA and the purchasers thereunder, the Gas Repowering shall not be undertaken. This Agreement shall constitute a binding obligation of each of the Sellers, IPA, each of the California Purchasers and the Purchasers' Representative from and after the Effective Date in accordance with this Section 20.1.

20.2 Except as provided in Section 20.3 hereof, this Agreement shall terminate as soon after the earlier to occur of the following as all payments required to be made under this Agreement by the California Purchasers through the date of such occurrence have been made:

20.2.1. The last day of the Excess Power Supply Year during which a Complete Outage shall have been in effect for a period longer than 18 Months.

20.2.2. The last day of the end of the six-month period next following the Excess Power Supply Year for which Appendix A sets forth the Total Excess Entitlement Share as zero with respect to both the Summer Season and the Winter Season.

20.3 The provisions of Section 8 hereof shall survive any termination of this Agreement pursuant to Sections 20.2.1 and 20.2.2 hereof, and Section 8 hereof and the provisions of this Agreement related thereto shall terminate only upon the date upon which all Renewal Power Sales Contracts shall terminate.

20.4 Notwithstanding any other provision of this Agreement, in the event that any California Purchaser or California Purchasers (excluding Los Angeles) shall terminate its or their Renewal Power Sales Contracts pursuant to Section 42 of the Renewal Power Sales Contracts, such California Purchaser or California Purchasers, as applicable, shall be removed as a party or as parties, as the case may be, under this Agreement effective November 1, 2019 and shall no longer be entitled to any benefits or subject to any obligations under this Agreement, and the Purchase Percentage of Los Angeles shall be increased by the Purchase Percentage or Purchase Percentages, as applicable, of such California Purchaser or California Purchasers that shall terminate its or their Renewal Power Sales Contracts pursuant to Section 42 thereof.

21. SEVERABILITY. In case any one or more of the provisions of this Agreement shall for any reason be held to be illegal or invalid by a court of competent jurisdiction, it is the intention of each of the parties hereto that such illegality or invalidity shall not affect any other provision hereof, but this Agreement shall be construed and enforced as if such

illegal or invalid provision had not been contained herein unless a court holds that the provisions are not separable from all other provisions of this Agreement.

22. PERFORMANCE BY IPA. IPA provides such services, takes such actions and performs its other obligations under this Agreement as part of its duties and responsibilities under its Renewal Power Sales Contracts with the Primary Purchasers, and IPA shall not be deemed to act, and nothing in this Agreement shall be deemed to provide that IPA shall act, as the agent or a fiduciary for any of the Sellers or any other parties to this Agreement.
23. ASSIGNMENT BY SELLERS. This Agreement shall inure to the benefit of and shall be binding upon the Sellers and their respective successors and assigns. Any Seller may assign its respective interests in this Agreement as part of any sale or other disposition of such Seller's electric utility system or Generation Entitlement Share made in compliance with the provisions of such Seller's Renewal Power Sales Contract.
24. COMPLIANCE WITH OTHER AGREEMENTS. Notwithstanding anything contained in this Agreement, all scheduling, purchasing, sales, deliveries and all other actions taken pursuant to this Agreement shall be subject to, and shall comply with, the applicable provisions, limitations, requirements, priorities and restrictions contained in the Renewal Power Sales Contracts, the Bond Resolution and the Construction Management and Operating Agreement.
25. GOVERNING LAW. This Agreement shall be interpreted, governed by and construed under the laws of the State of Utah.
26. ARBITRATION. If a dispute arises between the parties under this Agreement, the parties to such dispute may submit the dispute to arbitration.
27. NOTICES. Notices, demands or requests shall be affected as follows:
 - 27.1 Any notice, demand, or request provided for in this Agreement shall be in writing and shall be deemed properly served, given, or made if delivered in person or sent by registered or certified mail, postage prepaid, as follows:

27.1.1. If to IPA:

Intermountain Power Agency
c/o General Manager
10653 South River Front Parkway, Suite 120
South Jordan, Utah 84095
Phone: (801) 938-1333
Fax: (801) 983-1330
E-mail: jim@ipautah.com

27.1.2. If to the Purchasers' Representative:

Senior Assistant General Manager - Power
Los Angeles Department of Water & Power

111 North Hope Street, Rm 921
Los Angeles, California 90012

27.1.3. If to a particular Seller or California Purchaser, to such Seller or California Purchaser at its address set forth on Appendix B hereto.

27.2 A party may, at any time, by written notice to each other party, designate different or additional persons or different addresses for giving of notices hereunder.

28. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which, when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same Agreement.

IN WITNESS WHEREOF, the parties hereto have duly caused this Agreement to be executed as follows:

INTERMOUNTAIN POWER AGENCY

By: _____

Its: _____

**DEPARTMENT OF WATER AND
POWER OF THE CITY OF LOS
ANGELES, AS A CALIFORNIA
PURCHASER AND AS PURCHASERS'
REPRESENTATIVE**

By: _____

Its: _____

The counterpart for each Seller and, other than Department of Water and Power of the City of Los Angeles, each California Purchaser that has elected to be a party to this Agreement is attached hereto and incorporated herein by this reference.

**SELLER COUNTERPART TO AGREEMENT FOR
SALE OF RENEWAL EXCESS POWER**

[Name of Seller]

By: _____

Its: _____

**CALIFORNIA PURCHASER COUNTERPART TO AGREEMENT FOR
SALE OF RENEWAL EXCESS POWER**

[Name of California Purchaser]

By: _____

Its: _____

**APPENDIX A
SELLERS' EXCESS ENTITLEMENT SHARES AND
CALIFORNIA PURCHASERS' PURCHASE PERCENTAGES**

Sellers

Excess Entitlement Share – Summer Seasons

[Insert Name of Each Seller]

[Insert % Share for Each Seller in accordance with Sections 5.1 and 5.2 of the Agreement]

Excess Entitlement Share – Winter Seasons

[Insert % Share for Each Seller in accordance with Sections 5.1 and 5.2 of the Agreement]

California Purchasers

Purchase Percentage

[Insert Name of Each California Purchaser]

[Insert % Share for Each California Purchaser]

APPENDIX B

SELLERS AND CALIFORNIA PURCHASERS

[Insert Name and Address of Each Seller]

[Insert Name and Address of Each California Purchaser]

Exhibit 4 to
Procedures

Form of Resolution Approving the Renewal Documents

[see attached]

RESOLUTION NO. _____

**APPROVAL OF, AND AUTHORIZATION TO EXECUTE AND DELIVER, THE
RENEWAL OFFER DOCUMENTS**

On motion of _____, seconded by _____, at a duly noticed meeting of the City Council of [INSERT NAME OF MUNICIPALITY] (the "Council"), held the ____ day of _____ 2016, the following Resolution was duly adopted:

WHEREAS, [INSERT NAME OF MUNICIPALITY] (the "Municipality") is a party to a Power Sales Contract (the "Power Sales Contract") with Intermountain Power Agency ("IPA"), pursuant to which the Municipality acquired a portion of the generation capacity and transmission capacity of the Intermountain Power Project (the "Project") through June 15, 2027; and

WHEREAS, IPA is a party to substantially identical power sales contracts with other parties (such other power sales contracts together with the Power Sales Contract being, collectively, the "Power Sales Contracts" and such other parties together with the Municipality being, collectively, the "Purchasers"); and

WHEREAS, IPA has advised the Municipality that the Power Sales Contracts have been amended to provide for, among other things, IPA to deliver the Renewal Offer Letter dated March 18, 2016 which has been received by the Municipality; and

WHEREAS, the Renewal Offer Letter provides that the Municipality is entitled to subscribe for entitlements in the generation capacity and the transmission capacity at IPP on the terms of the Renewal Offer Letter and the Renewal Power Sales Contract provided with the Renewal Offer Letter (the "Renewal Offer"); and

WHEREAS, to accept the Renewal Offer, the Municipality is required to indicate its acceptance of Renewal Offer on the Offer Acceptance provided with the Renewal Offer Letter and to execute the Renewal Power Sales Contract and comply with the other terms and conditions of the Renewal Offer Letter; and

WHEREAS, the Council has reviewed and discussed the Renewal Offer Letter, the Offer Acceptance and the Renewal Power Sales Contract; and

WHEREAS, the Council desires to authorize the chief executive of the Municipality to subscribe for any Orphan Original Purchaser Entitlements (as defined in the Renewal Power Sales Contract) and any Utah Orphan Original Purchaser Entitlements (as defined in the Renewal Power Sales Contract) up to a total Generation Entitlement Share for the Municipality indicated below as the Maximum Authorized Subscription Generation Entitlement Share for the Municipality; and

WHEREAS, the Council desires to accept the Renewal Offer and approve and adopt the Offer Acceptance and the Renewal Power Sales Contract.

NOW, THEREFORE, BE IT RESOLVED, that after due consideration and discussion, the Council hereby approves and adopts the Acceptance Offer and the Renewal Power Sales Contract and authorizes and directs the Municipality's Mayor (the "Mayor") and the Municipality's Clerk/Recorder (the "Clerk/Recorder") to execute and deliver to IPA the Acceptance Offer and Renewal Power Sales Contract on behalf of the Municipality and to take or cause to be taken such other action as may be necessary or desirable in order to make the Offer Acceptance and the Renewal Power Sales Contract effective, as one or more of such may be modified to reflect (i) the outcome of each of the First Round Offer, the Second Round Offer (if necessary) and the Final Offer (if necessary), as such terms are defined in the Renewal Power Sales Contract, (ii) the insertion of dates and the Municipality's address for notice (as reflected on the records of IPA or as otherwise expressly provided to IPA as the Municipality's address for notice together with the delivery of the Offer Acceptance), (iii) the modification of exhibits and appendices to complete, update or correct the Acceptance Offer and/or the Renewal Power Sales Contract, (iv) the updating of appendices and exhibits to reflect elections made under the Offer Acceptance and/or the Renewal Power Sales Contract in accordance with the terms thereof and (v) other modifications approved by the Mayor, which approval shall be conclusively established and evidenced by the execution by the Mayor of such Offer Acceptance and/or Renewal Power Sales Contract as so modified;

BE IT FURTHER RESOLVED, that the Mayor is hereby authorized and directed (i) to subscribe for a Generation Entitlement Share (as defined in the Renewal Documents) and a Generation Cost Share (as defined in the Renewal Documents) equal to _____ percent (____ %) and (ii) to elect a point of delivery at _____;

BE IT FURTHER RESOLVED, that the Mayor may elect to increase the Municipality's Generation Entitlement Share (with a corresponding change to the Generation Cost Share) up to a total Generation Entitlement Share equal to _____ percent (____ %)(the "Maximum Authorized Subscription Generation Entitlement Share"); provided that the Maximum Authorized Subscription Generation Entitlement Share shall be increased (i) as deemed necessary by the Mayor to provide for voting rights of the Utah Purchasers (as defined in the Renewal Documents) on the Renewal Contract Coordinating Committee (as defined in the Renewal Documents) equal to the aggregate voting rights of the Utah Purchasers (as defined in the Power Sales Contracts) on the Coordinating Committee (as defined in the Power Sales Contracts), and to enter into an agreement to provide for such increased election and/or to modify the Renewal Documents accordingly and (ii) automatically as a result of any increase in Subscription Generation Entitlement Share of the Municipality provided as a result of the operation of Section 26 of the Renewal Power Sales Contracts; and

BE IT FURTHER RESOLVED, that the Mayor and the Clerk/Recorder are hereby authorized and directed to execute and deliver, or cause to be executed and delivered, on behalf of the Municipality such additional documents, certificates, instruments, notices, opinions and agreements as may be deemed by the Mayor to be necessary or appropriate to the extent consistent with this Resolution.

PASSED, APPROVED AND SIGNED _____, 2016.

[INSERT NAME OF MUNICIPALITY]

[INSERT NAME OF COUNCIL CHAIR OR
MAYOR, AS APPLICABLE]

ATTEST:

_____, Clerk/Recorder

Exhibit 5 to
Procedures

Form of Resolution Approving the Agreement for Sale of Renewal Excess Power

[see attached]

RESOLUTION NO. _____

**APPROVAL OF, AND AUTHORIZATION TO EXECUTE AND DELIVER,
AGREEMENT FOR SALE OF RENEWAL EXCESS POWER**

On motion of _____, seconded by _____, at a duly noticed meeting of the Municipal Council of [INSERT NAME OF MUNICIPALITY] (the "Council"), held the ____ day of _____ 2016, the following Resolution was duly adopted:

WHEREAS, [INSERT NAME OF MUNICIPALITY] (the "Municipality") is a party to a Power Sales Contract (the "Power Sales Contract") with Intermountain Power Agency ("IPA"), pursuant to which the Municipality acquired a portion of the generation capacity and transmission capacity of the Intermountain Power Project (the "Project") through June 15, 2027;

WHEREAS, the Municipality has adopted and approved that certain Renewal Power Sales Contract to be entered into with IPA;

WHEREAS, the Municipality desires to sell all or a portion of generation and transmission entitlements in the Project substantially on the terms and conditions set forth in that certain Agreement for Sale of Renewal Excess Power attached to the Renewal Power Sales Contract transmitted by IPA to the Municipality with the Renewal Offer Letter dated March 18 2016 (the "Agreement for Sale");

WHEREAS, the Council has reviewed and discussed the Agreement for Sale; and

WHEREAS, the Council desires to adopt and approve the Agreement for Sale.

NOW, THEREFORE, BE IT RESOLVED, that after due consideration and discussion, the Council hereby approves the Agreement for Sale and authorizes and directs the Municipality's Mayor (the "Mayor") and the Municipality's Clerk/Recorder (the "Clerk/Recorder") to execute and deliver, within forty-five (45) days of the effectiveness of the Renewal Power Sales Contract, the Agreement for Sale on behalf of the Municipality, to designate an Excess Entitlement Share (as defined in the Agreement for Sale of Renewal Excess Power) equal to _____% of the Municipality's Generation Entitlement Share under the Renewal Power Sales Contract and to take or cause to be taken such other action as may be necessary or desirable in order to make the Agreement for Sale effective, as the Agreement for Sale may be modified to reflect (i) the outcome of each of the First Round Offer, the Second Round Offer (if necessary) and the Final Offer (if necessary), as such terms are defined in the Renewal Power Sales Contract, (ii) the insertion of dates and the Municipality's address for notice (as reflected on the records of IPA or as otherwise expressly provided to IPA as the Municipality's address for notice together with the delivery of the Renewal Power Sales Contract), (iii) the modification of exhibits and appendices to complete, update or correct the Agreement for Sale, (iv) the updating of appendices and exhibits to reflect elections made under the Agreement for Sale in accordance with the terms thereof and (v) other modifications approved by the Mayor, which approval shall be conclusively established and evidenced by the execution by the Mayor of Agreement for Sale as so modified; and; and

BE IT FURTHER RESOLVED, that the Mayor and the Clerk/Recorder are hereby authorized and directed to execute and deliver, or cause to be executed and delivered, on behalf of the Municipality such additional documents, certificates, instruments, notices, opinions and agreements as may be deemed by the Mayor to be necessary or appropriate to the extent consistent with this Resolution.

PASSED, APPROVED AND SIGNED _____, 2016.

[INSERT NAME OF MUNICIPALITY]

[INSERT NAME OF COUNCIL CHAIR OR
MAYOR, AS APPLICABLE]

ATTEST:

_____, Clerk/Recorder

Exhibit B

Redlined Renewal Documents

Redlined Renewal Documents
Exhibit 1

Redline of Offer Letter

[see attached]

[IPA LETTERHEAD]

_____, 201____

March 18, 2016

Re: Renewal Offer Letter

[Purchaser Name and Address]

Mayor Craig Wright

30 West 300 North

PO Box 271

Beaver, UT 84713

Dear ~~[Purchaser Contact]~~ Mayor Wright:

The Power Sales Contract, dated _____, September 28, 1978, by Intermountain Power Agency (“IPA”) with _____ Beaver City Corporation (the “Purchaser”), as heretofore amended, including the amendments by the Second Amendatory Power Sales Contract, and the other Power Sales Contracts by IPA, as so amended, with other utilities (collectively including Purchaser’s Power Sales Contract, the “Original Power Sales Contracts”) provide for participation by Purchaser and such other utilities (collectively including Purchaser, the “Original Purchasers”) in the Intermountain Power Project (the “Project”). Under Section 33 of the Original Power Sales Contracts IPA agrees to offer (the “Renewal Offer”) to Purchaser and such other Original Purchasers renewal of their participation in the rights and benefits of the Project from and after the expiration on June 15, 2027 (or such later date of termination of the Original Power Sales Contracts that occurs pursuant to Section 26.1 thereof).

This Offer Letter and the terms of the completed form of Offer Acceptance (the “Offer Acceptance”) and the terms of the form of the Renewal Power Sales Contract (the “Renewal Power Sales Contract”), including the form of Agreement for Sale of Renewal Excess Power (the “Excess Renewal Power Sales Agreement”) included as Appendix D to the Renewal Power Sales Contract, which accompany this Offer Letter constitute the initial offer (the “First Round Offer”) by IPA under its Renewal Offer. Such renewal of participation in the Project will be under and pursuant to the Renewal Power Sales Contracts to be entered into by IPA with the Original Purchasers that provide Offer Acceptances of the First Round Offer.

Initially capitalized terms used in this Offer Letter and in the Offer Acceptance which are defined in Section 4 of the Renewal Power Sales Contract shall have the same meanings, respectively, in this Offer Letter and the Offer Acceptance as given such terms in Section 4 of the Renewal Power Sales Contract.

First Round Offer: IPA hereby offers to Purchaser participation, commencing on June 16, 2027 (or such later date following termination of the Original Power Sales Contract that occurs pursuant to Section 26.1 thereof), in the rights and benefits of the Project in proportion to Purchaser’s Original Purchaser Entitlements. Purchaser may accept this First Round Offer, in

whole or in part, by completing and executing the Offer Acceptance accompanying this Offer Letter. Purchaser should set forth in the space provided in the Offer Acceptance (i) the Generation Entitlement Share that is accepted by Purchaser which may be equal to (but not exceed) its Generation Entitlement Share under its Original Power Sales Contract or may be a specified portion of such Generation Entitlement Share, (ii) the Generation Cost Share accepted by Purchaser which shall be the same percentage as the Generation Entitlement Share set forth pursuant to (i) above, and (iii) Purchaser's Point of Delivery (consistent with Section 9.9 of the Renewal Power Sales Contract). Purchaser's Transmission Cost Share will be calculated as provided under the Renewal Power Sales Contract by dividing the Generation Entitlement Share as set forth by Purchaser pursuant to (i) above that is to be delivered at the Point of Delivery set forth pursuant to (iii) above, by the aggregate of all Generation Entitlement Shares specified in the Offer Acceptances of Purchaser and the other Original Purchasers to be delivered at such Point of Delivery. The completed Offer Acceptance of Purchaser shall be duly authorized and executed by Purchaser, shall have received any and all Regulatory Contract Approvals and shall be submitted to IPA by _____, ~~201~~ May 25, 2016 or any extension thereof by IPA (the "First Round Offer Acceptance Date"), all in accordance with Section 26 of the Renewal Power Sales Contract.

Any portion of Purchaser's Original Purchaser Entitlements not accepted by Purchaser by its Offer Acceptance of the First Round Offer shall become part of the Orphan Original Purchaser Entitlements under the Renewal Power Sales Contracts. If Purchaser does not timely respond to this First Round Offer, or if Purchaser responds by rejecting in writing its entire Original Purchaser Entitlement, all Purchaser's Original Purchaser Entitlements shall become part of the Orphan Original Purchaser Entitlements, and Purchaser will be deemed to have rejected the Renewal Offer and shall have no further right to participate in the Renewal Offer.

As set forth in the Offer Acceptance, the Renewal Offer process will conclude with no further offers being made in the event Offer Acceptances of the First Round Offer result in the Renewal Power Sales Contracts by IPA with Purchaser and the other Original Purchasers becoming fully effective for one hundred percent (100%) of the Generation Entitlement Shares, Generation Cost Shares and the applicable Transmission Cost Shares of the Project, all as provided in the Offer Acceptance and in Section 26.2.2 of the Renewal Power Sales Contract. In the event, however, that the First Round Offer does not result in such Offer Acceptances, the Renewal Offer will continue with the Second Round Offer under which IPA will provide (i) that (a) the Utah Committed Purchasers shall have the right to provide to IPA a Utah Orphan Entitlement Allocation Document within 45 days following the date on which IPA provides its Offer Letter for the Second Round Offer, and (b) if the Utah Committed Original Purchasers fail to provide to IPA such a Utah Orphan Entitlement Allocation Document, such remaining Utah Orphan Purchaser Entitlements shall then be offered to each of the Utah Committed Original Purchasers as provided under Section 26.3.1.1 of the Renewal Power Sales Contracts, and (ii) that (a) the California Committed Purchasers shall have the right to provide to IPA a California Orphan Entitlement Allocation Document within 45 days following the date on which IPA provides its Offer Letter for the Second Round Offer, and (b) if the California Committed Original Purchasers fail to provide to IPA such a California Orphan Entitlement Allocation Document, such remaining California Orphan Original Purchaser Entitlements shall then be offered to each

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of the California Committed Original Purchasers as provided under Section 26.3.1.2 of the Renewal Power Sales Contracts. In the event, however, that the Second Round Offer does not result in Offer Acceptances for at least eighty-five percent (85%) of the aggregate Original Purchaser Entitlements, the Renewal Offer will continue with the Final Offer in accordance with Section 26.4 of the Renewal Power Sales Contracts.

The same offer as provided in this Offer Letter is being extended to each of the other Original Purchasers.

Upon the Renewal Power Sales Contracts becoming fully effective, each Utah Purchaser accepting this First Round Offer pursuant to an Offer Acceptance that elects to enter into the Excess Renewal Power Sales Agreement should furnish IPA with a notice of its election in accordance with Section 26.6.1 of the Renewal Power Sales Contracts. Los Angeles, as well as each of the other California Purchasers accepting this Renewal Offer that elects to enter into the Excess Renewal Power Sales Agreement, should furnish IPA with a notice of its election in accordance with Section 26.6.1 of the Renewal Power Sales Contracts.

If you have questions regarding this Renewal Offer or would like to discuss any of the terms and provisions of the Offer Acceptance or Renewal Power Sales Contract, please contact us and we will put you in contact with the appropriate person to address those matters.

INTERMOUNTAIN POWER AGENCY

By: _____

Its: _____ General Manager

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Redlined Renewal Documents
Exhibit 2

Redline of Offer Acceptance

[see attached]

OFFER ACCEPTANCE

_____, ~~201~~, 2016

To: Intermountain Power Agency ("IPA")

Beaver City Corporation (also known as Beaver City) ("Purchaser") hereby accepts the First Round Offer in accordance with the terms of IPA's Offer Letter, dated ~~_____ 201~~, March 18, 2016, including this Offer Acceptance and the accompanying form of Renewal Power Sales Contract (the "Renewal Power Sales Contract"), and hereby specifies for its Offer Acceptance of the First Round Offer the following:

Purchaser's Accepted Generation Entitlement Share: _____%

Purchaser's Accepted Generation Cost Share: _____%¹

Purchaser's Accepted Point of Delivery: _____²

Purchaser understands and agrees that its transmission entitlement in the Project and its Transmission Cost Share will be determined as provided in the Renewal Power Sales Contract.

Initially capitalized terms used in this Offer Acceptance which are defined in Section 4 of the Renewal Power Sales Contract shall have the same meanings, respectively, in this Offer Acceptance as given such terms in Section 4 of the Renewal Power Sales Contract.

By this Offer Acceptance, Purchaser agrees that based upon such Offer Acceptance and as provided by the applicable terms of the Renewal Power Sales Contract, IPA will prepare and will execute and deliver to Purchaser the Renewal Power Sales Contract to be entered into with Purchaser, including Appendices A and B thereto, all as provided in Section 26.2 of the Renewal Power Sales Contract, and Purchaser agrees to execute and deliver to IPA such Renewal Power Sales Contract which shall become effective as of the First Round Offer Acceptance Date.

If, there shall have been Offer Acceptances by the Original Purchasers of the First Round Offer so that IPA shall enter into Renewal Power Sales Contracts with Purchaser and all the other Original Purchasers for one hundred percent (100%) of the Generation Entitlement Shares, Generation Cost Shares and the applicable Transmission Cost Shares of the Project, all as provided in Section 26.2.2 of the Renewal Power Sales Contract, Purchaser agrees in accordance with Section 26.2.2 that its Renewal Power Sales Contract, together with such Renewal Power Sales Contracts by IPA with the other Original Purchasers, shall be fully effective in accordance with the terms thereof.

¹ Purchaser's Generation Cost Share must be the same as its Generation Entitlement Share as required by the Renewal Power Sales Contract.

² Purchaser's Point of Delivery must be designated in accordance with Section 9.9 of the Renewal Power Sales Contract.

As provided in Section 26.2.2 of the Renewal Power Sales Contract, upon the receipt by Purchaser and IPA of any and all required Regulatory Contract Approvals and upon Purchaser and IPA furnishing, each to the other, the legal opinions required pursuant to Section 25.3 of the Renewal Power Sales Contract, the Renewal Power Sales Contract of Purchaser with IPA, together with the Renewal Power Sales Contracts of IPA with such other Original Purchasers, shall be effective in accordance with the terms thereof, all as of the First Round Offer Acceptance Date.

Purchaser hereby certifies that the Renewal Power Sales Contract executed and delivered by it as above provided has been duly authorized by Purchaser, and Purchaser has obtained any and all Regulatory Contract Approvals required for its Renewal Power Sales Contract to be fully effective.

It is understood and agreed by Purchaser that in the event that the Offer Acceptances by the Original Purchasers do not permit the Renewal Power Sales Contract to become fully effective as provided in Section 26.2.2, Purchaser's Renewal Power Sales Contract with IPA will, however, become effective in accordance with Section 26.2.1, and Purchaser, together with the other Original Purchasers furnishing Offer Acceptances, will be entitled to receive the Second Round Offer under IPA's continuation of the Renewal Offer, as provided in Section 26.3 of the Renewal Power Sales Contract.

Beaver City Corporation (also known as Beaver City), as Purchaser, hereby causes this Offer Acceptance to be executed on its behalf on the date provided above.

BEAVER CITY CORPORATION
(also known as BEAVER CITY)

By: _____

Its: _____

Redlined Renewal Documents
Exhibit 3

Redline of Renewal Power Sales Contract

[see attached]

RENEWAL POWER SALES CONTRACT

BETWEEN

INTERMOUNTAIN POWER AGENCY

AND

BEAVER CITY CORPORATION

Construction Management and Operating Agreement, or (d) required by any Bond Resolution; provided, however, that Capital Improvements shall not include any generating unit added to the Project in addition to those included in the Project which continue to generate electric capacity and energy of the Project. Capital Improvements shall consist of Ordinary Capital Improvements and Major Capital Improvements. Each Capital Improvement constitutes a part of the Project Component to which it relates.

4.18 **Committed Original Purchaser:** An Original Purchaser that has (i) accepted its Renewal Offer by entering into an Offer Acceptance as to all of its Original Purchaser Entitlement or (ii) accepted its Renewal Offer by entering into an Offer Acceptance as to part of its Original Purchaser Entitlement and declined, rejected or otherwise relinquished in writing and to the reasonable satisfaction of IPA the Renewal Offer as to the remainder of its Original Purchaser Entitlement, or deemed to have so declined, rejected or otherwise relinquished the same as provided in this Contract.

4.19 **Construction Aid Agreement:** Shall have the meaning set forth in Section 38.2.

4.20 **Construction Management and Operating Agreement:** The Intermountain Power Project ~~Amended and Restated~~ Construction Management and Operating Agreement, dated as of ~~_____~~, ~~201~~, September 12, 1980, by and between Los Angeles and IPA relating to the construction and operation of the Project during the term of the Original Power Sales Contracts and the term of the Renewal Power Sales Contracts and any replacements or renewals thereof, as such Agreement, or such replacements or renewals thereof, may from time to time be amended and supplemented.

4.21 **Contract:** Shall have the meaning set forth in Section 1 and is one of the Renewal Power Sales Contracts.

4.22 **Cooperative Purchasers:** The Purchasers that are incorporated and organized as cooperative corporations and provide electric energy to retail customers in any of the States of Utah, Nevada or Wyoming. The Cooperative Purchasers shall not include any of the California Purchasers or the Utah Municipal Purchasers.

4.23 **Cost Shares:** With respect to a Purchaser, shall mean its Generation Cost Share and its Northern Transmission Cost Share or Southern Transmission Cost Share, as applicable.

4.24 **Debt Instruments:** All bonds, notes and other instruments evidencing IPA's obligation to pay or repay Project Indebtedness.

4.25 **Debt Service:** For any period shall mean, as of any date of calculation and with respect to any particular series, issue or tranche of any specified Project Indebtedness an amount equal to the sum of (i) interest accruing during such period on such series, issue or tranche of Project Indebtedness, except to the extent that such interest is to be paid through capitalized interest funded with the proceeds thereof and (ii) that portion of each principal installment (including any unsatisfied balance of a sinking fund installment) with respect to such

4.40 **FASB:** The Financial Accounting Standards Board or any successor organization thereto.

4.41 **Final Offer:** IPA's continued Renewal Offer, if necessary as provided in Section 26.4.1, with respect to the then remaining Orphan Original Purchaser Entitlements to each of the Committed Original Purchasers in the order of their respective Subscription Generation Entitlement Shares, beginning with the Committed Original Purchaser with the highest Subscription Generation Entitlement Share, as then set forth in Appendix B of the Renewal Power Sales Contracts, and continuing with the Committed Original Purchasers in descending order of values of their Subscription Generation Entitlement Shares under Appendix B; provided that such Final Offer shall cease to be offered any further upon the first to occur of the receipt of an Offer Acceptance by a Committed Original Purchaser that complies with Section 26.4.2 or such an Offer Acceptance that complies with Section 26.4.3.

4.42 **Final Offer Acceptance Date:** Such date as specified in the Offer Letter by IPA with respect to the Final Offer, as such date may be thereafter extended by IPA.

4.43 **Final Retirement Date:** With respect to any particular Project Component, the date upon which all conditions set forth in Section 23.9 have been satisfied as to such Project Component.

4.44 **First Round Offer:** The initial offer under IPA's Renewal Offer offering to each Original Purchaser the renewal, in whole or in part, of its Original Purchaser Entitlements as provided in Section 26.2.

4.45 **First Round Offer Acceptance Date:** _____,
~~201~~ May 25, 2016, as such date may be extended by IPA.

4.46 **Fiscal Year:** Any period commencing on July 1 of any calendar year and ending on June 30 of the next succeeding calendar year.

4.47 **Fuel Management Practices and Procedures:** The fuel management practices and procedures approved by the Renewal Contract Coordinating Committee as provided in Section 6.2.10.

4.48 **Gas Repowering:** The construction and installation of Gas Unit 1 and Gas Unit 2 as provided in Section 44.1 of the Original Power Sales Contract, together with the decommissioning and retirement of existing generating units and related facilities and properties as provided in Section 44.2 of the Original Power Sales Contracts.

4.49 **Gas Unit:** Includes:

4.49.1 **Gas Unit 1:** The natural gas-fired combined cycle power block and related facilities and properties constituting a part of the Generation Station and referred to as Intermountain Power Project Unit 1, as shall be set forth in the Description of Project attached hereto as Appendix C, together with any Auxiliary Facilities of such generating unit as set forth in Section 23.8.

Facility pursuant to Section 24.1, the Retirement Salvage Proceeds of such Project Water Rights shall be deemed to be the amount determined pursuant to Section 24.2.

4.120 **Second Amendatory Power Sales Contract:** The Second Amendatory Power Sales Contract, dated as of ~~_____~~, ~~201~~, December 8, 2015, entered into by IPA with each Original Purchaser, together with any amendments thereof and supplements thereto.

4.121 **Second Round Offer Acceptance Date:** Such date specified in the Offer Letter by IPA with respect to the Second Round Offer, as such date may be extended by IPA.

4.122 **Second Round Offer:** IPA's continued Renewal Offer pursuant to Section 26.3 hereof.

4.123 **Section 39 Facilities:** Section 39 Facilities shall mean rights, properties, facilities and appurtenances that pursuant to and as provided in Section 39 of the Renewal Power Sales Contracts are to be or have been sold, leased or otherwise made available by IPA for the construction or operation of any generating unit or units, transmission facilities or other facilities or properties at the Project site that shall not be part of the Project.

4.124 **Section 39 Facilities Agreement:** Section 39 Facilities Agreement shall mean any agreement or arrangement pursuant to which IPA sells, leases or otherwise makes available Section 39 Facilities in accordance with Section 39 of the Renewal Power Sales Contracts for any generating unit or units, transmission facilities or other facilities or properties located at the Project site but not constituting part of the Project.

4.125 **Southern Transmission Cost Share:** As to any particular Purchaser, the share (expressed as a percentage) set forth for such Purchaser in Appendix A attached hereto, as adjusted pursuant to Section 26, with respect to the costs associated with the Southern Transmission System that are to be allocated among the Purchasers with the Point of Delivery on the Southern Transmission System under the Renewal Power Sales Contracts. Each Purchaser's Southern Transmission Cost Share shall be equal to the quotient obtained by dividing that portion of such Purchaser's Generation Entitlement Share that is to be delivered at the Point of Delivery on the Southern Transmission System by the aggregate of those portions of all Purchasers' Generation Entitlement Shares that are to be delivered at the Point of Delivery on the Southern Transmission System.

4.126 **Southern Transmission System:** The transmission system by that name set forth in the Description of the Project attached hereto as Appendix C together with all applicable Auxiliary Facilities.

4.127 **Subscription Generation Cost Share:** Purchaser's Subscription Generation Cost Share as initially established pursuant to Section 26, as increased from time to time, if applicable, pursuant to Section 26.

14.3 **Recommendations and Cash Requirements:** On and after the Transition Date the recommendations made by the Project Manager under the Construction Management and Operating Agreement with respect to each Major Capital Improvement and the recommendations made by the Operating Agent under the Construction Management and Operating Agreement with respect to each Ordinary Capital Improvement shall be submitted to IPA for its information simultaneously with the submission of such respective recommendations to the Renewal Contract Coordinating Committee for its review, modification and approval. In addition, in accordance with the Construction Management and Operating Agreement, the Operating Agent shall submit to the Renewal Contract Coordinating Committee for its review, modification and approval and simultaneously to IPA for its information, forecasts of cash requirements for each Ordinary Capital Improvement, and the Project Manager shall submit to the Renewal Contract Coordinating Committee for its review, ~~mediation~~modification and approval and simultaneously to IPA for its information, forecasts of cash requirements for each Major Capital Improvement.

14.4 **Certification upon Completion:** On and after the Transition Date, as soon as practicable after the completion of an Ordinary Capital Improvement or a Major Capital Improvement, IPA shall cause the Operating Agent or Project Manager, as applicable, to submit a certification to the Renewal Contract Coordinating Committee stating (a) that such Capital Improvement has been completed in accordance with the plans and specifications applicable thereto and in accordance with this Contract and the Construction Management and Operating Agreement, (b) the date of such completion and (c) the amount, if any, required for the payment of any remaining part of the cost of such Capital Improvement.

14.5 **Project Component:** Each Capital Improvement shall constitute a part of the Project Component to which it relates as shall be provided by the Renewal Contract Coordinating Committee in connection with its approval of such Capital Improvement.

~~14.6~~14.6 **Alternative Repowering:** As of the date of the approval of an Alternative Repowering, if any, by IPA, the Coordinating Committee and, in accordance with Section 6.1.10.2 of this Contract, the Renewal Contract Coordinating Committee, (a) as used in this Contract, the term “Gas Repowering” shall mean such Alternative Repowering, (b) such Alternative Repowering shall constitute the source for electric generation for the Project, (c) such Alternative Repowering shall replace any prior plan for repowering the Project, (d) such Alternative Repowering shall constitute a Capital Improvement determined to be necessary or desirable by the Original Coordinating Committee and the Renewal Contract Coordinating Committee and (e) without the need for consent of Purchaser (other than the affirmation, if any, of Purchaser’s representative that may be necessary for the Original Coordinating Committee or the Renewal Contract Coordinating Committee to take action to approve the revising of this Contract as described in the remainder of this Section 14.6), this Contract shall be revised to the extent determined by IPA, the Coordinating Committee and the Renewal Contract Coordinating Committee (simultaneous with or prior to the approval of such Alternative Repowering) to be necessary to describe such Alternative Repowering as the source or sources of electric generation for the Project.

15. PROJECT INDEBTEDNESS:

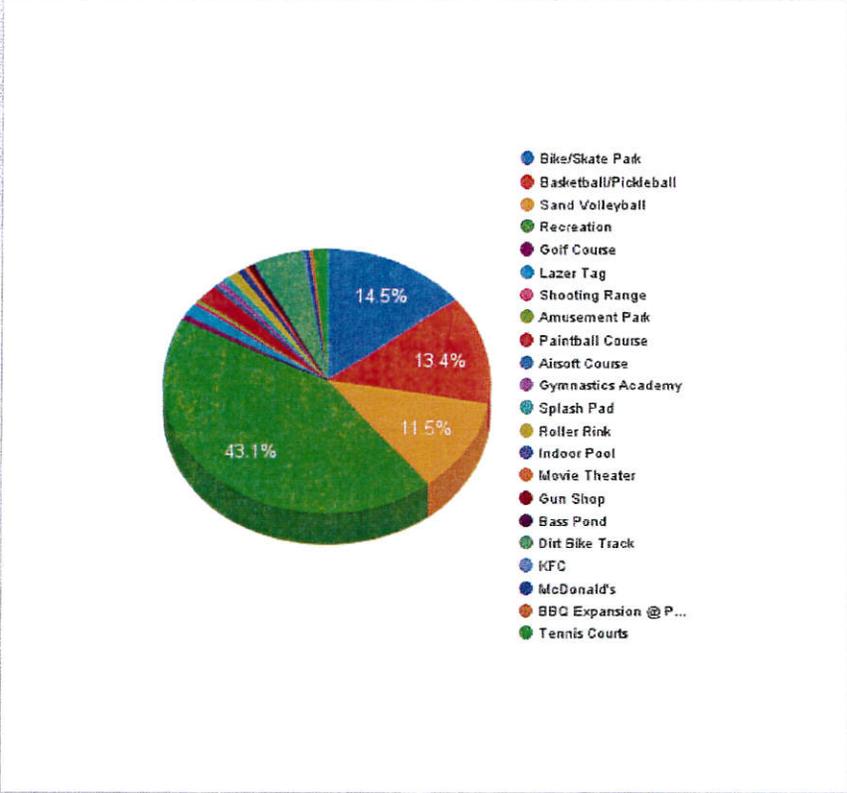
As background, the bypass line change order (#6) was approved in May 2015. At the time it was intended for PPI to demobilize and remobilize one time for the bypass line when the plunger valve became available. However, they were not able to move on to the diversion structure work when the rest of the penstock was completed due to the delay in the FERC authorization to start the diversion work. We requested that they return in the fall of 2015 to complete the diversion work with the intent of getting the SCADA connected and the controls online for everything other than the bypass line as soon as possible. PPI remobilized to the site in December 2015 and completed enough of the diversion work for the SCADA to be completed (the fact that it was then discovered that the SCADA needed additional repeaters is ironic, but not relevant to this change order). They then remobilized again in April to install the plunger valve and bypass line.

It is noted that there was no direct conveyance of their intent to request another remobilization charge at the time of their return for the diversion work, although JD had mentioned to me that there were verbal inferences that they may need to cover their costs at some point. When they returned for the bypass line work, they advised us at that time that their additional mobilization costs were significant enough to need to request the change order. Although it would have been more straightforward to identify and request the additional costs at the time they were asked to return in December, the request for an additional mobilization of personnel and equipment is an understandable expense. For the equipment that they mobilized (excavator, backhoe, loader, etc) and the crew, I believe that \$3k is probably very reasonable (in comparison, the total project mobilization cost is ~\$50k).

CITY OF PAROWAN
 CENTER CREEK HYDROELECTRIC PENSTOCK REPLACEMENT PROJECT

NO.	ITEM	C.O.#	QTY	UNIT	Precision Pipeline, Inc.	
					UNIT PRICE	AMOUNT
BID ITEMS						
1	MOBILIZATION	11	1	LS	\$ 52,860.00	\$ 52,860.00
2	PRE-CONSTRUCTION DVD		1	LS	\$ 500.00	\$ 500.00
3	TRAFFIC CONTROL		1	LS	\$ 10,765.00	\$ 10,765.00
4	CONSTRUCTION STAKING		1	LS	\$ 8,800.00	\$ 8,800.00
5	SUBSURFACE INVESTIGATION	8	88	HR	\$ 125.00	\$ 11,000.00
6	QUALITY CONTROL SAMPLING & TESTING		1	LS	\$ 28,570.00	\$ 28,570.00
7	DEMOLITION		1	LS	\$ 75,000.00	\$ 75,000.00
8	CLEARING & GRUBBING		1	LS	\$ 25,000.00	\$ 25,000.00
9	6" COMBINATION AIR/VAC VALVE STATION		1	EA	\$ 16,350.00	\$ 16,350.00
10	20" BUTTERFLY VALVE ASSEMBLY	8	1	EA	\$ 6,525.00	\$ 6,525.00
11	20" HDPE WATERLINE INSTALLATION, FITTINGS, TRACER WIRE, BEDDING, & BACKFILL	1,8	2,647	LF	\$ 19.35	\$ 51,219.45
12	24" HDPE WATERLINE INSTALLATION, FITTINGS, TRACER WIRE, BEDDING, & BACKFILL	1,8	3,285	LF	\$ 19.35	\$ 63,564.75
13	RESTORE SURFACE IMPROVEMENTS		1	LS	\$ 15,000.00	\$ 15,000.00
14	RETRO-FIT WASH CROSSING		1	LS	\$ 13,885.00	\$ 13,885.00
15	AERIAL CROSSING #1		1	LS	\$ 74,035.00	\$ 74,035.00
16	AERIAL CROSSING #2		1	LS	\$ 89,130.00	\$ 89,130.00
17	AERIAL CROSSING #3		1	LS	\$ 89,130.00	\$ 89,130.00
18	ACCESS PORT	2	2	EA	\$ 19,620.00	\$ 39,240.00
19	METERING STATION		1	LS	\$ 19,245.00	\$ 19,245.00
20	HIGHWAY CROSSING	8	108.42	LF	\$ 528.00	\$ 57,245.76
21	MISCELLANEOUS CONNECTIONS, PIPING, FITTINGS, CAPS & TIE-IN		1	LS	\$ 139,910.00	\$ 139,910.00
22	SOLID ROCK TRENCH EXCAVATION	8	278	LF	\$ 10.00	\$ 2,780.00
23	3" BITUMINOUS SURFACING W/ 6" BASE	8	10,808	SF	\$ 3.95	\$ 42,691.60
24	DIVERSION STRUCTURE IMPROVEMENTS		1	LS	\$ 35,945.00	\$ 35,945.00
25	PROTECTIVE RIPRAP		245	LF	\$ 20.00	\$ 4,900.00
26	BANK AND TOE PROTECTION		1	LS	\$ 7,500.00	\$ 7,500.00
27	20" DUCTILE IRON WATERLINE INSTALLATION, FITTINGS, TRACER WIRE, BEDDING, & BACKFILL (CL350)	1,8	9,808	LF	\$ 16.75	\$ 164,284.00
28	CATHODIC PROTECTION	1	0	LS	\$ 39,995.00	\$ -
29	20" DUCTILE IRON WATERLINE INSTALLATION, FITTINGS, TRACER WIRE, BEDDING, & BACKFILL (CL250)	1,8	2,029	LF	\$ 19.35	\$ 39,261.15
30	20" CL 250 PRESSURE TEST VALVES	2	2	EA	\$ 9,541.45	\$ 19,082.90
31	20" HDPE WATERLINE INSTALLATION W/ FITTING , END CAPS & SPACERS	3	1	LS	\$ 15,757.50	\$ 15,757.50
32	EXISTING UTILITY MODIFICATION	4	1	EA	\$ 2,800.00	\$ 2,800.00
33	4" GOOSE NECK AIR-VENT (16' TALL)	5	1	LS	\$ 4,055.00	\$ 4,055.00
34	WELL LINE INSTALLATION TO FOREBAY	5	1	LS	\$ 1,500.00	\$ 1,500.00
35	PRESSURIZED IRRIGATION BYPASS LINE	5	1	LS	\$ 5,820.66	\$ 5,820.66
36	TRACER WIRE COVER & LID	5	14	EA	\$ 90.00	\$ 1,260.00
37	INSTALL TRACER WIRE COVER CONCRETE COLLAR	5	14	EA	\$ 250.00	\$ 3,500.00
38	BYPASS LINE W/ VAULT	6	1	LS	\$ 130,365.00	\$ 130,365.00
39	REMOVE 20" BUTTERFLY VALVE FROM DUCTILE IRON	7	2	EA	\$ 4,985.00	\$ 9,970.00
40	REMOVE 20" BUTTERFLY VALVE FROM HDPE	7	1	EA	\$ 3,635.00	\$ 3,635.00
41	REMOVE & REPLACE 4' WIDE CONCRETE SIDEWALK	10	125	LF	\$ 7.00	\$ 875.00
					TOTAL	\$ 1,382,957.77

Bike/Skate Park	39
Basketball/Pickleball	36
Sand Volleyball	31
Recreation	116
Golf Course	2
Lazer Tag	4
Shooting Range	1
Amusement Park	1
Paintball Course	6
Airsoft Course	1
Gymnastics Academy	2
Splash Pad	2
Roller Rink	3
Indoor Pool	2
Movie Theater	1
Gun Shop	1
Bass Pond	1
Dirt Bike Track	13
KFC	1
McDonald's	1
BBQ Expansion @ Pool	1
Tennis Courts	4



Laws and Rules Pertaining to Beekeeping in Utah

Compiled by Blaine Nay, www.ironbee.us, 15 Apr 2015

4-5-9.5. Cottage food production operations. (Amended 2008)

(1) For purposes of this chapter:

(a) "Cottage food production operation" means a person, who in the person's home, produces a food product that is not a potentially hazardous food or a food that requires time/temperature controls for safety;

(b) "Home" means a primary residence:

(i) occupied by the individual who is operating a cottage food production operation; and

(ii) which contains:

(A) a kitchen designed for common residential usage; and

(B) appliances designed for common residential usage.

(c) "Potentially hazardous food" or "food that requires time/temperature controls for safety":

(i) means a food that requires time and or temperature control for safety to limit pathogenic microorganism growth or toxin formation and is in a form capable of supporting:

(A) the rapid and progressive growth of infections or toxigenic microorganisms;

(B) the growth and toxin production of *Clostridium botulinum*; or

(C) in shell eggs, the growth of *Salmonella enteritidis*;

(ii) includes:

(A) an animal food;

(B) a food of animal origin that is raw or heat treated;

(C) a food of plant origin that is heat treated or consists of raw seed sprouts;

(D) cut melons;

(E) cut tomatoes; and

(F) garlic and oil mixtures that are not acidified or otherwise modified at a food establishment in a way that results in mixtures that do not support growth as specified under Subsection (1)(c)(i); and

(iii) does not include:

(A) an air-cooled hard-boiled egg with shell intact;

(B) a food with an actual weight or water activity value of 0.85 or less;

(C) a food with pH level of 4.6 or below when measured at 24 degrees Centigrade;

(D) a food, in an unopened hermetically sealed container, that is processed to achieve and maintain sterility under conditions of nonrefrigerated storage and distribution;

(E) a food for which laboratory evidence demonstrates that the rapid and progressive growth of items listed in Subsection (1)(c)(i) cannot occur, such as a food that:

(I) has an actual weight and a pH level that are above the levels specified under Subsections (1)(c)(iii)(B) and (C); or

(II) contains a preservative or other barrier to the growth of microorganisms, or a combination of barriers that inhibit the growth of microorganisms; or

(F) a food that does not support the growth of microorganisms as specified under Subsection (1)(c)(i) even though the food may contain an infectious or toxigenic microorganism or chemical or physical contaminant at a level sufficient to cause illness.

(2)(a) The department shall adopt rules pursuant to Title 63G, Chapter 3, Utah Administrative Rulemaking Act, as necessary to protect public health and ensure a safe food supply.

(b) Rules adopted pursuant to this Subsection (2) shall provide for:

(i) the registration of cottage food production operations as food establishments under this chapter;

(ii) the labeling of products from a cottage food production operation as "Home Produced"; and

(iii) other exceptions to the chapter that the department determines are appropriate and that are consistent with this section.

(3) Rules adopted pursuant to Subsection (2):

(a) may not require:

(i) the use of commercial surfaces such as stainless steel counters or cabinets;

(ii) the use of a commercial grade:

(A) sink;

(B) dishwasher; or

(C) oven;

(iii) a separate kitchen for the cottage food production operation; or

(iv) the submission of plans and specifications before construction of, or remodel of, a cottage food production operation; and

(b) may require:

(i) an inspection of a cottage food production operation:

(A) prior to issuing a registration for the cottage food production operation; and

(B) at other times if the department has reason to believe the cottage food production operation is operating:

(I) in violation of this chapter or an administrative rule adopted pursuant to this section; or

(II) in an unsanitary manner; and

(ii) the use of finished and cleanable surfaces.

(4)(a) The operator of a cottage food production operation shall:

(i) register with the department as a cottage food production operation before operating as a cottage food production operation; and

(ii) hold a valid food handler's permit.

(b) Notwithstanding the provisions of Subsections 4-5-9(1)(a) and (c), the department shall issue a registration to an applicant for a cottage food production operation if the applicant for the registration:

(i) passes the inspection required by Subsection (3)(b);

(ii) pays the fees required by the department; and

(iii) meets the requirements of this section.

(5) Notwithstanding the provisions of Section 26A-1-114, a local health department:

(a) does not have jurisdiction to regulate the production of food at a cottage food production operation operating in compliance with this section, as long as the products are not offered to the public for consumption on the premises; and

(b) does have jurisdiction to investigate a cottage food production operation in any investigation into the cause of a food borne illness outbreak.

(6) A food service establishment as defined in Section 26-15a-102 may not use a product produced in a cottage food production operation as an ingredient in any food that is prepared by the food establishment and offered by the food establishment to the public for consumption.

4-5-20. Food designated as raw honey. (Enacted 2011)

(1) As used in this section:

(a) "Honey" means the natural sweet substance produced by honeybees from nectar of plants or from secretions of living parts of plants that the bees collect, transform by combining with specific substances of their own, then deposit, dehydrate, store, and leave in the honeycomb to ripen and mature.

(b) "Raw honey" means honey:

(i) as it exists in the beehive or as obtained by extraction, settling, or straining;

(ii) that is minimally processed; and

(iii) that is not pasteurized.

(2) Honey that is produced, packed, repacked, distributed, or sold in this state may only be labeled and designated as raw honey if it meets:

(a) the definition of raw honey in this section; and

(b) any additional requirements imposed by the department by rule.

(3) The department shall make rules, in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to establish labeling requirements consistent with the provisions of this section.

4-11 - Utah Bee Inspection Act

4-11-1. Short title. This chapter shall be known and may be cited as the "Utah Bee Inspection Act." (Amended 1979)

4-11-2. Definitions. (Amended 2014)

Laws and Rules Pertaining to Beekeeping in Utah

Compiled by Blaine Nay, www.ironbee.us, 15 Apr 2015

As used in this chapter:

- (1) "Abandoned apiary" means any apiary:
- (a) to which the owner or operator fails to give reasonable and adequate attention during a given year, with the result that the welfare of a neighboring colony is jeopardized; or
 - (b) that is not properly identified in accordance with this chapter.
- (2) "Apiary" means any place where one or more colonies of bees are located.
- (3) "Apiary equipment" means hives, supers, frames, veils, gloves, or other equipment used to handle or manipulate bees, honey, wax, or hives.
- (4) "Appliance" means any apparatus, tool, machine, or other device used to handle or manipulate bees, wax, honey, or hives.
- (5) "Bee" means the common honey bee, *Apis mellifera*, at any stage of development.
- (6)(a) "Beekeeper" means a person who keeps bees in order to:
- (i) collect honey and beeswax;
 - (ii) pollinate crops; or
 - (iii) produce bees for sale to other beekeepers.
- (b) "Beekeeper" includes an apiarist.
- (7) "Colony" means an aggregation of bees in any type of hive that includes queens, workers, drones, or brood.
- (8) "Disease" means any infectious or contagious disease affecting bees, as specified by the department, including American foulbrood.
- (9) "Hive" means a frame hive, box hive, box, barrel, log, gum skep, or other artificial or natural receptacle that may be used to house bees.
- (10) "Package" means any number of bees in a bee-tight container, with or without a queen, and without comb.
- (11) "Parasite" means an organism that parasitizes any developmental stage of a bee.
- (12) "Pest" means an organism that:
- (a) inflicts damage to a bee or bee colony directly or indirectly; or
 - (b) may damage apiary equipment in a manner that is likely to have an adverse effect on the health of the colony or an adjacent colony.
- (13) "Raise" means:
- (a) to hold a colony of bees in a hive for the purpose of pollination, honey production, study, or similar purpose; and
 - (b) when the person holding a colony, holds the colony or a package of bees in the state for a period of time exceeding 30 days.
- (14) "Terminal disease" means a pest, parasite, or pathogen that will kill an occupant colony or subsequent colony on the same equipment.

4-11-3. Department authorized to make and enforce rules. (Amended 2008)

The department is authorized, subject to Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to make and enforce such rules as it considers necessary for the administration and enforcement of this chapter. Such rules shall include provisions for the identification of each apiary within the state.

4-11-4. Bee raising -- Registration required -- Application -- Fees -- Renewal -- Wax-salvage plants -- License required -- Application -- Fees -- Renewal. (Amended 2010)

- (1)(a) A person may not raise bees in this state without being registered with the department.
- (b) Application for registration to raise bees shall be made to the department upon tangible or electronic forms prescribed and furnished by the department, within 30 days after the person:
- (i) takes possession of the bees; or
 - (ii) moves the bees into the state.
- (c) Nothing in Subsection (1)(b) limits the requirements of Section 4-11-11.
- (d) An application in accordance with this chapter shall specify:
- (i) the name and address of the applicant;
 - (ii) the number of bee colonies owned by the applicant at the time of the application that will be present in the state for a period exceeding 30 days; and

(iii) any other relevant information the department considers appropriate.

(e) Upon receipt of a proper application and payment of an annual registration fee determined by the department pursuant to Subsection 4-2-2(2), the commissioner shall issue a registration to the applicant valid through December 31 of the year in which the registration is issued, subject to suspension or revocation for cause.

(f) A bee registration is renewable for a period of one year upon the payment of an annual registration renewal fee as determined by the department pursuant to Subsection 4-2-2(2).

(g) Registration shall be renewed on or before December 31 of each year.

(2)(a) A person may not operate a wax-salvage plant without a license issued by the department.

(b) Application for a license to operate a wax-salvage plant shall be made to the department upon tangible or electronic forms prescribed and furnished by the department.

(c) The application shall specify such information as the department considers appropriate.

(d) Upon receipt of a proper application and payment of a license fee as determined by the department pursuant to Subsection 4-2-2(2), the commissioner, if satisfied that the convenience and necessity of the industry and the public will be served, shall issue a license entitling the applicant to operate a wax-salvage plant through December 31 of the year in which the license is issued, subject to suspension or revocation for cause.

(e) A wax-salvage license is renewable for a period of one year, on or before December 31 of each year, upon the payment of an annual license renewal fee as determined by the department pursuant to Subsection 4-2-2(2).

4-11-5. County bee inspector -- Appointment -- Termination -- Compensation. (Amended 2010)

(1) The county executive upon the petition of five or more persons who raise bees within the respective county shall, with the approval of the commissioner, appoint a qualified person to act as a bee inspector within the county.

(2) A county bee inspector shall be employed at the pleasure of the county executive and the commissioner, and is subject to termination of employment, with or without cause, at the instance of either.

(3) Compensation for the county bee inspector shall be fixed by the county legislative body.

(4) To be appointed a county bee inspector, a person shall demonstrate adequate training and knowledge related to this chapter, bee diseases, and pests.

(5) A record concerning bee inspection shall be kept by the county executive or commissioner.

(6) The county executive and the commissioner shall investigate a formal, written complaint against a county bee inspector.

(7) The department may authorize an inspection if:

- (a) a county bee inspector is not appointed; and
- (b) a conflict of interest arises with a county bee inspector.

4-11-6. Hives to have removable frames -- Consent of county bee inspector to sell or transport diseased bees. (Amended 2010)

(1) A person may not house or keep bees in a hive unless it is equipped with movable frames to all its parts so that access to the hive can be had without difficulty.

(2) No person who owns or has possession of bees (whether queens or workers) with knowledge that they are infected with terminal disease, parasites, or pests, or with knowledge that they have been exposed to terminal disease, parasites, or pests, shall sell, barter, give away, or move the bees, colonies, or apiary equipment without the consent of the county bee inspector or the department.

4-11-7. Inspector -- Duties -- Diseased apiaries -- Examination of diseased bees by department -- Election to transport bees to wax-salvage plant. (Amended 2010)

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(1) The county bee inspector or the department shall inspect all apiaries within the county at least once each year and, also, inspect immediately any apiary within the county that is alleged in a written complaint to be severely diseased, parasitized, or abandoned.

(2) If, upon inspection, the inspector determines that an apiary is diseased or parasitized, the inspector shall take the following action based on the severity of the disease or parasite present:

(a) prescribe the course of treatment that the owner or caretaker of the bees shall follow to eliminate the disease or parasite;

(b) personally, for the purpose of treatment approved by the department, take control of the afflicted bees, hives, combs, broods, honey, and equipment; or

(c) destroy the afflicted bees and, if necessary, their hives, combs, broods, honey, and all appliances that may have become infected.

(3) If, upon reinspection, the inspector determines that the responsible party has not executed the course of treatment prescribed by Subsection (2), the inspector may take immediate possession of the afflicted colony for control or destruction in accordance with Subsection (2)(b) or (c).

(4)(a) The owner of an apiary who is dissatisfied with the diagnosis or course of action proposed by an inspector under this section may, at the owner's expense, have the department examine the alleged diseased bees.

(b) The decision of the commissioner with respect to the condition of bees at the time of the examination is final and conclusive upon the owner and the inspector involved.

(5) The owner of a diseased apiary, notwithstanding the provisions of Subsections (2), (3), and (4), may elect under the direction of the county bee inspector to kill the diseased bees, seal their hives, and transport them to a licensed wax-salvage plant.

4-11-8. County bee inspector -- Disinfection required before leaving apiary with diseased bees. (Amended 2010)

(1) Before leaving the premises of any apiary where disease exists, the county bee inspector, or any assistant, shall thoroughly disinfect any part of the inspector's own person, clothing, or any appliance that has come in contact with infected material.

(2) The method of disinfection required by Subsection (1):

(a) may be determined by the department; and

(b) shall be sufficient to destroy disease, parasites, and pathogens encountered.

(3) A county bee inspector shall maintain a record of each inspection, including disinfection practices.

(4) The county executive or the commissioner may review a county bee inspector's records kept in accordance with Subsection (3).

4-11-9. Inspection of apiaries where queen bees raised for sale - Honey from apiaries where queen bees raised for sale not to be used for candy for mailing cages unless boiled. (Amended 2010)

(1)(a) At least twice each summer the county bee inspector shall inspect each apiary in which queen bees are raised for sale.

(b) A person may not sell or transport any queen bee from an apiary that is found to be infected with disease, without the consent of the county bee inspector or the department.

(2) No person engaged in raising queen bees for sale shall use any honey for making candy for mailing cages that has not been boiled for at least 30 minutes.

(3) A person rearing queens shall follow standard methods for minimizing or eliminating unmanageably aggressive stock.

4-11-10. Enforcement -- Inspections authorized -- Warrants. (Amended 2010)

(1) The department and all county bee inspectors shall have access to all apiaries or places where bees, hives, and appliances are kept for the purpose of enforcing this chapter.

(2) If admittance is refused, the department, or the county bee inspector involved, may proceed immediately to obtain an ex

parte warrant from the nearest court of competent jurisdiction to allow entry upon the premises for the purpose of making an inspection.

4-11-11. Importation of bees or appliances into state --

Certification required -- Inspection discretionary -- Authority to require destruction or removal of diseased bees and appliances. (Amended 2010)

(1)(a) A person may not bring or import any bees in packages or hives or bring or import any used beekeeping equipment or appliances into this state, except after obtaining a certificate from an inspector authorized in the state of origin certifying that the bees, apiary equipment, or appliances have been inspected within the current production season, and that all diseased colonies in the apiary at the time of the inspection were destroyed or removed to a licensed wax-salvage plant before the issuance of the certificate.

(b) A person bringing or importing bees into the state shall advise the department of the address of the bees destination and furnish the department with a copy of the certificate of inspection either:

(i) within at least five working days before the bees enter the state; or

(ii) upon entry into the state.

(c) A person intending to hold bees in the state for a period of time exceeding 30 days shall comply with Section 4-11-4.

(2)(a) A person may not bring or import any used apiary equipment, except after obtaining a certificate from an inspector authorized in the state of origin certifying that all potentially pathogen-conductive apiary equipment or appliances are appropriately sterilized immediately before importation.

(b) A person bringing or importing used apiary equipment shall advise the department of the address of the destination in the state and furnish the department with a copy of the certificate of inspection either:

(i) within at least five working days before the bees enter the state; or

(ii) upon entry into the state.

(3) Used apiary equipment or appliances that have been exposed to terminal disease may not be sold without the consent of the county bee inspector or the commissioner.

(4) In lieu of Subsection (1), the certificate may be a Utah certificate.

(5)(a) If the department determines it is necessary for any reason to inspect any bees, apiary equipment, or appliance upon arrival at a destination in this state, and upon this inspection finds terminal disease, the department shall cause all diseased colonies, appliances, and equipment to be either:

(i) destroyed immediately; or

(ii) removed from the state within 48 hours.

(b) The costs under Subsection (5)(a)(i) or (ii) shall be paid by the person bringing the diseased colonies, appliances, or equipment into the state.

4-11-12. Quarantine authorized. (Amended 2010)

The commissioner, in order to protect the bee industry of the state against bee health or management issues, may quarantine the entire state, an entire county, or any apiary or specific hive within the state, as the commissioner considers necessary.

4-11-13. Unlawful acts specified. (Amended 2010)

It is unlawful for a person to:

(1) extract honey in any place where bees can gain access either during or after the extraction process;

(2) remove honey or wax, or attempt to salvage, or salvage any hives, apiary equipment, or appliances from a diseased colony, except in a licensed wax-salvage plant, unless specifically authorized by a county bee inspector or the commissioner;

(3) maintain any neglected or abandoned hives, apiary equipment, or appliances other than in an enclosure that prohibits the entrance of bees;

(4) raise bees without being registered with the department;

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- (5) operate a wax-salvage plant without a license;
- (6) store an empty hive body, apiary equipment, or appliances in a manner that may propagate pests, disease, or bee feeding frenzy; or
- (7) knowingly sell a colony, apiary equipment, or appliances that are inoculated with terminal disease pathogens.

4-11-14. Maintenance of abandoned apiary, equipment, or appliance -- Nuisance. (Amended 2010)

- (1) It is a public nuisance to keep or maintain an abandoned apiary, apiary equipment, or appliance other than in an enclosure that prohibits the entry of bees.
- (2) Items listed in Subsection (1) are subject to seizure and destruction by the county bee inspector.
- (3) Upon discovery of, or receipt of a written complaint concerning, an abandoned apiary site, apiary equipment, or appliance, the county bee inspector shall attempt to notify the registered owner, if any.
- (4)(a) A registered owner notified under Subsection (3) shall remove the abandoned apiary, apiary equipment, or appliance or provide a bee-proof enclosure within 15 days.
- (b) The county bee inspector or the department shall verify the removal or protection in accordance with Subsection (4)(a) at the expiration of the 15-day period.
- (c) If a registered owner does not comply with Subsection (4)(a), the county bee inspector or the department may seize and destroy the abandoned apiary, apiary equipment, and appliances.
- (5) A county bee inspector or the department may seize and destroy an abandoned apiary, apiary equipment, or appliances if the abandoned apiary, apiary equipment, or appliances do not indicate a registered owner.

4-11-15. Wax-salvage operations -- County bee inspector to supervise compliance with rules -- Salvage procedures specified. (Amended 2010)

- (1) All wax-salvage operations with respect to wax, hives, apiary equipment, and appliances that have been exposed to disease pathogens shall be performed under the direction and supervision of the county bee inspector according to procedures established by rules of the department.
- (2) A wax salvage operation shall be conducted in an enclosure that is tightly double-screened to prevent the possible entrance of bees.
- (3) Entrance to the enclosure shall be through a vestibule, double-screened in the same manner as the enclosure, with tight-fitting doors at each end.
- (4) All boiling or melting of any noncontaminated apiary equipment, such as cappings, honey supers, hives, or frames shall be done in a bee tight enclosure.

4-11-17. Maintaining gentle stock. (Enacted 2010)

A beekeeper may not intentionally maintain an aggressive or unmanageable stock, whether African or European in origin.

Rule R68-1. Utah Bee Inspection Act Governing Inspection of Bees.

As in effect on April 1, 2015

R68-1-1. Authority.

Promulgated under the authority of Section 4-11-3.

R68-1-2. Registration.

Every owner or person coming into possession of one or more colonies of bees within the State of Utah shall register with the Department of Agriculture and Food in accordance with the provisions in Section 4-11-4.

R68-1-3. Apiary Identification.

Each apiary location whether permanent or temporary shall be identified by a sign showing the owner's registration number issued by the Utah Department of Agriculture and Food at least

one inch in height, easily readable and displayed in a conspicuous location in the apiary; or similar identification conspicuously displayed on one or more hive bodies within the apiary. Any apiary not so identified shall be considered abandoned and shall be subject to seizure and destruction as provided for in Section 4-11-14.

R68-1-4. Assistance in Locating Apiaries.

All beekeepers shall personally assist the department or county bee inspectors in locating their apiaries, or provide accurate and detailed information as to location of all bee hives under their control or possession.

R68-1-5. Salvage Operations.

All salvage operations with respect to wax, hives and appliances from diseased colonies shall be performed in a tightly screened enclosure to prevent the entrance of bees according to the following procedure:

- A. Frames and comb from the diseased hives shall be held for at least 30 minutes in boiling water (212 degrees F) before any wax is removed.
- B. After removal from the boiling water the frames must be destroyed or boiled for a minimum of 20 minutes in a solution of lye water containing no less than 10 pounds of lye (Sodium Hydroxide) for each 100 gal. of water.
- C. Hive bodies, supers, covers and bottom boards must be thoroughly scorched or boiled for a minimum of 20 minutes in the lye water solution.

Rule R70-520. Standard of Identity and Labeling Requirements for Honey.

As in effect on April 1, 2015

The purpose of this rule is to establish a standard of identity and labeling requirements for honey that is produced, packed, repacked, distributed and sold in Utah. Codification of this standard is meant to reduce economic fraud by controlling the pervasive, illegal practices of blending or diluting pure honey with low-cost syrups such as sugar, cane and corn, and representing highly processed honey as raw honey.

R70-520-2. Authority.

This rule is promulgated under the authority of Subsections 4-2-2(1)(g), 4-5-8(5), 4-5-6(1)(b), 4-5-15(1) and Sections 4-5-16 and 4-5-20 of the UCA.

R70-520-3. Definitions.

- (1) "Honey" means the natural sweet substance produced by honeybees from nectar of plants or from secretions of living parts of plants which the bees collect, transform by combining with specific substances of their own, then deposit, dehydrate, store, and leave in the honeycomb to ripen and mature.
- (2) "Blossom Honey" or "Nectar Honey" means honey that comes from the nectar of plants.
- (3) "Comb" or "Comb honey" means honey stored by bees in the cells of freshly built broodless combs and sold in sealed whole combs or sections of such combs.
- (4) "Raw honey" means honey:
 - (a) as it exists in the beehive or as obtained by extraction, settling, or straining;
 - (b) that is minimally processed; and
 - (c) that is not pasteurized.
- (5) "Straining" means the process of removing particulate matter from honey by passing it through a metal or fabric screen or cloth with mesh large enough to pass pollen grains, enzymes and minerals.

R70-520-4. Standard of Identification for Honey.

- (1) Honey shall meet the following standards:
 - (a) honey may not be heated or processed to such an extent that its essential composition is changed or its quality is impaired;

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- (b) chemical or biochemical treatments may not be used to influence honey crystallizations;
- (c) honey may not contain more than 20 percent moisture content and for heather honey not more than 23 percent;
- (d) honey may be not less than 60 percent fructose and glucose, combined; the ratio of fructose to glucose shall not be greater than 0.9;
- (e) honey may not contain oligosaccharides indicative of invert syrup;
- (f) honey, except for honeycomb and cut comb style honey, may not contain more than 0.5g/1000g water insoluble solids.

R70-520-5. Standard of Identification for Blossom Honey.

- (1) Blossom honey shall meet the standards for honey in R70-520-4;
- (2) Blossom honey shall not contain more than 5 percent sucrose, except for the following:
 - (a) alfalfa (*Medicago sativa*), citrus spp, false acacia (*Robinia pseudoacacia*), French Honeysuckle (*Hedysarum*), Menzies banksias (*Banksia menziesii*), red gum (*Eucalyptus camaldulensis*), leatherwood (*Eucalyptus lucida*), and *Eucryphia milligani* may contain up to 10 percent sucrose.
 - (b) lavender (*Lavandula* spp) and borage (*Borago officinalis*) may contain up to 15 percent sucrose.

R70-520-6. Food Labeled as Honey or Raw Honey.

- (1) Food meeting the standards set forth in R70-520-4 and R70-520-5 may be designated "honey".
 - (a) The food may be labeled as "raw honey" if it additionally meets R70-520-3(4).
- (2) Food containing honey plus flavoring, spice or food additive shall be distinguished in the food name from honey by declaration of all of the added ingredients.
- (3) Food containing honey may be designated according to floral or plant source if the honey comes predominately from that particular source and has the organoleptic, physicochemical and microscopic properties corresponding with that origin.
 - (a) Food designated according to the honey's floral source plant shall have the common name or the botanical name of the floral source in close proximity on the label to the word "honey".
- (4) Honey may be designated according to the following styles:
 - (a) honey in liquid or crystalline state or a mixture of the two may be designated as "liquid" or "crystalline";
 - (b) honey meeting the definition of "comb" or "comb honey"; or
 - (c) honey containing one or more pieces of comb honey may be designated as "honey with comb" or "chunk honey".
- (5) Labels shall meet the requirements of Chapter 4-5-15 UCU.

R70-520-7. Misbranded Food.

Food labeled as a honey or raw honey, but not meeting the standard of identification or a labeling requirement in Sections four through six of this rule shall be deemed to be misbranded.

R70-520-8. False Food Advertisement.

Food advertised as honey or raw honey shall be considered falsely advertised if it does not meet the standard of identification or a labeling requirement in Sections four through six of this rule.

R70-520-9. Embargo and Destruction of Misbranded Food.

When an authorized agent of the department finds or has cause to believe a honey product is misbranded, the agent may follow the tagging, embargo and destruction procedures found in Title 4-5-5 UCA.

Rule R70-560. Inspection and Regulation of Cottage Food Production Operations.

As in effect on 15 May 2014

R70-560-1. Authority and Purpose.

- (1) Authority. Promulgated under authority of Title 4, Chapter 5, Section 9.5, Utah Code Annotated.

- (2) Purpose. The Department shall adopt rules pursuant to Title 63G-4, Utah Administrative Rulemaking Act, as necessary to protect public health and ensure a safe food supply.

- (3) Adopted and Referenced. The Utah Department of Agriculture and Food hereby adopts and references the applicable provisions of the Food Protection Rule, Utah Administrative Code Rule R70-530 issued by The Utah Department of Agriculture and Food, with specific exemptions as provided by Section 4-5-9.5, Utah Code Annotated.

R70-560-2. Definitions.

The following definitions apply in the interpretation and application of this rule:

- (1) "Department" means the Utah Department of Agriculture and Food.
- (2) "Food Processing Plant" does not include a Cottage Food Production Operation.
- (3) "Section 26A-1-114" means Title 26A, Chapter 1, Section 114, Utah Code Annotated.
- (4) "Section 26-15a-102" means Title 26, Chapter 15a, Section 102, Utah Code Annotated.

R70-560-3. Approval of Food.

- (1) Prior to producing a food, the operator of a cottage food production operation shall:
 - (a) At the discretion of the Department, provide written confirmation from a Department approved food laboratory or process authority that the food is not potentially hazardous; and
 - (b) Receive approval from the Department to produce the food.
- (2) A cottage food production operation may only sell Department approved foods to the public.
- (3) When food includes fruits or vegetables grown by the operator of a cottage food production operation, the operator must have a current private pesticide applicator certification issued by the Department under Title 4, Chapter 14, Utah Code Annotated.

R70-560-4. Production Requirements.

- (1) A cottage food production operation shall:
 - (a) Ensure that each operator holds a valid food handler's permit;
 - (b) Use finished and cleanable surfaces;
 - (c) Maintain acceptable sanitary standards and practices;
 - (d) Provide separate storage from domestic storage, including refrigerated storage;
 - (e) Provide for annual water testing if not connected to a public water system; and
 - (f) Keep a sample of each food for 14 days. The samples shall be labeled with the production date and time.
- (2) A cottage food production operation shall comply with R70-530, except that it shall not be required to:
 - (a) Have commercial surfaces such as stainless steel counters or cabinets;
 - (b) Have a commercial grade sink, dishwasher or oven;
 - (c) Have a separate kitchen; or
 - (d) Submit plans and specifications before construction or remodeling;
- (3) A cottage food production operation is prohibited from all of the following:
 - (a) Conducting domestic activities in the kitchen when producing food;
 - (b) Allowing pets in the kitchen;
 - (c) Allowing free-roaming pets in the residence;
 - (d) Washing out or cleaning pet cages, pans and similar items in the kitchen; and
 - (e) Allowing entry of non-employees into the kitchen while producing food.
- (4) A cottage food must be prepared by following the recipe used to prepare the food when it was submitted for the approval testing required in Subsection R70-560-3(1). When a process authority has recommended or stipulated production processes or criteria for a food, these must be followed when the food is produced. The recipe and process authority recommendations

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and stipulations shall be available in the facility for review by the department.

R70-560-5. Inspections, Registration and Investigations.

(1) The Department shall inspect a cottage food production operation:

- (a) Prior to issuing a registration for the cottage food production operation; and
- (b) If the Department has reason to believe the cottage food production operation is in violation of this chapter, or administrative rule, adopted pursuant to this section, or is operating in an unsanitary manner.

(2) A cottage food production operation must register with the Department as a food establishment pursuant to Rule R70-540 and pay the required fee.

(3) Notwithstanding the provisions of Rule R70-540, the Department shall issue a registration to an applicant for a cottage food production operation if the applicant:

- (a) Applies for the registration;
- (b) Passes the inspection required by Subsection R70-560-5(1);
- (c) Pays the fee required by the department; and
- (d) Meets the requirements of this section.

(4) The registration issued under Rule R70-540 shall be displayed at the cottage food production operation. A copy of the registration shall be displayed at farmers markets, roadside stands and other places at which the operator sells food from a fixed structure that is permanent or temporary and which is owned, rented or leased by the operator of the cottage food production operation.

R70-560-6. Cottage Food Labeling.

(1) A cottage food production operation shall:

(a) Properly label all foods in accordance with state and federal law, including 21 CFR 1 - 199;

(2) Label information shall include:

- (a) The name specified by regulation or, in the absence thereof, the name commonly used for that food or an adequately descriptive name;
- (b) A list of ingredients in descending order of predominance by weight, when the food is made from two or more ingredients;
- (c) The name of the food source for each major food allergen contained in the food unless the food source is already part of the common or usual name of the respective ingredient;
- (d) An accurate declaration of the net quantity of contents;
- (e) The name and place of business of the cottage food production operation;
- (f) The telephone number of the cottage food production operation;
- (g) Nutritional labeling unless the product qualifies for an exemption; and
- (h) The words "Home Produced" in bold and conspicuous 12 point type on the principal display panel.

R70-560-7. Food Distribution and Storage.

(1) Food shall be obtained from sources that comply with the law.

(2) An ingredient used in a cottage food production operation, that is from a hermetically-sealed container, must have been produced at a food processing plant that is regulated by the appropriate food regulatory agency with jurisdiction over the plant.

(3) A food offered for sale shall be safe, unadulterated, and honestly presented.

- (a) Food shall be offered for human consumption in a way that does not mislead or misinform the consumer.
- (b) Food or color additives, colored over-wraps, or lights may not be used to misrepresent the true appearance, color, or quality of the food.
- (c) Food may not contain unapproved food additives, additives in unsafe amounts, or additives that exceed the amount necessary to achieve the needed effect.

(d) Food shall be protected from contamination, including contamination from chemical and pesticide hazards.

(4) Food packages shall be in good condition and protect the integrity of the contents so that the food is not exposed to adulteration or potential contaminants.

(5) Food that is unsafe, adulterated, or not honestly presented shall be discarded.

(6) Except for unprocessed raw agricultural products, foods shall not be displayed or stored on the ground.

(7) Ingredients used in a cottage food shall be in good condition, unspoiled and otherwise unadulterated. Ingredients cannot be used past the expiration date on the container if produced at a regulated food processing facility. Other ingredients may not be used if over 9 months old.

R70-560-8. Regulatory Jurisdiction.

(1) Notwithstanding the provisions of Section 26A-1-114, a local health department:

- (a) Does not have jurisdiction to regulate the production of food at a cottage food production operation, operating in compliance with this section, as long as the products are not offered to the public for consumption on the premises; and
- (b) Does have jurisdiction to investigate a cottage food production operation in any investigation into the cause of a food born illness outbreak.

(2) A food service establishment as defined in Section 26-15a-102, may not use a product produced in a cottage food operation as an ingredient in any food that is prepared by the food establishment and offered by the food establishment to the public for consumption.

R70-560-9. Enforcement and Penalties.

A violation of any portion of this rule may result in civil or criminal action pursuant to Sections 4-2-12, 14 and 15, Utah Code Annotated.

INTERLOCAL COMPACT AGREEMENT

COMES NOW **Parowan City, State of Utah**, a municipal corporation, (hereinafter "Parowan") and **Paragonah Town, State of Utah**, a municipal corporation (hereinafter "Paragonah") and does hereby enter into this Interlocal Compact Agreement on this _____ day of May, 2016, for the betterment and benefit of both Parowan and Paragonah .

WHEREAS, the Interlocal Cooperation Act, Section §11-13-101, *et. seq.*, Utah Code Ann. 1953 as amended, permits local governmental entities to make the most efficient use of their powers by enabling them to combine or provide joint services, and to insure the most efficient, economic and beneficial use of their economic resources are utilized for the benefit of its citizenry; and

WHEREAS, Utah Code Ann. §11-13-202, *et. seq.* provides for a public agency to provide services to another public entity, under the interlocal agreement; and

WHEREAS, said Agreement is for the mutual advantage and for the overall promotion and general welfare of both public entities and its citizens, and will provide the benefit of economy of scale and maximize utilization of both public entities resources; and

WHEREAS, Parowan and Paragonah, desire to enter into this Interlocal Compact Agreement wherein the Parowan City Power Department may provide power maintenance service and assistance at times when Paragonah Town’s Power Department is unavailable or unable to perform said tasks due to lack of man power and/or equipment; and

WHEREAS Paragonah is willing to pay for said assistance based upon standard billing rates of Parowan for cost of equipment usage and manpower services provided in accordance with the current Parowan City fee schedule.

IN CONSIDERATION of the foregoing, and of the mutual covenant, promises and conditions contained herein, each Party agrees as follows:

1. **Services Rendered.** Parowan agrees to provide Paragonah with back-up emergency maintenance services and repairs in the following manner:

A. Parowan City will provide assistance, as staff is able and in accordance with staff’s abilities and training with regard to for Paragonah’s power system. It is understood

that Paragonah's power system differs from Parowan's system, and that there may be various service repairs or maintenance to which Parowan employees do not feel comfortable providing, due to training or danger. In such circumstances, Parowan shall notify Paragonah of the same, and Parowan shall have no responsibility to provide services which endanger its employees.

B. It is agreed that Parowan City will provide its own equipment, vehicles and staff, during reasonable business hours or emergencies to both Parowan and Paragonah citizens, but only when Paragonah is unable to do so, and that Parowan is only acting as a back-up resource in times of emergency or lack of sufficient manpower. Paragonah may utilize its own equipment whenever available and provided Parowan is familiar and adequately trained to utilize said equipment.

C. In the event of simultaneous conflicting emergencies, Parowan shall service its own citizens emergency needs first and then shall address Paragonah's emergency needs as soon as it is reasonably able to do so.

D. Parowan shall not be liable to any third party for any services or service interruptions provided on behalf of Paragonah or its citizens. If any third party is hurt or property is damaged due to repairs or services provided by Parowan on behalf of Paragonah, Paragonah shall defend and hold harmless Parowan from such claim and/or defend against any lawsuit brought against Parowan for such claim of bodily injury or property, including the payment of any judgment, defense costs and attorney's fees. Paragonah releases, and forever discharges Parowan from any and all liability, claims, demands, actions or rights of action, and further agrees, promises and covenants not to sue, assert or otherwise maintain or assert any claim for any injury or damage to Paragonah or its property, including, but not limited to the negligent acts or omissions of Parowan, its agents and employees, arising from or connected with any services provided by Parowan.

2. **Payment.** The fees shall be rendered on a monthly basis in accordance with actual work provided by Parowan. Parowan shall bill Paragonah when said services are provided at its regularly scheduled rate, payable net 30 days from date of invoicing.

3. **Agreement.** Parowan and Paragonah agree that this Interlocal Compact Agreement shall be deemed effective immediately upon execution of the same, and shall continue and remain in full force and effect until terminated by either party.

4. **Term of Agreement.** This Interlocal Compact Agreement shall be for a period of twelve (12) months and shall be renewable upon mutual agreement of both public entities. Paragonah and Parowan agree that this Agreement shall be binding for the fiscal year and shall automatically renew except in the event that either party terminates the Agreement, ninety (90) days prior to the commencement of a new fiscal year.

5. **Misc.**

A. This Agreement shall be governed by the laws of the State of Utah and is subject to and to be construed pursuant to such laws.

B. In the event of breach or default hereunder, the prevailing party shall be entitled to recover from the other for all costs and a reasonable attorney's fee incurred in determining, protecting or enforcing their rights hereunder.

DATED this ____ May, 2016.

PAROWAN CITY:

By: _____
Its Mayor

COUNTERSIGNED & ATTESTED:

By: _____
Its City Recorder

PARAGONAH TOWN:

By: _____
Its Mayor

COUNTERSIGNED & ATTESTED:

By: _____
Its: Town Recorder

(Seal)

**INTER LOCAL COOPERATIVE AGREEMENT
BETWEEN IRON COUNTY AND PAROWAN CITY
FOR BUILDING INSPECTION SERVICES**

Agreement made on this _____ day of _____ 2 _____, by and between Iron County a body politic, hereinafter referred to as "County" or "the County" and Parowan City a body politic, hereinafter referred to as "City" or "the City".

Whereas, County and City are mutually interested in providing landfill services to residents; and

Whereas, each entity has traditionally worked together to provide landfill services to the citizens of the County and City; and

Whereas, County and City desire to make the most efficient use of their powers and resources by correlating and sharing with others on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to a form of Inter Local Cooperation that will work best with geographic, economic, population and other factors influencing the needs and development of local communities and to provide benefit of economy of scale, economic development and utilization of resources for the overall promotion of the general welfare of County and City; and

Whereas, the City, from time to time, constructs buildings and other structures that serve the best interests of both the City and County; and

Whereas, the cost for disposing of some construction materials can be prohibitive to certain projects; and

Whereas, the County is willing to allow the disposal of certain construction and other demolition materials that serve the City and County best interests; In consideration of the mutual covenants and promises herein, the parties agree as follows:

1. County agrees to furnish landfill services as described herein pertaining to City owned properties provided such construction and buildings are intended to remain in City ownership, for no cost.
2. Any party to this agreement may terminate its participation by providing notice, to the other party in writing 180 days prior to the effective termination date.

Dated this _____ day of _____ 2_____.

Parowan

City Mayor

Attest:

Iron County

Chairman of the Iron County Board of Commissioners

Attest:



**Findings and Recommendations
For the Year Ended June 30, 2015**

The Honorable Mayor and
Members of the City Council
Parowan, Utah

Professional standards require that we communicate, in writing, deficiencies in internal control over financial reporting that are considered significant deficiencies or material weaknesses that are identified during the audit of the financial statements. We wish to commend the City for their administrative achievements and oversight of the City’s accounting and budget system. During our audit of the funds of the City of Parowan, Utah for the fiscal year ended June 30, 2015 we found a few circumstances that, if improved, would strengthen the City’s accounting system and control over its assets. These items are discussed below for your consideration.

INTERNAL CONTROL OVER FINANCIAL REPORTING:

Material Weakness:

2015-001 Misstatements Requiring Adjustments

During our audit, we identified and made recommendations for various material adjustments that were necessary to make accruals, record debt transactions, and other miscellaneous adjustments. Current auditing standards indicate that identification of material audit adjustments constitutes a material weakness.

Recommendation

We recommend that management review the journal entries and discuss them with us to ensure they understand and are in agreement with the entries and that they understand the purpose and underlying accounting principles associated with each entry. We also recommend that the City continue its efforts with the consultants to ensure that all significant and material adjustments are posted to the general ledger before the annual audit takes place.

Significant Deficiencies:

None noted

COMPLIANCE AND OTHER MATTERS:

Compliance:

2015-002 Impact Fees

During our review of the impact fee schedule, we noted that not all the required elements were included as identified in Utah Code 11-36A-601.

Recommendation

We recommend that the City review the impact fee schedule requirements to ensure that all elements are being included.

2015-003 Open and Public Meetings Act

Minutes must be posted to the Utah Public Notice website within 3 days of being approved in accordance with UCA 52-4-203(4)(e). During our audit, it was noted that not all of the City's minutes were being posted in the proper timeframe.

Recommendation

We recommend that procedures be put in place to ensure that the approved meeting minutes be posted in the proper timeframe.

2015-004 Financial Reports

Utah Code 10-6-148 requires the City to provide financial reports on a monthly basis to the City Council. During our audit, it was noted that the Council was only reviewing a list of expenditures and not complete financial reports.

Recommendation

We recommend that management provide financial reports to the City Council on a monthly basis as required by state code.

2015-005 Deficit Fund Balance

The garbage fund has reported a deficit fund balance for the last two years. No appropriations have been made in ensuing budgets to retire this deficit in accordance with Utah Code 106-117-(3).

Recommendation

We recommend that the City budget to decrease or remove the deficit fund balance in the garbage fund.

2015-006 Transfers from the Utility Funds

Although the City Council approved transfers during their budget hearings, Utah Code 10-6-135 also requires that written notice be given to individual customers. We noted that no written notice was given to customers for transfers that are being made from the utility funds to the general fund as subsidy transfers.

Recommendation

We recommend that the City provide written notice to customers for transfers budgeted from the utility funds to the general fund as subsidy transfers.

2015-007 Interfund Loans

The City has an interfund loan between the water fund and garbage fund for deficit cash in the garbage fund. This loan has not been repaid and appears to be a long-term loan that would require written documentation, notice, and city ordinance/resolution in accordance with Utah Code 10-6-135.

Recommendation

We recommend that the City budget and plan on ways to remove the interfund loan or establish written documentation, notice, and city ordinance/resolution in regards to this interfund loan.

Other Matters:

None noted

Please respond to the above findings and recommendations in letter form for submission to the State Auditor's office as required by State law.

This letter is intended solely for the use of the Mayor, City Council, management and various federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

It has been a pleasure to be of service to the City this past year. We would like to express special thanks to each of you who assisted us in this year's audit. We invite you to ask questions of us throughout the year as you feel it necessary and we look forward to a continued pleasant professional relationship.

Sincerely,



HintonBurdick, PLLC
November 24, 2015

RESOLUTION ESTABLISHING FEES FOR FY 2016	
RESOLUTION 2015-06-01	
Purpose	
<p>It is the intent of this Resolution to compile all fees charged by the City, including fees for services, licenses, permits, and development applications. It is also the intent of this Resolution to repeal all resolutions or parts thereof that list any fees charged by the City, including fees not listed in this Consolidated Fee Schedule. It is not intended by this Resolution to repeal, abrogate, annul, or in any way impair or interfere with existing provisions of other resolutions, ordinances, contracts, or laws regarding penalties, bonds, insurance, fines, deposits, lease payments, Special Improvement Districts, and other monies received or paid by the City under Contract, except to effect modification of any specifically listed herein. The fees listed in this Consolidated Fee Schedule supersede all present fees whether or not listed herein, except as excluded in the previous sentence.</p>	
ADMINISTRATION	
Copies - Color	\$0.25 per page
Copies - B&W	\$0.10 per page
Fax	\$1.00 per page
BUILDING DEPARTMENT	
Zone Change filing fee	\$100
Annexation filing fee	\$250
Board of Adjustment filing fee	\$100
Subdivision	\$100
Plan Check Fees	Cost
Engineering Fees	Cost
Minor Lot Subdivision	\$100
Advertising Costs	Cost
Road Cut Fee	\$25
Road Age 1-3 years	\$250
BUSINESS LICENSING	

Alcohol and Liquor									
Beer Licenses									
Class A				\$100	per year or part thereof				
Class B				\$200	per year or part thereof				
Class C				\$300	per year or part thereof				
Special Event Permit				\$100					
General Business License Fees									
Base Fee				\$50	per year				
After 30 Days Due				\$60					
After 60 Days Due				\$100					
CEMETARY FEES									
Opening & Closing									
Weekday									
Resident				\$300					
Nonresident				\$400					
Weekend & Holiday									
Resident				\$400					
Nonresident				\$500					
Plot Fee									
Resident				\$350					
Nonresident				\$900					
Small Graves									
Weekday									
Resident				\$125					
Nonresident				\$175					
Weekend & Holiday									
Resident				\$175					
Nonresident				\$225					
FAIRGROUNDS BUILDING									
Horse Stall Rental				\$25	per month per stall				
Overnight Stall Rental				\$15	per animal				
Feed or Tack Room Rental				\$10	per stall				

225	\$9,644	\$19,289	225	\$14,477	\$16,705	\$33,409	\$33,409
400	\$17,146	\$34,291	400	\$25,737	\$29,697	\$59,394	\$59,394
600	\$25,718	\$51,437	600	\$38,606	\$44,546	\$89,091	\$89,091
800	\$34,281	\$68,582	800	\$51,475	\$59,394	\$118,788	\$118,788
1200	\$51,437	\$102,874	1200	\$77,212	\$89,091	\$178,182	\$178,182
1600	\$68,582	\$137,165	1600	\$102,950	\$118,788	\$237,576	\$237,576
2000	\$85,728	\$171,456	2000	\$128,687	\$148,485	\$296,971	\$296,971
2500	\$107,160	\$214,320	2500	\$160,859	\$185,607	\$371,213	\$371,213
3000	\$128,592	\$257,184	3000	\$193,031	\$222,728	\$445,456	\$445,456

RESIDENTIAL ELECTRIC IMPACT FEES

Rate Schedule	Est. KW Impact	Power Factor	Est. kVA Impact	Impact Fee
100 Amp Panel	2.14	85.00%	2.14	\$1,911.00
200 Amp Panel	2.56	85.00%	2.56	\$2,286.00
400 Amp Panel	8.69	85.00%	8.69	\$7,760.00
600 Amp Panel	14.40	85.00%	14.40	\$12,859.20

CULINARY WATER IMPACT FEE SCHEDULE

Land use	Units	Demand 1	ERU's	Impact Fee
Residential	Dwelling	800	1.0000	\$2,056.00
Multi-unit	Dwelling	800	1.0000	\$2,056.00
High School	Person	15	0.0188	\$38.53
Middle School	Person	15	0.0188	\$38.53

RV Parks		Space	0.2500	\$178.91		
Airports		Passenger	0.0075	\$552.00		
		Employee	0.0.75	\$26.95		
Boarding Houses		Residents	0.1250	\$89.29		
		Non-Residents	0.0250	\$17.86		
Bowling Alley w/ Snack Bar		Alley	0.2500	\$178.91		
Bowling Alley w/o Snack Bar		Alley	0.2125	\$151.96		
Churches		Person	0.0125	\$9.09		
Country Clubs		Resident Member	0.2500	\$178.91		
		Non-Resident Member	0.0625	\$44.81		
		Employee	0.0375	\$26.95		
Dentist's Office		Chair	0.5000	\$357.49		
		Employee	0.0875	\$62.67		
Doctor's Office		Patient	0.0250	\$17.86		
		Employee	0.0875	\$62.67		
Fairgrounds		Person	0.0025	\$1.95		
Fire Station w/ Food Preparation		Full-Time Employee	0.1750	\$125.01		
Fire Station w/o Food Preparation		Full-Time Employee	0.0125	\$9.09		
Gyms		Participant	0.0625	\$44.81		
		Spectator	0.0100	\$7.14		
Hairdresser		Chair	0.1250	\$89.29		

STREET IMPACT FEE SCHEDULE

Residential: Single Family Detached Housing	Unit	9.57	1.00	\$0.00
PRESSURIZED OR SECONDARY IRRIGATION				
Monthly Fee				
3/4 Inch		\$9.75 per month		
1 Inch		\$10.75 per month		
1 1/4 Inch		\$11.75 per month		
1 1/2 Inch		\$12.75 per month		
2 Inch		\$13.75 per month		
4 Inch		\$14.75 per month		
Connection Fee		\$200.00 per month		
Dormant Fee		1/2 the Regular Fee based on Size		
LIBRARY FEES				
Book Damage		Cost to repair/replace		
Fax				
Receive		\$0.50 per page		
Send		\$1.00 per fax		
Late Fees		\$0.10 per day		
Printing and Copying				
Black and White		\$10.00 per page		
Color		\$25.00 per page		
Laminating		\$0.10 per inch		
PARKS AND RECREATION				
Swimming Pool				
Pool Pass				
Adult (18+)				
Season Pass - Parowan Resident		\$60.00		
Season Pass - Non-Resident		\$75.00		

Upstairs Room Rental per hour		\$5.00						
WASTEWATER, SEWER, AND PRETREATMENT								
Connection Fee		\$300.00						
User Fee (per month, per unit)								
Sewer Camera Fee		\$100.00	per hour plus operator fee					
Septic Dump Fee		\$150.00						
After 4:00 P.M./Weekends		\$300.00						
Outside Parowan City/BH		\$300.00						
Port O Pottie Waste		\$300.00	Accepted from Parowan and Brian Head only					
Truck Size over 3000 gals		\$100.00	On top of regular dump fee					
Home/Apt./Condo/Mobile Home								
Base Fee		\$26.29						
Additional		No Charge						
Gargage/Service Station/Mort./Automotive Based								
Base Fee		\$35.00						
Additional		\$3.50	per 1,000 gallons or part thereof					
Car Wash/Laundromat/Barber-Beauty Shop								
Base Fee		\$35.00						
Additional		\$3.50	per 1,000 gallons or part thereof					
Camp Grounds/Travel Trailer Parks								
Base Fee		\$50.00						
Additional		\$5.00	per 1,000 gallons or part thereof					
Restaurants/Cafeterias/Theaters/Churches								
Base Fee		\$40.00						
Additional		\$4.00	per 1,000 gallons or part thereof					

Base Fee	\$35.00				
Additional	\$3.50	per 1,000 gallons or part thereof			
High/Jr. High/Intermediate Schools					
Base Fee	\$30.00				
Additional	\$3.00	per 1,000 gallons or part thereof			
Elementary Schools					
Base Fee	\$30.00				
Additional	\$3.00	per 1,000 gallons or part thereof			
Hospitals/Municipal & County Public Facilities					
Base Fee	\$26.29				
Additional	\$2.63	per 1,000 gallons or part thereof			
Jails/Detention Centers					
Base Fee	\$26.29				
Additional	\$2.63	per 1,000 gallons or part thereof			
Child Care Center > 12 Children					
Base Fee	\$30.00				
Additional	\$3.00	per 1,000 gallons or part thereof			
1 - Base Fee includes 5,000 gallons water used; additional Charges per 1,000 gallons above 5,00 gallons water used.					
2 - Where multi-user types are served by a single water and sewer connection, the dominant use will be used.					
WATER					
Hydrant Meters					

Administrative Fee	\$25.00 per day					
Deposit	\$1,150.00					
Usage per gallon	\$0.003					
Connection Fees						
3/4 inch	\$1,000.00 or \$300 for Meter only					
1 inch	\$1,550.00 or \$350 for Meter only					
2 inch	\$4,000.00					
Above 2 inch	Time and Materials					
Water Development Fee	\$5.00/July 1, 2014 - July 1, 2016					
Base Fee - Residents						
3/4 inch	\$24.28					
1 inch	\$27.69					
Usage Charges - Residents						
0-5000 gallons	No Charge					
5,001-10,000 gallons	\$1.19 /1,000 gallons					
10,001-15,000 gallons	\$1.78 /1,000 gallons					
15,001 + gallons	\$2.45 /1,000 gallons					
Base Fee - Non-residents						
3/4 inch	\$40.67					
1 inch	\$47.49					
Usage Charges - Non-residents						
0-5000 gallons	No Charge					
5,001-10,000 gallons	\$2.40 /1,000 gallons					
10,001-15,000 gallons	\$3.58 /1,000 gallons					
15,001 + gallons	\$4.90 /1,000 gallons					
Suspend Service Fee	\$25					
Monthly Suspend Service Fee	Half of all utility minimum charges					
FY17 Proposed Fees						
Utility History Fee	\$35					
Water Leak Service Fee	\$100					
Changes in Stall Fees	\$15 daily (remove all monthly fees?)					

Parowan City
Budgeting Worksheet
10 General Fund - 07/01/2016 to 06/30/2017
100.00% of the fiscal year has expired

Change in Net Position	2014 Actual	2015 Actual	2016 Actual	2016 Budget	2017 Actual	Original Budget	Revised Budget	Worksheet Notes
Revenue:								
Taxes								
3110 PROPERTY TAX	580,625	577,236	573,064	580,000	0	0	580,000	
3120 REDEMPTION - PROPERTY TAXES	44,293	56,038	53,974	50,000	0	0	50,000	
3130 SALES AND USE TAXES (STATE)	341,387	360,860	286,051	347,000	0	0	360,000	
3140 CABLE SALES AND USE TAX	4,166	3,914	3,202	4,000	0	0	4,000	
3150 HEAD IN LEASE	4,288	4,288	0	0	0	0	4,000	
3160 AIRPORT GAS TAX	530	821	1,262	1,000	0	0	1,000	
3170 TELEPHONE SALES AND USE TAX	17,046	14,758	11,026	16,000	0	0	14,000	
3180 FEE IN LIEU OF TAXES	63,549	69,351	55,586	65,000	0	0	65,000	
3190 QUESTAR ENERGY TAXES	50,029	49,558	43,661	50,000	0	0	50,000	
3195 ELECTRIC SALES AND USE TAX	0	0	0	90,000	0	0	90,000	
3376 CRT/COUNTY DONATION	9,000	15,000	12,000	15,000	0	0	12,000	
Total Taxes	1,114,913	1,151,824	1,039,826	1,218,000	0	0	1,230,000	
Licenses and permits								
3210 BUSINESS LICENSES	9,390	8,380	8,390	8,000	0	0	8,000	
3221 BUILDING PERMITS	5,637	4,172	10,085	6,000	0	0	6,000	
3225 ANIMAL LICENSES	1,195	451	420	1,500	0	0	1,000	
Total Licenses and permits	16,222	13,003	18,895	15,500	0	0	15,000	
Intergovernmental revenue								
3312 FEDERAL GRANT	0	0	17,995	18,000	0	0	10,000	
3340 GRANTS	78,715	97,427	89,225	85,000	0	0	27,000	
3356 CLASS "C" ROAD	145,075	152,881	105,565	160,000	0	0	170,000	
3358 STATE LIQUOR FUND	5,045	4,263	5,501	5,000	0	0	5,000	
3360 POLICE ALLOCATION	0	0	4,833	0	0	0	60,000	
3371 FIRE ALLOCATION - COUNTY	49,000	39,000	40,000	40,000	0	0	40,000	
3372 AIRPORT - COUNTY ALLOCATION	11,000	11,000	11,000	11,000	0	0	11,000	
3373 LIBRARY - AREA CONTRIBUTION	29,030	55,005	29,879	27,000	0	0	27,000	
3375 RECREATION - COUNTY	3,000	3,000	3,000	13,000	0	0	3,000	
Total Intergovernmental revenue	320,865	362,576	306,998	359,000	0	0	353,000	
Charges for services								
3415 SALE OF MAPS AND PUBLICATIONS	95	5	0	100	0	0	100	
3445 PUBLIC SAFETY FEES	1,502	800	130	500	0	0	500	
3455 ANIMAL CONTROL & SHELTER FEES	1,860	900	415	500	0	0	500	
3472 SWIMMING POOL/CONCESSION FEES	26,005	24,917	11,107	26,000	0	0	25,000	
3474 RECREATION FEES	2,645	6,087	4,899	5,000	0	0	5,000	
3475 GLIDERS	385	400	0	250	0	0	200	
3476 LIBRARY USE FEES	1,676	1,182	715	1,000	0	0	1,000	
3477 SPECIAL EVENTS	14,589	18,132	13,210	15,000	0	0	23,000	
3482 SALE OF CEMETERY LOTS	22,702	13,560	30,635	30,000	0	0	15,000	
3483 BURIAL FEES AND ASSESSMENTS	15,775	13,775	8,405	8,000	0	0	10,000	
3621 AIRPORT - RENTS/LEASES	0	0	7,000	0	0	0	48,000	
3820 THEATER SALES AND CONCESSION	5,682	5,783	5,813	8,000	0	0	6,000	
3822 AIRPORT - GAS SALES	34,389	36,692	23,023	30,000	0	0	30,000	
Total Charges for services	127,305	122,233	105,352	124,350	0	0	164,300	

Parowan City
Budgeting Worksheet
10 General Fund - 07/01/2016 to 06/30/2017
100.00% of the fiscal year has expired

	2014 Actual	2015 Actual	2016 Actual	2016 Budget	2017 Actual	Original Budget	Revised Budget	Worksheet Notes
Fines and forfeitures								
3510 COURT FINES	156,405	138,723	91,964	100,000	0	0	120,000	
3518 RESTITUTION	474	0	343	0	0	0	0	
3520 BAIL	0	0	1,940	1,000	0	0	1,000	
3525 SMALL CLAIMS	0	0	0	100	0	0	100	
Total Fines and forfeitures	156,879	138,723	94,247	101,100	0	0	121,100	
Interest								
3801 Interest to be allocated	19,889	2,233	9,313	10,000	0	0	10,000	
3803 IMPACT FEE INTEREST	140	61	63	500	0	0	500	
3805 CLASS "C" ROAD INTEREST	1,303	276	194	1,000	0	0	1,000	
3810 GENERAL FUND INTEREST	859	698	708	1,000	0	0	1,000	
Total Interest	22,191	3,268	10,278	12,500	0	0	12,500	
Miscellaneous revenue								
3620 RENTS/LEASES	9,523	11,768	48,282	9,000	0	0	130,000	
3625 RENTS - STALLS	4,864	4,125	3,715	5,000	0	0	4,000	
3725 IMPACT FEES - POLICE	532	200	732	500	0	0	500	
3726 IMPACT FEES - FIRE	663	249	994	600	0	0	600	
3727 IMPACT FEES - STREET	0	0	67	0	0	0	0	
3728 IMPACT FEES - PARKS	13,054	4,895	19,580	15,000	0	0	12,000	
3815 PAAL DONATIONS	5,796	1,451	3,096	2,500	0	0	3,500	
3816 SHADE TREE DONATIONS	1,390	700	1,568	700	0	0	700	
3824 SOUVENIOR SHOP SUPPLIES	1,800	2,738	4,685	2,000	0	0	7,000	
3831 SUB FOR SANTA DONATIONS	7,652	3,875	5,513	5,000	0	0	5,000	
3840 SALE OF FIXED ASSETS	0	100	0	0	0	0	0	
3890 SUNDRY REVENUES	40,107	110,172	(6,230)	15,000	0	0	15,000	
3895 HISTORICAL PRESERVATION	4,069	50	0	0	0	0	0	
3897 CHRISTMAS IN COUNTRY	2,510	5,497	2,988	2,500	0	0	2,500	
Total Miscellaneous revenue	91,960	145,820	84,990	57,800	0	0	180,800	
Contributions and transfers								
3911 TRANSFER FROM WATER FUND 51	41,000	21,583	0	36,000	0	0	30,000	
3912 TRANSFER FROM SW FUND -COL. 52	16,000	8,458	0	11,000	0	0	10,000	
3913 TRANSFER FROM ELECTRIC FUND 53	190,000	173,000	92,500	185,000	0	0	163,000	
3914 TRANSFER FROM PRES. IRRIG F 57	15,000	7,875	0	11,000	0	0	10,000	
3916 TRANSFER FROM SW TREATMENT 54	21,000	11,667	0	16,000	0	0	15,000	
3917 TRANSFER FROM SOLID WASTE 55	13,000	5,833	0	10,000	0	0	10,000	
3990 BEG. GEN FUND BAL TO BE APPROP	0	0	0	172,847	0	0	325,230	
Total Contributions and transfers	296,000	228,416	92,500	441,847	0	0	563,230	
Total Revenue:	2,146,335	2,165,863	1,753,086	2,330,097	0	0	2,639,930	
Expenditures:								
General government								
Legislative								
4111 SALARIES - MAYOR AND COUNCIL	23,349	14,664	12,330	15,000	0	0	15,000	
4113 FICA	1,945	1,267	1,003	1,150	0	0	1,150	
4114 INSURANCE	13,965	14,123	9,161	13,000	0	0	14,000	
4116 WORKER'S COMPENSATION	628	600	438	800	0	0	800	

Parowan City
Budgeting Worksheet
10 General Fund - 07/01/2016 to 06/30/2017
100.00% of the fiscal year has expired

	2014 Actual	2015 Actual	2016 Actual	2016 Budget	2017 Actual	Original Budget	Revised Budget	Worksheet Notes
4122 PUBLIC NOTICES AND ADS	18	65	9	0	0	0	0	
4123 TRAVEL	4,179	4,070	4,453	6,000	0	0	6,000	
4124 OFFICE SUPPLIES AND EXPENSE	169	299	889	200	0	0	1,000	
4128 TELEPHONE	1,131	1,327	1,205	1,200	0	0	1,000	
4133 EDUCATION AND TRAINING	7,847	4,728	3,989	5,000	0	0	5,000	
4161 SUNDRY	386	100	1,143	500	0	0	1,000	
Total Legislative	53,617	41,243	34,620	42,850	0	0	44,950	
Court								
4211 SALARIES AND WAGES-PERM. EMPLO	65,045	66,398	56,269	66,000	0	0	66,000	
4213 FICA	5,106	5,243	4,415	5,000	0	0	5,200	
4214 INSURANCE	2,627	3,534	990	3,000	0	0	3,500	
4215 RETIREMENT	9,140	9,477	8,281	9,000	0	0	9,500	
4216 WORKMEN'S COMPENSATION	392	300	219	800	0	0	800	
4220 BANK CHARGES	1,583	1,581	1,355	2,000	0	0	2,000	
4221 SUBSCRIPTIONS AND MEMBERSHIPS	25	0	0	100	0	0	100	
4223 TRAVEL, MEALS AND LODGING	783	1,070	880	1,500	0	0	1,500	
4224 OFFICE SUPPLIES AND EXPENSE	2,567	3,309	3,186	4,000	0	0	4,000	
4227 UTILITIES	0	0	0	0	0	0	2,000	
4228 TELEPHONE	586	1,238	1,103	1,200	0	0	1,500	
4231 PROFESSIONAL AND TECHNICAL SER	1,758	3,030	4,061	4,500	0	0	1,200	
4233 EDUCATION AND TRAINING	514	160	215	500	0	0	6,000	
4235 RESTITUTION	2,075	1,616	1,844	3,000	0	0	500	
4236 ASSESSMENTS	52,431	46,661	38,605	48,000	0	0	3,000	
4237 BAIL	1,000	2,830	0	48,000	0	0	50,000	
4245 JURY AND WITNESS	417	165	56	1,500	0	0	1,000	
4248 POSTAGE	93	1,240	8	1,000	0	0	1,500	
4251 INSURANCE AND SURETY BONDS	130	0	130	100	0	0	1,000	
4257 COUNTY JAIL	0	0	0	0	0	0	300	
4261 SUNDRY	225	181	303	0	0	0	0	
Total Court	146,497	148,033	121,920	152,200	0	0	160,600	
Administrative								
4310 SALARIES AND WAGES - OVERTIME	306	12	234	500	0	0	500	
4311 SALARIES AND WAGES-PERM. EMPLO	90,377	86,221	75,546	88,000	0	0	79,000	
4312 SALARIES AND WAGES-TEMP. EMPLO	1,504	0	0	0	0	0	0	
4313 FICA	7,287	6,679	5,887	7,000	0	0	5,600	
4314 INSURANCE	26,614	27,890	22,392	28,000	0	0	28,000	
4315 RETIREMENT	22,277	18,213	15,614	21,000	0	0	20,000	
4316 WORKMEN'S COMPENSATION	1,618	1,500	1,094	2,000	0	0	2,000	
4321 SUBSCRIPTIONS AND MEMBERSHIPS	2,197	1,732	2,031	2,000	0	0	2,000	
4322 PUBLIC NOTICES AND ADS	167	423	61	500	0	0	500	
4323 TRAVEL, MEALS AND LODGING	6,376	5,249	5,306	8,000	0	0	8,000	
4324 OFFICE SUPPLIES AND EXPENSE	829	727	758	1,000	0	0	2,000	
4325 REPAIRS TO EQUIPMENT	0	139	241	0	0	0	0	
4326 MAINTENANCE MATERIALS AND SUPP	836	1,249	1,668	2,000	0	0	2,000	
4328 TELEPHONE	2,961	3,284	3,082	3,000	0	0	3,000	
4331 PROFESSIONAL AND TECHNICAL SER	11,760	12,508	9,345	20,000	0	0	15,000	

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4332 AUDITING	2,539	1,602	2,250	1,000	0	0	1,000	
4333 EDUCATION AND TRAINING	3,056	1,050	2,415	3,000	0	0	3,000	
4340 Gas & Oil	1,257	991	496	1,500	0	0	1,500	
4348 POSTAGE	889	426	375	1,000	0	0	1,000	
4351 INSURANCE AND SURETY BONDS	3,376	1,810	3,243	1,000	0	0	1,500	
4359 Building lease payment	0	0	0	0	0	0	47,580	
4360 EMPLOYEE LOUNGE	700	698	903	1,000	0	0	1,000	
4361 SUNDRY	12,405	5,088	590	1,000	0	0	1,000	
Total Administrative	199,331	177,491	153,531	192,500	0	0	225,180	
Non-Departmental								
4927 UTILITIES	2,637	2,319	2,333	3,000	0	0	3,000	
4934 ELECTION EXPENSES	3,081	0	1,315	0	0	0	0	
4943 PATCHWORK BI-WAY	1,088	1,624	0	1,500	0	0	1,500	
4944 CITY HISTORIANS	0	0	0	500	0	0	500	
4948 CARE CENTER EXPENSE	0	30,460	66,568	0	0	0	108,000	
4962 ROCK CHURCH	1,407	336	761	1,500	0	0	1,500	
4963 HISTORIC PRESERVATION	4,089	375	1,160	500	0	0	500	
4964 UT PARTNERS & RURAL LEADERSHIP	0	0	0	0	0	0	180,000	
4965 BEAUFICATION	0	1,450	0	1,500	0	0	1,500	
4967 ECONOMIC DEVELOPMENT, NO IRON	0	29	90	1,000	0	0	1,000	
4969 SALES/HERITAGE MAIN STREET	107	97	0	0	0	0	0	
Total Non-Departmental	12,389	36,690	72,227	9,500	0	0	297,500	
Planning and zoning								
5811 SALARIES AND WAGES - PERM EMPL	32,023	30,559	26,394	32,000	0	0	32,000	
5813 FICA	2,450	2,353	2,019	2,500	0	0	2,500	
5814 INSURANCE	2,340	2,490	1,346	2,000	0	0	2,000	
5815 RETIREMENT	7,071	7,461	6,402	7,000	0	0	7,000	
5816 WORKMEN'S COMPENSATION	344	300	219	500	0	0	500	
5823 TRAVEL, MEALS AND LODGING	85	41	391	1,000	0	0	2,500	
5824 OFFICE SUPPLIES AND EXPENSE	105	684	270	500	0	0	500	
5826 MAINTENANCE MATERIALS AND SUPP	566	638	603	600	0	0	600	
5828 TELEPHONE	1,183	1,395	1,103	5,000	0	0	2,500	
5831 PROFESSIONAL AND TECHNICAL SER	0	365	0	0	0	0	0	
5833 UNIFORM BLDG. STANDARDS EDUC.	2,496	779	0	3,000	0	0	1,000	
5840 GAS AND OIL	48,663	47,286	38,747	54,100	0	0	51,100	
Total Planning and zoning								
Visitors Center								
5912 SALARIES AND WAGES-TEMP. EMPLO	8,053	10,230	9,167	9,000	0	0	10,000	
5913 FICA	742	918	806	700	0	0	700	
5916 WORKER'S COMPENSATION	606	600	438	600	0	0	600	
5926 MAINTENANCE MATERIALS AND SUPP	1,903	5,373	14,279	9,000	0	0	6,000	
5927 UTILITIES	3,881	3,249	2,753	4,000	0	0	4,000	
5928 TELEPHONE	1,131	1,241	853	1,200	0	0	1,200	
5929 SOUVENIOR SHOP SUPPLIES	1,899	3,186	4,030	2,000	0	0	4,000	
5948 POSTAGE	93	858	419	800	0	0	500	
5951 Liability Insur - Surety Bonds	261	0	261	250	0	0	250	

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5961 SUNDRY	0	0	1,780	0	0	0	0	
Total Visitors Center	18,579	25,655	34,786	27,550	0	0	27,250	
Airport								
8510 SALARIES & WAGES - OVERTIME	0	0	19	0	0	0	0	
8511 SALARIES & WAGES - PERM EMPLOY	3,651	4,702	4,061	4,000	0	0	5,000	
8513 FICA	279	362	312	500	0	0	400	
8514 INSURANCE	1,598	1,611	1,457	1,600	0	0	1,600	
8515 RETIREMENT	842	1,145	990	1,000	0	0	1,500	
8520 BANK CHARGES	788	889	576	1,000	0	0	1,000	
8523 TRAVEL MEALS AND LODGING	447	185	24	800	0	0	800	
8526 MAINTENANCE MATERIALS AND SUPPLIES	605	1,469	3,653	3,000	0	0	10,000	
8527 UTILITIES & MISCELLANEOUS EXPE	2,930	2,143	2,613	3,000	0	0	3,000	
8531 PROFESSIONAL & TECHNICAL SERVICE	0	450	3,660	0	0	0	1,000	
8540 GAS AND OIL	49,907	31,168	20,199	30,000	0	0	30,000	
Total Airport	61,047	44,124	37,564	44,900	0	0	54,300	
Total General government	540,123	520,522	493,395	523,600	0	0	860,880	
Public safety								
Police Department								
5410 SALARIES AND WAGES - OVERTIME	8,517	10,938	17,569	12,000	0	0	18,000	
5411 SALARIES AND WAGES-PERM. EMPLO	186,478	227,002	199,636	215,000	0	0	275,000	
5412 SALARIES AND WAGES-TEMP. EMPLO	774	0	0	0	0	0	0	
5413 FICA	18,417	18,716	16,874	19,000	0	0	22,000	
5414 INSURANCE	86,778	76,969	55,017	87,000	0	0	95,000	
5415 RETIREMENT	59,461	75,808	58,246	60,000	0	0	76,000	
5416 WORKMEN'S COMPENSATION	1,815	1,500	1,094	2,000	0	0	2,000	
5421 SUBSCRIPTIONS AND MEMBERSHIPS	310	310	460	500	0	0	500	
5422 PUBLIC NOTICES AND ADS	46	163	24	0	0	0	0	
5423 TRAVEL, MEALS AND LODGING	6,047	7,714	5,921	7,000	0	0	7,000	
5424 OFFICE SUPPLIES AND EXPENSE	425	710	709	1,000	0	0	1,000	
5425 REPAIRS TO EQUIPMENT	7,995	4,049	4,964	8,000	0	0	5,000	
5426 MAINTENANCE MATERIALS AND SUPP	788	1,051	1,968	1,000	0	0	1,000	
5427 UTILITIES	0	0	0	0	0	0	1,000	
5428 TELEPHONE	4,929	5,287	4,648	5,000	0	0	5,000	
5430 REVERSE 911	574	357	0	500	0	0	500	
5431 PROFESSIONAL AND TECHNICAL SER	20,812	25,560	26,472	25,000	0	0	25,000	
5432 AUDIT	0	0	0	500	0	0	500	
5433 EDUCATION AND TRAINING	3,499	5,364	4,625	4,000	0	0	5,500	
5440 GAS AND OIL	24,096	15,960	10,880	25,000	0	0	25,000	
5447 UNIFORM ALLOWANCE	1,367	1,844	3,433	3,500	0	0	4,500	
5449 SPECIAL DEPARTMENT SUPPLIES	15,683	15,427	6,371	24,000	0	0	16,000	
5450 LIQUOR LAW	1,099	1,058	1,871	0	0	0	0	
5451 LIABILITY INSURANCE - PROPERTY	652	0	652	1,000	0	0	1,500	
5454 DATA PROCESSING	4,922	0	0	0	0	0	0	
5461 SUNDRY	0	0	285	0	0	0	0	
5481 Capital leases - principal	30,000	30,015	30,000	30,000	0	0	35,000	
5482 Capital leases - interest	5,311	5,297	5,311	5,300	0	0	6,000	

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Total Police Department	490,795	531,099	457,030	536,300	0	0	628,000	
Animal control								
5526 MAINTENANCE MATERIALS AND SUPP	36	920	0	500	0	0	500	
5527 UTILITIES	1,614	1,469	981	1,500	0	0	1,500	
5549 SPECIAL DEPARTMENT SUPPLIES	147	70	87	1,000	0	0	1,000	
5555 SHOT & LICENSE CLINIC - ANIMAL	483	845	375	750	0	0	750	
5556 PAALS	2,372	3,624	2,179	3,000	0	0	3,500	
Total Animal control	4,652	6,928	3,622	6,750	0	0	7,250	
Fire								
5711 SALARIES AND WAGES - CHIEF	5,252	6,107	3,222	6,000	0	0	6,000	
5713 FICA	522	590	307	1,000	0	0	1,000	
5714 INSURANCE	1,250	1,118	1,240	1,500	0	0	1,500	
5715 RETIREMENT	668	872	410	1,000	0	0	1,000	
5716 WORKMEN'S COMPENSATION	305	300	219	1,000	0	0	1,000	
5721 SUBSCRIPTIONS AND MEMBERSHIPS	0	0	37	0	0	0	0	
5723 TRAVEL, MEALS AND LODGING	1,561	1,399	373	2,000	0	0	2,000	
5725 REPAIRS TO EQUIPMENT	4,612	1,683	4,607	5,000	0	0	5,000	
5726 MAINTENANCE MATERIALS AND SUPP	1,169	1,990	951	2,000	0	0	2,000	
5727 UTILITIES	3,297	3,223	3,776	4,000	0	0	4,000	
5728 TELEPHONE	1,166	1,287	1,058	2,100	0	0	2,100	
5731 PROFESSIONAL AND TECHNICAL SER	2,075	3,167	712	3,000	0	0	3,000	
5733 EDUCATION AND TRAINING	663	75	485	4,000	0	0	4,000	
5738 FIRE RUNS - EXPENSE	4,964	8,612	4,366	10,000	0	0	10,000	
5740 GAS AND OIL	1,600	846	555	2,000	0	0	2,000	
5749 SPECIAL DEPARTMENT SUPPLIES	13,594	11,975	15,361	15,000	0	0	15,000	
5750 FIREWORKS & INSURANCE	8,000	9,750	5,750	18,000	0	0	18,000	
5751 LIABILITY INSURANCY - PROPERTY	130	0	130	0	0	0	1,500	
Total Fire	50,828	52,994	43,559	77,600	0	0	79,100	
Total Public safety	546,275	591,021	504,211	620,650	0	0	714,350	
Highways and public improvements								
Streets								
6010 SALARIES AND WAGES - OVERTIME	5,113	5,449	3	0	0	0	0	
6011 SALARIES AND WAGES - PERM EMPL	15,556	14,389	0	0	0	0	0	
6013 FICA	1,597	1,542	0	0	0	0	0	
6014 INSURANCE	6,020	6,590	0	0	0	0	0	
6015 RETIREMENT	4,771	4,317	1	0	0	0	0	
6016 WORKER'S COMPENSATION	23	0	0	0	0	0	0	
6031 PROFESSIONAL AND TECHNICAL SER	0	10	35	0	0	0	0	
Total Streets	33,080	32,297	39	0	0	0	0	
Class "C" Road								
6110 SALARIES AND WAGES-OVERTIME	0	485	3,558	5,000	0	0	5,000	
6111 SALARIES & WAGE - PERM EMPLOYEE	0	1,837	14,124	17,000	0	0	17,000	
6113 FICA	0	180	1,363	1,500	0	0	1,500	
6114 INSURANCE	0	515	5,120	7,000	0	0	7,000	
6115 RETIREMENT	0	500	3,749	5,000	0	0	5,000	

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6116 WORKMANS COMP	0	0	0	500	0	0	500	
6123 TRAVEL, MEALS & LODGING	0	0	225	1,000	0	0	1,500	
6125 REPAIR TO EQUIPMENT	13,058	20,061	7,810	16,000	0	0	16,000	
6126 MAINTENANCE, MATERIAL & SUPPLI	14,899	9,535	12,403	12,000	0	0	12,000	
6130 REPAIRS TO STREETS	87,261	87,277	22,769	185,400	0	0	190,000	
6131 PROFESSIONAL AND TECHNICAL	10,890	8,092	1,352	11,000	0	0	10,000	
6139 SIDEWALK REPAIRS	32,311	43,256	0	40,000	0	0	15,000	
6140 GAS AND OIL	6,839	4,680	3,207	7,000	0	0	6,000	
6157 EQUIPMENT RENTAL	9,633	6,794	9,965	7,000	0	0	7,000	
Total Class "C" Road	174,891	183,212	85,645	315,400	0	0	293,500	
Total Highways and public improvements	207,971	215,509	85,684	315,400	0	0	293,500	
Parks, recreation, and public property								
Parks & Recreation								
6226 MAINTENANCE MATERIALS AND SUPP	85	0	0	0	0	0	0	
6227 UTILITIES	353	852	277	0	0	0	0	
7010 SALARIES AND WAGES - OVERTIME	629	1,165	132	1,000	0	0	500	
7011 SALARIES AND WAGES - PARKS EMP	21,385	31,896	31,281	40,000	0	0	35,000	
7012 SALARIES AND WAGES-POOL EMPLOY	16,521	77	0	0	0	0	0	
7013 FICA	2,948	2,549	2,403	3,000	0	0	2,500	
7014 INSURANCE	3,520	4,644	3,412	20,000	0	0	5,000	
7015 RETIREMENT	3,949	6,307	6,432	9,000	0	0	6,500	
7016 WORKMEN'S COMPENSATION	31	0	0	800	0	0	0	
7023 TRAVEL, MEALS & LODGING	1	324	571	500	0	0	500	
7025 REPAIRS TO EQUIPMENT	3,184	1,832	1,894	2,500	0	0	2,500	
7026 MAINTENANCE MATERIALS AND SUPP	20,002	26,693	12,314	14,000	0	0	17,000	
7027 UTILITIES	14,934	3,393	3,020	3,000	0	0	3,500	
7028 TELEPHONE	250	600	1,025	1,200	0	0	1,200	
7031 PROFESSIONAL AND TECHNICAL SER	175	567	461	1,000	0	0	1,000	
7040 GAS AND OIL	1,695	2,452	1,705	3,000	0	0	3,000	
7048 POSTAGE	93	196	150	200	0	0	200	
7057 TREES	11,648	15,108	5,246	5,500	0	0	5,500	
7058 EQUIPMENT RENTAL	0	0	1,750	3,500	0	0	3,500	
7061 SUNDRY	13	0	0	0	0	0	0	
Total Parks & Recreation	101,416	98,655	72,073	108,200	0	0	87,400	
Fair Grounds								
7110 SALARIES & WAGES - OVERTIME	21	66	128	0	0	0	0	
7111 SALARIES AND WAGES-PERM EMPLOY	18,418	26,962	24,109	19,000	0	0	30,000	
7112 SALARIES & WAGES - TEMP. EMPLO	3,059	4,835	5,656	4,000	0	0	0	
7113 FICA	1,643	2,451	2,287	2,000	0	0	2,500	
7114 INSURANCE	3,392	4,491	3,636	4,000	0	0	2,500	
7115 RETIREMENT	3,946	6,293	6,237	4,000	0	0	6,500	
7116 WORKERS COMPENSATION	324	300	219	500	0	0	500	
7125 REPAIRS TO EQUIPMENT	3,048	1,934	2,443	3,000	0	0	3,000	
7126 MAINTENANCE MATERIALS AND SUPP	6,739	16,400	14,996	16,000	0	0	20,000	
7127 UTILITIES	11,926	11,612	11,642	12,000	0	0	12,000	
7128 TELEPHONE	635	637	581	600	0	0	600	

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7154 STALLS	781	3,755	2,418	5,000	0	0	5,000	
Total Fair Grounds	53,932	79,736	74,352	70,100	0	0	82,600	
Events								
7211 SALARIES - EVENTS PERSONNEL	32,559	37,743	40,315	47,000	0	0	40,000	
7213 FICA	2,736	2,923	3,084	3,000	0	0	3,000	
7214 INSURANCE	18,901	21,814	16,886	21,000	0	0	21,000	
7215 RETIREMENT	7,512	6,830	5,849	8,000	0	0	8,000	
7216 WORKER'S COMPENSATION	48	0	0	0	0	0	0	
7220 BANK CHARGES	63	478	226	300	0	0	300	
7222 ADVERTISING	6,308	7,787	11,371	12,000	0	0	12,000	
7223 TRAVEL MEALS & LODGING	425	84	531	1,000	0	0	1,000	
7225 REPAIRS TO EQUIPMENT	0	605	0	500	0	0	500	
7226 MAINTENANCE MATERIALS AND SUPP	796	1,137	3,662	1,000	0	0	1,000	
7228 TELEPHONE	0	184	852	600	0	0	1,200	
7233 EDUCATION AND TRAINING	0	150	0	0	0	0	0	
7240 GAS AND OIL	757	467	627	1,000	0	0	1,000	
7251 INSURANCE AND SURETY BONDS	0	0	0	0	0	0	1,500	
7252 SUB FOR SANTA	5,411	5,130	3,243	5,000	0	0	5,000	
7253 CONCERTS	450	788	600	500	0	0	600	
7254 PARADES	1,145	977	101	1,000	0	0	1,000	
7255 CHRISTMAS IN THE COUNTRY	1,497	678	1,021	1,500	0	0	1,500	
7258 FALL FEST	314	1,225	925	1,000	0	0	1,000	
7259 GLIDER EVENTS	1,076	597	862	1,000	0	0	1,000	
7261 SUNDRY	350	360	240	500	0	0	500	
7263 MARATHONS/RACES	11,514	9,826	14,286	18,000	0	0	15,000	
7268 SPECIAL CELEBRATIONS	3,035	3,996	4,241	4,000	0	0	4,000	
7270 RECREATION/CONVENTIONS	2,806	3,137	6,940	5,000	0	0	10,000	
7271 SOFTBALL LEAGUES	0	1,193	0	0	0	0	1,000	
Total Events	97,703	108,109	115,862	132,900	0	0	131,100	
Theater								
7326 MAINTENANCE MATERIALS AND SUPP	3,792	3,461	1,121	6,000	0	0	6,000	
7327 UTILITIES	4,147	3,280	4,169	4,000	0	0	4,000	
7348 POSTAGE	0	122	150	300	0	0	300	
7349 SPECIAL DEPARTMENT SUPPLIES	125	1,357	31	2,000	0	0	2,000	
7350 CONCESSIONS	423	449	551	500	0	0	500	
7365 EVENTS & PRODUCTIONS	7,127	4,297	3,155	10,000	0	0	8,000	
Total Theater	15,614	12,966	9,177	22,800	0	0	20,800	
Library								
7511 SALARIES AND WAGES-PERM. EMPLO	48,680	55,681	47,859	50,000	0	0	60,000	
7512 SALARIES AND WAGES-TEMP. EMPLO	1,321	0	0	0	0	0	0	
7513 FICA	3,825	4,287	3,661	4,000	0	0	4,500	
7514 INSURANCE	14,605	16,035	11,456	16,000	0	0	16,000	
7515 RETIREMENT	9,419	11,235	9,658	10,000	0	0	12,000	
7516 WORKMEN'S COMPENSATION	71	0	0	0	0	0	0	
7521 BOOKS	7,257	5,767	5,408	8,000	0	0	8,000	
7523 TRAVEL MEALS & LODGING	0	81	0	1,000	0	0	1,000	

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7524 OFFICE SUPPLIES AND EXPENSE	104	741	1,064	1,000	0	0	1,000	
7526 MAINTENANCE MATERIAL AND SUPPL	5,953	5,758	1,332	7,000	0	0	7,000	
7527 UTILITIES	6,423	6,116	3,363	6,500	0	0	5,000	
7528 TELEPHONE	129	97	21	600	0	0	600	
7529 CLEF GRANT EXPENDITURES	7,272	6,531	6,125	6,147	0	0	6,500	
7531 PROFESSIONAL & TECHNICAL SERV.	2,788	3,583	13,521	15,000	0	0	8,500	
7533 EDUCATION AND TRAINING	0	0	0	500	0	0	500	
7561 SUNDRY	0	29	0	0	0	0	0	
Total Library	107,847	115,941	103,468	125,747	0	0	130,600	
Cemetery								
8010 SALARIES AND WAGES - OVERTIME	660	757	760	1,000	0	0	1,000	
8011 SALARIES & WAGES - PERM EMPLOY	32,607	26,648	24,615	33,000	0	0	30,000	
8012 SALARIES AND WAGES-TEMP. EMPLO	1,645	4,835	5,656	0	0	0	0	
8013 FICA	2,671	2,480	2,374	3,000	0	0	2,500	
8014 INSURANCE	5,016	4,523	3,662	6,000	0	0	4,500	
8015 RETIREMENT	6,698	6,376	6,513	7,000	0	0	6,500	
8016 WORKMEN'S COMPENSATION	350	300	219	500	0	0	500	
8025 REPAIRS TO EQUIPMENT	426	450	2,752	1,000	0	0	3,000	
8026 MAINTENANCE MATERIALS AND SUPP	3,960	8,684	3,091	7,500	0	0	6,000	
8027 UTILITIES	597	581	419	1,000	0	0	1,000	
8028 TELEPHONE	566	637	602	600	0	0	600	
8031 PROFESSIONAL & TECHNICAL SERV.	500	825	712	1,000	0	0	1,000	
8040 GAS AND OIL	574	1,402	515	1,000	0	0	1,000	
8058 EQUIPMENT RENTAL	0	0	1,750	3,500	0	0	3,500	
8061 SUNDRY	13	0	0	0	0	0	0	
Total Cemetery	56,283	58,498	53,640	66,100	0	0	61,100	
Pool								
6911 PERM EMPLOYEE	13,345	29,836	22,031	30,000	0	0	30,000	
6913 FICA	1,021	2,297	1,685	2,500	0	0	2,500	
6914 INSURANCE	356	93	394	500	0	0	500	
6916 WORKMANS COMP	297	300	219	500	0	0	500	
6926 MAINTENANCE MATERIALS AND SUPPLIES	8,404	10,396	10,883	12,000	0	0	14,000	
6927 UTILITIES	3,382	13,485	8,747	17,000	0	0	15,000	
6928 TELEPHONE	566	637	602	600	0	0	600	
6931 PROFESSIONAL AND TECHNICAL	450	453	182	500	0	0	500	
6933 EDUCATION AND TRAINING	0	0	480	1,000	0	0	1,000	
Total Pool	27,821	57,497	45,223	64,600	0	0	64,600	
Total Parks, recreation, and public property	460,616	531,402	473,795	590,447	0	0	578,200	
Transfers								
9010 TRANSFER TO CAPITAL PROJECTS F	215,000	335,000	0	280,000	0	0	193,000	
Total Transfers	215,000	335,000	0	280,000	0	0	193,000	
Total Expenditures:	1,969,985	2,193,454	1,557,085	2,330,097	0	0	2,639,930	
Total Change In Net Position	176,350	(27,591)	196,001	0	0	0	0	

Parowan City
Budgeting Worksheet
21 Local Building Authority - DS Fund - 07/01/2016 to 06/30/2017
100.00% of the fiscal year has expired

	2014 Actual	2015 Actual	2016 Actual	2016 Budget	2017 Actual	Original Budget	Revised Budget	Worksheet Notes
Change In Net Position								
Revenue:								
Charges for services								
3419 Lease revenue	0	0	0	0	0	0	47,580	
Total Charges for services	0	0	0	0	0	0	47,580	
Total Revenue:	0	0	0	0	0	0	47,580	
Expenditures:								
Debt service								
4711.810 Deb service - principal	0	0	0	0	0	0	26,000	
4711.820 Debt service - interest	0	0	0	0	0	0	14,580	
4921 Budgeted increase in fund balance	0	0	0	0	0	0	7,000	
Total Debt service	0	0	0	0	0	0	47,580	
Total Expenditures:	0	0	0	0	0	0	47,580	
Total Change In Net Position	0	0	0	0	0	0	0	

Parowan City
Budgeting Worksheet
44 Combined Capital Improvement - 07/01/2016 to 06/30/2017
100.00% of the fiscal year has expired

Change In Net Position	2014 Actual	2015 Actual	2016 Actual	2016 Budget	2017 Actual	Original Budget	Revised Budget	Worksheet Notes
Revenue:								
Intergovernmental revenue								
3339 FEDERAL GRANT	0	130,579	0	0	0	0	990,000	
3340 STATE GRANT	0	1,469,364	155,225	870,000	0	0	15,000	
3341 DONATIONS	0	0	0	80,000	0	0	0	
Total Intergovernmental revenue	0	1,599,943	155,225	950,000	0	0	1,005,000	
Interest								
3640 INTEREST	0	3,396	4,098	0	0	0	0	
Total Interest	0	3,396	4,098	0	0	0	0	
Miscellaneous revenue								
3642 Bond Proceeds	2,145,000	972,000	0	0	0	0	0	
3643 Return of bond proceeds	0	(2,145,000)	0	0	0	0	0	
Total Miscellaneous revenue	2,145,000	(1,173,000)	0	0	0	0	0	
Contributions and transfers								
3910 TRANSFER FROM GENERAL FUND	215,000	335,000	0	280,000	0	0	193,000	
3980 Budgeted increase in fund balance	0	0	0	531,000	0	0	0	
Total Contributions and transfers	215,000	335,000	0	811,000	0	0	193,000	
Total Revenue:	2,360,000	765,339	159,323	1,761,000	0	0	1,198,000	
Expenditures:								
General government								
Airport								
8574 Airport - Construction	0	0	32,451	160,000	0	0	0	
8575 Airport - Equipment	0	0	13,280	0	0	0	1,002,000	
Total Airport	0	0	45,731	160,000	0	0	1,002,000	
Total General government	0	0	45,731	160,000	0	0	1,002,000	
Public safety								
Fire								
5775 Fire - Equipment	0	0	25,000	25,000	0	0	0	
Total Fire	0	0	25,000	25,000	0	0	0	
Total Public safety	0	0	25,000	25,000	0	0	0	
Highways and public improvements								
Class "C" Road								
6174 Class C - Construction	410	0	0	0	0	0	0	
6175 Class C - Equipment	109,560	0	45,977	50,000	0	0	30,000	
Total Class "C" Road	109,970	0	45,977	50,000	0	0	30,000	
Total Highways and public improvements	109,970	0	45,977	50,000	0	0	30,000	
Parks, recreation, and public property								
Parks & Recreation								
7074 Parks Construction	0	0	0	200,000	0	0	110,000	
7077 Main St Park Restrooms	0	89,336	0	0	0	0	0	
7078 Parks - Equipment	0	0	3,850	4,000	0	0	14,000	

Parowan City
Budgeting Worksheet
44 Combined Capital Improvement - 07/01/2016 to 06/30/2017
100.00% of the fiscal year has expired

	2014 Actual	2015 Actual	2016 Actual	2016 Budget	2017 Actual	Original Budget	Revised Budget	Worksheet Notes
Total Parks & Recreation	0	89,336	3,850	204,000	0	0	124,000	
Library								
7574 Library Construction	13,299	0	0	0	0	0	0	
Total Library	13,299	0	0	0	0	0	0	
Cemetery								
4076 Cemetery - Construction	0	0	0	0	0	0	10,000	
4077 Cemetery - Equipment	0	0	0	0	0	0	2,000	
Total Cemetery	0	0	0	0	0	0	12,000	
Pool								
6974 Pool - Construction	33,860	0	0	0	0	0	0	
6975 Pool - Equipment	0	5,820	0	0	0	0	0	
Total Pool	33,860	5,820	0	0	0	0	0	
Total Parks, recreation, and public property	47,159	95,156	3,850	204,000	0	0	136,000	
Miscellaneous								
4031 ENGINEERING	23,200	87,980	35,000	0	0	0	30,000	
4031.2 Engineering - non-capital	0	3,395	0	0	0	0	0	
4073 CONSTRUCTION - IMPROVEMENTS	0	1,024,457	0	0	0	0	0	
4073.2 Construction - non-capital	0	9,771	0	0	0	0	0	
4074 CAPITAL OUTLAY - EQUIPMENT/MAC	19,200	12,500	1,498,649	1,322,000	0	0	0	
Total Miscellaneous	42,400	1,138,103	1,533,649	1,322,000	0	0	30,000	
Total Expenditures:	199,529	1,233,259	1,654,207	1,761,000	0	0	1,198,000	
Total Change in Net Position	2,160,471	(467,920)	(1,494,884)	0	0	0	0	

Parowan City
Budgeting Worksheet
45 Capital Project - Airport Dev - 07/01/2016 to 06/30/2017
100.00% of the fiscal year has expired

Parowan City
Budgeting Worksheet
46 Capital Project - Theatre - 07/01/2016 to 06/30/2017
100.00% of the fiscal year has expired

Parowan City
Budgeting Worksheet
47 Capital Project - Rec Complex - 07/01/2016 to 06/30/2017
100.00% of the fiscal year has expired

Parowan City
Budgeting Worksheet
51 Water Fund - 07/01/2016 to 06/30/2017
100.00% of the fiscal year has expired

	2014 Actual	2015 Actual	2016 Actual	2016 Budget	2017 Actual	Original Budget	Revised Budget	Worksheet Notes
Income or Expense								
Income From Operations:								
Operating income								
3710 WATER SALES	476,411	563,532	486,532	500,000	0	0	480,000	
3720 CONNECTION FEES	6,850	7,400	12,808	5,000	0	0	7,000	
Total Operating income	483,261	570,932	499,340	505,000	0	0	487,000	
Operating expense								
4010 SALARIES AND WAGES - OVERTIME	11,292	13,973	7,333	15,000	0	0	14,000	
4011 SALARIES AND WAGES-PERM. EMPLO	97,567	122,455	100,734	100,000	0	0	110,000	
4013 FICA	8,532	10,244	8,407	9,000	0	0	10,000	
4014 INSURANCE	38,694	42,022	34,673	45,000	0	0	42,000	
4015 RETIREMENT	22,282	18,457	21,372	23,000	0	0	19,000	
4016 WORKMEN'S COMPENSATION	4,027	3,923	2,862	4,000	0	0	4,000	
4021 SUBSCRIPTIONS AND MEMBERSHIPS	897	1,143	1,051	1,000	0	0	1,200	
4022 PUBLIC NOTICES AND ADS	184	651	94	200	0	0	700	
4023 TRAVEL, MEALS AND LODGING	1,180	1,335	1,943	1,000	0	0	2,000	
4024 OFFICE SUPPLIES AND EXPENSE	1,646	2,677	2,480	2,000	0	0	2,000	
4025 REPAIR TO EQUIPMENT	2,154	4,670	397	3,000	0	0	3,000	
4026 MAINTENANCE MATERIALS AND SUPP	27,560	33,668	28,847	25,000	0	0	30,000	
4027 UTILITIES	26,695	24,933	21,715	26,000	0	0	25,000	
4028 TELEPHONE	4,377	5,028	5,288	4,500	0	0	5,000	
4029 IMPACT FEES	0	0	2,796	0	0	0	0	
4031 PROFESSIONAL & TECHNICAL SERVI	15,165	16,589	13,768	16,000	0	0	16,000	
4032 AUDIT	2,539	1,602	2,250	2,000	0	0	2,500	
4033 EDUCATION AND TRAINING	302	627	307	500	0	0	500	
4034 REFUNDS AND OVERPAYMENTS	2,140	0	0	0	0	0	0	
4040 GAS AND OIL	6,289	3,835	2,555	6,000	0	0	5,000	
4047 UNIFORM ALLOWANCE	900	878	784	700	0	0	900	
4048 POSTAGE	1,726	1,835	1,501	2,000	0	0	2,000	
4051 LIABILITY INSUR. & SURETY BOND	12,634	2,210	11,884	12,000	0	0	12,000	
4058 LEASE PAYMENT - WHEELER	2,050	5,548	5,500	3,500	0	0	3,500	
4061 SUNDRY	695	615	1,002	800	0	0	500	
4062 DEPRECIATION EXPENSE WATER	148,470	155,345	76,892	150,000	0	0	150,000	
Total Operating expense	439,997	474,273	356,435	452,200	0	0	460,800	
Total Income From Operations:	43,264	96,659	142,905	52,800	0	0	26,200	
Non-Operating Items:								
Non-operating income								
3735 WATER IMPACT FEE	6,086	4,770	14,228	5,000	0	0	10,000	
3810 INTEREST EARNINGS	3,095	2,778	2,043	3,000	0	0	1,000	
3820 LEASE AND RENTALS	8,123	2,527	2,031	2,000	0	0	1,000	
3840 SALE OF MATERIALS	2,418	50	0	500	0	0	1,000	
3890 MISCELLANEOUS	22,377	189	8,316	0	0	0	0	
Total Non-operating income	42,099	10,314	26,616	10,500	0	0	13,000	
Non-operating expense								
4059 INTEREST EXPENSE	57,652	65,303	64,159	68,000	0	0	64,000	

Parowan City
Budgeting Worksheet

51 Water Fund - 07/01/2016 to 06/30/2017
100.00% of the fiscal year has expired

	2014 Actual	2015 Actual	2016 Actual	2016 Budget	2017 Actual	Original Budget	Revised Budget	Worksheet Notes
4086 LOAN REDEMPTION - INTEREST	19,904	0	0	0	0	0	0	
4090 TRANSFER TO GENERAL FUND	41,000	21,583	0	30,000	0	0	30,000	
Total Non-operating expense	118,556	86,886	64,159	98,000	0	0	94,000	
Total Non-Operating Items:	(76,457)	(76,572)	(37,541)	(87,500)	0	0	(81,000)	
Total Income or Expense	(33,193)	20,087	105,364	(34,700)	0	0	(54,800)	

Parowan City
Budgeting Worksheet
52 Sewer Fund - 07/01/2016 to 06/30/2017
100.00% of the fiscal year has expired

Income or Expense	2014 Actual	2015 Actual	2016 Actual	2016 Budget	2017 Actual	Original Budget	Revised Budget	Worksheet Notes
Income From Operations:								
Operating income								
3710 SEWER SERVICES	466,303	473,334	426,445	455,000	0	0	470,000	
3712 SW SERVICES BRIAN HEAD (YEARLY)	99,447	99,122	99,122	99,000	0	0	99,122	
3713 ADMIN FEES - BRIAN HEAD (MONTH)	44,327	44,327	16,670	44,000	0	0	51,920	
3720 CONNECTION FEES	1,750	2,000	4,200	900	0	0	2,000	
3750 Dumping Fees	750	375	300	1,000	0	0	300	
Total Operating Income	612,577	619,158	546,737	599,900	0	0	623,342	
Operating expense								
Sewer Collection								
4010 SALARIES AND WAGES - OVERTIME	6,928	7,934	5,091	7,000	0	0	7,000	
4011 SALARIES AND WAGES-PERM. EMPLO	45,727	54,463	41,882	30,000	0	0	33,000	
4013 FICA	4,108	4,706	3,641	3,000	0	0	3,000	
4014 INSURANCE	18,391	19,126	14,220	13,000	0	0	13,000	
4015 RETIREMENT	11,201	8,983	9,812	12,000	0	0	12,000	
4016 WORKMEN'S COMPENSATION	2,009	1,725	842	1,000	0	0	1,000	
4021 SUBSCRIPTIONS AND MEMBERSHIPS	358	358	376	100	0	0	400	
4022 PUBLIC NOTICE AND ADS	92	325	47	1,000	0	0	1,000	
4023 TRAVEL, MEALS AND LODGING	517	470	89	1,200	0	0	1,000	
4024 OFFICE SUPPLIES AND EXPENSE	842	675	843	300	0	0	1,000	
4025 REPAIR TO EQUIPMENT	1,158	166	1,810	2,000	0	0	2,000	
4026 MAINTENANCE MATERIALS AND SUPP	11,418	10,968	6,810	8,000	0	0	9,500	
4027 UTILITIES	791	658	837	700	0	0	700	
4028 TELEPHONE	2,253	2,488	2,259	2,000	0	0	2,500	
4031 PROFESSIONAL & TECHNICAL SERVI	30,094	32,106	30,218	27,000	0	0	33,000	
4032 AUDIT	1,269	801	1,125	1,000	0	0	1,200	
4033 EDUCATION AND TRAINING	42	720	122	100	0	0	800	
4040 GAS AND OIL	4,095	2,383	1,506	4,500	0	0	3,000	
4047 UNIFORM ALLOWANCE	680	878	784	700	0	0	900	
4048 POSTAGE	1,063	884	675	1,000	0	0	1,000	
4051 LIABILITY INSUR. & SURETY BOND	4,654	0	4,654	2,000	0	0	5,000	
4058 LEASE PAYMENT - WHEELER	2,050	5,548	5,500	1,750	0	0	3,500	
4061 SUNDRY	0	0	0	100	0	0	100	
4062 DEPRECIATION	192,109	175,628	83,980	195,000	0	0	175,000	
Total Sewer Collection	341,849	331,993	217,123	314,450	0	0	310,600	
Sewer Treatment								
4110 SALARIES AND WAGES - OVERTIME	7,025	7,933	6,176	10,000	0	0	8,000	
4111 SALARIES AND WAGES-PERM EMPLOY	45,725	52,051	47,361	70,000	0	0	73,000	
4113 FICA	4,115	4,702	4,151	50,000	0	0	5,000	
4114 INSURANCE	18,393	19,398	18,890	23,000	0	0	23,000	
4115 RETIREMENT	11,224	8,983	11,395	19,000	0	0	19,000	
4116 WORKER'S COMPENSATION	2,009	2,198	2,020	2,000	0	0	2,000	
4121 SUBSCRIPTIONS AND MEMBERSHIPS	255	275	295	100	0	0	300	
4122 PUBLIC NOTICES AND ADS	92	325	47	1,000	0	0	1,000	
4123 TRAVEL, MEALS & LODGING	84	120	60	1,000	0	0	1,000	

Parowan City
Budgeting Worksheet

52 Sewer Fund - 07/01/2016 to 06/30/2017
100.00% of the fiscal year has expired

	2014 Actual	2015 Actual	2016 Actual	2016 Budget	2017 Actual	Original Budget	Revised Budget	Worksheet Notes
4124 OFFICE SUPPLIES AND EXPENSE	842	864	819	1,000	0	0	1,000	
4125 REPAIRS TO EQUIPMENT	394	775	4,640	1,000	0	0	2,000	
4126 MAINTENANCE MATERIALS AND SUPP	13,093	13,784	14,306	15,000	0	0	16,000	
4127 UTILITIES	9,619	7,920	8,019	11,000	0	0	10,000	
4128 TELEPHONE	2,253	2,488	2,259	2,000	0	0	2,000	
4130 LAND DISPOSAL - BIASI	7,700	7,975	7,315	9,000	0	0	8,000	
4131 PROFESSIONAL AND TECHNICAL SER	5,130	8,178	6,058	7,000	0	0	8,000	
4132 AUDITING	1,269	801	1,125	1,500	0	0	1,500	
4133 EDUCATION AND TRAINING	1,217	670	1,297	1,200	0	0	1,300	
4140 GAS AND OIL	3,561	2,596	2,910	5,000	0	0	4,000	
4147 UNIFORM ALLOWANCE	863	878	784	700	0	0	900	
4148 POSTAGE	951	884	744	1,000	0	0	1,000	
4151 LIABILITY INSUR. & SURETY BOND	4,654	0	4,654	5,000	0	0	5,000	
4158 EQUIPMENT RENTAL	0	0	0	1,750	0	0	3,500	
4162 DEPRECIATION	10,829	10,995	6,415	11,000	0	0	11,000	
Total Sewer Treatment	151,297	154,793	151,740	249,250	0	0	207,500	
Total Operating expense	493,146	486,786	368,863	563,700	0	0	518,100	
Total Income From Operations:	119,431	132,372	177,874	36,200	0	0	105,242	
Non-Operating Items:								
Non-operating income								
3725 SEWER IMPACT FEES	3,825	2,145	7,865	2,000	0	0	2,000	
3810 INTEREST EARNINGS	5,291	4,283	2,663	4,000	0	0	4,000	
3890 MISCELLANEOUS	75	0	0	1,000	0	0	100	
Total Non-operating income	9,191	6,428	10,528	7,000	0	0	6,100	
Non-operating expense								
4059 INTEREST EXPENSE	85,143	78,849	76,078	80,000	0	0	79,000	
4090 TRANSFER TO GENERAL FUND	37,000	20,125	0	25,000	0	0	10,000	
Total Non-operating expense	122,143	98,974	76,078	105,000	0	0	89,000	
Total Non-Operating Items:	(112,952)	(92,546)	(65,550)	(98,000)	0	0	(82,900)	
Total Income or Expense	6,479	39,826	112,324	(61,800)	0	0	22,342	

Parowan City
Budgeting Worksheet
53 Electric Fund - 07/01/2016 to 06/30/2017
100.00% of the fiscal year has expired

	2014 Actual	2015 Actual	2016 Actual	2016 Budget	2017 Actual	Original Budget	Revised Budget	Worksheet Notes
Income or Expense								
Income From Operations:								
Operating income								
3710 ELECTRIC SALES-RESIDENTIAL-TAX	1,158,164	1,139,491	1,007,697	1,100,000	0	0	1,100,000	
3715 ELECTRIC SALES-COMMERCIAL-TAXA	689,122	713,955	664,082	675,000	0	0	700,000	
3730 PENALTIES	12,562	10,121	15,343	15,000	0	0	10,000	
3755 HEAD IN LEASE - POWER POLES	0	0	0	5,000	0	0	5,000	
3780 ENERGY SALES & USE TAX	93,339	93,886	85,957	90,000	0	0	0	
3800 OTHER REVENUE	0	0	94,124	0	0	0	0	
3840 SALE OF MATERIALS	21,202	39,075	433	1,000	0	0	0	
3890 MISCELLANEOUS	84,130	24,161	16,770	21,000	0	0	30,000	
Total Operating income	2,058,519	2,020,689	1,884,406	1,907,000	0	0	1,865,000	
Operating expense								
4010 SALARIES AND WAGES - OVERTIME	6,899	10,537	13,850	10,000	0	0	7,000	
4011 SALARIES AND WAGES-PERM. EMPLO	291,865	363,733	280,666	340,000	0	0	300,000	
4013 FICA	23,358	28,330	23,116	25,000	0	0	22,000	
4014 INSURANCE	83,293	94,552	72,771	90,000	0	0	80,000	
4015 RETIREMENT	65,487	56,257	66,101	85,000	0	0	40,000	
4016 WORKMEN'S COMPENSATION	7,282	6,924	5,051	7,000	0	0	7,000	
4020 BANK CHARGES	17,673	14,518	8,201	11,000	0	0	15,000	
4022 PUBLIC NOTICES AND ADS	307	1,084	157	1,000	0	0	1,000	
4023 TRAVEL, MEALS AND LODGING	3,120	8,089	2,936	8,000	0	0	8,000	
4024 OFFICE SUPPLIES AND EXPENSE	2,861	2,781	1,304	2,500	0	0	3,000	
4025 REPAIR TO EQUIPMENT	13,758	22,719	1,936	12,000	0	0	10,000	
4026 MAINTENANCE MATERIALS AND SUPP	21,687	40,585	28,645	50,000	0	0	55,000	
4027 UTILITIES	6,159	5,497	6,754	5,000	0	0	8,000	
4028 TELEPHONE	7,666	9,139	8,569	8,000	0	0	8,000	
4031 PROFESSIONAL & TECHNICAL SERVI	16,029	20,554	48,200	17,000	0	0	30,000	
4032 AUDIT	2,539	1,602	2,250	3,000	0	0	3,000	
4033 EDUCATION AND TRAINING	515	1,377	90	3,000	0	0	3,000	
4038 XMAS LIGHTS	12,274	17,706	210	10,000	0	0	10,000	
4040 GAS AND OIL	10,728	9,383	5,753	11,000	0	0	8,000	
4047 UNIFORM ALLOWANCE	2,080	3,739	2,699	4,000	0	0	2,000	
4048 POSTAGE	2,520	2,210	1,653	3,000	0	0	2,700	
4050 POWER PURCHASE	541,482	651,101	508,298	650,000	0	0	600,000	
4051 LIABILITY INSURANCE	12,050	137	12,050	12,000	0	0	12,000	
4053 HYDRO PLANT EQUIPMENT	0	1,371	0	30,000	0	0	20,000	
4054 PENSTOCK REPAIR	0	81	0	1,500	0	0	1,500	
4055 DATA PROCESSING	18,720	18,720	0	19,000	0	0	19,000	
4056 FERC/HYDRO ENGINEERING	0	0	0	1,000	0	0	1,000	
4058 EQUIPMENT RENTAL	0	0	3,500	5,000	0	0	3,000	
4061 SUNDRY	634	257	188	2,000	0	0	2,000	
4062 DEPRECIATION	198,077	195,116	97,832	190,000	0	0	190,000	
4063 RESERVOIR COMPANY ASSESSMENT	0	0	20,462	20,000	0	0	20,000	
4065 BAD DEBTS	0	0	0	6,000	0	0	0	
4072 CAPITAL OUTLAY - BLDGS/STRUCTU	4,532	0	0	0	0	0	0	
4073 CAPITAL OUTLAY - O/T BUILDINGS	8,876	0	0	0	0	0	0	

Parowan City
Budgeting Worksheet
53 Electric Fund - 07/01/2016 to 06/30/2017
100.00% of the fiscal year has expired

	2014 Actual	2015 Actual	2016 Actual	2016 Budget	2017 Actual	Original Budget	Revised Budget	Worksheet Notes
4074 CAPITAL OUTLAY - EQUIPMENT/MAC								
Total Operating expense	3,337	0	0	0	0	0	0	
	1,385,808	1,588,099	1,223,242	1,642,000	0	0	1,491,200	
Total Income From Operations:	672,711	432,590	661,164	265,000	0	0	373,800	
Non-Operating Items:								
Non-operating income								
3720 CONNECTION FEES	39,643	13,705	18,555	9,000	0	0	12,000	
3725 ELECTRIC IMPACT FEES	19,190	7,608	31,031	10,000	0	0	10,000	
3740 RECONNECT FEES	2,325	1,825	1,300	2,000	0	0	2,000	
3810 INTEREST EARNINGS	1,315	5,866	1,105	2,500	0	0	2,000	
3820 REVENUE FROM IRRIGATION COMPANY	167,029	343,394	79,000	79,000	0	0	79,000	
Total Non-operating income	229,502	372,398	130,991	102,500	0	0	105,000	
Non-operating expense								
4059 INTEREST EXPENSE	87,828	108,707	114,682	140,000	0	0	175,000	
4060 BOND AGENT PAYING COST	0	6,350	2,600	0	0	0	0	
4090 TRANSFER TO GENERAL FUND	190,000	173,000	92,500	180,000	0	0	180,000	
4091 TRANSFER TO CAPITAL PROJECTS 44	0	0	0	80,000	0	0	0	
Total Non-operating expense	277,828	288,057	209,782	400,000	0	0	355,000	
Total Non-Operating Items:	(48,326)	84,341	(78,791)	(297,500)	0	0	(250,000)	
Total Income or Expense	624,385	516,931	582,373	(32,500)	0	0	123,800	

Parowan City
Budgeting Worksheet
55 Solid Waste Fund - 07/01/2016 to 06/30/2017
100.00% of the fiscal year has expired

	2014 Actual	2015 Actual	2016 Actual	2016 Budget	2017 Actual	Original Budget	Revised Budget	Worksheet Notes
Income or Expense								
Income From Operations:								
Operating income								
3710 GARBAGE FEES (FIRST CAN)	90,580	90,499	76,581	91,000	0	0	115,000	
3712 GARBAGE FEES (SECOND CAN)	43,878	44,767	42,261	41,000	0	0	43,000	
3715 COUNTY LANDFILL FEE	57,289	58,018	49,162	58,000	0	0	58,000	
Total Operating income	191,747	193,284	168,004	190,000	0	0	216,000	
Operating expense								
4010 SALARIES AND WAGES - OVERTIME	5,145	5,704	3,561	5,000	0	0	5,000	
4011 SALARIES AND WAGES-PERM. EMPLO	45,635	56,873	43,543	46,000	0	0	55,000	
4013 FICA	4,043	4,527	3,727	4,000	0	0	4,500	
4014 INSURANCE	22,716	19,687	21,873	17,000	0	0	20,000	
4015 RETIREMENT	11,052	9,132	10,481	11,000	0	0	1,000	
4016 WORKMEN'S COMPENSATION	1,209	1,154	842	800	0	0	1,200	
4019 CONTRACT SERVICES - COUNTY	53,332	54,964	27,844	54,000	0	0	55,000	
4024 OFFICE SUPPLIES AND EXPENSE	1,355	755	574	0	0	0	800	
4025 REPAIR TO EQUIPMENT	8,115	11,874	37,376	11,500	0	0	12,000	
4026 MAINTENANCE MATERIALS AND SUPP	1,268	8,920	8,735	10,000	0	0	10,000	
4028 TELEPHONE	1,414	1,176	440	600	0	0	600	
4031 PROFESSIONAL & TECHNICAL SERVI	8,769	9,990	7,746	9,000	0	0	9,000	
4032 AUDIT	2,539	1,602	2,250	1,000	0	0	1,500	
4040 GAS AND OIL	15,735	11,099	7,162	15,000	0	0	13,000	
4047 UNIFORM ALLOWANCE	292	0	0	100	0	0	200	
4048 POSTAGE	1,902	1,467	675	2,000	0	0	1,500	
4051 LIABILITY INSUR. & SURETY BOND	1,489	0	1,489	1,500	0	0	1,500	
4053 RECYCLING	1,000	0	0	3,000	0	0	3,000	
4062 DEPRECIATION	38,925	42,318	21,605	40,000	0	0	42,000	
Total Operating expense	225,935	241,242	199,923	231,500	0	0	236,800	
Total Income From Operations:	(34,188)	(47,958)	(31,919)	(41,500)	0	0	(20,800)	
Non-Operating Items:								
Non-operating expense								
4081 INTEREST EXPENSE	1,791	(20)	0	4,000	0	0	0	
4090 TRANSFER TO GENERAL FUND	13,000	5,833	0	10,000	0	0	10,000	
Total Non-operating expense	14,791	5,813	0	14,000	0	0	10,000	
Total Non-Operating Items:	14,791	5,813	0	14,000	0	0	10,000	
Total Income or Expense	(48,979)	(53,771)	(31,919)	(55,500)	0	0	(30,800)	

Parowan City
Budgeting Worksheet
57 Irrigation Fund - 07/01/2016 to 06/30/2017
100.00% of the fiscal year has expired

	2014 Actual	2015 Actual	2016 Actual	2016 Budget	2017 Actual	Original Budget	Revised Budget	Worksheet Notes
Income or Expense								
Income From Operations:								
Operating income								
3710 IRRIGATION SERVICE CHARGE	176,478	167,923	126,030	150,000	0	0	205,000	
3720 CONNECTION FEES	0	1,200	1,200	200	0	0	500	
3740 PI WELL SURCHARGE	0	8,609	12,996	10,000	0	0	10,000	
Total Operating income	176,478	177,732	140,226	160,200	0	0	215,500	
Operating expense								
4010 SALARIES AND WAGES - OVERTIME	8,522	9,217	6,664	8,000	0	0	8,000	
4011 SALARIES AND WAGES-PERM. EMPLO	57,930	58,480	50,793	58,000	0	0	58,000	
4013 FICA	5,146	5,145	4,418	5,000	0	0	5,200	
4014 INSURANCE	19,720	19,967	17,624	20,000	0	0	20,000	
4015 RETIREMENT	14,700	9,919	12,216	15,000	0	0	10,000	
4016 WORKMEN'S COMPENSATION	1,227	1,154	842	800	0	0	1,200	
4023 TRAVEL, MEALS AND LODGING	0	90	26	0	0	0	500	
4026 MAINTENANCE MATERIAL AND SUPPL	11,153	17,498	9,864	18,000	0	0	18,000	
4027 UTILITIES	17,692	18,228	9,768	20,000	0	0	18,000	
4028 TELEPHONE	1,519	1,681	1,506	1,500	0	0	1,500	
4031 PROFESSIONAL AND TECHNICAL	5,759	7,048	5,810	6,000	0	0	6,000	
4032 AUDIT	1,410	890	1,250	1,000	0	0	1,250	
4035 FLOOD CHANNEL REPAIR	0	170	0	4,000	0	0	3,000	
4040 GAS AND OIL	970	1,959	1,056	2,000	0	0	2,000	
4047 UNIFORM ALLOWANCE	664	878	784	700	0	0	900	
4048 POSTAGE	1,713	1,612	1,351	2,000	0	0	2,000	
4050 WATER ASSESSMENTS	604	0	604	600	0	0	600	
4051 LIABILITY INSUR. & SURETY BOND	1,489	0	1,489	1,500	0	0	1,500	
4055 DATA PROCESSING	0	0	0	500	0	0	500	
4058 LEASE PAYMENT - WHEELER	2,050	5,548	5,500	3,500	0	0	3,500	
4061 SUNDRY	48	225	0	200	0	0	200	
4062 DEPRECIATION	23,722	22,796	11,398	25,000	0	0	23,000	
Total Operating expense	176,038	182,505	142,963	193,300	0	0	184,850	
Total Income From Operations:	440	(4,773)	(2,737)	(33,100)	0	0	30,650	
Non-Operating Items:								
Non-Operating expense								
4090 TRANSFER TO GENERAL FUND	15,000	7,875	0	10,000	0	0	10,000	
Total Non-Operating expense	15,000	7,875	0	10,000	0	0	10,000	
Total Non-Operating Items:	15,000	7,875	0	10,000	0	0	10,000	
Total Income or Expense	(14,560)	(12,648)	(2,737)	(43,100)	0	0	20,650	

Parowan City
Budgeting Worksheet
73 Community Theatre Fund - 07/01/2016 to 06/30/2017
 100.00% of the fiscal year has expired

	2014 Actual	2015 Actual	2016 Actual	2016 Budget	2017 Actual	Original Budget	Revised Budget	Worksheet Notes
Change in Net Position								
Revenue:								
Interest								
3810 INTEREST RECEIVED	27	30	3	0	0	0	0	
Total Interest	27	30	3	0	0	0	0	
Total Revenue:	27	30	3	0	0	0	0	
Expenditures:								
Parks, recreation, and public property								
Theater								
4061 SUNDRY	170	12	0	0	0	0	0	
Total Theater	170	12	0	0	0	0	0	
Total Parks, recreation, and public property	170	12	0	0	0	0	0	
Total Expenditures:	170	12	0	0	0	0	0	
Total Change in Net Position	(143)	18	3	0	0	0	0	

Parowan City
Budgeting Worksheet
79 Perpetual Care Fund - 07/01/2016 to 06/30/2017
100.00% of the fiscal year has expired

Parowan City
Budgeting Worksheet
91 General Fixed Assets - 07/01/2016 to 06/30/2017
100.00% of the fiscal year has expired

	2014 Actual	2015 Actual	2016 Actual	2016 Budget	2017 Actual	Original Budget	Revised Budget	Worksheet Notes
Change In Net Position								
Expenditures:								
Miscellaneous								
4100 Dep exp General government	11,445	14,323	0	0	0	0	0	
4101 Pension Admin	0	(10,566)	0	0	0	0	0	
4200 Dep exp Public Safety	12,362	12,362	0	0	0	0	0	
4201 Pension Public Safety	0	(24,279)	0	0	0	0	0	
4400 Dep exp Streets & public works	233,970	197,545	0	0	0	0	0	
4401 Pension Streets	0	(1,792)	0	0	0	0	0	
4500 Dep exp Parks and recreation	32,706	33,897	0	0	0	0	0	
4501 Pension Parks	0	(11,134)	0	0	0	0	0	
Total Miscellaneous	290,483	210,356	0	0	0	0	0	
Total Expenditures:	290,483	210,356	0	0	0	0	0	
Total Change In Net Position	290,483	210,356	0	0	0	0	0	