PROVO MUNICIPAL COUNCIL

Redevelopment Agency of Provo

Regular Meeting Agenda

5:30 PM, Tuesday, October 04, 2016
Room 200, Municipal Council Chambers
351 West Center

Decorum

The Council requests that citizens help maintain the decorum of the meeting by turning off electronic devices, being respectful to the Council and others, and refraining from applauding during the proceedings of the meeting.

Opening Ceremony

Roll Call

1. Invocation

2. The Pledge of Allegiance will be provided by Scout Troop 1845

3. The Neighborhood Spotlight will be presented by Michael Mertz, South Franklin Chair

Approval of Minutes

- September 20, 2016 Council Meeting Minutes

Public Comment

Fifteen minutes have been set aside for any person to express ideas, concerns, comments, or issues that are not on the agenda:

Please state your name and city of residence into the microphone.
Please limit your comments to two minutes.
State Law prohibits the Council from acting on items that do not appear on the agenda.

Mayor's Items and Reports

4. A resolution consenting to the Mayor's appointment of James Miguel as the Chief of the Fire Department for the City of Provo. (16-107)

Council Items and Reports

5. An ordinance enacting Provo City Code Chapter 6.11 (Trampoline Gyms) to regulate the licensing

of Trampoline Gyms in Provo. (16-105)

Mayor's Items and Reports

6. An ordinance amending Energy Rates on the Provo City Consolidated Fee Schedule. (16-093)

7. A resolution appropriating $260,000 in the General CIP Fund for purposes related to the Fleet Facility Project and applying to the fiscal year ending June 30, 2017. (16-110)

8. A resolution approving a Power Plant Property Lease Agreement between Provo City and Utah Municipal Power Agency. (16-024)

Policy Items Referred from the Planning Commission

9. An ordinance amending the Zone Map Classification of approximately 2.44 acres of real property, generally located at 1290 North Geneva Road, from Agricultural Zone (A1.5) to One-Family Residential (R1.10), Lakeview North Neighborhood. (14-0013R)

If you have a comment regarding items on the agenda, please email or write to Council Members. Their contact information is listed on the Provo website at: http://provo.org/government/city-council/meet-the-council

Adjournment

Materials and Agenda: http://publicdocuments.provo.org/sirepub/meet.aspx
Council Blog: http://provocitycouncil.blogspot.com/

The next scheduled Regular Council Meeting will be held on 10/18/2016 at 5:30 PM in the Council Chambers, 351 West Center Street, Provo, unless otherwise noticed. The Work Session meeting start times is to be determined and will be noticed at least 24 hours prior to the meeting time, but typically begins between 1:00 and 4:00pm.

Notice of Compliance with the Americans with Disabilities Act (ADA)

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aides and services) during this meeting are invited to notify the Provo Council Office at 351 W. Center, Provo, Utah 84601, phone: (801) 852-6120 or email ljorgensen@provo.utah.gov at least three working days prior to the meeting. The meeting room in Provo City Center is fully accessible via the south parking garage access to the elevator. The Council Meeting is also broadcast live Provo Channel 17 at https://www.youtube.com/user/ProvoChannel17. For access to past Work and Council Meetings, go to playlists on https://www.youtube.com/user/ProvoChannel17.

Notice of Compliance with Public Noticing Regulations

This meeting was noticed in compliance with Utah Code 52-4-202 and Provo City Code 14.02.010. Agendas and minutes are accessible through the Provo City website at council.provo.gov. Council Meeting agendas are available through the Utah Public Meeting Notice website at pmn.utah.gov. Email subscriptions to the Utah Public Meeting Notice are available through their website.

Notice of Telephonic Communications

One or more Council members may participate by telephone or Internet communication in this meeting. Telephone or Internet communications will be amplified as needed so all Council members and others attending the meeting will be able to hear the person(s) participating electronically as well as those participating in person. The meeting will be conducted using the same procedures applicable to regular Municipal Council meetings.

Network for public access is "Provo Guest", password "provoguest".

PROVO MUNICIPAL COUNCIL

Redevelopment Agency of Provo

Regular Meeting Minutes

5:30 PM, Tuesday, September 20, 2016
Room 200, Municipal Council Chambers
351 West Center

Opening Ceremony

Roll Call

THE FOLLOWING MEMBERS OF THE COUNCIL AND ADMINISTRATION WERE PRESENT:

Council Member Kim Santiago
Council Member Vernon K. Van Buren
Council Member David Harding
Council Member David Knecht
Council Attorney Brian Jones
Council Executive Director Clifford Strachan
Council Member David Sewell
Council Member Gary Winterton
Council Member George Stewart
Mayor John R. Curtis
CAO Wayne Parker

Conducting: Council Chair Kim Santiago

Invocation and Pledge – William Ng, Council Intern

Neighborhood Report

Nancy Wilson, Indian Hills Neighborhood Chair, was invited to give a report about her neighborhood. Ms. Wilson shared pictures of the neighborhood from their Facebook page. The neighborhood was all residential with the exception of one church building. They had two main safety issues – people driving too fast on many roads in the area and fire hazards because of their proximity to the mountains.

The neighborhood was populated with different types, styles, and colors of homes. It was peaceful, beautiful, and had the highest voting record in the city. The neighborhood was healthy, happy, and balanced.

Approval of Minutes – September 6, 2016

Motion: Council Member David Harding moved to approve the September 6, 2016 minutes as written. The motion was seconded by Council Member Gary Winterton.

Roll Call Vote: The motion passed 7:0 with Council Members Harding, Knecht,

Santiago, Sewell, Stewart, Van Buren, and Winterton in favor.

Presentations, Proclamations and Awards

1. A presentation on the Employee of the Month, Kelly Kloser, Library

Gene Nelson, Provo City Library Director, presented the Employee of the Month Award to Kelly Kloser, library employee. Ms. Kloser started with Provo City in 2003. She took a year off in 2013 to go to Scotland to finish her Master's Degree in Film. She returned to the library in 2014 as the Children's Reference Librarian. Ms. Kloser's fellow employees say she was reliable, hardworking, always willing to help others, knew how to do everything, was trustworthy, willing to work on the "crazy" requests, and was always happy.

2. Introduction of Kelsey Kerr, Policy Analyst, in the Council Office.

Clifford Strachan, Council Executive Director, introduced Kelsey Kerr, new Policy Analyst in the council office. Ms. Kerr graduated fifth in her class from the BYU MBA Program. She came highly recommended from Orem City where she was instrumental in helping to build the Orem All-Together Playground. She was a volunteer with the Refugee Action Network of Utah Valley and had taught at the MTC. Ms. Kerr earned several award and honors while at school including:

- 2016 MPB Academic Excellence Award Recipient for BYU's MPA program
- 2016 Presidential Management Fellowship Finalist for US Office of Personnel Management
- 2016 ICMA Local Government Fellowship Program Finalist
- 2015 Doyle Buckwalter Intern Award winner in BYU's MPA program.

3. A presentation of congratulations to Janene Weiss on the Certified Municipal Clerk program completion

Mayor Curtis recognized Janene Weiss and reported she had earned her Certified Municipal Clerk (CMC) designation from the International Institute of Municipal Clerks.

Mr. Strachan reported that earning the CMC designation required a certain amount of experience, education, and proficiency. The designation was difficult to earn and a small percentage of clerks around the country get this.

Mayor Curtis and Chair Santiago thanked Ms. Weiss for her hard work and dedication to the job and congratulated her on receiving this recognition.

Public Comment

Jani Rodebaugh, Provo, encouraged the council to approve the Maple Mountain Brewery application to locate a brewery pub in downtown Provo. She became acquainted with them at the Utah Concert Series where they served brewed ginger beer and root beer. She felt it would be a nice companion business to Taste, a chocolate factory on University Avenue. The business

would be another option for single people to go and meet others. It would also help distinguish Provo City as a gastronomical center.

Mayor's Items and Reports

4. Resolution 2016-43 approving an Interlocal Agreement with several Utah County public entities authorizing Provo City to enter into a Major Crimes Task Force. (16-106)

Captain Rich Fergusen, Provo City Police Department, presented. Several years ago Provo was investigating many of the same groups as other cities but they were unaware of it and information was not being shared between cities. In 1997 the Major Crimes Task Force was created in order to share information and investigate cases together as a county. The officers involved have become experts in investigative techniques.

In the past the agreement was effective for five years. The Department of Justice now required multi-jurisdictional task forces to enter into a yearly interlocal agreement in order to participate in federal forfeitures.

Provo City had three dedicated officers serving on the task force full-time. An additional five officers served on the Neighborhood Narcotics Squad which fell under the same umbrella as the task force. In the event of a major investigation in Provo we could call on the task force and have up to 30 officers participate in the investigation. The costs associated with the Major Crimes Task Force are shared among the member cities and were based on population. The task force was budgeted in the Police Department operating budget.

Mayor Curtis acknowledged Captain Fergusen as a former task force leader for the Major Crimes Task Force and helped them reach the prominence they have achieved.

Motion: Council Member Gary Winterton moved to approve **Resolution 2016-43** as written. The motion was seconded by Council Member George Stewart.

Roll Call Vote: The motion passed 7:0 with Council Members Harding, Knecht, Santiago, Sewell, Stewart, Van Buren, and Winterton in favor.

Adjourn

Motion: Council Member David Sewell moved to adjourn at 5:54 p.m. The motion was seconded by Council Member David Harding.

Roll Call Vote: The motion passed 7:0 with Council Members Harding, Knecht, Santiago, Sewell, Stewart, Van Buren, and Winterton in favor.

RESOLUTION 2016-.

A RESOLUTION CONSENTING TO THE MAYOR'S APPOINTMENT OF JAMES MIGUEL AS THE CHIEF OF THE FIRE DEPARTMENT FOR THE CITY OF PROVO. (16-107)

WHEREAS, following a nationwide search and detailed selection process, Mayor John R. Curtis has appointed James Miguel to serve as Fire Chief for the City of Provo; and

WHEREAS, Provo City Code Section 2.50.080 provides that the Municipal Council shall consider the appointment of any department director in the City and shall give its advice and consent where appropriate and consistent with law; and

WHEREAS, on September 20, 2016, the Municipal Council held a duly noticed public meeting to ascertain facts regarding this matter, which facts are found in the meeting record; and

WHEREAS, after considering the facts presented, the Municipal Council consents to the appointment of James Miguel as the Fire Chief and finds (i) Mr. Miguel has the requisite skills and abilities to perform the duties as the Fire Chief, and (ii) such appointment reasonably furthers the health, safety, and general welfare of the citizens of Provo City.

NOW, THEREFORE, be it resolved by the Municipal Council of Provo City, Utah as follows:

PART I:

The Municipal Council hereby consents to the appointment of James Miguel as the Fire Chief for the City of Provo, Utah, conditioned on his meeting all the requirements of the position.

PART II:

This resolution shall take effect immediately.

END OF RESOLUTION.

ORDINANCE 2016-

AN ORDINANCE ENACTING PROVO CITY CODE CHAPTER 6.11 (TRAMPOLINE GYMS) TO REGULATE THE LICENSING OF TRAMPOLINE GYMS IN PROVO. (16-105)

WHEREAS, it is proposed that Provo City Code Chapter 6.11, as shown in Exhibit A, be enacted to impose regulations on trampoline gyms in Provo to promote public safety; and

WHEREAS, an interdisciplinary committee, including representatives of local trampoline gyms, has considered the proposed regulations, which are designed to promote public safety and create standardization among these businesses; and

WHEREAS, on September 20, 2016, and October 4, 2016, the Municipal Council held duly noticed public meetings to ascertain the facts regarding this matter, which facts are found in the meeting records; and

WHEREAS, after considering the facts and comments presented to the Municipal Council, the Council finds (i) Provo City Code Chapter 6.11 (Trampoline Gyms) should be enacted as set forth below and (ii) this action reasonably furthers the health, safety and general welfare of the citizens of Provo City.

NOW, THEREFORE, be it ordained by the Municipal Council of Provo City, Utah, as follows:

PART I:

Provo City Code Chapter 6.11 (Trampoline Gyms) is hereby enacted as shown in the attached Exhibit A.

PART II:

A. If a provision of this ordinance conflicts with a provision of a previously adopted ordinance, this ordinance shall prevail.

B. This ordinance and its various sections, clauses and paragraphs are hereby declared to be severable. If any part, sentence, clause or phrase is adjudged to be unconstitutional or invalid, the remainder of the ordinance shall not be affected thereby.

C. The Municipal Council hereby directs that the official copy of the Provo City Code be updated to reflect the provisions enacted by this ordinance.

D. This ordinance shall take effect immediately after it has been posted or published in accordance with Utah Code 10-3-711, presented to the Mayor in accordance with Utah Code 10-3b-204, and recorded in accordance with Utah Code 10-3-713.

END OF ORDINANCE.

EXHIBIT A

Chapter 6.11

Trampoline Gyms.

6.11.010. Purpose.
Jumping on trampolines carries a risk of severe injury. To promote public safety and address this risk, Provo City requires that commercial trampoline gyms comply with the following standards in order to be licensed to do business in Provo City.

6.11.020. Definitions.
For the purposes of this Chapter, the following words and phrases shall be defined as set forth in this Section. The definitions set forth in Provo City Code Section 1.02.030 shall also apply:

"**Commercial Trampoline**" shall mean a device consisting of a bed of canvas, fabric, or other material attached to a framework by springs, rubber coils, or other elastic material intended for use for jumping, springing, bouncing, acrobatics, or gymnastics in a commercial facility.

"Emergency Response Plan" is a written plan of action for the efficient deployment and coordination of services, agencies and personnel to provide the earliest possible response to an emergency.

"**Injury**" shall mean an injury that requires only basic first-aid or requires any type of treatment or remedy that is not deemed as a "Serious Injury."

"**Operator**" shall mean a person who owns, manages, or controls or has the duty to control the operation of a trampoline gym.

"Poly Bed Trampoline" shall mean a trampoline bed consisting of interwoven materials such that a break in the material compromises the integrity of the bed.

"Serious Injury" an injury that requires medical attention beyond basic first- aid, or is reasonably likely to require medical attention beyond basic first- aid, or where the nature of the cause of injury and/or pain or symptoms related to the injury carry a reasonable risk that a failure to receive medical attention beyond basic first- aid may result in serious or permanent injury. Serious injury shall include, but shall not be limited to: broken bones, head injuries, spinal cord injuries, paralysis, cuts requiring sutures, etc.

"**String Bed Trampoline**" shall mean a trampoline bed consisting of individual strings.

"**Trampoline Court**" shall mean an area comprised of one or more commercial trampolines and any associated foam pits.

"**Trampoline Gym**" shall mean any place of business that operates for the purpose of offering the use of a trampoline court at a price.

6.11.030. Business License Required.
Except as provided in Section 6.11.040 of this Chapter, a person or business that operates a Trampoline Gym shall obtain a business license and shall be subject to the requirements of Provo City Code Chapters 6.01 and 6.02.

6.11.040. Exemptions.

This regulation does not apply to the following:

(1) Any playground operated by a school or local government, if the playground is an incidental amenity and the operating entity is not primarily engaged in providing amusement, pleasure or thrills;

(2) Equipment used exclusively for exercise, inflatable rides, inflatable bounce houses, and/or ball crawls; and

(3) Gymnastics, Dance, Cheer, and Tumbling facilities where all of the following are applicable:

(a) The majority of activities are gymnastics based;

(b) Where the facility derives at least 80% of its revenues through supervised educational instruction classes where the student- to- coach/instructor ratio is based on age, skill level, and number of students; and

(c) The facility teaches gymnastics skills and basics through programs that use progressive- oriented training and has supervised classes.

6.11.050. Notification of Risk.

(1) Each operator of a trampoline gym shall educate all participants regarding the risk of serious injury associated with use of the trampoline court in addition to and separate from any waiver of liability forms. Education shall include instruction on safe use of the facility, including warnings regarding any activities prohibited or restricted by these regulations, and the risks of unsafe or dangerous activities.

(2) Such education shall be provided either through in-person training or by video instruction and the operator shall document the acknowledgement of each customer that this education has been received.

(3) Such education shall also advise each participant that they are required to report any injury to gym staff before leaving the premises.

(4) Each operator shall post signage in conspicuous, well- lit places at the entrance desk and within the trampoline gym warning users of the risks of using the trampoline court and displaying safety rules. Letters shall be at least 2 inches in height. Warning signs shall also contain visual depictions of prohibited activities and potential dangers, including, but not limited to:

(a) Risks associated with low bounce areas; and

(b) Cautions those participants attempting a flip that they should do so into a foam pit until they have achieved sufficient skill to flip safely.

(5) The operator shall ensure that all gym staff are trained to closely monitor participants and advise participants not to attempt tricks or skills that the participant does not appear to be qualified to attempt.

6.11.060. Safety Standards.

(1) High risk activities, including activities involving boxes 4 feet in height or higher, shall be restricted to separate areas and shall require that participants receive personal training from gym staff before admittance to this area.
(2) Trampolines shall be placed away from other structures, except for structures specifically designed for use in trampoline court activities, for example boxes or platforms for jumping off. Any structures allowed under this rule shall meet the minimum padding rules set forth herein.

(3) All non-jumping surfaces on or adjacent to a trampoline court or foam pit shall be covered with at least 1-3/8" of padding.

(4) All Poly Bed Trampolines must have a redundant bed, safety netting, or pad below the trampoline bed.

(5) All trampoline courts must have adequate clearance both above and below the trampoline bed surface.

(6) Any structures, such as boxes or platforms, designed for jumping off shall be designed to provide adequate safety for the height of the structure. Participants shall not be allowed to jump off any structure or surface not designed for such activity, which structures and surfaces should be clearly marked as prohibited or Out of Bounds.

(7) For safety purposes, participants must be segregated by age and height. Participants who are under 46" in height or under 6 years in age must have direct parental supervision at all times and may not participate in activities with, or be allowed into areas used by, other participants.

(8) Only one person may be allowed at a time on trampoline beds where tricks or flips are permitted.

(9) Head first diving shall not never be allowed in any area of the facility under any circumstances.

(10) Double-bouncing or launching shall not be allowed.

(11) Areas set aside for dodgeball or other team sports shall comply with the following rules:

(a) No tricks or flips shall be allowed in such areas;

(b) Participants may not be allowed to change from one trampoline bed to another in a reckless or unsafe manner; and

(c) Participants must be of relatively the same size.

(12) Foam pit areas must comply with the following rules:

(a) Participants may not remain in the pit; and

(b) The landing area must be clear before any other participant is allowed to jump into the landing area.

(13) Participants may not climb on a climbing wall surface directly above or below another participant.

(14) Operators shall inspect and document in maintenance logs, which shall be available for inspection upon request by City employees, the condition of the facility on a weekly and monthly basis. Such inspection shall include, but not be limited to, the condition of:

(a) Trampoline beds, springs, frames, and pads;

(b) Padding materials;

(c) Bolts, including tightness, and moving connectors;

(d) Safety netting and safety equipment; and

(e) Other equipment.

6.11.070. Supervision.

(1) All Trampoline Courts shall be monitored at all times, except for those limited to children where parental supervision is required. Monitoring means that a Trampoline Gym employee must have a clear and unimpeded view of the entire area of each Trampoline Court that the employee monitors. Video monitoring is permissible if such monitoring reasonably allows the employee a view meeting these standards.

(2) Trampoline Gym employees tasked with monitoring a Trampoline Gym must:

(a) have monitoring as their primary responsibility;

(b) be at least 18 years of age;

(c) be able to communicate immediately with other monitoring employees and any supervisory employees via radio or other method that does not require them to leave their monitoring post;

(d) be easily identifiable to participants as a monitor;

(e) have ready access to basic first aid supplies; and

(f) not be tasked to monitor a larger area or a larger number of participants than the employee can reasonably exercise authority and control over.

(g) be able to easily and clearly communicate to all participants, including by PA system.

(3) Operators shall train all employees to actively enforce all regulations herein and all rules of the trampoline gym.

(4) At all times, one on-duty employee shall be designated as a safety officer and shall be easily identifiable as such. All safety officers shall be trained regarding these regulations, rules of the trampoline gym, first aid, and both CPR and blood borne pathogen training that meets OSHA standards. Safety officers shall be trained in how to provide immediate care for breathing emergencies and serious injuries (as defined above). This training must be completed (or administered) once a year to all safety officers and documentation must be available at City's request.

(5) Every trampoline gym shall have an AED device on its premises and shall have on duty an employee trained in its use at all times.

6.11.080. Reporting of Injuries.

(1) Each operator of a trampoline gym shall immediately call 911 when any serious injury (as defined above) occurs.

(2) Each trampoline gym must create an Emergency Response Plan (ERP) approved by the Provo City Fire Marshall. All employees are required to know the response plan. At a minimum, the plan will describe what to do, who to call, etc. based on the injury. The plan must include a requirement to call 911 with any serious injury.

(3) All Injuries and Serious Injuries, must be recorded in a log that is kept on site and is available for review upon request by any customer, potential customer, or City employee.

6.11.090. Inspections.

(1) Each operator shall allow and facilitate the Provo City's inspections of their records to ensure compliance with the regulations found herein.

(2) The trampoline court should be maintained in good repair and inspected at least every year by the insurer of the gym, or another qualified individual not affiliated with the gym.

(3) Inspections shall include verification of compliance with the safety standards contained herein.

(4) Each operator shall make available to the Provo City inspector the updated Emergency Response Plan and all maintenance, inspection, employee first aid/ CPR training, and injury logs.

6.11.100. Insurance.

(1) Every trampoline gym operator shall maintain insurance providing liability coverage of at least $1,000,000 per incident to cover injuries to participants arising out of any negligence or misconduct by the operator or gym staff in the construction, maintenance, or operation of the gym.

(2) Every operator shall maintain on file, and make available upon request, a certificate of insurance demonstrating compliance with this Section.

(3) Every operator shall notify Provo City licensing staff within 24 hours of the lapse, expiration, cancellation, or any other event that causes the operator not to have the insurance coverage required by this Section.

6.11.110. Accreditation or Affiliation.

Every trampoline gym shall be a member of a statewide industry association related to trampoline gyms, if one exists.

6.11.120. Appeals.

Any person aggrieved by an action taken pursuant to this Chapter may appeal the action within thirty (30) days as provided by Provo City Code Chapter 3.06.

6.11.130. Penalty for Violation.

It shall be unlawful to violate any section of these regulations. Violation is grounds for revocation of the operator's business license and is punishable as a Class B misdemeanor.

Provo City Licensing Department

Commercial Trampoline Gyms

Jumping on trampolines carries a risk of severe injury. Provo City requires that commercial trampoline gyms comply with the following standards in order to be licensed to do business in Provo City:

1 **Definitions:**

1.1. "**Trampoline Court**" shall mean an area comprised of one or more commercial trampolines and any associated foam pits.

1.2. "**Trampoline Gym**" shall mean any place of business that operates for the purpose of offering the use of a trampoline court at a price.

1.3. "**Commercial Trampoline**" shall mean a device consisting of a bed of canvas, fabric, or other material attached to a framework by springs, rubber coils, or other elastic material intended for use in a commercial facility.

1.3.1. **"Poly Bed Trampoline**" shall mean a trampoline bed consisting of interwoven materials such that a break in the material compromises the integrity of the bed.

1.3.2. "**String Bed Trampoline**" shall mean a trampoline bed consisting of individual strings.

1.4. "**Operator**" shall mean a person who owns, manages, or controls or has the duty to control the operation of a trampoline gym.

1.5. "Serious Injury" an injury that requires medical attention beyond basic first-aid, or is reasonably likely to require medical attention beyond basic first-aid, or where the nature of the cause of injury and/or pain or symptoms related to the injury carry a reasonable risk that a failure to receive medical attention beyond basic first-aid may result in serious or permanent injury. Serious injury shall include, but shall not be limited to: broken bones, head injuries, spinal cord injuries, paralysis, etc.

1.6. "Injury" an injury that requires basic first-aid or requires any type of treatment or remedy that is not deemed as a "Serious Injury."

1.7. "Emergency Response Plan" is a plan of action for the efficient deployment and coordination of services, agencies and personnel to provide the earliest possible response to an emergency.

2 This regulation does not apply to the following:

2.1 Any playground operated by a school or local government, if the playground is an incidental amenity and the operating entity is not primarily engaged in providing amusement, pleasure or thrills.

2.2 Inflatable rides, inflatable bounce houses, ball crawls, and/or equipment used exclusively for exercise.

2.3 Gymnastics, Dance, Cheer, and Tumbling facilities where all of the following are applicable:

2.3.1 The majority of activities are gymnastics based.

2.3.2 Where the facility derives at least 80% of its revenues through supervised educational instruction classes where the student-to-coach/instructor ratio is based on age, skill level, and number of students.

2.3.3 The facility teaches gymnastics skills and basics through programs that use progressive-oriented training and has supervised classes.

3 **Notification of risk**

3.1 Each operator of a trampoline gym shall educate all participants regarding the risk of serious injury associated with use of the trampoline court in addition to and separate from any waiver of liability forms. Education shall include instruction on safe use of the facility, including warnings regarding any activities prohibited or restricted by these regulations, and the risks of unsafe or dangerous activities.

3.1.1 Such education shall be provided either through in-person training or by video instruction and the operator shall document the acknowledgement of each customer that this education has been received.

3.1.2 Such education shall also advise each participant that they are required to report any injury to gym staff before leaving the premises.

3.2 Each operator shall post signage in conspicuous, well-lit places at the entrance desk and within the trampoline gym warning users of the risks of using the trampoline court and displaying safety rules. Letters shall be at least 2 inches in height. Warning signs shall also contain visual depictions of prohibited activities and potential dangers, including, but not limited to:

3.2.1 Risks associated with low bounce areas.

3.2.2 Cautions that participants attempting a flip for the first time should do so into a foam pit.

3.3 The operator shall ensure that all gym staff are trained to advise participants not to attempt tricks or skills that the participant does not appear to be qualified to attempt.

4 **Safety Standards**

4.1 High risk activities, including activities involving boxes 4 feet in height or higher, shall be restricted to separate areas and shall require that participants receive personal training from gym staff before admittance to this area.

4.2 Trampolines shall be placed away from other structures, except for structures specifically designed for use in trampoline court activities, for example boxes or platforms for jumping off. Any structures allowed under this rule shall meet the minimum padding rules set forth herein.

4.3 All non-jumping surfaces on or adjacent to a trampoline court or foam pit shall be covered with at least 1-3/8" of padding.

4.4 All Poly Bed Trampolines must have a redundant bed, safety netting, or pad below the trampoline bed.

4.5 All trampoline courts must have adequate clearance both above and below the trampoline bed surface.

4.6 Any structures, such as boxes or platforms, designed for jumping off shall be designed to provide adequate safety for the height of the structure. Participants shall not be allowed to jump off any structure or surface not designed for such activity, which structures and surfaces should be clearly marked as prohibited or Out of Bounds.

4.7 Participants under 46" in height or under 6 years in age may not participate in activities with, or be allowed into areas used by, participants 46" in height or greater and must have direct parental supervision at all times.

4.8 Only one person may be allowed at a time on trampoline beds where tricks or flips are permitted.

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and

- Participants must be of relatively the same size.

4.12 Foam pit areas must comply with the following rules:

- Participants may not remain in the pit; and
- The landing area must be clear before any other participant is allowed to jump into the landing area.

4.13 Participants may not climb on a climbing wall surface directly above or below another participant.

4.14 Operators shall inspect and document in maintenance logs the condition of the facility on a weekly and monthly basis. Such inspection shall include, but not be limited to, the condition of:

- Trampoline beds, springs, frames, and pads;
- Padding materials;
- Bolts, including tightness, and moving connectors;
- Safety netting and safety equipment; and
- Other equipment.

5 Supervision

5.1 All Trampoline Courts shall be monitored at all times, except for those limited to children where parental supervision is required. Monitoring means that a Trampoline Gym employee must have a clear and unimpeded view of the entire area of each Trampoline Court that the employee monitors. Video monitoring is permissible if such monitoring reasonably allows the employee a view meeting these standards.

5.2 Trampoline Gym employees tasked with monitoring a Trampoline Gym must:

- have monitoring as their primary responsibility;
- be at least 18 years of age;
- be able to communicate immediately with other monitoring employees and any supervisory employees via radio or other method that does not require them to leave their monitoring post;
- be easily identifiable to participants as a monitor;

- have ready access to basic first aid supplies; and
- not be tasked to monitor a larger area or a larger number of participants than the employee can reasonably exercise authority and control over.
- be able to easily and clearly communicate to all participants, including by PA system.

5.3 Operators shall train all employees to actively enforce all regulations herein and all rules of the trampoline gym.

5.4 At all times, one on-duty employee shall be designated as a safety officer and shall be easily identifiable as such. All safety officers shall be trained regarding these regulations, rules of the trampoline gym, first aid, and both CPR and blood borne pathogen training that meets OSHA standards. Safety officers shall be trained in how to provide immediate care for breathing emergencies and serious injuries (as defined above). This training must be completed (or administered) once a year to all safety officers and documentation must be available at City's request.

5.5 Every trampoline gym shall have an AED device on its premises and shall have on duty an employee trained in its use at all times.

6 Reporting of injuries

6.1 Each operator of a trampoline gym shall immediately call 911 when any serious injury (as defined above) occurs.

6.2 Each trampoline gym must create an Emergency Response Plan (ERP) approved by the Provo City Fire Marshall. All employees are required to know the response plan. At a minimum, the plan will describe what to do, who to call, etc. based on the injury. The plan must include a requirement to call 911 with any serious injury.

6.3 All Injuries and Serious Injuries, must be recorded in a log that is kept on site.

7 Inspections

7.1 Each operator shall allow and facilitate the Provo City Business Licensing Division's inspections of their records to ensure compliance with the regulations found herein.

7.2 The trampoline court should be maintained in good repair and inspected at least every year by the insurer of the gym, or another qualified individual not affiliated with the gym.

7.3 Inspections shall include verification of compliance with the safety standards contained herein.

7.4 Each operator shall make available to the Provo City inspector the updated Emergency Response Plan and all maintenance, inspection, employee first aid/ CPR training, and injury logs.

8 Insurance

Every trampoline gym operator shall maintain insurance providing liability coverage of at least $1,000,000 per incident to cover injuries to participants arising out of any negligence or misconduct by the operator or gym staff in the construction, maintenance, or operation of the gym.

9 Accreditation or Affiliation

Every trampoline gym shall be a member of any statewide industry association related to trampoline gyms, if one exists.

10 Penalty for violation

It shall be unlawful to violate any section of these regulations. Violation is grounds for revocation of the operator's business license and is punishable as a Class B misdemeanor.

Aaron D. Cobabe, General Manager
Hang Time Orem, LLC
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Youtube.com/getairhangtime

April 29, 2016

Commissioner Larry Ellertson
Utah County Board of Health
151 South University Avenue
Suite 2800
Provo, UT 84601

RE: Injury report for 1st Quarter 2016 at Get Air Hang Time in Orem

Dear Commissioner Ellertson,

Attached is our report for injuries for 1st quarter 2016. We had three injuries that would require more than one doctor visit, during the 1st quarter of 2016. Please refer to the attached report for details. There was no failure of equipment, and we have assessed that these injuries could not have reasonably been prevented.

Our injury rate has continued to be very consistent and reasonably low considering our overall participant volumes relative to other recreational activities. January through April is our busiest time of year. Our injury rates are lower than most other recreational sports, even considering frequency. Our rate of injury this last quarter is approximately 0.08 per 1000 participants. This is a very, very low rate when compared with the most common sports activities like basketball, soccer, baseball, and football.

Please call me anytime to discuss this report or any questions or concerns that you may have.

Sincerely,

Aaron D. Cobabe

Injuries from Trampoline Gyms in Utah County

NAME OF FACILITY:__Get Air Hang Time_____

1st Quarter 2016

DATE	AGE	TYPE OF INJURY – Requiring Attention by Staff or Medical Personnel	HOW INJURY OCCURRED
1/15/2016	19	Broken Ankle	Jumping and ankle rolled sideways.
2/15/2016	10	Broken Leg	Jumping on trampoline and broke leg.
3/19/2016	7	Broken Arm	Jumped into his older sister, then as they landed his arm was under her causing it to break.

Aaron D. Cobabe, General Manager
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July 29, 2016

Commissioner Larry Ellertson
Utah County Board of Health
151 South University Avenue
Suite 2800
Provo, UT 84601

RE: Injury report for 2nd Quarter 2016 at Get Air Hang Time in Orem

Dear Commissioner Ellertson,

Attached is our report for injuries for 2nd quarter 2016. We had four injuries that would require more than one doctor visit, during the 2nd quarter of 2016. Please refer to the attached report for details. There was no failure of equipment, and we have assessed that these injuries could not have reasonably been prevented.

Our injury rate has continued to be very consistent and reasonably low considering our overall participant volumes relative to other recreational activities. Our injury rates are lower than most other recreational sports, even considering frequency. Our rate of injury this last quarter is approximately 0.1 per 1000 participants. This is a very, very low rate when compared with the most common sports activities like basketball, soccer, baseball, and football.

Please call me anytime to discuss this report or any questions or concerns that you may have.

Sincerely,

Aaron D. Cobabe

Injuries from Trampoline Gyms in Utah County

NAME OF FACILITY:__Get Air Hang Time_____

2nd Quarter 2016

DATE	AGE	TYPE OF INJURY – Requiring Attention by Staff or Medical Personnel	HOW INJURY OCCURRED
5/29/2016	25	Broken Ankle	Broke ankle jumping on trampoline
5/28/2016	15	Broken Ankle	Tripped as the participant jumped from one trampoline to the other and then fell down, breaking ankle. No other participant was involved in the injury.
6/5/2016	10	Broke Ankle	Participant was running not paying attention, ran into the path of another jumper, and that jumper fell on the participant, breaking participant's ankle.
6/17/2016	18	Broken Leg	Jumping on trampoline solo, participant landed on the trampoline matt breaking ankle.

DATE	TIME	AGE	INJURY DESCRIPTION	NOTES	Paramedics Called?	Taken?
1/11/2016	6:55	6	Broken wrist-he was jumping on the trampoline and tried a trick and landed on his wrist wrong.	RICE-stabilized	no	By parents
1/16/2016	7:40	15	Broken Left Leg-Landed on the slant of the green trampoline pad while jumping, lost control. Knew he was jumping too high for his skill level.	RICE	yes	by parents
1/30/2016	6:24	15	Broken Arm-She jumped on the trampoline by the turf field and landed on her arm.	RICE-stabilized	Yes	not by paramedics
3/25/2016	7:50	16	Ankle-Attempted candle stick toe touch and rolled ankle.	RICE	Yes	Yes
4/9/2016	5:55	40's?	Broken Radius-He double bounced himself, launching him forward and ran straight into the wall, injuring his wrist	He rushed out as soon as he injured himself saying he was going to the ER. He or his wife called later to give info	no	took himself
4/29/2016	9:06	13	Arm (broken) Front Flip, Tried to catch himself- overrotation- she went to hospital	RICE	no - refused	no
5/28/2016	11:57	19	Head - Was trying a double front flip - can-openiner and landed on his head	Called 6/14/16 he is totally fine just a small sprain in neck. No other medical needed	yes	
6/30/2016	9:05	24	broken leg (right) - wanted to do a triple front flip into the foam pit, Tibia and I think Fibula bones both snapped - shin difinitely snapped, opened up the skin.	n/a	yes	yes

Injuries from Trampoline Gyms in Utah County

These are the patients that through retrospective chart review at Utah Valley Regional Medical Center have been identified as having been treated for injuries sustained at trampoline gyms in Utah County. These are only the injuries that require hospitilization and/or surgery. This does not represent all people injured at these gyms

The entries in red have been added for this report.

Open fracture = fracture of the bone with tearing of the skin

Fractured bone = Fx

Lowe's Extreme Sports

	2011	
Age	**Diagnoses**	**Date Seen**
18	Back	4/11/2011
18	Fx neck with complete paralysis	4/14/2011
17	Fractured (Fx) tibia/fibula	4/14/2011
20	back strain	4/25/2011
19	Fx neck	4/30/2011
20	back strain	5/2/2011
18	Fx tibia/fibula	5/9/2011
21	Fx tibia/fibula	5/10/2011
22	Compression fx to upper back	6/4/2011
22	neck sprain	6/15/2011
19	Dislocated knee with injury to the artery	6/18/2011
18	Panic	6/21/2011
14	Back injury	6/22/2011
	Transported before ambulance arrived	7/7/2011
16	Fx tibia/fibula	7/26/2011
15	Fx tibia/fibula	8/5/2011
	Possible fx leg	8/10/2011
18	Open dislocated ankle	8/11/2011
12	Leg injury	8/11/2011
21	Fx tibia/fibula	8/28/2011
18	Contusion to tailbone	9/5/2011
18	Fx tibia/fibula	9/13/2011

Age	Diagnoses	Date Seen
18	Concussion	9/27/2011
9	Fx arm	10/7/2011
17	impaction fx with torn ligament ankle	10/7/2011
12	Fx tibia/fibula	10/8/2011
19	Open fx tibia/fibula	10/24/2011
19	neck sprain	10/29/2011
17	Lower back contusion	11/5/2011
18	Upper back fx's	11/23/2011
18	Fx tibia/fibula	11/30/2011
16	Fx ankle	12/12/2011
13	Dislocated knee cap	12/21/2011
17	torn ligments in ankle	12/21/2011
13	Injured let	12/29/2011
15	Back injury	12/29/2011
	2012	
Age	**Diagnoses**	**Date Seen**
17	Open fx tibia/fibula	1/19/2012
18	neck sprain	1/20/2012
17	Unstable lower back fx	2/8/2012
22	Fx tibia/fibula	2/25/2012
18	Fx knee cap	4/13/2012
18	Open fx tibia/fibula	4/23/2012
14	back strain	4/28/2012
15	Fx tibia/fibula	5/4/2012
22	Fx tibia/fibula	5/17/2012
4	Possible fx leg	6/12/2012
16	Open fx tibia/fibula	7/7/2012
17	Fx neck with torn ligaments	7/30/2012
27	Fx neck with torn ligaments	8/4/2012
18	Upper back fx's	9/5/2012
13	Fx tibia/fibula	9/17/2012
16	neck sprain	9/22/2012
23	open fx ankle	9/28/2012

Age	Diagnoses	Date Seen
23	Bilateral fx tibia/fibula	10/2/2012
21	Open fx tibia/fibula	10/6/2012
20	Fx tibia/fibula	11/17/2012
	2013	
Age	**Diagnoses**	**Date Seen**
24	Bilateral fx talus	1/4/2013
12	ruptured patellar tendon	3/16/2013
27	open fx arm with elbow dislocation	4/26/2013
17	Open fx tibia/fibula	7/1/2013
18	Open fx tibia/fibula	7/30/2013
24	Orbit fx	9/3/2013
21	Open fx tibia/fibula	9/20/2013
	2014	
Age	**Diagnoses**	**Date Seen**
14	fx tibia	1/11/2014
22	Open fx tibia/fibula	2/21/2014
25	Open fx tib/fib	5/18/2014
17	fx tib/fib	6/6/2014
10	skull fx with ICH	7/30/2014
22	skull fx, fx clavicle, fx scapula, fx ribs, collapsed lung, seizures	11/20/2014
28	L-1 (spine) burst fx with retropulsion (fragments pushed into the spinal cord) & cord compression	11/23/2014
	2015		
Age	**Diagnoses**	**Date Seen**	**Mechanism of Injury**
21	C6-C7 4mm anterior subluxation	1/7/2015	Doing double flip and landed on crown of head
13	spiral fx of humerus	1/30/2015	
35	fx tibia/fibula	2/3/2015	just jumping
15	patellar tendon avulsion fx anterior tibia	2/6/2015	Attempting flip--landed on frame
31	fx ribs X 2	2/7/2015	Jumped from 5' ledge onto trampoline
21	fx right tibia/fibula & fx left ankle/fibula	4/8/2015	Jumped from platform
9	midshaft tibia/fibula fx	4/9/2015	Doing flips and landed on trampoline bar
17	Compression fx T7	6/6/2015	Fell while jumping

Age	Diagnoses	Date Seen	Mechanism of Injury
15	fx radius/ulna	6/6/2015	Landed on the side of the trampoline
18	contusion to lower back	7/7/2015	Doing flips
24	T-12 burst fx	7/16/2015	Running up wall and fell onto mats
15	fx tibia/fibula	8/7/2015	Fell while jumping
14	fx arm	8/10/2015	Trying to do a double back flip
18	CHI	8/27/2015	Doing flip into foam pit--leg hit side of pit
22	comminuted fx tib/fib	10/23/2015	Flip into foam pit--missed foam pit
20	Fx c-spine level C-7	12/1/2015	
21	Fx femur	12/24/2015	Landed awkardly on leg
19	fx C-7	Went to clinic	Flip into foam pit--missed foam pit
10	Fx femur	12/24/2015	Landed awkardly on leg
	2016		
Age	**Diagnoses**	**Date Seen**	**Mechanism of Injury**
19	neck sprain	5/28/2016	Doing flip

Get Air Hang Time

2012

Age	Diagnoses	Date Seen
18	Open fx tibia/fibula	4/23/2012
24	Fx tibia/fibula	7/10/2012
19	Fx tibia/fibula	8/28/2012
23	bilateral fx tibia/fibula	10/2/2012
17	fx pelvis	11/3/2012
	2013	
Age	**Diagnoses**	**Date Seen**
36	Fx back with fragments into spinal canal	3/16/2013
37	ruptured patellar tendon	5/1/2013

42	dislocated knee with ACL tear	7/13/2013	
28	Open fx tibia/fibula	8/16/2013	
22	Open fx ankle	11/16/2013	
	2014		
Age	**Diagnoses**	**Date Seen**	
16	Open fx tibia/fibula with tissue loss	1/25/2014	
16	Facial Fxs	2/9/2014	
29	Fx fibula	2/14/2014	
22	Dislocated & fx forefoot	2/21/2014	
19	Open tib/fib	7/21/2014	
19	Fx toe	10/11/2014	
19	Open tibia/fibula	11/14/2014	
19	Open tibia/fibula	11/19/2014	
24	Open tibia/fibula	12/29/2014	
	2015		
Age	**Diagnoses**	**Date Seen**	**Mechanism of Injury**
26	T-11, T-12, L-1 compression fxs	4/18/2015	someone landed on ankle while jumping
10	severe fx distal tibal/fibula	6/5/2015	felt "snap" while jumping
21	Open tibia/fibula	10/1/2015	felt a "snap" while jumping
21	Open tib/fib	10/1/2015	fell inbetween trampolines
39	avulsion fx fibula	12/26/2015	Attempting back bounce--landed on shoulders
32	L-1 burst fx with fragments pushing on spinal cord	12/26/2015	
	2016		
Age	**Diagnoses**	**Date Seen**	**Mechanism of Injury**
24	Open fracture tibia/fibula	6/30/2016	Attempting triple flip

Jump on It Trampoline

Age	Diagnoses	Date Seen

	2009	
29	Open fx tibia/fibula	11/13/2009
	2010	
16	Open dislocated ankle	3/1/2010
	2011	
17	Intrcranial hemorrhage	1/25/2011
24	Fx tibial at the knee joint	5/8/2011
15	Fx facial bones	11/4/2011
15	Fx tibia/fibula	12/31/2011
	2012	
16	Open fx tibia/fibula	9/12/2012

Jumpin Jacks Trampoline

Age	Diagnoses	Date Seen
	2010	
5	back contusion	10/5/10
	2012	
9	fx humerus	3/19/12
	2013	
	2014	
2	fx femur	2/12/2014

Progressive Power Tumbling

Age	Diagnoses	Date Seen
	2009	
19	Fx tibia/fibula	6/12/2009
17	Fx tibia/fibula	6/18/2009
	2010	
21	Neck fx with spinal cord injury	3/16/2010
15	Open dislocated ankle	5/14/2010

40	Fx tibia/fibula	9/10/2010
	2012	
17	Fx femur	1/18/2012

ORDINANCE 2016-.

AN ORDINANCE AMENDING ENERGY RATES ON THE PROVO CITY CONSOLIDATED FEE SCHEDULE. (16-093)

WHEREAS, it is proposed that Energy Rates on the Provo City Consolidated Fee Schedule be amended as set forth in the attached Exhibit A; and

WHEREAS, the Energy Department desires to adjust the base rates for residential customers to more equitably collect revenues to cover the cost of operations, which request is reflected in Exhibit A; and

WHEREAS, on September 6, 2016, September 20, 2016, and October 4, 2016, the Municipal Council held duly noticed public meetings to ascertain the facts regarding this matter which facts are found in the meeting records; and

WHEREAS, after considering the facts presented to the Municipal Council, the Council finds (i) the Provo City Consolidated Fee Schedule should be amended as set forth in Exhibit A and (ii) such action reasonably furthers the health, safety, and general welfare of the citizens of Provo City.

NOW, THEREFORE, be it resolved by the Municipal Council of Provo City, Utah, as follows:

PART I:

The Provo City Consolidated Fee Schedule is hereby amended as set forth in the attached Exhibit A.

PART II:

A. If a provision of this ordinance conflicts with a provision of a previously adopted ordinance, this ordinance shall prevail.

B. This ordinance and its various sections, clauses and paragraphs are hereby declared to be severable. If any part, sentence, clause or phrase is adjudged to be unconstitutional or invalid, the remainder of the ordinance shall not be affected thereby.

C. The Municipal Council hereby directs that the official copy of the Provo City Code be updated to reflect the provisions enacted by this ordinance.

D. This ordinance shall take effect immediately after it has been posted or published in accordance with Utah Code 10-3-711, presented to the Mayor in accordance with Utah Code 10-3b-204, and recorded in accordance with Utah Code 10-3-713.

END OF ORDINANCE.

Solar Report

September 26, 2016

This report provides context for the tension between traditional power and solar power options in that the City of Provo is anticipating. Many cities are experiencing similar challenges, both on state and national levels. In Utah, most cities are currently in the same situation as Provo—they are still working out ways to confront the issue. On a broader scale, however, states and power companies throughout the U.S. have been implementing strategies that Provo can take into account as the City Council considers its energy policy.

Residential Base Rates in Utah

Out of Utah's ten largest cities, only Provo and St. George control energy rates for their residents. The other eight cities rely on Rocky Mountain Power for their power.

City	Population	Power Source
Salt Lake City	191,180	RMP
West Valley City	133,579	RMP
Provo	116,288	UMPA
West Jordan	110,077	RMP
Orem	91,648	RMP
Ogden	84,249	RMP
St. George	76,817	Dixie Power
Layton	70,790	RMP
Taylorsville	60,519	RMP
South Jordan	59,366	RMP

The chart below displays power rate information for six of the largest cities that do *not* rely on Rocky Mountain Power. Each of these cities had a population size greater than 30,000 residents as of 2013. Bountiful is the only city that has implemented a base rate specifically for its solar customers.

City	Non-Solar Base Rate	Solar Base Rate	Number of Residential Customers	Amount per Residential Customer that would Cover Fixed Cost	Percentage of Fixed Costs Covered by the Base Rate
Provo	$ 6.57	$ 6.57	57,000	$ 26.95	24%
St. George	$ 15.65	$ 15.65	29,000	*Info not available*	
Lehi	$ 4.50	$ 4.50	16,843	*Info not available*	
Logan	$ 3.80	$ 3.80	17,000	$ 46.00	8%
Bountiful	$ 6.00	$ 10.00	15,476	$ 21.00	29%
Spanish Fork	$ 6.00	$ 6.00	10,471	$ 23.39	26%

Other Renewable Energy Sources that Lower Consumption on the Grid

Energy Source	Customer Benefits	Possible Challenges
Residential Solar Panels	Decrease dependence on grid	Require sunshine to operate; rely on the grid on overcast days or at nighttime.
Residential Wind Turbine	Decreases dependence on grid	Requires consistent wind; Usually work best for properties of at least 1 acre
Microhydropower System	Decreases dependence on grid; property can be completely self-sufficient	Requires a constant water source (river, canal, etc.) on your property. If water stops running, you won't have power.
Hybrid Wind and Solar System	Two energy sources dramatically decrease dependence on the grid and can back each other up when one source is less reliable.	Requires sunshine and wind to operate.

How Other Cities Are Handling the Increase in Solar Energy Use

Background

Most cities that provide power for their residents are facing the same dilemma that Provo is confronting, both on state and national levels. The bullet points below describe the standard situation:

- Power companies typically cover their fixed costs by charging a base rate and then a usage fee determined by how many kilowatt hours customers consume. *In most cases, the sum of all residential customers' base rates is insufficient to cover fixed costs for the power grid.* As a result, the power usage fees are essential for power companies to break even.
- When customers transition to solar energy, they still pull from the grid at night and on overcast days. However, despite some dependence on the grid, solar customers ultimately use fewer kilowatt hours from the power company and consequently pay lower usage rates. In addition, net metering (available in 43 states and the District of Columbia) allows solar customers to sell back excess energy to the power company, further reducing the amount those customers pay to the power company for the energy they use from the grid.
- The less energy that solar customers pull from the grid (and the more energy they sell back to power companies through net metering), the less revenue power companies receive to cover the grid's fixed costs. Fixed costs include "poles, wires, meters and other infrastructure that make the electric grid safe and reliable."[1]
- As power companies face lost revenues due to the expansion of solar and renewable energy options, there is an automatic incentive to increase rates—whether for solar customers or all customers—in order to cover fixed costs.

[1] Stateline, "Utility Companies Have a Solar Power Problem," *Governing the States and Localities*, February 19, 2014.

This fourth bullet point describes the situation at which the City of Provo has arrived. For cities that have already had to move forward from this point, one of two trends typically emerges.

Emerging Trends in Addressing the Solar/Power Company Dilemma

1. *Raising rates for solar customers drives out solar energy companies:* Raising rates for solar customers can cause the cost of installing solar panels to exceed the long-term benefit that many solar customers anticipate. As a result, fewer people can afford the transition to solar energy, and solar companies consequently pull out of the locality. This circumstance occurred in Nevada earlier this year, after the state's Public Utilities Commission implemented tariffs on solar customers. According to *The New York Times*, "The new tariffs will gradually increase until they triple monthly fees that solar users pay to use the electric grid and cut by three-quarters users' reimbursements for feeding electricity into it."[2] Stock in SolarCity—the company supplying solar panels for 60% of the Nevada market—dropped by 30% within two months of the commission's decision.
2. *Raising rates for other customers creates a "death spiral"*: On the other hand, *not* raising rates for solar customers means that power companies need to recoup fixed costs by charging the rest of their customers higher rates. In other words, regular power users subsidize solar customers. The higher rates incentivize other customers to transition to solar, which creates a cycle called the "death spiral." Though this cycle has not entirely played out anywhere in the United States, power companies in Germany have been dealing with the effects of the death spiral since 2014. Due to the death spiral, by 2020, one of those power companies, EnBW, "plans to cut its electricity generation and trading business by around 80 percent. It will try to make up for the decline by investing further in wind power, transmission and distribution projects to connect renewables, and by working on the consumer level to implement services like home automation." [3] In the United States, cities and states that have aggressively pursued renewable energy in their policies are seeing similar strains on power companies. In Hawaii, the state's goal is to have 100% green energy by 2045. As a result, its electric utility companies have been forced to adjust and find new ways to stay vital. [4]

Despite the competing interests of solar energy and power companies, some governing bodies in the United States are finding ways to compromise. Three recent examples are listed below. None of the examples involve a municipal government.

- The State of New York is considering a proposal to keep its current net metering policy (paying solar customers the retail price for excess power) in place between now and 2020. After that, "it would gradually phase in a new formula that considers the wholesale price of

[2] Jaques Leslie, "Nevada's Solar Bait-and-Switch," *The New York Times*, February 1, 2016.
[3] Stephen Lacey, "This is What the Utility Death Spiral Looks Like," *Green Tech Media*, March 4, 2014.
[4] Elizabeth Daigneau, "From Worst to First: Can Hawaii Eliminate Fossil Fuels?" *Governing the States and Localities*, July 2016.

power, the environmental benefits of solar energy and whether the project is located in an area that stands to benefit the most from having more solar capacity."[5]

- Some power companies are creating caps for net-metering, meaning that after they obtain a certain number of solar customers, they can no longer offer net-metering to additional customers.[6]
- A solar company in California charges an interconnection fee to connect to the grid. In addition, solar customers can opt to pay a monthly net metering rate or stay with the existing rate that non-solar customers pay.[7]

Grandfathering Customers

The idea to grandfather customers was implemented by Nevada after it made its decision to cut reimbursements for solar customers. The proposal was to "grandfather eligible private net metering customers who installed systems or who had approved applications pending by Dec. 31, 2015, in under the original more generous rates."[8] Members of the Nevada Public Utilities Commission unanimously approved the proposal on September 16, 2016.

Besides the Nevada example, there is little evidence of grandfathering being implemented in other power-related circumstances.

[5] David Robinson, "In New York, Solar Companies and Utilities Form an Unlikely Alliance," *The Buffalo News,* June 27, 2016.
[6] Sempra Energy, "Net Metering Dashboard," June 29, 2016.
[7] Sempra Energy, "NEM Rates," August 11, 2016
[8] Jason Hidalgo, "Nevada Regulators Unanimously Approve Rooftop Solar Grandfathering Deal," *RJG*, September 16, 2016.





Electric Cost-of-Service Group Training & Discussion

UMPA Members and Staff

David A. Berg, PE
Principal
June 20, 2016

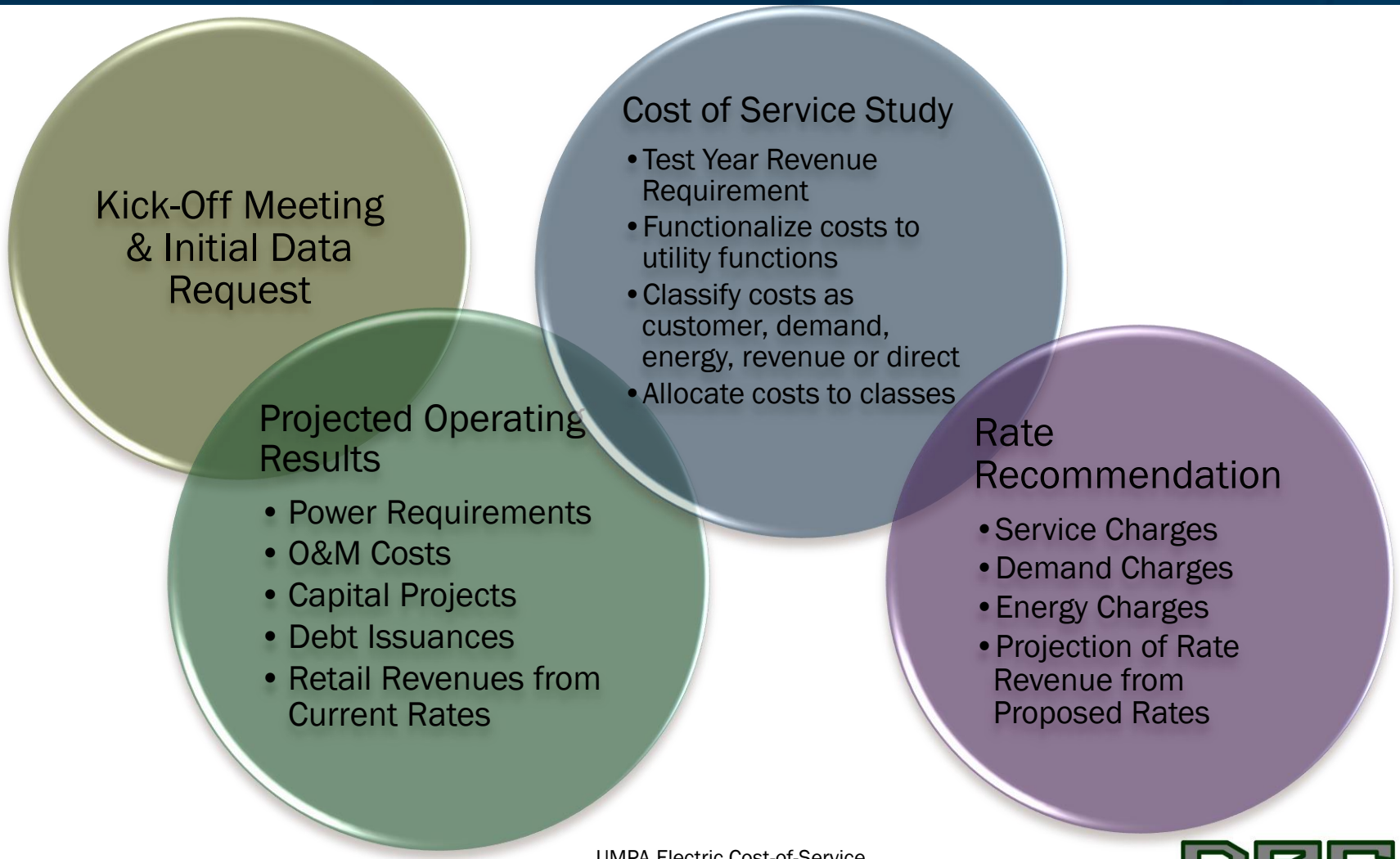
DBC
DAVE BERG CONSULTING, LLC

Your Presenter

- David Berg, PE
  - Principal
  - Dave Berg Consulting

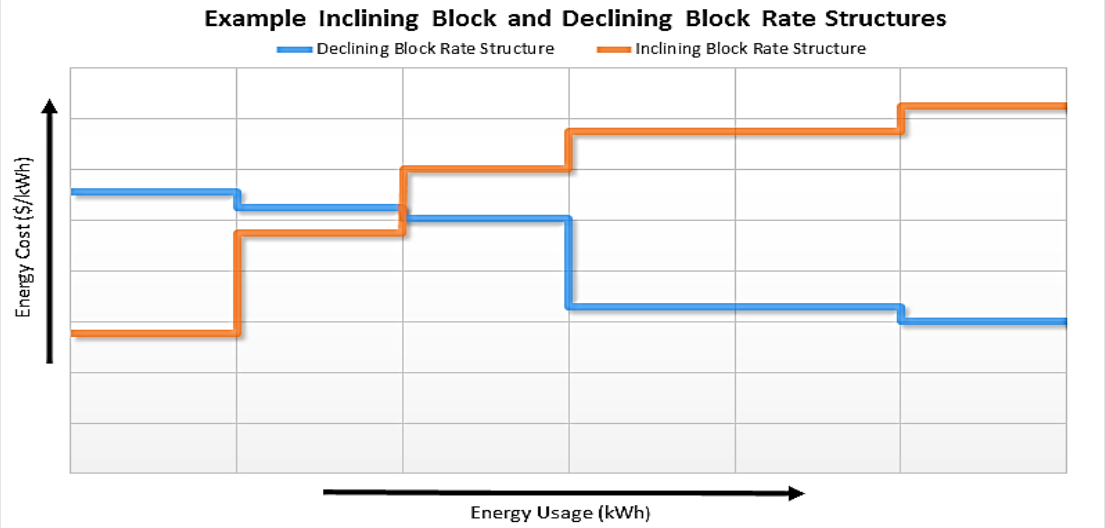
Customer View of Utilities – Chipotle napkin

Scope of Work



Overview

- **Well designed electric rates complement a utilities' long-term business plan and reflect the values of the local community**
  - **Sends a strong pricing signal to customers**



UMPA Electric Cost-of-Service
Group Training & Discussion

DBC DAVE BERG CONSULTING, LLC

Overview (cont.)

- Rates represent one of the most important relationships a utility has with its customers
  - Influences customer behavior
  - The customer bill is regularly compared with others
  - One of the primary methods of communicating to customers

Read Date	06/05/2013	07/05/2013	Consumption
Read	1903	3569	1666
	Reading Difference		1666
	Total Consumption in KWH		1666

COA - Electric Residential

Customer Charge	$10.00
Tier 1 first 500 kWh at $0.033 per kWh (summer)	$16.50
Tier 2 next 500 kWh at $0.08 per kWh (summer)	$40.00
Tier 3 next 500 kWh at $0.091 per kWh (summer)	$45.50
Tier 4 next 166 kWh at $0.11 per kWh (summer)	$18.26
Regulatory Charges 1,666 kWh at $0.00728 per kWh	$12.13
Community Benefit Charges	$9.23
Power Supply Adjustment 1,666 kWh at $0.03372 per kWh	$56.18
Residential Sales Tax	
City Sales Tax 1%	$2.08
TOTAL CURRENT CHARGES	**$209.88**

Overview (cont.)

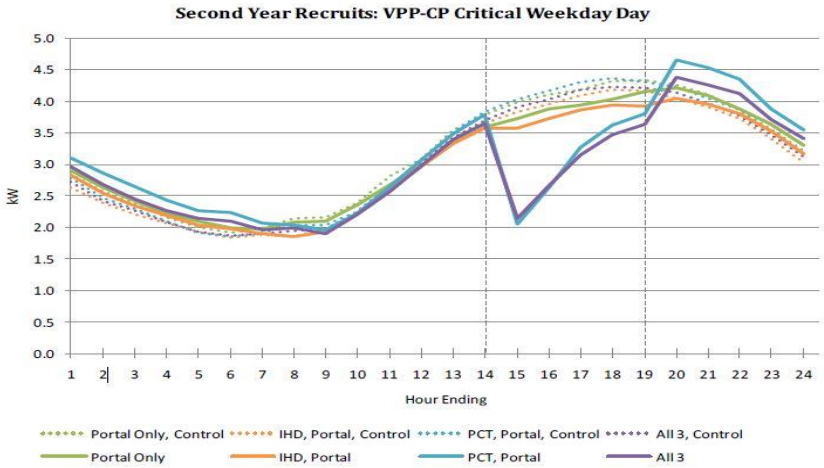
- Rate making has become increasingly complex
  - Community values are changing
  - Growing customer sophistication and knowledge of utility industry
  - Technology advancements create new viable options available to customers
  - The utility environment represents escalating business and regulatory risk

Traditional Rate Design is Dramatically Changing

Overview (cont.)

Rate making is policy driven

- Changing rates can be a highly political process
- Process heightens public interest
- Awakens special interest groups
- Burdened with myths and misunderstanding
- Public policy may run contrary to cost of service
- Impact of rate changes on a customers bill contains elements of uncertainty



Policy Maker Profile

- City Councils and Boards
  - Change frequently
  - Members may not be familiar with electric utility industry
  - May have conflicting perspectives and understandings of key issues
  - Generally do not like to deal with rate issues
    - Awakens the constituency
    - Perceived as unpopular with customers

If you don't have to, don't rock the boat.

Policy Formation

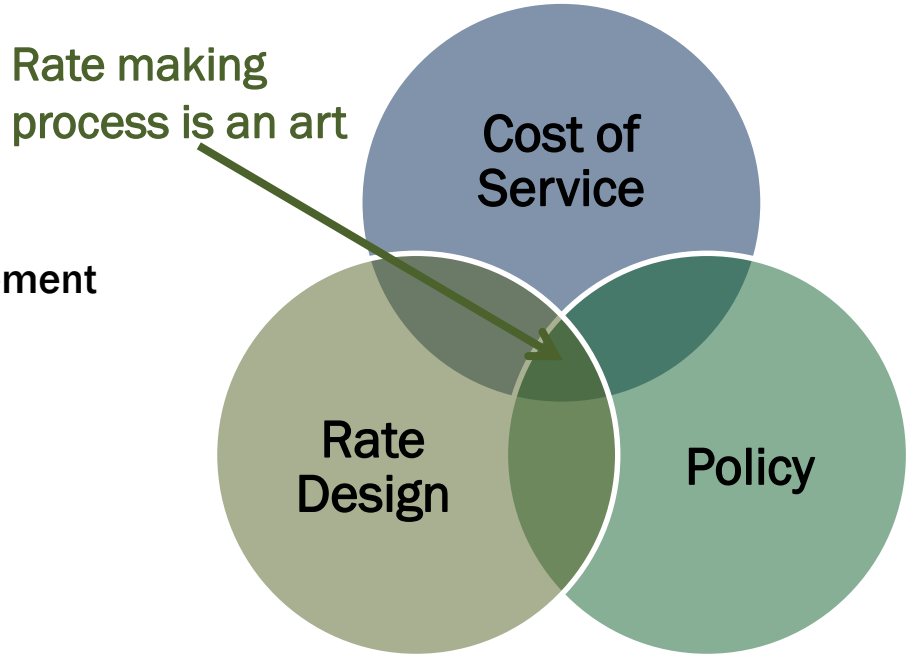
- Key Issues
  - Industry trends
    - Renewables
    - Conservation
    - Distributed generation
    - Regulation
    - Technology

Policy Formation (cont.)

- **Key Issues**
  - **How will we pay for our business plan?**
    - **Financial Metrics/Balance**
      - **How will we pay for our capital projects?**
        - » Cash
        - » Debt
      - **Reserves**
        - » What type of reserves should we have?
        - » How much money should be set aside in each reserve?
      - **What rate levels are required to support what is needed?**

Policy Formation (cont.)

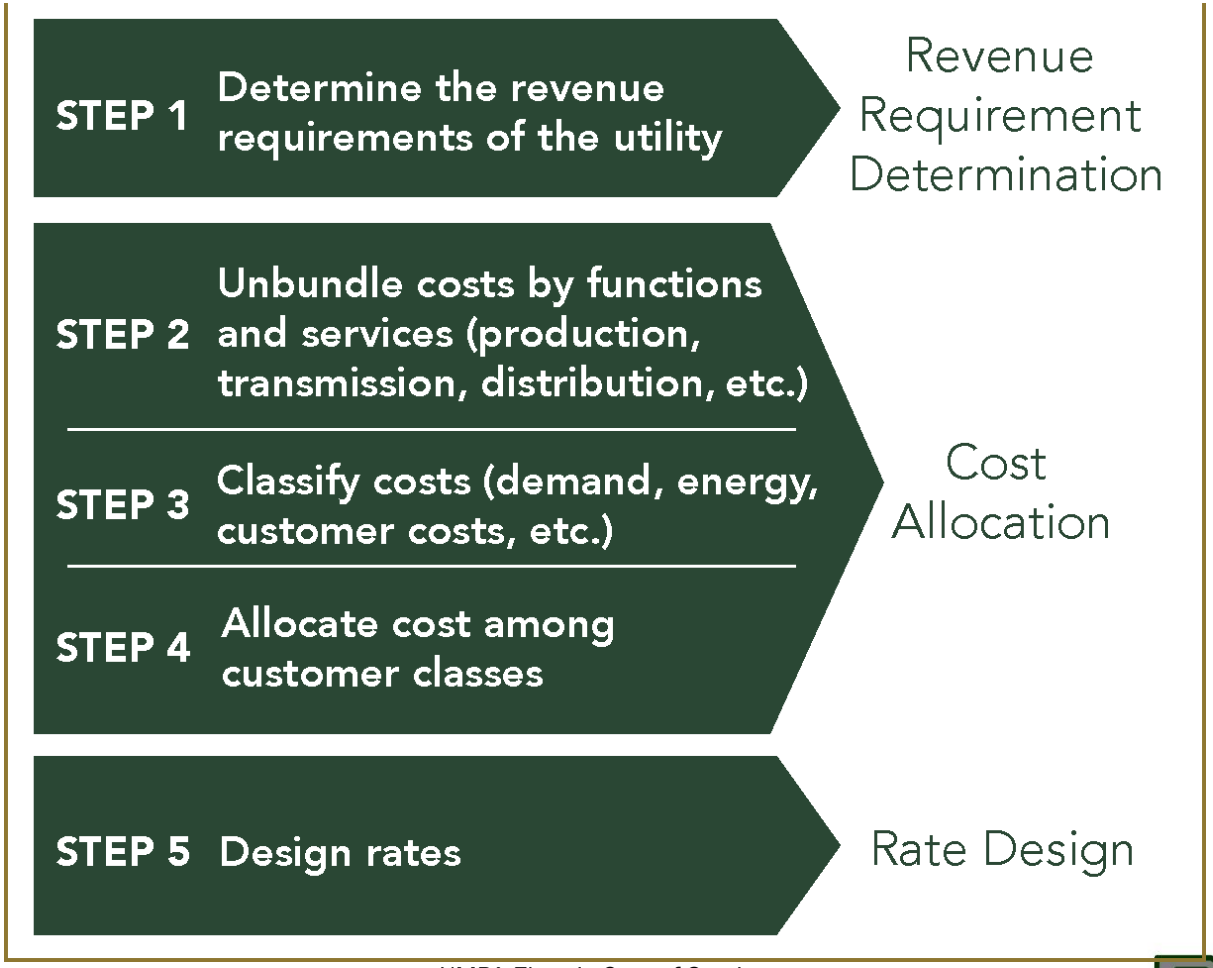
- Key Issues
  - How to collect for services rendered
    - Rate design
      - Customer charge
      - Demand charge
      - Energy charge
      - Pass throughs
      - Rate design and risk management



Linking Cause and Effect

- Ability to meet ongoing revenue requirements
- Cost of Service
- Eliminate myths & understandings
  - Low income customers use less energy than other customers
  - A customer can remain connected to the system at little or no cost
  - Fixed costs must be hidden from the customer
    - Customer charge
    - Demand charge
  - The utility can afford/absorb subsidies
    - Subsidies can only be paid by other customers
    - There are no investors to pick up the tab

Steps in the Analytical Ratemaking Process



Definition – Revenue Requirement

- For a utility system, the revenue requirement equals the total cost of serving customers in various rate classes
- For the utility, rates need to generate total revenue to meet total revenue requirements
- For each rate class, properly designed rates will generate sufficient revenues to equal the allocated revenue requirement

Functionalize Costs

Typical cost functions include:

- Production (generation and/or purchased power)
- Transmission
- Distribution
- Customer Care

Classify Costs

Typical cost classifications include:

- Demand Costs
  - Vary with kW demand on the system
- Energy Costs
  - Vary with energy (kWh) sold or purchased
- Customer Costs
  - Related to number of customers
- Revenue Related Costs
  - Vary with revenue
- Direct Assignment
  - Assigned to particular customer or customer group

Allocate Costs

- Costs allocated on a combination of function, classification, and other attributes
- Allocation factors are developed for each cost classification
  - Demand (12CP, NCP)
  - Energy (kWh)
  - Customers (weighted)
  - Others (revenue, labor, blended/derived allocation factors)
- Allocation factors used to spread costs among classes (residential, commercial, industrial, lighting)

Definition – Subsidization

- The act of financially supporting service to one group of customers through excess collection of revenues from another group of customers.

Overview

- Subsidization
  - Interclass
  - Intraclass

Definition – Interclass Subsidization

- One class of customers subsidizing another class of customers.

Interclass Subsidization

Revenues Collected

Class	Revenues
Residential	50%
Small Commercial	20%
Large Commercial	10%
General Service	20%
	100%

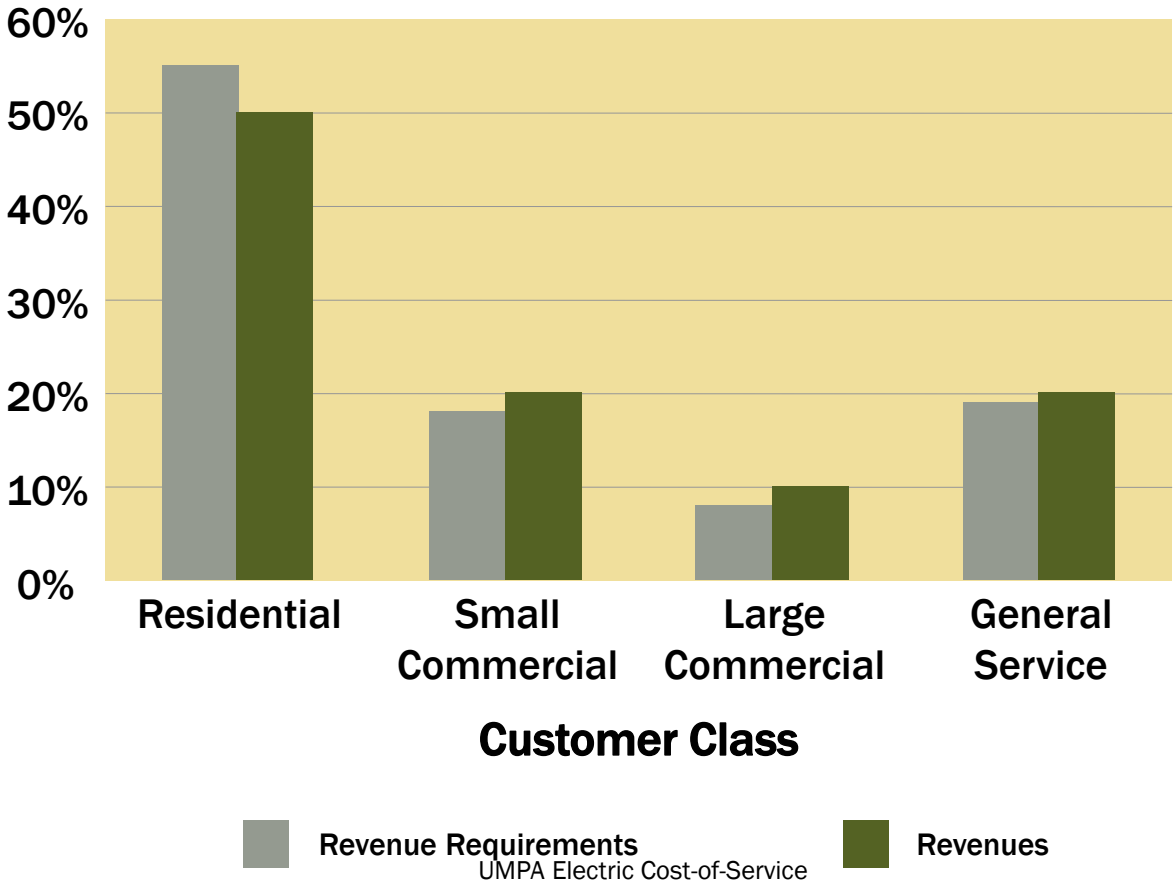
Interclass Subsidization

Cost of Service Results

Class	Revenue Requirements
Residential	55%
Small Commercial	18%
Large Commercial	8%
General Service	19%
	100%

Interclass Subsidization

Revenues vs. Revenue Requirements



Intraclass Subsidization

Definition – Intraclass subsidization

- Customers within a specific class subsidizing other customers in the same class based on design of the rate and differing consumption.

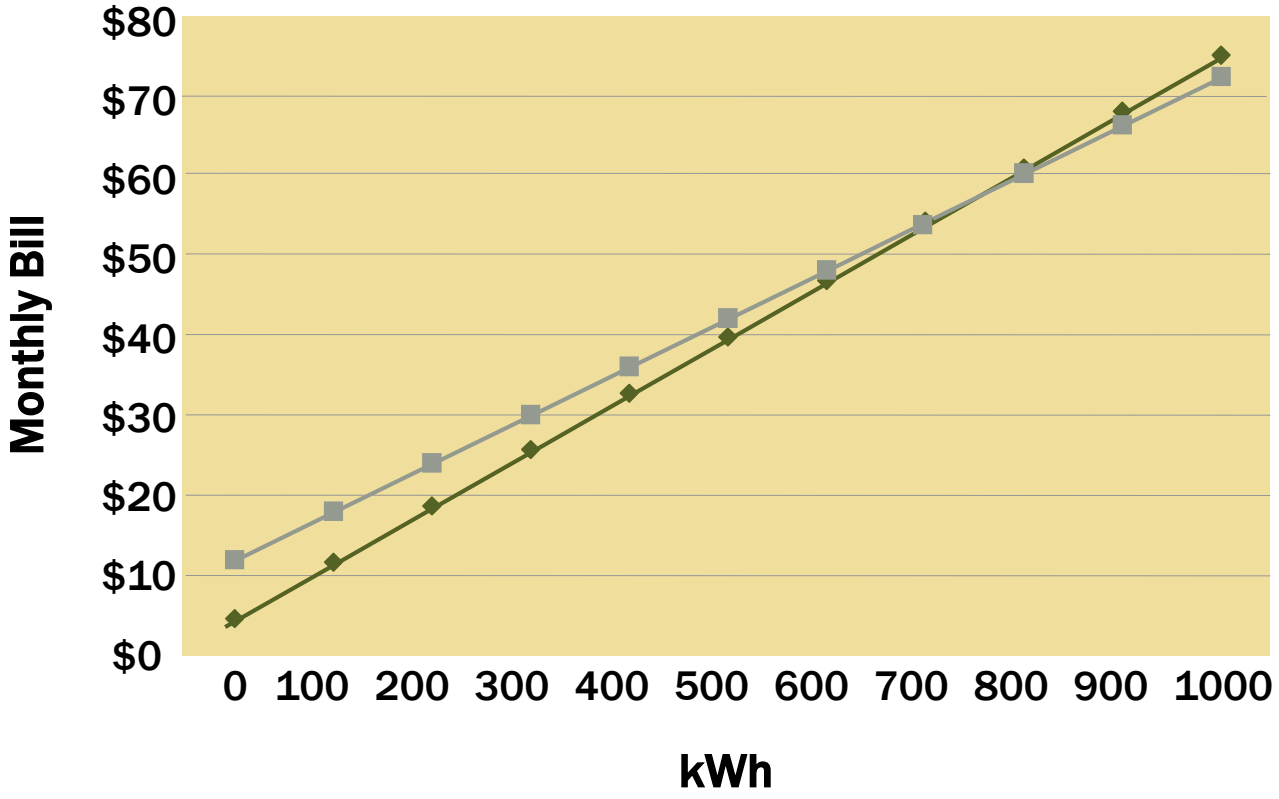
Intraclass Subsidization Examples

Assume for the following two examples that the Cost of Service study indicated that the respective classes (residential and general service) are contributing an adequate amount of total class revenues (no interclass subsidy exists).

Intraclass Subsidization
Residential Class

	Existing Rate	COS Rate
Customer Charge	$5/mo.	$12/mo.
Energy Charge	$0.07/kWh	$0.06/kWh

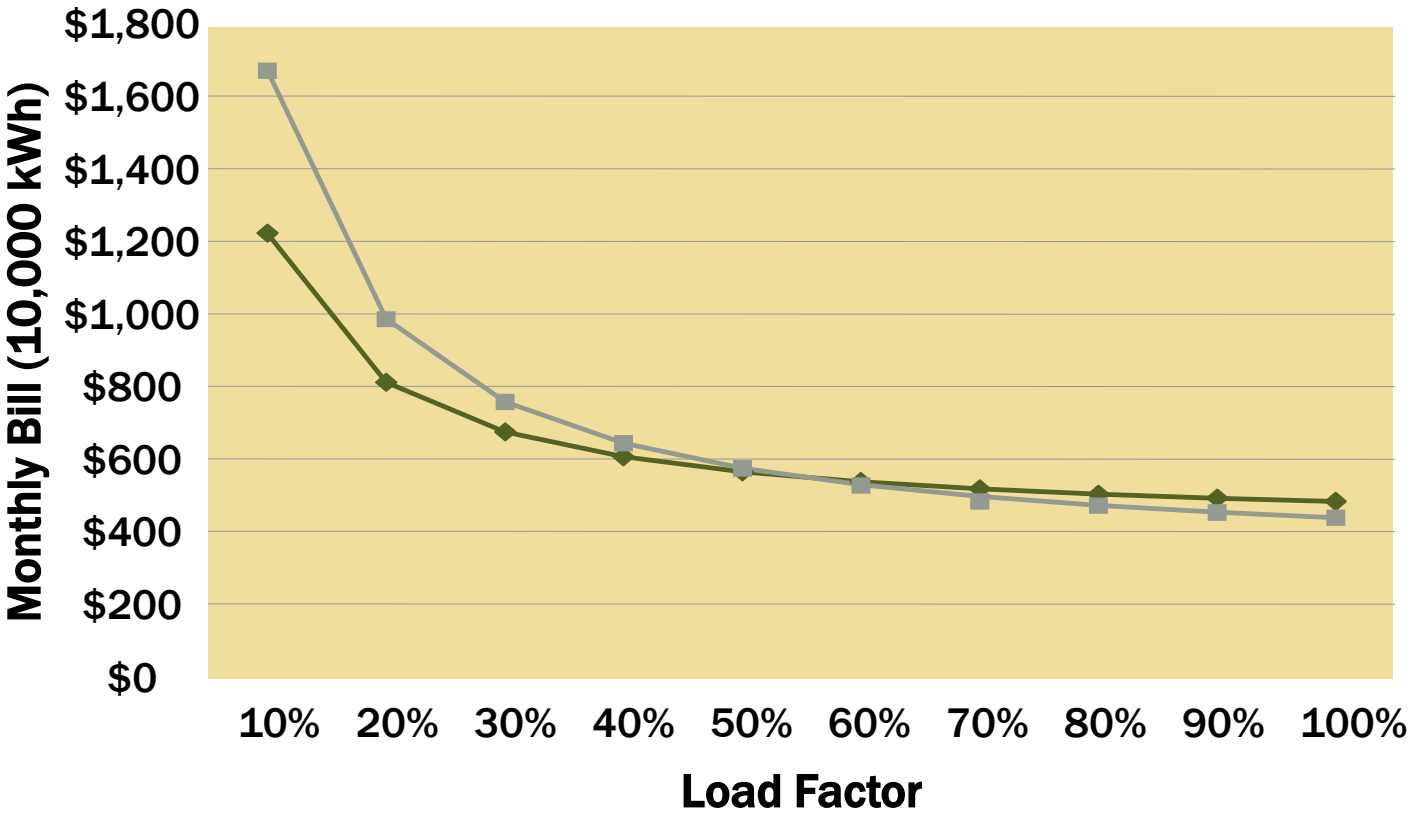
Intraclass Subsidization
Residential Class



Intraclass Subsidization
General Service Class

	Existing Rate	COS Rate
Demand Charge	$6/kW-mo.	$10/kW-mo.
Energy Charge	$0.04/kWh	$0.03/kWh

Intraclass Subsidization
General Service Class



Increase in Solar Options

- Solar costs have declined 60% in the last 10 years
- Further cost reductions are expected
- Traditional utility rates continue to rise
- Environmental stewardship strengthening
- States are mandating increased renewables
- Developers are offering solar lease options to customers
- Large solar installations offer greater efficiencies

Cost of Service basics

- System costs are generally due to 3 main drivers
  - Demand related
  - Energy related
  - Customer related
- Demand and customer costs are primarily fixed
- Customer load factor impacts per kWh cost to serve

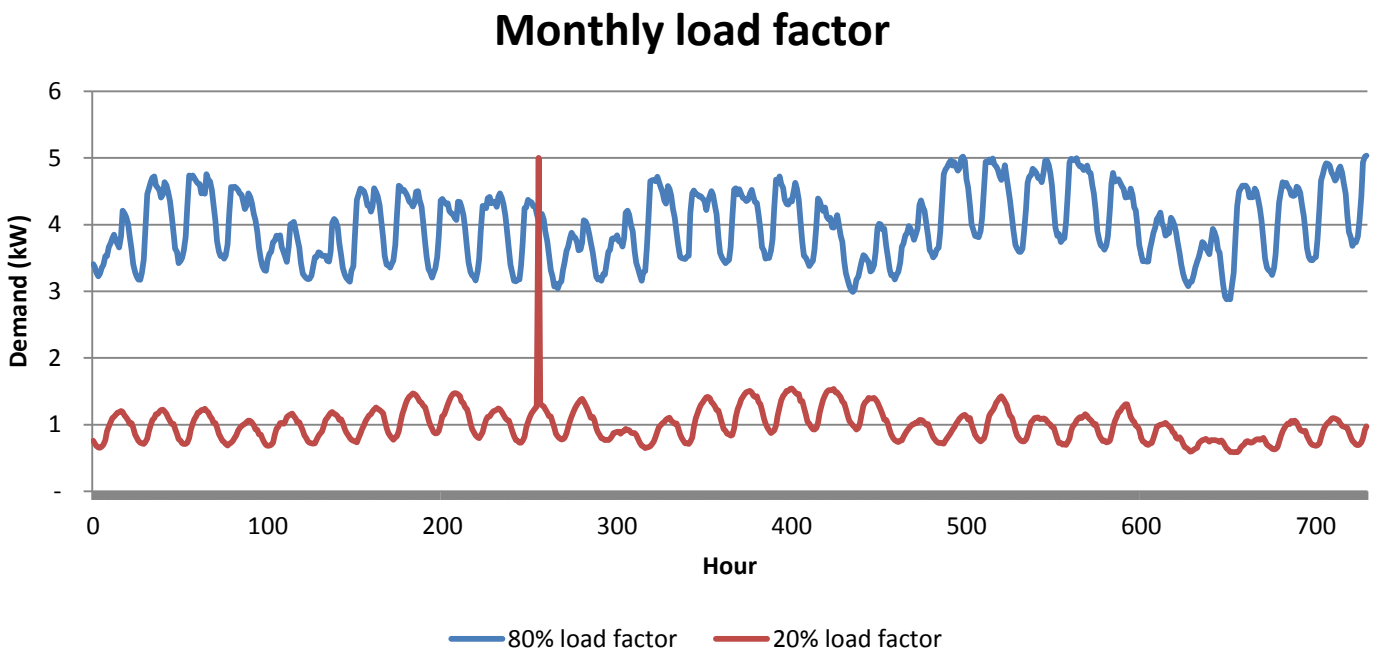
Load Factor

- Load factor is average demand (energy) divided by peak demand during a specific period of time
- Higher % load factor spreads fixed costs over more energy

$$\text{Load Factor (\%)} = \frac{\text{Energy (kWh)}}{\text{Demand (kW) * hrs}}$$

Load Factor examples

- 5 kW peak customer
  - 730 kWh = 20% load factor
  - 2920 kWh = 80% load factor

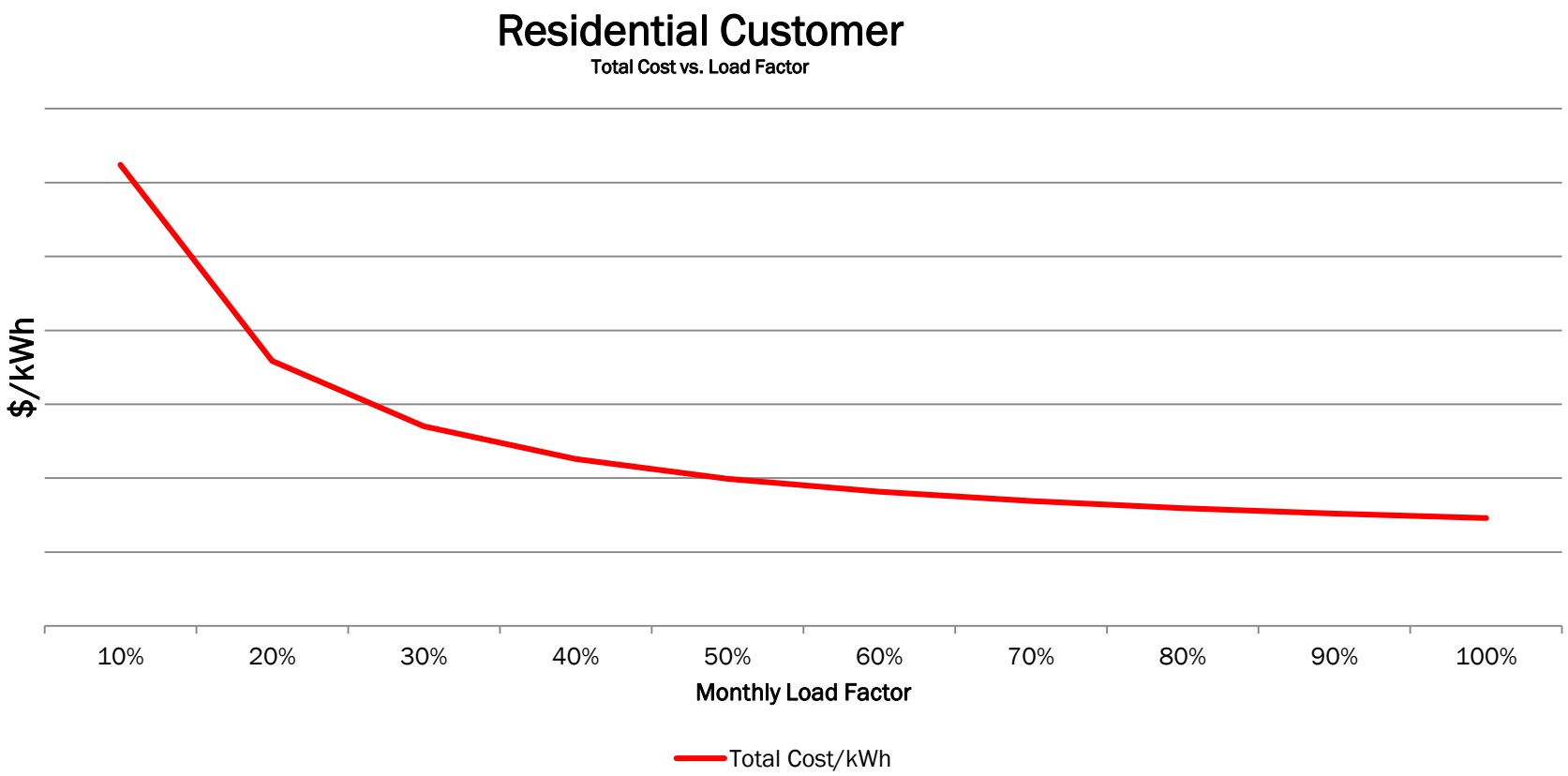


Load Factor

Load Factor is the single most important factor behind average cost to serve per kWh

Why?

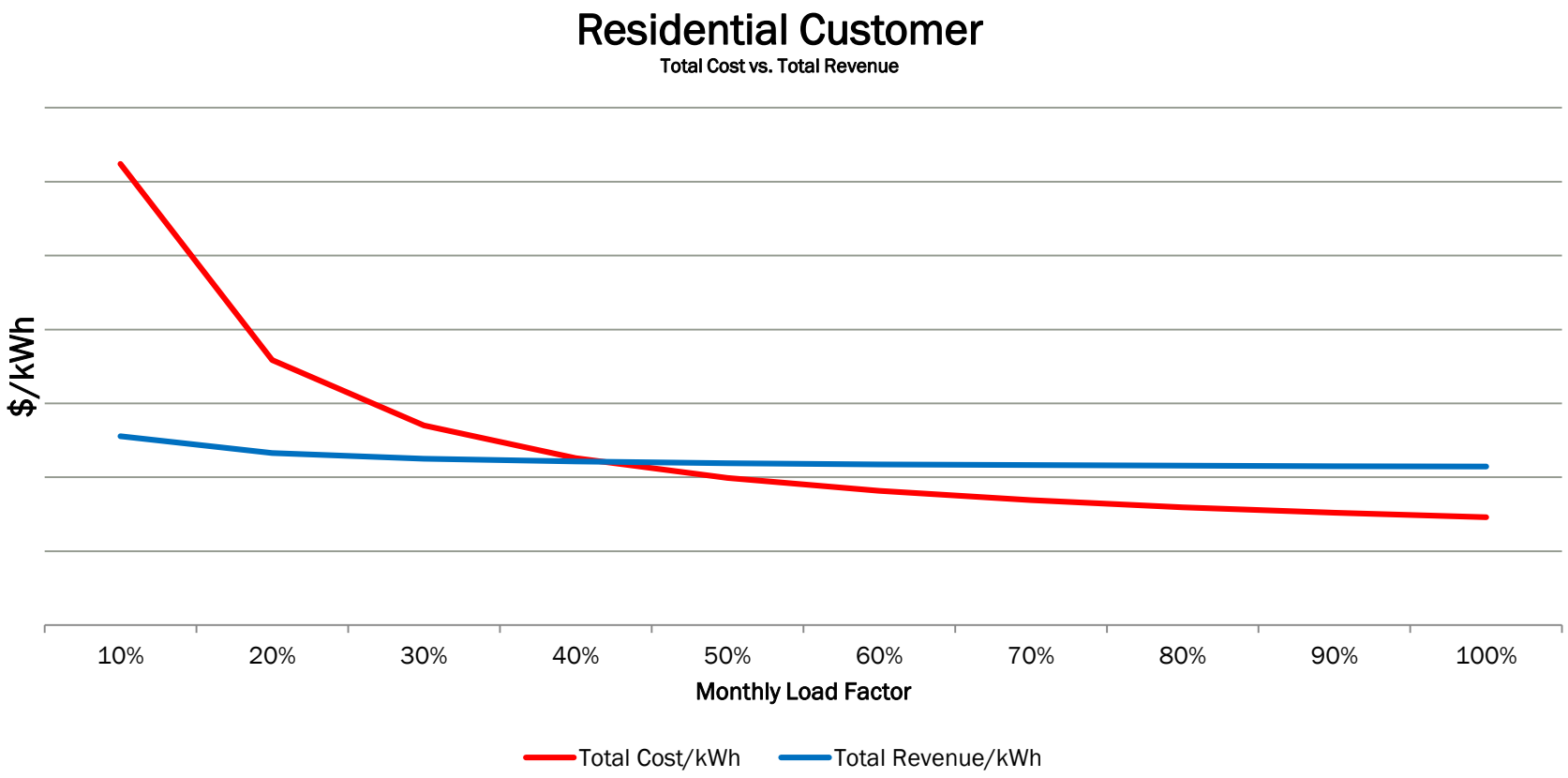
Load Factor Impact on Cost to Serve



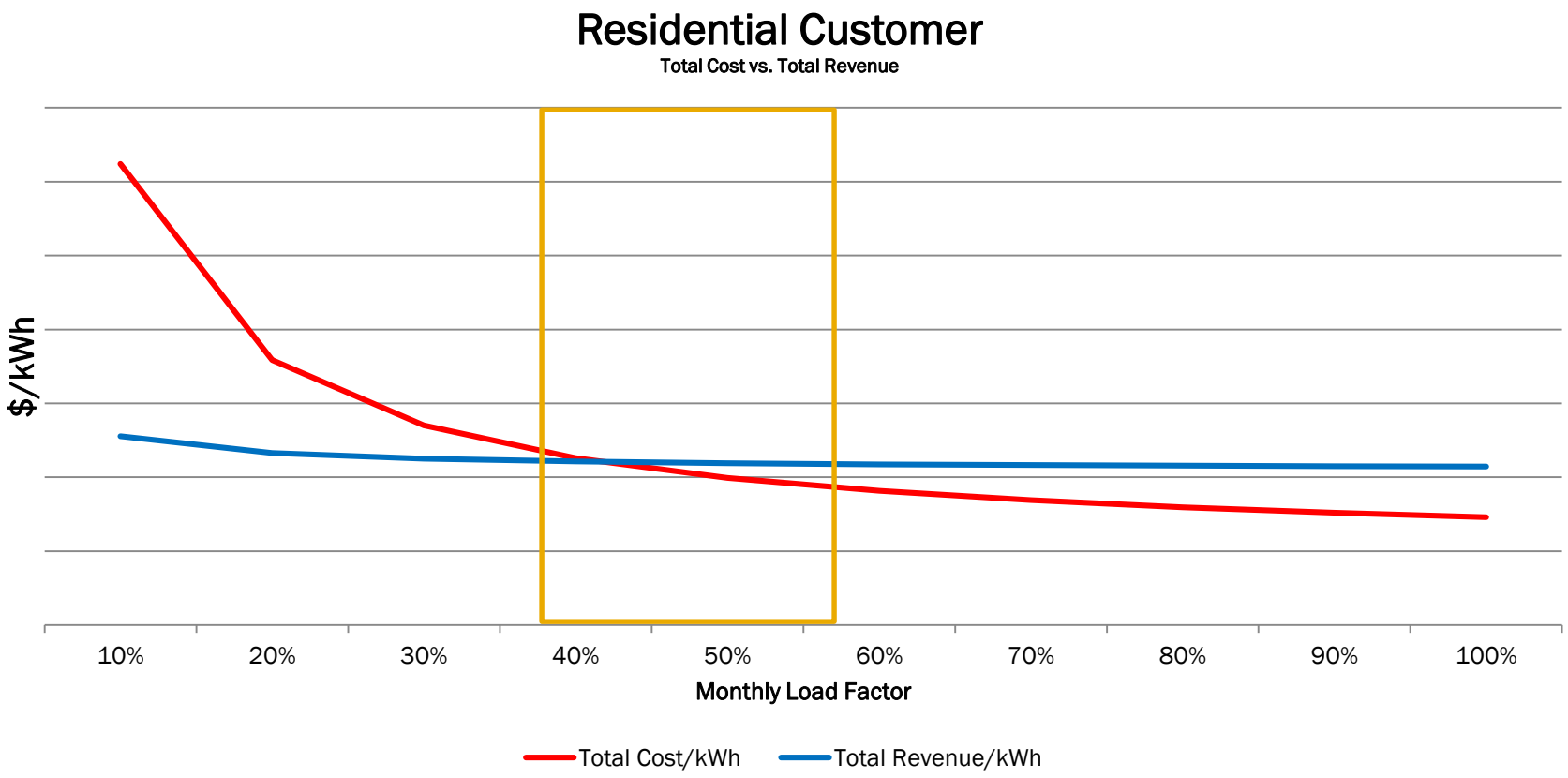
Residential Rates

- Residential class typical rates
  - Customer charge – (ie. $5/month)
  - Energy charge – (ie. 10.5¢/kWh)
  - No demand charge

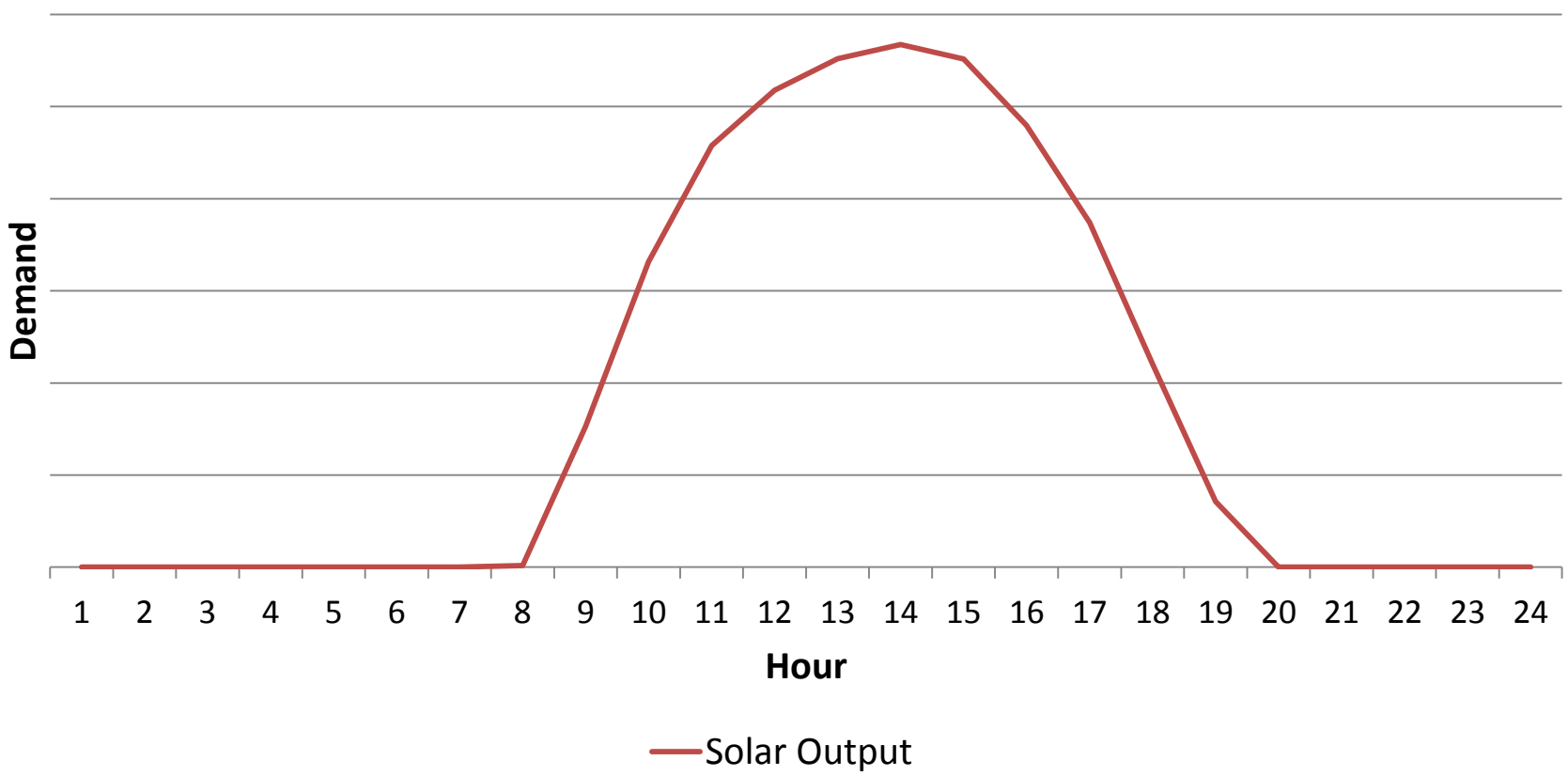
Residential cost vs. revenue



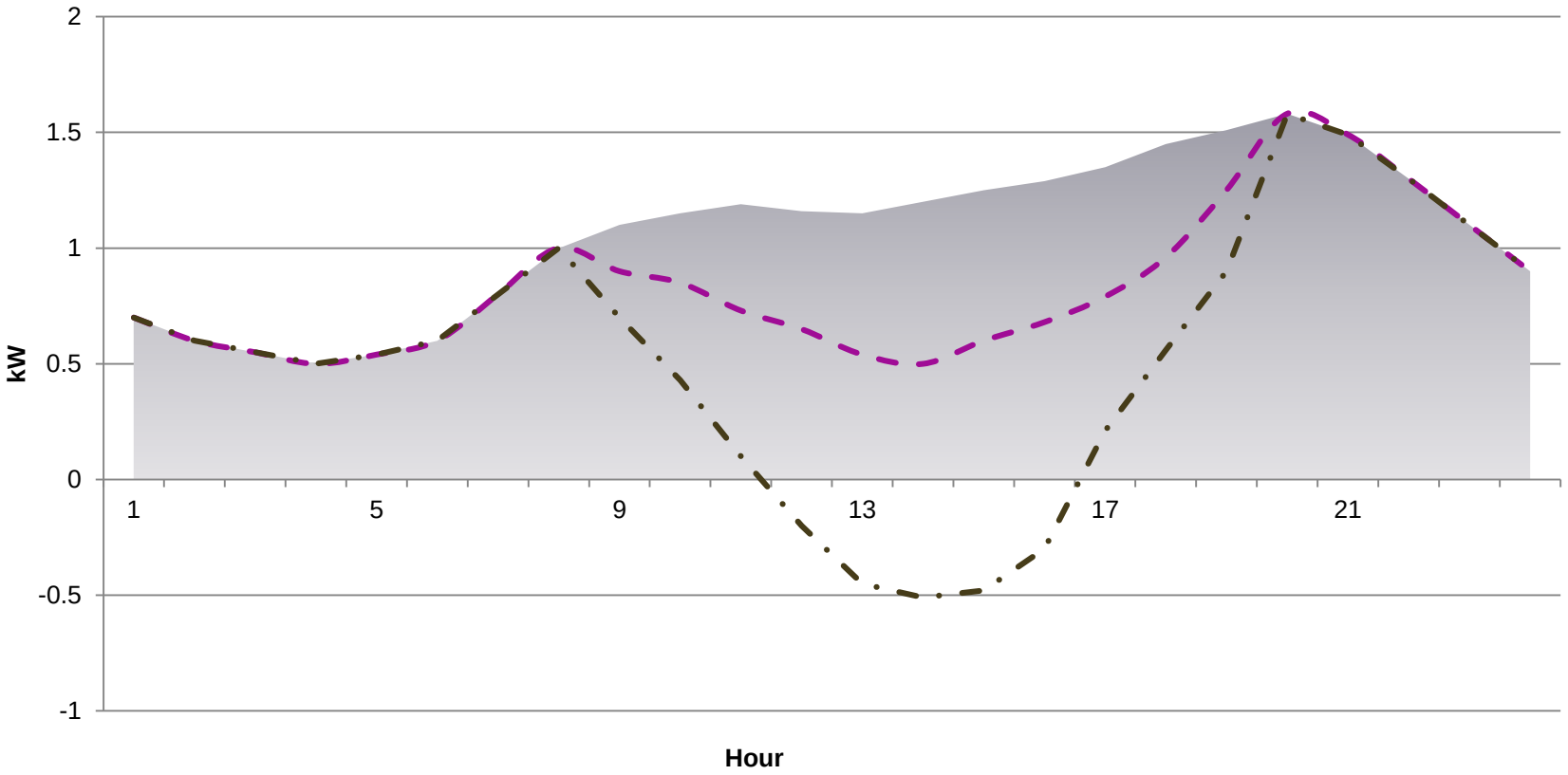
Residential cost vs. revenue



Total Solar Output



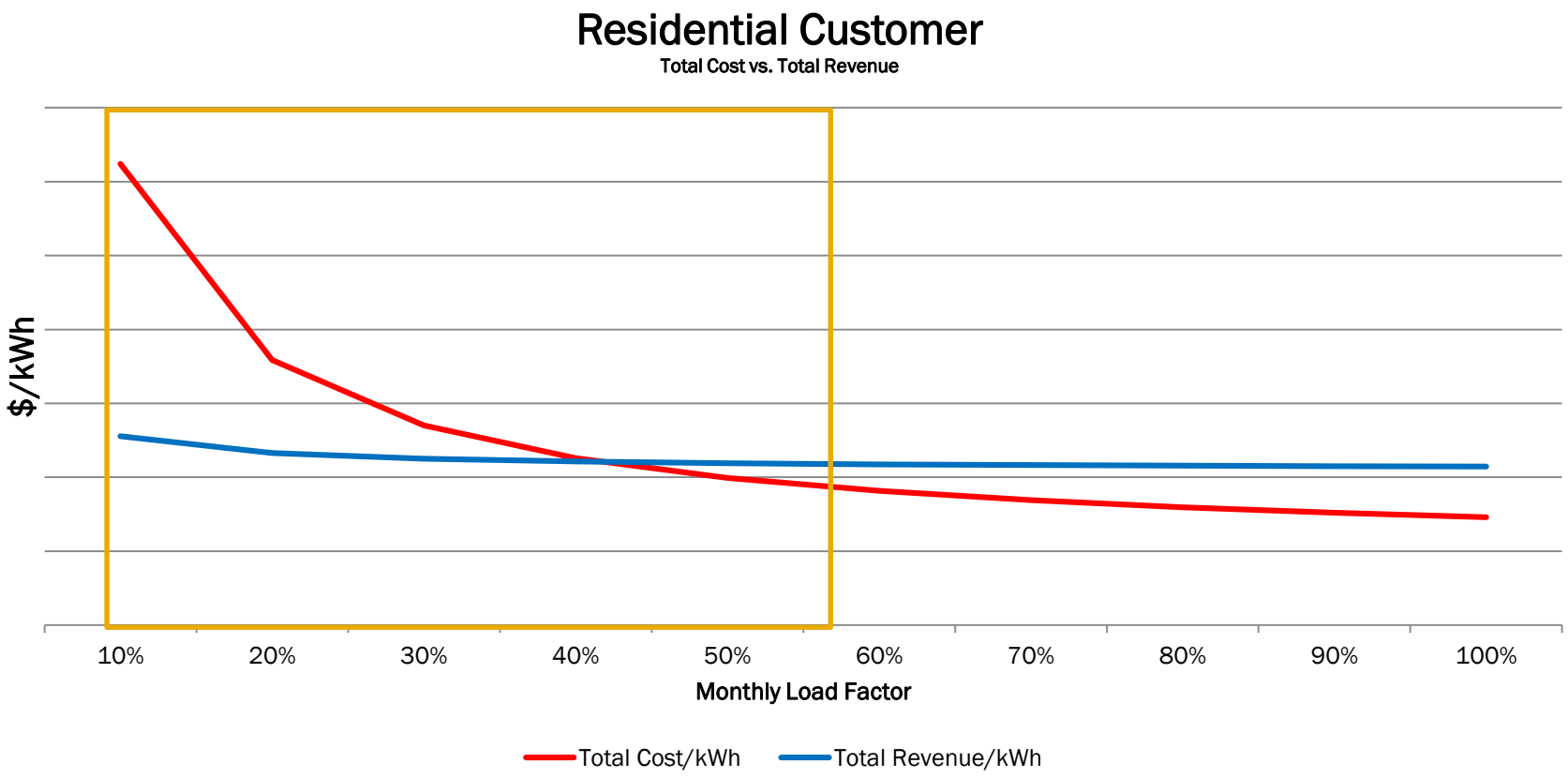
Residential ‘Duck Curve’



Solar customers may be self supplying most of their own energy requirements, but they still place a demand on the system

This drives down their effective load factor

Revised Residential Curves with Solar Installations



Cost Impacts of Solar

- Generation
  - Reduction in energy (fuel) costs
  - Minimal reduction in capacity (fixed) costs
  - Potential increase in system operational costs
- Transmission
  - Minimal reduction in system (fixed) costs
  - Potential increase in system operational costs
- Distribution
  - Minimal reduction in system (fixed) costs
  - Potential increase in customer related costs

Definition of Net Metering

Net metering is a utility resource usage and payment scheme in which a customer who generates their own power is compensated monetarily. Net metering originated with electric companies as a way to encourage consumers to invest in renewable energy sources such as solar or wind power. In a net metering program, the electric company allows a customer's meter to actually run backwards if the electricity the customer generates is more than they are consuming. At the end of the billing period, the customer only pays for their net consumption: the amount of resources consumed, minus the amount of resources generated.

Key Provision – Many jurisdictions require utilities to treat net metering customers the same as regular customers relative to rates.

Utah Net Metering Requirements

Utah law does not currently place any net metering requirements on Utah municipal utilities. Municipals in Utah may set whatever rate policies they determine are prudent regarding distributed generation. There is currently no requirement that all municipal customers be treated the same from a rate perspective with or without distributed generation.

This is always subject to change depending on legislative process.

Solar Rate Options

- Standard Net Metering
- Higher Monthly Customer Charge
- Retail Demand and Energy Rate Structure
- Separate Access Charge Based on Solar Capacity
- Minimum Bill Provision
- Feed in Tariff

Standard Net Metering

- Current practice
- Required in many other jurisdictions
- Known subsidies
- Most beneficial to solar customers
- Everyone treated the same

Higher Monthly Customer Charge

- Local costs placed in customer charge
- Energy charge represents wholesale costs
- No size differential between large and small customers
- Difficult to apply to all customers

Retail Demand and Energy Rate Structure

- Most cost based approach
- Requires specialized metering
- Broad applications may confuse some customers

Separate Access Charge Based on Solar Capacity

- Only applicable to solar customers
- Charge varies by solar impact
- Can be applied to full solar capacity or incremental size above average customer demand

Minimum Bill Provision

- Easily applicable to all customers
- May negatively impact very small users
- Easily understood
- May not apply to some solar customers

Feed in Tariff

- Rate represents wholesale costs
- Only applicable to hours of over generation
- Requires proper metering
- Only applicable to solar customers

Net Metering Alternatives
Numerical Examples

Item	Rate
Higher monthly customer charge	$28.00/mo. $0.0650/kWh
Retail demand charge	$12.00/mo cust $8.00/kW-mo demand $0.0380/kWh energy
Separate charge based on solar capacity	$3.00/kW-mo
Minimum bill provision	$28.00/mo.
Feed-in-tariff	$0.0650/kWh

Distributed Generation Rate Recommendation

- We recommend that Utah municipals discuss distributed generation rate options and present a united front in establishment of rationale and policies.

Questions/Discussion

Dave Berg Consulting

David A. Berg, PE

Principal

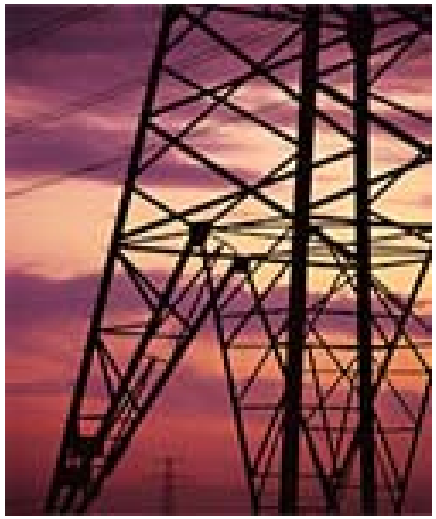
15213 Danbury Ave W | Rosemount, **MN 55068**

Tel: 612-850-2305 | Email: dave@davebergconsulting.com



Solar Policy Rate Discussion

Energy Board – August 29, 2016


Policy Questions

- Is the City sending the correct economic signals to solar purchasers?
- Should our rates recover fixed charges on solar and eliminate cross subsidization?

Policy Questions

- **"Adjusting power grids to work with this sort of intermittent behavior is one of the biggest challenges to further growth in solar."** Feb. 27, 2014 Wall Street Journal
- **"Recovering the fixed costs of the grid is becoming more challenging."** Feb. 12, 2014 EEI/NRDC Joint Statement to State Utility Regulators
- **"Myth: Rooftop solar provides power when APS and its customers need it most"** Arizona Public Service Net Metering Fact Sheet
- **"This is becoming a familiar story: utilities are using rate design proposals to downgrade the customer economics of going solar in an attempt to prevent more of their customers from being able to generate their own power."** The Vote Solar Initiative (www.votesolar.org)
- **"Rooftop solar panels are becoming such a powerful factor in the energy market that they now can push the price of electricity to negative territory in the sunniest regions of the world."** July 9, 2014 Yahoo News
- **"... utility executives say that when solar customers no longer pay for electricity, they also stop paying for the grid, shifting those costs to other customers. Utilities generally make their profits by making investments in infrastructure and designing customer rates to earn that money back ..."** July 26, 2013 New York Times

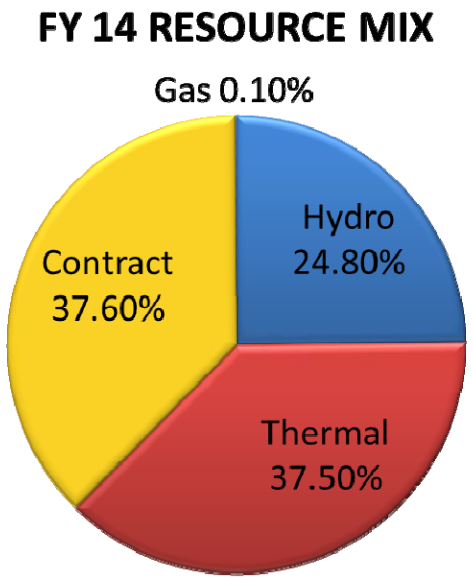
Agenda Introduction

- Provo Status
- Rooftop Solar
- Rate Study
- Questions

Provo Loads and Generation

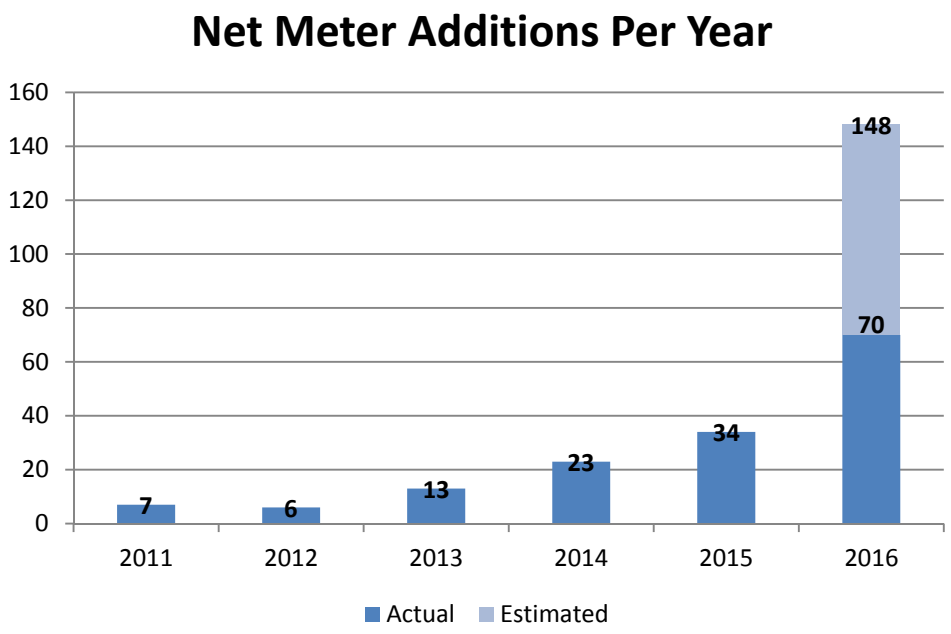
- Provo City peaked on June 29, 2015 at 183 MW

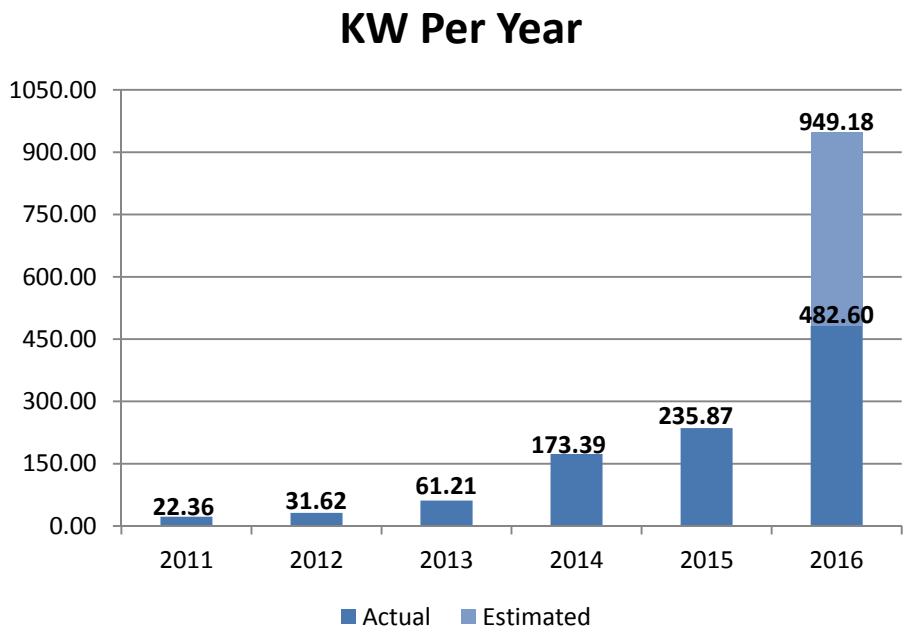
5:00 PM		
UMPA resources scheduled to cover load		
Resources	**%**	**Provo Load-MW's**
Hydro Power	13.52%	24.7
Western Repl.	13.87%	25.4
Deer Crk	1.04%	1.9
Bonanza	11.79%	21.6
DGT Boz	19.42%	35.5
Hunter 1	9.36%	17.1
Hunter 2	8.32%	15.2
Pac LT	13.87%	25.4
Market	6.63%	12.1
I/C Engines	2.09%	3.8
Solar	0.08%	0.2
Total Sched	100.00%	183



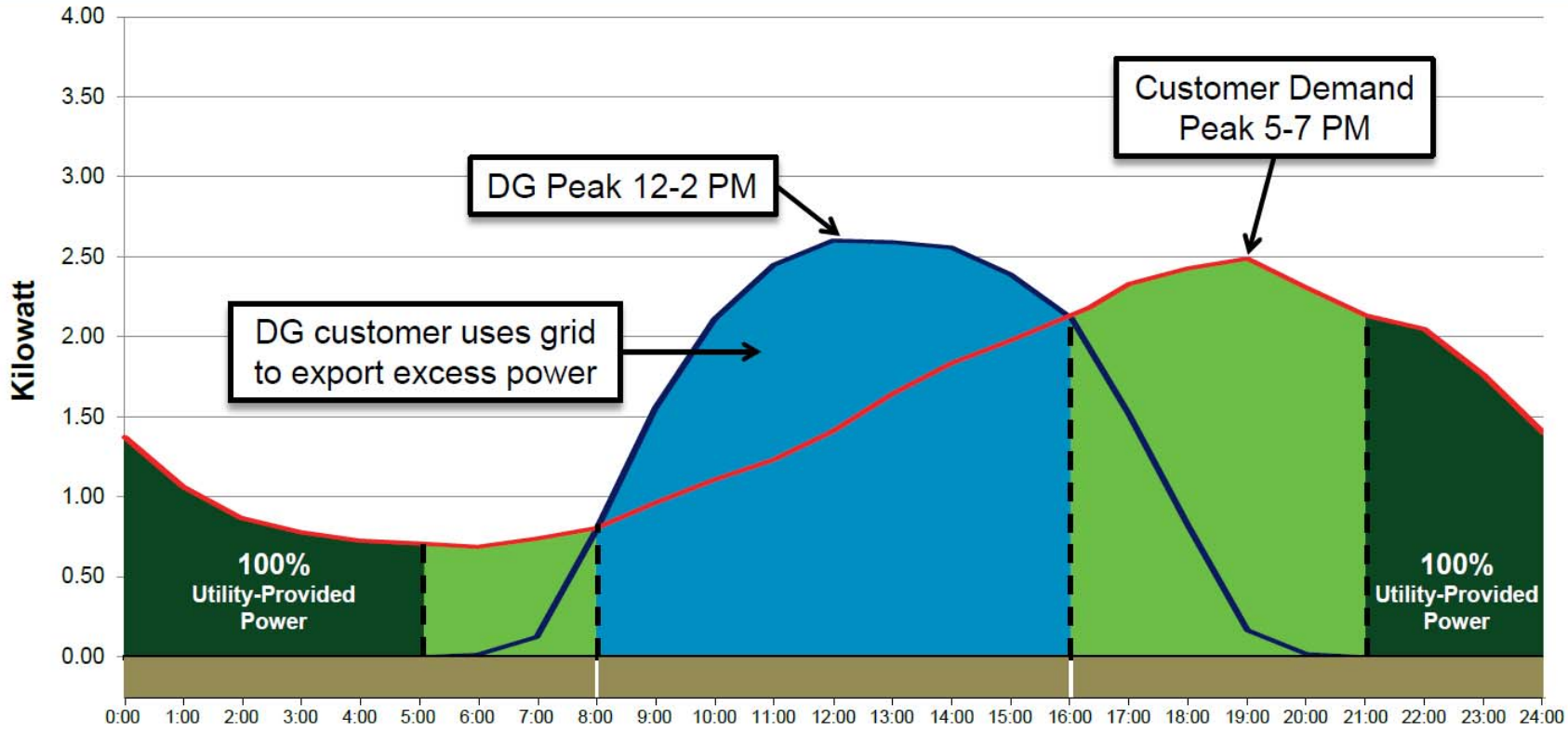
Rooftop Solar in Provo

- 162 Provo City Power Customers w/ rooftop solar – 240 by end of year
- 1049 kW installed capacity with an estimated 1516 kW by end of year





Utah Typical Residential Summer Demand with 4 kW_{DC} Solar DG System



Customer Demand

DG Generation

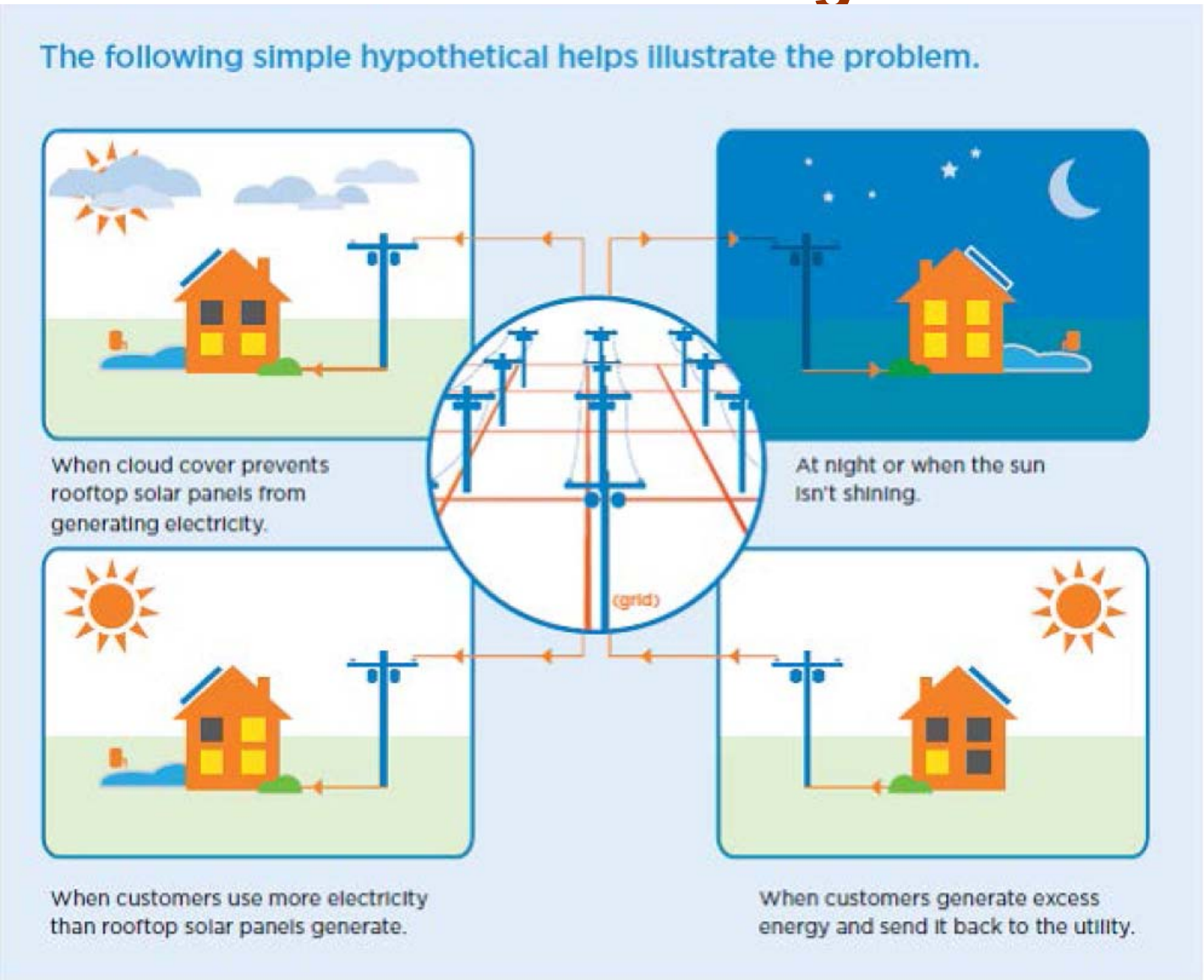
Utility-Provided Power
8 hours/day utility provides 100% of power needed

Utility-Provided Grid Services
23.99 hours/day utility provides all grid services

DG System-Provided Power
8 hours/day DG system provides 100% of power needed

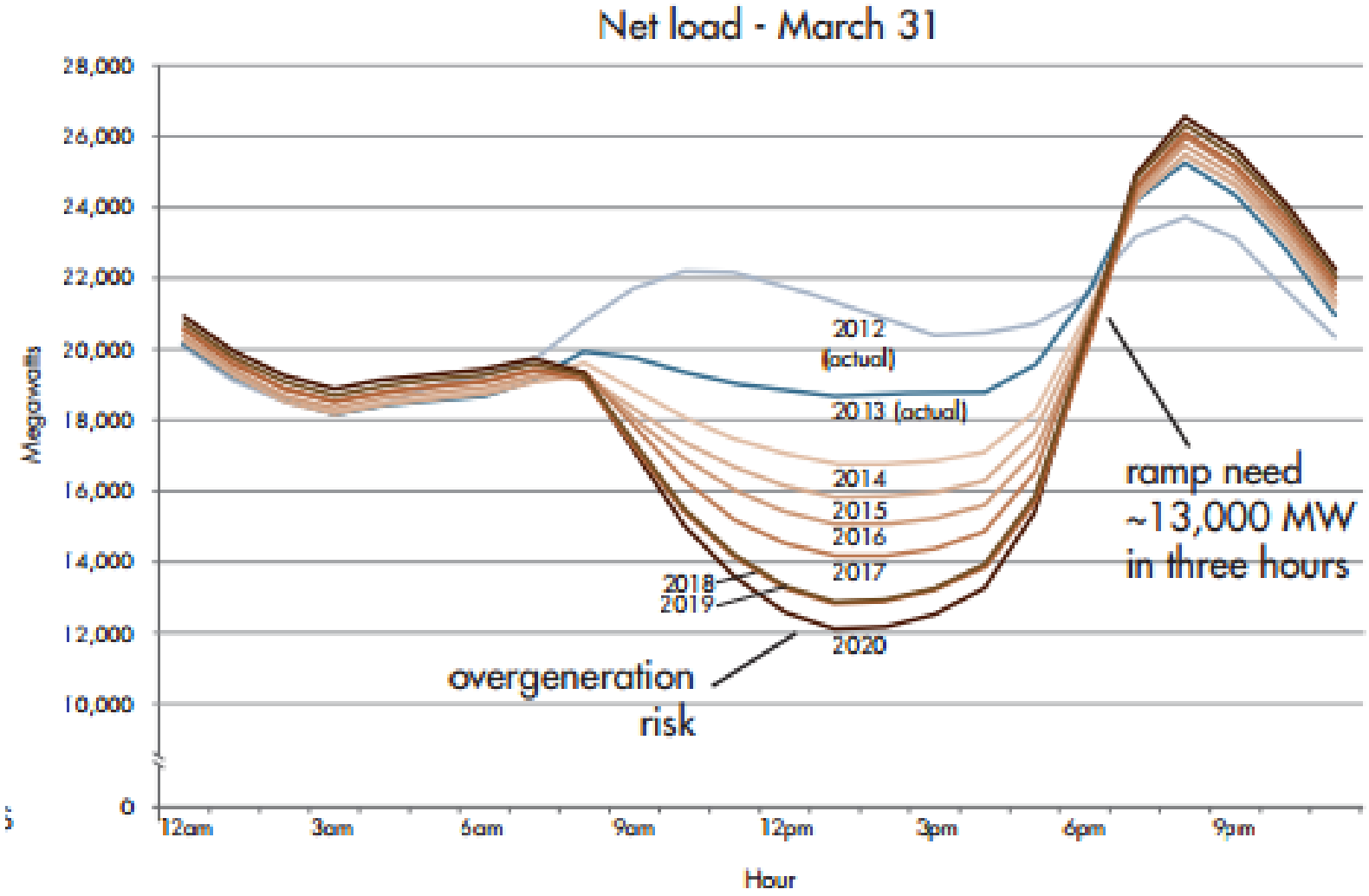
Utility and DG System-Provided Power
8 hours/day both utility and DG system provides power

Solar Customers not “off the grid”

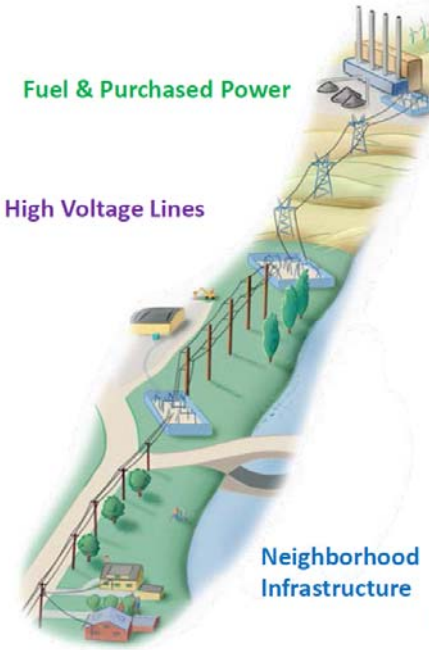


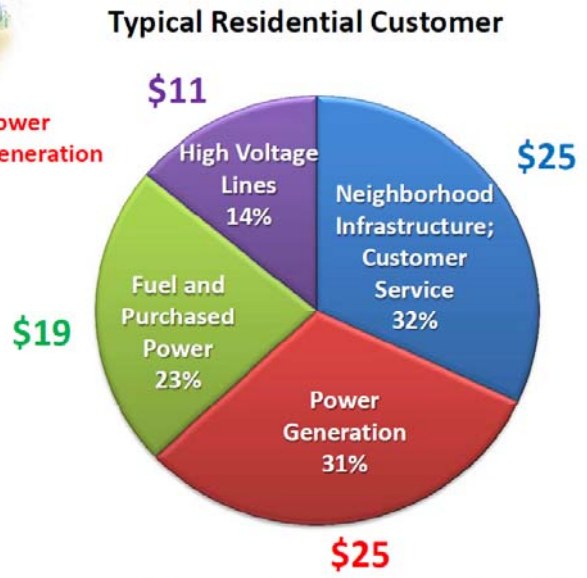
California ISO “Duck Curve”

Figure 2: The duck curve shows steep ramping needs and overgeneration risk

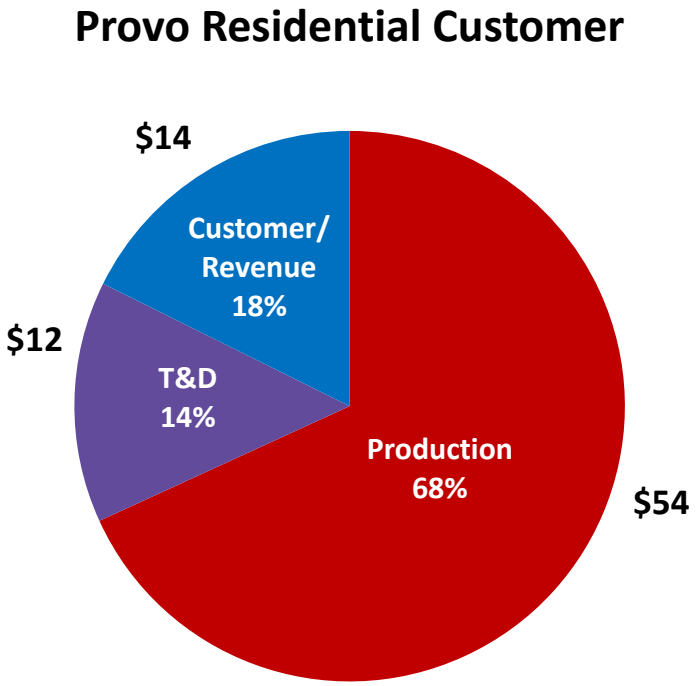


Customer Costs: Unbundled





For a typical $80 residential monthly bill



Rate Study

- Provo and UMPA have hired Dave Berg to update rate study
  - Completed Provo study in 2010 and 2016
  - Discussed rate making considering solar at APPA
- Proposed recommended rate adjustments based on overall revenue and cash reserve needs to the City Council in June 2016

Rate Study

Table 3-1 below summarizes the functional electric costs for the 2015 Test Year.
The detailed cost functions are shown in Exhibit 3-A.

Table 3-1
Functional Electric Costs
2015 Test Year

Component	Revenue Requirement
Production	$44,714,022
T&D	9,293,529
Customer	3,000,455
Revenue	8,589,297
Total	$65,597,303

- **Classification of Costs** – Within each function, the revenue requirements are divided into four distinct cost classifications, see Exhibits 30-b through 3-E.
  - Demand Related - fixed cost that do not vary with hourly consumption (CP, 12 CP, NCP)
  - Energy Related - costs vary based on hourly consumption in kWh (NEFL)
  - Customer Related - costs related to serving, metering and billing of individual customers
  - Revenue Related – costs vary by the amount of revenue received by the utility

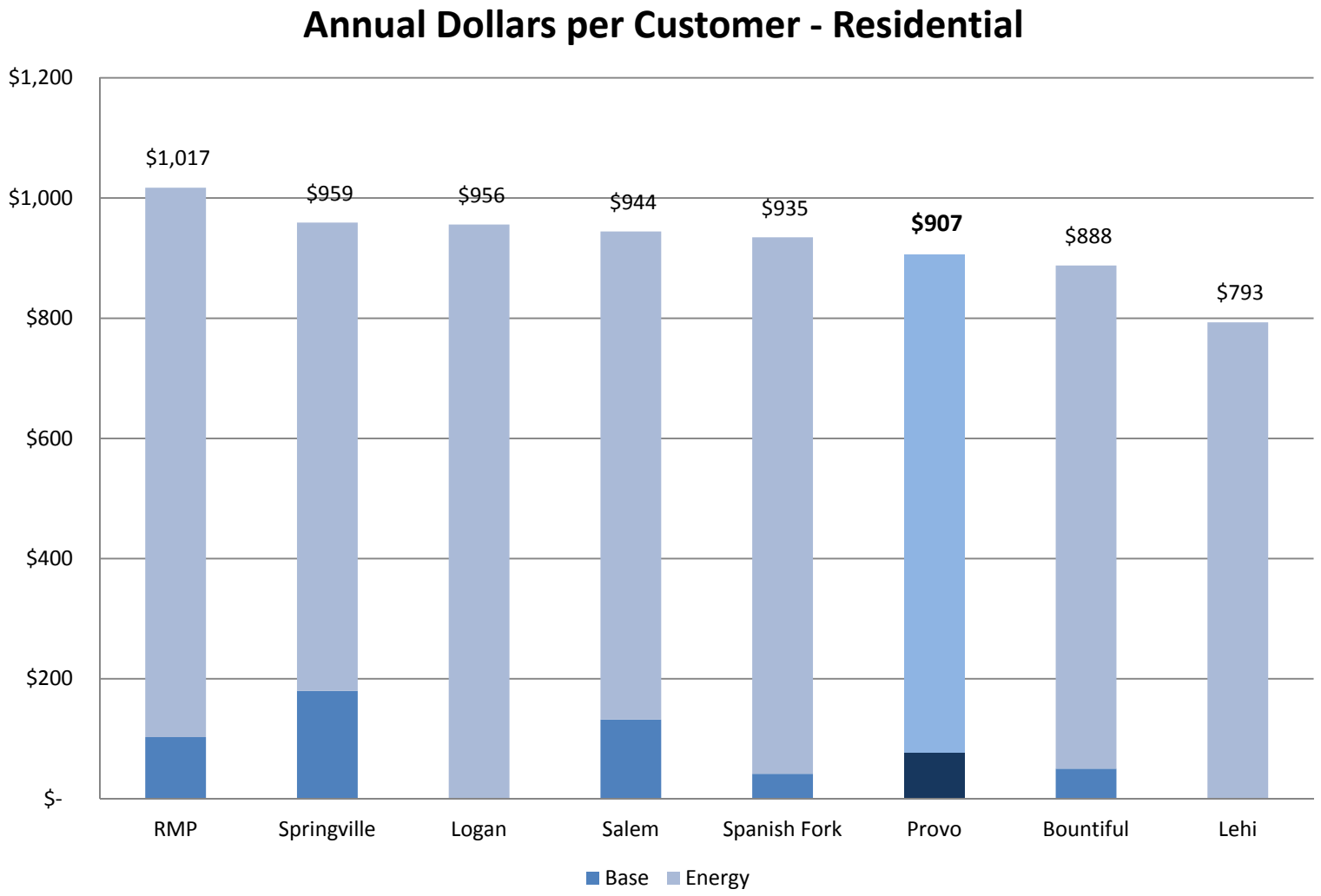
Rate Study – Comparison of Costs and Revenues

Comparison of Cost and Revenues 2015 Test Year		
Customer Classification	**Allocated Cost to Serve**	**Revenues**
Residential	$25,371,935	$22,861,833
General Service - Dist	$26,478,168	$29,348,076
General Service - TOU	$1,654	$113,655
General Service - Primary	$4,552,743	$4,505,079
High Voltage	$8,669,190	$7,989,049
Highway Lighting	$432,279	$115,399
Private Lighting	$91,334	$206,444
Total	$65,597,303	$65,139,535

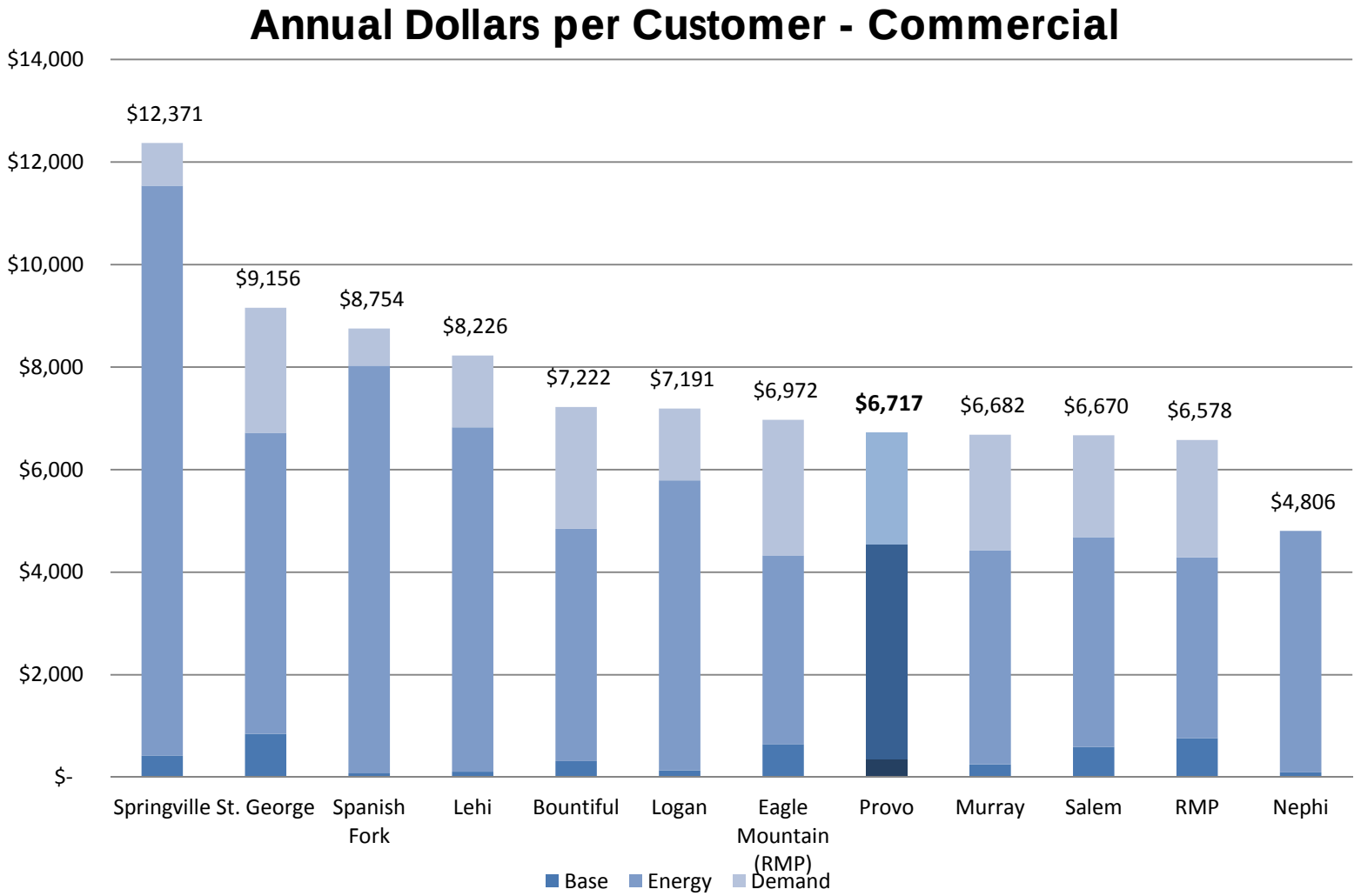
Rate Study – Comparison of % Costs and Revenues

Comparison of % Cost and Revenues 2015 Test Year			
Customer Classification	**Allocated Cost to Serve**	**Revenues**	**Increase (Decrease)**
Residential	38.7%	35.1%	10.2%
General Service - Dist	40.4%	45.1%	-10.4%
General Service - TOU	0.0%	0.2%	-98.6%
General Service - Primary	6.9%	6.9%	0.4%
High Voltage	13.2%	12.3%	7.8%
Highway Lighting	0.7%	0.2%	272.0%
Private Lighting	0.1%	0.3%	-56.1%
Total	100.0%	100.0%	0.0%

Rate Study – Residential Rate Comparison



Rate Study – Commercial Rate Comparison



Rate Design Dilemma

- Typical residential rates include a customer charge and energy charges

- Current residential rates are set as follows:
  - $6.57 customer charge
  - 8.77 cents to 12.09 cents per kWh energy charges

- Residential customer charge typically does not cover all fixed cost
  - Provo City Power fixed distribution costs are approximately $27 per month
  - Some portion of the fixed costs are recovered through energy charges

- Net metering customers can “net” their energy to eliminate or reduce charges
  - Reduced energy charges means reduced collection of revenues to cover fixed cost
  - Fixed cost do not go away because of net metering
  - If net metering customers are not paying their share, other customers pick up the difference

Rate Study – Net Metering Alternatives

Net Metering Alternatives FY 2015 Test Year	
Item	**Rate**
Current net metering policy	Current rate
Higher monthly customer charge	$26.95/mo. $.06742/kWh
Retail demand charge	$13.58/mo cust $7.57/kW-mo. demand $0.03493/kWh energy
Separate charge based on solar capacity	$2.88/kW-mo.
Minimum bill provision	$26.95/mo.
Feed-in-tariff	$0.06742/kWh

Questions?

ELECTRIC COST OF SERVICE AND RATE DESIGN STUDY

Final Report

June 2016

REPORT OUTLINE

Cover Letter

Section 1 - Introduction

Section 2 – Projected Operating Results – Existing Rates

Section 3 – Cost of Service

Section 4 – Proposed Rates

June 21, 2016

Provo City Power
251 West 800 North
Provo, UT 84601

Subject: Electric Rate Study

Council Members:

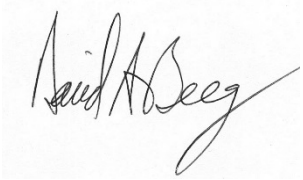
Dave Berg Consulting, LLC with the assistance of NewGen Strategies and Solutions, has undertaken a study of the retail rates Provo City Power (Provo) charges its customers for electric service. This report summarizes the analyses undertaken and the resulting recommendations for changes to the existing rates.

The recommended rate adjustments have been made based on overall revenue and cash reserve needs of the utility and the results of a cost-of-service analysis. Provo has recently implemented new rates to go into effect July 1, 2016. Additional considerations for future rate adjustments have been recommended for the electric utility. We have also provided information related to the backup of BYU's new generating facility and special considerations for net metering of distributed generation facilities.

Thank you for the opportunity to be of service to Provo through the conduct of this study. We wish to express our appreciation for the valuable assistance we received from Provo staff relative to the execution of this study.

Sincerely,

Dave Berg Consulting, LLC



David A. Berg, PE
Principal

Section 1

Introduction

Provo, Utah owns a municipal utility providing service to approximately 37,000 retail electric customers. The electric utility is operated by Provo City Power (Provo) and is under the direction of the Provo City Council. This report has been prepared by Dave Berg Consulting, LLC with assistance from NewGen Strategies and Solutions to examine the rates and charges for electric service in Provo City. The study includes an examination of the allocated cost of service based on actual FY 2015 utility operations (Test Year). It also includes projected operating results for FY 2016-2020 (Study Period). As a result of the analyses undertaken and reported on herein, electric rate recommendations have been developed for implementation by Provo.

Section 2
Projected Operating Results
Existing Rates

The rates charged for electric service by Provo, combined with other operating and non-operating revenues, must be sufficient to meet the cost of providing services to Provo's retail customers. This is necessary in order to ensure the long-term financial health of Provo. The cost of providing electric service consists of normal operating expenses such as production and purchased power, distribution functions, customer and administrative functions, system depreciation expenses, capital improvements, debt service on outstanding bonds, and contributions to Provo City and other non-operating expenses.

An analysis of the operating results for Provo during the FY 2016-2020 Study Period has been performed assuming the current retail rates and charges remain in effect for the electric utility through the Study Period. This analysis has been done to determine the overall need, if any, for additional revenue through rates to meet projected revenue requirements. The analyses and assumptions utilized in these projections are explained below.

Estimated Revenues – Existing Rates

Retail Sales

Provo sells retail power and energy to residential, commercial and industrial customers. Provo has recently been experiencing moderate growth in total retail sales to its electric customers; total sales growth after 2015 has been assumed to be approximately 2.5% per year through the Study Period. Provo's largest retail customer is Brigham Young University (BYU). BYU is currently installing gas-fired cogeneration facilities and will begin self-generating much of its electric energy requirements. The projected operating

results assume that BYU will begin operating a 15 MW generator in January, 2018 which will annually generate approximately 100,000,000 kWh. This self-generation will decrease BYU's purchases from Provo by 70% and decrease Provo's total retail sales by 12%.

Exhibit 2-A is a summarized listing of Provo's historical and projected electric operating results at existing rates. The historical and projected revenues from retail sales of power and energy to different groups of customers are included at the beginning of the exhibit under Operating Revenues.

Other Operating Revenues

Provo also receives revenue from other normal operating procedures. These revenues are shown in Exhibit 2-A as Other Operating Revenues. These include connection fees, security light sales, telecom debt charges, late fees and other miscellaneous revenues.

Utility Revenues combined with Other Operating Revenues results in Provo's Total Operating Revenues.

Revenue Requirements

Generation and Purchased Power

Provo currently meets its wholesale power requirements through its membership in the Utah Municipal Power Agency (UMPA).

Provo's actual retail sales and wholesale requirements for the FY 2015 Test Year are shown in Table 2-1.

Table 2-1
Retail Sales
And Wholesale Requirements

Item	2015
Metered Retail Sales	777,340,390 kWh
Losses/Unmetered (% of sales)	3.7 %
Wholesale Energy	806,336,397 kWh
Wholesale Peak	183,118 kW

For 2016-2020, annual wholesale requirements are projected to increase 2.5% per year, with an adjustment down in the middle of FY 2018 reflecting the BYU self-generation.

Other Operating Expenses

Provo incurs other operating expenses associated with local electric system operations. Distribution operating and maintenance expenses are related to the substations, overhead and underground lines and customer facilities located in Provo. Administrative and general expenses are required for utility management, employee benefits, training and other administrative costs and for administrative chargebacks from the City for reimbursement of City provided services. Non-wholesale power related expenses are based on 2015 values, the 2016 budget and are generally estimated to increase by 2.2% per year after 2016.

Depreciation

Provo has annual depreciation costs based on its system investments. Depreciation during the Study Period is based on budgeted Provo amounts and future capital improvements. Depreciation is a funded non-cash expense that generates monies available for annual capital improvements and reserves.

Non-operating Revenue (Expenses)

Provo's non-operating revenue is primarily associated with investment income and service fees. Non-operating expenses are associated with scheduled interest payments on outstanding debt. Provo has a new debt issue associated with its current construction of new office/maintenance facilities.

City Transfer

Provo makes an annual operational transfer to the City's general fund and to the telecom debt service fund. The transfer is 10% of charges for services. The telecom debt service transfer is assumed to be a constant amount of $3,250,000 per year.

Capital Improvements

Provo makes annual normal capital investments in its electric system. Annual electric capital improvements for the Study Period, as budgeted by Provo, are shown in Table 2-2 below. The large capital expenditure shown in 2016 includes the new office/maintenance facility which was bonded for last year.

Table 2-2
Capital Improvements

Capital Item	2016	2017	2018	2019	2020
Total Capital	$25,563,810	$7,981,054	$5,536,650	$5,765,150	$3,807,650

Debt Service

Provo makes annual principal and interest payments on outstanding debt issued for electric infrastructure projects. The principal and interest payments are included as scheduled in the bond repayment terms.

Projected Operating Results – Existing Rates

Based on the assumptions outlined above, the resulting projected operating results assuming continued application of the existing retail rates are summarized in Table 2-3 for the electric utility. A summary presentation of the operating results is shown in Exhibit 2-A.

Table 2-3
Projected Operating Results
Existing Rates

Year	2016	2017	2018	2019	2020
Operating Revenues	$76,073,027	$76,596,089	$74,427,738	$72,211,835	$72,755,067
Less Operating Expenses	(62,151,975)	(64,055,912)	(63,373,620)	(62,132,831)	(63,640,944)
Less Non -Operating Expenses	(455,035)	(595,222)	(595,223)	(580,522)	(558,023)
Less City Transfers	(11,066,887)	(10,397,544)	(10,169,444)	(9,936,340)	(9,978,897)
Change in Net Position	$2,399,129	$1,547,411	$289,452	($437,858)	($1,422,797)
Net Position as Percent of Revenues	3.2%	2.0%	0.4%	-0.6%	-2.0%

Cash Reserves

A summary of the impact of the projected operating results on Provo's cash reserves for the Study Period is shown at the end of Exhibit 2-A and in Table 2-4 below.

As shown below, under existing retail rates and estimated revenue requirements over the Study Period, the cash reserves for the electric utility are projected to decrease from approximately $25.3 million at the end of 2016 to approximately $14.1 million by the end of 2020. The high level of reserves at the beginning of 2016 are attributable to the deposit of debt funds associated with the new office/maintenance facility. By the end of the Study Period, the reserves are projected to equal 19% of operating revenues.

Table 2-4
Projected Cash Reserves
Existing Rates

Year	2016	2017	2018	2019	2020
Beginning Balance	$46,872,030	$25,340,432	$21,546,998	$19,191,044	$16,048,835
Plus Change in Net Position	2,399,129	1,547,411	289,452	(437,858)	(1,422,797)
Plus Depreciation	2,508,082	3,360,209	3,626,245	3,810,800	4,002,971
Less Capital Improvements	(25,563,810)	(7,981,054)	(5,536,650)	(5,765,150)	(3,807,650)
Less Debt Principal	(875,000)	(720,000)	(735,000)	(750,000)	(770,000)
Ending Balance	$25,340,432	$21,546,998	$19,191,044	$16,048,835	$14,051,360
Reserves as % of Revenue	33%	28%	26%	22%	19%

Projected Operating Results - Summary

Description	Actual 2014	Actual 2015	Budget 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020
Operating Revenues							
Charges for services							
Utility Service Sales	(106,520)	107,186	-	-	-	-	-
General Service Sales	34,368,904	33,915,633	36,132,258	36,454,632	36,807,848	37,149,758	37,401,475
Residential Sales	24,158,747	22,913,262	26,469,300	26,469,300	26,728,150	26,978,715	27,163,182
Industrial Service Sales	7,746,849	7,983,017	8,461,051	8,551,511	5,658,439	2,734,929	2,724,311
Subtotal charges for services	66,167,980	64,919,098	71,062,610	71,475,443	69,194,438	66,863,402	67,288,968
Other Operating Revenues	7,046,211	6,362,631	5,010,417	5,120,646	5,233,300	5,348,433	5,466,099
Total Operating Revenues	**73,214,191**	**71,281,729**	**76,073,027**	**76,596,089**	**74,427,738**	**72,211,835**	**72,755,067**
Operating Expenses							
Purchased Power	41,520,238	43,771,491	47,422,298	48,156,503	46,881,949	45,121,520	46,093,271
O&M Excluding Purchased Power	10,153,615	11,532,340	12,221,595	12,539,200	12,865,426	13,200,511	13,544,702
Depreciation Expense	2,302,784	2,403,242	2,508,082	3,360,209	3,626,245	3,810,800	4,002,971
Total Operating Expenses	**53,976,637**	**57,707,073**	**62,151,975**	**64,055,912**	**63,373,620**	**62,132,831**	**63,640,944**
Operating Income (Loss)	**19,237,554**	**13,574,656**	**13,921,051**	**12,540,177**	**11,054,118**	**10,079,004**	**9,114,123**
Non-Operating Expense (Revenue)							
Interest On Investments	(48,587)	(54,065)	(25,000)	(25,000)	(25,000)	(25,000)	(25,000)
Interest On Debt	204,678	-	480,035	620,222	620,223	605,522	583,023
Service Fees	15,303	121,473	-	-	-	-	-
Other Non-Operating Expense (Revenue)	(663,907)	(239,658)	-	-	-	-	-
Total Non-Operating Expense (Revenue)	**(492,513)**	**(172,250)**	**455,035**	**595,222**	**595,223**	**580,522**	**558,023**
Transfers Out							
Transfer To General Fund	7,290,195	7,129,310	7,816,887	7,147,544	6,919,444	6,686,340	6,728,897
Transfer To Telecom Debt Service	3,337,730	3,336,503	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000
Total Transfers Out	**10,627,925**	**10,465,813**	**11,066,887**	**10,397,544**	**10,169,444**	**9,936,340**	**9,978,897**
Operating Surplus (Deficit)	**9,102,142**	**3,281,093**	**2,399,129**	**1,547,411**	**289,452**	**(437,858)**	**(1,422,797)**
Beginning of Year Cash Reserves			46,872,030	25,340,432	21,546,998	19,191,044	16,048,835
Plus Net Income (Loss)			2,399,129	1,547,411	289,452	(437,858)	(1,422,797)
Plus Depreciation			2,508,082	3,360,209	3,626,245	3,810,800	4,002,971
Less Capital Improvements			(25,563,810)	(7,981,054)	(5,536,650)	(5,765,150)	(3,807,650)
Less Debt Service Principal			(875,000)	(720,000)	(735,000)	(750,000)	(770,000)
End of Year Cash Reserves		**46,872,030**	**25,340,432**	**21,546,998**	**19,191,044**	**16,048,835**	**14,051,360**

Section 3

Cost-of-Service

A cost-of-service analysis was performed to determine the allocated cost to serve each of Provo's customer classes within the electric utility. Customer classes exist, in part, because the cost to serve different kinds of customers varies. The cost-of-service analysis has been performed on a FY 2015 'Test Year' based on actual 2015 financials, operations and sales. The results of the cost-of-service study give an indication of the degree of revenue recovery warranted for each class of customers. A comparison of the allocated cost to serve a class of customers and the actual revenues received from that class is taken into consideration during rate design.

Functionalization of Costs

Provo's Test Year electric revenue requirements have been divided into four functional categories. These categories are described below.

Production – the production function is related to the cost of Provo owned generating units and purchases of wholesale power through UMPA.

Transmission and Distribution – T&D expenses are related to the Provo owned system for delivering power and energy to Provo customers. They include local transmission, substation and distribution system costs.

Customer – these costs are fixed costs associated with the service facilities utilized to deliver electric power and energy directly to customers. They also include items such as meter reading, billing, collections and dealing with customers by customer service representatives.

Revenue – revenue related costs include transfers to the City and City related fees, other operating and non-operating income and utility margin.

Table 3-1 below summarizes the functional electric costs for the 2015 Test Year. The detailed cost functions are shown in Exhibit 3-A.

Table 3-1
Functional Electric Costs
2015 Test Year

Component	Revenue Requirement
Production	$44,714,022
T&D	9,293,529
Customer	3,000,455
Revenue	8,589,297
Total	$65,597,303

Classification of Costs

Within each function, the revenue requirements have been divided into distinct cost classifications. These cost classifications are described below.

Demand Related – demand related costs are fixed costs that do not vary with hourly consumption. Demand related costs are required to meet the overall demand of the system as expressed in kW.

Energy Related – energy related costs vary based on hourly consumption in kWh.

Customer Related – costs related to serving, metering and billing of individual customers.

Revenue Related – revenue related costs vary by the amount of revenue received by the utility.

Exhibits 3-B through 3-E show the detailed classification of revenue requirements within the functions.

Allocation of Costs

Based on an analysis of customer class service characteristics, the classified costs summarized above were allocated to the major Provo customer classes. Allocation of costs was performed on a fully-distributed, embedded cost allocation basis. Specific allocation factors were utilized in each of the cost classification categories as described below. Exhibit 3-F contains a summary of the development of the various allocation factors.

Demand Allocations

Customer class demands on a system can be reflected in various ways. Two primary demand allocation types were utilized in this analysis. A common industry allocator known as Coincident Peak Demand (CP) allocator is utilized to allocate demand related costs based on each class' contribution to the system peak demand each month. A 12 CP demand allocator was utilized for production and transmission related demand costs. A Non-coincident Peak Demand (NCP) reflects a class maximum demand regardless of when it occurs. A 1 NCP method, an estimate of each class' maximum annual demand on the system, was utilized for allocating local system demand related costs.

Energy Allocations

Each class' share of energy requirements was used to allocate energy related costs. The predominant energy related costs are the energy portions of the purchased power expenses. These costs were allocated based on each class' estimated share of wholesale energy purchases, this is referred to as the Net Energy for Load (NEFL) allocator.

Customer Allocations

Two separate customer allocators were utilized. The customer distribution allocator was used to allocate costs associated with the physical facilities required to serve individual customers. The customer service allocator is for allocation of costs associated with customer service – meter reading, billing, collections and customer inquiries. For both the customer distribution and customer service allocators, a weighted customer allocation factor is developed. Weighting factors are developed to represent the difference in service configurations between customer classifications. For instance, a larger customer facility is required for a single large power customer than for a single residential customer, or a single large power customer requires more customer service than a single residential customer.

Revenue Allocations

Revenue related costs were allocated based on each class' share of total demand, energy, customer distribution, customer service and direct costs.

Cost of Service Results

Based on the classifications and allocations described above, the estimated cost to serve each major class of customers for the 2015 Adjusted Test Year was determined. Exhibit 3-G presents this analysis in detail. Table 3-2 below summarizes the total allocated electric costs for each class compared to the total electric revenues received from the class during 2015.

Table 3-2
Electric Cost of Service Results
Comparison of Cost and Revenues
2015 Test Year

Customer Classification	Allocated Cost to Serve	Revenues
Residential	$ 25,371,935	$22,861,833
General Service – Dist	26,478,168	29,348,076
General Service – TOU	1,654	113,655
General Service – Primary	4,552,743	4,505,079
High Voltage	8,669,190	7,989,049
Highway Lighting	432,279	115,399
Private Lighting	91,334	206,444
Total	$65,597,303	$65,139,535

The revenue requirements and revenues as allocated to each class and summarized above are shown on a total dollars basis. Table 3-3 below makes the comparison based on percentages of total cost to serve and total revenues. The percentage increase/(decrease) in each class' revenue shown below is the adjustment necessary to produce revenues from each class in accordance with the allocated cost to serve. The percentage adjustments do not represent the recommended change in each class' rates. The cost-of-service results are one item for consideration in rate design. It is important to note also that the adjustments shown in the table below would not change the total revenue received by the utility and are not indicative of overall revenue needs of the utility going forward. Recommendations regarding rate design are included in Section 4 of this report.

Table 3-3
Electric Cost of Service Results
Comparison of % Cost and Revenues
2015 Test Year

Customer Classification	Allocated Cost to Serve	Revenues	Increase/ (Decrease)
Residential	38.7%	35.1%	10.2%
General Service – Dist	40.4%	45.1%	-10.4%
General Service – TOU	0.0%	0.2%	-98.6%
General Service – Primary	6.9%	6.9%	0.4%
High Voltage	13.2%	12.3%	7.8%
Highway Lighting	0.7%	0.2%	272.0%
Private Lighting	0.1%	0.3%	-56.1%
Total	100.0%	100.0%	0.0%

As indicated above, Provo's existing class revenues do not exactly match the allocated cost to serve each class. Cost based rates are one of several goals in establishing rates. The relationship between allocated costs and revenues for each class should be considered, in addition to other rate related goals, in developing recommended rates. Small classes of customers often do not lend themselves well to an overall COS analyses, the comparisons shown above for the smaller classes (General Service – TOU and lighting) should not be considered to be entirely indicative of the appropriate rate levels for those classes.

Per Unit Costs

Based on the cost-of-service results shown above, the costs have been summarized on a per unity basis by customer class and class billing data. These per unit costs resemble rates and represent another piece of information for use in rate design. The resulting per unit costs by rate class are shown in Table 3-4.

Table 3-4
Per Unit Electric Costs
2015 Test Year

Customer Classification	Total		
	Dmd ($/kW)	Energy ($/kWh)	Cust ($/mo)
Residential	$7.57	$0.03493	$13.58
General Service – Dist	$11.03	$0.03493	$54.97
General Service – TOU	$12.43	$0.03493	$54.97
General Service – Primary	$14.16	$0.03448	$1457.03
High Voltage	$14.70	$0.03448	$4761.97
Highway Lighting	$6.54	$0.03493	$87.02
Private Lighting	$6.33	$0.03493	$11.62

Functional Unbundling

Line	Description	2015 Actual	Adjustments	Test Year	Allocation	Production	Transmission	Distribution	Customer	Revenue	Total
1	**Department Administration**										
2	Administration Personnel	392,002		392,002	Labor x/A&G	40,219	-	345,072	6,711	-	392,002
3	Administration Operating	371,078		371,078	Labor x/A&G	38,072	-	326,653	6,353	-	371,078
4	Depreciation Expense	2,403,242		2,403,242	PIS	-	-	2,403,242	-	-	2,403,242
5	Appropriated Contingency	-		-	Labor x/A&G	-	-	-	-	-	-
6	Administration Chargebacks	2,732,899		2,732,899	Customer	-	-	-	2,732,899	-	2,732,899
7	**Total Department Administration**	5,899,221	-	5,899,221		78,292	-	3,074,967	2,745,963	-	5,899,221
8											
9	**Office Buildings**										
10	Office Buildings Personnel	12,202		12,202	Labor x/A&G	1,252	-	10,741	209	-	12,202
11	Office Buildings Operating	45,253		45,253	Labor x/A&G	4,643	-	39,835	775	-	45,253
12	Office Building Chargebacks	71,267		71,267	Labor x/A&G	7,312	-	62,735	1,220	-	71,267
13	**Total Office Buildings**	128,722	-	128,722		13,207	-	113,312	2,204	-	128,722
14											
15	**Budget & Rate Analysis**										
16	Budget & Rate Analysis Personnel	131,008		131,008	Labor x/A&G	13,441	-	115,324	2,243	-	131,008
17	Budget & Rate Analysis Operating	95,391		95,391	Labor x/A&G	9,787	-	83,971	1,633	-	95,391
18	Budget & Rate Analysis Chargebacks	50,000		50,000	Labor x/A&G	5,130	-	44,014	856	-	50,000
19	**Total Budget & Rate Analysis**	276,399	-	276,399		28,358	-	243,309	4,732	-	276,399
20											
21	**Energy Services**										
22	Energy Services Personnel	84,305		84,305	Customer	-	-	-	84,305	-	84,305
23	Energy Services Operating	163,252		163,252	Customer	-	-	-	163,252	-	163,252
24	**Total Energy Services**	247,557	-	247,557		-	-	-	247,557	-	247,557
25											
26	**Warehouse Operations**										
27	Warehouse Operations Personnel	143,416		143,416	Distribution	-	-	143,416	-	-	143,416
28	Warehouse Operations Operating	3,694		3,694	Distribution	-	-	3,694	-	-	3,694
29	Warehouse Operations Chargebacks	5,457		5,457	Distribution	-	-	5,457	-	-	5,457
30	**Total Warehouse Operations**	152,567	-	152,567		-	-	152,567	-	-	152,567
31											
32	**Warehouse Inventory**										
33	Inventory Adjustment	23,484		23,484	Distribution	-	-	23,484	-	-	23,484
34	Inventory Price Variance	30,400		30,400	Distribution	-	-	30,400	-	-	30,400
35	**Total Warehouse Inventory**	53,884	-	53,884		-	-	53,884	-	-	53,884
36											
37	**Engineering Management**										
38	Engineering Management Personnel	339,310		339,310	Distribution	-	-	339,310	-	-	339,310
39	Engineering Management Operating	19,954		19,954	Distribution	-	-	19,954	-	-	19,954
40	Engineering Management Chargebacks	5,099		5,099	Distribution	-	-	5,099	-	-	5,099
41	**Total Engineering Management**	364,363	-	364,363		-	-	364,363	-	-	364,363
42											

Functional Unbundling

Line	Description	2015 Actual	Adjustments	Test Year	Allocation	Production	Transmission	Distribution	Customer	Revenue	Total
43	**Engineering Services**										
44	Engineering Services Personnel	286,714		286,714	Distribution	-	-	286,714	-	-	286,714
45	Engineering Services Operating	21,858		21,858	Distribution	-	-	21,858	-	-	21,858
46	Engineering Services Chargebacks	11,908		11,908	Distribution	-	-	11,908	-	-	11,908
47	**Total Engineering Services**	320,480	-	320,480		-	-	320,480	-	-	320,480
48											
49	**GIS/ Computer Aided Drafting**										
50	GIS/ Computer Aided Drafting Personnel	95,842		95,842	Distribution	-	-	95,842	-	-	95,842
51	GIS/ Computer Aided Drafting Operating	26,037		26,037	Distribution	-	-	26,037	-	-	26,037
52	**Total GIS/ Computer Aided Drafting**	121,879	-	121,879		-	-	121,879	-	-	121,879
53											
54	**Provo Plant Diesel**										
55	Provo Plant Diesel Operating	48,000		48,000	Production	48,000	-	-	-	-	48,000
56	Provo Plant Diesel Chargebacks	35,434		35,434	Production	35,434	-	-	-	-	35,434
57	**Total Provo Plant Diesel**	83,434	-	83,434		83,434	-	-	-	-	83,434
58											
59	**Hunter Plant Emery County Taxes**										
60	Hunter Plant Emery County Taxes	178,921		178,921	Production	178,921	-	-	-	-	178,921
61	**Total Hunter Plant Emery County Taxes**	178,921	-	178,921		178,921	-	-	-	-	178,921
62											
63	**Purchased Power**										
64	S1 Payment	44,328,103		44,328,103	Production	44,328,103	-	-	-	-	44,328,103
65	Reimbursement From UMPA	(560,212)		(560,212)	Production	(560,212)	-	-	-	-	(560,212)
66	Microwave Payment	3,600		3,600	Production	3,600	-	-	-	-	3,600
67	**Total Purchased Power**	43,771,491	-	43,771,491		43,771,491	-	-	-	-	43,771,491
68											
69	**Power Control & Load Dispatching**										
70	Power Control & Load Dispatching Personnel	505,250		505,250	Production	505,250	-	-	-	-	505,250
71	Power Control & Load Dispatching Operating	55,069		55,069	Production	55,069	-	-	-	-	55,069
72	**Total Power Control & Load Dispatching**	560,319	-	560,319		560,319	-	-	-	-	560,319
73											
74	**Transmission Operations**										
75	Transmission Operations Operating	7,727		7,727	Transmission	-	7,727	-	-	-	7,727
76	**Total Transmission Operations**	7,727	-	7,727		-	7,727	-	-	-	7,727
77											
78	**Distribution Substations**										
79	Distribution Substations Personnel	577,106		577,106	Distribution	-	-	577,106	-	-	577,106
80	Distribution Substations Operating	42,260		42,260	Distribution	-	-	42,260	-	-	42,260
81	Distribution Substations Chargebacks	16,943		16,943	Distribution	-	-	16,943	-	-	16,943
82	**Total Distribution Substations**	636,309	-	636,309		-	-	636,309	-	-	636,309
83											
84	**Distribution Street Lighting**										
85	Distribution Street Lighting Operating	-		-	Distribution	-	-	-	-	-	-
86	**Total Distribution Street Lighting**	-	-	-		-	-	-	-	-	-
87											
88	**Distribution Streetlighting**										

Functional Unbundling

Line	Description	2015 Actual	Adjustments	Test Year	Allocation	Production	Transmission	Distribution	Customer	Revenue	Total
89	Distribution Streetlighting Personnel	53,515		53,515	Distribution	-	-	53,515	-	-	53,515
90	Distribution Streetlighting Operating	44,831		44,831	Distribution	-	-	44,831	-	-	44,831
91	Distribution Streetlighting Chargebacks	6,477		6,477	Distribution	-	-	6,477	-	-	6,477
92	**Total Distribution Streetlighting**	104,823	-	104,823		-	-	104,823	-	-	104,823
93											
94	**Distribution Meters**										
95	Distribution Meters Personnel	253,129		253,129	Distribution	-	-	253,129	-	-	253,129
96	Distribution Meters Operating	19,365		19,365	Distribution	-	-	19,365	-	-	19,365
97	Distribution Meters Chargebacks	5,739		5,739	Distribution	-	-	5,739	-	-	5,739
98	**Total Distribution Meters**	278,233	-	278,233		-	-	278,233	-	-	278,233
99											
100	**Distribution Street Tree Trimming**										
101	Distribution Street Tree Trimming Personnel	149,957		149,957	Distribution	-	-	149,957	-	-	149,957
102	Distribution Street Tree Trimming Operating	48,804		48,804	Distribution	-	-	48,804	-	-	48,804
103	**Total Distribution Street Tree Trimming**	198,761	-	198,761		-	-	198,761	-	-	198,761
104											
105	**Distribution Tree Trimming**										
106	Distribution Tree Trimming Personnel	760,622		760,622	Distribution	-	-	760,622	-	-	760,622
107	Distribution Tree Trimming Operating	58,440		58,440	Distribution	-	-	58,440	-	-	58,440
108	Distribution Tree Trimming Chargebacks	66,256		66,256	Distribution	-	-	66,256	-	-	66,256
109	**Total Distribution Tree Trimming**	885,318	-	885,318		-	-	885,318	-	-	885,318
110											
111	**Distribution Overhead Lines**										
112	Distribution Overhead Lines Personnel	1,675,327		1,675,327	Distribution	-	-	1,675,327	-	-	1,675,327
113	Distribution Overhead Lines Operating	172,709		172,709	Distribution	-	-	172,709	-	-	172,709
114	Distribution Overhead Lines Chargebacks	128,241		128,241	Distribution	-	-	128,241	-	-	128,241
115	**Total Distribution Overhead Lines**	1,976,277	-	1,976,277		-	-	1,976,277	-	-	1,976,277
116											
117	**Distribution Underground Lines**										
118	Distribution Underground Lines Operating	19,626		19,626	Distribution	-	-	19,626	-	-	19,626
119	**Total Distribution Underground Lines**	19,626	-	19,626		-	-	19,626	-	-	19,626
120											
121	**Total Operating Expenses**	**56,266,311**	**-**	**56,266,311**		**44,714,022**	**7,727**	**8,544,107**	**3,000,455**	**-**	**56,266,311**
122											
123	**Non-Operating Expense (Revenue)**										
124	Interest On Investments	(54,065)		(54,065)	Revenue	-	-	-	-	(54,065)	(54,065)
125	Interest On Debt	-	620,222	620,222	PIS	-	-	620,222	-	-	620,222
126	Service Fees	121,473		121,473	Distribution	-	-	121,473	-	-	121,473
127	**Total Non-Operating Expense (Revenue)**	**67,408**	**620,222**	**687,630**		**-**	**-**	**741,695**	**-**	**(54,065)**	**687,630**
128											

Functional Unbundling

Line	Description	2015 Actual	Adjustments	Test Year	Allocation	Production	Transmission	Distribution	Customer	Revenue	Total
129	**Transfers Out**										
130	Transfer To General Fund	7,129,310		7,129,310	Revenue	-	-	-	-	7,129,310	7,129,310
131	Transfer To Telecom Debt Service	3,336,503		3,336,503	Revenue	-	-	-	-	3,336,503	3,336,503
132	**Total Transfers Out**	**10,465,813**	**-**	**10,465,813**		**-**	**-**	**-**	**-**	**10,465,813**	**10,465,813**
133											
134	**Revenue Adjustments**										
135	Other Operation Revenues	(5,103,544)		(5,103,544)	Revenue	-	-	-	-	(5,103,544)	(5,103,544)
136	Utility Margin	3,281,093		3,281,093	Revenue	-	-	-	-	3,281,093	3,281,093
137	**Total Revenue Adjustments**	**(1,822,451)**	**-**	**(1,822,451)**		**-**	**-**	**-**	**-**	**(1,822,451)**	**(1,822,451)**
138											
139	**Revenue Requirement from Rates**	**64,977,081**	**620,222**	**65,597,303**		**44,714,022**	**7,727**	**9,285,802**	**3,000,455**	**8,589,297**	**65,597,303**

Production

Line	Description	Test Year	Allocation	Demand	Energy	Total
1	**Department Administration**					
2	Administration Personnel	40,219	Demand	40,219	-	40,219
3	Administration Operating	38,072	Demand	38,072	-	38,072
4	Depreciation Expense	-	NA	-	-	-
5	Appropriated Contingency	-	Demand	-	-	-
6	Administration Chargebacks	-	Demand	-	-	-
7	**Total Department Administration**	78,292		78,292	-	78,292
8						
9	**Office Buildings**					
10	Office Buildings Personnel	1,252	Demand	1,252	-	1,252
11	Office Buildings Operating	4,643	Demand	4,643	-	4,643
12	Office Building Chargebacks	7,312	Demand	7,312	-	7,312
13	**Total Office Buildings**	13,207		13,207	-	13,207
14						
15	**Budget & Rate Analysis**					
16	Budget & Rate Analysis Personnel	13,441	Demand	13,441	-	13,441
17	Budget & Rate Analysis Operating	9,787	Demand	9,787	-	9,787
18	Budget & Rate Analysis Chargebacks	5,130	Demand	5,130	-	5,130
19	**Total Budget & Rate Analysis**	28,358		28,358	-	28,358
20						
21	**Energy Services**					
22	Energy Services Personnel	-	NA	-	-	-
23	Energy Services Operating	-	NA	-	-	-
24	**Total Energy Services**	-		-	-	-
25						
26	**Warehouse Operations**					
27	Warehouse Operations Personnel	-	NA	-	-	-
28	Warehouse Operations Operating	-	NA	-	-	-
29	Warehouse Operations Chargebacks	-	NA	-	-	-
30	**Total Warehouse Operations**	-		-	-	-

Production

Line	Description	Test Year	Allocation	Demand	Energy	Total
31						
32	**Warehouse Inventory**					
33	Inventory Adjustment	-	NA	-	-	-
34	Inventory Price Variance	-	NA	-	-	-
35	**Total Warehouse Inventory**	-		-	-	-
36						
37	**Engineering Management**					
38	Engineering Management Personnel	-	NA	-	-	-
39	Engineering Management Operating	-	NA	-	-	-
40	Engineering Management Chargebacks	-	NA	-	-	-
41	**Total Engineering Management**	-		-	-	-
42						
43	**Engineering Services**					
44	Engineering Services Personnel	-	NA	-	-	-
45	Engineering Services Operating	-	NA	-	-	-
46	Engineering Services Chargebacks	-	NA	-	-	-
47	**Total Engineering Services**	-		-	-	-
48						
49	**GIS/ Computer Aided Drafting**					
50	GIS/ Computer Aided Drafting Personnel	-	NA	-	-	-
51	GIS/ Computer Aided Drafting Operating	-	NA	-	-	-
52	**Total GIS/ Computer Aided Drafting**	-		-	-	-
53						
54	**Provo Plant Diesel**					
55	Provo Plant Diesel Operating	48,000	Demand	48,000	-	48,000
56	Provo Plant Diesel Chargebacks	35,434	Demand	35,434	-	35,434
57	**Total Provo Plant Diesel**	83,434		83,434	-	83,434
58						

Production

Line	Description	Test Year	Allocation	Demand	Energy	Total
59	**Hunter Plant Emery County Taxes**					
60	Hunter Plant Emery County Taxes	178,921	Demand	178,921	-	178,921
61	**Total Hunter Plant Emery County Taxes**	178,921		178,921	-	178,921
62						
63	**Purchased Power**					
64	S1 Payment	44,328,103	PP	21,408,111	22,919,992	44,328,103
65	Reimbursement From UMPA	(560,212)	Demand	(560,212)	-	(560,212)
66	Microwave Payment	3,600	Demand	3,600	-	3,600
67	**Total Purchased Power**	43,771,491		20,851,499	22,919,992	43,771,491
68						
69	**Power Control & Load Dispatching**					
70	Power Control & Load Dispatching Personnel	505,250	Energy	-	505,250	505,250
71	Power Control & Load Dispatching Operating	55,069	Energy	-	55,069	55,069
72	**Total Power Control & Load Dispatching**	560,319		-	560,319	560,319
73						
74	**Transmission Operations**					
75	Transmission Operations Operating	-	NA	-	-	-
76	**Total Transmission Operations**	-		-	-	-
77						
78	**Distribution Substations**					
79	Distribution Substations Personnel	-	NA	-	-	-
80	Distribution Substations Operating	-	NA	-	-	-
81	Distribution Substations Chargebacks	-	NA	-	-	-
82	**Total Distribution Substations**	-		-	-	-
83						
84	**Distribution Street Lighting**					
85	Distribution Street Lighting Operating	-	NA	-	-	-
86	**Total Distribution Street Lighting**	-		-	-	-
87						

Production

Line	Description	Test Year	Allocation	Demand	Energy	Total
88	**Distribution Streetlighting**					
89	Distribution Streetlighting Personnel	-	NA	-	-	-
90	Distribution Streetlighting Operating	-	NA	-	-	-
91	Distribution Streetlighting Chargebacks	-	NA	-	-	-
92	**Total Distribution Streetlighting**	-		-	-	-
93						
94	**Distribution Meters**					
95	Distribution Meters Personnel	-	NA	-	-	-
96	Distribution Meters Operating	-	NA	-	-	-
97	Distribution Meters Chargebacks	-	NA	-	-	-
98	**Total Distribution Meters**	-		-	-	-
99						
100	**Distribution Street Tree Trimming**					
101	Distribution Street Tree Trimming Personnel	-	NA	-	-	-
102	Distribution Street Tree Trimming Operating	-	NA	-	-	-
103	**Total Distribution Street Tree Trimming**	-		-	-	-
104						
105	**Distribution Tree Trimming**					
106	Distribution Tree Trimming Personnel	-	NA	-	-	-
107	Distribution Tree Trimming Operating	-	NA	-	-	-
108	Distribution Tree Trimming Chargebacks	-	NA	-	-	-
109	**Total Distribution Tree Trimming**	-		-	-	-
110						
111	**Distribution Overhead Lines**					
112	Distribution Overhead Lines Personnel	-	NA	-	-	-
113	Distribution Overhead Lines Operating	-	NA	-	-	-
114	Distribution Overhead Lines Chargebacks	-	NA	-	-	-
115	**Total Distribution Overhead Lines**	-		-	-	-
116						

Production

Line	Description	Test Year	Allocation	Demand	Energy	Total
117	**Distribution Underground Lines**					
118	Distribution Underground Lines Operating	-	NA	-	-	-
119	**Total Distribution Underground Lines**	-		-	-	-
120						
121	**Total Operating Expenses**	**44,714,022**		**21,233,711**	**23,480,311**	**44,714,022**
122						
123	**Non-Operating Expense (Revenue)**					
124	Interest On Investments	-	NA	-	-	-
125	Interest On Debt	-	NA	-	-	-
126	Service Fees	-	NA	-	-	-
127	**Total Non-Operating Expense (Revenue)**	**-**		**-**	**-**	**-**
128						
129	**Transfers Out**					
130	Transfer To General Fund	-	NA	-	-	-
131	Transfer To Telecom Debt Service	-	NA	-	-	-
132	**Total Transfers Out**	**-**		**-**	**-**	**-**
133						
134	**Revenue Adjustments**					
135	Other Operation Revenues	-	NA	-	-	-
136	Utility Margin	-	NA	-	-	-
137	**Total Revenue Adjustments**	**-**		**-**	**-**	**-**
138						
139	**Revenue Requirement from Rates**	**44,714,022**		**21,233,711**	**23,480,311**	**44,714,022**

Transmission

Line	Description	Test Year	Allocation	Demand	Total
1	**Department Administration**				
2	Administration Personnel	-	NA	-	-
3	Administration Operating	-	NA	-	-
4	Depreciation Expense	-	NA	-	-
5	Appropriated Contingency	-	NA	-	-
6	Administration Chargebacks	-	NA	-	-
7	**Total Department Administration**	-		-	-
8					
9	**Office Buildings**				
10	Office Buildings Personnel	-	NA	-	-
11	Office Buildings Operating	-	NA	-	-
12	Office Building Chargebacks	-	NA	-	-
13	**Total Office Buildings**	-		-	-
14					
15	**Budget & Rate Analysis**				
16	Budget & Rate Analysis Personnel	-	NA	-	-
17	Budget & Rate Analysis Operating	-	NA	-	-
18	Budget & Rate Analysis Chargebacks	-	NA	-	-
19	**Total Budget & Rate Analysis**	-		-	-
20					
21	**Energy Services**				
22	Energy Services Personnel	-	NA	-	-
23	Energy Services Operating	-	NA	-	-
24	**Total Energy Services**	-		-	-
25					
26	**Warehouse Operations**				
27	Warehouse Operations Personnel	-	NA	-	-
28	Warehouse Operations Operating	-	NA	-	-
29	Warehouse Operations Chargebacks	-	NA	-	-
30	**Total Warehouse Operations**	-		-	-

Transmission

Line	Description	Test Year	Allocation	Demand	Total
31					
32	**Warehouse Inventory**				
33	Inventory Adjustment	-	NA	-	-
34	Inventory Price Variance	-	NA	-	-
35	**Total Warehouse Inventory**	-		-	-
36					
37	**Engineering Management**				
38	Engineering Management Personnel	-	NA	-	-
39	Engineering Management Operating	-	NA	-	-
40	Engineering Management Chargebacks	-	NA	-	-
41	**Total Engineering Management**	-		-	-
42					
43	**Engineering Services**				
44	Engineering Services Personnel	-	NA	-	-
45	Engineering Services Operating	-	NA	-	-
46	Engineering Services Chargebacks	-	NA	-	-
47	**Total Engineering Services**	-		-	-
48					
49	**GIS/ Computer Aided Drafting**				
50	GIS/ Computer Aided Drafting Personnel	-	NA	-	-
51	GIS/ Computer Aided Drafting Operating	-	NA	-	-
52	**Total GIS/ Computer Aided Drafting**	-		-	-
53					
54	**Provo Plant Diesel**				
55	Provo Plant Diesel Opperating	-	NA	-	-
56	Provo Plant Diesel Charebacks	-	NA	-	-
57	**Total Provo Plant Diesel**	-		-	-
58					

Transmission

Line	Description	Test Year	Allocation	Demand	Total
59	**Hunter Plant Emery County Taxes**				
60	Hunter Plant Emery County Taxes	-	NA	-	-
61	**Total Hunter Plant Emery County Taxes**	-		-	-
62					
63	**Purchased Power**				
64	S1 Payment	-	NA	-	-
65	Reimbursement From UMPA	-	NA	-	-
66	Microwave Payment	-	NA	-	-
67	**Total Purchased Power**	-		-	-
68					
69	**Power Control & Load Dispatching**				
70	Power Control & Load Dispatching Personnel	-	NA	-	-
71	Power Control & Load Dispatching Operating	-	NA	-	-
72	**Total Power Control & Load Dispatching**	-		-	-
73					
74	**Transmission Operations**				
75	Transmission Operations Operating	7,727	Demand	7,727	7,727
76	**Total Transmission Operations**	7,727		7,727	7,727
77					
78	**Distribution Substations**				
79	Distribution Substations Personnel	-	NA	-	-
80	Distribution Substations Operating	-	NA	-	-
81	Distribution Substations Chargebacks	-	NA	-	-
82	**Total Distribution Substations**	-		-	-
83					
84	**Distribution Street Lighting**				
85	Distribution Street Lighting Operating	-	NA	-	-
86	**Total Distribution Street Lighting**	-		-	-
87					

Transmission

Line	Description	Test Year	Allocation	Demand	Total
88	**Distribution Streetlighting**				
89	Distribution Streetlighting Personnel	-	NA	-	-
90	Distribution Streetlighting Operating	-	NA	-	-
91	Distribution Streetlighting Chargebacks	-	NA	-	-
92	**Total Distribution Streetlighting**	-		-	-
93					
94	**Distribution Meters**				
95	Distribution Meters Personnel	-	NA	-	-
96	Distribution Meters Operating	-	NA	-	-
97	Distribution Meters Chargebacks	-	NA	-	-
98	**Total Distribution Meters**	-		-	-
99					
100	**Distribution Street Tree Trimming**				
101	Distribution Street Tree Trimming Personnel	-	NA	-	-
102	Distribution Street Tree Trimming Operating	-	NA	-	-
103	**Total Distribution Street Tree Trimming**	-		-	-
104					
105	**Distribution Tree Trimming**				
106	Distribution Tree Trimming Personnel	-	NA	-	-
107	Distribution Tree Trimming Operating	-	NA	-	-
108	Distribution Tree Trimming Chargebacks	-	NA	-	-
109	**Total Distribution Tree Trimming**	-		-	-
110					
111	**Distribution Overhead Lines**				
112	Distribution Overhead Lines Personnel	-	NA	-	-
113	Distribution Overhead Lines Operating	-	NA	-	-
114	Distribution Overhead Lines Chargebacks	-	NA	-	-
115	**Total Distribution Overhead Lines**	-		-	-
116					

Transmission

Line	Description	Test Year	Allocation	Demand	Total
117	**Distribution Underground Lines**				
118	Distribution Underground Lines Operating	-	NA	-	-
119	**Total Distribution Underground Lines**	-		-	-
120					
121	**Total Operating Expenses**	**7,727**		**7,727**	**7,727**
122					
123	**Non-Operating Expense (Revenue)**				
124	Interest On Investments	-	NA	-	-
125	Interest On Debt	-	NA	-	-
126	Service Fees	-	NA	-	-
127	**Total Non-Operating Expense (Revenue)**	**-**		**-**	**-**
128					
129	**Transfers Out**				
130	Transfer To General Fund	-	NA	-	-
131	Transfer To Telecom Debt Service	-	NA	-	-
132	**Total Transfers Out**	**-**		**-**	**-**
133					
134	**Revenue Adjustments**				
135	Other Operation Revenues	-	NA	-	-
136	Utility Margin	-	NA	-	-
136	**Total Revenue Adjustments**	**-**		**-**	**-**
137					
138	**Revenue Requirement from Rates**	**7,727**		**7,727**	**7,727**

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Line	Description	Test Year	Allocation	Demand-All	Demand-No Rate 6	Demand-90% All/10% No Rate 6	Customer-All	Customer-No Rate 6	Customer-90% All/10% No Rate 6	Direct	Total
1	**Department Administration**										
2	Administration Personnel	345,072	Labor x/A&G	34,439	148,861	-	34,439	123,072	-	4,260	345,072
3	Administration Operating	326,653	Labor x/A&G	32,601	140,916	-	32,601	116,503	-	4,033	326,653
4	Depreciation Expense	2,403,242	Labor x/A&G	239,851	1,036,740	-	239,851	857,131	-	29,668	2,403,242
5	Appropriated Contingency	-	Labor x/A&G	-	-	-	-	-	-	-	-
6	Administration Chargebacks	-	Labor x/A&G	-	-	-	-	-	-	-	-
7	**Total Department Administration**	3,074,967		306,892	1,326,517	-	306,892	1,096,706	-	37,961	3,074,967
8											
9	**Office Buildings**										
10	Office Buildings Personnel	10,741	Labor x/A&G	1,072	4,634	-	1,072	3,831	-	133	10,741
11	Office Buildings Operating	39,835	Labor x/A&G	3,976	17,185	-	3,976	14,208	-	492	39,835
12	Office Building Chargebacks	62,735	Labor x/A&G	6,261	27,063	-	6,261	22,375	-	774	62,735
13	**Total Office Buildings**	113,312		11,309	48,882	-	11,309	40,413	-	1,399	113,312
14											
15	**Budget & Rate Analysis**										
16	Budget & Rate Analysis Personnel	115,324	Labor x/A&G	11,510	49,750	-	11,510	41,131	-	1,424	115,324
17	Budget & Rate Analysis Operating	83,971	Labor x/A&G	8,381	36,224	-	8,381	29,949	-	1,037	83,971
18	Budget & Rate Analysis Chargebacks	44,014	Labor x/A&G	4,393	18,987	-	4,393	15,698	-	543	44,014
19	**Total Budget & Rate Analysis**	243,309		24,283	104,962	-	24,283	86,778	-	3,004	243,309
20											
21	**Energy Services**										
22	Energy Services Personnel	-	NA	-	-	-	-	-	-	-	-
23	Energy Services Operating	-	NA	-	-	-	-	-	-	-	-
24	**Total Energy Services**	-		-	-	-	-	-	-	-	-
25											
26	**Warehouse Operations**										
27	Warehouse Operations Personnel	143,416	Dmd/Cust-All	71,708	-	-	71,708	-	-	-	143,416
28	Warehouse Operations Operating	3,694	Dmd/Cust-All	1,847	-	-	1,847	-	-	-	3,694
29	Warehouse Operations Chargebacks	5,457	Dmd/Cust-All	2,729	-	-	2,729	-	-	-	5,457
30	**Total Warehouse Operations**	152,567		76,284	-	-	76,284	-	-	-	152,567
31											
32	**Warehouse Inventory**										
33	Inventory Adjustment	23,484	Dmd/Cust-All	11,742	-	-	11,742	-	-	-	23,484
34	Inventory Price Variance	30,400	Dmd/Cust-All	15,200	-	-	15,200	-	-	-	30,400
35	**Total Warehouse Inventory**	53,884		26,942	-	-	26,942	-	-	-	53,884
36											
37	**Engineering Management**										
38	Engineering Management Personnel	339,310	Dmd/Cust-All	169,655	-	-	169,655	-	-	-	339,310
39	Engineering Management Operating	19,954	Dmd/Cust-All	9,977	-	-	9,977	-	-	-	19,954
40	Engineering Management Chargebacks	5,099	Dmd/Cust-All	2,550	-	-	2,550	-	-	-	5,099
41	**Total Engineering Management**	364,363		182,182	-	-	182,182	-	-	-	364,363
42											

Distribution

Line	Description	Test Year	Allocation	Demand-All	Demand-No Rate 6	Demand-90% All/10% No Rate 6	Customer-All	Customer-No Rate 6	Customer-90% All/10% No Rate 6	Direct	Total
43	**Engineering Services**										
44	Engineering Services Personnel	286,714	Dmd/Cust-All	143,357	-	-	143,357	-	-	-	286,714
45	Engineering Services Operating	21,858	Dmd/Cust-All	10,929	-	-	10,929	-	-	-	21,858
46	Engineering Services Chargebacks	11,908	Dmd/Cust-All	5,954	-	-	5,954	-	-	-	11,908
47	**Total Engineering Services**	320,480		160,240	-	-	160,240	-	-	-	320,480
48											
49	**GIS/ Computer Aided Drafting**										
50	GIS/ Computer Aided Drafting Personnel	95,842	Dmd/Cust-All	47,921	-	-	47,921	-	-	-	95,842
51	GIS/ Computer Aided Drafting Operating	26,037	Dmd/Cust-All	13,019	-	-	13,019	-	-	-	26,037
52	**Total GIS/ Computer Aided Drafting**	121,879		60,940	-	-	60,940	-	-	-	121,879
53											
54	**Provo Plant Diesel**										
55	Provo Plant Diesel Opperating	-	NA	-	-	-	-	-	-	-	-
56	Provo Plant Diesel Charebacks	-	NA	-	-	-	-	-	-	-	-
57	**Total Provo Plant Diesel**	-		-	-	-	-	-	-	-	-
58											
59	**Hunter Plant Emery County Taxes**										
60	Hunter Plant Emery County Taxes	-	NA	-	-	-	-	-	-	-	-
61	**Total Hunter Plant Emery County Taxes**	-		-	-	-	-	-	-	-	-
62											
63	**Purchased Power**										
64	S1 Payment	-	NA	-	-	-	-	-	-	-	-
65	Reimbursement From UMPA	-	NA	-	-	-	-	-	-	-	-
66	Microwave Payment	-	NA	-	-	-	-	-	-	-	-
67	**Total Purchased Power**	-		-	-	-	-	-	-	-	-
68											
69	**Power Control & Load Dispatching**										
70	Power Control & Load Dispatching Personnel	-	NA	-	-	-	-	-	-	-	-
71	Power Control & Load Dispatching Operating	-	NA	-	-	-	-	-	-	-	-
72	**Total Power Control & Load Dispatching**	-		-	-	-	-	-	-	-	-
73											
74	**Transmission Operations**										
75	Transmission Operations Operating	-	NA	-	-	-	-	-	-	-	-
76	**Total Transmission Operations**	-		-	-	-	-	-	-	-	-
77											

Distribution

Line	Description	Test Year	Allocation	Demand-All	Demand-No Rate 6	Demand-90% All/10% No Rate 6	Customer-All	Customer-No Rate 6	Customer-90% All/10% No Rate 6	Direct	Total
78	**Distribution Substations**										
79	Distribution Substations Personnel	577,106	Dmd-No 6	-	577,106	-	-	-	-	-	577,106
80	Distribution Substations Operating	42,260	Dmd-No 6	-	42,260	-	-	-	-	-	42,260
81	Distribution Substations Chargebacks	16,943	Dmd-No 6	-	16,943	-	-	-	-	-	16,943
82	**Total Distribution Substations**	636,309		-	636,309	-	-	-	-	-	636,309
83											
84	**Distribution Street Lighting**										
85	Distribution Street Lighting Operating	-	Direct	-	-	-	-	-	-	-	-
86	**Total Distribution Street Lighting**	-		-	-	-	-	-	-	-	-
87											
88	**Distribution Streetlighting**										
89	Distribution Streetlighting Personnel	53,515	Direct	-	-	-	-	-	-	53,515	53,515
90	Distribution Streetlighting Operating	44,831	Direct	-	-	-	-	-	-	44,831	44,831
91	Distribution Streetlighting Chargebacks	6,477	Direct	-	-	-	-	-	-	6,477	6,477
92	**Total Distribution Streetlighting**	104,823		-	-	-	-	-	-	104,823	104,823
93											
94	**Distribution Meters**										
95	Distribution Meters Personnel	253,129	Cst-No 6	-	-	-	-	253,129	-	-	253,129
96	Distribution Meters Operating	19,365	Cst-No 6	-	-	-	-	19,365	-	-	19,365
97	Distribution Meters Chargebacks	5,739	Cst-No 6	-	-	-	-	5,739	-	-	5,739
98	**Total Distribution Meters**	278,233		-	-	-	-	278,233	-	-	278,233
99											
100	**Distribution Street Tree Trimming**										
101	Distribution Street Tree Trimming Personnel	149,957	Dmd/Cust-No 6	-	74,979	-	-	74,979	-	-	149,957
102	Distribution Street Tree Trimming Operating	48,804	Dmd/Cust-No 6	-	24,402	-	-	24,402	-	-	48,804
103	**Total Distribution Street Tree Trimming**	198,761		-	99,381	-	-	99,381	-	-	198,761
104											
105	**Distribution Tree Trimming**										
106	Distribution Tree Trimming Personnel	760,622	Dmd/Cust-No 6	-	380,311	-	-	380,311	-	-	760,622
107	Distribution Tree Trimming Operating	58,440	Dmd/Cust-No 6	-	29,220	-	-	29,220	-	-	58,440
108	Distribution Tree Trimming Chargebacks	66,256	Dmd/Cust-No 6	-	33,128	-	-	33,128	-	-	66,256
109	**Total Distribution Tree Trimming**	885,318		-	442,659	-	-	442,659	-	-	885,318
110											
111	**Distribution Overhead Lines**										
112	Distribution Overhead Lines Personnel	1,675,327	Dmd/Cust-No 6	-	837,664	-	-	837,664	-	-	1,675,327
113	Distribution Overhead Lines Operating	172,709	Dmd/Cust-No 6	-	86,355	-	-	86,355	-	-	172,709
114	Distribution Overhead Lines Chargebacks	128,241	Dmd/Cust-No 6	-	64,121	-	-	64,121	-	-	128,241
115	**Total Distribution Overhead Lines**	1,976,277		-	988,139	-	-	988,139	-	-	1,976,277
116											

Distribution

Line	Description	Test Year	Allocation	Demand-All	Demand-No Rate 6	Demand-90% All/10% No Rate 6	Customer-All	Customer-No Rate 6	Customer-90% All/10% No Rate 6	Direct	Total
117	**Distribution Underground Lines**										
118	Distribution Underground Lines Operating	19,626	Dmd/Cust-No 6	-	9,813	-	-	9,813	-	-	19,626
119	**Total Distribution Underground Lines**	19,626		-	9,813	-	-	9,813	-	-	19,626
120											
121	**Total Operating Expenses**	**8,544,107**		**849,070**	**3,656,660**	**-**	**849,070**	**3,042,120**	**-**	**147,186**	**8,544,107**
122											
123	**Non-Operating Expense (Revenue)**										
124	Interest On Investments	-	NA	-	-	-	-	-	-	-	-
125	Interest On Debt	620,222	Plant	372,133	-	-	248,089	-	-	-	620,222
126	Service Fees	121,473	Labor x/A&G	12,123	52,403	-	12,123	43,324	-	1,500	121,473
127	**Total Non-Operating Expense (Revenue)**	**741,695**		**384,257**	**52,403**	**-**	**260,212**	**43,324**	**-**	**1,500**	**741,695**
128											
129	**Transfers Out**										
130	Transfer To General Fund	-	NA	-	-	-	-	-	-	-	-
131	Transfer To Telecom Debt Service	-	NA	-	-	-	-	-	-	-	-
132	**Total Transfers Out**	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
133											
134	**Revenue Adjustments**										
135	Other Operation Revenues	-	NA	-	-	-	-	-	-	-	-
136	Utility Margin	-	NA	-	-	-	-	-	-	-	-
136	**Total Revenue Adjustments**	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
137											
138	**Revenue Requirement from Rates**	**9,285,802**		**1,233,327**	**3,709,063**	**-**	**1,109,282**	**3,085,445**	**-**	**148,686**	**9,285,802**

Customer

Line	Description	Test Year	Allocation	Customer Service	Total
1	**Department Administration**				
2	Administration Personnel	6,711	Labor x/A&G	6,711	6,711
3	Administration Operating	6,353	Labor x/A&G	6,353	6,353
4	Depreciation Expense	-	NA	-	-
5	Appropriated Contingency	-	Labor x/A&G	-	-
6	Administration Chargebacks	2,732,899	Labor x/A&G	2,732,899	2,732,899
7	**Total Department Administration**	2,745,963		2,745,963	2,745,963
8					
9	**Office Buildings**				
10	Office Buildings Personnel	209	Labor x/A&G	209	209
11	Office Buildings Operating	775	Labor x/A&G	775	775
12	Office Building Chargebacks	1,220	Labor x/A&G	1,220	1,220
13	**Total Office Buildings**	2,204		2,204	2,204
14					
15	**Budget & Rate Analysis**				
16	Budget & Rate Analysis Personnel	2,243	Labor x/A&G	2,243	2,243
17	Budget & Rate Analysis Operating	1,633	Labor x/A&G	1,633	1,633
18	Budget & Rate Analysis Chargebacks	856	Labor x/A&G	856	856
19	**Total Budget & Rate Analysis**	4,732		4,732	4,732
20					
21	**Energy Services**				
22	Energy Services Personnel	84,305	Customer Service	84,305	84,305
23	Energy Services Operating	163,252	Customer Service	163,252	163,252
24	**Total Energy Services**	247,557		247,557	247,557
25					
26	**Warehouse Operations**				
27	Warehouse Operations Personnel	-	NA	-	-
28	Warehouse Operations Operating	-	NA	-	-
29	Warehouse Operations Chargebacks	-	NA	-	-
30	**Total Warehouse Operations**	-		-	-

Customer

Line	Description	Test Year	Allocation	Customer Service	Total
31					
32	**Warehouse Inventory**				
33	Inventory Adjustment	-	NA	-	-
34	Inventory Price Variance	-	NA	-	-
35	**Total Warehouse Inventory**	-		-	-
36					
37	**Engineering Management**				
38	Engineering Management Personnel	-	NA	-	-
39	Engineering Management Operating	-	NA	-	-
40	Engineering Management Chargebacks	-	NA	-	-
41	**Total Engineering Management**	-		-	-
42					
43	**Engineering Services**				
44	Engineering Services Personnel	-	NA	-	-
45	Engineering Services Operating	-	NA	-	-
46	Engineering Services Chargebacks	-	NA	-	-
47	**Total Engineering Services**	-		-	-
48					
49	**GIS/ Computer Aided Drafting**				
50	GIS/ Computer Aided Drafting Personnel	-	NA	-	-
51	GIS/ Computer Aided Drafting Operating	-	NA	-	-
52	**Total GIS/ Computer Aided Drafting**	-		-	-
53					
54	**Provo Plant Diesel**				
55	Provo Plant Diesel Opperating	-	NA	-	-
56	Provo Plant Diesel Charebacks	-	NA	-	-
57	**Total Provo Plant Diesel**	-		-	-
58					

Customer

Line	Description	Test Year	Allocation	Customer Service	Total
59	**Hunter Plant Emery County Taxes**				
60	Hunter Plant Emery County Taxes	-	NA	-	-
61	**Total Hunter Plant Emery County Taxes**	-		-	-
62					
63	**Purchased Power**				
64	S1 Payment	-	NA	-	-
65	Reimbursement From UMPA	-	NA	-	-
66	Microwave Payment	-	NA	-	-
67	**Total Purchased Power**	-		-	-
68					
69	**Power Control & Load Dispatching**				
70	Power Control & Load Dispatching Personnel	-	NA	-	-
71	Power Control & Load Dispatching Operating	-	NA	-	-
72	**Total Power Control & Load Dispatching**	-		-	-
73					
74	**Transmission Operations**				
75	Transmission Operations Operating	-	NA	-	-
76	**Total Transmission Operations**	-		-	-
77					
78	**Distribution Substations**				
79	Distribution Substations Personnel	-	NA	-	-
80	Distribution Substations Operating	-	NA	-	-
81	Distribution Substations Chargebacks	-	NA	-	-
82	**Total Distribution Substations**	-		-	-
83					
84	**Distribution Street Lighting**				
85	Distribution Street Lighting Operating	-	NA	-	-
86	**Total Distribution Street Lighting**	-		-	-
87					

Customer

Line	Description	Test Year	Allocation	Customer Service	Total
88	**Distribution Streetlighting**				
89	Distribution Streetlighting Personnel	-	NA	-	-
90	Distribution Streetlighting Operating	-	NA	-	-
91	Distribution Streetlighting Chargebacks	-	NA	-	-
92	**Total Distribution Streetlighting**	-		-	-
93					
94	**Distribution Meters**				
95	Distribution Meters Personnel	-	NA	-	-
96	Distribution Meters Operating	-	NA	-	-
97	Distribution Meters Chargebacks	-	NA	-	-
98	**Total Distribution Meters**	-		-	-
99					
100	**Distribution Street Tree Trimming**				
101	Distribution Street Tree Trimming Personnel	-	NA	-	-
102	Distribution Street Tree Trimming Operating	-	NA	-	-
103	**Total Distribution Street Tree Trimming**	-		-	-
104					
105	**Distribution Tree Trimming**				
106	Distribution Tree Trimming Personnel	-	NA	-	-
107	Distribution Tree Trimming Operating	-	NA	-	-
108	Distribution Tree Trimming Chargebacks	-	NA	-	-
109	**Total Distribution Tree Trimming**	-		-	-
110					
111	**Distribution Overhead Lines**				
112	Distribution Overhead Lines Personnel	-	NA	-	-
113	Distribution Overhead Lines Operating	-	NA	-	-
114	Distribution Overhead Lines Chargebacks	-	NA	-	-
115	**Total Distribution Overhead Lines**	-		-	-
116					

Customer

Line	Description	Test Year	Allocation	Customer Service	Total
117	**Distribution Underground Lines**				
118	Distribution Underground Lines Operating	-	NA	-	-
119	**Total Distribution Underground Lines**	-		-	-
120					
121	**Total Operating Expenses**	**3,000,455**		**3,000,455**	**3,000,455**
122					
123	**Non-Operating Expense (Revenue)**				
124	Interest On Investments	-	NA	-	-
125	Interest On Debt	-	NA	-	-
126	Service Fees	-	NA	-	-
127	**Total Non-Operating Expense (Revenue)**	**-**		**-**	**-**
128					
129	**Transfers Out**				
130	Transfer To General Fund	-	NA	-	-
131	Transfer To Telecom Debt Service	-	NA	-	-
132	**Total Transfers Out**	**-**		**-**	**-**
133					
134	**Revenue Adjustments**				
135	Other Operation Revenues	-	NA	-	-
136	Utility Margin	-	NA	-	-
137	**Total Revenue Adjustments**	**-**		**-**	**-**
138					
139	**Revenue Requirement from Rates**	**3,000,455**		**3,000,455**	**3,000,455**

provo WELCOME HOME | Cost of Service

Line	Description	Test Year	Allocation	Residential	General Service: Distribution Voltage	General Service: Time-of-Use	General Service: Primary Voltage	General Service: High Voltage	Lighting: Highway	Lighting: Private	Total
50	Allocation Factors										
51				51,251	50,065	4	8,785	19,542	304	45	129,995
52	12 Coincident Peak Demand		12CP	39%	39%	0%	7%	15%	0%	0%	100%
53				83,214	65,913	6	11,468	22,390	-	-	182,991
54	1 Coincident Peak Demand		1 CP	45%	36%	0%	6%	12%	0%	0%	100%
55				76,249	72,384	6	11,777	21,459	971	145	182,991
56	Average & Excess Demand		AED	42%	40%	0%	6%	12%	1%	0%	100%
57				75,045	58,771	5	10,323	21,670	1,148	175	167,137
58	12 Non-Coindent Peak Demand for Distribution		12NCP	45%	35%	0%	6%	13%	1%	0%	100%
59				103,199	90,305	10	14,061	24,453	1,198	178	233,404
60	1 Non-Coindent Peak Demand - All		1 NCP-All	44%	39%	0%	6%	10%	1%	0%	100%
61				103,199	90,305	10	14,061		1,198	178	208,951
62	1 Non-Coindent Peak Demand - No Rate 6		1 NCP-No Rate 6	49%	43%	0%	7%	0%	1%	0%	100%
63				103,199	90,305	10	14,061	22,008	1,198	178	230,958
64	1 Non-Coindent Peak Demand 90% All/10% no Rate 6		1 NCP-90%/10%	45%	39%	0%	6%	10%	1%	0%	100%
65				1,634,745	1,070,679	82	142,927	260,037	13,591	2,077	3,124,140
66	Sum of Maximum Demands (Billed Demand)		SMD	52%	34%	0%	5%	8%	0%	0%	100%
67				225,879,899	340,123,436	3,933	65,712,600	138,873,600	4,772,590	729,378	776,095,436
68	kWh Sales		kWh Sales	29%	44%	0%	8%	18%	1%	0%	100%
69				234,792,007	353,543,031	4,088	67,434,150	142,511,834	4,960,893	758,156	804,004,158
70	Net Energy for Load		NEFL	29%	44%	0%	8%	18%	1%	0%	100%
71				376,440	50,765	9	180	12	2,031	4,535	433,972
72	Customer Months		Customers	87%	12%	0%	0%	0%	0%	1%	100%
73				376,440	253,825	45	36,000	27,000	2,031	2,268	697,609
74	Customers - Distribution Weighting - All		CDist-All	54%	36%	0%	5%	4%	0%	0%	100%
75				376,440	253,825	45	36,000		2,031	2,268	670,609
76	Customers - Distribution Weighting - No Rate 6		CDist-No Rate 6	56%	38%	0%	5%	0%	0%	0%	100%
77				376,440	253,825	45	36,000	24,300	2,031	2,268	694,909
78	Customers - Distribution Weighting - 90% All/10% No Rate 6		CDist-90%/10%	54%	37%	0%	5%	3%	0%	0%	100%
79				376,440	152,295	27	900	1,200	2,031	2,268	535,161
80	Customers - Customer Service Weighting		Cust. Service	70%	28%	0%	0%	0%	0%	0%	100%
81				25,371,935	26,478,168	1,654	4,552,743	8,669,190	432,279	91,334	65,597,303
82	Revenue Requirement		RevReq	39%	40%	0%	7%	13%	1%	0%	100%
83				-	-	-	-	-	4,960,893	729,378	5,690,271
84	Direct to Lighting		Lighting	0%	0%	0%	0%	0%	87%	13%	100%

Cost of Service

Line	Description	Test Year	Allocation	Residential	General Service				Lighting		Total
					Distribution Voltage	Time-of-Use	Primary Voltage	High Voltage	Highway	Private	
1	**Production**										
2	Production Demand Expense	21,233,711	12CP	8,371,457	8,177,707	668	1,434,907	3,192,066	49,587	7,320	21,233,711
3	Production Energy Expense	23,480,311	NEFL	6,856,916	10,324,947	119	1,969,361	4,161,946	144,879	22,141	23,480,311
4	**Total Production**	44,714,022		15,228,373	18,502,654	787	3,404,269	7,354,013	194,466	29,461	44,714,022
5	Check	-									
6	**Transmission**										
7	Tranmission Demand Expense	7,727	12CP	3,046	2,976	0	522	1,162	18	3	7,727
8	**Total Transmission**	7,727		3,046	2,976	0	522	1,162	18	3	7,727
9	Check	-									
10	**Distribution**										
11	Distribution Demand - All	1,233,327	1 NCP-All	545,312	477,180	51	74,299	129,213	6,332	941	1,233,327
12	Distribution Demand - No Rate 6	3,709,063	1 NCP-No Rate 6	1,831,871	1,602,996	170	249,593	-	21,272	3,160	3,709,063
13	Distribution Demand - 90% all/10% no Rate 6	-	1 NCP-90%/10%	-	-	-	-	-	-	-	-
12	Distribution Customer - All	1,109,282	CDist-All	598,585	403,613	72	57,244	42,933	3,230	3,606	1,109,282
13	Distribution Customer - No Rate 6	3,085,445	CDist-No Rate 6	1,731,986	1,167,839	207	165,635	-	9,345	10,433	3,085,445
14	Distribution Customer - 90% all/10% no Rate 6	-	CDist-90%/10%	-	-	-	-	-	-	-	-
14	Distribution Direct Lighting	148,686	Lighting	-	-	-	-	-	129,627	19,059	148,686
15	**Total Distribution**	9,285,802		4,707,754	3,651,628	499	546,771	172,146	169,805	37,198	9,285,802
16	Check	-									
17	**Customer**										
18	Customer Service Expense	3,000,455	Cust. Service	2,110,566	853,864	151	5,046	6,728	11,387	12,713	3,000,455
19	**Total Customer**	3,000,455		2,110,566	853,864	151	5,046	6,728	11,387	12,713	3,000,455
20	Check	-									
21	**Revenue**										
22	Revenue Expense	8,589,297	RevReq	3,322,196	3,467,046	217	596,135	1,135,142	56,602	11,959	8,589,297
23	**Total Revenue**	8,589,297		3,322,196	3,467,046	217	596,135	1,135,142	56,602	11,959	8,589,297
24	Check	-									
25	**Total Cost of Service**	**65,597,303**		**25,371,935**	**26,478,168**	**1,654**	**4,552,743**	**8,669,190**	**432,279**	**91,334**	**65,597,303**
27											
28	Percent of Cost of Servce	100%		38.7%	40.4%	0.0%	6.9%	13.2%	0.7%	0.1%	100%
29	Current Percent of Revenue	100%		35.1%	45.1%	0.2%	6.9%	12.3%	0.2%	0.3%	100%
30	**Difference**			**10.2%**	**-10.4%**	**-98.6%**	**0.4%**	**7.8%**	**272.0%**	**-56.1%**	
31											
32	Classified Cost of Service										
33	Customer Cost	8,450,355		5,110,276	2,790,734	495	262,266	57,144	176,729	52,712	8,450,355
34	Demand Cost	30,128,899		12,371,624	11,806,845	1,022	2,024,396	3,823,027	88,842	13,144	30,128,899
35	Energy Cost	27,018,048		7,890,036	11,880,589	137	2,266,082	4,789,020	166,708	25,477	27,018,048
36											
37	Classified Unit Cost of Service										
38	Customer Unit Cost ($/Customer/Month)	19.47		13.58	54.97	54.97	1,457.03	4,761.97	87.02	11.62	19.47
39	Demand Unit Cost ($/kW)	9.64		7.57	11.03	12.43	14.16	14.70	6.54	6.33	9.64
40	Energy Unit Cost ($/kWh)	0.03481		0.03493	0.03493	0.03493	0.03448	0.03448	0.03493	0.03493	0.03481

Section 4
Proposed Rates

Changes to rates are generally based on the overall need for revenues and results of the cost-of-service analyses. The projected operating results at existing rates as presented in Section 2 of this report outline the overall revenue needs of the electric utility. Section 3 summarizes the cost-of-service results. These factors have been considered in developing the proposed rates summarized in this section of the report.

Proposed Rates

Revenue Needs

In Section 2, it shows that Provo's projected annual change in net position declines from 3.2% of revenues in FY 2016 to negative 2.0% of revenues in FY 2020. Additionally, Provo's projected cash reserves at current rates are expected to decrease from $25.3 million at the end of FY 2016 to $14.1 million at the end of FY 2020. The end of the Study Period projected reserves are less than 20% of annual revenues. Based on these projected results, an increase in utility revenues through rates is recommended. Provo has already announced that it will be increasing electric rates effective July 1, 2016 (the beginning of FY 2017). The existing and proposed rates are summarized in Exhibit 4-A. The rates are designed for increases of 2% for residential and commercial customers and 6% for high voltage customers. Based on the cost of service results, a higher increase for the high voltage class is warranted.

Projected Operating Results – Proposed Rates

The rates enacted by Provo increase overall projected revenues for Provo beginning in FY 2017. Table 4-1 below summarizes the revised projected operating results with the

July 1, 2016 rate increases. The increase in rates results in projected change in net position remaining positive through FY 2019.

Table 4-1
Projected Operating Results
New July 1, 2016 Rates

Year	2016	2017	2018	2019	2020
Operating Revenues	$76,073,027	$78,374,183	$76,043,427	$73,662,883	$74,214,261
Less Operating Expenses	(62,151,975)	(64,055,912)	(63,373,620)	(62,132,831)	(63,640,944)
Less Non -Operating Expenses	(455,035)	(595,222)	(595,223)	(580,522)	(558,023)
Less City Transfers	(11,066,887)	(10,575,354)	(10,331,013)	(10,081,445)	(10,124,816)
Change in Net Position	$2,399,129	$3,147,695	$1,743,572	$868,085	($109,522)
Net Position as Percent of Revenues	3.2%	4.0%	2.3%	1.2%	-0.1%

Cash Reserves – Proposed Rates

A summary of the impact of the proposed rates on Provo's cash reserves for the Study Period is shown in Table 4-2 below.

As shown below, the proposed rates increase the estimated end of study period cash reserve level from $14.1 million under existing retail rates to $19.7 million under the proposed rates. This represents an increase from 19% of revenues to 27% of revenues at the end of FY 2020.

Table 4-2
Projected Cash Reserves
New July 1, 2016 Rates

Year	2016	2017	2018	2019	2020
Beginning Balance	$46,872,030	$25,340,432	$23,147,282	$22,245,449	$20,409,183
Plus Change in Net Position	$2,399,129	$3,147,695	$1,743,572	$868,085	($109,522)
Plus Depreciation	2,508,082	3,360,209	3,626,245	3,810,800	4,002,971
Less Capital Improvements	(25,563,810)	(7,981,054)	(5,536,650)	(5,765,150)	(3,807,650)
Less Debt Principal	(875,000)	(720,000)	(735,000)	(750,000)	(770,000)
Ending Balance	$25,340,432	$23,147,282	$22,245,449	$20,409,183	$19,724,982
Reserves as % of Revenue	33%	30%	29%	28%	27%

Rate Design Adjustments

The cost of service analysis summarized in Section 3 shows that the General Service – Distribution customers are providing a subsidy to the Residential and High Voltage classes. The High Voltage subsidy has been partially addressed by the new rates enacted by Provo as described above. As Provo requires future rate adjustments, it may wish to consider implementing a higher increase for Residential customers and a lower increase for General Service – Distribution customers.

The structure of the rates that Provo charges to its various customer classes are reasonable straightforward. We do not recommend any changes in the rate structures. However, as Residential rates are increased in the future, an increase in the monthly customer charge is warranted. The proposed customer charge effective July 1, 2016 will be $6.57/mo for residential customers. As shown in Section 3 of this report, a

monthly charge of $13.58 can be justified for these customers based on the 2015 test year cost of service analysis.

Backup Rates

As discussed in Section 2 of this report, BYU is currently installing gas-fired cogeneration facilities to supply a portion of its energy requirements. Provo has installed a fixed system to ensure the ability to serve all of BYU's electrical needs. That system will still be in place when BYU begins self-generating. If BYU wishes to continue utilizing its full energy requirements during periods when its generating unit is not available, it is warranted that Provo charge a backup reservation charge to have system available to serve when BYU requires service. Based on the estimated 15 MW peak of the BYU electric generator, we have designed a backup charge on a $/kW basis that Provo would charge BYU each month. This charge is based on the allocated local fixed charges for the High Voltage class divided by the total current usage at BYU. The charge is equal to $1.43/kW-mo. as a system reservation charge. For 15 MW of backup system capacity, this would equal a monthly payment of $21,515. This does not contain any provision for actual backup power and energy or transmission as provided by UMPA. It also does not include any provision for lost transfer to the City's general fund.

If UMPA wishes to also provide a special backup rate for power and energy for BYU beyond its current wholesale rate, Provo should include UMPA in discussions with BYU on options for that backup power.

Another option for Provo and UMPA is for Provo to simply purchase all energy output from BYU's generator at the UMPA rate and continue serving BYU at retail for all of its electric power and energy needs. That would likely require special permission from UMPA under the terms of the power sales contract, or alternatively, UMPA could purchase the output of the BYU generator and sell it back to Provo as part of its normal wholesale arrangement.

Net Metering

Based on the analyses contained in this study, we have identified several options for Provo's consideration relative to rate provisions applicable to net metering of small distributed generation facilities at customer locations, most notably solar power installations. Net metering is a billing mechanism where customers with distributed generation (like rooftop solar) are credited for electricity they deliver back to the distribution system. For example, if a residential customer has a solar system on the home's rooftop, it may generate more electricity than the home uses during daylight hours. If the home is net-metered, the utility pays the customer for the excess generation. The rate paid for the excess generation varies by state and utility.

The State of Utah net metering policy requires Rocky Mountain Power and all rural electric cooperatives to offer a net metering tariff to their customers. However, municipally owned utilities like Provo City Power are not currently required to offer net metering, but they may if they desire. Provo's current net metering policy is similar to other utility net metering tariffs including Rocky Mountain Power. Under the current Provo net metering rate, a customer receives full retail price credit for energy it delivers to the utility during periods when the on-site generator is producing more energy than the customer requires. The customer can apply that payment/credit to its usage during times that the on-site generator is not producing energy.

Within the electric industry, there are numerous discussions about the economic and operational 'fairness' of net metering programs. Distributed generation advocates argue that net metering programs help promote this beneficial program. Others argue that net metering customers do not contribute sufficiently to the fixed cost of the electric grid, resulting in subsidies from non-net metering customers. There are several potential rate approaches addressing the need for net metering customers to make a contribution to the fixed costs of the grid, even if their net use of energy during a billing period may be zero. Based on the results of the cost-of-service study, we have examined the following rate scenarios and have designed cost based rates for your consideration.

- Current net metering policy
- Higher monthly customer charge
- Retail demand charge rate structure
- Separate charge based on solar generating capacity
- Minimum bill provision
- Feed-in-tariff

These options are discussed below.

Current Net Metering Policy

Provo could opt to maintain its current net metering policy. It is similar to standard net metering policies in place at numerous utilities nationwide. It also reflects current Utah requirements on Rocky Mountain Power and cooperatives. The current policy does not address cost based concerns about potential subsidies from regular customers to net metering customers.

Higher monthly customer charge

Credits that net metering customers receive for power generated do not generally apply to the fixed monthly customer charge paid by customers. The fixed charge does not vary based on energy used by a customer. Customer charges are meant to recover fixed charges incurred by the utility simply by having a customer connected to the system. These can include meter reading, billing and customer services. They may also include fixed system costs such as portions of the distribution system, service transformers, service lines and meter installations. A higher customer charge can be designed to collect some or all of a customers allocated fixed costs of the local system. This rate design alternative could be applied to all customers or to just net metering customers.

Retail demand charge rate structure

Solar net metering customers purchase less net energy from the utility while still placing demands on the system during times when the solar units are not generating

(evenings/nights). This results in net metering customers having a much lower effective load factor for their service. Under a customer charge/energy charge rate structure, it is not possible to adjust rates to reflect wide disparities in load factor. Moving residential net metering customers to a demand and energy rate structure as is commonly done for non-residential customers can allow for contribution to fixed system charges by these customers despite their low energy use.

Separate charge based on solar generating capacity

Net metering customers access the distribution system to deliver energy to the utility during over generation periods and to receive energy during low generation periods. Based on the size of the solar generation installation, a separate distribution access fee can be charged to a customer. This charge is levied on a $/kW basis to reflect the fixed expense of the distribution system. The charge can either be assessed on the total generation size or the generation size less the average demand of a typical residential customer. For Provo, the average residential customer is estimated to have an average monthly peak demand of 4 kW. As an example, a solar customer with a 6 kW system, they could be charged for the full 6 kW of demand or for 2 kW (6 kW generator capacity less the 4 kW average customer demand).

Minimum bill provision

Implementation of a simple minimum bill provision can ensure that net metering customers, as well as all customers, make a minimum contribution to system fixed costs.

Feed-in-tariff

Feed-in-tariffs are designed to pay for output of distributed generation at a ‘value of solar’ rate. There is often discussion regarding what the value of solar should include relative to generation, transmission, distribution, environmental externalities and other costs. For our analysis, we have assumed a value equal to the avoided average generation cost for Provo. Under this type of scenario, the output that is exported to the

system by the generator is not paid the full retail rate in a net metering arrangement. The customer receives a credit for the excess generation based on the feed in tariff rate.

A proposed rate is shown in the following table for each of the rate arrangements discussed above. These are cost based rates based on the FY 2015 test year included in the rate study. The footnotes contain a brief explanation of the basis for the calculations.

Net Metering Alternatives
FY 2015 Test Year

Item	Rate
Current net metering policy(1)	Current rate
Higher monthly customer charge(2)	$26.95/mo. $0.06742/kWh
Retail demand charge(3)	$13.58/mo cust $7.57/kW-mo demand $0.03493/kWh energy
Separate charge based on solar capacity(4)	$2.88/kW-mo
Minimum bill provision(5)	$26.95/mo.
Feed-in-tariff(6)	$0.06742/kWh

(1) No change in current rate policy
(2) Customer unit cost plus distribution fixed cost average customer plus production costs in energy.
(3) Cost based three part rate for all services.
(4) Distribution fixed cost per kW.
(5) Equals higher customer charge computation.
(6) Allocated residential production cost.

Current and Proposed Rates

Schedule	Rate Class - Billing Code	Current	Effective 7/1/2016	
1	**Residential EL1/EL3/E1/E3**			
	Customer Charge	$6.44	$6.57	
	Energy Charge			
	First 500 kWh	$0.0860	$0.0877	
	501-1000 kWh	$0.0999	$0.1019	
	all additional kWh	$0.1185	$0.1209	
2	**General Service EL15/EL16/EL17/EL18/EL19**			
	Customer Charge	$29.57	$30.16	
	Energy Charge	$0.0437	$0.0446	
	Demand Charge			
	First 5 kW	$7.88	$8.04	
	all additional kW	$14.08	$14.36	
3	**General Service TOU EL14 (closed rate)**			
	Customer Charge	$29.57	$30.16	
	Energy Charge	$0.0437	$0.0446	
	Demand Charge			
	on peak	$13.03	$13.30	
	off peak	$4.57	$4.66	
4	**General Service Primary EL20/EL21**			
	Customer Charge	$29.57	$30.16	
	Energy Charge	$0.0437	$0.0446	
	Demand Charge	$12.35	$12.60	
6	**General Service High Voltage EL23/EL25**			
	Customer Charge	$214.92	$227.82	
	Energy Charge	$0.0347	$0.0368	
	Demand Charge	$13.95	$14.79	
8	**Highway/Traffic/Signals EL5/EL7**			
	Customer Charge	$6.44	$6.57	
	Energy Charge			
	First 500 kWh	$0.0860	$0.0877	
	501-1000 kWh	$0.0999	$0.1019	
	all additional kWh	$0.1185	$0.1209	
11	**Detached Buildings EL4**			
	Customer Charge	$15.34	$15.65	
	Energy Charge			
	First 300 kWh	$0.0930	$0.0949	
	all additional kWh	$0.1067	$0.1088	
12	**Private Outdoor Lighting 1SL-19SL**			
	High Pressure Sodium per month			
	150 watts	$17.00	$17.00	
	250 watts	$20.50	$20.50	
	400 watts	$25.62	$25.62	
	Metal Halide per month			
	250 watts	$20.86	$20.86	
	400 watts	$26.30	$26.30	
	Light Emitting Diode per month			
	65 watts	$26.65	$26.65	
	Energy Only per month			
	100 watts	$3.26	$3.26	
	150 watts	$4.90	$4.90	
	200 watts	$6.53	$6.53	
	250 watts	$8.15	$8.15	
	400 watts	$13.05	$13.05	
	1000 watts	$32.62	$32.62	
21	**Telecom Debt Charge per month**			
	Residential	$5.35	$5.35	
	Commercial	$10.00	$10.00	plus 2.3%
	Industrial	$2,000.00	$2,000.00	plus .34%

RESOLUTION 2016-.

A RESOLUTION APPROPRIATING $260,000 IN THE GENERAL CIP FUND FOR PURPOSES RELATED TO THE FLEET FACILITY PROJECT AND APPLYING TO THE FISCAL YEAR ENDING JUNE 30, 2017. (16-110)

WHEREAS, the Municipal Council has received a recommendation from the Mayor that $260,000 be appropriated in the General CIP Fund in the Fleet Facility Project, funded by a transfer from the Sanitation CIP, applying to the fiscal year ending June 30, 2017; and

WHEREAS, the appropriation is funded by a transfer from the Sanitation CIP; and

WHEREAS, on October 4, 2016, the Municipal Council held a duly noticed public hearing to receive public comment and ascertain the facts regarding this matter, which facts and comments are found in the hearing record; and

WHEREAS, all persons for and against the proposed appropriation were given an opportunity to be heard; and

WHEREAS, after considering the Mayor's recommendation, and facts and comments presented to the Municipal Council, the Council finds the proposed appropriation reasonably furthers the health, safety, and general welfare of the citizens of Provo City.

NOW, THEREFORE, be it resolved by the Municipal Council of Provo City, Utah as follows:

PART I:

The Mayor is hereby authorized to appropriate $260,000 in the General CIP Fund.

PART II:

This resolution shall take effect immediately.

END OF RESOLUTION.

Customer Ad Proof

60005417 Provo City Corporation Order Nbr 78037

Publication	**Daily Herald**		
Contact	Provo City Corporation	PO Number	
Address 1	P.O. BOX 1849	Rate	Provo City
Address 2		Order Price	16.96
City St Zip	PROVO UT 84603	Amount Paid	0.00
Phone	8018526505	Amount Due	16.96
Fax			
Section	Legals	Start/End Dates	09/27/2016 - 09/27/2016
SubSection		Insertions	1
Category	999 Legal Notices	Size	14
Ad Key	78037-1	Salesperson(s)	CLASSIFIED DEFAULT
Keywords	78037-PUBLIC NOTICE	Taken By	Lisa Llewelyn
Notes			

Ad Proof

PUBLIC NOTICE

Notice is hereby given that the Municipal Council of the City of Provo, Utah, will hold a public hearing at a meeting that will be begin at 5:30 p.m. on Tuesday, October 4th, 2016, in the Municipal Council Chambers located at the Provo City Center, 351 West Center Street, Provo to consider a resolution appropriating $260,000 in the General CIP Fund – Fleet Facility Project for construction expenses for the fiscal year ending June 30, 2017.

Dustin Grabau, Provo City Budget Officer

Legal Notice 78037 Published in The Daily Herald September 27, 2016.

Customer Ad Proof

60005417 Provo City Corporation — Order Nbr 78037

Publication	**Herald Extra Online**		
Contact	Provo City Corporation	PO Number	
Address 1	P.O. BOX 1849	Rate	Provo City
Address 2		Order Price	16.96
City St Zip	PROVO UT 84603	Amount Paid	0.00
Phone	8018526505	Amount Due	16.96
Fax			
Section	Legals	Start/End Dates	09/27/2016 - 09/27/2016
SubSection		Insertions	1
Category	999 Legal Notices	Size	14
Ad Key	78037-1	Salesperson(s)	CLASSIFIED DEFAULT
Keywords	78037-PUBLIC NOTICE	Taken By	Lisa Llewelyn
Notes			

Ad Proof

PUBLIC NOTICE

Notice is hereby given that the Municipal Council of the City of Provo, Utah, will hold a public hearing at a meeting that will be begin at 5:30 p.m. on Tuesday, October 4th, 2016, in the Municipal Council Chambers located at the Provo City Center, 351 West Center Street, Provo to consider a resolution appropriating $260,000 in the General CIP Fund – Fleet Facility Project for construction expenses for the fiscal year ending June 30, 2017.

Dustin Grabau, Provo City Budget Officer
Legal Notice 78037 Published in The Daily Herald September 27, 2016.

RESOLUTION 2016-.

A RESOLUTION APPROVING A POWER PLANT PROPERTY LEASE AGREEMENT BETWEEN PROVO CITY AND UTAH MUNICIPAL POWER AGENCY. (16-024)

WHEREAS, the Utah Municipal Power Agency (UMPA), an entity created under the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, desires to lease from Provo City real property generally located at 251 West 800 North, Provo, Utah for the purpose of constructing and operating a power generation plant; and

WHEREAS, Provo City and UMPA have negotiated a Power Plant Property Lease Agreement (the "Lease"), attached hereto as Exhibit A, which governs the terms of the lease of such real property; and

WHEREAS, on February 16, 2016, March 15, 2016, and October 4, 2016, the Provo Municipal Council held duly noticed public meetings to ascertain the facts regarding this matter, which facts are found in the meeting records; and

WHEREAS, after considering the facts presented to the Municipal Council, the Council finds: (i) this property should be leased to UMPA under the terms proposed; (ii) the attached Power Plant Property Lease Agreement should be approved; and (iii) such action furthers the health, safety, and welfare of the citizens of Provo.

NOW, THEREFORE, be it resolved by the Municipal Council of Provo City, Utah, as follows:

PART I:

The lease of the real property generally located at 251 West 800 North, Provo, Utah, as described in Exhibit A, by UMPA according to the terms stated in Exhibit A is hereby approved.

The attached Power Plant Property Lease Agreement between Provo City and UMPA is hereby approved and the Mayor is authorized to execute the Lease, which may include non-substantive amendments to the Agreement to achieve proper legal form.

PART II:

This resolution shall take effect immediately.

END OF RESOLUTION.

POWER PLANT PROPERTY LEASE AGREEMENT

THIS POWER PLANT PROPERTY LEASE AGREEMENT (this "**Lease**"), effective as of the _____ day of _____, 2016 (the "**Effective Date**"), is made by and between PROVO CITY CORPORATION, a Utah municipal corporation (together with its successors and assigns, the "**Landlord**"), and UTAH MUNICIPAL POWER AGENCY, an entity created under the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, (together with its successors and assigns, the "**Tenant**").

A. WHEREAS, Landlord and Tenant are parties to that certain Amended and Restated Interlocal Cooperation Agreement Establishing Utah Municipal Power Agency dated January 1, 2016 (the "**Interlocal Agreement**"), wherein Landlord is a Member of UMPA, and

B. WHEREAS, Tenant is desirous to build a new power plant on property owned by Landlord in order to meet its power production responsibilities to its Members, and

C. WHEREAS, Landlord is desirous to lease property to Tenant to facilitate construction of said power plant.

NOW, THEREFORE, in consideration of the covenants, representations, warranties and mutual agreements hereinafter set forth, the parties hereto agree as follows:

1. **LEASE**

1.1 Lease of Land. Landlord does hereby lease to Tenant and Tenant hereby leases from Landlord that certain land (the "**Land**") legally described on Exhibit A attached hereto. This Lease is subject to the terms, covenants, and conditions set forth herein.

1.2 Delivery; Condition. Tenant is leasing the Land barren of any existing surface structures and pavement and filled with earthly materials at grade level. Except as provided herein, it shall be the responsibility of Tenant to make necessary improvements, if any, to facilitate its intended use. Landlord shall not be required to make any improvements to the Land. Further, Landlord shall not provide Tenant with any allowance or funds for any Tenant improvements.

2. **TERM; TERMINATION**

2.1 Term. This Lease shall have a term (the "**Term**") commencing on the date this Lease is fully executed (the "**Effective Date**") and terminating on the earlier to occur of (a) January 1, 2066 or (b) the date on which the Lease is terminated as set forth herein.

2.2 Termination by Tenant. If Tenant's governing Board determines by a vote of the Board that the useful life of the power plant has ended, Tenant shall have the right terminate this Lease by written notice to Landlord not less than one hundred eighty (180) days prior to the effective date of such termination.

2.3 Termination by Landlord. Landlord shall have the right to terminate the Lease as provided in Section 17.

2.4 Building and Improvements upon Termination. Upon termination of this Lease, Tenant may be allowed to surrender any buildings and improvements along with the Land or may be required to remove any buildings and improvements and restore the Land to its original condition at Tenant's cost, at the sole discretion of the Landlord.

3. **RENT**. The rent for the Land shall be $12,000 per year ("**Base Rent**"). Each year, the Base Rent will increase by 1% over the previous year. The parties acknowledge and agree that upon timely payment of the Base Rent, Landlord will have received, pursuant to this Lease and the Interlocal Agreement and related agreements, good and valuable consideration for the Land equivalent to the current fair market value of the Land.

4. **NET LEASE**

4.1 Tenant to Bear Costs. It is the intent of both parties hereto that the Base Rent shall be absolutely net to Landlord throughout the Term and except for the items mentioned below, that all costs, expenses and obligations of every kind relating to the Land which may arise or become due during the Term shall be paid by Tenant and that Landlord shall be indemnified by Tenant against such costs, expenses, and obligations.

4.2 Taxes.

(a) Tenant shall pay all Real Estate Taxes or fees in lieu of taxes levied or assessed by lawful taxing authorities against the Land and buildings or improvements on the Land, provided that Landlord shall not assess any taxes or fees in lieu of taxes. Nothing herein shall be construed to require Tenant to be liable for any tax obligation for which it is otherwise exempt as a governmental entity.

(b) As used herein, "**Real Estate Taxes**" shall mean all real estate or rental taxes, assessments, ordinary or extraordinary, foreseen or unforeseen, which may be levied on, assessed against, or charged with respect to the ownership of, or other equivalent interest in the Land and buildings or improvements thereon.

(c) Tenant shall pay all Real Estate Taxes, if any, for the current tax year when due upon thirty (30) day notice from Landlord. Landlord shall promptly deliver to Tenant any notices and bills for taxes assessed or levied it receives from taxing authorities, as well as the items taxed with respect to the Land. Notwithstanding the foregoing, Tenant shall not have the obligation to pay any tax, assessment, or charge that Tenant is disputing in good faith in appropriate proceedings prior to a final determination that such tax is properly assessed provided that no lien attaches to the Land.

(d) Tenant shall also be solely responsible for and shall pay before delinquency all county, state or federal taxes assessed during the Term against any personal property of any kind, owned by or placed in, upon or around the Land by Tenant, including, without limitation, leasehold improvements, trade fixtures, inventory, equipment, machinery, furniture and furnishings. Landlord shall not assess any taxes or fees above the Base Rent.

4.3 Insurance. Tenant shall maintain, or cause to be maintained on its behalf, insurance policies of the types required below with insurance companies authorized to do

business in the State of Utah, (i) having a Best Insurance Reports rating of "A" or better and a financial size category of "X" or higher, or (ii) otherwise being acceptable to Landlord with coverage limits and provisions at least sufficient to satisfy the requirements set forth below.

(a) Workers' Compensation Insurance: Statutory workers' compensation insurance. Such insurance shall also include employer's liability insurance in a limit of no less than $1,000,000. No owner or officer may be excluded.

(b) General Liability Insurance: Commercial general liability insurance on an occurrence basis arising out of claims for bodily injury (including death) and property damage. Such insurance shall provide coverage for ongoing operations and products-completed operations, blanket contractual, broad form property damage, personal and advertising injury, independent Tenants, and sudden and accidental pollution liability with a $2,000,000 minimum limit per occurrence for combined bodily injury and property damage, provided the general policy aggregate shall apply separately to the Tenant on a per project basis. Any aggregate limit that does not apply separately to the premises shall be at least double the required per occurrence limit.

(c) Automobile Liability Insurance: Automobile liability insurance for the Tenant's liability arising out of the use of owned (if any), leased (if any), non-owned and hired vehicles of the Tenant, with a $2,000,000 minimum limit per accident for combined bodily injury and property damage and containing appropriate no-fault insurance provisions wherever applicable. All owned and/or leased automobiles shall be covered using symbol "1" (any auto).

(d) Excess Liability Insurance: The amounts of insurance required in the foregoing subsections (b), (c) of this Section 4.3 may be satisfied by the Tenant purchasing coverage in the amounts specified or by any combination of primary and excess insurance, so long as the total amount of insurance meets the required limits specified above.

(e) Property, Boiler & Machinery, Builders' Risk Insurance: The Tenant shall insure property on an 'all-risk basis' including earth movement, flood, wind storm, etc. Policies shall be written on a replacement cost basis. Landlord shall approve minimum replacement costs for insured assets.

(f) Waiver of Subrogation: Workers' Compensation, General Liability and Automobile Liability policies of insurance to be maintained shall provide for waivers of subrogation in favor of Landlord and its respective officers and employees.

(g) Liability Insurance Endorsements: All policies of liability insurance required to be maintained by the Tenant shall be endorsed as follows:

(i) To name Provo City Corporation as additional insured for ongoing operations (ISO CG 20 10 or equivalent) and completed operations (ISO CG 20 37 or equivalent)

(ii) That the insurance shall be primary and not excess to or contributing with any insurance or self-insurance maintained by Landlord.

4.4 Evidence of Insurance: On or before the effective date of each policy and on an annual basis at least 10 days prior to each policy anniversary, the Tenant shall furnish Landlord with (1) certificates of insurance or binders, in a form acceptable to Landlord, evidencing all of the insurance required by the provisions of this Section and (2) a schedule of the insurance policies held by or for the benefit of the Tenant and required to be in force by the provisions of this Lease. Such certificates of insurance/binders shall be executed by each insurer or by an authorized representative of each insurer where it is not practical for such insurer to execute the certificate itself. Such certificates of insurance/binders shall identify underwriters, the type of insurance, the insurance limits and the policy term and shall specifically list the special provisions enumerated for such insurance required by this Lease. Upon request, the Tenant will promptly furnish Landlord with copies of all insurance policies, binders and cover notes or other evidence of such insurance relating to the insurance required to be maintained by Landlord. The schedule of insurance shall include the name of the insurance company, policy number, type of insurance, major limits of liability, deductibles, retentions and expiration dates of the insurance policies.

4.5 Nothing herein shall be deemed to waive any protections or defenses Tenant receives from the Utah Governmental Immunities Act, Utah Code Ann. §63G-7-101 et seq.

5. **PERMITTED USE**. It is understood that during the Term, Tenant's use of the Land shall be solely for operating a power plant and generating electricity.

6. **USES PROHIBITED**. Except as necessary for the prudent and reasonable fulfillment of its permitted use, Tenant shall not do or permit anything to be done on or about the Land which will in any way obstruct or interfere with the rights of other tenants or occupants, including the Landlord, of the adjacent properties owned by Landlord or injure or annoy them or use or allow the Land to be used for any improper, unlawful or objectionable purpose; nor shall Tenant cause, maintain or permit any nuisance in, on or about the Land. Tenant shall not commit or allow to be committed any waste in or upon the Land.

7. **COMPLIANCE WITH LAW**. Tenant shall not use the Land, or permit anything to be done in or about the Land, which will in any way conflict with any law, statute, ordinance or governmental rule or regulation now in force or which may hereafter be enacted or promulgated, and to which Tenant is not grandfathered. Tenant shall, at its sole cost and expense, promptly comply with all laws, statutes, ordinances and governmental rules, regulations or requirements now in force or which may hereafter be in force, and to which it has not been grandfathered, and with the requirements of any board of fire underwriters or other similar bodies not or hereafter constituted relating to or affecting the condition, use or occupancy of the Land. Tenant, at its sole cost, shall be responsible for any alterations or modifications necessary to ensure that the Land and any buildings or improvements thereon comply with the Americans With Disabilities Act of 1990 (42 U.S.C. § 12101 et seq.) and regulations and guidelines promulgated thereunder (collectively, the "**ADA**") as all the same may be amended and supplemented from time to time.

8. **HAZARDOUS SUBSTANCES AND TOXIC WASTE**. As used herein, the term "**Hazardous Material**" is defined as any hazardous or toxic substance, material or waste which now is or becomes regulated or restricted by any local, governmental authority, the State of Utah, or the United States Government. Tenant agrees to obey all laws and regulations concerning such Hazardous Materials and agrees to indemnify and hold Landlord harmless from and against

all loss, claims, damages, suits (including reasonable attorneys' fees and costs) in connection with any Hazardous Material Tenant, its agents, employees, sublessees, concessionaires, or others shall bring upon or release in the Land. In the event Tenant, in the normal course of operation of its business, deals with the substances which may be considered Hazardous Material, Tenant shall be solely responsible for the proper use and disposal of such Hazardous Material in accordance with all applicable laws, and Tenant hereby agrees to indemnify Landlord with respect to the use and disposal of such Hazardous Materials (both during and after the Term) and shall provide Landlord with sufficient evidence of its compliance with the foregoing.

9. **ALTERATIONS AND ADDITIONS**. Tenant shall have the right to make or allow to be made alterations, additions, or improvements to or of the Land or any part thereof provided that Tenant shall deliver to Landlord reasonable notice of any material alterations, additions, or improvements to the Land.

10. **REPAIRS**. Tenant shall, at Tenant's sole cost and expense, keep the Land and every part thereof in a condition that meets or exceeds the condition of the Land upon commencement of the Term of this Lease, and shall be responsible for lawn maintenance and snow removal. Tenant shall, upon the expiration or earlier termination of this Lease hereof, surrender the Land to the Landlord in a condition that meets or exceeds the condition of the Land at the commencement of the Term of this Lease. Any damage to adjacent Land caused by Tenant's use of the Land shall be repaired at the sole cost and expense of Tenant.

11. **LIENS**. Tenant shall keep the Land free from any liens arising out of any work performed or materials furnished on or to the Land, federal or state taxes, or obligations incurred by or on behalf of Tenant.

12. **ASSIGNMENT AND SUBLETTING.** Tenant may not assign this Lease or sublease the Land, unless Landlord, in its sole discretion, consents to any such assignment of this Lease.

13. **HOLD HARMLESS**. Tenant shall indemnify and hold harmless Landlord against and from any and all claims arising from Tenant's use of the Land or from the conduct of its business or from any activity, work, or other things done, permitted, or suffered by the Tenant in or about the Land, and shall further indemnify and hold harmless Landlord against any and all claims arising from and breach or default in the performance or any obligation on Tenant's part to be performed under the terms of this Lease, or arising from any act or negligence of the Tenant, or any officer, agent, employee, guest, or invitee of Tenant, and from all costs, attorney's fees, and liabilities incurred in or about the defense of any such claim or any action or proceeding brought against Landlord by reason of such claim. Tenant, upon notice from Landlord, shall defend the same at Tenant's expense by counsel reasonably satisfactory to Landlord. Tenant, as a material part of the consideration to Landlord, hereby agrees to insure against, and assumes all risk of, damage to property or injury to persons in, upon or about the Land, and Tenant hereby waives all claims in respect thereof against Landlord. Tenant shall give prompt notice to Landlord in case of any injury, casualty or accidents on or in the Land. Notwithstanding the foregoing, Tenant shall have no responsibility for any cause of action, expense, damage, liability, claim, or injury arising from the negligence or intentional act of Landlord or its agents, contractors, or employees.

14. **HOLDING OVER**. If Tenant remains in possession of the Land or any part thereof after

the expiration of the term hereto with the express written consent of Landlord, such occupancy shall be a tenancy from year to year lease.

15. **ENTRY BY LANDLORD**. Landlord reserves, and shall at any and all times have the right, except as provided herein, to enter the Land to inspect the same and any portion of the building or improvements, and to show the Land to prospective purchasers or tenants, to post notices of non-responsibility, to repair the Land and any portion of the buildings or improvement thereon that Landlord may deem necessary or desirable. Tenant shall have the right to have a representative accompany Landlord during any such entry of the Land. Landlord agrees to treat and protect any proprietary information gained from any inspection as confidential information.

16. **TENANT'S DEFAULT**. The occurrence of any one or more of the following events shall constitute a default and breach of this Lease by Tenant:

16.1 The vacating or abandonment of the Land by Tenant,

16.2 The failure by Tenant to begin construction of the intended power plant within one year of the Effective Date,

16.3 The failure by Tenant to reasonably and continuously pursue the completion of the power plant construction once begun,

16.4 The failure by Tenant to continue to operate and maintain the power plant once completed,

16.5 The failure by Tenant to make any payment of Rent or any other payment required by Tenant hereunder, as and when due,

16.6 The failure by Tenant to keep current the policies of insurance required by Section 4.3,

16.7 The failure by Tenant to remove any tax or other liens within ninety (90) days after demand for removal has been made by Landlord,

16.8 The failure by Tenant to observe or perform any of the covenants, conditions or provisions of this Lease to be performed by the Tenant where such failure shall continue for a period of sixty (60) days after written notice thereof is given by Landlord to Tenant; provided however, that if the nature of Tenant's default is such that more than sixty (60) days are reasonably required for its cure, then Tenant shall not be deemed to be in default if Tenant promptly commences such cure and thereafter diligently prosecutes such cure to completion,

16.9 The filing by or against Tenant of a petition to have Tenant adjudged bankrupt, or a petition for reorganization or arrangement under any law relating to bankruptcy not dismissed within ninety (90) days after it is begun

16.10 The dissolution of Tenant organization as a Utah interlocal entity.

17. **LANDLORD'S REMEDIES**. Upon the occurrence of any of the events set forth in Section 17, Landlord shall have the option to take any or all of the following actions, without

further notice or demand of any kind to Tenant, or to any guarantor of this Lease, or to any other person:

17.1 Landlord may immediately reenter and remove all persons and property from the Land, storing such property in a public place, warehouse, or elsewhere at the cost and risk of the Tenant, all without service of notice or resort to legal process (unless required by law) and without being deemed guilty of, or liable in, trespass, forcible entry, or in damages resulting from such reentry and removal, unless a court determines that Tenant was not in breach of this lease Agreement. No such reentry or taking possession of the Land by Landlord shall be construed as an election on its part to terminate this Lease unless a written notice of such intention is given by Landlord to Tenant. All property of Tenant which is stored by Landlord pursuant hereto may be redeemed by Tenant within sixty (60) days after Landlord takes possession thereof upon payment to Landlord of all amounts due hereunder and of all cost incurred by Landlord in moving and storing such property.

17.2 Landlord may terminate this Lease immediately upon Tenant's failure to cure within the cure periods described in Section 16. In the event of such termination, Tenant agrees to immediately surrender possession of the Land. Such termination shall not relieve Tenant of any obligation hereunder which has accrued prior to the date of such termination and in addition to such accrued rent and other obligations, Landlord may recover from Tenant all damages it has incurred by reason of Tenant's breach, including the cost of recovering the Land and reasonable attorney's fees.

17.3 These remedies given to Landlord shall be cumulative and shall be in addition and supplemental to all other rights or remedies which Landlord may have at equity or under the laws then in force.

18. **DEFAULT BY LANDLORD**. Subject to the provisions in this Lease, Landlord shall not be in default unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event later than sixty (60) days after written notice by Tenant to Landlord; provided, however, that if the nature of Landlord's obligation is such that more than sixty (60) days are required for performance, then Landlord shall not be in default if Landlord commenced performance within such sixty (60) day period and thereafter diligently prosecutes the same to completion.

19. **CASUALTY**. If any buildings or any of Tenant's other improvements on the Land are damaged or destroyed during the Term by a casualty loss, Tenant at its option may elect to (a) rebuild and restore the Buildings and improvements, or (b) terminate this Lease by written notice to Landlord within ninety (90) days after the occurrence of such damage or destruction. The right to terminate the lease may only be exercised if the Tenant removes and cleans up the damaged or destroyed building and/or improvements and returns the Land to its original condition. In the event of any such termination by Tenant, this Lease shall be of no further force or effect and neither party hereto shall have any further rights, duties or liabilities hereunder other than those rights, duties and liabilities which have arisen or accrued hereunder prior to the effective date of such termination.

20. **SIGNS**. Tenant may affix and maintain such signs, names, and descriptive materials as shall be approved by the applicable governmental authority. Such signs must comply with any

sign criteria governed by any applicable city laws, regulations and ordinances. Any signs erected on the Land by Tenant shall be removed, and all damage corrected by Tenant upon termination of this Lease.

21. **BROKERS**. Each party warrants to the other that no brokerage fees or commissions are due as a result of this Lease arising by virtue of actual or claimed agreements or obligations and each party agrees to indemnify and hold the other harmless from and against any and all claims, liabilities, and expense (including reasonable attorney's fees) imposed upon, asserted, or incurred as a consequence of any breach of this representation.

22. **GENERAL PROVISIONS**.

22.1 No Presumption. This Lease shall be interpreted and construed only by the contents hereof and there shall be no presumption or standard of construction in favor of or against either party.

22.2 Recording. This Lease shall not be recorded. Upon Tenant's request, Landlord agrees to execute a Memorandum of this Lease in the form attached hereto as Exhibit B which Tenant may record with the Utah County Recorder.

22.3 Quiet Enjoyment. Landlord covenants that Tenant, on performing the covenants herein, shall peaceably and quietly have, hold, and enjoy the Land.

22.4 Time. Time is of the essence under this Lease and each and all of its provisions in which performance is a factor.

22.5 Successors and Assigns. The covenants and conditions herein contained, subject to the limitations and restrictions as to assignment, apply to the successors, administrators, and assigns of the parties hereto.

22.6 Quiet Possession. Upon Tenant or Tenant's assignee paying the sums reserved hereunder, and observing and performing all of the covenants, conditions, and provisions on tenant's part to be observed and performed hereunder, Tenant shall have quiet possession of the Land for the entire Term, subject to all the provisions of this Lease and excluding acts of God, including, but not necessarily limited to lightning, earthquakes, fires, explosions, floods, other natural catastrophes, sabotage, utility outages, terrorist acts, acts of a public enemy, acts of government or regulatory agencies, wars, blockades, embargoes, insurrections, riots, or civil disturbances.

22.7 Late Charges. If Tenant fails to pay sums due hereunder when due, such overdue rent shall bear interest at the rate of one (1.0%) per month until paid.

22.8 Prior Agreements. This Lease contains all of the agreements of the parties hereto with respect to any matter covered or mentioned in this Lease, and no prior agreements or understanding pertaining to any such matters shall be effective for any purpose. No provision of this Lease may be amended or added to except by an agreement in writing signed by the parties hereto or their respective successors in interest.

22.9 Choice of Law. This Lease shall be governed by the laws of the State of Utah without regard to conflicts of law principles that would require the application of any other law.

22.10 Attorneys' Fees. In the event of any action or proceeding brought by either party against the other under this Lease, the prevailing party shall be entitled to recover for the fees of its attorneys in such action or proceeding, including costs and fees incurred in appeal or in bankruptcy court, in such amount as the court may adjudge reasonable as attorneys' fees. In addition, should it be necessary for a party to employ legal counsel to enforce any of the provisions herein contained, the other party agrees to pay all attorneys' fees and court costs reasonably incurred.

22.11 Notices. Any notices under this Lease shall be given in writing by registered or certified mail, postage prepaid, return receipt requested and addressed as follows:

To Landlord:

Provo City Mayor's Office
351 West Center Street
Provo, Utah 84601

With a copy to:

City Attorney
Provo City Attorney's Office
351 West Center Street
Provo, Utah 84601

To Tenant:

Utah Municipal Power Agency
General Manager's Office
P.O. Box 818
75 West 300 North
Spanish Fork, UT 84660

or to such other addresses as may hereafter be designated in writing by the respective parties hereto. The time of rendition or giving of notice shall be deemed to be the time when the same is actually received or delivery is attempted by certified mail.

22.12 Authority of Tenant and Landlord. Each individual executing this Lease on behalf of the parties represents and warrants that such individual is duly authorized to execute and deliver this Lease in accordance with the bylaws or other governing documents, and that this Lease is binding upon said party.

22.13 Counterparts. This Lease may be executed in one or more counterparts, each of which, when so executed, shall be deemed to be an original. Such counterparts shall together constitute and be one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS HEREOF, this Power Plant Property Lease Agreement has been executed by the parties hereto as of the date first above written.

LANDLORD:
PROVO CITY CORPORATION, a Utah municipal corporation

By:_____

John R. Curtis, as Mayor

TENANT:
UTAH MUNICIPAL POWER AGENCY, a Utah interlocal entity

By: _____

Layne E. Burningham, as General Manager/COO

Acknowledgment of Landlord

STATE OF UTAH)
:ss
COUNTY OF UTAH)

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by John R. Curtis, as Mayor of PROVO CITY CORPORATION, a Utah municipal corporation.

_____
NOTARY PUBLIC

Acknowledgment of Tenant

STATE OF UTAH)
:ss
COUNTY OF UTAH)

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by Layne Burningham, as General Manager of UTAH MUNICIPAL POWER AGENCY, a Utah interlocal entity.

_____
NOTARY PUBLIC

EXHIBIT A
TO
POWER PLANT PROPERTY LEASE AGREEMENT

(Legal Description of Land)

The Land is located in Utah County, Utah and is more particularly described as:

EXHIBIT B
TO
POWER PLANT PROPERTY LEASE AGREEMENT

(Form of Memorandum of Lease)

WHEN RECORDED, RETURN TO:
Provo City Attorney's Office
351 W Center Street
Provo, UT 84601

Space above for County Recorder's Use

MEMORANDUM OF LEASE

THIS MEMORANDUM OF LEASE ("**Memorandum**"), is made effective as of the _____ day of **_____**, 2016, by and between PROVO CITY CORPORATION, a Utah municipal corporation (together with its successors and assigns, the "**Landlord**"), and UTAH MUNICIPAL POWER AGENCY, a governmental entity created under the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953 (together with its successors and assigns, the "**Tenant**"), with respect to the following:

1. TERM AND LAND. For the term of approximately fifty (50) years and upon the provisions set forth in that certain Power Plant Property Lease Agreement dated _____, 2016 between Landlord and Tenant (the "**Lease**"), all of which provisions are specifically made a part hereof as fully and completely as if set out in full herein, Landlord leases to Tenant and Tenant leases from Landlord that certain Land (the "**Land**") located in Utah County, Utah as more particularly described on **Exhibit A** attached hereto.

2. PURPOSE OF MEMORANDUM OF LEASE. This Memorandum of Lease is prepared for the purposes of recording a notification as to the existence of the Lease but in no way modifies the express and particular provisions of the Lease. In the event of a conflict between the terms of the Lease and the terms of this Memorandum of Lease, the terms of the Lease shall control.

3. ADDITIONAL INFORMATION. Additional information regarding the Lease may be obtained by contacting any of the following:

To Landlord: Provo City Corporation
Mayor's Office
351 West Center Street
Provo, Utah 84601

To Tenant: Utah Municipal Power Agency
General Manager's Office
P.O. Box 818
75 West 300 North
Spanish Fork, UT 84660

4. COUNTERPARTS. This Memorandum may be executed in any number of counterpart originals, each of which shall be deemed an original instrument for all purposes, but all of which shall comprise one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this instrument to be effective as of the date first above written.

LANDLORD:
PROVO CITY CORPORATION, a Utah municipal corporation

By: _____

John R. Curtis, as Mayor

TENANT:
UTAH MUNICIPAL POWER AGENCY, a Utah interlocal entity

By: _____

Layne E. Burningham, as General Manager/COO

Acknowledgment of Landlord

STATE OF UTAH)
:ss
COUNTY OF UTAH)

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by John R. Curtis, as Mayor of PROVO CITY CORPORATION, a Utah municipal corporation.

_____
NOTARY PUBLIC

Acknowledgment of Tenant

STATE OF UTAH)
:ss
COUNTY OF UTAH)

The foregoing instrument was acknowledged before me this _____ day of _____, 2016, by Layne Burningham, as General Manager of UTAH MUNICIPAL POWER AGENCY, a Utah interlocal entity.

_____
NOTARY PUBLIC

EXHIBIT A

TO

MEMORANDUM OF LEASE

LEGAL DESCRIPTION

The Land is located in Utah County, Utah and is more particularly described as:

ORDINANCE 2016-

AN ORDINANCE AMENDING THE ZONE MAP CLASSIFICATION OF APPROXIMATELY 2.44 ACRES OF REAL PROPERTY, GENERALLY LOCATED AT 1290 NORTH GENEVA ROAD, FROM AGRICULTURAL ZONE (A1.5) TO ONE-FAMILY RESIDENTIAL (R1.10). LAKEVIEW NORTH NEIGHBORHOOD. (14-0013R)

WHEREAS, it is proposed that the classification on the Zone Map of Provo for approximately 2.44 acres of real property, generally located at 1290 North Geneva Road (as described in the attached Exhibit A), be amended from Agriculture (A1.5) to One-Family Residential (R1.10); and

WHEREAS, on August 24, 2016, the Planning Commission held a duly noticed public hearing to consider the proposal and after such hearing the Planning Commission recommended to the Municipal Council that the zoning of the property be changed as proposed; and

WHEREAS, on September 20, 2016, and October 4, 2016, the Municipal Council held duly noticed public meetings to ascertain the facts regarding this matter, which facts and comments are found in the meeting records; and

WHEREAS, after considering the Planning Commission's recommendation, and facts and comments presented to the Municipal Council, the Council finds (i) the Zone Map of Provo, Utah should be amended as described herein; and (ii) the proposed zone map classification amendment for the real property described in the attached Exhibit A reasonably furthers the health, safety and general welfare of the citizens of Provo City.

NOW, THEREFORE, be it ordained by the Municipal Council of Provo City, Utah, as follows:

PART I:

The classification on the Zone Map of Provo, Utah is hereby amended from the Public Agriculture (A1.5) Zone to the One-Family Residential (R1.10) Zone for approximately 2.44 acres of real property generally located at 1290 North Geneva Road, as described in the attached Exhibit A.

PART II:

A. If a provision of this ordinance conflicts with a provision of a previously adopted ordinance, this ordinance shall prevail.

B. This ordinance and its various sections, clauses and paragraphs are hereby declared to be severable. If any part, sentence, clause or phrase is adjudged to be unconstitutional or invalid, the remainder of the ordinance shall not be affected thereby.

C. The Municipal Council hereby directs that the official copy of the Zone Map of Provo City, Utah be updated and codified to reflect the provisions enacted by this ordinance.

D. This ordinance shall take effect immediately after it has been posted or published in accordance with Utah Code 10-3-711, presented to the Mayor in accordance with Utah Code 10-3b-204, and recorded in accordance with Utah Code 10-3-713.

END OF ORDINANCE.

Exhibit A

LEGAL DESCRIPTION FOR PROPERTY TO BE REZONED

The property to be rezoned to the R1.10 Zone is described as follows:

BEGINNING AT A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF GENEVA ROAD, PROVO, UTAH, AS IT CURRENTLY EXISTS, WHICH BEGINNING POINT ALSO THE SOUTHERLY-MOST CORNER OF CHAPPELL CIRCLE SUBDIVISION, PROVO, AND ALSO THE NORTHWEST CORNER OF LOT 53, PLAT "A", WHISPERWOOD SUBDIVISION, AND IS FURTHER DESCRIBED AS BEING NORTH 1 655.02 FT. AND EAST 135.72 FT. (BASED UPON THE UTAH STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE, BEARINGS OF SECTION LINES (NAO 27) FROM THE SOUTH 1/ 4 CORNER OF SECTION 34, TOWNSHIP 6 SOUTH, RANGE 2 EAST, SALT LAKE BASE AND MERIDIAN;

THENCE ALONG THE EASTERLY RIGHT-OF-WAY LINE OF SAID GENEVA ROAD NORTH 41'35'50" WEST 356.02 FT; THENCE THENCE NORTH 68' 15' EAST 119.13 FT; THENCE NORTH 75"17' EAST 97.42 FT; THENCE NORTH 16"12'01" WEST 7.00 FT; THENCE NORTH 73"58'38" EAST 210.40 FT; THENCE SOUTH 8"28'26" EAST 162.12 FT; THENCE SOUTH 19"56'48" EAST 86.61 FT; THENCE SOUTH 54" 33' 33• WEST 272.76 FT. TO THE EASTERLY RIGHT-OF-WAY LINE OF SAID GENEVA ROAD AND THE POINT OF BEGINNING.

AREA: 101132 SQ. FT. OR 2.32 ACRES

Provo City Planning Commission

Report of Action

August 24, 2016

ITEM 3* Nathan Chappell, agent for Aspen Development, requests approval of a Zoning Map Amendment of 2.44 acres generally located at 1290 North Geneva Road from A1.5 (Agricultural) Zone to R1.10 (One-Family Residential) Zone in order to subdivide the property into seven building lots. ***Lakeview North Neighborhood.*** 14-0013R, Austin Corry, 801-852-6413

The following action was taken by the Planning Commission on the above described item at its regular meeting of August 24, 2016:

RECOMMEND APPROVAL

On a vote of 6:0, the Planning Commission recommended that the Municipal Council approve the above noted application.

Conditions of Approval: None

Motion By: Brian Smith
Second By: Maria Winden
Votes in Favor of Motion: Brian Smith, Kermit McKinney, Jamin Rowan, Ross Flom, Maria Winden, Ed Jones
Jamin Rowan was present as Chair.

- New findings stated as basis of action taken by the Planning Commission or recommendation to the Municipal Council; Planning Commission determination is not generally consistent with the Staff analysis and determination.

LEGAL DESCRIPTION FOR PROPERTY TO BE REZONED

The property to be rezoned to the R1.10 Zone is described as follows:

BEGINNING AT A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF GENEVA ROAD, PROVO, UTAH, AS IT CURRENTLY EXISTS, WHICH BEGINNING POINT ALSO THE SOUTHERLY-MOST CORNER OF CHAPPELL CIRCLE SUBDIVISION, PROVO, AND ALSO THE NORTHWEST CORNER OF LOT 53, PLAT "A", WHISPERWOOD SUBDIVISION, AND IS FURTHER DESCRIBED AS BEING NORTH 1 655.02 FT. AND EAST 135.72 FT. (BASED UPON THE UTAH STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE, BEARINGS OF SECTION LINES (NAO 27) FROM THE SOUTH 1/ 4 CORNER OF SECTION 34, TOWNSHIP 6 SOUTH, RANGE 2 EAST, SALT LAKE BASE AND MERIDIAN;

THENCE ALONG THE EASTERLY RIGHT-OF-WAY LINE OF SAID GENEVA ROAD NORTH 41'35'50" WEST 356.02 FT; THENCE THENCE NORTH 68' 15' EAST 119.13 FT; THENCE NORTH 75"17' EAST 97.42 FT; THENCE NORTH 16"12'01" WEST 7.00 FT; THENCE NORTH 73"58'38" EAST 210.40 FT; THENCE SOUTH 8"28'26" EAST 162.12 FT; THENCE SOUTH 19"56'48" EAST 86.61 FT; THENCE SOUTH 54" 33' 33• WEST 272.76 FT. TO THE EASTERLY RIGHT-OF-WAY LINE OF SAID GENEVA ROAD AND THE POINT OF BEGINNING.

AREA: 101132 SQ. FT. OR 2.32 ACRES

RELATED ACTIONS

Preliminary Subdivision (Casefile #14-0004SP) has not been approved by the CRC pending a zoning decision. In the event R1.10 zoning is granted, the current proposal is still non-compliant with the ordinance and must be resolved.

DEVELOPMENT AGREEMENT

- May apply with future approvals. Applicant has indicated a desire to pursue R1.8 instead of the noted R1.10 and is willing to enter into a development agreement to limit the development to the seven lots shown on the accompanying preliminary subdivision plat (Casefile #14-0004SP).

STAFF PRESENTATION

The Staff Report to the Planning Commission provides details of the facts of the case and the Staff's analysis, conclusions, and recommendations. Key points addressed in the Staff's presentation to the Planning Commission included the following:

- A recent decision by the Municipal Council to deny a proposed R1 subdivision (Scott's Corner) has suggested a need to develop a west-side master plan prior to any additional zoning being granted.
- The applicant has not provided documented evidence to staff of UDOT granting approval for a new road access.
- The accompanying preliminary subdivision does not comply with the R1.10 zoning ordinance.

CITY DEPARTMENTAL ISSUES

- Important issues raised by other departments – addressed in Staff Report to Planning Commission.

NEIGHBORHOOD MEETING DATE

- A neighborhood meeting was held on 5 February 2015.

NEIGHBORHOOD AND PUBLIC COMMENT

- The Neighborhood Chair was not present, but submitted written communication to the Planning Commission for consideration during the hearing.
- Neighbors or other interested parties were present or addressed the Planning Commission.

CONCERNS RAISED BY PUBLIC

Any comments received prior to completion of the Staff Report are addressed in the Staff Report to the Planning Commission. Key issues raised in written comments received subsequent to the Staff Report or public comment during the public hearing included the following:

- Beth Alligood, Neighborhood Chair, stated that the property has a "rocky history with a lot of misinformation" and that the neighborhood would like the discrepancies resolved before moving forward with a decision to rezone.
- Both homeowners that currently reside on the property indicated that they want the zoning granted so that the land can be improved and the weeds can be controlled.
- John Meredith presented images of his home stating that the homes that would be built on the property are of a high-quality and that the other neighbors are being unfair to the applicant.
- The Weeks, adjacent property owners, are concerned the development will land-lock their property since UDOT will not allow additional access off Geneva Road.

APPLICANT RESPONSE

Key points addressed in the applicant's presentation to the Planning Commission included the following:

- Mr. Chappell stated that he has been granted approval from UDOT for three accesses along Geneva Road.
- Mr. Chappell asked that since the subdivision doesn't meet R1.10 that he would like to request R1.8 instead which would make the proposed subdivision compliant without changes.

PLANNING COMMISSION DISCUSSION

Key points discussed by the Planning Commission included the following:

- It was noted that the purpose behind the Council's desire for a west-side master plan is important.
- The Commission discussed the feasibility and potential impacts of stopping all west-side development while waiting for a west-side master plan to be completed.

- The Commission noted that approval of the zoning does not grant approval of the subdivision and that the subdivision would still be expected to meet the zoning ordinances, which the proposed plat shown does not.
- It was noted that the decision for a zone change should be made independent of the subdivision proposal.

FINDINGS / BASIS OF PLANNING COMMISSION DETERMINATION

The Planning Commission identified the following findings as the basis of this decision or recommendation:

- The proposed property to be rezoned is an infill project that should not be encumbered by the desire to have a master plan prior to any new zoning applications.
- R1.10 zoning is consistent with the neighboring development.
- The proposed subdivision will be required to meet the applicable zoning ordinances.

Planning Commission Chair

Director of Community Development

See Key Land Use Policies of the Provo City General Plan, applicable Titles of the Provo City Code, and the Staff Report to the Planning Commission for further detailed information. The Staff Report is a part of the record of the decision of this item. Where findings of the Planning Commission differ from findings of Staff, those will be noted in this Report of Action.

Legislative items are noted with an asterisk (*) and require legislative action by the Municipal Council following a public hearing; the Planning Commission provides an advisory recommendation to the Municipal Council following a public hearing.

Administrative decisions of the Planning Commission (items not marked with an asterisk) **may be appealed** by submitting an application/notice of appeal, with the required application and noticing fees, to the Community Development Department, 330 West 100 South, Provo, Utah, **within fourteen (14) calendar days of the Planning Commission's decision** (Provo City office hours are Monday through Thursday, 7:00 a.m. to 6:00 p.m.).

BUILDING PERMITS MUST BE OBTAINED BEFORE CONSTRUCTION BEGINS

Planning Commission
Staff Report
Rezone
Hearing Date: August 24, 2016

ITEM 3* Nathan Chappell, agent for Aspen Development, requests approval of a Zoning Map Amendment of 2.44 acres generally located at 1290 North Geneva Road from A1.5 (Agricultural) Zone to R1.10 (One-Family Residential) Zone in order to subdivide the property into seven building lots. ***Lakeview North Neighborhood***. 14-0013R, Austin Corry, 801-852-6413

Applicant: Nathan Chappell

Staff Coordinator: Austin Corry

Property Owner(s): Aspen Construction & Development, Nila Chappell, Michael Elms, and John Meredith

Parcel ID#: 65254002, 65254003, 65254006, 65254007, 65254008

Current Zone: A1.5

Proposed Zone: R1.10

General Plan Des.: Residential

Acreage: 2.44

Development Agreement Proffered: Yes

Council Action Required: Yes

ALTERNATIVE ACTIONS

1. **Continue** to a future date to obtain additional information or to further consider information presented. *The next available meeting date is September 10, 2016, 5:30 p.m.*

2. **Recommend Approval** of the proposed rezoning. *This would be a change from the Staff recommendation; the Planning Commission should state new findings*

Current Legal Use:
Two existing one-family residential homes

Relevant History:

- Two legal lots were created on 13 April 2007, known as Chappell Circle Plat A. One lot had an existing home and the other became a buildable lot.
- A new home was constructed on Lot 2 in 2012.
- After the completion of the home on Lot 2, both Lots 1 and 2 were illegally subdivided into a total of five new parcels.

Neighborhood Issues:
A neighborhood meeting was held on 5 Feb 2015 with an attendance of 35-40 residents where the following concerns were expressed:

- Concern the developer is misrepresenting the project and not giving all the facts.
- Neighborhood feels R1.10 would be the highest acceptable density.

Summary of Key Issues:

- UDOT approval has not been obtained to convert the existing drive access into a road access for multiple homes.
- Applicant has self-created constraints causing non-compliance with the proposed preliminary plans should R1.10 zoning be sought.

Staff Recommended Motion:
Recommend that the Municipal Council deny the proposed zone map amendment of approximately 2.44 acres generally located at 1290 North Geneva Road from the A1.5 Agricultural Zone to the R1.10 One-Family Residential Zone.

OVERVIEW

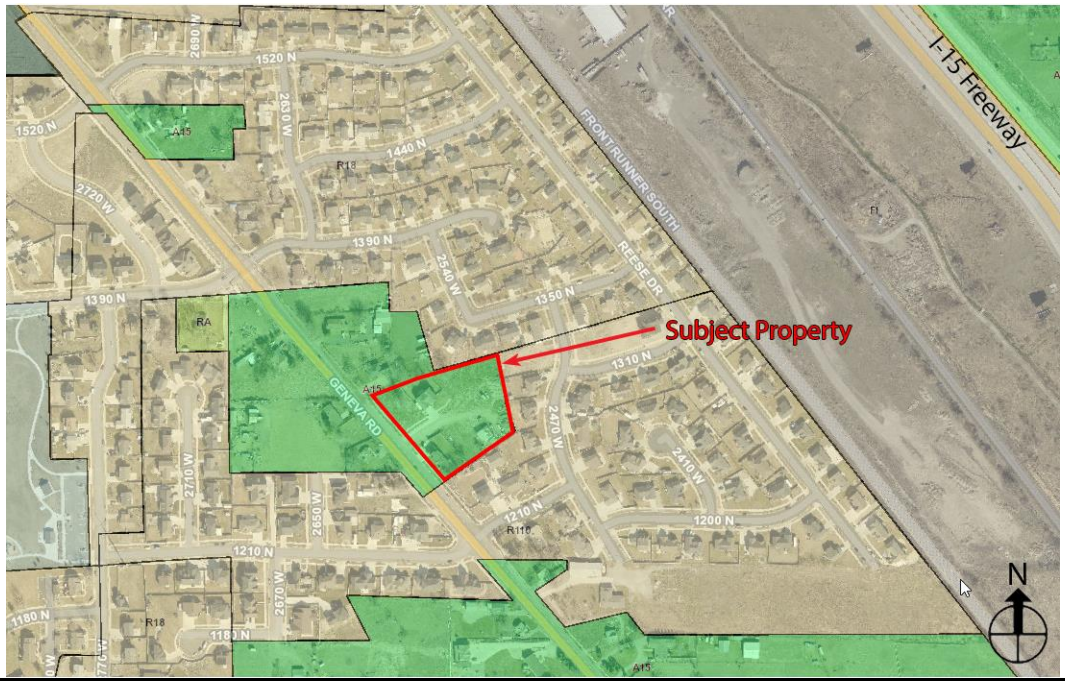
Mr. Nathan Chappell is seeking a zone map amendment in order to create a seven-lot, residential subdivision at approximately 1290 North Geneva Road, which includes the incorporation of two existing homes. In 2007, the applicant recorded a legal subdivision, Chappell Circle, creating two lots in the existing A1.5 zone. Lot 2 of this subdivision included the existing residence at 1282 North Geneva and a building permit was later issued for the construction of a home at 1306 North Geneva Road (Lot 1). Since that time, the applicant has illegally subdivided the property through deeds recorded directly with Utah County and fenced the properties at the County parcel lines.

The General Plan guiding principles identify this area for residential development with a maximum density of four units per acre. The proposed R1.10 zoning is compliant with this density restriction. However, recent decisions of the Municipal Council have also indicated that the Council is uncomfortable with entitling further development on the west-side until further master planning is completed to verify the appropriateness of the current density policies.

Preliminary review of the accompanying subdivision has identified compliance with the requested R1.10 zone with two exceptions that would have to be resolved before the Plat can be recorded: 1) The width of the proposed lot one is 95 feet, where 100 feet is required and 2) the depth of the proposed lot seven is 90 feet where 100 feet is required.

Due to the previously installed fencing, and the placement of the most recently constructed home, Mr. Chappell claims that compliance is infeasible as it would reduce the number of lots that could otherwise be created. Staff has noted that these two constraints are self-imposed hardships that the applicant has created and the applicant would be responsible for resolving these issues to comply with the ordinance.

Current Zoning Map



Current General Plan Map

GENERAL PLAN POLICIES

Provo City Code Section 14.02.020(2) sets forth the following guidelines for consideration of zoning map amendments:

> *Upon receipt of a petition by the Planning Commission, the Commission shall hold a public hearing in accordance with the provisions of Section 14.02.010 of this Title and may approve, conditionally approve, or deny the preliminary project plan. Before recommending an amendment to this Title, the Planning Commission shall determine whether such amendment is in the interest of the public, and is consistent with the goals and policies of the Provo City General Plan. The following guidelines shall be used to determine consistency with the General Plan:* **(Staff analysis has been provided in bold)**
>
> *(a) Public purpose for the amendment in question.*
> **Response: Establish additional one-family detached dwellings to accommodate housing needs noted in Chapter Four – Housing. However, additional housing could also be provided in a RA Zone or a R1.20 Zone.**
>
> *(b) Confirmation that the public purpose is best served by the amendment in question.*
> **Response: The proposed amendment will facilitate an opportunity to bring a currently underutilized property into compliance with existing ordinances intended to protect the health, safety, and welfare of the general public.**
>
> *(c) Compatibility of the proposed amendment with General Plan policies, goals, and objectives.*
> **Response: The General Plan policies for the Southwest area identify a desire to "maintain the Residential (R) designation with one-family residential development…not to exceed four units per acre." The proposed R1.10 zone would be consistent with this density restriction and housing type as would any zone that would allow for less density than R1.10.**
>
> *(d) Consistency of the proposed amendment with the General Plan's timing and sequencing provisions on changes of use, insofar as they are articulated.*
> **Response: There are no timing and sequencing issues identified in the current written policies; however, recent direction from the Municipal Council has indicated that a refined master plan should be completed for the west-side prior to any further zone changes in the area.**

(e) Potential of the proposed amendment to hinder or obstruct attainment of the General Plan's articulated policies.
Response: No hindrances have been identified at this time.

(f) Adverse impacts on adjacent land owners.
Response: Any increase in single-family housing always increases vehicle trip generation in the local area. The more single-family homes that are built, the greater the traffic impact.

(g) Verification of correctness in the original zoning or General Plan for the area in question.
Response: The current agricultural zone is inconsistent with the current General Plan designation for residential housing. Proposed residential zoning would correct this discrepancy.

(g) In cases where a conflict arises between the General Plan Map and General Plan Policies, precedence shall be given to the Plan Policies.
Response: No conflicts were identified.

FINDINGS OF FACT

1. A legal subdivision, titled Chappell Circle Plat A, created two lots on 13 April 2007.
2. Two homes currently exist within the proposed subdivision.
3. The property is currently illegally subdivided into five parcels.
4. The proposed R1.10 zone is consistent with the General Plan guiding policies, as would any residential zone with a density less than four units per acre.
5. The proposed subdivision does not meet the applicable zoning ordinances.
6. Adequate approvals from UDOT for road access have not been obtained for the proposed 1290 North street.

CONCLUSIONS

Although the R1.10 zone meets the current written policies of the General Plan, other zoning designations would also meet these same policies. Considering that the proposed subdivision does not meet the standards of the zone being requested and considering that the Council has

identified a priority to refine a west-side master plan prior to additional zone changes, staff feels the requested zone change is premature for a zone change at this time.

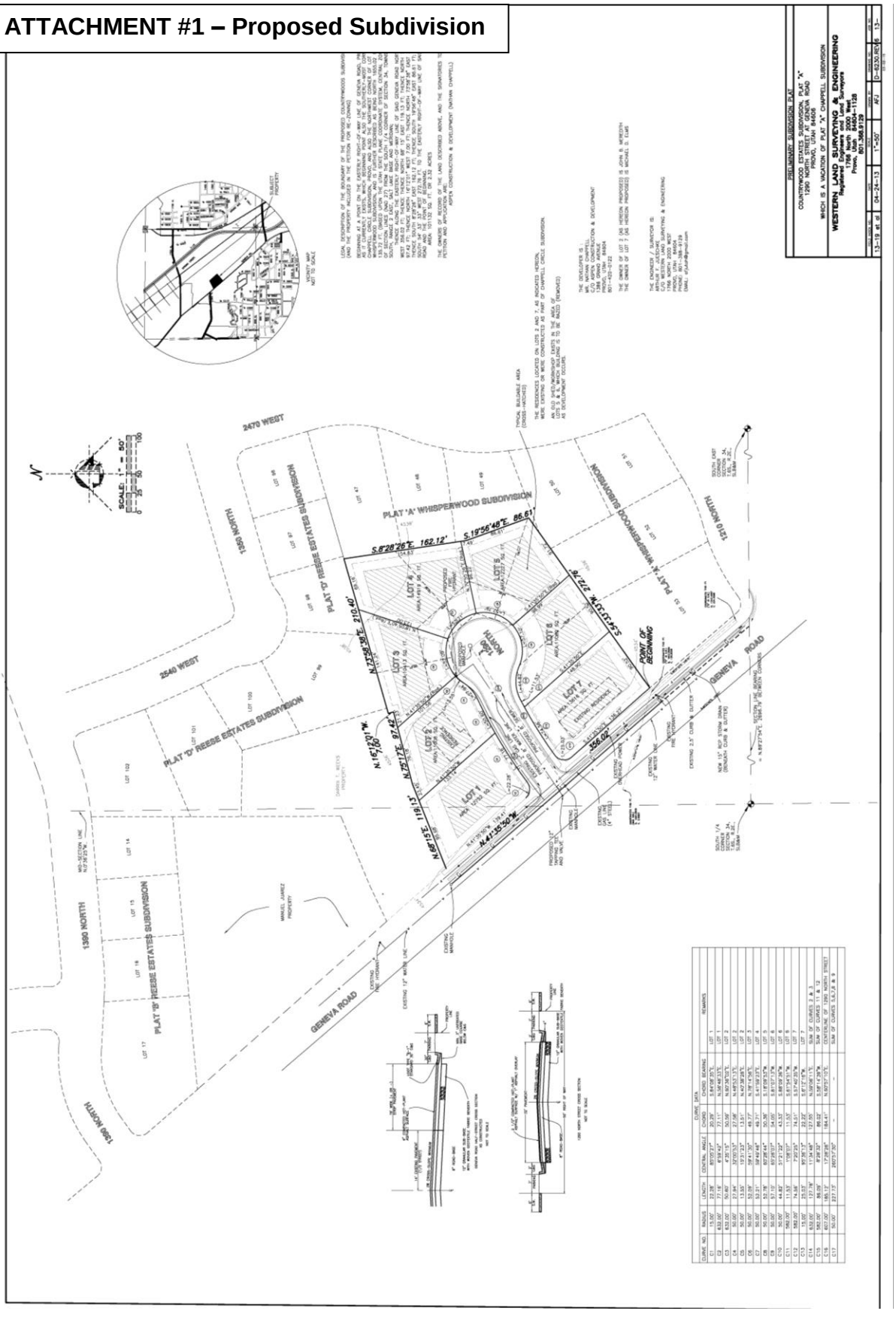
STAFF RECOMMENDED MOTION

Recommend that the Municipal Council deny the proposed zone map amendment of approximately 2.44 acres generally located at 1290 North Geneva Road from the A1.5 Agricultural Zone to the R1.10 One-Family Residential Zone.

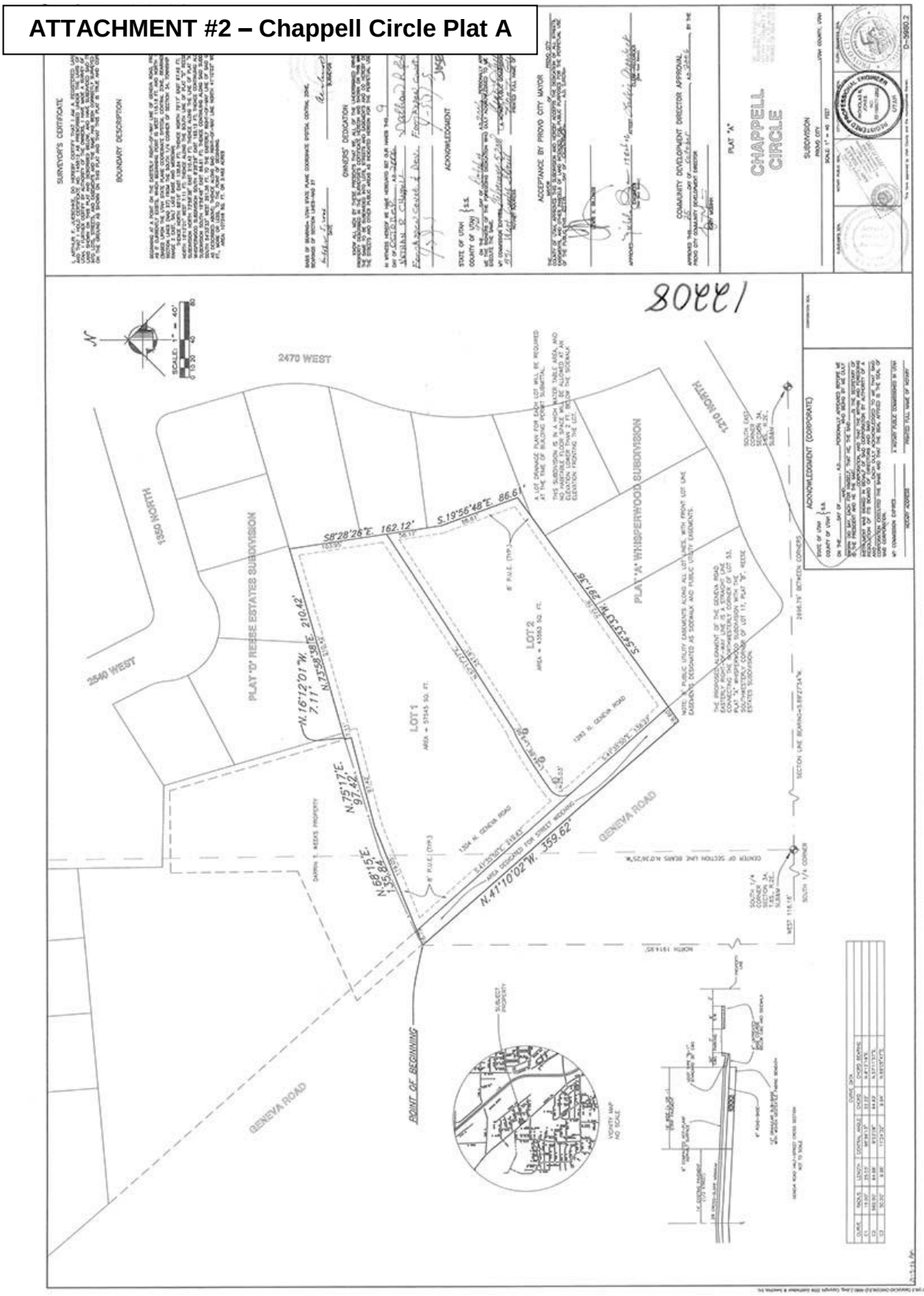
ATTACHMENTS

1. Proposed Subdivision
2. Chappell Circle Plat A
3. Existing Utah County Parcels

ATTACHMENT #1 – Proposed Subdivision



ATTACHMENT #2 – Chappell Circle Plat A



ATTACHMENT #3 – Existing Utah County Parcels

Developer-Neighborhood Information Meeting

Regarding the Chappell Circle project located at 1290 N

in the Lakeview North Neighborhood

Part A. As Neighborhood Chair, I chose not to hold a meeting because

_____

*** OR ***

Part B. Results of Neighborhood Meeting:

Date 2/5/15 Place of meeting Lakeview Elementary Time 4pm

How many residents of the Neighborhood attended the meeting 35-40

1. Project presented by the Developer

1. 7 lots, 10,000+ ft² (2 existing homes)
2. said State would allow another access to land North
3. More comments on back or attached on a separate sheet

2. Provo City requirements as presented by the Developer

1. seems to meet all requirements
2. does not have to have 3 acres anymore
3. More comments on back or attached on a separate sheet

3. Aspects of the project that concern the neighbors

1. Austin Tripp from UDOT said would not allow another access
2. but private road for the two properties. If wanted to build more than 2 houses must get city and state approval.
3. More comments on back or attached on a separate sheet →

4. Aspects of the project that the neighbors liked

1. Many are tired of the half truths & fighting and just want
2. to see the land developed and be done with it.
3. More comments on back or attached on a separate sheet

Signed _____ Date _____

Neighborhood Chair for Lakeview North Neighborhood

Signed _____ Date _____

Developer representing _____

Within five (5) days of meeting, please email to council2@provo.utah.gov or mail:

1 copy to
Provo Community Development
P.O. Box 1849
351 W. Center, Provo, 84603

1 copy to
Provo City Council
c/o Neighborhood Programs
P.O. Box 1849
351 W. Center, Provo, 84603

2) Too many homes for Cul-de-sac - suggested R10

Planning Commission
Staff Report
Rezone
Hearing Date: April 27, 2016

ITEM 1* Nathan Chappell, agent for Aspen Development, requests approval of a Zoning Map Amendment of 2.44 acres generally located at 1290 North Geneva Road from A1.5 (Agricultural) Zone to R1.8 (One-Family Residential) Zone in order to subdivide the property into seven lots for construction. ***Lakeview North Neighborhood.*** 14-0013R, Austin Corry, 801-852-6413

Applicant: Nathan Chappell

Staff Coordinator: Austin Corry

Property Owner(s): Aspen Construction & Development, Nila Chappell, Michael Elms, and John Meredith

Parcel ID#: 65254002, 65254003, 65254006, 65254007, 65254008

Current Zone: A1.5

Proposed Zone: R1.8

General Plan Des.: Residential

Acreage: 2.44

Development Agreement Proffered: Yes

Council Action Required: Yes

ALTERNATIVE ACTIONS

1. **Continue** to a future date to obtain additional information or to further consider information presented. *The next available meeting date is May 11, 2016, 5:30 p.m.*

2. **Recommend Approval** of the proposed rezoning. *This would be a change from the Staff recommendation; the Planning Commission should state new findings*

Current Legal Use:
Two existing one-family residential homes

Relevant History:

- Two legal lots were created on 13 April 2007, known as Chappell Circle Plat A. One lot had an existing home, the other became a buildable lot.
- A new home was constructed on lot two in 2012.
- After the completion of the home on lot two, both lot one and two were illegally subdivided into a total of five new parcels.

Neighborhood Issues:
A neighborhood meeting was held on 5 Feb 2015 with an attendance of 35-40 residents where the following concerns were expressed -

- Concern the developer is misrepresenting the project and not giving all the facts.
- Neighborhood feels R1.10 would be better.

Summary of Key Issues:

- UDOT approval has not been obtained to convert the existing drive access into a road access for multiple homes.
- Applicant has self-created constraints causing non-compliance with the proposed preliminary plans should R1.10 zoning be sought.

Staff Recommended Motion:
Forward a recommendation to the Municipal Council to Deny the proposed zone map amendment of approximately 2.44 acres generally located at 1290 North Geneva Road from the A1.5 Agricultural Zone to the R1.8 One-Family Residential Zone.

OVERVIEW

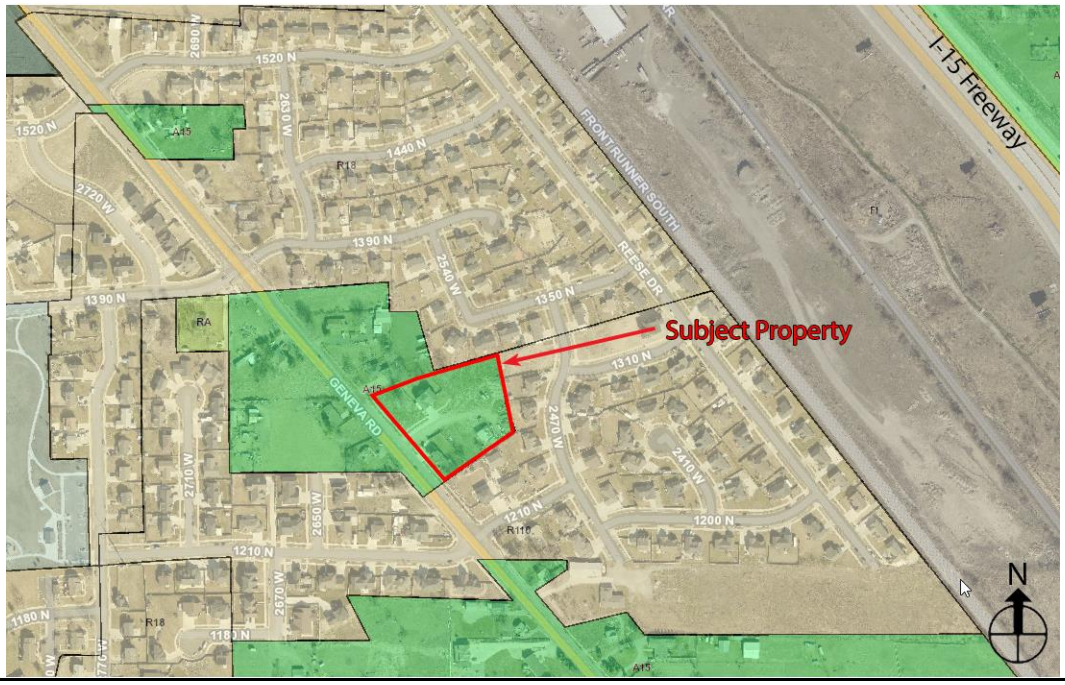
Mr. Nathan Chappell is seeking a zone map amendment and preliminary subdivision approval in order to create a seven-lot, residential subdivision at approximately 1290 North Geneva Road, which includes the incorporation of two existing homes. In 2007, the applicant recorded a legal subdivision, creating two lots in the existing A1.5 zone. Lot two of this subdivision included the existing residence at 1282 North Geneva and a building permit was later issued for the construction of a home at 1306 North Geneva Road (lot one). Since that time, the applicant has illegally subdivided the property through deeds recorded directly with Utah County and fenced the properties at the proposed property lines.

The General Plan guiding principles for the area identify a desire to maintain a maximum density of four units per acre. While the proposed subdivision is under this density limit, the potential density of an R1.8 zone does not. In order to mitigate the potential concern of increasing density after the rezoning is granted, the applicant has indicated they would be willing to enter into a development agreement with the City to limit the subdivision to the proposed seven lots.

Preliminary review of the subdivision has identified compliance with the requested R1.8 zone, with the exception of meeting the depth requirements of the proposed lot seven. However, both the neighborhood and staff have indicated to the applicant that the area is better suited for R1.10 zoning, which would also alleviate the need to rely on any development agreements. The applicant has requested to pursue R1.8 zoning regardless of these identified concerns.

Due to the previously installed fencing, and the placement of the most recently constructed home, Mr. Chappell claims that R1.10 zoning is infeasible as it would reduce the number of lots that could otherwise be created. Staff has noted that these two constraints are self-imposed hardships that the applicant has created.

Current Zoning Map



Current General Plan Map

GENERAL PLAN POLICIES

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(a) Public purpose for the amendment in question.
Response: Establish additional one-family detached dwellings to accommodate housing needs noted in Chapter Four – Housing.

(b) Confirmation that the public purpose is best served by the amendment in question.
Response: While the establishment of additional one-family dwelling areas is encouraged throughout the General Plan, the proposed zone change does not specifically follow the other guiding principles identified to "best serve" the public purpose.

(c) Compatibility of the proposed amendment with General Plan policies, goals, and objectives.
Response: The General Plan policies for the Southwest area identify a desire to "maintain the Residential (R) designation with one-family residential development…not to exceed four units per acre." The proposed R1.8 zone, at face value, exceeds the four units per acre maximum. However, an R1.10 zone, as suggested by the neighborhood, would remain consistent with this density restriction.

(d) Consistency of the proposed amendment with the General Plan's timing and sequencing provisions on changes of use, insofar as they are articulated.
Response: There are no timing and sequencing issues identified.

(e) Potential of the proposed amendment to hinder or obstruct attainment of the General Plan's articulated policies.
Response: While the accompanying preliminary subdivision application meets the density restrictions of the General Plan, the proposed R1.8 zone has the potential to exceed the articulated density maximums identified.

(f) Adverse impacts on adjacent land owners.
Response: No major adverse impacts are foreseen by the proposed amendment.

(g) Verification of correctness in the original zoning or General Plan for the area in question.
Response: The current agricultural zone is inconsistent with the General Plan designation for residential housing. Proposed residential zoning would correct this discrepancy.

(g) In cases where a conflict arises between the General Plan Map and General Plan Policies, precedence shall be given to the Plan Policies.
Response: No conflicts were identified.

FINDINGS OF FACT

1. A legal subdivision, titled Chappell Circle Plat A, created two lots on 13 April 2007.
2. Two homes currently exist within the proposed subdivision.
3. The property is currently illegally subdivided into five parcels.
4. The proposed R1.8 zone is inconsistent with the General Plan guiding principles.
5. The neighborhood and staff recommend R1.10 zoning, which complies with the guiding principles of the General Plan.
6. Adequate approvals from UDOT for road access have not been obtained for the proposed 1290 North street.

CONCLUSION

Due to the density restrictions noted in the General Plan policies, potential for additional lots to be created after the zoning is applied, and lack of necessary approvals to guarantee road access to Geneva, staff does not have an adequate level of comfort to support this rezone request. Staff would, however, be supportive of a R1.10 zone designation in this area as it would resolve any of the noted conflicts with the General Plan provisions.

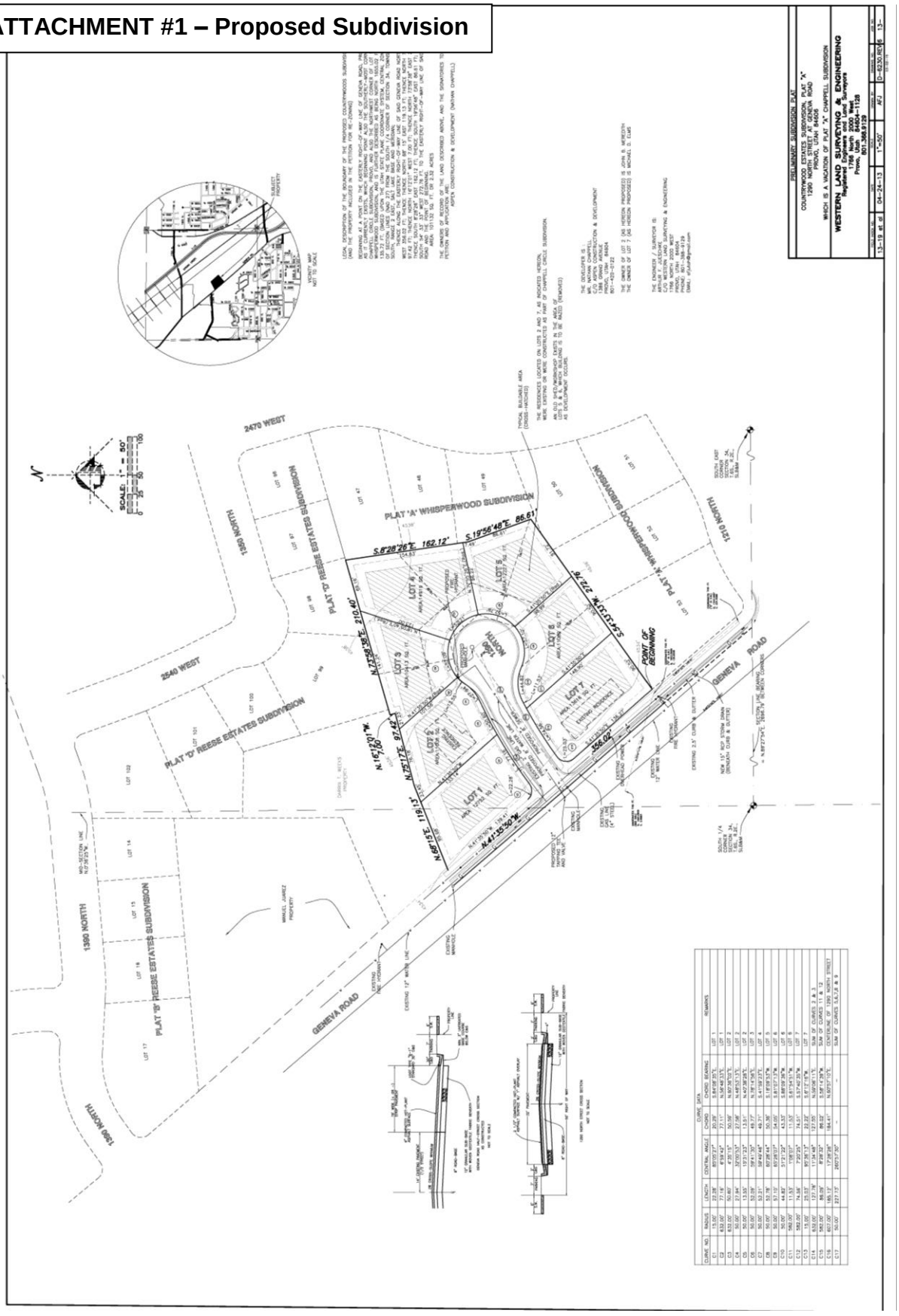
STAFF RECOMMENDED MOTION

Forward a recommendation to the Municipal Council to Deny the proposed zone map amendment of approximately 2.44 acres generally located at 1290 North Geneva Road from the A1.5 Agricultural Zone to the R1.8 One-Family Residential Zone.

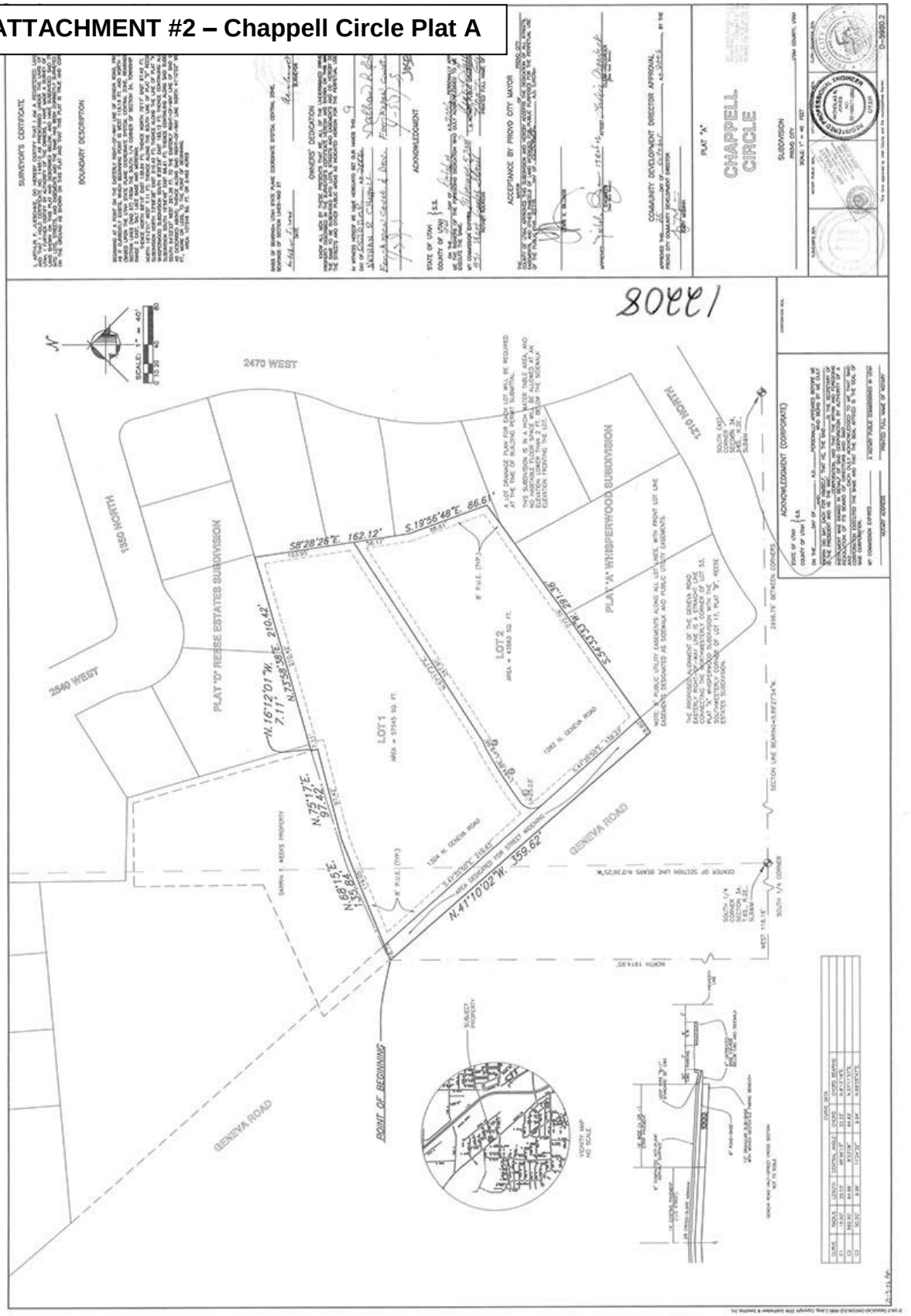
ATTACHMENTS

1. Proposed Subdivision
2. Chappell Circle Plat A
3. Existing Utah County Parcels

ATTACHMENT #1 – Proposed Subdivision



ATTACHMENT #2 – Chappell Circle Plat A



ATTACHMENT #3 – Existing Utah County Parcels

WELCOME HOME

PLANNING COMMISSION

AUGUST 24, 2016

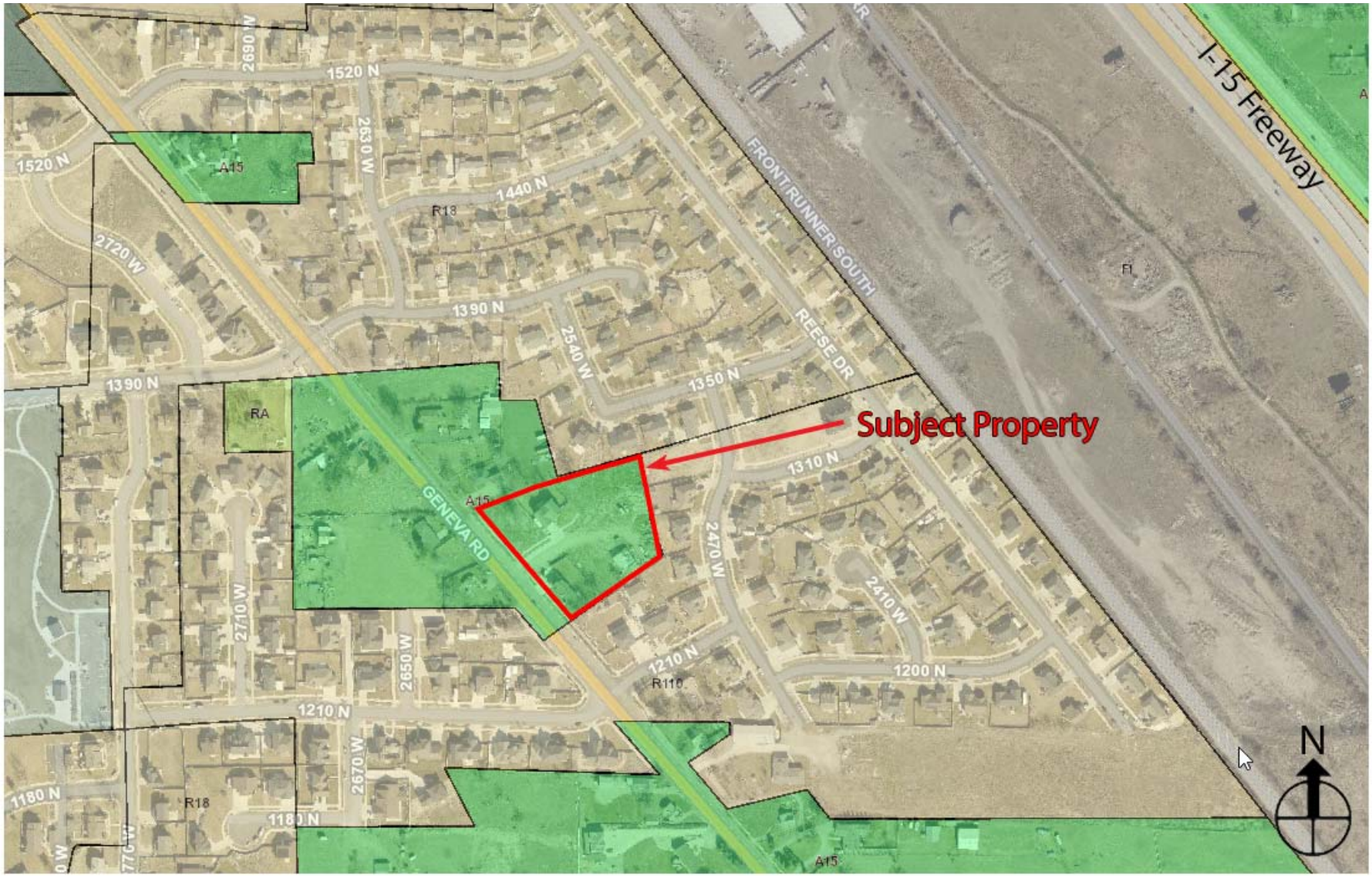
ITEM 3*

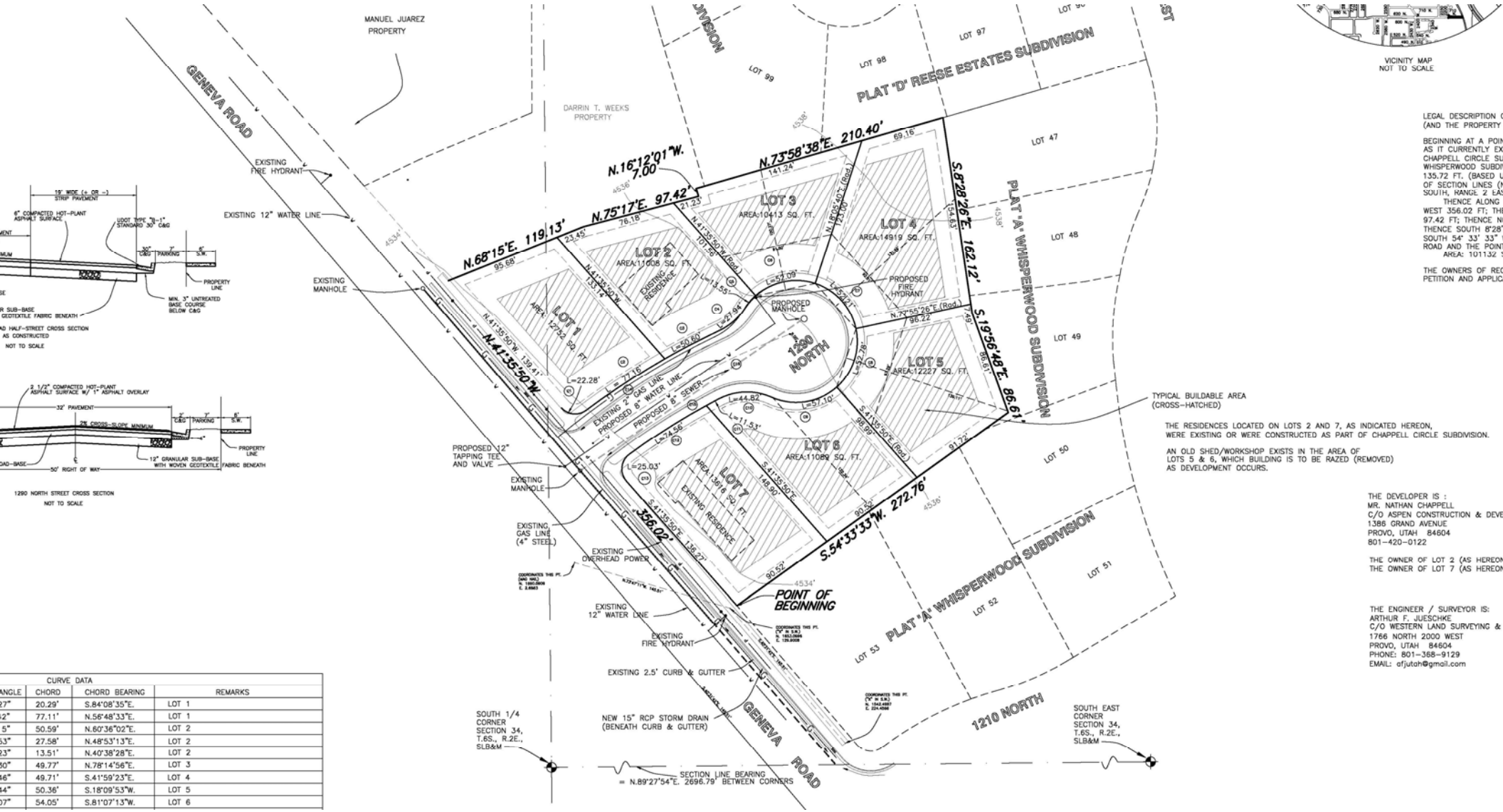
Nathan Chappell, agent for Aspen Development, requests approval of a Zoning Map Amendment of 2.44 acres generally located at 1290 North Geneva Road from A1.5 (Agricultural) Zone to R1.10 (One-Family Residential) Zone in order to subdivide the property into seven building lots.

Lakeview North Neighborhood

14-0013R


Subject Property
I-15 Freeway
GENEVA RD
REESE DR
1520 N
1440 N
1390 N
1350 N
1310 N
1210 N
1200 N
1180 N
2690 W
2630 W
2720 W
2540 W
2470 W
2410 W
2710 W
2650 W
2670 W
N


Subject Property
I-15 Freeway
FRONTRUNNER SOUTH
REESE DR
GENEVA RD
1520 N
1440 N
1390 N
1350 N
1310 N
1210 N
1200 N
1180 N
2690 W
2630 W
2720 W
2540 W
2470 W
2410 W
2710 W
2650 W
2670 W
A15
R18
RA
N



1290 NORTH STREET CROSS SECTION
NOT TO SCALE

CURVE DATA			
ANGLE	CHORD	CHORD BEARING	REMARKS
27"	20.29'	S.84°08'35"E.	LOT 1
32"	77.11'	N.56°48'33"E.	LOT 1
5"	50.59'	N.60°36'02"E.	LOT 2
53"	27.58'	N.48°53'13"E.	LOT 2
23"	13.51'	N.40°38'28"E.	LOT 2
30"	49.77'	N.78°14'56"E.	LOT 3
46"	49.71'	S.41°59'23"E.	LOT 4
34"	50.36'	S.18°09'53"W.	LOT 5
07"	54.05'	S.81°07'13"W.	LOT 6

VICINITY MAP
NOT TO SCALE

LEGAL DESCRIPTION
(AND THE PROPERTY

BEGINNING AT A POI
AS IT CURRENTLY EX
CHAPPELL CIRCLE SU
WHISPERWOOD SUBDI
135.72 FT. (BASED U
OF SECTION LINES (N
SOUTH, RANGE 2 EA
THENCE ALONG
WEST 356.02 FT; TH
97.42 FT; THENCE N
THENCE SOUTH 8°28'
SOUTH 54° 33' 33"
ROAD AND THE POINT
AREA: 101132

THE OWNERS OF REC
PETITION AND APPLIC

THE RESIDENCES LOCATED ON LOTS 2 AND 7, AS INDICATED HEREON, WERE EXISTING OR WERE CONSTRUCTED AS PART OF CHAPPELL CIRCLE SUBDIVISION.

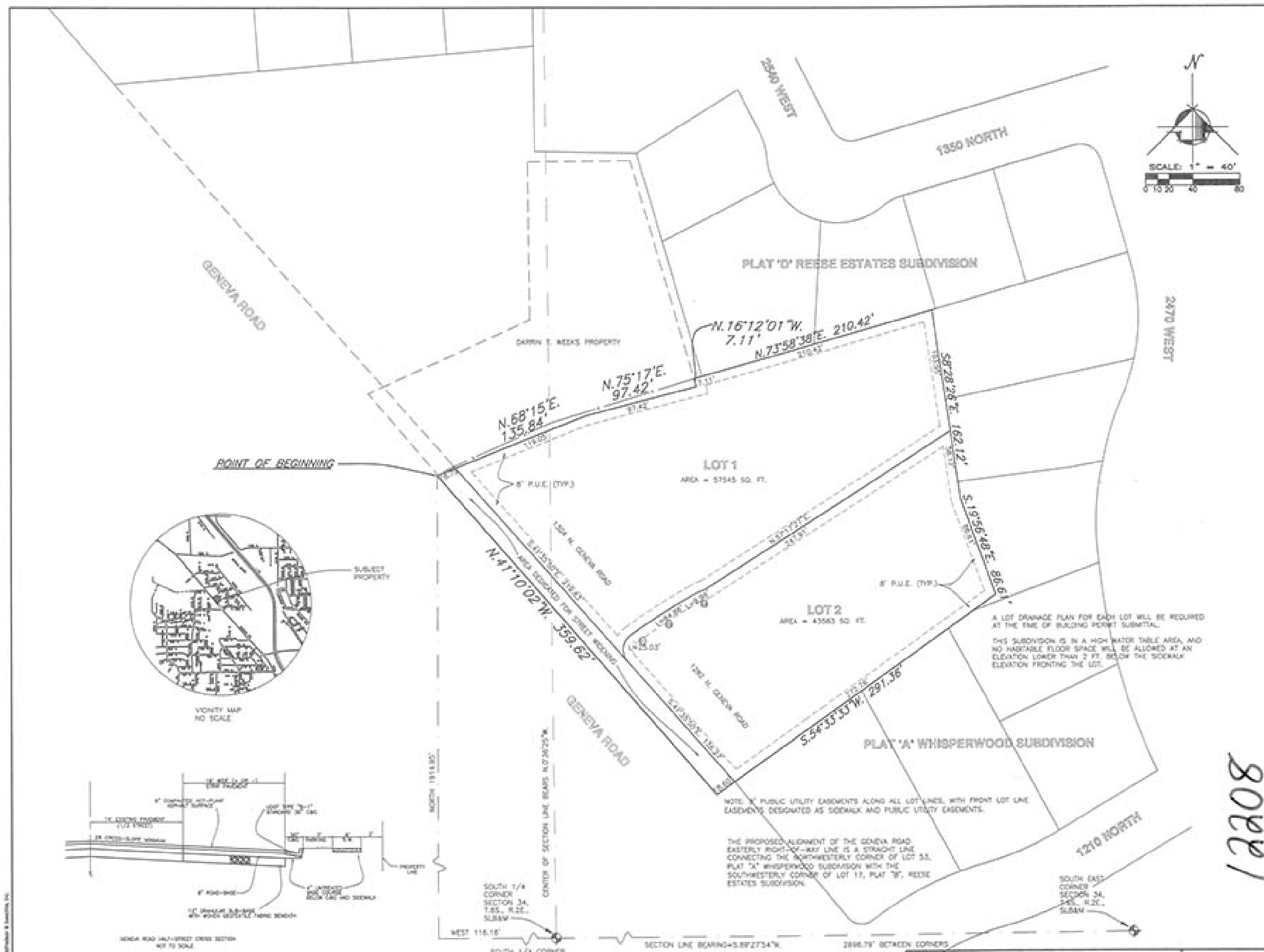
AN OLD SHED/WORKSHOP EXISTS IN THE AREA OF LOTS 5 & 6, WHICH BUILDING IS TO BE RAZED (REMOVED) AS DEVELOPMENT OCCURS.

THE DEVELOPER IS :
MR. NATHAN CHAPPELL
C/O ASPEN CONSTRUCTION & DEVE
1386 GRAND AVENUE
PROVO, UTAH 84604
801-420-0122

THE OWNER OF LOT 2 (AS HEREON
THE OWNER OF LOT 7 (AS HEREON

THE ENGINEER / SURVEYOR IS:
ARTHUR F. JUESCHKE
C/O WESTERN LAND SURVEYING &
1766 NORTH 2000 WEST
PROVO, UTAH 84604
PHONE: 801-368-9129
EMAIL: afjutah@gmail.com


UT-114
Provo, Utah
View on Google Maps



CURVE DATA					
CURVE	RADIUS	LENGTH	CENTRAL ANGLE	CHORD	CHORD BEARING
C1	15.00'	25.03'	95°36'13"	22.22'	N.8°13'18"E.
C2	583.00'	84.88'	8°20'28"	84.82'	N.57°11'57"E.
C3	50.00'	9.96'	11°24'32"	9.94'	N.68°05'47"E.

ACKNOWLEDGMENT (CORPORATE)

STATE OF UTAH } S.S.
COUNTY OF UTAH }

ON THE ____ DAY OF ________, A.D. ____ PERSONALLY APPEARED BEFORE ME ________ AND ________ WHO BEING BY ME DULY SWORN DID SAY, EACH FOR HIMSELF, THAT HE, THE SAID ________ IS THE PRESIDENT AND HE THE SAID ________ IS THE SECRETARY OF ________ CORPORATION, AND THAT THE WITHIN AND FOREGOING INSTRUMENT WAS SIGNED IN BEHALF OF SAID CORPORATION BY AUTHORITY OF A RESOLUTION OF ITS BOARD OF DIRECTORS AND SAID ________ AND ________ EACH DULY ACKNOWLEDGED TO ME THAT SAID CORPORATION EXECUTED THE SAME AND THAT THE SEAL AFFIXED IS THE SEAL OF SAID CORPORATION.

MY COMMISSION EXPIRES ________ A NOTARY PUBLIC COMMISSIONED IN UTAH

NOTARY ADDRESS PRINTED FULL NAME OF NOTARY

CORPORATION SEAL

SURVEYOR'S CERTIFICATE

I, ARTHUR F. JUESCHKE, DO HEREBY CERTIFY THAT I AM A REGISTERED LAND SURVEYOR, AND THAT I HOLD CERTIFICATE NO. 145613 AS PRESCRIBED UNDER THE LAWS OF THE STATE OF UTAH. I FURTHER CERTIFY BY AUTHORITY OF THE OWNERS, I HAVE MADE A SURVEY OF THE TRACT OF LAND SHOWN ON THIS PLAT AND DESCRIBED BELOW, AND HAVE SUBDIVIDED SAID TRACT OF LAND INTO LOTS, STREETS, AND EASEMENTS AND THE SAME HAS BEEN CORRECTLY SURVEYED AND STAKED ON THE GROUND AS SHOWN ON THIS PLAT AND THAT THIS PLAT IS TRUE AND CORRECT.

BOUNDARY DESCRIPTION

BEGINNING AT A POINT ON THE EASTERLY RIGHT-OF-WAY LINE OF GENEVA ROAD, PROVO, UTAH, AS IT CURRENTLY EXISTS, WHICH BEGINNING POINT IS WEST 116.18 FT. AND NORTH 1914.85 FT. (BASED UPON THE UTAH STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE, BEARINGS OF SECTION LINES (NAD 27)) FROM THE SOUTH 1/4 CORNER OF SECTION 34, TOWNSHIP 6 SOUTH, RANGE 2 EAST, SALT LAKE BASE AND MERIDIAN;

THENCE NORTH 68°15' EAST 135.84 FT; THENCE NORTH 75°17' EAST 97.42 FT; THENCE NORTH 16°12'01" WEST 7.11 FT; THENCE ALONG THE SOUTH LINE OF PLAT "D" REESE ESTATES SUBDIVISION NORTH 73°58'38" EAST 210.42 FT; THENCE ALONG THE LINE OF PLAT "A" WHISPERWOOD SUBDIVISION SOUTH 8°28'28" EAST 162.12 FT; THENCE CONTINUING ALONG SAID SUBDIVISION SOUTH 19°56'48" EAST 86.61 FT; THENCE CONTINUING ALONG SAID SUBDIVISION SOUTH 54°33'33" WEST 291.36 FT. TO THE EASTERLY RIGHT-OF-WAY LINE OF SAID GENEVA ROAD AS DESCRIBED ABOVE; THENCE ALONG SAID RIGHT-OF-WAY LINE NORTH 41°10'02" WEST 359.62 FT., MORE OR LESS, TO THE POINT OF BEGINNING.

AREA: 107248 SQ. FT. OR 2.462 ACRES

BASIS OF BEARINGS= UTAH STATE PLANE COORDINATE SYSTEM, CENTRAL ZONE, BEARINGS OF SECTION LINES=NAD 27

October 5, 2006 ________
DATE SURVEYOR

OWNERS' DEDICATION

KNOW ALL MEN BY THESE PRESENTS THAT WE, ALL OF THE UNDERSIGNED OWNERS OF ALL THE PROPERTY DESCRIBED IN THE SURVEYOR'S CERTIFICATE HEREON AND SHOWN ON THIS MAP, HAVE CAUSED THE SAME TO BE SUBDIVIDED INTO LOTS, STREETS AND EASEMENTS AND DO HEREBY DEDICATE THE STREETS AND OTHER PUBLIC AREAS AS INDICATED HEREON FOR THE PERPETUAL USE OF THE PUBLIC.

IN WITNESS HEREOF WE HAVE HEREUNTO SET OUR NAMES THIS 9
DAY OF OCTOBER A.D. 2006

NATHAN R CHAPPELL — Nathan R Chappell
Foothill Const. & Dev. — Foothill Const. & Dev.

JOSE OJEDA

ACKNOWLEDGMENT

STATE OF UTAH } S.S.
COUNTY OF UTAH }

ON THE 9th DAY OF October A.D. 2006 PERSONALLY APPEARED BEFORE ME THE SIGNERS OF THE FOREGOING DEDICATION WHO DULY ACKNOWLEDGED TO ME THAT THEY DID EXECUTE THE SAME.

MY COMMISSION EXPIRES February 5, 2010 ________ A NOTARY PUBLIC COMMISSIONED IN UTAH

NOTARY ADDRESS PRINTED FULL NAME OF NOTARY

ACCEPTANCE BY PROVO CITY MAYOR

THE ________ MAYOR ________ OF ________ PROVO CITY, COUNTY OF UTAH, APPROVES THIS SUBDIVISION AND HEREBY ACCEPTS THE DEDICATION OF ALL STREETS, EASEMENTS, AND OTHER PARCELS OF LAND INTENDED FOR PUBLIC PURPOSES FOR THE PERPETUAL USE OF THE PUBLIC THIS ________ DAY OF ________ A.D. ________

____
LEWIS K. BILLINGS

APPROVED ________ ENGINEER ATTEST ________ CLERK-RECORDER

COMMUNITY DEVELOPMENT DIRECTOR APPROVAL

APPROVED THIS 25 DAY OF October, A.D. 2006, BY THE PROVO CITY COMMUNITY DEVELOPMENT DIRECTOR

____

PLAT "A"

CHAPPELL CIRCLE

SUBDIVISION

PROVO CITY ________ UTAH COUNTY, UTAH

SCALE: 1" = 40 FEET

SURVEYOR'S SEAL | NOTARY PUBLIC SEAL | CITY-ENGINEER SEAL | CLERK-RECORDER SEAL

NICHOLAS B. JONES
NO. 5514997-2202
REGISTERED PROFESSIONAL ENGINEER
UTAH

This form approved by Utah County and the municipalities therein.

D-3980.2

SEC 34-T6S-R2E (TWIN) (BOU)

GENEVA RD
2470 W
1210 N