



**WORK/STUDY AGENDA
SPRINGVILLE CITY COUNCIL MEETING
NOVEMBER 05, 2019, 2019 AT 5:30 P.M.
City Council Chambers
110 South Main Street
Springville, Utah 84663**

MAYOR AND COUNCIL DINNER - 5:00 P.M.

The Mayor and Council will meet in the Council Work Room for informal discussion and dinner. No action will be taken on any items.

CALL TO ORDER- 5:30 P.M.

COUNCIL BUSINESS

1. Calendar

- Nov 11 - Veterans Day Observed (City Offices Closed)
- Nov 12 - Work/Study Meeting 5:30 p.m.
- Nov 19 - Work/Study Meeting 5:30 p.m., Regular Meeting 7:00 p.m.
- Nov 19 - Municipal General Election Canvass 7:00 p.m.
- Nov 28-29 - Thanksgiving Holiday Observed (City Offices Closed)

2. DISCUSSION ON THIS EVENING'S REGULAR MEETING AGENDA ITEMS

- a) Invocation - Councilmember Snelson
- b) Pledge of Allegiance - Councilmember Jensen
- c) Consent Agenda
 - 1. Approval of minutes for the Work Study meetings held on September 17 and October 01, 2019; and the Regular meetings held on September 03, September 17 and October 01, 2019
 - 2. Approval of Surplus Property - Juan Garrido, Storm Water/Waste Water Superintendent
 - 3. Approval of a Resolution authorizing delivery of documents associated with the Payson Nebo Power Project Refinancing - John Penrod, Assistant City Administrator/City Attorney and Leon Fredrickson, Power Director

3. DISCUSSIONS/PRESENTATIONS

- a) Treasury Department - Heather Penni, City Treasurer
- b) Housing Element of the General Plan in accordance with SB 34 - Josh Yost, Community Development Director

4. MAYOR, COUNCIL, AND ADMINISTRATIVE REPORTS

5. CLOSED SESSION, IF NEEDED - TO BE ANNOUNCED IN MOTION

The Springville City Council may temporarily recess the regular meeting and convene in a closed session to discuss the character, professional competence, or physical or mental health of an individual, pending or reasonably imminent litigation, and the purchase, exchange, or lease of real property, as provided by UCA 52-4-205.

6. ADJOURNMENT

CERTIFICATE OF POSTING - THIS AGENDA IS SUBJECT TO CHANGE WITH A MINIMUM OF 24-HOURS NOTICE- POSTED 10/31/2019

In compliance with the Americans with Disabilities Act, the City will make reasonable accommodations to ensure accessibility to this meeting. If you need special assistance to participate in this meeting, please contact the City Recorder at (801) 489-2700 at least three business days prior to the meeting.

Meetings of the Springville City Council may be conducted by electronic means pursuant to Utah Code Annotated Section 52-4-207. In such circumstances, contact will be established and maintained by telephone or other electronic means and the meeting will be conducted pursuant to Springville City Municipal Code 2-4-102(4) regarding electronic meetings. s/s - Kim Crane, CMC, City Recorder



REGULAR AGENDA
SPRINGVILLE CITY COUNCIL MEETING
NOVEMBER 05, 2019 AT 7:00 P.M.
City Council Chambers
110 South Main Street
Springville, Utah 84663

CALL TO ORDER
INVOCATION
PLEDGE
APPROVAL OF THE MEETING'S AGENDA
MAYOR'S COMMENTS

CEREMONIAL

1. Presentation of recent CERT graduates - Martin Palmer - CERT Coordinator

PUBLIC COMMENT

Audience members may bring any item not on the agenda to the Mayor and Council's attention. Please complete and submit a "Request to Speak" form. Comments will be limited to two or three minutes, at the discretion of the Mayor. State Law prohibits the Council from acting on items that do not appear on the agenda.

CONSENT AGENDA

The Consent Agenda consists of items that are administrative actions where no additional discussion is needed. When approved, the recommendations in the staff reports become the action of the Council. The Agenda provides an opportunity for public comment. If after the public comment the Council removes an item from the consent agenda for discussion, the item will keep its agenda number and will be added to the regular agenda for discussion, unless placed otherwise by the Council.

2. Approval of minutes for the Work Study meetings held on September 17 and October 01, 2019; and the Regular meetings held on September 03, September 17 and October 01, 2019
3. Approval of Surplus Property - Juan Garrido, Storm Water/Waste Water Superintendent
4. Approval of a Resolution authorizing delivery of documents associated with the Payson Nebo Power Project Refinancing - John Penrod, Assistant City Administrator/City Attorney and Leon Fredrickson, Power Director

REGULAR AGENDA

5. Approval of a Resolution establishing a RAP Tax Ad Hoc Committee - Corey Merideth, Recreation Director
6. Approval of a Historic Preservation Grant - Josh Yost, Community Development Director

MAYOR, COUNCIL AND ADMINISTRATIVE REPORTS

CLOSED SESSION, IF NEEDED - TO BE ANNOUNCED IN MOTION

7. *The Springville City Council may temporarily recess the regular meeting and convene in a closed session to discuss the character, professional competence, or physical or mental health of an individual, pending or reasonably imminent litigation, and the purchase, exchange, or lease of real property, as provided by UCA 52-4-205.*

ADJOURNMENT

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MINUTES OF THE WORK/STUDY MEETING OF THE SPRINGVILLE CITY COUNCIL HELD ON
TUESDAY, SEPTEMBER 17, 2019 AT 5:30 P.M. AT THE CIVIC CENTER, 110 SOUTH MAIN
STREET, SPRINGVILLE, UTAH.

Mayor Richard J. Child presided. In addition to Mayor Child, the following were present:
Councilmember Christopher Creer, Councilmember Craig Jensen, Councilmember Jason Miller,
Councilmember Michael Snelson, City Administrator Troy Fitzgerald, Assistant City Administrator/City
Attorney John Penrod, Assistant City Administrator/Finance Director Bruce Riddle and City Recorder
Kim Crane.

Also, present were: Public Safety Director Craig Martinez, Power Department Director Leon
Fredrickson, Golf Pro Craig Norman, Public Works Director Brad Stapley, Building and Grounds
Director Bradley Neel, Facilities Superintendent Joel Bree, Grounds Superintendent Tiffany Haveron,
Operations Manager Rod Oldroyd, Museum Events Coordinator Gina Woolf, Recreation Director Corey
Merideth, City Engineer Jeff Anderson and Library Director Dan Mickelson. Excused from the meeting,
Councilmember Brett Nelson.

CALL TO ORDER

Mayor Child welcomed everyone and called the Work/Study meeting to order at 5:30 p.m.

COUNCIL BUSINESS

1) Calendar

- Oct 01 - Work/Study Meeting 5:30 p.m., Regular Meeting 7:00 p.m.
- Oct 08 - Work/Study Meeting 5:30 p.m.
- Oct 15 - Work/Study Meeting 5:30 p.m., Regular Meeting 7:00 p.m.
- Oct 31 - City Safe Halloween Event 3:00 p.m.
- Nov 3 - Daylight Savings Ends

Mayor Child asked if there were any questions or additions to the calendar. There were none.

2) Discussion on this evening's Regular Meeting agenda items

- a) Invocation - Councilmember Snelson
- b) Pledge of Allegiance - Councilmember Jensen
- c) Consent Agenda
 1. Approval of minutes for the August 13, 2019 Work/Study meeting and the August 06 and 20, 2019 Regular meetings.
 2. Approval of a Beer License for Seven Eleven, Store #19326J located at 210 North Main Street, Springville, Utah - Aftyn Anderson, Business License Official

Mayor Child asked if there was any discussion on tonight's consent agenda. There was none.

DISCUSSIONS/PRESENTATIONS

- a) **Discussion on Community Park Completion - Bradley Neel, Building and Grounds Director**

Director Neel reported on his staffs future planning and the complexities of park planning. He stated they need more time to work on planning. He asked for advice from the Council on different ideas for parks; are they willing to go into debt to develop parks. Council was in consensus not to go into debt. Penrod inquired if there were resources or a specific funding source; would they want to take a look?

Councilmember Creer stated it would depend on specifics and other factors, a case by case basis.

Councilmember Miller expressed as far as a new debt he was not interested. Having community involvement along with the City may be worth exploring.

Fitzgerald reported revenue was equaling the debt service, there are no funds to put towards parks at this time.

Neel asked with a certain amount of revenue what was the Councils priority, beneficial to the community.

Councilmember Jensen stated more notable parks, like Memorial Park we need to keep it vibrant. The key parks need to be maintained and he would like to see Community Park become a key park.

Councilmember Snelson stated he would like to see a trail system for the bike park at Cherrington Park. The high schools have mountain bike teams, and are continuing to grow. Not a lot of infrastructure would be needed.

Councilmember Creer expressed he has received calls from citizens for a dog park; he thinks it would be an easy win, citizens are asking for it. Neel stated they have considered Kelvin Grove and Devin Glen for a dog park.

Councilmember Miller would like to see the north east corner finished.

Councilmember Creer asked if the Council would be willing to take money out of reserves to put into a dog park. Council was in consensus.

b) Signage for City Gateway Entrances - Troy Fitzgerald, City Administrator

Fitzgerald reported the gateway signage into the community has been discussed for the last several weeks and is in an RFP process to explore options. A number of responses were received some out of state and RedKor a local company was selected. The Councils input would be welcomed. Fitzgerald introduced Rushford with RedKor.

Rushford explained their process on developing signage for Springville. He asked for the Councils feedback on what they would like and not like.

Councilmember Snelson looked at previous examples with stone or brick. Fitzgerald explained the requirements for signage. He stated with Springville being Utah's Art City, a reflection on Art was considered. Councilmember Snelson would like to maintain the Springville look, such as arches and maintain continuity of what is already here like the buildings.

Councilmember Jensen expressed he would like to keep within the current brand and being bold and different.

Councilmember Miller suggested projecting the logo in a 3D effect or something bold.

Mayor Child would like to maintain some tradition and focus on art.

Fitzgerald asked if the council would like citizen input, such as people from different boards. Councilmember Miller suggested getting input from local artists.

c) City Dashboard Discussion - Troy Fitzgerald, City Administrator

Fitzgerald explained the City dashboard is updated twice a year coinciding with the budget. He reviewed information from the dashboard and fiscal responsibility.

Councilmember Miller asked if a comparison of Utah County could be done.

Councilmember Creer asked about the targets being updated to reflect changes.



90 Fitzgerald explained open space has not been a focus and can be added if the Council would like.

92 Councilmember Miller asked if the Library could be measured on more than circulation to better reflect all that is being done at the Library.

94 Fitzgerald reviewed the enterprise utility efficiencies, compared to Springville's neighboring cities; Provo and Spanish Fork continue to have a PCA (power cost adjustment), Springville mitigated the PCA a decade ago. He explained the rates reflect the average power cost adjustment. He asked the Council if they were interested in a future rate study, with the possibility of a rate decrease for commercial. Most rates compared nationally, Springville is lower. A commercial rate and residential rate were implemented years ago.

100 Councilmember Miller asked if the commercial rate has had a negative effect on businesses coming to Springville. Fitzgerald commented most businesses locating from another state can see the benefit of Springville's blended utility rates compared nationally. While a homegrown business may not see it the same.

104 Fitzgerald asked as total reserves including sinking funds is reported, does the Council want to segregate the different reserves for reporting purposes. Different lines showing reserves and sinking funds or report future project reserves.

106 Fitzgerald stated in closing the census is very important to the city and big drivers for the next decade. The census numbers are a key component for businesses locating in Springville.

110 MAYOR, COUNCIL, AND ADMINISTRATIVE REPORTS

112 Mayor Child asked for any other comments. Fitzgerald reported after a recent meeting with MAG regarding Front Runner South, staff is hoping to see some planning in the future for Front Runner South.

114 4) CLOSED SESSION

116 *The Springville City Council may temporarily recess the regular meeting and convene in a closed session to discuss the character, professional competence, or physical or mental health of an individual, pending or reasonably imminent litigation, and the purchase, exchange, or lease of real property, as provided by Utah Code Annotated Section 52-4-205.*

120 There was none.

122 ADJOURNMENT

124 COUNCILMEMBER JENSEN MOVED TO ADJOURN THE WORK/STUDY MEETING OF THE SPRINGVILLE CITY COUNCIL AT 6:42 P.M.

126 COUNCILMEMBER SNELSON SECONDED THE MOTION, ALL VOTED AYE.

128
130 *This document constitutes the official minutes for the Springville City Council Work/Study meeting held on Tuesday, September 17, 2019.*

132 *I, Kim Crane, do hereby certify that I am the duly appointed, qualified, and acting City Recorder for Springville City, of Utah County, State of Utah. I do hereby certify that the foregoing minutes represent a true and accurate, and complete record of this meeting held on Tuesday, September 17, 2019.*

136

Kim Crane, CMC
City Recorder

MINUTES OF THE WORK/STUDY MEETING OF THE SPRINGVILLE CITY COUNCIL HELD ON
TUESDAY, OCTOBER 01, 2019 AT 5:30 P.M. AT THE CIVIC CENTER, 110 SOUTH MAIN STREET,
SPRINGVILLE, UTAH.

Mayor Richard J. Child presided. In addition to Mayor Child, the following were present:
Councilmember Craig Jensen, Councilmember Jason Miller, Councilmember Brett Nelson,
Councilmember Michael Snelson, City Administrator Troy Fitzgerald, Assistant City Administrator/City
Attorney John Penrod, Assistant City Administrator/Finance Director Bruce Riddle and City Recorder
Kim Crane.

Also, present were: Public Safety Director Craig Martinez, Power Department Director Leon
Fredrickson, Golf Pro Craig Norman, Building and Grounds Director Bradley Neel, Community
Development Director Josh Yost, Operations Manager Rod Oldroyd, Museum of Art Director, Rita
Wright, Recreation Director Corey Merideth, and Library Director Dan Mickelson. Excused from the
meeting, Councilmember Christopher Creer

CALL TO ORDER

Mayor Child welcomed everyone and called the Work/Study meeting to order at 5:30 PM.

COUNCIL BUSINESS

1) Calendar

- Oct 08 - Work/Study Meeting 5:30 p.m.
- Oct 15 - Work/Study Meeting 5:30 p.m., Regular Meeting 7:00 p.m.
- Oct 31 - City Main Street Safe Halloween Event 3:00 p.m.
- Nov 03 - Daylight Savings Ends
- Nov 05 - Municipal General Election Day
- Nov 05 - Work/Study Meeting 5:30 p.m., Regular Meeting 7:00 p.m.

Mayor Child asked if there were any questions or additions to the calendar. There were none.

2) Discussion on this evening's Regular Meeting agenda items

- a) Invocation - Councilmember Miller
- b) Pledge of Allegiance - Councilmember Nelson
- c) Consent Agenda
 1. Approval of minutes for the September 10, 2019 Work Study meeting
 2. Approval of the Mayors appointments to the Library Board of Tawyna Monson and Terry Smith
 3. Approval of an Ordinance and amendment to Springville City Code Title 2, Chapter 5 - Kim Crane, City Recorder

Mayor Child asked if there was any discussion on tonight's consent agenda. There was none.

DISCUSSIONS/PRESENTATIONS

a) MAG Regional Transportation Plan

Tim Herreth, MAG (Mountainland Association of Governments) representative presented on their transportation planning. He explained they collaborate with other groups and cities and come out with a plan every four years. Utah County is projected to have more growth over the next 30 years compared to other counties in the state. Land availability in Utah County and the economy makes it a desirable place. With commuter traffic on Interstate 15 there is a pinch point in the Springville area. They are looking at completing a grid spacing for collector, arterial, and freeway traffic. With the grid system it takes the delay time from 11 times to 7 times.

Administrator Fitzgerald discussed the 1600 south interchange; UDOT is exploring the options as well as it being politically charged.

Tim reviewed their transit planning, stating they are exploring ideas of light rail or BRT (bus rapid transit) type projects. Core bus routes by UTA is also being looked into.

Councilmember Snelson asked about new technology, such as self-driving cars has the plan included these. Tim replied they are looking into it, they need more data and can adapt the long-range plan if needed.

Tim reviewed active transportation planning, such as bicycle, pedestrian etc. they are looking at piggybacking on road building. As roads are built including trails and other active transit options.

Every 2 years MAG looks into their Transportation Improvement Program or TIP. Funding is determined by the TIP program and Cities have an active role in prioritizing projects. Partial advanced funding can be done by UDOT.

Councilmember Snelson asked about bike lanes being installed on new roads in the future. Tim explained it can be done through the city master plan.

b) Light Industrial Manufacturing Overlay-Highway 51 - Josh Yost, Community Development Director

Yost reported on the SR51 corridor with mixed uses, character, and non-conforming uses. He expressed the importance of the area as an important southern gateway to our city. He reviewed some of the zoning, materials processing and storage. The area is about 300 acres of light industrial manufacturing zoning, 25 of those acres are being used for materials processing that is not a permitted use. He asked the Council how to accommodate the use without any adverse effects to the City. Possibilities could be adding it has a permitted use. From a planning perspective it could show a lot of adverse effects, because of six other light industrial areas in the city and would rather not permit this type of use in all of the light industrial areas. It could be accomplished by an overlay zone change to provide a continuity of use standards. Another option is adopting business license compliance standards.

Fitzgerald commented there have been similar discussions regarding RV parks and compliance with business licenses.

Yost expressed there are not many legally compliant operations' in the area. Fitzgerald had questions on the legality and push back from businesses with business licensing. Penrod reported it's possible to approach the business license issue by working with businesses and the City. Fitzgerald explained operations are separate from use.

Yost asked if the Council wanted to accommodate materials processing and storage in the area. Council agreed for an overlay with licensing and allowing the use. Penrod pointed out the overlay allows the uses and once they are vested they could not be stopped.

Yost provided eight categories for the Council to review and asked which categories of regulations were important to them.

90 Councilmember Snelson asked if visual screening was a fence. Yost replied fencing and
landscaping would be considered. Councilmember Snelson would like visual screening more clearly
92 defined.

Council agreed all eight options on the list should be considered. Yost explained variability on
94 material storage could be considered.

Council asked staff to define what the standards are and come back to the Council with more
96 information.

98 **MAYOR, COUNCIL, AND ADMINISTRATIVE REPORTS**

Mayor Child asked for any other comments.

100 Penrod reported the medical cannabis act has been questioned. Production facilities could be
allowed, within an industrial zone and the City could be required to allow. Council may want to look at
102 the zones where it would be allowed. Pharmacy use zones was discussed, time and place regulations.

Chief Martinez reached out to other public safety personnel, out of state, and crime and safety
104 will need to be considered.

Penrod reported a committee was recently organized regarding diversity in the city and schools.
106 The goal is to reach out and make all feel a part of the community. On October 07, 2019 the Library will
have an event hosted by Centro Hispano.

108 Councilmember Nelson asked about parking signs along 1750 West. Fitzgerald signs have been
installed on 1750 west and the north and south signs will be installed, they will also be installing a few
110 larger signs to help with visibility of the signs.

112 **4) CLOSED SESSION**

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114 discuss the character, professional competence, or physical or mental health of an individual, pending or
reasonably imminent litigation, and the purchase, exchange, or lease of real property, as provided by Utah
116 Code Annotated Section 52-4-205*

There was none.

118 **ADJOURNMENT**

120 COUNCILMEMBER NELSON MOVED TO ADJOURN THE WORK/STUDY MEETING OF THE
SPRINGVILLE CITY COUNCIL AT 6:49 P.M.

122 COUNCILMEMBER SNELSON SECONDED THE MOTION, ALL VOTED AYE.

124
126 *This document constitutes the official minutes for the Springville City Council Work/Study meeting held on
Tuesday, October 01, 2019.*

128 *I, Kim Crane, do hereby certify that I am the duly appointed, qualified, and acting City Recorder for
Springville City, of Utah County, State of Utah. I do hereby certify that the foregoing minutes represent a true and
130 accurate, and complete record of this meeting held on Tuesday, October 01, 2019.*

132
134 _____
Kim Crane, CMC
City Recorder

MINUTES OF THE REGULAR MEETING OF THE SPRINGVILLE CITY COUNCIL HELD ON
TUESDAY, SEPTEMBER 03, 2019, 2017 AT 7:00 P.M. AT THE CIVIC CENTER, 110 SOUTH MAIN
STREET, SPRINGVILLE, UTAH.

Mayor Richard J. Child presided. In addition to Mayor Child, the following were present:
Councilmember Christopher Creer, Councilmember Craig Jensen, Councilmember Brett Nelson,
Councilmember Michael Snelson, City Administrator Troy Fitzgerald, Assistant City Administrator/City
Attorney John Penrod, Assistant City Administrator/Finance Director Bruce Riddle and City Recorder
Kim Crane.

Also, present were: Public Safety Director Craig Martinez, Building and Grounds Director
Bradley Neel, Power Department Director Leon Fredrickson, Recreation Director Corey Merideth,
Community Development Director Josh Yost, Public Works Director Brad Stapley, Operations Manager
Rod Oldroyd, Library Director Dan Mickelson, and Museum Director Rita Wright. Excused from the
meeting, Councilmember Jason Miller.

CALL TO ORDER

Mayor Child welcomed everyone and called the meeting to order at 7:00 p.m.

CALENDAR

- Sept 07 - City Wide Disaster Drill with CERT
- Sept 10 - Work/Study Meeting 5:30 p.m.
- Sept 11-13 - ULCT Annual Convention
- Sept 17 - Work/Study Meeting 5:30 p.m./Regular Meeting 7:00 p.m.

INVOCATION AND PLEDGE

Councilmember Jensen offered the invocation, and Councilmember Creer led the Pledge of
Allegiance.

APPROVAL OF THE MEETING'S AGENDA

COUNCILMEMBER SNELSON MOVED TO APPROVE THE MEETING'S AGENDA AS
WRITTEN. COUNCILMEMBER CREER SECONDED THE MOTION, AND ALL PRESENT VOTED
AYE.

MAYOR'S COMMENTS

Mayor Child welcomed the Council, staff and audience. He asked for any scouts or students on
assignment to please stand and be recognized.

PRESENTATION

1. **Service Recognition presented to Clyde Recreation Center Superintendent, Penn Almoney -
Corey Merideth, Recreation Director**

Director Merideth presented a special recognition to Penn Almoney, CRC Superintendent for his
contribution to the Clyde Recreation Center. Penn added his vision to the new facility and helped to get

it open and running smoothly. He recently accepted a position in Mission, Kansas as a Recreation Director. The Mayor and Council thanked him for his service.

PUBLIC COMMENT

Mayor Child introduced the Public Comment section of the agenda. He asked if there were any requests.

There were none.

CONSENT AGENDA

2. Approval of minutes for the August 06, 2019 Work/Study meeting.

COUNCILMEMBER CREER MOVED TO APPROVE THE CONSENT AGENDA AS WRITTEN.
COUNCILMEMBER NELSON SECONDED THE MOTION, AND ALL PRESENT VOTED AYE.

PUBLIC HEARING

3. **Public Hearing for consideration of an amendment to the General Plan Land Use Map from Medium Density Residential/R2 Zone to Commercial/CC Zone on the property located at 1200 West 700 South - Josh Yost, Community Development Director**

Penrod reported the applicant filed to change the General Land Use Map, extending the CC Zone south. The property is adjacent to the Springville Marketplace Development to the north, a church to the east and the Clyde Recreation Center and Meadowbrook Elementary School to the south. To the west is approximately 40-acres of vacant land zoned VC-Village Center, which is the City's mixed-use zone, allowing for density's up to 27-units per acre.

The Planning Commission passed the motion 5 to 1; city staff remains against the change because previous direction from the Council was to maintain the current plan in regard to rezoning for density. The Commissioners agreed, the change would be creating a transitional place and create appropriate uses. The Planning Commission said it made sense for this property, even though staff could not give a recommendation.

Councilmember Jensen stated if commuter rail comes to pass in the future, density in this area is where you would want it and it would be a walkable area.

Councilmember Snelson asked what the site plan might entail just for egress and ingress. Penrod explained the code would need to be followed.

MAYOR CHILD OPENED THE PUBLIC HEARING

Mike Watson applicant, he gave background on the application. They currently own a business in Springville and were looking for a commercial space for an office. They approached property owners of the Smith's Marketplace property and were rebuffed for any type of housing on their property. Mr. Watson expressed he lives near the zone change and as a resident and business owner it doesn't feel like a twin home or duplex area. He feels it will be an important core for the city and best use of the site. They met with Smith's developers, local church, and neighbors. The location would be near a street corridor for travel. He believes it would be difficult to get the density and all of the residences allowed.

Graham Larsen, Salt Lake resident; he was attending with the property owner and in support of the use. In nature with what is expected to come to the westside, surrounding uses and scale are appropriate.

COUNCILMEMBER CREER MOTIONED TO CLOSE THE PUBLIC HEARING.
COUNCILMEMBER NELSON SECONDED THE MOTION, ALL THOSE PRESENT VOTED AYE.

Councilmember Nelson asked for Community Development Director, Josh Yost to comment. Yost said he concurred with Penrod's report. He expressed it made sense from a planning prospective, and a possible future rail site, it would be a great place for the surrounding area on a purely planning approach.

COUNCILMEMBER SNELSON MOVED TO APPROVE **ORDINANCE #19-2019** AMENDING THE GENERAL PLAN LAND USE MAP FROM MEDIUM DENSITY RESIDENTIAL TO COMMERCIAL ON THE PROPERTY LOCATED AT 1200 WEST 700 SOUTH.

COUNCILMEMBER CREER SECONDED THE MOTION. THE VOTE IS RECORDED AS FOLLOWS:

COUNCILMEMBER CREER	AYE
COUNCILMEMBER JENSEN	AYE
COUNCILMEMBER MILLER	ABSENT
COUNCILMEMBER NELSON	AYE
COUNCILMEMBER SNELSON	AYE

ORDINANCE #19-2019 APPROVED

REGULAR AGENDA

4. **Consideration of an amendment to the Official Zone Map from Medium Density Residential/R2 Zone to Commercial/CC Zone on the property located at 1200 West 700 South - Josh Yost, Community Development Director**

Penrod, explained this item was for approval of the zoning. The applicant desires to develop a mixed-use project that would include office/retail areas on the first floor and residential units on the top two floors. The proposed CC-Community Commercial Zone allows for mixed use, when single/multi-family residential is above the first floor and parking is behind or to the side of the building.

COUNCILMEMBER JENSEN MOVED TO APPROVE **ORDINANCE #20-2019** AMENDING THE OFFICIAL ZONE MAP FROM R2-SINGLE/TWO FAMILY RESIDENTIAL TO CC-COMMUNITY COMMERCIAL ZONE ON THE PROPERTY LOCATED AT 1200 WEST 700 SOUTH.

COUNCILMEMBER SNELSON SECONDED THE MOTION. THE VOTE IS RECORDED AS FOLLOWS:

COUNCILMEMBER CREER	AYE
COUNCILMEMBER JENSEN	AYE
COUNCILMEMBER MILLER	ABSENT
COUNCILMEMBER NELSON	AYE
COUNCILMEMBER SNELSON	AYE

ORDINANCE #20-2019 APPROVED

5. **Consideration of an Ordinance amending Springville City Code, Section 11-4-403 Lot Configuration, amending the amount of frontage required for a two-unit dwelling in the R2 Single/Two-Family Residential Zone - Josh Yost, Community Development Director**

Penrod explained this would allow for the lot width of a duplex or twin home. It was changed in 2003 to a smaller in width. The applicant owns the only vacant platted lot in the Quiet Cove Subdivision, located at 454 E 1050 S, which was recorded on June 29, 1995 and they approached the Planning Commission for a recommendation. If approved this would be limited to lots put in place before 2003.

COUNCILMEMBER NELSON MOVED TO APPROVE ORDINANCE #21-2019 AMENDING
SECTION 11-4-403 OF THE SPRINGVILLE CITY CODE.

COUNCILMEMBER CREER SECONDED THE MOTION. THE VOTE IS RECORDED AS
FOLLOWS:

COUNCILMEMBER CREER	AYE
COUNCILMEMBER JENSEN	AYE
COUNCILMEMBER MILLER	ABSENT
COUNCILMEMBER NELSON	AYE
COUNCILMEMBER SNELSON	AYE

ORDINANCE #21-2019 APPROVED

MAYOR, COUNCIL REPORTS

Mayor Child asked if there were any comments. There was none.

6. CLOSED SESSION

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There was none.

ADJOURNMENT

COUNCILMEMBER CREER MOVED TO ADJOURN THE CITY COUNCIL MEETING AT 7:36
P.M. COUNCILMEMBER SNELSON SECONDED THE MOTION, AND ALL PRESENT VOTED AYE.

This document constitutes the official minutes for the Springville City Council Regular meeting held on Tuesday, September 03, 2019.

I, Kim Crane, do hereby certify that I am the duly appointed, qualified, and acting City Recorder for Springville City, of Utah County, State of Utah. I do hereby certify that the foregoing minutes represent a true and accurate, and complete record of this meeting held on Tuesday, September 03, 2019.

Kim Crane, CMC
City Recorder

MINUTES OF THE REGULAR MEETING OF THE SPRINGVILLE CITY COUNCIL HELD ON
TUESDAY, SEPTEMBER 17, 2019, AT 7:00 P.M. AT THE CIVIC CENTER, 110 SOUTH MAIN
STREET, SPRINGVILLE, UTAH.

Mayor Richard J. Child presided. In addition to Mayor Child, the following were present:
Councilmember Christopher Creer, Councilmember Craig Jensen, Councilmember Jason Miller,
Councilmember Michael Snelson, City Administrator Troy Fitzgerald, Assistant City Administrator/City
Attorney John Penrod, Assistant City Administrator/Finance Director Bruce Riddle and City Recorder
Kim Crane.

Also, present were: Public Safety Director Craig Martinez, Building and Grounds Director
Bradley Neel, Power Department Director Leon Fredrickson, Recreation Director Corey Merideth,
Community Development Director Josh Yost, Public Works Director Brad Stapley, Operations Manager
Rod Oldroyd, Library Director Dan Mickelson, and Museum Event Coordinator, Gena Wolf. Excused
from the meeting, Councilmember Brett Nelson.

CALL TO ORDER

Mayor Child welcomed everyone and called the meeting to order at 7:00 p.m.

INVOCATION AND PLEDGE

Councilmember Snelson offered the invocation, and Councilmember Jensen led the Pledge of
Allegiance.

APPROVAL OF THE MEETING'S AGENDA

COUNCILMEMBER SNELSON MOVED TO APPROVE THE MEETING'S AGENDA AS
WRITTEN. COUNCILMEMBER CREER SECONDED THE MOTION, AND ALL PRESENT VOTED
AYE.

MAYOR'S COMMENTS

Mayor Child welcomed the Council, staff and audience. He asked for any scouts or students on
assignment to please stand and be recognized.

PUBLIC COMMENT

Mayor Child introduced the Public Comment section of the agenda. He asked if there were any
requests.

There were none.

CONSENT AGENDA

1. Approval of minutes for the August 13, 2019 Work/Study meeting and the August 06 and 20,
2019 Regular meetings.
2. Approval of a Beer License for Seven Eleven, Store #19326J located at 210 North Main Street,
Springville, Utah - Aftyn Anderson, Business License Official

COUNCILMEMBER CREER MOVED TO APPROVE THE CONSENT AGENDA AS WRITTEN.

COUNCILMEMBER SNELSON SECONDED THE MOTION, AND ALL PRESENT VOTED AYE.

REGULAR AGENDA

3. Consideration of a Resolution that approves a Second Improvement agreement with Wavetronix for site plan improvements, including 1950 West street improvements - John Penrod, Assistant City Administrator/City Attorney

Penrod reported Wavetronix was in the process of developing a campus for its company in Springville, at the approximate location of 550 North and 1750 West. One of the conditions of the site plan approval was that Wavetronix be required to install the 1950 West Street improvements or enter into an agreement to install the improvements at a later date. One of the reasons staff has considered recommending the 1950 West Street Improvements be installed at a later date is because the 1950 West Street improvements would not connect to another street at this time, and Wavetronix is working towards installing a pioneering road that will provide street access from 1750 West north of Hobble Creek to the south end of the Wavetronix property.

Wavetronix and the City entered into a prior improvement agreement. The prior improvement agreement contemplated entering into a second agreement to address the pioneering road and the installation of 1950 West. The proposed second agreement was outlined.

Penrod explained Wavetronix could get a Certificate of Occupancy if they have met all requirements without finishing improvements. The agreement does not allow any other occupancy of buildings until improvements are finished. A UDOT detention basin would be moved onto Wavetronix property to allow the 1950 West road to run further south.

Councilmember Snelson asked if the pioneering road would accommodate the employees accessing the property. Penrod reported it would.

COUNCILMEMBER SNELSON MOVED TO APPROVE RESOLUTION #2019-32 THAT APPROVES A SECOND IMPROVEMENT AGREEMENT WITH WAVETRONIX THAT ADDRESSES THE TIMING AND INSTALLATION OF SITE PLAN IMPROVEMENTS AND OCCUPANCY.

COUNCILMEMBER JENSEN SECONDED THE MOTION. THE VOTE IS RECORDED AS FOLLOWS:

COUNCILMEMBER CREER	AYE
COUNCILMEMBER JENSEN	AYE
COUNCILMEMBER MILLER	AYE
COUNCILMEMBER NELSON	ABSENT
COUNCILMEMBER SNELSON	AYE

RESOLUTION #2019-32 APPROVED

MAYOR, COUNCIL REPORTS

Mayor Child asked if there were any comments.

4. CLOSED SESSION

The Springville City Council may temporarily recess the regular meeting and convene in a closed session to discuss the character, professional competence, or physical or mental health of an individual, pending or reasonably imminent litigation, and the purchase, exchange, or lease of real property, as provided by Utah Code Annotated Section 52-4-205.

There was none.

ADJOURNMENT

COUNCILMEMBER CREER MOVED TO ADJOURN THE CITY COUNCIL MEETING AT 7:11 P.M. COUNCILMEMBER SNELSON SECONDED THE MOTION, AND ALL PRESENT VOTED AYE.

This document constitutes the official minutes for the Springville City Council Regular meeting held on Tuesday, September 17, 2019.

I, Kim Crane, do hereby certify that I am the duly appointed, qualified, and acting City Recorder for Springville City, of Utah County, State of Utah. I do hereby certify that the foregoing minutes represent a true and accurate, and complete record of this meeting held on Tuesday, September 17, 2019.

Kim Crane, CMC
City Recorder

MINUTES OF THE REGULAR MEETING OF THE SPRINGVILLE CITY COUNCIL HELD ON
TUESDAY, OCTOBER 01, 2019, 2017 AT 7:00 P.M. AT THE CIVIC CENTER, 110 SOUTH MAIN
STREET, SPRINGVILLE, UTAH.

Mayor Richard J. Child presided. In addition to Mayor Child, the following were present:
Councilmember Craig Jensen, Councilmember Jason Miller, Councilmember Brett Nelson,
Councilmember Michael Snelson, City Administrator Troy Fitzgerald, Assistant City Administrator/City
Attorney John Penrod, Assistant City Administrator/Finance Director Bruce Riddle and City Recorder
Kim Crane.

Also, present were: Public Safety Director Craig Martinez, Building and Grounds Director
Bradley Neel, Power Department Director Leon Fredrickson, Recreation Director Corey Merideth,
Community Development Director Josh Yost, Public Works Director Brad Stapley, Operations Manager
Rod Oldroyd, Library Director Dan Mickelson, and Museum Director Rita Wright. Excused from the
meeting, Councilmember Christopher Creer.

CALL TO ORDER

Mayor Child welcomed everyone and called the meeting to order at 7:00 p.m.

INVOCATION AND PLEDGE

Councilmember Miller offered the invocation, and Councilmember Nelson led the Pledge of
Allegiance.

APPROVAL OF THE MEETING'S AGENDA

COUNCILMEMBER SNELSON MOVED TO APPROVE THE MEETING'S AGENDA AS
WRITTEN. COUNCILMEMBER JENSEN SECONDED THE MOTION, AND ALL PRESENT VOTED
AYE.

MAYOR'S COMMENTS

Mayor Child welcomed the Council, staff and audience. He asked for any scouts or students on
assignment to please stand and be recognized.

PUBLIC COMMENT

Mayor Child introduced the Public Comment section of the agenda. He asked if there were any
requests.

Logan Millsap, resident; spoke on the MAG presentation from the work study meeting. He felt
their program has been a failure because money has been spent to expand on roadways and not so
much towards the transit system. He is talking to the City because MAG has told him their hands are
tied.

Mayor Child addressed the city is submitting projects to MAG and working to have more transit
options.

Fitzgerald stated he would give his information to the City Engineer and he could speak with
them and receive more information. He asked the Council to be mindful of the transit needs.

CONSENT AGENDA

1. Approval of minutes for the September 10, 2019 Work Study meeting
2. Approval of the Mayors appointments to the Library Board of Tawyna Monson and Terry Smith
3. Approval of an Ordinance and amendment to Springville City Code Title 2, Chapter 5 - Kim Crane, City Recorder

COUNCILMEMBER MILLER MOVED TO APPROVE THE CONSENT AGENDA AS WRITTEN AND APPROVE **ORDINANCE #22-2019** AMENDING SPRINGVILLE CITY CODE TITLE 2, CHAPTER 5.

COUNCILMEMBER JENSEN SECONDED THE MOTION. THE VOTE IS RECORDED AS FOLLOWS:

COUNCILMEMBER CREER	ABSENT
COUNCILMEMBER JENSEN	AYE
COUNCILMEMBER MILLER	AYE
COUNCILMEMBER NELSON	AYE
COUNCILMEMBER SNELSON	AYE

ORDINANCE #22-2019 APPROVED

REGULAR AGENDA

4. **Consideration of an Operating Agreement with Zagster Inc. for a Multimodal Mobility Share System - Troy Fitzgerald, City Administrator**

Fitzgerald reported on Provo's process to introduce scooters into their community. The company Zagster deploys them every morning and picks them up at night, providing maintenance and charging. Zagster would like to use Springville as a test area. The agreement has a 30 day "out" clause by either party. Information would be shared with the city on where the use is concentrated and may be an opportunity for citizens. Operation areas will need a closer look and instructions in the ordinance on where they are allowed to travel.

Councilmember Nelson stated many cities are doing this and there are so many questions. Could cities using these be contacted for best practices. Penrod reported there was a 30 day "out" clause by either party.

Fitzgerald stated the company has been very cooperative to work with, and is a new concept for this area and the company.

Logan Millsap, resident, commented on the scooter program being helpful. His car broke down in Provo and he was able to use a scooter to get to and from work and it has also highlighted the need for better bike lanes.

COUNCILMEMBER JENSEN MOVED TO APPROVE AN OPERATING AGREEMENT FOR A MULTIMODAL SHARE SYSTEM WITH ZAGSTER, INC.

COUNCILMEMBER NELSON SECONDED THE MOTION, AND ALL PRESENT VOTED AYE.

5. **Consideration of an exchange/swap of land between Spanish Fork City and San Miguel Valley Corporation adjacent to Spanish Fork/Springville Airport - Bruce Riddle, Assistant City Administrator/Finance Director**

Fitzgerald explained the Airport was currently under plans to move under Spanish Fork City control. He introduced Cris Child, Airport Manager.

Cris explained the process would involve land the City of Spanish Fork would keep and another business. Spanish Fork would be able to use the property for a taxiway extension. They anticipate what

they are getting will be more valuable to Spanish Fork. They wanted to move forward with Springville's blessing.

Mayor Child asked if the land would fall under the same agreement. Penrod it would remain in the same agreement for the land should the area cease functioning as an airport.

COUNCILMEMBER SNELSON MOVED TO APPROVE ALLOWING SPANISH FORK CITY TO ENTER INTO THE PROFESSIONAL SERVICES AGREEMENT WITH ARMSTRONG CONSULTANTS, INC. AND SAN MIGUEL VALLEY CORPORATION AND RESERVING THE RIGHT FOR SPRINGVILLE CITY TO CONSIDER WITH THE OPTION TO DENY ANY FINAL TRANSACTION BEFORE THE CITY EXECUTES ANY DOCUMENTS NEEDED FOR EXCHANGING LAND OWNED BY SPRINGVILLE AND SPANISH FORK FOR PROPERTY OWNED BY SAN MIGUEL VALLEY CORPORATION.

COUNCILMEMBER MILLER SECONDED THE MOTION, AND ALL PRESENT VOTED AYE.

MAYOR, COUNCIL REPORTS

Mayor Child asked if there were any comments. There were none.

6. CLOSED SESSION

The Springville City Council may temporarily recess the regular meeting and convene in a closed session to discuss the character, professional competence, or physical or mental health of an individual, pending or reasonably imminent litigation, and the purchase, exchange, or lease of real property, as provided by Utah Code Annotated Section 52-4-205.

There was none.

ADJOURNMENT

COUNCILMEMBER NELSON MOVED TO ADJOURN THE CITY COUNCIL MEETING AT 7:32 P.M. COUNCILMEMBER SNELSON SECONDED THE MOTION, AND ALL PRESENT VOTED AYE.

This document constitutes the official minutes for the Springville City Council Regular meeting held on Tuesday, October 01, 2019. I, Kim Crane, do hereby certify that I am the duly appointed, qualified, and acting City Recorder for Springville City, of Utah County, State of Utah. I do hereby certify that the foregoing minutes represent a true and accurate, and complete record of this meeting held on Tuesday, October 01, 2019.

Kim Crane, CMC
City Recorder



STAFF REPORT

DATE: October 3, 2019
TO: Mayor and City Council
FROM: Juan Garrido, Storm Water/Waste Water Superintendent
SUBJECT: DECLARATION OF SURPLUS PROPERTY

RECOMMENDED MOTION

Move to approve a motion declaring the equipment listed in the attached Exhibit A to be surplus property.

SUMMARY OF ISSUES/FOCUS OF ACTION

As vehicles and equipment reach the end of their useful lives or functionality, the property is removed from service and disposed of according to the Surplus Property Policy. The policy requires council approval to surplus for items with an estimated salvage value over \$5,000.

BACKGROUND

The 621D Case loader vehicle #994 has been in service since 2007, the City recently purchased a John Deere loader to replace it with and it is now in service.

DISCUSSION

The Central Shop evaluated the vehicle in 2019 and 2018, in 2018; Steve Healey recommended it for replacement through the Vehicle Replacement Committee according to replacement policies for surplus, city surplus procedures, and as approved in the department budget. As a way to increase fund reserves in the PW Division vehicle replacement accounts, it was decided to keep the 621 D Case loader for one more year. The Fleet Department valued the current fair market value at \$20,000.00

BUDGET/FISCAL IMPACT

Proceeds from the sale of this equipment will be credited to the Public Works Sewer Division Vehicle and equipment reserve fund.

APPENDIX A



Springville City Fleet Operation Vehicle/Equipment Replacement Scorecard

Vehicle # 994 Dept. Sewer
 Year, Make, Model: 621 D Purchase Cost: \$ 100,200.00 Current Fair Market Value: \$ 20,000.00

Age: _____ Points _____
 In-Service Date: 3/23/2007
 Total Time (years): 12

12

Mileage: _____
 Mileage or Hours: 75441

7

Type of Service: _____
 Description: CONSTRUCTION

5

Reliability: _____
 Ave. RO's per Month: 3
 Road Calls: 1
 PMs Last Year: 1

4

Maintenance Costs: _____
 Total Maintenance: \$ 16,826.16
 Market Value: \$ 20,000.00
 % of Repl. Value: 84%

5

Condition: UNRELIABLE
 Paint & Body: _____
 Mechanical: \$ 3,000.00
 Estimated repair cost: N/A

8

NOTE : MOTOR IS STARTING TO SHOW EXESIVE WEAR
 ELECTRONIC AND HYDRAULIC ISSUES

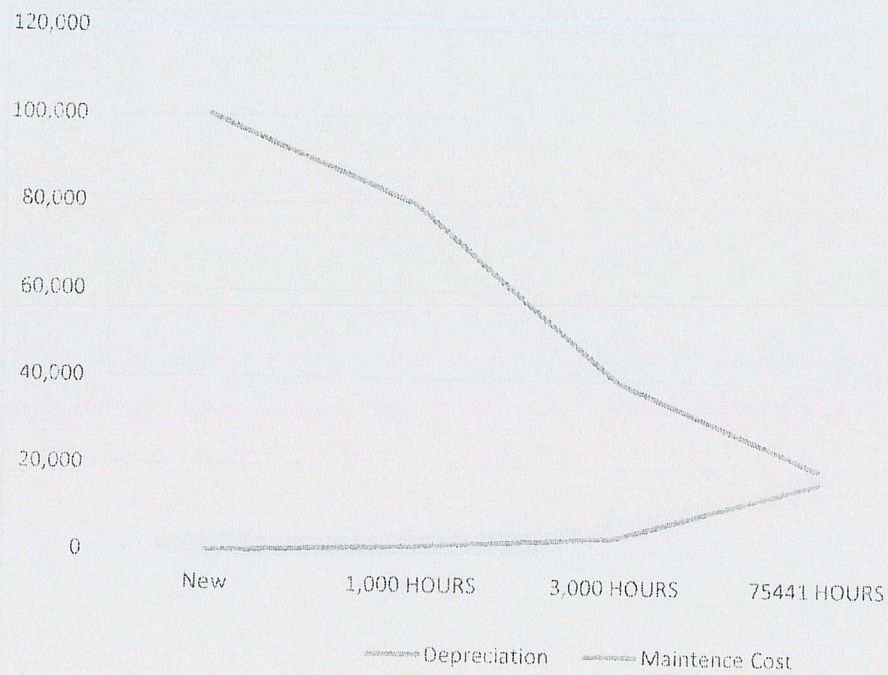
Total Points: 41

0-17	Excellent	Do not Replace / Repurpose	
18-24	Good	Re-evaluate for next year's budget / Repurpose	
25-35	Marginal	Qualifies for replacement this year (If in the replacement budget)	
35+	Poor	Needs priority replacement	X

Shop Supervisor: _____
 Fleet Manager: _____

Date: _____
 Date: _____

994 CURRENT AS OF 11/6/2018





VEHICLE /EQUIPMENT EVALUATION REPORT

Department:	WASTE WATER	Contact Person:	JUAN
Vehicle ID #	994	Mileage:	Hours: 7544
Year/Make/Model	2007 621 D		

Recommendation:

We are at 50% maintenance cost and have a quote to fix a mechanical failure at over 4,000.00. It has been very unreliable and showing more down time.

Fleet Operations Evaluation:

Evaluated By:	Steve Healey	Year to Date Cost:	Life to Date Cost:
Miles/Hours	75,44	3,539.50	16,826.16
Estimated Cost for Repairs:			
3,000.00			

Shop Manager _____

Date _____

Fleet Manager _____

Date _____



STAFF REPORT

DATE: October 29, 2019

TO: Honorable Mayor and City Council

FROM: John Penrod, City Attorney
Leon Fredrickson, Power Department Director

SUBJECT: RESOLUTION AUTHORIZING DELIVERY OF DOCUMENTS ASSOCIATED
WITH THE PAYSON NEBO POWER PROJECT REFINANCING

RECOMMENDED MOTION

Motion approving Resolution No. _____ Authorizing the Execution and Delivery of an Officer's Certificate and An Opinion of the City Attorney Under the Payson Power Project Power Sales Contract.

SUMMARY OF ISSUES/FOCUS OF ACTION

Upon recommendation of UAMPS Staff and Financial Advisor it was recommended to the Project Management Committee for the Payson Nebo Power Project, of which Springville City is a member of, to capture at this time an opportunity to refinance at lower market interest rates and provide some savings to the members of the project by executing the sale of a new bonds with lower interest rates.

Along with the sale of the new bond certain documents are required by the bond sale to be executed by the City to reaffirm their position and status of operations as required by the Power Sales Contract of June 1, 2002.

BACKGROUND

Springville City is a member of Utah Associated municipal Power Systems ("UAMPS") and has previously executed the Payson Power Project Power Sales Contract with UAMPS in 2002 associated with the project. With the execution of that contract the City delivered to UAMPS an original Officer's Certificate and Attorney Opinion as required for the issuance of the original bonds. These documents affirmed statements made in the Power Sales Contract relating to Springville City and the Power Department.

DISCUSSION

Now that a refinancing of the outstanding bonds associated with the Payson Power Project has been executed by the Project members, the City is obligated by the language of the original Power Sales Contract to deliver to UAMPS (a) a certificate executed by the Mayor and its City Recorder that confirms the matters in the Original Certificate (the "Bring-Down Certificate") and (b) an opinion executed by its City Attorney that confirms the matter in the Original opinion (the "Bring-Down Opinion").

CITY COUNCIL AGENDA

Meeting Date - November 5, 2019

It is requested of the City Council to approve the necessary resolution to authorize and direct (a) the mayor and City Recorder to execute and deliver the Bring-Down Certificate and (b) the City Attorney to execute and deliver the Bring-Down Opinion.

The Project started construction with bonding of \$100,850,000. Of this amount Springville City was obligated through its requested energy and capacity output from the project to cover 19.114% of the debt service requirement associated with the issuance of that amount in 2002. The original bonding amount has been paid down annually since the Commercial Operation Date of the project and is now at the level mentioned below in the Fiscal Impact discussion.

FISCAL IMPACT

With the refinancing of the project remaining principal balance of \$ 26,770,000 and lowering the interest costs as of October 23, 2019 when the new bonds were sold, the Project members will now see a savings of approximately \$ 2,274,964 over the next 5 ½ years of debt service payments associated with this principal balance. Of this projected project savings Springville City will see approximately \$ 434,837 of cash flow savings over the same time period.

The principal and interest debt service obligation for Springville City as a result of this refinancing will be 19.114% (Springville's project participation percentage) of the new debt service of \$ 29,211,695 or \$ 5,583,523 as compared to the previous debt service of \$ 31,483,000 or \$ 6,018,361.

The Bond Debt Service revenue requirement on the monthly UAMPS billings will be completely paid off on April 1, 2025 thus removing any debt associated with the project going forward from that date for many years into the future as the plant is maintained and operated as a key resource asset to the City.

The only other Project that the City participates in through UAMPS, The Horse Butte Wind (HBW) will have a debt obligation at the time of the Payson Project debt position being fulfilled. This debt associated with HBW will be paid off in March of 2038 based on present amortization.

The debt free position with the Payson Nebo Power Project in 2025 will be a significant benefit to the City customer base as the Power Department manages the resource portfolio to keep wholesale power costs and customer rates stable.

ALTERNATIVES

There are no Alternatives associated with this action by the Payson Power Project Management Committee.

Attachments:

- Resolution No. _____
- Exhibit A - Bring-Down Certificate
- Exhibit B - Bring-Down Opinion
- Payson Power Project Refunding Revenue Bonds, Series 2019 Official Statement
- Zions Payson Power Project Refunding Bonds, Series 2019 (Final Numbers)

RESOLUTION #2019-XX

A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF AN OFFICER'S CERTIFICATE AND AN OPINION OF THE CITY ATTORNEY UNDER THE PAYSON POWER PROJECT POWER SALES CONTRACT.

WHEREAS, Springville City, Utah County, Utah (the "*City*") is a member of Utah Associated Municipal Power Systems ("*UAMPS*") and has previously executed the Payson Power Project Power Sales Contract (the "*Power Sales Contract*") with UAMPS;

WHEREAS, the City delivered to UAMPS a certificate executed by its Mayor and City Recorder in connection with its execution and delivery of the Power Sales Contract, which certificate was substantially in the form attached to the Power Sales Contract (the "*Original Certificate*");

WHEREAS, the City delivered to UAMPS an opinion executed by its City Attorney in connection with its execution and delivery of the Power Sales Contract, which opinion was substantially in the form attached to the Power Sales Contract (the "*Original Opinion*");

WHEREAS, the City agrees in the Power Sales Contract that, in connection with the issuance of bonds by UAMPS to finance or refinance the costs of the Payson Power Project, it will deliver to UAMPS (a) a certificate executed by its Mayor and its City Recorder that confirms the matters in the Original Certificate (the "*Bring-Down Certificate*") and (b) an opinion executed by its City Attorney that confirms the matters in the Original Opinion (the "*Bring-Down Opinion*"); and

WHEREAS, the City Council now desires to authorize and direct (a) the Mayor and City Recorder to execute and deliver the Bring-Down Certificate and (b) the City Attorney to execute and deliver the Bring-Down Opinion;

NOW, THEREFORE, BE IT RESOLVED by the City Council of Springville City, Utah, as follows:

Section 1. Execution and Delivery of Bring-Down Certificate and Bring-Down Opinion.

(a) The Mayor and the City Recorder are each hereby authorized, empowered and directed to execute and deliver the Bring-Down Certificate on behalf of the City, such certificate to be in substantially the form attached hereto as Exhibit A.

(b) The City Attorney is hereby authorized, empowered and directed to execute and deliver the Bring-Down Opinion, such opinion to be in substantially the form attached hereto as Exhibit B.

Section 2. Effective Date. This resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED this 5th day of November, 2019.

SPRINGVILLE CITY, UTAH COUNTY, UTAH

Richard, J. Child, Mayor

ATTEST AND COUNTERSIGN:

Kim Crane, City Recorder

EXHIBIT A

Bring Down Certificate of the Participant

Resolution #2019-XX

BRING-DOWN CERTIFICATE OF THE PARTICIPANT

Dated: November 13, 2019

STATE OF UTAH)
)
COUNTY OF UTAH)

The undersigned hereby certify that they are the Mayor and the City Recorder of the City of Springville, Utah (the “*Participant*”), a member of Utah Associated Municipal Power Systems (“*UAMPS*”), and that as such they are authorized to execute this Certificate on behalf of the Participant and hereby certify as follows:

1. This certificate has been executed in connection with the issuance by UAMPS of its Payson Power Project Refunding Revenue Bonds, Series 2019 (the “*Bonds*”), as more fully described in the Preliminary Official Statement of UAMPS dated October 17, 2019 (the “*Preliminary Official Statement*”) and the Official Statement of UAMPS dated October 23, 2019 (the “*Official Statement*”) prepared in connection with the offering and sale of the Bonds.

2. In connection with the execution of the Payson Power Project Power Sales Contract, dated as of June 1, 2002, between the Participant and UAMPS, officers of the Participant executed and delivered a certificate dated October 1, 2002 (the “*Power Sales Contract Certificate*”).

3. The undersigned hereby reaffirm the statements made in the Power Sales Contract Certificate as though made on the date hereof in the form they were rendered in the Power Sales Contract Certificate, subject to: (a) any changes between the date of the Power Sales Contract Certificate and the date hereof in (i) the identity of the members of the Governing Body and other officials or employees of the Participant and its representative to UAMPS, (ii) the Participant's resolution or ordinance establishing electric rates and charges and (iii) the obligations of the Participant payable from the revenues of its electric system; and (b) references to the Utah Associated Municipal Power Systems Amended and Restated Agreement for Joint and Co-operative Action dated as of February 17, 1999 shall be deemed to refer to the Utah Associated Municipal Power Systems Amended and Restated Agreement for Joint and Cooperative Action, as amended and restated to the date hereof.

4. The undersigned have reviewed the statements and information relating to the Participant and its electric system contained in APPENDIX A to the Preliminary Official Statement and the Official Statement under the caption, “THE MAJOR PARTICIPANTS”, and such statements and information, as of the respective dates of the Preliminary Official Statement and the Official Statement and as of the date hereof, were and are true and correct in all material respects and did not and do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make such statements, in light of the circumstances under which they were made, not misleading. Since the dates of the Preliminary Official Statement and the Official Statement, there has been no adverse change in the business, affairs, financial position, results of

operations or condition, financial or otherwise, of the Participant which would materially adversely affect the ability of the Participant to perform its obligations under the Power Sales Contract.

Initially-capitalized terms used and not defined in this Certificate have the meanings assigned to them in the Power Sales Contract Certificate.

Dated as of the day and year first above written.

CITY OF SPRINGVILLE, UTAH

By _____
Mayor

[SEAL]

By _____
City Recorder

EXHIBIT B

Bring-Down Opinion

Resolution #2019-XX

[LETTERHEAD OF PARTICIPANT’S ATTORNEY]

November 13, 2019

Utah Associated Municipal Power Systems
155 North 400 West, Suite 480
Salt Lake City, Utah 84103

Zions Bancorporation,
National Association, as Trustee
One South Main Street, 12th Floor
Salt Lake City, Utah 84133

Ladies and Gentlemen:

I have acted as counsel to Springville City (the “*Participant*”) in connection with the issuance and delivery by Utah Associated Municipal Power Systems (“*UAMPS*”) of its Payson Power Project Refunding Revenue Bonds, Series 2019 (the “*Bonds*”). The Participant is a party to the Utah Associated Municipal Power Systems Amended and Restated Agreement for Joint and Cooperative Action and is a member of UAMPS. The Participant and UAMPS have previously entered into the Payson Power Project Power Sales Contract, dated as of June 1, 2002 (the “*Power Sales Contract*”). Capitalized terms used and not otherwise defined herein have the meanings assigned to such terms in the Power Sales Contract.

In connection with the issuance of the Bonds, I have reviewed the legal opinion, dated October 8, 2002 (the “*Prior Opinion*”), rendered with respect to certain legal matters, including the validity and enforceability of the Power Sales Contract. I hereby adopt and reaffirm the Prior Opinion, as though it was dated the date hereof, in the form it was so rendered on October 8, 2002.

In addition to the foregoing, I have examined (i) the material describing the Participant and its electric system contained in APPENDIX A to each of the Preliminary Official Statement dated October 17, 2019 (the “*Preliminary Official Statement*”) and the Official Statement dated October 23, 2019 (the “*Official Statement*”) of UAMPS relating to the Bonds and (ii) such other documents, information, facts and matters of law as are necessary for me to render the following opinion. Based upon the foregoing, I am of the opinion that the statements and information with respect to the Participant and its municipal electric system contained in APPENDIX A to the Preliminary Official Statement and the Official Statement were true and correct in all material respects as of the respective dates of the Preliminary Official Statement and the Official Statement and are true and correct in all material respects as of the date hereof, and no facts have come to my attention which would lead me to believe that such statements and information contained or contain any untrue statement of a material fact or omitted to state or omit to state any material fact necessary in order to make such statements, in the light of the circumstances under which they

were made, not misleading; *provided, however*, that I express no view with respect to the tabular, financial and statistical information included therein.

I hereby authorize the reference to this opinion and to the Prior Opinion set forth under the caption “LEGAL MATTERS” in the Official Statement. I hereby further authorize Chapman and Cutler LLP, bond counsel, and KeyBanc Capital Markets Inc., as underwriter of the Bonds, to rely on the Prior Opinion and on this opinion in each case as though addressed to them.

Respectfully submitted,

Utah Associated Municipal Power Systems

Payson Power Project

\$26,770,000 Taxable Revenue Refunding Bonds, Series 2019

(Final Numbers)

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Utah Associated Municipal Power Systems

Payson Power Project

\$74,885,000 Refunding Revenue Bonds

Series 2012

Prior Original Debt Service

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
04/12/2012	-	-	-	-	-
10/01/2012	-	-	1,585,783.33	1,585,783.33	-
04/01/2013	4,375,000.00	2.000%	1,689,000.00	6,064,000.00	7,649,783.33
10/01/2013	-	-	1,645,250.00	1,645,250.00	-
04/01/2014	4,335,000.00	4.000%	1,645,250.00	5,980,250.00	7,625,500.00
10/01/2014	-	-	1,558,550.00	1,558,550.00	-
04/01/2015	4,515,000.00	4.000%	1,558,550.00	6,073,550.00	7,632,100.00
10/01/2015	-	-	1,468,250.00	1,468,250.00	-
04/01/2016	4,690,000.00	4.000%	1,468,250.00	6,158,250.00	7,626,500.00
10/01/2016	-	-	1,374,450.00	1,374,450.00	-
04/01/2017	4,885,000.00	4.000%	1,374,450.00	6,259,450.00	7,633,900.00
10/01/2017	-	-	1,276,750.00	1,276,750.00	-
04/01/2018	5,075,000.00	4.000%	1,276,750.00	6,351,750.00	7,628,500.00
10/01/2018	-	-	1,175,250.00	1,175,250.00	-
04/01/2019	4,925,000.00	5.000%	1,175,250.00	6,100,250.00	7,275,500.00
10/01/2019	-	-	1,052,125.00	1,052,125.00	-
04/01/2020	5,170,000.00	5.000%	1,052,125.00	6,222,125.00	7,274,250.00
10/01/2020	-	-	922,875.00	922,875.00	-
04/01/2021	5,430,000.00	5.000%	922,875.00	6,352,875.00	7,275,750.00
10/01/2021	-	-	787,125.00	787,125.00	-
04/01/2022	5,700,000.00	5.000%	787,125.00	6,487,125.00	7,274,250.00
10/01/2022	-	-	644,625.00	644,625.00	-
04/01/2023	5,985,000.00	5.000%	644,625.00	6,629,625.00	7,274,250.00
10/01/2023	-	-	495,000.00	495,000.00	-
04/01/2024	6,280,000.00	5.000%	495,000.00	6,775,000.00	7,270,000.00
10/01/2024	-	-	338,000.00	338,000.00	-
04/01/2025	6,595,000.00	5.000%	338,000.00	6,933,000.00	7,271,000.00
10/01/2025	-	-	173,125.00	173,125.00	-
04/01/2026	6,925,000.00	5.000%	173,125.00	7,098,125.00	7,271,250.00
Total	\$74,885,000.00	-	\$29,097,533.33	\$103,982,533.33	-

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	11/13/2019
Average Life	3.578 Years
Average Coupon	5.0000000%
Weighted Average Maturity (Par Basis)	3.578 Years
Weighted Average Maturity (Original Price Basis)	4.461 Years

Refunding Bond Information

Refunding Dated Date	11/13/2019
Refunding Delivery Date	11/13/2019

Utah Associated Municipal Power Systems

Payson Power Project

\$74,885,000 Refunding Revenue Bonds

Series 2012

Current Outstanding Debt Service

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
04/01/2020	5,170,000.00	5.000%	265,000.00	5,435,000.00	5,435,000.00
10/01/2020	-	-	135,750.00	135,750.00	-
04/01/2021	5,430,000.00	5.000%	135,750.00	5,565,750.00	5,701,500.00
Total	\$10,600,000.00	-	\$536,500.00	\$11,136,500.00	-

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	11/13/2019
Average Life	0.896 Years
Average Coupon	5.0000000%
Weighted Average Maturity (Par Basis)	0.896 Years
Weighted Average Maturity (Original Price Basis)	4.461 Years

Refunding Bond Information

Refunding Dated Date	11/13/2019
Refunding Delivery Date	11/13/2019

Utah Associated Municipal Power Systems

Payson Power Project

\$74,885,000 Refunding Revenue Bonds

Series 2012

Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S	Fiscal Total
11/13/2019	-	-	-	-	-	-	-	-
04/01/2020	-	787,125.00	787,125.00	-	5.000%	787,125.00	787,125.00	787,125.00
10/01/2020	-	787,125.00	787,125.00	-	-	787,125.00	787,125.00	-
04/01/2021	-	787,125.00	787,125.00	-	5.000%	787,125.00	787,125.00	1,574,250.00
10/01/2021	31,485,000.00	787,125.00	32,272,125.00	-	-	787,125.00	787,125.00	-
04/01/2022	-	-	-	5,700,000.00	5.000%	787,125.00	6,487,125.00	7,274,250.00
10/01/2022	-	-	-	-	-	644,625.00	644,625.00	-
04/01/2023	-	-	-	5,985,000.00	5.000%	644,625.00	6,629,625.00	7,274,250.00
10/01/2023	-	-	-	-	-	495,000.00	495,000.00	-
04/01/2024	-	-	-	6,280,000.00	5.000%	495,000.00	6,775,000.00	7,270,000.00
10/01/2024	-	-	-	-	-	338,000.00	338,000.00	-
04/01/2025	-	-	-	6,595,000.00	5.000%	338,000.00	6,933,000.00	7,271,000.00
10/01/2025	-	-	-	-	-	173,125.00	173,125.00	-
04/01/2026	-	-	-	6,925,000.00	5.000%	173,125.00	7,098,125.00	7,271,250.00
Total	\$31,485,000.00	\$3,148,500.00	\$34,633,500.00	\$31,485,000.00	-	\$7,237,125.00	\$38,722,125.00	-

Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	11/13/2019
Average Life	4.481 Years
Average Coupon	5.0000000%
Weighted Average Maturity (Par Basis)	4.481 Years
Weighted Average Maturity (Original Price Basis)	4.461 Years

Refunding Bond Information

Refunding Dated Date	11/13/2019
Refunding Delivery Date	11/13/2019

Utah Associated Municipal Power Systems

Payson Power Project

\$26,770,000 Taxable Revenue Refunding Bonds, Series 2019

(Final Numbers)

Summary Of Bonds Refunded

Issue	Maturity	Type	of Bond	Coupon	Maturity Value	Call Date	Call Price
Dated 4/12/2012 Delivered 4/12/2012							
2012 Payson	04/01/2022	Serial	Coupon	5.000%	5,700,000	10/01/2021	100.000%
2012 Payson	04/01/2023	Serial	Coupon	5.000%	5,985,000	10/01/2021	100.000%
2012 Payson	04/01/2024	Serial	Coupon	5.000%	6,280,000	10/01/2021	100.000%
2012 Payson	04/01/2025	Serial	Coupon	5.000%	6,595,000	10/01/2021	100.000%
2012 Payson	04/01/2026	Serial	Coupon	5.000%	6,925,000	10/01/2021	100.000%
Subtotal	-			-	\$31,485,000	-	-
Total	-			-	\$31,485,000	-	-

Utah Associated Municipal Power Systems

Payson Power Project

\$26,770,000 Taxable Revenue Refunding Bonds, Series 2019

(Final Numbers)

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
11/13/2019	-	-	-	-	-
04/01/2020	375,000.00	2.050%	241,812.42	616,812.42	616,812.42
10/01/2020	-	-	311,563.75	311,563.75	-
04/01/2021	540,000.00	2.150%	311,563.75	851,563.75	1,163,127.50
10/01/2021	-	-	305,758.75	305,758.75	-
04/01/2022	6,250,000.00	2.200%	305,758.75	6,555,758.75	6,861,517.50
10/01/2022	-	-	237,008.75	237,008.75	-
04/01/2023	6,385,000.00	2.350%	237,008.75	6,622,008.75	6,859,017.50
10/01/2023	-	-	161,985.00	161,985.00	-
04/01/2024	6,530,000.00	2.400%	161,985.00	6,691,985.00	6,853,970.00
10/01/2024	-	-	83,625.00	83,625.00	-
04/01/2025	6,690,000.00	2.500%	83,625.00	6,773,625.00	6,857,250.00
Total	\$26,770,000.00	-	\$2,441,694.92	\$29,211,694.92	-

Yield Statistics

Bond Year Dollars	\$102,026.83
Average Life	3.811 Years
Average Coupon	2.3931890%
Net Interest Cost (NIC)	2.5112608%
True Interest Cost (TIC)	2.5173439%
Bond Yield for Arbitrage Purposes	2.5147544%
All Inclusive Cost (AIC)	2.8404763%

IRS Form 8038

Net Interest Cost	2.3931890%
Weighted Average Maturity	3.811 Years

Utah Associated Municipal Power Systems

Payson Power Project

\$26,770,000 Taxable Revenue Refunding Bonds, Series 2019

(Final Numbers)

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
04/01/2020	Serial Coupon	2.050%	2.050%	375,000.00	100.000%	375,000.00
04/01/2021	Serial Coupon	2.150%	2.150%	540,000.00	100.000%	540,000.00
04/01/2022	Serial Coupon	2.200%	2.200%	6,250,000.00	100.000%	6,250,000.00
04/01/2023	Serial Coupon	2.350%	2.350%	6,385,000.00	100.000%	6,385,000.00
04/01/2024	Serial Coupon	2.400%	2.400%	6,530,000.00	100.000%	6,530,000.00
04/01/2025	Serial Coupon	2.500%	2.500%	6,690,000.00	100.000%	6,690,000.00
Total	-	-	-	\$26,770,000.00	-	\$26,770,000.00

Bid Information

Par Amount of Bonds	\$26,770,000.00
Gross Production	\$26,770,000.00
Total Underwriter's Discount (0.450%)	\$(120,465.00)
Bid (99.550%)	26,649,535.00
Total Purchase Price	\$26,649,535.00
Bond Year Dollars	\$102,026.83
Average Life	3.811 Years
Average Coupon	2.3931890%
Net Interest Cost (NIC)	2.5112608%
True Interest Cost (TIC)	2.5173439%

Utah Associated Municipal Power Systems

Payson Power Project

\$26,770,000 Taxable Revenue Refunding Bonds, Series 2019

(Final Numbers)

Sources & Uses

Dated 11/13/2019 | Delivered 11/13/2019

Sources Of Funds

Par Amount of Bonds	\$26,770,000.00
Transfers from Prior Issue DSR Funds	7,336,090.26

Total Sources	\$34,106,090.26
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Uses Of Funds

Deposit to Net Cash Escrow Fund	33,676,629.26
Costs of Issuance	190,000.00
Total Underwriter's Discount (0.450%)	120,465.00
Surety Bond commitment fee	65,397.50
Gross Bond Insurance Premium (18.0 bp)	52,581.05
Rounding Amount	1,017.45

Total Uses	\$34,106,090.26
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Utah Associated Municipal Power Systems

Payson Power Project

\$26,770,000 Taxable Revenue Refunding Bonds, Series 2019

(Final Numbers)

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Existing D/S	Net New D/S	Fiscal Total
11/13/2019	-	-	-	-	-	-	-
04/01/2020	375,000.00	2.050%	241,812.42	616,812.42	5,435,000.00	6,051,812.42	6,051,812.42
10/01/2020	-	-	311,563.75	311,563.75	135,750.00	447,313.75	-
04/01/2021	540,000.00	2.150%	311,563.75	851,563.75	5,565,750.00	6,417,313.75	6,864,627.50
10/01/2021	-	-	305,758.75	305,758.75	-	305,758.75	-
04/01/2022	6,250,000.00	2.200%	305,758.75	6,555,758.75	-	6,555,758.75	6,861,517.50
10/01/2022	-	-	237,008.75	237,008.75	-	237,008.75	-
04/01/2023	6,385,000.00	2.350%	237,008.75	6,622,008.75	-	6,622,008.75	6,859,017.50
10/01/2023	-	-	161,985.00	161,985.00	-	161,985.00	-
04/01/2024	6,530,000.00	2.400%	161,985.00	6,691,985.00	-	6,691,985.00	6,853,970.00
10/01/2024	-	-	83,625.00	83,625.00	-	83,625.00	-
04/01/2025	6,690,000.00	2.500%	83,625.00	6,773,625.00	-	6,773,625.00	6,857,250.00
Total	\$26,770,000.00	-	\$2,441,694.92	\$29,211,694.92	\$11,136,500.00	\$40,348,194.92	-

Utah Associated Municipal Power Systems

Payson Power Project

\$26,770,000 Taxable Revenue Refunding Bonds, Series 2019

(Final Numbers)

Gross Debt Service Comparison

Date	Principal	Coupon	Interest	New D/S	Old D/S	Savings	Fiscal Total
11/13/2019	-	-	-	-	-	-	-
04/01/2020	375,000.00	2.050%	241,812.42	616,812.42	787,125.00	170,312.58	170,312.58
10/01/2020	-	-	311,563.75	311,563.75	787,125.00	475,561.25	-
04/01/2021	540,000.00	2.150%	311,563.75	851,563.75	787,125.00	(64,438.75)	411,122.50
10/01/2021	-	-	305,758.75	305,758.75	787,125.00	481,366.25	-
04/01/2022	6,250,000.00	2.200%	305,758.75	6,555,758.75	6,487,125.00	(68,633.75)	412,732.50
10/01/2022	-	-	237,008.75	237,008.75	644,625.00	407,616.25	-
04/01/2023	6,385,000.00	2.350%	237,008.75	6,622,008.75	6,629,625.00	7,616.25	415,232.50
10/01/2023	-	-	161,985.00	161,985.00	495,000.00	333,015.00	-
04/01/2024	6,530,000.00	2.400%	161,985.00	6,691,985.00	6,775,000.00	83,015.00	416,030.00
10/01/2024	-	-	83,625.00	83,625.00	338,000.00	254,375.00	-
04/01/2025	6,690,000.00	2.500%	83,625.00	6,773,625.00	6,933,000.00	159,375.00	413,750.00
10/01/2025	-	-	-	-	173,125.00	173,125.00	-
04/01/2026	-	-	-	-	7,098,125.00	7,098,125.00	7,271,250.00
Total	\$26,770,000.00	-	\$2,441,694.92	\$29,211,694.92	\$38,722,125.00	\$9,510,430.08	-

PV Analysis Summary (Gross to Gross)

Gross PV Debt Service Savings	8,294,500.59
Transfers from Prior Issue DSR Fund	(7,336,090.26)
Contingency or Rounding Amount	1,017.45
Net Present Value Benefit	\$959,427.78
Net PV Benefit / \$31,485,000 Refunded Principal	3.047%
Average Annual Cash Flow Savings	1,358,632.87

Refunding Bond Information

Refunding Dated Date	11/13/2019
Refunding Delivery Date	11/13/2019

Utah Associated Municipal Power Systems

Payson Power Project

\$26,770,000 Taxable Revenue Refunding Bonds, Series 2019

(Final Numbers)

Escrow Fund Cashflow

Date	Principal	Rate	Interest	+Transfers	Receipts	Disbursements	Cash Balance	Fiscal Total
11/13/2019	-	-	-	1.26	101.26	-	101.26	-
04/01/2020	461,757.00	1.640%	153,900.37	171,466.86	787,124.23	787,125.00	100.49	787,125.00
10/01/2020	412,558.00	1.570%	203,099.54	171,467.35	787,124.89	787,125.00	100.38	-
04/01/2021	418,274.00	1.560%	197,383.36	171,467.33	787,124.69	787,125.00	100.07	1,574,250.00
10/01/2021	25,047,850.00	1.550%	194,120.83	7,030,153.68	32,272,124.51	32,272,125.00	99.58	-
04/01/2022	-	-	-	-	-	-	-	32,272,125.00
Total	\$26,340,439.00	-	\$748,504.10	\$7,544,556.48	\$34,633,599.58	\$34,633,500.00	-	-

Investment Parameters

Investment Model [PV, GIC, or Securities]	Securities
Default investment yield target	Unrestricted
Cost of Investments Purchased with Fund Transfers	7,336,090.26
Cash Deposit	100.00
Cost of Investments Purchased with Bond Proceeds	26,340,439.00
Total Cost of Investments	\$33,676,629.26
Target Cost of Investments at bond yield	\$25,888,199.81
Actual positive or (negative) arbitrage	(452,339.19)
Yield to Receipt	1.5501596%
Yield for Arbitrage Purposes	2.5147544%
State and Local Government Series (SLGS) rates for	10/23/2019

Utah Associated Municipal Power Systems

Payson Power Project

\$26,770,000 Taxable Revenue Refunding Bonds, Series 2019

(Final Numbers)

DSR Transfers Fund Cash Flow

Date	Principal	Rate	Interest	Total P+I	-Transfers	Cash Balance
11/13/2019	-	-	-	-	(1.26)	-
04/01/2020	128,604.00	1.640%	42,862.86	171,466.86	(171,466.86)	-
10/01/2020	114,902.00	1.570%	56,565.35	171,467.35	(171,467.35)	-
04/01/2021	116,494.00	1.560%	54,973.33	171,467.33	(171,467.33)	-
10/01/2021	6,976,089.00	1.550%	54,064.68	7,030,153.68	(7,030,153.68)	-
Total	\$7,336,089.00	-	\$208,466.22	\$7,544,555.22	(7,544,556.48)	-

Composition Of Initial Deposit

Cash Deposit	1.26
Cost of Investments Purchased with Fund Transfers	7,336,089.00
Total Cost of Investments	\$7,336,090.26
Yield to Receipt	1.5501593%

Utah Associated Municipal Power Systems

Payson Power Project

\$26,770,000 Taxable Revenue Refunding Bonds, Series 2019

(Final Numbers)

Proof of Reserve Fund Requirement

Date	Principal	Interest	Existing D/S	TOTAL P+I
04/01/2020	375,000.00	241,812.42	5,435,000.00	6,051,812.42
04/01/2021	540,000.00	623,127.50	5,701,500.00	6,864,627.50
04/01/2022	6,250,000.00	611,517.50	-	6,861,517.50
04/01/2023	6,385,000.00	474,017.50	-	6,859,017.50
04/01/2024	6,530,000.00	323,970.00	-	6,853,970.00
04/01/2025	6,690,000.00	167,250.00	-	6,857,250.00
Total	\$26,770,000.00	\$2,441,694.92	\$11,136,500.00	\$40,348,194.92

PROOF OF RESERVE FUND

MAXIMUM PERIODIC DEBT SERVICE

100 % of the Maximum Periodic Debt Service	6,864,627.50
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AVERAGE PERIODIC DEBT SERVICE

Total P+I	40,348,194.92
Bond Years (Delivery Date)	5.38
125 % of the Average Periodic Debt Service	9,368,775.91

PERCENT OF PAR

Total Par (Existing + New)	37,370,000.00
10 % of Par	3,737,000.00

RESERVE REQUIREMENT

Computed Requirement	3,737,000.00
Proof's Requirement	3,737,000.00

Utah Associated Municipal Power Systems

Payson Power Project

\$26,770,000 Taxable Revenue Refunding Bonds, Series 2019

(Final Numbers)

Proof of Bond Yield @ 2.5147544%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
11/13/2019	-	1.0000000x	-	-
04/01/2020	616,812.42	0.9904659x	610,931.70	610,931.70
10/01/2020	311,563.75	0.9781667x	304,761.29	915,692.99
04/01/2021	851,563.75	0.9660202x	822,627.77	1,738,320.76
10/01/2021	305,758.75	0.9540245x	291,701.34	2,030,022.10
04/01/2022	6,555,758.75	0.9421778x	6,176,690.18	8,206,712.27
10/01/2022	237,008.75	0.9304782x	220,531.46	8,427,243.74
04/01/2023	6,622,008.75	0.9189238x	6,085,121.54	14,512,365.28
10/01/2023	161,985.00	0.9075130x	147,003.49	14,659,368.76
04/01/2024	6,691,985.00	0.8962438x	5,997,649.99	20,657,018.75
10/01/2024	83,625.00	0.8851146x	74,017.71	20,731,036.45
04/01/2025	6,773,625.00	0.8741235x	5,920,985.00	26,652,021.45
Total	\$29,211,694.92	-	\$26,652,021.45	-

Derivation Of Target Amount

Par Amount of Bonds	\$26,770,000.00
Bond Insurance Premium..... (18.0 bp)	(52,581.05)
Other Credit Enhancement Fees	(65,397.50)
Original Issue Proceeds	\$26,652,021.45

Interest on the Series 2019 Bonds is includible in gross income of the owners thereof for federal income tax purposes. In the opinion of Bond Counsel, under existing laws of the State of Utah presently enacted and construed, interest on the Series 2019 Bonds will be exempt from taxes imposed by the Utah Individual Income Tax Act. See “TAX EXEMPTION.”



\$26,770,000
UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS
PAYSON POWER PROJECT REFUNDING REVENUE BONDS
SERIES 2019 (TAXABLE)

Dated: Date of original issuance

Due: April 1, as shown on the inside cover

The Series 2019 Bonds are initially issuable in book-entry form only through The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Series 2019 Bonds. Interest on the Series 2019 Bonds is payable on each April 1 and October 1, commencing April 1, 2020. The Series 2019 Bonds are subject to optional redemption prior to maturity.

The Series 2019 Bonds are being issued to refund bonds previously issued by UAMPS to refinance the Cost of Construction of, the Payson Power Project, a 140 MW natural gas-fired generating facility located in Payson, Utah.

The scheduled payment of principal of and interest on the Series 2019 Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Series 2019 Bonds by Build America Mutual Assurance Company.



The Series 2019 Bonds are special obligations of UAMPS and are payable from and secured by a pledge of the Revenues derived by UAMPS from the Payson Power Project, and certain funds pledged under the Indenture, subject to the application of the Revenues under the terms of the Indenture and to the payment of the Operation and Maintenance Costs of the Payson Power Project. The Series 2019 Bonds are not an obligation of the State of Utah, the Participants, any other Member of UAMPS or any other political subdivision of the State of Utah (other than UAMPS). Neither the faith and credit nor the taxing or appropriation power of the State of Utah or any political subdivision thereof is pledged to the payment of the Series 2019 Bonds. UAMPS has no taxing power.

The Series 2019 Bonds are offered when, as and if issued and received by the Underwriter, subject to the approval of legality by Chapman and Cutler LLP, Bond Counsel, and certain other conditions. Certain matters will be passed on for the Underwriter by its counsel, Gilmore & Bell, P.C. It is expected that the Series 2019 Bonds will be available for delivery in book-entry form on or about November 13, 2019.

Zions Public Finance, Inc. has acted as municipal advisor to UAMPS in connection with the Series 2019 Bonds.

KEYBANC CAPITAL MARKETS INC.

This cover page contains general information for quick reference only. It is not a summary. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision. This Official Statement is dated October 23, 2019, and the information contained herein speaks only as of such date.

\$26,770,000
UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS
PAYSON POWER PROJECT REFUNDING REVENUE BONDS
SERIES 2019 (TAXABLE)

MATURITY (APRIL 1)	PRINCIPAL AMOUNT	INTEREST RATE	CUSIP (917328) [†]
2020	\$ 375,000	2.05%	SR8
2021	540,000	2.15	SS6
2022	6,250,000	2.20	ST4
2023	6,385,000	2.35	SU1
2024	6,530,000	2.40	SV9
2025	6,690,000	2.50	SW7

[†] The CUSIP numbers shown above have been assigned by an independent company not affiliated with the parties to this bond transaction and are included solely for the convenience of the holders of the Series 2019 Bonds. None of UAMPS, the Trustee or the Underwriter is responsible for the selection or uses of such CUSIP numbers, and no representation is made as to its correctness on the Series 2019 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2019 Bonds as a result of various subsequent actions including, but not limited to, a refunding of the Series 2019 Bonds in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities.

UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS

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BOARD OF DIRECTORS

Jason Norlen	Chair
Les Williams	Vice Chair
Dwight Day	Secretary
Joel Eves	Treasurer

Casey Anderson	Leon Fredrickson	Kent Kummer	Jeremy Redd
Ty Bailey	Blaine Haacke	Eric Larsen	Bruce Rigby
Dave Burnett	Chris Hogge	Ray Loveless	Gene Shawcroft
Bret Cammans	Joe Horvath	Laurie Magnum	Chip Shortreed
Ron Crump	Rick Hansen	Mark Montgomery	Douglas Smith
Matt Draper	Dave Imlay	Ted Olsen	Jack Taylor
Robert Erquiaga	Allen Johnson	Daniel Peterson	Shane Ward
Jeremy Franklin	Isaac Jones	Bear Prairie	

MANAGEMENT

Douglas O. Hunter
Chief Executive Officer/General Manager

Jackie Coombs
Manager of Corporate and Member Relations

Marshall Empey
Chief of Operations Officer

Scott Fox
Chief Financial Officer

Mason Baker
Chief Legal Officer/General Counsel

PROJECT PARTICIPANTS

Ephraim City	Lehi City	South Utah Valley ESD
Fairview City	Logan City	Spring City
City of Hurricane	Monroe City	City of Springville
Hyrum City	Mt. Pleasant City	Truckee Donner PUD
Kaysville City	Payson City	Washington City
	City of Santa Clara	

TRUSTEE

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BOND COUNSEL

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MUNICIPAL ADVISOR

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One South Main Street, 18th Floor
Salt Lake City, Utah 84133

GENERAL INFORMATION AND CERTAIN DISCLAIMERS

The information contained in this Official Statement has been furnished by UAMPS, the Participants, DTC, Build America Mutual Assurance Company and other sources that are believed to be reliable. No dealer, broker, salesperson or any other person has been authorized by UAMPS or the Underwriter to give any information or to make any representations other than those contained in this Official Statement in connection with the offering contained herein, and, if given or made, such information or representations must not be relied upon as having been authorized by UAMPS or the Underwriter.

This Official Statement does not constitute an offer to sell or solicitation of an offer to buy, nor shall there be any sale of the Series 2019 Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion herein are subject to change without notice, and neither delivery of this Official Statement nor any sale made thereunder shall under any circumstances create any implication that there has been no change in the affairs of UAMPS or the Participants, or in any other information contained herein, since the date of this Official Statement.

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

In connection with this offering, the Underwriter may engage in transactions that stabilize, maintain or otherwise affect the market prices of the Series 2019 Bonds. Such transactions, if commenced, may be discontinued at any time.

THE SERIES 2019 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT.

This Official Statement contains “forward-looking statements” that are based upon UAMPS’ current expectations and its projections about future events. When used in this Official Statement, the words “project,” “estimate,” “intend,” “expect,” “scheduled,” “proforma” and similar words identify forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties and factors that are outside of the control of UAMPS. Actual results could differ materially from those contemplated by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. UAMPS has no plans to issue any updates or revisions to these forward-looking statements based on future events.

Build America Mutual Assurance Company (“BAM”) makes no representation regarding the Series 2019 Bonds or the advisability of investing in the Series 2019 Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading “BOND INSURANCE” and “EXHIBIT H—SPECIMEN MUNICIPAL BOND INSURANCE POLICY”.

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OFFICIAL STATEMENT

\$26,770,000

**UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS
PAYSON POWER PROJECT REFUNDING REVENUE BONDS
SERIES 2019 (TAXABLE)**

INTRODUCTION

This Official Statement, which includes the cover page hereof and the Appendices, provides certain information in connection with the issuance by Utah Associated Municipal Power Systems (“*UAMPS*”), of its \$26,770,000 Payson Power Project Refunding Revenue Bonds, Series 2019 (the “*Series 2019 Bonds*”).

UAMPS

UAMPS is a political subdivision of the State of Utah organized under the Utah Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended (the “*Act*”). Its 47 members (the “*Members*”) include public power utilities in Utah, California, Idaho, Nevada, New Mexico and Wyoming. Each of the Members has entered into the UAMPS Agreement for Joint and Cooperative Action (the “*Organization Agreement*”) which provides for the organization and operation of UAMPS. UAMPS’ purposes include the planning, financing, development, acquisition, construction, operation and maintenance of various projects for the generation, supply, transmission and management of electric energy for the benefit of the Members.

UAMPS is a project-based organization and presently operates 16 separate projects that provide a variety of power supply, transmission and other services to the Members that participate in them. The Members make their own elections to participate in UAMPS’ projects and are not obligated to participate in any particular project. In general, UAMPS and its Members that elect to participate in a project enter into a contract that specifies the services or product to be provided by UAMPS from the project, the payments to be made by the participating Members in respect of the costs of the project and other matters relating to the project. See “UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS.”

THE SERIES 2019 BONDS

The Series 2019 Bonds are issued in book-entry form only and mature and bear interest as shown on the inside cover page of this Official Statement. Interest on the Series 2019 Bonds is payable on each April 1 and October 1, commencing April 1, 2020. So long as the book-entry system is in effect, payments of principal and interest, and transfers of the Series 2019 Bonds, will be made through the facilities and under the procedures of DTC. See “THE SERIES 2019 BONDS.”

The Series 2019 Bonds are subject to optional redemption prior to maturity. See “THE SERIES 2019 BONDS—Redemption.”

AUTHORITY FOR THE SERIES 2019 BONDS

The Series 2019 Bonds are being issued pursuant to the Act and the Trust Indenture dated as of October 1, 2002, as previously supplemented and amended and as supplemented by a Sixth Supplemental Trust Indenture, dated as of November 1, 2019 (collectively, the “*Indenture*”), each between UAMPS and Zions Bancorporation, National Association, as successor trustee thereunder (the “*Trustee*”). Capitalized terms used

and not defined in this Official Statement have the meanings assigned to them in the Indenture or, if not in the Indenture, in the Power Sales Contracts (defined below). See “CERTAIN DEFINITIONS” in APPENDIX C.

PAYSON POWER PROJECT BONDS; PURPOSE OF THE SERIES 2019 BONDS

In 2003, UAMPS issued \$100,850,000 Payson Power Project Revenue Bonds, 2003 Series A (the “*Series 2003A Bonds*”) to provide funds sufficient, together with capital contributions made by certain of the Participants (defined below), to pay the Cost of Construction of the Initial Facilities of the Payson Power Project. In 2012, UAMPS issued \$74,885,000 Payson Power Project Refunding Revenue Bonds, Series 2012 (the “*Series 2012 Bonds*”) to advance refund all of the outstanding Series 2003A Bonds and to repurchase and refinance certain special obligation bonds previously issued by UAMPS for the benefit of certain Participants. In 2013, UAMPS issued \$2,025,000 Payson Power Project Revenue Bonds, Series 2013 (the “*Series 2013 Bonds*”) to finance the cost of certain improvements, repairs and replacements to the Payson Power Project. As of the date of this Official Statement, \$860,000 principal amount of the Series 2013 Bonds remains outstanding.

UAMPS is issuing the Series 2019 Bonds to provide funds sufficient, together with other legally available moneys, to advance refund the \$31,485,000 principal amount of Series 2012 Bonds maturing on and after April 1, 2022 (the “*Series 2012 Refunded Bonds*”). See “PLAN OF REFUNDING” below. Proceeds of the Series 2019 Bonds will also be used to pay certain costs of issuance. See “PLAN OF REFUNDING” and “SOURCES AND USES OF FUNDS” below.

The Series 2019 Bonds, the \$10,600,000 principal amount of the Series 2012 Bonds maturing in 2020 and 2021 that are not being refunded by the Series 2019 Bonds (the “*Series 2012 Outstanding Bonds*”), the Series 2013 Bonds and any additional bonds, notes and refunding bonds that may be issued by UAMPS pursuant to the Indenture are referred to collectively herein as the “*Bonds*.”

THE PAYSON POWER PROJECT

The Payson Power Project (or the “*Project*”) is a natural gas-fired, combined cycle electric generating facility located on a seven-acre site in Payson, Utah, approximately 60 miles south of Salt Lake City, together with related gas and electric interconnection, transportation and transmission facilities. The principal component of the Project is an electric generating facility known as the “Nebo Power Station” (the “*Generating Facility*”), which includes a combustion turbine-generator, a heat recovery steam generator and a dual-pressure steam turbine. The Project has a minimum (simple cycle) operating capability of 67 megawatts (“*MW*”), an optimal (combined cycle) operating capability of 106 MW and a net maximum (summer/duct fired) operating capability of 140 MW. The Generating Facility also includes pollution control equipment, a cooling tower, water treatment facilities, water storage tanks, control and administrative buildings, and other ancillary facilities. The Project also includes approximately six miles of gas pipeline to provide access to natural gas supplies, and ten miles of 138 kV and 46 kV transmission lines, and substation facilities which interconnect the Project with the regional transmission grid for the delivery of Project output to the Participants.

The Project was placed into commercial operation in June 2004 and has operated with a high degree of reliability since that date. The Generating Facility is operated by a staff of thirteen UAMPS employees, including a plant manager who reports to the Chief Operations Officer of UAMPS.

For a more complete description of the Project, see “THE PAYSON POWER PROJECT.”

THE PARTICIPANTS

UAMPS sells all of the output of the Payson Power Project to 16 of its Members (the “*Participants*”) under substantially identical Payson Power Project Power Sales Contracts, as supplemented (collectively, the “*Power Sales Contracts*”).

The Participants are those political subdivisions of the States of Utah and California listed on the roster page at the front of this Official Statement. Each of the Participants owns and operates a local electric utility system and uses its portion of the output of the Payson Power Project to meet a portion of its power supply requirements.

The Participants provide electric utility service to over 113,000 retail customers, and their service areas have a total population of over 280,000. For their most recent years of operation, the Participants sold over 1.9 million MWh of electric energy and had aggregate (noncoincident) peak demands of over 570 MW.

For additional information regarding the Participants, see “THE PARTICIPANTS” and APPENDIX A.

POWER SALES CONTRACTS

Under the Power Sales Contracts, UAMPS has agreed to sell to each Participant, and each Participant has agreed to purchase from UAMPS, the electric energy allocable to such Participant’s respective share of the capability of the Payson Power Project. Each Participant’s share of the output of the Project (as it may be revised from time to time in accordance with the Power Sales Contracts), is referred to as an “*Entitlement Share*.” See “THE PARTICIPANTS” for a schedule showing the Participants and their Entitlement Shares.

The Power Sales Contracts allocate the output and the costs of the Project to the Participants based upon their Entitlement Shares. Together, the 16 Power Sales Contracts allocate all of the output and costs of the Project to the Participants. The Power Sales Contracts can not be terminated while any of the Series 2019 Bonds are outstanding and constitute the principal source of the Revenues pledged to the payment of the Series 2019 Bonds under the Indenture.

The Participants have agreed to make payments to UAMPS under the Power Sales Contracts on a “take-or-pay” basis, whether or not the Project or any portion thereof is acquired, completed, operable or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of the output of the Project, in whole or in part, for any reason. The obligation of the Participants to make such payments is not subject to any reduction, offset or counterclaim, and is not conditioned upon the performance by UAMPS under the Power Sales Contracts or any other agreement or instrument.

The payment obligations of the Participants under the Power Sales Contracts are several and not joint. However, the Power Sales Contracts include a “step-up” provision that requires the Participants to accept an increase in their Entitlement Shares of up to 25% in the event of a default by another Participant.

The payment obligations of the Participants under the Power Sales Contracts are not general obligations of the Participants, but constitute operating expenses of the Participants’ respective electric utility systems, payable solely from the available revenues of the related system. The Participants are not liable for each other’s obligations under the Power Sales Contracts.

See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS—Power Sales Contracts” below and “SUMMARY OF CERTAIN PROVISIONS OF THE POWER SALES CONTRACTS” in APPENDIX D.

SECURITY AND SOURCE OF PAYMENT

The Series 2019 Bonds are secured and payable as provided in the Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS.” The cross references below are to the subheadings under that caption.

Pledge of the Indenture. The Series 2019 Bonds, the Series 2012 Outstanding Bonds, the Series 2013 Bonds and any additional Bonds are equally and ratably secured under the Indenture and are payable on a parity with one another. The Bonds are special obligations of UAMPS, payable from and secured by a pledge and assignment of the Revenues derived by UAMPS from the Payson Power Project and certain funds established under the Indenture. The Revenues consist primarily of payments to be made by the Participants under the Power Sales Contracts. See “Pledge of the Indenture.”

Use of Revenues. The Indenture provides for the allocation of the Revenues to the funds and accounts established by the Indenture and for the use of the Revenues to pay all of the costs of the Project, including the debt service on the Bonds. The Revenues are applied first to the Operation and Maintenance Fund to pay the Operation and Maintenance Costs of the Project as they become due and to provide necessary working capital for Project operations. The Revenues are next transferred to the Bond Fund to pay the debt service on the Bonds and to replenish any amount that has been withdrawn from the Debt Service Reserve Account. The Revenues are then transferred to the Subordinated Indebtedness Fund and the Reserve and Contingency Fund to meet the purposes of these funds. The Revenues may only be used for purposes of the Project. See “Flow of Funds.”

Debt Service Reserve. The payment of the Series 2012 Outstanding Bonds and the Series 2019 Bonds is further secured by the Series 2012/2019 Debt Service Reserve Subaccount held by the Trustee under the Indenture. This Subaccount will be funded upon the issuance of the Series 2019 Bonds by a Municipal Bond Debt Service Reserve Insurance Policy to be issued by Build America Mutual Assurance Company with an insurance limit equal to the Debt Service Reserve Requirement. See “Debt Service Reserve Account.”

Power Sales Contracts. UAMPS has covenanted in the Indenture that (1) it will enforce the provisions of the Power Sales Contracts and duly perform its obligations under them and (2) it will not consent to any rescission or amendment of the Power Sales Contracts which will reduce the aggregate amount of the payments required to be made by the Participants or which will materially and adversely affect the rights of UAMPS under the Power Sales Contracts or the rights or security of the Bondowners under the Indenture. See “Power Sales Contracts.”

Rate Covenant. UAMPS has covenanted to at all times establish and collect rates and charges for the output of the Project that will provide Revenues in each fiscal year sufficient, together with other available funds, to pay (1) the Operation and Maintenance Costs, (2) the Aggregate Debt Service on the Bonds, (3) any amount required to be deposited into the Debt Service Reserve Account, and (4) all other charges or amounts payable out of Revenues. See “Rate Covenant.”

Additional Bonds. UAMPS may issue one or more Series of additional Bonds under the Indenture which will rank on a parity with the Series 2019 Bonds with respect to the pledge of Revenues under the Indenture. Additional Bonds may be issued for one or more of the following purposes to: (1) pay the Cost of Construction of Additional Facilities and certain other costs of the Project, (2) pay Operation and Maintenance Costs and to provide working capital reserves, (3) pay the principal or redemption price of and interest on Bond Anticipation

Notes and (4) provide UAMPS with funds sufficient to accomplish the refunding of all or a part of an outstanding Series of Bonds, including in each case the payment of all expenses in connection with such refunding. See “Additional Bonds.”

BOND INSURANCE

The scheduled payment of principal of and interest on the Series 2019 Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Series 2019 Bonds by Build America Mutual Assurance Company.

AVAILABILITY OF CONTINUING INFORMATION

UAMPS will enter into a Continuing Disclosure Undertaking (the “*Undertaking*”) for the benefit of the Beneficial Owners of the Series 2019 Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board pursuant to the requirements of Section (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The proposed form of the Undertaking is attached as APPENDIX F hereto. See also “CONTINUING DISCLOSURE” herein.

TAX MATTERS

Interest on the Series 2019 Bonds is includible in gross income of the owners thereof for federal income tax purposes. In the opinion of Bond Counsel, under existing laws of the State of Utah presently enacted and construed, interest on the Series 2019 Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act. See “TAX EXEMPTION.”

CONDITIONS OF DELIVERY

The Series 2019 Bonds are offered, subject to prior sale, when, as, and if issued, subject to the approval of legality by Chapman and Cutler LLP, Bond Counsel to UAMPS, and certain other conditions. Certain matters will be passed upon for the Underwriter by its counsel, Gilmore & Bell, P.C. See “LEGAL MATTERS.”

ADDITIONAL INFORMATION

In preparing this Official Statement, UAMPS has relied upon information furnished by the Participants, as well as certain information supplied by DTC, Build America Mutual Assurance Company and others. This Official Statement includes summaries of the terms of the Series 2019 Bonds, the Indenture, certain provisions of the Act, the Power Sales Contracts and certain contracts and documents relating to the Payson Power Project. The summaries of and references to all documents, statutes, reports and other instruments referred to herein do not purport to be complete, comprehensive or definitive, and each such summary and reference is qualified in its entirety by reference to each such document, statute, report, or instrument. Descriptions of the Indenture, the Series 2019 Bonds and the Power Sales Contracts are also qualified by reference to bankruptcy laws affecting the remedies for the enforcement of the rights and security provided therein and the effect of the exercise of the police power by any entity with jurisdiction.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between UAMPS and the purchasers or owners of any of the Series 2019 Bonds. The

statements of UAMPS herein are not to be construed as statements by any member of the Board of Directors of UAMPS or any employee of UAMPS.

THE SERIES 2019 BONDS

GENERAL

The Series 2019 Bonds will be issued as fully registered bonds, initially in full book-entry form only, in the denomination of \$5,000 or any integral multiple thereof, in the aggregate principal amount shown on the cover page of this Official Statement. The Series 2019 Bonds will be dated their date of original issuance and will bear interest from that date at the interest rates per annum set forth on the inside cover page of this Official Statement. Interest on the Series 2019 Bonds is calculated on the basis of a 360-day year consisting of twelve 30-day months and is payable on April 1 and October 1 of each year, commencing April 1, 2020. The Series 2019 Bonds will mature on April 1 of the years and in the principal amounts set forth on the inside cover page of this Official Statement.

Principal and Redemption Price on the Series 2019 Bonds when due shall be payable at the principal corporate trust office of the Trustee as Paying Agent, or of its successor as Paying Agent. Payment of interest on the Series 2019 Bonds shall be made to the registered Owner thereof and shall be paid (1) by check or draft mailed to the person who is the registered Owner of record as of the close of business on the fifteenth day of the month next preceding each interest payment date (the “*Record Date*”) at his address as it appears on the registration books of the Trustee or at such other address as is furnished in writing by such registered Owner to the Trustee prior to the Record Date or (2) with respect to units of \$1,000,000 or more of Bonds, by wire transfer to the registered Owner thereof upon written notice by such Owner to the Trustee given not later than the Record Date prior to an interest payment date.

OPTIONAL REDEMPTION

The Series 2019 Bonds are subject to redemption prior to maturity at the option of UAMPS, in whole or in part, and if in part among maturities to be designated by UAMPS, on any date, at a Redemption Price, calculated by a quotation agent selected by UAMPS in a commercially reasonable manner, equal to the greater of (i) 100% of the principal amount of the Series 2019 Bonds to be redeemed; and (ii) the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of such Series 2019 Bonds to be redeemed (but excluding accrued and unpaid interest on such Series 2019 Bonds that is payable on the redemption date), discounted to the date on which such Series 2019 Bonds are to be redeemed on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Rate (described below) plus twenty-five basis points (0.25%); plus accrued interest on the Series 2019 Bonds to be redeemed to the redemption date.

“*Treasury Rate*” means, with respect to any redemption date for a particular Series 2019 Bond, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (excluding inflation indexed securities), or if such Statistical Release is no longer published any publicly available source of similar market data, most nearly equal to the period from the redemption date to the maturity date of the Series 2019 Bond to be redeemed; *provided, however*, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually-traded United States Treasury securities adjusted to a constant maturity of one year will be used.

SELECTION OF BONDS FOR REDEMPTION

If less than all of the Series 2019 Bonds are to be redeemed and if such Series 2019 Bonds mature on more than one date, UAMPS may select the maturity or maturities to be redeemed. If less than all of the Series 2019 Bonds of any maturity are to be redeemed, the particular Series 2019 Bonds or portion of such Bonds of such maturity shall be selected by the Trustee in such manner as the Trustee in its sole discretion may deem fair and appropriate. The portion of any Series 2019 Bond of a denomination of more than \$5,000 to be redeemed will be in the principal amount of \$5,000 or any integral multiple thereof, and in selecting portions of such Bonds for redemption the Trustee will treat each such Bond as representing that number of such Bonds of \$5,000 denomination which is obtained by dividing the principal amount of such Bond to be redeemed in part by \$5,000.

NOTICE OF REDEMPTION

The Indenture requires the Trustee to give notice of any redemption of the Series 2019 Bonds by first class mail, postage prepaid to the registered owners of such Series 2019 Bonds to be redeemed not less than 30 nor more than 45 days prior to the redemption date. Such notice is to be sent to such registered owners at their respective addresses as they appear on the bond registration books of the Trustee or at such address as may have been filed by such Bondowner with the Trustee for such purpose. Neither failure to mail any such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of any of the Series 2019 Bonds.

If, at the time the notice is mailed, moneys sufficient to redeem all Bonds called for redemption have not been deposited with the Trustee, the notice described above will state that it is conditional upon the deposit by UAMPS of moneys sufficient to redeem all Bonds no later than the redemption date, and such notice will be of no effect unless such moneys are so deposited. If sufficient moneys are not deposited with the Trustee by the redemption date, the notice will be rescinded, none of the Bonds will be redeemed and the redemption price will not be due and payable. The Trustee will, as soon as possible and at the expense of UAMPS, give notice to the registered owners of the Bonds called for redemption of the rescission of such notice of redemption.

The Indenture requires further notice of any redemption of the Series 2019 Bonds to be given to certain registered securities depositories and national information services, but only if the Series 2019 Bonds are not held in book-entry only form. No defect in such further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice is given as described in the paragraph above.

So long as the Series 2019 Bonds are in book-entry form as described below and DTC is the registered owner of the Series 2019 Bonds, the Trustee is to send notice of redemption to DTC. Any failure of DTC to advise any Direct or Indirect Participant, or of any Direct or Indirect Participant to notify any Beneficial Owner, of any such notice or its content or effect will not affect the validity of the call for redemption of any of the Series 2019 Bonds.

BOOK-ENTRY FORM

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Series 2019 Bonds. The Series 2019 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Series 2019 Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("*Direct Participants*") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations.

DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("*DTCC*"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("*Indirect Participants*"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Series 2019 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2019 Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("*Beneficial Owner*") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2019 Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2019 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Series 2019 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2019 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2019 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2019 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2019 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2019 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Series 2019 Bonds may wish to ascertain that the nominee holding the Series 2019 Bonds for their benefit has agreed

to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2019 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to UAMPS as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2019 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2019 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from UAMPS or Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Trustee, or UAMPS, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of UAMPS or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2019 Bonds at any time by giving reasonable notice to UAMPS or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, certificates for the Series 2019 Bonds are required to be printed and delivered.

UAMPS may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor depository). In that event, certificates for the Series 2019 Bonds will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC. UAMPS takes no responsibility for the accuracy of this information.

PLAN OF REFUNDING

Proceeds from the Series 2019 Bonds and other available moneys will be deposited with Zions Bancorporation, National Association (the "*Escrow Agent*"), pursuant to an Escrow Agreement dated as of November 1, 2019 to establish an irrevocable trust escrow account (the "*Escrow Account*"), consisting of cash and noncallable direct full faith and credit obligations of the United States of America. Funds in the Escrow Account will be used to refund the Series 2012 Refunded Bonds in advance of their stated maturity, and are pledged solely for the payment of the Series 2012 Refunded Bonds. Upon the deposit of such amounts, the Series 2012 Refunded Bonds will be deemed to be paid and will no longer be secured by the pledge of the Revenues and other amounts under the Indenture.

The Series 2012 Refunded Bonds will be called for redemption on October 1, 2021, at a redemption price of one hundred percent (100%) of the principal amount thereof plus accrued interest thereon to the redemption date. The scheduled maturities, interest rates and CUSIP numbers for the Series 2012 Refunded Bonds are as follows:

SERIES 2003A REFUNDED BONDS

SCHEDULED MATURITY (APRIL 1)	PRINCIPAL AMOUNT	INTEREST RATE	CUSIP 917328
2022	\$ 5,700,000	5.00%	PM2
2023	5,985,000	5.00	PN0
2024	6,280,000	5.00	PP5
2025	6,595,000	5.00	PQ3
2026	<u>6,925,000</u>	5.00	PR1
TOTAL	<u>\$31,485,000</u>		

The cash and investments held in the Escrow Account will bear interest and mature in amounts sufficient to pay (1) the interest falling due on the Series 2012 Refunded Bonds through October 1, 2021 and (2) the redemption price of the Series 2012 Refunded Bonds on October 1, 2021.

Certain mathematical computations regarding the sufficiency of and the yield on the investments held in the Escrow Account will be verified by Public Finance Partners LLC. See “ESCROW VERIFICATION” below. UAMPS does not intend to apply for a revised rating on the Series 2012 Refunded Bonds following their defeasance.

SOURCES AND USES OF FUNDS

The sources and uses of funds in connection with the issuance of the Series 2019 Bonds are approximately as follows:

SOURCES:

Principal of the Series 2019 Bonds	\$26,770,000
Available moneys ⁽¹⁾	<u>7,336,090</u>
TOTAL SOURCES	\$34,106,090

USES:

Deposit to Escrow Account ⁽²⁾	\$33,676,629
Costs of issuance ⁽³⁾	<u>429,461</u>
TOTAL USES	\$34,106,090

(1) Amounts held in the debt service reserve account and the debt service account for the Series 2012 Refunded Bonds.

(2) See “PLAN OF REFUNDING” above.

(3) Includes Underwriter’s discount, premiums for the Series 2019 Security Instrument and the Series 2012/2019 Reserve Instrument, legal, financial advisory, rating agency and Trustee and escrow agent fees and expenses, and other miscellaneous costs.

DEBT SERVICE REQUIREMENTS

The following table sets forth the annual debt service requirements on the Series 2019 Bonds, the Series 2012 Outstanding Bonds and the Series 2013 Bonds:

YEAR ⁽¹⁾	SERIES 2019 BONDS			SERIES 2012 OUTSTANDING BONDS ⁽³⁾	SERIES 2013 BONDS ⁽³⁾
	PRINCIPAL ⁽²⁾	INTEREST ⁽²⁾	TOTAL ⁽²⁾		
2020	\$ 375,000	\$ 241,812	\$ 616,812	\$ 6,487,125	\$225,136
2021	540,000	623,128	1,163,128	5,701,500	226,440
2022	6,250,000	611,518	6,861,518		222,656
2023	6,385,000	474,018	6,859,018		223,872
2024	6,530,000	323,970	6,853,970		
2025	<u>6,690,000</u>	<u>167,250</u>	<u>6,857,250</u>		
TOTAL	\$26,770,000	\$2,441,695	\$29,211,695	\$12,188,625	\$898,104

- (1) Bond years ended April 1. Under the Indenture, Debt Service is calculated on a Fiscal Year basis. UAMPS Fiscal Year ends March 31.
- (2) Amounts have been rounded to the nearest dollar. Columns may not total due to rounding.
- (3) Debt service on the Series 2012 Outstanding Bonds and the Series 2013 Bonds for the 2020 bond year include interest payments made on October 1, 2019.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS

PLEDGE OF THE INDENTURE

All Bonds are equally and ratably secured under the Indenture. Pursuant to the Indenture, UAMPS has pledged as security for the Bonds the proceeds of the Bonds, the Revenues and the funds (other than any Rebate Fund) established by the Indenture, including the investments, if any, thereof, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture. The Indenture does not mortgage or pledge any of the properties comprising the Payson Power Project to secure the payment of the Bonds.

“Revenues” is defined in the Indenture as all revenues, fees, income, charges, rents and receipts derived by UAMPS from or attributable to the Project, including the proceeds of any insurance covering business interruption loss, all as determined in accordance with generally accepted accounting principles. The Revenues consist primarily of the amounts payable under the Power Sales Contracts and any other amounts realized by UAMPS from any other sale of the output or capacity of the Project. Revenues also includes any Commodity Swap Receipts, any Interest Rate Swap Receipts and any Swap Termination Payments received by UAMPS and all interest, profits or other income derived from the investment of any moneys held pursuant to the Indenture and required to be paid into the Revenue Fund. Revenues does not include: (1) insurance proceeds resulting from casualty damage to the Project; (2) the proceeds from the sale of the Bonds; or (3) moneys received under any Security Instrument or Reserve Instrument.

Operation and Maintenance Costs include, in general, all operation and maintenance costs related to the Project actually incurred by, or charged to, UAMPS, including amounts reasonably required to be set aside in reserves for the payment of Operation and Maintenance Costs in the future. Operation and Maintenance Costs

also include, but are not limited to: “Operation and Maintenance Costs” and “Wheeling Costs,” each as defined in the Power Sales Contracts (referred to hereinafter as “Project Operation and Maintenance Costs” and “Project Wheeling Costs,” respectively), and amounts paid by UAMPS pursuant to the Payson Power Project Agreements in respect of the costs of operating and maintaining the Payson Power Project; costs of any Security Instruments or Reserve Instruments; amounts (other than Commodity Swap Payments and Interest Rate Swap Payments) necessary to maintain any Commodity Swaps and Interest Rate Swaps; fees and expenses of fiduciaries, financial consultants, accountants, engineers, legal counsel and other consultants and technical advisors; taxes, payments in lieu of taxes and other governmental charges; and any other current expenses or obligations required to be paid by UAMPS under the provisions of the Payson Power Project Agreements or by law, all to the extent properly allocable to the Payson Power Project. See “CERTAIN DEFINITIONS” in APPENDIX C.

Each Series of Bonds is secured by the Debt Service Reserve Account only to the extent that (1) a Series Subaccount has been established for such Series of Bonds or (2) additional amounts are deposited into an existing Series Subaccount that secures two or more Series of Bonds. The Outstanding Series 2012 Bonds and the Series 2019 Bonds are secured by the Series 2012/2019 Debt Service Reserve Subaccount. See “Debt Service Reserve Account” below.

FLOW OF FUNDS

UAMPS is required in the Indenture to promptly deposit all Revenues to the credit of the Revenue Fund, which is held by UAMPS. On or before the third Business Day preceding each Bond Payment Date (and at such other times as may be necessary to provide for the full and timely payment of all bond payments), UAMPS is required, after the transfer of amounts required to be transferred to the Operation and Maintenance Fund pursuant to the Indenture, from and to the extent of the moneys on deposit in the Revenue Fund, to transfer and deposit into the following funds amounts set forth below in the following order:

first, in the Bond Fund for credit to the Debt Service Account, the amount required so that the balance in each Series Subaccount in the Debt Service Account shall equal the Accrued Debt Service on the Series of Bonds for which such Series Subaccount was established,

second, into the Bond Fund for credit to the Debt Service Reserve Account, such amount as is necessary to restore the balance in each Series Subaccount to the Debt Service Reserve Requirement for such Series Subaccount following any withdrawal of moneys from such Series Subaccount or to reimburse the issuer of any Reserve Instrument following any drawing on it,

third, into the Subordinate Indebtedness Fund, such amount as is required to be deposited under each Supplemental Indenture authorizing the issuance of Subordinated Indebtedness, and

fourth, into the Reserve and Contingency Fund such amount as shall be necessary so as to cause the amount set forth in the Annual Budget for the then-current Fiscal Year to be deposited into the Reserve and Contingency Fund by the end of such Fiscal Year.

Amounts remaining on deposit in the Revenue Fund after the transfers described above may be transferred from time to time by UAMPS into the Stabilization Fund, *provided, however*, that after any such transfer (1) the sum of the amounts on deposit in the Revenue Fund and the Debt Service Account shall equal the Accrued Debt Service on all Series of Bonds Outstanding, (2) the Debt Service Reserve Requirement shall be on deposit in each Series Subaccount in the Debt Service Reserve Account, and (3) the required amounts of working capital shall be on deposit in the Revenue Fund. Amounts in the Stabilization Fund may be used for any lawful purpose of UAMPS in connection with the Project.

See “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Flow of Funds” in APPENDIX C, for a further description of provisions of the Indenture relating to the application of Revenues.

DEBT SERVICE RESERVE ACCOUNT

The payment of the Series 2019 Bonds and the Series 2012 Outstanding Bonds is also secured by the Series 2012/2019 Debt Service Reserve Subaccount held by the Trustee under the Indenture. The Series 2012/2019 Debt Service Reserve Subaccount will be funded upon the issuance of the Series 2019 Bonds in an amount equal to the Debt Service Reserve Requirement by a Municipal Bond Debt Service Reserve Insurance Policy to be issued by Build America Mutual Assurance Company.

As of any date of calculation, the Debt Service Reserve Requirement for the Series 2012/2019 Debt Service Reserve Subaccount is equal to the least of (1) the sum of ten percent of the original principal amount of each Series of Bonds secured by the Series 2012/2019 Debt Service Reserve Subaccount; (2) the Maximum Annual Debt Service on all Bonds secured by the Series 2012/2019 Debt Service Reserve Subaccount; and (3) 125 percent of the Average Annual Debt Service on all Bonds secured by the Series 2012/2019 Debt Service Reserve Subaccount. See “CERTAIN DEFINITIONS” and “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Flow of Funds” in APPENDIX C.

The Series 2013 Bonds are separately secured by the Series 2013 Debt Service Reserve Subaccount and are not secured by the Series 2012/2019 Debt Service Reserve Subaccount. The Series 2019 Bonds are not secured by the Series 2013 Debt Service Reserve Subaccount.

UAMPS may by Supplemental Indenture provide that one or more series of Additional Bonds or Refunding Bonds will be secured by the Series 2012/2019 Debt Service Reserve Subaccount. In this event, UAMPS is required under the Indenture to provide for the deposit of such additional amounts as are necessary to cause the Debt Service Reserve Requirement for the Series 2012/2019 Debt Service Reserve Subaccount to be on deposit. Any Additional Bonds or Refunding Bonds that may be issued may also be secured by a separate subaccount in the Debt Service Reserve Account.

POWER SALES CONTRACTS

Purchase and Sale of Energy. Pursuant to the Power Sales Contracts each of the Participants has agreed to purchase from UAMPS the firm electric energy allocable to each Participant’s Entitlement Share. Payments for such energy are to be made by the Participants under the Power Sales Contracts on a “take or pay” basis, that is, whether or not the Payson Power Project or any portion thereof is acquired, completed, operable or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of the output of the Project. The obligations of the Participants to make such payments are not subject to any reduction, whether by offset, counterclaim or otherwise, and are not conditioned upon the performance by UAMPS under the Power Sales Contracts or any other agreement or instrument.

Participants’ Obligations. The Power Sales Contracts provide that the obligations of the Participants under their respective Power Sales Contracts are several not joint (*i.e.*, each Participant is responsible only for the performance and payment of the obligations contained in its Power Sales Contract with UAMPS and is not responsible or liable for the performance or payments required to be made by any other Participant). The payments made by each Participant under its Power Sales Contract constitute an obligation of each Participant and an operating expense of the Participant’s electric system payable solely from the revenues and other available funds of the electric system and constitute a cost of purchased power and energy.

Participant Payments. During each Contract Year (which currently commences on each April 1), each Participant is obligated to pay its share of Project Debt Service Costs, Project Operation and Maintenance Costs and Project Wheeling Costs. Such costs are required to be billed at least monthly. The sum of these costs represents the Participants' cost of energy from the Project. These costs are allocated among the Participants as follows:

- Project Debt Service Costs (which include debt service on the Bonds and related amounts) are allocated among the Participants based upon their Debt Service Shares. A Participant's Debt Service Share is based upon its Entitlement Share, adjusted to reflect whether or not the Participant has made a capital contribution in respect of some or all of its share of the Costs of Construction. Various of the Participants have made such capital contributions and, as a result, some have Debt Service Shares that are less than their Entitlement Shares. In addition, one of the original Participants, the City of Page, Arizona ("*Page*") assigned all of its Entitlement Share to ten other original Participants in 2007. These Participants acquired the assigned Entitlement Share for a price that included repayment of a capital contribution made by Page in 2003. Five of these Participants (Hurricane, Kaysville, Lehi, Logan, and South Utah Valley ESD) requested that UAMPS issue the Series 2007 Bonds to finance all or a part of the cost acquiring the assigned Entitlement Share. These Participants were responsible for the payment of the debt service on the Series 2007 Bonds and are responsible for the payment of the debt service on that portion of the Series 2019 Bonds that is allocable to the refunding of the Series 2007 Bonds. As a result, the Debt Service Shares of these Participants have been adjusted upward for the Contract Years ending March 31, 2013 through 2018, to reflect their increased payment responsibility. See "THE PARTICIPANTS—Schedule of Entitlement and Debt Service Shares" below.
- Project Operation and Maintenance Costs (which include all other costs and expenses attributable to the Payson Power Project including fuel costs) are allocated among the Participants based upon their Entitlement Shares.
- Project Wheeling Costs (which include the cost of transmitting energy from the Payson Power Project site to each Participant's point of delivery) are allocated to each Participant based upon criteria attached to the Power Sales Contracts that determine the actual cost incurred by UAMPS in delivering energy from the Project to the Participant.

Participant Covenants. Each Participant has covenanted in its Power Sales Contract to establish, maintain, revise, charge and collect rates for the electric service it furnishes to customers to provide revenues which, together with other funds reasonably estimated to be available, will be sufficient to meet its obligations under its Power Sales Contract, to pay all other operating expenses of the Participant's electric system and to provide revenues sufficient to enable the Participant to keep its electric system in good working order, and to pay all obligations payable from or constituting a charge or lien on, such revenues and, to the extent being paid from revenues of such electric system, all general obligation bonds of the Participant now or hereafter outstanding. Certain of the Participants have participated in other projects in which they have entered into agreements with payment obligations similar to the Power Sales Contracts. The payment obligations under such agreements are on a parity with the obligations of such Participants under the Power Sales Contracts.

Participant Default; Step-Up. Failure of a Participant to make any payment under its Power Sales Contract within five business days after the due date of any such payment shall constitute a default by that Participant. In such event, UAMPS may proceed to enforce such Participant's payment obligation by action at law or equity and may, upon 30 days' written notice to that Participant, discontinue providing all or any portion of the defaulting Participant's Entitlement Share.

In the event of default by any Participant and the discontinuance of service, UAMPS is required to immediately make a mandatory pro rata allocation of the defaulting Participant's Entitlement Share to all nondefaulting Participants, based upon such Participants' original Entitlement Shares; *provided that* no Participant shall be required to increase its original Entitlement Share by more than 25%. The defaulting Participant is not relieved of its liability for payment of any amounts in default under its Power Sales Contract. See "INVESTMENT CONSIDERATIONS—Certain Provisions of the Power Sales Contracts—*Mandatory Allocation of Defaulting Participant's Entitlement Share; Step-Up Limitation.*"

Term of the Power Sales Contracts. Each Power Sales Contract between UAMPS and a Participant constitutes an obligation of the parties until such Power Sales Contract terminates on the later of (1) the date the principal of, premium, if any, and interest on all Bonds have been paid or funds have been irrevocably set aside for the full defeasance thereof in accordance with the Indenture; or (2) February 17, 2049 or such later date to which UAMPS' existence is extended; provided that in any event the term of the Power Sales Contracts shall not extend for more than fifty years from their effective date. As long as any Bonds are outstanding or until provision has been made for the payment of all Bonds outstanding in accordance with the Indenture, the Power Sales Contracts may not be terminated or amended, modified or otherwise altered in any manner which will reduce the amount of or extend the time for the payments which are pledged as a security for the Bonds or which will impair or adversely affect the rights of the holders of the Bonds.

Transfer of Entitlement Share. Under the Power Sales Contracts, each Participant has covenanted not to assign all or any part of its Entitlement Share except in accordance with the requirements of the Power Sales Contracts. In order to assign all or any part of its Entitlement Share, the Participant must give one hundred twenty (120) days' prior written notice to UAMPS. Each of the other Participants then has the option of acquiring all or any portion of the Entitlement Share that is proposed to be sold, assigned or otherwise disposed of. If less than all of such Entitlement Share is taken by the other Participants, UAMPS will then offer any remaining amount to the other Members of UAMPS.

The Power Sales Contracts further require, as a condition of any sale, assignment or other disposition of all or any portion of a Participant's Entitlement Share, that the Participant and its purchaser, assignee or lessee (the "Assignee") satisfy the following conditions:

(a) at the sole option of UAMPS either (i) the Assignee shall assume all obligations of the Participant under the Power Sales Contract in such a manner as shall assure UAMPS to its sole satisfaction that the Participant's Entitlement Share to be purchased and the amounts to be paid therefor will not be reduced, and if and to the extent deemed necessary by UAMPS in its sole discretion to reflect such assignment and assumption, UAMPS and such Assignee shall enter into an agreement supplemental to the Power Sales Contract to clarify the terms upon which the Participant's Entitlement Share is to be sold thereunder by UAMPS to such Assignee; or (ii) the Assignee shall enter into a new contract with UAMPS for the purchase of the Participant's Entitlement Share at a price and on terms which UAMPS in its sole discretion determines not to be less beneficial to it and the other Participants than the Power Sales Contract;

(b) the senior debt, if any, of the Assignee, if such Assignee is not a Participant, shall be rated by at least one nationally recognized bond rating agency in a category generally recognized to be "investment grade";

(c) UAMPS shall by resolution determine that such sale, lease or other disposition will not adversely affect UAMPS, the other Participants or the security for the payment of Bonds; and

(d) UAMPS shall have received an opinion of nationally recognized bond counsel to the effect that such sale, assignment or disposition will not by itself adversely affect the tax exempt status of interest on any of the Bonds (theretofore issued or thereafter to be issued as tax exempt obligations).

UAMPS shall make the determinations required above within one hundred twenty (120) days of receipt by UAMPS of the Participant's notice referred to above.

For a schedule showing the Entitlement Shares, amounts of Project Capability and Debt Service Shares of the Participants resulting from the assignment transactions described above and as of the date of issuance of the Series 2019 Bonds, see "THE PARTICIPANTS—Schedule of Entitlement and Debt Service Shares" below.

See also "INVESTMENT CONSIDERATIONS—Certain Provisions of the Power Sales Contracts—*Transfer of Entitlement Share*."

Additional Terms of the Power Sales Contracts. See "SUMMARY OF CERTAIN PROVISIONS OF THE POWER SALES CONTRACTS" in APPENDIX D for a more detailed description of the terms of the Power Sales Contracts.

RATE COVENANT

In the Indenture, UAMPS has covenanted to at all times establish and collect rates and charges for the use of the capability and output of the Payson Power Project or the sale of the capacity or service of the Payson Power Project, as shall be required to provide Revenues at least sufficient in each fiscal year, together with other available funds, for the payment of the sum of: (1) Operation and Maintenance Costs during such fiscal year; (2) the Aggregate Debt Service for such fiscal year; (3) the amount, if any, to be paid during such fiscal year into the Debt Service Reserve Account in the Bond Fund; and (4) all other charges or amounts payable out of Revenues during such fiscal year. See "CERTAIN DEFINITIONS" and "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Particular Covenants—*Rates, Fees and Charges*" in APPENDIX C.

ADDITIONAL BONDS

Under the Indenture, UAMPS is authorized to issue Bonds in addition to the Series 2019 Bonds payable from the Revenues and the funds established under the Indenture (other than any Rebate Fund) on a parity with the Series 2019 Bonds. Such Bonds may be issued for the purpose of paying all or a portion of (1) the Cost of Construction of Additional Facilities and any other item included within the "Cost of the Project" under the Power Sales Contracts, (2) Operation and Maintenance Costs, working capital reserves and any other items within the definition of Cost of Construction, (3) principal, Redemption Price and interest on Bond Anticipation Notes, (4) costs of refunding all or a part of outstanding Bonds of one or more Series, including the payment of all expenses in connection with such refunding, or (5) any combination of (1), (2), (3) and (4).

"Additional Facilities" means, in general, (1) all renewals, repairs, replacements, extensions and additions to the Project, (2) all property (including real property or personal property of any nature, and including contractual entitlements to the capacity or output of electric generation, substation or transmission facilities), directly and functionally related to the Project and (3) any additional electric generating facilities located at the site of or interconnected with the Project and any related facilities. Additional Bonds may also be issued for the purpose of refunding all or a portion of any Series of Bonds. See "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE—Issuance of Bonds" in APPENDIX C.

AMENDMENTS TO THE INDENTURE

The Indenture includes provisions governing amendments and supplements. While certain amendments require the consent of a majority of the owners of the Bonds, the Indenture may be amended or supplemented for various purposes without the consent of the owners of the Bonds, including for the purpose of issuing additional bonds.

The Indenture provides that it may be modified or amended without the consent of any Bondowner if the modification or amendment will not take effect until all previously-issued Bonds are no longer Outstanding. Pursuant to these provisions, effective upon the refunding and refinancing of the Refunded Bonds, the Indenture will be amended to: (1) expand the definition of “Additional Facilities” to include additional generating facilities that are interconnected with the Initial Facilities; (2) clarify the scope of certain amendments that may be made to the Power Sales Contracts; and (3) enable UAMPS to enter into amended or additional Power Sales Contracts in connection with changes or modifications to the Initial Facilities or the acquisition or construction of Additional Facilities upon the satisfaction of certain conditions but without the consent of the Bondowners. See “Modification or Amendment of Indenture” in APPENDIX C.

CERTAIN RIGHTS OF BAM

The municipal bond insurance policy and the municipal bond debt service reserve insurance policy issued by BAM with respect to the Series 2019 Bonds constitute a “Security Instrument” and a “Reserve Instrument,” respectively under (and as such terms are defined in) the Indenture.

The Indenture provides certain rights to BAM, as a “Security Instrument Issuer” and a “Reserve Instrument Issuer.” The consent of BAM is required, in addition to any required consents of Series 2019 Bondholders, for certain supplements to or amendments of the Indenture and for certain actions that may be taken by UAMPS. For so long as it is not in default under the terms of the municipal bond insurance policy for the Series 2019 Bonds, BAM will have the sole right to control and direct the enforcement of all rights and remedies granted to Series 2019 Bondholders under the provisions of the Indenture pertaining to Events of Default and remedies. The written consent of BAM is required prior to any acceleration of the Series 2019 Bonds. See APPENDIX C.

BOND INSURANCE

BOND INSURANCE POLICY

Concurrently with the issuance of the Series 2019 Bonds, Build America Mutual Assurance Company (“BAM”) will issue its Municipal Bond Insurance Policy for the Series 2019 Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of and interest on the Series 2019 Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides

credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Series 2019 Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Series 2019 Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Series 2019 Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Series 2019 Bonds, nor does it guarantee that the rating on the Series 2019 Bonds will not be revised or withdrawn.

CAPITALIZATION OF BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2019 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$525 million, \$114 million and \$411 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Series 2019 Bonds or the advisability of investing in the Series 2019 Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

ADDITIONAL INFORMATION AVAILABLE FROM BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit

committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at buildamerica.com/creditsights/. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at buildamerica.com/obligor/. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by UAMPS or the Underwriter, and UAMPS and Underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Series 2019 Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Series 2019 Bonds, whether at the initial offering or otherwise.

THE PAYSON POWER PROJECT

GENERAL

Physical Facilities. The major component of the Payson Power Project is a natural gas-fired, combined cycle electric generating facility known as the "Nebo Power Station" (the "*Generating Facility*"). The Generating Facility is located on a seven-acre site in Payson City, Utah, adjacent to Interstate Highway 15 and approximately 60 miles south of Salt Lake City. Construction of the Project began in 2002 and was completed in June 2004 at a total cost of \$98 million.

The Generating Facility includes a combustion turbine-generator, a heat recovery steam generator and a dual-pressure steam turbine. The combustion turbine-generator is a General Electric PG7121EA (Frame 7EA) combustion turbine coupled to a GE Model 7A6 open-ventilated, air cooled generator. The heat recovery steam generator was manufactured by Nooter/Eriksen and the dual-pressure steam turbine is a General Electric 76.2 SC4 steam turbine coupled to a GE Model 7A6 totally enclosed water-to-air cooled generator. The Project utilizes dry low-NO_x combustors with selective catalytic reduction to meet best available control technology requirements. See "Environmental and Technological Matters" below.

The Generating Facility has a simple cycle operating capability of 67 MW, an optimal (combined cycle) operating capability of 106 MW and a net maximum (summer/duct fired) operating capability of 140 MW. The Generating Facility includes pollution control equipment, a cooling tower, water treatment facilities, a water storage tank, control and administrative buildings and other ancillary facilities.

Operation. The Generating Facility was operated initially under an operation and maintenance agreement with an affiliate of the general construction contractor. Since the expiration of that agreement in 2009, UAMPS has operated the Generating Facility with a staff of 13 employees, including a Plant Manager who reports to the Chief Operations Officer of UAMPS. None of the employees at the Generating Facility are represented by a union. UAMPS reports that relations between management and employees are very good.

Gas Transportation. Natural gas is supplied to the Project via a six-mile, six-inch diameter gas pipeline that runs from the Generating Facility to the “Nebo Tap” on the “104 Line,” an interstate gas pipeline owned by Dominion Energy located several miles south of the Project. The Project’s natural gas supply facilities also include decompression stations and taps.

Electric Transmission. The Project includes the Nebo Substation and 15 miles of transmission lines that transmit the Project’s output to the 138kV Dry Creek Substation and the 46kV Taylor Switchrack. These facilities provide electricity supply to three Participants that are located near the Generating Facility (Springville, South Utah Valley ESD and Payson City) and the regional transmission grid for the delivery to the other Participants. UAMPS has designated the point of interconnection of the Project’s transmission facilities with the regional transmission grid as a “Point of Receipt” under the Amended and Restated Transmission Service and Operating Agreement (the “ARTSOA”) between UAMPS and PacifiCorp. Under the ARTSOA, PacifiCorp transmits electricity from the Point of Receipt to “Points of Delivery” at the Participants’ municipal electric systems at FERC-filed rates. See “INVESTMENT CONSIDERATIONS—PacifiCorp FERC Filing to Change ARTSOA Rates” for a discussion of proposed changes to these rates.

Utility Services. Under a Utility Services Agreement between the parties, Payson City provides water supply, wastewater treatment and electric utility services to UAMPS for the Project. The Generating Facility requires approximately 400 million gallons of cooling water each year, which is supplied by a combination of culinary water and “Type 1” treated wastewater from Payson City’s wastewater treatment plant (located adjacent to the Generating Facility) at a fixed price per unit. Payson City also provides culinary water to the Project under its prevailing rate schedules. Cooling tower blowdown is discharged into a local waterway under a direct-discharge permit issued by the Utah Department of Environmental Quality (“Utah DEQ”). See “Licenses, Permits and Approvals” below. Other wastewaters produced by the operation of the Generating Facility are treated at Payson City’s wastewater treatment plant at its standard industrial rate. Backup electricity supply to the Project is provided by Payson City’s municipal electric system, which includes 7.3 MW of in-system generating capacity.

UTILIZATION OF THE PROJECT

UAMPS undertook the Project to provide the Participants with an efficient, natural gas-fired electric generating facility that supplements and supports their wholesale market purchases of electricity on a daily basis. On days when wholesale electricity prices are high, the Generating Facility is capable of producing electricity at a below-market cost. On days when electricity prices are low, the Generating Facility provides firm capacity to support low-cost energy purchases on a non-firm basis. In general, seasonal wholesale market prices are highest during hot summer months and cold winter months, and daily wholesale market prices are highest during “high load hours” (the 96 hours each week covered by the period from 7 a.m. to 11 p.m., Monday through Saturday). Most utilization of the Generating Facility occurs during these seasonal and hourly periods. Accordingly, the Generating Facility operates as an “intermediate” resource that is generally utilized after baseload power supply resources, such as hydroelectric and coal-fired generation.

Under the Power Sales Contracts, the Participants have assigned their Entitlement Shares of the output of the Project to the UAMPS Power Pool. All purchases of energy from the Project by the Participants are

administered through the UAMPS Power Pool. Surplus energy allocable to a Participant's Entitlement Share is sold to other Pool Participants or into the wholesale market.

Operating and Scheduling Procedures adopted by the Project Management Committee pursuant to the Power Sales Contracts provide for the Participants to pre-schedule energy from the Project three business days in advance. Any unscheduled capability of the Project may be utilized by UAMPS for sales at market prices through the UAMPS Power Pool or the wholesale market, but only to the extent that such sales are expected to benefit the overall operation of the Project and produce positive margin (sales revenue less variable costs). Under the Operating and Scheduling Procedures, UAMPS may commit to purchase the fuel (natural gas) necessary to meet the Participants' pre-schedules. On a real-time basis, UAMPS may change the output of the Project if beneficial to all of the Participants as a whole. And any Participant may change its pre-schedule if it is not detrimental to the other Participants, UAMPS or the Project. In lieu of operating the Generating Facility to meet the Participants' pre-schedules, UAMPS may purchase non-firm "fuel replacement" energy in the wholesale market.

FUEL SUPPLY

The Power Sales Contracts generally authorize UAMPS to enter into transactions to obtain and manage the price of natural gas necessary for the operation of the Project. The Project Management Committee has adopted policies for the acquisition of natural gas and gas transportation for the Project that direct UAMPS to minimize the potential impact of gas and electric price volatility on the Participants while taking into account the overall costs of energy from the Project.

Through its separate Natural Gas Project, UAMPS purchases natural gas for the Project on a firm basis for delivery at the Nebo Tap under industry-standard gas purchase and sale agreements from nationally-recognized suppliers. Under fuel policies approved by the Project Management Committee, the Participants can request UAMPS to enter into forward purchase transactions for natural gas to meet their forecasted schedules for output from the Project. These transactions enable individual Participants to fix the fuel costs (gas price) attributable to a specific portion of their forecasted monthly schedules for Project output, and each Participant may elect what portions of its monthly forecasted schedule to cover with forward gas purchases. The quantities of gas purchased under these forward transactions vary by month and reflect the seasonal variations in the Participants' demand for energy from the Project. For additional information regarding the Natural Gas Project, see APPENDIX E.

PROJECT OPERATIONS

As described above, the Generating Facility operates as an intermediate resource to supplement and support the Participants' other power supply resources and market purchases. The determination of whether to operate the Generating Facility is made on a day-ahead basis taking into account a range of factors including the Participants' pre-schedules of energy from the Project, the current electric loads and resources of the Participants and the participants in the UAMPS Power Pool, current market prices for natural gas and electricity and other factors. UAMPS' scheduling department operates 24 hours each day, seven days a week, and is staffed by five Power Schedulers who operate under the supervision of the Director of Market Operations and the Director of Real-Time Operations.

Operating History. The equivalent availability factor and net generation of the Project for the last five fiscal years of operation are shown below.

PAYSON POWER PROJECT OPERATING HISTORY

FISCAL YEAR ENDED MARCH 31,	EQUIVALENT AVAILABILITY FACTOR (1)	NET GENERATION (MWh)
2015	93.7%	369,707
2016	92.2%	546,144
2017	84.7%	494,260
2018	96.6%	308,038
2019	90.5%	487,131
Five-Year Average	91.5%	441,056

(1) Equivalent Availability Factor is the percentage of time the unit was available for service, whether operated or not. It is equal to available hours divided by the total hours, during the year, expressed as a percentage.

Source: UAMPS.

Financial Information. Balance sheet and income statement information with respect to the Payson Power Project is included in the Supplemental Schedules to the audited financial statements of UAMPS for the fiscal years ended March 31, 2019 and 2018, attached as APPENDIX B hereto.

MAINTENANCE, RENEWALS AND REPLACEMENTS

Outage Schedule and Maintenance. The Generating Facility requires regular maintenance and repairs, the frequency and scope of which are primarily dependent on the number of occasions the combustion-turbine generator is started up and placed into operation. Regular maintenance outages are scheduled biannually during low load periods in the Spring and Fall. Major maintenance outages are scheduled consistent with manufacturers' recommendations and otherwise as necessary. The last major maintenance outage for the system generator occurred in the fourth quarter of 2013.

The Power Sales Contracts authorize UAMPS (upon the approval of the Project Management Committee) to include in the Annual Budget billings to the Participants to accumulate a reserve for future renewal and replacements expenditures on the Project. As of October 1, 2019, UAMPS has accumulated approximately \$5.3 million in this reserve. Of this amount, UAMPS expects \$1 million to remain unallocated for contingencies, and the remainder is expected to be used for the next major maintenance outage which is scheduled for October 2019.

UAMPS has projected the following capital expenditures at the Project for the next five fiscal years:

FISCAL YEAR ENDED MARCH 31	ESTIMATED CAPITAL EXPENDITURES
2020	\$ 3,429,300
2021	1,598,800
2022	4,131,800
2023	1,541,800
2024	<u>1,978,000</u>
Total	\$12,679,700

UAMPS expects to pay all such capital expenditures with accumulated reserves, and does not expect to issue any Additional Bonds to finance such capital expenditures.

LICENSES, PERMITS AND APPROVALS

Prior to constructing the Project, UAMPS received a certificate of convenience and necessity from the Utah Public Service Commission, as required by the Act. The Public Service Commission has no continuing jurisdiction over UAMPS or the Project.

UAMPS reports that the Project is presently in compliance, in all material respects, with all applicable state and federal and environmental laws and regulations. Various environmental permits for the Project must be renewed from time to time and UAMPS does not expect it will experience any problems with the renewal of these permits. The original Utah DEQ permit for the direct discharge of cooling tower blowdown was scheduled to expire on May 30, 2009. Utah DEQ has not issued a renewal permit, pending its development of a new model for analyzing wastewater discharges. The original permit will remain in effect until Utah DEQ has completed its new modeling.

THE PARTICIPANTS

SCHEDULE OF ENTITLEMENT AND DEBT SERVICE SHARES

Sixteen Members of UAMPS have entered into Power Sales Contracts with UAMPS pursuant to which each such Participant will purchase the firm electric energy from the Payson Power Project allocable to its Entitlement Share. As shown below, four Participants—the Cities of Kaysville, Lehi, Logan and Springville—account for over 62% of all Participants' Entitlement Shares and are each referred to herein as a "*Major Participant*" and collectively, the "*Major Participants*."

The following table shows each Participant's Entitlement Share, the amount of generation capacity represented by its Entitlement Share and each Participant's Debt Service Share.

PARTICIPANT	ENTITLEMENT SHARE	PROJECT CAPABILITY ⁽¹⁾	DEBT SERVICE SHARE ⁽²⁾⁽³⁾
Springville	18.07%	20,241	19.12%
Kaysville	16.33	18,288	15.68
Lehi	15.33	17,172	15.35
Logan	12.92	14,472	12.41
Hurricane	8.40	9,412	8.28
Payson	8.07	9,039	8.54
Washington	5.72	6,410	5.73
SUVESD	5.52	6,177	5.46
TDPUD	3.68	4,118	3.89
Hyrum	2.05	2,291	2.04
Santa Clara	1.96	2,195	1.56
Ephraim	0.98	1,095	0.95
Monroe	0.45	506	0.48
Mt. Pleasant	0.36	405	0.38
Spring City	0.08	91	0.08
Fairview	<u>0.08</u>	<u>88</u>	<u>0.08</u>
TOTAL	<u>100.00%</u>	<u>112,000 kW</u>	<u>100.00%</u>

(1) In kilowatts (kW), based on the 112,000 kW (gross) optimal operating capability of the Project.

(2) Debt Service Shares for the Series 2012 Outstanding Bonds and the Series 2019 Bonds. Different Debt Service Shares apply to the Series 2013 Bonds. Certain of the Participants have previously made capital contributions in respect of the initial Costs of Construction of the Project. These capital contributions cause the Debt Service Shares of these Participants to be less than their Entitlement Shares, and the Debt Service Shares of the other Participants to be greater than their Entitlement Shares. For a description of how Debt Service Shares are calculated, see "SUMMARY OF CERTAIN PROVISIONS OF THE POWER SALES CONTRACTS" in APPENDIX D.

(3) Column does not total due to rounding.

The ability of UAMPS to pay principal of and interest on the Bonds will be most significantly dependent upon the performance by the Major Participants of their respective payment obligations to UAMPS under the Power Sales Contracts. In addition, because the pledge of the Revenues under the Indenture is subject to the prior payment of Operation and Maintenance Costs, the ability of UAMPS to pay principal of and interest on the Bonds will also be dependent upon the prompt and full payment by all of the Participants, including those that have made capital contributions in respect of Payson Power Project Costs.

In addition to the general information provided for all of the Participants under "Participant Information" below, selected financial and operating information for each of the Major Participants is included as APPENDIX A.

PARTICIPANT INFORMATION

Each Participant owns and operates a local electric utility system that provides integrated electric service at retail to residential, commercial, industrial and other customers located in, and in some cases around, the Participant's boundaries. Various external power supply and transmission resources are utilized by each of the Participants. Certain of these resources are described under "POWER SUPPLY AND TRANSMISSION RESOURCES"

below. Many Participants also own and operate their own hydroelectric and thermal generating resources and certain Participants purchase wholesale supplies of energy from suppliers other than UAMPS.

The electric utility systems operated by the Participants have generally been in operation for many years—in some cases for over 100 years. Each of the utility systems is under the governance of the Participant's city council or other governing board. Many of these governing bodies have established utility boards or power advisory boards to provide them with advice and recommendations on the operations of the electric utility. Each Participant retains complete operational control over its electric utility and all have electric system managers or other employees that are responsible for the day to day operations of the utility.

Each of the Participants has the exclusive right and obligation to provide all utility services within its corporate boundaries. Under Utah law, the Participants located in Utah may exercise this right and discharge this obligation either by providing such utility services themselves or by granting franchises to others (*i.e.*, private or cooperative utilities) to provide such services. With respect to electric utility services, such Participants have elected to exercise and discharge their right and obligation by providing such services directly. Any entity desiring to provide competing electric utility services within the boundaries of any of the Participants in Utah would be required to obtain a franchise from such Participant. The Power Sales Contracts contain certain covenants and agreements of the Participants regarding the granting of such franchises. See APPENDIX D.

The electric system rates of the Participants are set by the governing body of each respective community. The authority of the Participants to impose and collect rates and charges for the electric services provided by them is not subject to regulation by any Federal agency or any State agency or commission in Utah or California, in the case of Truckee Donner Public Utility District.

The following table provides summary information with respect to the Participants:

	POPULATION ⁽¹⁾	ELECTRIC CUSTOMERS ⁽²⁾	2018 ENERGY SALES (MWH) ⁽²⁾	2018 PEAK DEMAND (KW) ⁽²⁾
Springville	33,104	11,913	266,397	60,891
Kaysville	32,095	9,631	148,038	46,358
Lehi	66,037	20,693	364,651	103,081
Logan	51,619	20,230	410,348	88,314
Hurricane	18,205	6,623	122,245	37,527
Payson	19,826	6,210	120,463	34,700
Washington	27,686	7,660	119,969	38,073
SUVESD	n/a	3,812	56,376	14,096
TDPUD	n/a	13,887	151,944	35,171
Hyrum	8,403	3,362	91,439	18,363
Santa Clara	7,871	2,705	42,958	14,566
Ephraim	7,292	2,341	36,608	8,522
Monroe	2,341	1,091	12,209	2,806
Mt. Pleasant	3,488	2,223	24,190	4,983
Spring City	1,067	565	3,999	1,095
Fairview	<u>1,340</u>	<u>857</u>	<u>7,702</u>	<u>1,662</u>
TOTAL:	<u>280,374</u>	<u>113,803</u>	<u>1,979,536</u>	<u>510,208</u>⁽³⁾

(1) Source: Utah Department of Workforce Services, July 1, 2018 population estimates.

(2) Source: The Project Participants electric customers, energy sales and peak demand are shown for the Participant's fiscal years ended June 30, 2018, except for TDPUD which are shown for its fiscal year ended December 31, 2018.

(3) Total 2018 Peak Demand is non-coincident.

UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS

HISTORY

UAMPS is a separate legal entity and a political subdivision of the State of Utah (the "State"). UAMPS was organized in 1980 under the Act and operates under the UAMPS Organization Agreement. UAMPS' purposes, as set forth in the Organization Agreement, include planning, financing, developing, acquiring, constructing, improving, bettering, operating, and maintaining projects (or an ownership interest or capacity right therein) for the generation and transmission of electric energy for the benefit of some or all of its members (the "Members"). The Organization Agreement expires on the latest to occur of: (1) fifty years after the latest amendment to the Organization Agreement; (2) five years after UAMPS has fully paid or otherwise discharged all of its indebtedness; (3) five years after UAMPS has abandoned, decommissioned, conveyed or transferred all of its projects; or (4) five years after UAMPS' projects are no longer useful as determined under the applicable power sales or transmission service contracts. UAMPS is an "energy services interlocal entity" as defined in the Act.

THE INTERLOCAL COOPERATION ACT

The Act authorizes local governmental units to make the most efficient use of their powers by enabling them to cooperate with other governmental units on the basis of mutual advantage to provide services and facilities that will best accommodate the needs and development of local communities. Its purpose also includes

provision of the benefits of economy of scale, economic development and utilization of natural resources for the overall promotion of the general welfare of the State.

An interlocal entity may be formed under the Act when two or more eligible public agencies enter into an agreement with one another for joint or cooperative action pursuant to the Act. An interlocal entity is a political subdivision of the State with various powers and duties, as provided in the Act. UAMPS is an energy services interlocal entity under the Act with power, among other things, to: (1) own and operate, individually or with others, facilities or improvements for the generation, transmission and transportation of electric energy or related fuel supplies; (2) enter into contracts for supplies of electric power and energy and ancillary services, transmission and transportation services, and supplies of fuels necessary for the operation of generation facilities; (3) enter into contracts for the sale of wholesale services provided by the energy services interlocal entity; (4) issue revenue bonds and secure their payment by pledge of the revenues and receipts from the facilities, improvements or services it provides; and (5) adopt and implement risk management policies and strategies for energy.

In addition, UAMPS' Members may contract with UAMPS to perform any governmental service, activity or undertaking which the Members themselves are authorized by law to perform.

MEMBERSHIP

The Members of UAMPS include the 47 public power utilities that have entered into the Organizational Agreement. The following table lists the Members of UAMPS and the projects they participate in through UAMPS.

	Hunter	San Juan	IPP	CRSP	Firm Power Supply	Central - St. George	Craig - Mona	Payson	Pool	Resource	Member Services	Govt. & Public Affairs	Horse Butte Wind	Natural Gas*	Carbon Free Power	Veyo Heat Recovery
Beaver City	•	•	•	•	•				•	•	•	•	•		•	
Blanding City		•		•	•				•	•	•	•	•	•	•	
City of Bountiful		•	•	•	•		•		•	•	•	•	•			
Brigham City				•	•				•	•	•	•	•		•	
Central Utah Water Conservancy District				•							•	•				
City of Enterprise	•	•	•	•	•	•	•		•	•	•	•	•		•	
Ephraim City	•		•	•	•		•	•	•	•	•	•	•		•	
Fairview City	•		•	•	•			•	•	•	•	•	•	•	•	
City of Fallon, NV					•				•	•		•	•		•	
Fillmore City	•	•	•	•	•				•	•	•	•	•		•	
City of Gallup, NM									•		•					
Heber Light & Power	•		•		•		•		•	•	•	•	•		•	
Helper City									•							
Holden Town	•		•	•	•				•	•	•	•			•	
Hurricane City	•	•	•	•	•	•		•	•	•	•	•	•	•	•	
Hyrum City	•	•	•	•	•			•	•	•	•	•	•		•	
Idaho Energy Authority Inc., ID									•							
City of Idaho Falls, ID					•				•	•	•	•	•		•	
Kanosh Town	•		•	•	•				•	•	•	•			•	
Kaysville City	•	•	•	•	•			•	•	•	•	•	•		•	•
Lassen Municipal Utility District					•					•		•			•	
Lehi City	•	•	•	•	•		•	•	•	•	•	•	•		•	•
Logan City	•		•	•	•		•	•	•	•	•	•			•	•
County of Los Alamos, NM										•					•	
Lost River Electric Cooperative, ID															•	
Lower Valley Energy, WY									•				•	•		
Meadow Town	•		•	•	•				•		•	•				
Monroe City	•		•	•	•			•	•	•	•	•			•	
Morgan City	•	•	•	•	•				•	•	•	•	•		•	
Mt. Pleasant City	•		•	•	•			•	•	•	•	•	•		•	
Murray City	•	•	•		•		•		•		•	•			•	
Oak City	•		•	•					•	•	•	•			•	
Town of Paragonah		•		•	•				•		•	•	•		•	
Parowan City	•		•	•					•		•	•			•	
Payson City	•	•		•	•		•	•	•	•	•	•		•	•	
Plumas Sierra Rural Electric Cooperative, CA					•				•	•				•		
Price City			•	•	•				•	•	•	•	•			
Salmon River Electric Cooperative, Inc., ID															•	
City of Santa Clara	•	•		•	•	•		•	•	•	•	•	•	•	•	•
South Utah Valley Electric Service District		•	•	•				•	•	•	•	•			•	
Spring City	•		•	•	•			•	•	•	•	•			•	•
Springville City		•		•	•		•	•	•	•	•	•	•	•		
City of St. George					•	•	•		•			•				
Ticaboo Utility Improvement District									•							
Truckee Donner Public Utility District, CA					•			•	•	•		•	•	•		•
Washington City				•	•	•		•	•	•	•	•	•	•	•	•
Weber Basin Water Conservancy District				•	•				•		•	•			•	

* The Payson Power Project is a participant in the Natural Gas Project.

The Organization Agreement provides for the admission of additional public power utilities as Members of UAMPS upon being accepted as a participant of a project by a project management committee and being approved as a participant of such project by the Board.

BOARD OF DIRECTORS

UAMPS is governed by its Board of Directors (the “*Board*”). The Board consists of Directors representing those Members that are public agencies and have entitlement shares in the various projects undertaken by UAMPS. Up to eleven Directors may be selected from each project. If a project has eleven or fewer participants, all of the participating Members are entitled to be represented by Directors. If a project has more than eleven participants, eleven Directors are selected as follows: the four Members with the largest entitlement shares (determined annually) are entitled to be represented by Directors, with the remaining seven Directors elected for four-year terms by and from the other participants in that project. Directors representing Members who are participants in the UAMPS Power Pool serve for one-year terms.

The Organization Agreement provides that, except for a decision to enter into a project, which requires a majority of all the Directors present constituting a quorum, a decision by the Board of Directors with respect to a project shall require a majority of the Directors representing the participants in the project who are present and constitute a quorum, unless a weighted vote is called for by a Director representing a Member who is a participant in that project. If a weighted vote is called for, a decision on a project shall require both (1) a majority of the Directors representing the Members participating in the project who are present and constitute a quorum, and (2) a majority of the entitlement shares in the project represented by the Directors who are present and constitute a quorum. A decision not related to a specific project shall be made by a simple majority of the Directors who are present and constitute a quorum. A quorum consists of 51 percent of the Directors eligible to vote.

PROJECT MANAGEMENT COMMITTEES

The Organization Agreement provides that the operations of each project of UAMPS will be under the direct supervision of a Project Management Committee comprised of representatives of all of the Members and other entities participating in the Project.

The Power Sales Contracts for the Payson Power Project establish a Project Management Committee for the purpose of: (1) reviewing, providing advice and recommendations to, and consulting with, UAMPS regarding the Project, the Project Agreements, operating and scheduling procedures and related matters; (2) reviewing, modifying and recommending the annual budget for the Project to the Board; and (3) reviewing, recommending and approving any additional Facilities to the Board. The Project Management Committee consists of one representative from each Participant, each of which has one vote. Except for a decision which would result in the termination of the Project, which requires unanimous approval, a decision of the Project Management Committee requires the approval of a majority of representatives voting. A quorum, which consists of a majority of all representatives, must be present for any decision of the Project Management Committee to be valid. So long as a Participant is in default under its Power Sales Contract, the representative of such Participant is not entitled to vote on any matter and is not required to constitute a quorum of the Project Management Committee, and such Participant’s consent is not required to obtain any unanimous consent.

OFFICERS OF THE BOARD OF DIRECTORS

Jason Norlen, Chair. Mr. Norlen is the General Manager of Heber Light & Power (“*Heber L&P*”), an interlocal electric utility serving the Heber Valley in Utah. Mr. Norlen started working for Heber L&P over 20

years ago as a dispatcher. As General Manager, his responsibilities include overseeing Heber L&P's Generation Department, which includes over 13 MW of peak shaving capacity in three facilities, and Heber L&P's Resource Department, which houses a 24/7 dispatch desk and functions as the resource planning and forecasting division of Heber L&P. In addition to serving on the Board, Mr. Norlen serves on the Northwest Public Power Association Board of Directors. He holds a degree in Business Management from the University of Phoenix.

Les Williams, Vice Chair. Mr. Williams is a retired veteran, having served 38 years in the United States Army. Mr. Williams served as a City Councilman for 17 years for Beaver City, Utah. Mr. Williams has been involved with the electric utility industry for many years and has served on the UAMPS Board of Directors since 2012. During his tenure, he has served as Chairman of the Government and Public Affairs Project and Chairman of the Resource Project. Prior to his election as Vice Chair, Mr. Williams served as the Secretary of the Board.

Dwight Day, Treasurer. Mr. Day has been involved with the electric utility industry for over 30 years. He started by managing the electric system of Fillmore as its City Administrator and was elected to the Board in 1980. During his tenure on the Board, he has served as Chairman, Vice Chairman, Secretary and Treasurer.

Joel Eves, Secretary. Joel Eves, Secretary. Joel Eves has been the power department director for Lehi City Power for the last 6 years. Lehi City Power provides electricity to over 22,000 customers in one of the fastest growing communities in the country. During his time at Lehi, he has overseen construction of several substations, various distribution system and transmission projects, and the completion of a new peaking power plant, offices, and shops. Before coming to Lehi, Mr. Eves spent over 10 years at Provo City Power working on substation maintenance, fiber optic networking, distribution automation, and federal compliance. While at Provo, Joel completed his Master electricians license, substation apprenticeship, and earned a Bachelor's Degree in Technology Management from Utah Valley University and a Master's Degree in Public Administration from Brigham Young University.

The Chair, Vice-Chair, Secretary and Treasurer comprise the Executive Committee of UAMPS. The Executive Committee is responsible for performing specific duties delegated to it by the Board.

MANAGEMENT

The management of UAMPS is under the direction of the General Manager who reports directly to the Board. The General Manager is responsible for administering staff activities and carrying out policy directives of the Board.

Doug Hunter, Chief Executive Officer. Mr. Hunter joined UAMPS in December 1983. Prior to his appointment to his current position, he served as Assistant General Manager and Manager of Municipal Resources of UAMPS. Mr. Hunter holds a Master of Business Administration degree from Utah State University and a Bachelor of Science degree in Biochemistry from the University of California, Davis.

Scott Fox, Chief Financial Officer. Mr. Fox joined UAMPS in January 1995 and served as internal auditor and controller prior to his appointment to his current position in 2005. Mr. Fox received Bachelor of Science and Master's degrees in Accounting from Brigham Young University.

Mason Baker, General Counsel. Mr. Baker joined UAMPS in May 2011. Mr. Baker holds a Juris Doctorate degree from the University of Utah and a Bachelor of Arts degree from Colorado College.

Marshall Empey, Chief Operations Officer. Mr. Empey joined UAMPS in February 1989. Prior to his position as Chief Operations Officer, Mr. Empey served UAMPS in various operations, planning, scheduling,

power accounting and contract administration positions. During his career with UAMPS, Mr. Empey has held various positions with industry groups such as WECC, Northern Tier Transmission Group, Desert STAR, RTO West and Grid West. Mr. Empey holds a Bachelor of Science degree in Economics from Idaho State University and a Master of Business Administration degree from Westminster College of Salt Lake City.

Jackie Coombs, Manager of Corporate and Member Relations. Ms. Coombs joined UAMPS in March 1989. Prior to her position as the Manager of Customer Services she was the General Manager's and Assistant General Manager's administrative assistant. Prior to working at UAMPS, Ms. Coombs worked for Deseret Generation & Transmission Co-operative from 1982 to 1989.

UAMPS currently employs a staff of 48 persons, 13 of whom are employees at the Payson Power Project.

RETIREMENT PLAN

UAMPS has a defined contribution pension plan that covers all employees. Contribution levels are established by the Board, and all contributions are funded out of current revenues. See Note 10 to the audited financial statements of UAMPS attached as APPENDIX B.

SYSTEM ENERGY AND PEAK DEMAND

The following tables show the total energy and peak demand requirements of all of UAMPS' Members that are participants in the Pool Project and the off-system energy sales of UAMPS for the last five fiscal years (ended March 31):

	FISCAL YEARS ENDED MARCH 31,				
	2015	2016	2017	2018	2019 ⁽⁶⁾
Total System Energy ⁽¹⁾	5,233,473	5,227,210	5,292,869	5,338,537	5,402,516
UAMPS Energy Sales ⁽²⁾	4,682,894	4,930,609	4,993,306	5,063,477	5,121,847
Sales to Members ⁽³⁾	4,161,682	4,573,603	4,571,417	4,585,809	4,785,419
Off-System Sales ⁽⁴⁾	521,212	357,006	421,889	477,668	336,428
Total System Peak ⁽⁵⁾	995	1,090	1,114	1,095	1,136

(1) Total System Energy is shown in MWh and includes all energy generated and purchased by UAMPS and the Members.

(2) UAMPS Energy Sales is shown in MWh and includes all energy sold by UAMPS to the Members and others.

(3) Sales to Members is shown in MWh and includes all energy sold by UAMPS to the Members.

(4) Off-System Sales is shown in MWh and includes all energy sold by UAMPS to purchasers other than Members and market sales.

(5) Total System Peak is shown in MW and includes the aggregate coincident peak demand of all of the Members.

(6) Fiscal 2019 data is preliminary and subject to adjustment to include actual member internal generation data.

GENERAL FINANCIAL MATTERS

Management's Discussion and Analysis. For management's discussion and analysis of UAMPS' financial performance and position and an overview of UAMPS' activities for the years ended March 31, 2019 and 2018, see "MANAGEMENT'S DISCUSSION AND ANALYSIS" in audited financial statements of UAMPS for the fiscal years ended March 31, 2019 and 2018, APPENDIX B to this Official Statement.

Annual Budget and Budgetary Process. The Indenture and the Power Sales Contracts require UAMPS to (1) prepare an Annual Budget prior to the beginning of each Fiscal Year that details the Revenues, Operation and Maintenance Costs and other costs of the Project for the forthcoming Fiscal Year and (2) review the Annual Budget at the end of each quarter and revise it as necessary in the event such review indicates that the Annual Budget does not or will not substantially correspond with actual receipts or expenditures, or if there are or are expected to be at any time during any such Fiscal Year extraordinary receipts, credits or expenditures that will substantially affect the amounts shown in the Annual Budget. The Annual Budget and any revision to it are required to be reviewed and recommended by the Project Management Committee for the Payson Power Project and approved by the Board.

UAMPS prepares separate annual budgets for each of its projects. In advance of the annual budgetary process, the Board adopts a budget policy that sets forth the assumptions and standards to be used by management in the preparation of the annual budget regarding project operations and costs, the allocation of administrative and general costs and other matters. A separate Budget Committee, comprised of the members of the Executive Committee and the chair of each project management committee, is constituted to oversee the preparation of the annual budget. The annual budget for each project is then reviewed, and (as necessary) revised, by the project management committee for that project and recommended to the Board for approval. The Board reviews and approves the annual budgets for each project, which are then consolidated into UAMPS' comprehensive annual budget. Pursuant to the budget policy, management reports financial information (actual and actual compared to budget) at least quarterly (and in many cases, monthly) to each project management committee.

The annual budget for each project is prepared to include all known or likely costs and expenditures of the project, with costs considered unlikely and unforeseen costs being addressed through budget amendments. For its generation projects (Hunter, San Juan and Payson), UAMPS has in recent years budgeted, billed and collected from the project participants amounts to fund major maintenance overhaul reserve accounts for the expected costs of future capital renewals, replacements and improvements shown on capital budgets provided by the project operating agents or prepared by UAMPS (in the case of Payson).

Lines of Credit. UAMPS meets the working capital requirements of its projects under separate lines of credit with two banks. The total amount available to be drawn under these credit lines is \$25,000,000, which UAMPS believes is sufficient to support its current working capital requirements. Currently each credit line is renewable approximately every three years. UAMPS typically makes multiple drawings under these credit lines each month to pay the current expenses of its projects, and repays the amounts drawn promptly upon its receipt of amounts billed Members. The amounts drawn under the credit lines bear interest at floating rates. UAMPS has agreed with the line of credit banks that it will repay the amounts drawn and interest due under the credit lines as an operating and maintenance expense of its projects.

Bond Compliance Policy. UAMPS has adopted a written policy that sets forth procedures for compliance with the federal tax and securities law requirements applicable to its bonds. The policy includes pre-issuance procedures that are intended to establish and confirm the tax status of bonds prior to their issuance and the accuracy and completeness of the disclosure documents provided by UAMPS in connection with the initial offering of bonds. The policy also includes post-issuance procedures that are intended to maintain compliance with the federal tax and securities law requirements that must be satisfied on an on-going basis, including (among other things) arbitrage rebate and continuing disclosure requirements.

Variable Rate Debt and Interest Rate Hedging Policy. UAMPS has adopted a written policy to govern the use by UAMPS of variable rate debt, interest rate hedges and related transactions. This policy establishes guidelines for the use of variable rate debt and the purposes and objectives for which hedging transactions may be executed and the circumstances under which a hedging transaction is prohibited. The policy also requires

consultation with bond counsel to determine whether a proposed hedge transaction is legal and in compliance with the requirements of the Utah State Money Management Act, requires the identification and evaluation of various financial and other risks and other considerations prior to approval of the transaction, and addresses various other aspects of and requirements for hedging transactions.

UAMPS' PROJECTS

The original Members of UAMPS met their power supply requirements through the purchase of electric power and energy from the federal Colorado River Storage Project (“*CRSP*”), Member-owned electric generating facilities and the purchase of power and energy attributable to UAMPS’ interest in the Hunter 2 Generating Unit (the “*Hunter Project*”). With the addition of new Members and the growth in the power and energy requirements of its Members, UAMPS has undertaken additional projects, including:

- *Firm Power Project*, which provides and manages firm energy purchased under long-term power purchase contracts with various wholesale suppliers.
- *IPP Project*, which manages the output of the Intermountain Power Project that is purchased by certain of the Members.
- *San Juan Project*, under which UAMPS acquired an ownership interest (representing 35 MW of capacity) in Unit 4 of the San Juan Generating Station located in northwestern New Mexico.
- *Payson Power Project*, as described in this Official Statement.
- *Horse Butte Wind Project*, a 57.6 MW wind powered electric generating facility in Bonneville County, Idaho. This Project has been in commercial operation since August 2012.
- *Veyo Heat Recovery Project*, a 7.8 MW recovered energy generation system adjacent to a natural gas compressor station owned and operated by Kern River Gas Transmission Company in southwestern Utah.
- *Carbon Free Power Project*, a proposed small modular reactor generating facility to be located at the Idaho National Laboratory that is currently under development.
- *Craig-Mona Transmission Project*, under which UAMPS acquired capacity entitlements in the transmission capability of two interconnected 345 kV transmission lines, running from near Craig, Colorado through the Bonanza Generating Station in eastern Utah to the Mona Substation in central Utah.
- *Central-St. George Transmission Project*, consisting of the construction and operation of various substations, switching stations and 138 kV and 69 kV transmission lines to provide reliable transmission service to UAMPS’ Members in Washington County, Utah (southwestern Utah).
- *Natural Gas Project*, which was formed in 2008 by various Members of UAMPS and the Payson Power Project to acquire economical supplies of natural gas as fuel for electric generation. The Payson Power Project acquires all of its gas supplies through this Project.

- *Member Services Project*, which has been undertaken by UAMPS to address community needs. The Member Services Project is available for equipment purchases or special services that improve service for the Members' customers

In addition to the projects listed, UAMPS has established the Resource Project and the Government and Public Affairs Project, which are described in APPENDIX E. Only one Member is required to form a UAMPS project. Individual UAMPS projects may become participants in other UAMPS projects.

Since its creation, UAMPS has developed new electric power supplies for its Members through the construction of, or acquisition of interests in, electric generating facilities and through the development of transmission access to power supply markets in adjacent states. Through a diversity of power supply resources, the Members are able to benefit from a mix of power supply resources that minimizes their reliance on any single source of electric power. UAMPS is continually analyzing new projects and potential generating options to further procure long term, stable energy supplies for its Members. UAMPS may establish additional projects and procure additional resources on an opportunistic basis.

UAMPS sells the capacity or service provided by each of its projects under contractual arrangements with its Members. Not all of UAMPS' Members have participated in every project that has been undertaken by UAMPS. See "UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS – Membership" above. To the extent that UAMPS has issued or will issue bonds to finance the capital or other costs of a project, such bonds constitute special obligations of UAMPS and are secured solely by payments made to UAMPS by those Members that participate in the respective project. There has never been a payment default by any Member participating in any UAMPS project.

UAMPS may from time to time issue bonds, notes and evidences of indebtedness to finance or refinance costs of the various projects described above as well as new projects that may be established, and may incur contractual obligations payable from its projects. As described in this Official Statement, the Series 2019 Bonds are payable solely from the revenues derived by UAMPS from the Project and are not payable from the revenues derived by UAMPS from any other UAMPS project. Correspondingly, no other project of UAMPS has a claim against the amounts pledged to the payment of the Series 2019 Bonds.

See APPENDIX E for additional descriptions of the various power supply, transmission and other resources of UAMPS.

INVESTMENT CONSIDERATIONS

SPECIAL OBLIGATIONS

The Series 2019 Bonds and all other Bonds issued under the Indenture are special obligations of UAMPS. The Bonds are not an obligation of the State of Utah or any political subdivision of the State (other than UAMPS), nor are the Bonds an obligation, debt or liability of the Participants or of the other Members of UAMPS. Neither the faith and credit nor the taxing power of the State of Utah or any of its political subdivisions or any Participant or Member of UAMPS is pledged for the payment of the Bonds. No Bondholder or receiver or trustee in connection with the payment of the Bonds shall have the right to compel the State of Utah, any political subdivision of the State, any Member of UAMPS or any Participant to exercise its appropriation or taxing powers. UAMPS has no taxing power.

NO CLAIM ON GENERAL REVENUES OR ASSETS

The Series 2019 Bonds are payable and secured solely from the sources described in this Official Statement. The Series 2019 Bonds are not payable from and have no claim or lien upon the revenues or assets of any other project or undertaking of UAMPS. UAMPS is obligated to pay the Series 2019 Bonds only from the Revenues and other funds pledged pursuant to the Indenture. No mortgage or other security interest will be created against the Payson Power Project to secure the Series 2019 Bonds.

The Participants are obligated to make payments to UAMPS under the Power Sales Contracts solely from the available income and revenues of the local electric utility systems. The Participants are not obligated to make payments under the Power Sales Contracts out of any other funds or revenues. None of the Participants has pledged any of the revenues and income of its electric utility enterprise fund to secure its obligations under its Power Sales Contract with UAMPS and none of the Participants has pledged any other revenues, income or assets to secure such obligations.

CERTAIN PROVISIONS OF THE POWER SALES CONTRACTS

Transfer of Entitlement Share. Under the Power Sales Contracts, each Participant has covenanted not to assign all or any part of its Entitlement Share except in accordance with the requirements of the Power Sales Contracts. The Power Sales Contracts provide that a Participant may sell, assign or otherwise dispose of all or a portion of its Entitlement Share to other Participants or UAMPS members (each, an “Assignee”) upon satisfaction of certain conditions. Among several others, those conditions include the requirement that UAMPS shall have received an opinion of nationally recognized bond counsel to the effect that such sale, assignment or disposition will not by itself adversely affect the tax-exempt status of interest on any of the Bonds (theretofore issued or thereafter to be issued as tax-exempt obligations). In addition, if the Assignee is not a Participant, the senior debt, if any, of the Assignee, must be rated by at least one nationally recognized bond rating agency in a category generally recognized to be “investment grade.” For a description of the provisions of the Power Sales Contracts relating to the sale, assignment or other disposition of Entitlement Shares, see “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS—Power Sales Contracts—*Transfer of Entitlement Shares*” and APPENDIX D.

As a result of these provisions of the Power Sales Contracts, the Participants and their Entitlement Shares and Debt Service Shares could change while the Series 2019 Bonds are outstanding.

Mandatory Allocation of Defaulting Participant’s Entitlement Share; Step-Up Limitation. As described above under “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Power Sales Contracts,” UAMPS may, in the event of a default by a Participant, discontinue providing the defaulting Participant’s Entitlement Share. In such event UAMPS is required to immediately make a mandatory pro rata allocation of the defaulting Participant’s Entitlement Share to all non-defaulting Participants, pro rata on the basis of their then-current Entitlement Shares, and otherwise in accordance with the terms and procedures set forth in the Power Sales Contracts. Following this initial allocation, the Power Sales Contracts provide that UAMPS and the non-defaulting Participants may adjust the initial allocations by agreement among them in order to achieve a final allocation of the defaulting Participant’s Entitlement Share. However, no Participant is required to accept a final allocation of a defaulting Participant’s Entitlement Share that increases its original Entitlement Share by more than 25%. This 25% step-up limitation applies to the total of all allocations of Entitlement Shares that may be made over the term of the Power Sales Contracts.

As a result of the 25% step-up limitation, there is a possibility that a defaulting Participant’s Entitlement Share could not be entirely allocated to the non-defaulting Participants in the event that two or more Participants

defaulted under their Power Sales Contracts. For example, in the event of a default by two or more of the Participants with the five largest Entitlement Shares in the Project, UAMPS could not require the non-defaulting Participants to accept all of the defaulting Participants' Entitlement Shares. If, as a result of the 25% step-up limitation, any portion of a defaulting Participant's Entitlement Share remains unallocated, UAMPS must use Commercially Reasonable Efforts (as defined in the Power Sales Contracts) to sell or dispose of the unallocated Entitlement Share.

Since its organization in 1980, no Member of UAMPS has defaulted on any payment obligation to UAMPS, and it has not been necessary for UAMPS to invoke the step-up provisions of any of its contracts with its Members.

For a more detailed description of the mandatory allocation provisions, see "SUMMARY OF CERTAIN PROVISIONS OF THE POWER SALES CONTRACTS — Transfer of Entitlement Share After Default" in APPENDIX D hereto.

PACIFICORP FERC FILINGS

On May 15, 2019, PacifiCorp filed with the Federal Energy Regulatory Commission ("*FERC*") its annual update to rates for transmission service. The rates went into effect on June 1, 2019 but are subject to data requests until November 15, 2019. If any errors are found, the difference will be handled through the annual true-up mechanism or, if significant, an immediate change in the rate will be filed.

See "UAMPS POWER SUPPLY, TRANSMISSION AND OTHER RESOURCES—Transmission of Power Supply Resources" in APPENDIX E for a description of certain provisions of the ARTSOA.

ORGANIZED ISO/RTO MARKETS IN THE WEST

In November 2014 the California Independent System Operator ("*CAISO*") established the Energy Imbalance Market ("*EIM*"), a real-time bulk power trading market. It is intended to provide enhanced grid reliability, cost savings for participants, and improved integration of renewable resources. Currently, the EIM has participants or planned participants in ten western states. While none of UAMPS' generating facilities are in the EIM, UAMPS is affected by the EIM, and has investigated participating with some of its generating resources. The EIM was the first step in a west-wide organized market.

CAISO is currently exploring expansion of the EIM into a day-ahead market. This expansion could result in an organized, RTO-like, market covering a majority of the States in the Western U.S.

The impacts to UAMPS of the implementation of the EIM and other types of organizations described above are unknown at this time. UAMPS continues to monitor these developments.

CERTAIN FACTORS AFFECTING THE ELECTRIC UTILITY INDUSTRY

The U.S. electric utility industry is in a period of significant change and is facing a range of challenges and uncertainties that will continue to impact the financial and operating position of investor-owned, cooperative and municipal electric utilities, including UAMPS and the Participants. Much of the change results from actions taken by legislative and regulatory bodies at the national, regional and state level.

Energy Policy Act of 2005. On August 8, 2005, the Energy Policy Act of 2005 (the “2005 Energy Policy Act”) was signed into law. The Energy Policy Act of 2005 provides incentives for traditional energy production as well as newer, more efficient energy technologies, and conservation. The 2005 Energy Policy Act provides for, among other things: (i) the repeal of the Public Utility Holding Company Act (“PUHCA”), although some responsibilities under PUHCA are transferred to FERC and state regulatory commissions; (ii) a grant to FERC of authority to site transmission facilities if states are unwilling or unable to approve siting; (iii) a directive to FERC to permit incentive rate policies as a means to encourage transmission expansion; (iv) revisions to the Public Utility Regulatory Policies Act; (v) the establishment of service obligation protections for native load customers of utilities in certain areas of the country; (vi) the creation of limited FERC jurisdiction over interstate transmission assets of municipal utilities, cooperatives and federal utilities, to permit FERC to order those entities to provide transmission services on rates and terms comparable to those that the entities charge and provide to themselves; (vii) the establishment of mandatory electric reliability rules for all market participants and the creation of a self-regulatory reliability organization, subject to oversight by FERC; and (viii) the provision of certain tax incentives to encourage expansion of transmission facilities and improvement of environmental standards. As directed by the 2005 Energy Policy Act, FERC has adopted many of the applicable implementing regulations.

FERC continues to issue regulations and decisions interpreting and implementing the various provisions of the 2005 Energy Policy Act. UAMPS is not able to predict at this time the effects, if any, that the 2005 Energy Policy Act or the adoption of such regulations will have on UAMPS, the Participants or the Project.

FERC Transmission Regulation. The National Energy Policy Act of 1992 (the “Energy Policy Act”) included provisions that promoted competition in wholesale electric markets by, among other things, easing restrictions on wholesale power producers and by allowing FERC to order transmission access for wholesale buyers and sellers of electricity over transmission systems owned by “transmitting utilities.”

In 1996, FERC issued its Order 888, which requires jurisdictional utilities to file wholesale transmission tariffs providing pricing and terms for transmission access for wholesale purposes. FERC Order 888 also requires non-jurisdictional utilities (including municipal and consumer-owned utilities) that purchase transmission services from a jurisdictional utility to provide, in turn, non-discriminatory, open access transmission services back to the jurisdictional utility upon terms and conditions that are comparable to the transmission service that they provide to themselves. FERC Order 889 (i) imposes certain standards of conduct intended to restrict transmission-owning utilities from using those facilities to obtain an unfair competitive advantage in power sales transactions and (ii) requires utilities to post information electronically regarding the availability and pricing of their transmission services.

The Energy Policy Act does not permit FERC to order transmission access for purchases or sales of electricity at retail (commonly known as “retail wheeling”). However, various bills have been introduced in prior sessions of Congress that would require existing utilities to allow competitors to use their transmission and distribution facilities to provide electric service to retail customers of the existing utilities. Various states have implemented or are considering legislative or regulatory proposals that would also allow such use of utility property by competitors to serve the retail customers of the existing utilities.

FERC Transmission Reliability Initiative. Section 215 of the Federal Power Act which was enacted by the 2005 Energy Policy Act, provides for FERC to establish a system of mandatory, enforceable reliability standards. FERC has designated the North American Electric Reliability Council (“NERC”) as the Electric Reliability Organization to develop the reliability standards for submittal to FERC for approval and then administer the approved standards with the industry.

The reliability standards apply to all users, owners and operators of the bulk power system within the United States (other than Alaska or Hawaii) and requires that each reliability standard identify the subset of users, owners and operators to which that particular reliability standard applies. Violations of the reliability standards may result in penalties, which FERC continues to monitor and adjust. UAMPS is in compliance with all of the current applicable reliability standards but is not able to predict the effects, if any, that future standards or changes to current standards will have on UAMPS, the Participants or the Project.

Renewable Portfolio Standards. Certain states are now implementing renewable portfolio standards (“RPS”) which typically require electricity providers to obtain a minimum percentage of their power from renewable energy resources by a certain date. Several states in the western region passed RPS or other carbon-based regulation within the last year and Utah could act to enhance its own RPS. Below is a summary of some the legislative activity in Utah and other western states.

Utah. In 2008, the Utah Legislature adopted legislation implementing an optional RPS for municipal electric utilities and electrical corporations. It set the Utah RPS at 20% by 2025, but only if it was cost-effective for a municipal or cooperative utility. It is anticipated that legislation increasing the RPS to 50% by 2030 will be introduced, and that it will allow all zero-carbon resources to be eligible.

California. California established an RPS in 2002 and the program was accelerated in 2006. In April 2011, S.B. X1-2, the California Renewable Energy Resources Act was signed into law, implementing a more aggressive RPS that requires California electric utilities to obtain at least 33% of their energy from “eligible renewable energy resources” by 2020 and to comply with various other requirements. In 2015, S.B. 350, the Clean Energy and Pollution Reduction Act was signed into law, and increased California’s RPS requirement from 33% by 2020 to 50% by 2030. In September 2018, S.B. 100 was signed into law, requiring that 60% of California’s energy be procured from renewable energy resources by 2030. The remaining 40% of the California can be satisfied by “zero-carbon” resources. S.B. 100 also mandates that California be carbon-free by 2045. These RPS standards apply to municipal utilities in California, including TDPUD.

New Mexico. New Mexico amended its RPS in 2019 and has now become one of the most aggressive RPS in the nation. In March 2019, S.B. 489 was signed into law, requiring that renewables account for 80% of retail electric sales by 2040, with the requirement that 100% of retail electric sales come from carbon-free energy sources by 2050. Under S.B. 489, municipal and cooperative are treated differently from investor-owned utilities, and this RPS requirement would not apply to Los Alamos County or the City of Gallup.

Washington. In May 2019, S.B. 5116 was signed into law, requiring that 100% of a utility’s retail electric load be met by renewable or zero-emitting resources by 2045. In November 2018, voters in Washington defeated Ballot Initiative 1631 that would have imposed a carbon tax.

Oregon: Oregon enacted an RPS in 2007, which was revised in 2016 by S.B. 1547. Under S.B. 1547, 50% of the energy sold in Oregon by 2040 must be from a qualifying electricity source or renewable energy. In 2019 and due to a number of legislative maneuverings, the Oregon Legislature failed to enact a cap-and-trade bill that would have required reductions in emissions of 80% by 2050.

Nevada. Nevada passed Question 6 in 2018 which would have made the Nevada RPS part of the Nevada State Constitution. Though it was successful, constitutional amendments must be presented in two consecutive even-year elections. Consequently, Question 6 voters would be required to pass Question 6 in the 2020 election for it to amend the Constitution. With the election of Governor Sisolak who favored increasing the State’s RPS, legislators ran S.B. 358 instead of waiting to present Question 6 to Nevada voters in 2020. Though S.B. 358 is not part of the Nevada State Constitution, it has the same requirements as Question 6. Specifically, it increases

Nevada's RPS to 50% renewable by 2030. This bill would require zero carbon emissions by 2050. However, "zero carbon" is not defined by SB 358, or by existing Nevada state law. Small electric utilities, such as the City of Fallon, are exempt from these RPS requirements.

Colorado. Colorado enacted an RPS in 2004 and modified it in 2007, 2010, and 2013. In 2019, H.B. 19-1261 was signed into law and modified the existing RPS to require specific GHG emission reductions (measured by a 2005 baseline) of 26% by 2025, 80% by 2030 and 90% by 2050.

Other Factors. In addition to these legislative and regulatory actions, a number of other factors are having or may have significant impacts on the electric utility industry generally and on the financial and operating condition of individual utilities. These factors include, among other things:

- state and any federal legislation regulating greenhouse gas emissions;
- changes resulting from conservation and demand-side management programs on the timing and use of electric energy;
- the development and impact of alternate energy sources;
- changes resulting from a national energy policy;
- effects of competition from other electric utilities (including increased competition resulting from mergers, acquisitions and strategic alliances of competing electric and natural gas utilities and from competitors transmitting less expensive electricity from much greater distances over an interconnected system) and new methods of, and new facilities for, producing low-cost electricity;
- increased competition from independent power producers and marketers, brokers and federal power marketing agencies;
- "self-generation" or "distributed generation" (such as rooftop solar, microturbines and fuel cells) by industrial and commercial consumers and others;
- changes in systems, including systems that would provide certain customers with the ability to generate their own electrical power and reduce or eliminate their dependency on power provided by UAMPS and the Participants;
- volatility in the price of energy purchased on the wholesale market that may occur in times of high peak demand;
- unavailability of or substantial volatility in the cost of coal or natural gas used as fuel for generation facilities;
- availability and sufficiency of transmission capacity, particularly during times of high demand; and
- local, regional and national economic conditions.

It is not possible to predict what impact these and other factors will have on the financial and operating position of UAMPS or the Participants. The foregoing discussion is a general summary of complex matters. This discussion is not comprehensive or definitive and the matters discussed are subject to change.

FUEL SUPPLY MATTERS

Fuel costs account for a significant component of the total costs of the Project and have a significant effect upon Project economics. A wide range of factors could affect the future availability and price of natural gas and firm or non-firm gas transportation services for the Project, including general market conditions and disruptions in the natural gas markets, force majeure events (such as hurricanes and other natural disasters, wars and similar events). These factors may be outside of the control of UAMPS and its gas supply and transportation contracts. Disruptions in the supply or price of natural gas for the Project may materially and adversely affect Project economics.

ENVIRONMENTAL MATTERS AFFECTING UAMPS GENERATING FACILITIES

The environmental and technological matters discussed below significantly affect various of UAMPS' projects (including the Payson Power Project) as well as various power supply sources that UAMPS or the Participants own or from which they receive power. An inability to comply with environmental standards could result in reduced operating levels or the complete shutdown of individual electric generating units not in compliance. The sections below outline environmental matters relevant to various generating facilities utilized by UAMPS and the Participants.

Clean Air Act. Legislation was enacted in 1990 that substantially revised the Clean Air Act (the "1990 Amendments"). The 1990 Amendments seek to improve ambient air quality throughout the United States. A main objective of the 1990 Amendments is the reduction of sulfur dioxide (SO₂) and nitrogen oxides (NO_x) emissions caused by electric utility power plants, particularly those fueled by coal. The Clean Air Act requires the EPA to set National Ambient Air Quality Standards ("NAAQS") for the criteria pollutants ozone, particulate matter, nitrogen oxides, carbon monoxide, sulfur oxides and lead. EPA must review and revise the standards as necessary every five years to ensure that they sufficiently protect public health and welfare. The EPA in 2012 increased the stringency of the NAAQS for three pollutants: nitrogen dioxide, sulfur dioxide and particulate matter. In October 2015, the EPA issued its new rule lowering the ozone standard (from 75 to 70 ppb). Legal challenges to this new rule have been filed, including by states and industry groups.

Greenhouse Gas and Climate Change Issues. In April 2009, the EPA issued final findings that (i) the current and projected concentrations of the mix of six key greenhouse gases (GHGs)—carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulfur hexafluoride—in the atmosphere threaten the public health and welfare of current and future generations; and (ii) the combined emissions of these well-mixed GHGs from new motor vehicles and new motor vehicle engines contribute to the GHG pollution, which threatens public health and welfare.

On May 13, 2010, the EPA issued a final rule (the "Tailoring Rule") that requires Prevention of Significant Deterioration ("PSD") and Title V operating permits to be obtained by stationary sources, including power plants, satisfying certain thresholds and other criteria in connection with GHG emissions. PSD permitting requirements in connection with GHGs would require a "best available control technology" ("BACT") analysis. EPA has been gradually phasing in these requirements, focusing on the largest emitters first.

On September 20, 2013, EPA proposed a performance standard for new fossil fuel-fired electric generating units. Under the proposed rule, conventional coal-fired power plants would be required to employ

partial carbon capture and sequestration technology to meet emission standards for carbon dioxide. For new natural gas-fired units, EPA has concluded that compliance should be achievable without additional controls. The performance standard would not apply to existing plants.

In June 2014, the U.S. Supreme Court invalidated substantial portions of the Tailoring Rule, including in particular those which purported to modify the emissions thresholds set forth in the Clean Air Act (governing when permitting would be triggered) to account for GHGs. However, the Supreme Court upheld the EPA's authority to regulate GHG emissions from most new major sources. In its opinion, the Court concluded that EPA retains the authority to require new major sources to install BACT to control GHG emissions if the emitting source is a "major" source of non-GHG emissions. If a source is required to go through "new source review" because of its potential to emit other regulated air pollutants in excess of a relevant threshold, then BACT requirements may be applied to GHG emissions as well.

There have been numerous judicial and legislative challenges to the EPA's efforts to regulate GHGs that may impact the regulatory status outlined above. UAMPS cannot predict the outcome of such challenges or the effects on UAMPS, its projects or the Participants of current or subsequent rulemaking by the EPA with regard to GHGs.

Clean Power Plan Rule. On October 23, 2015, the U.S. Environmental Protection Agency (EPA) issued final emission guidelines for states to use in developing plans to limit CO₂ emissions from existing fossil fuel-fired electric generating units ("EGUs"), otherwise known as the Clean Power Plan ("CPP"). The CPP aimed to reduce carbon pollution from the power industry by 30% from 2005 levels. To achieve these reductions for existing EGUs, EPA created different proposals or "building blocks" that would provide states a means by which they could demonstrate that EGUs or their state implementation plan ("SIP") met the Best System of Emissions Reduction ("BSER"). Under Section 111(d) of the Clean Air Act, SIPs must establish standards of performance that reflect the degree of emission limitation achievable through the application of the BSER. Each building block sets numeric pollution standards for specific types of EGUs, save that the proposal for existing plants features a state-specific emissions reduction goal that is expressed as emissions rates measured in pounds of CO₂ per MWh of net generation and are based on the BSER which may include anything that reduces emissions, from add-on emissions controls to measures that replace production or generation at the affected sources (non-electric system offsets would not be included).

The same day that EPA issued the final CPP Rule, several states, state agencies, coal companies, trade groups, unions and utilities filed petitions for review in the U.S. Court of Appeals for the D.C. Circuit (*West Virginia v. EPA*) challenging the CPP and requesting a judicial stay. After the D.C. Circuit denied petitioners' motion for judicial stay, on February 9, 2016 the U.S. Supreme Court issued a stay of the CPP, effective immediately, while litigation proceeded. On September 27, 2016 the D.C. Circuit heard oral argument *en banc*. Petitioners' arguments centered on EPA's legal authority to regulate EGUs under Section 111(d) of the Clean Air Act. Of particular focus by petitioners was the building blocks that would in effect require generation shifting.

On March 28, 2017 President Trump signed the Executive Order 13783: "Promoting Energy Independence and Economic Growth" calling for EPA to review the CPP. On April 28, 2017, the D.C. Circuit granted EPA's motion to hold the case in abeyance while it promulgates a replacement rule to the CPP. On August 21, 2018, EPA issued a proposed rule entitled the Affordable Clean Energy ("ACE") rule. Contrasted to the CPP, the ACE Rule provides that BSER for existing EGUs is based on heat rate improvement measures that provide states greater flexibility. The ACE Rule also proposes revisions to the New Source Review ("NSR") program to work in conjunction with the proposed changes to BSER for existing EGUs. The ACE Rule did not revisit carbon pollution standards for new, modified, and reconstructed EGUs under Section 111(b). On July

19, 2019, EPA promulgated the final ACE Rule to replace the CPP, and on September 17, 2019 the D.C. Circuit granted motions seeking to dismiss as moot the challenge to the CPP.

Coal Combustion Byproducts. On May 4, 2010, the EPA issued a proposed rulemaking to regulate coal combustion byproducts (“CCBs”) such as ash. The proposal asked for public comment on two approaches for regulating CCBs. The first option was to regulate CCBs as a hazardous waste under Subtitle C of the RCRA, which allows the EPA to create a comprehensive federal program for waste management and disposal of CCBs. The second option was to regulate CCBs as a non-hazardous waste under Subtitle D of the RCRA, which provides the EPA with the authority to develop performance standards for waste management facilities handling the CCBs and would be enforced primarily through citizen suits. Under the second option, plants could dispose of residuals in surface impoundments or landfills if they comply with national minimum standards. The disposal standards would address location, liner requirements, groundwater monitoring and other issues, but permits would not be required. EPA held extensive public comment periods on the proposed rule, the most recent of which closed in September of 2013. The EPA released its final CCR regulation in December 2014, adopting the industry-preferred alternative regulation classifying CCR as non-hazardous solid waste. UAMPS is unable to predict the effects of the EPA’s rulemaking regarding CCBs on UAMPS, its projects or the Participants.

Regional Haze. The EPA’s Regional Haze Rule requires emissions controls using best available retrofit technology (“BART”) for industrial facilities emitting air pollutants that impair visibility in Class I areas (national parks and wilderness areas). Such pollutants include fine particulate matter (“PM_{2.5}”) and compounds that contribute to PM_{2.5} such as nitrogen oxides, sulfur dioxides, certain volatile organic compounds and ammonia. The Regional Haze Rule’s significance to UAMPS’ San Juan Project and Hunter Project is described below and in APPENDIX E.

For UAMPS’ San Juan Project, on February 15, 2013, participants in the San Juan Project executed a non-binding alternative BART determination (“BART Alternative”) with EPA and the State of New Mexico, which required the installation of SNCR technology on San Juan Units 1 and 4 and the retirement of San Juan Units 2 and 3 by December 31, 2017. The EPA issued final approval of the BART Alternative on October 9, 2014, and SNCRs were installed on Units 1 and 4 consistent with the BART Alternative. For further discussion of regional haze compliance and other matters affecting the San Juan Generating Station, see “SAN JUAN PROJECT” in APPENDIX E.

For UAMPS’ Hunter Project, EPA issued a Federal Implementation Plan (a “FIP”) for the Hunter Project on July 5, 2016, requiring the installation of SCR technology for Units 1 and 2. UAMPS, along with the other joint owners (PacifiCorp and Deseret Generation & Transmission) and the State of Utah are challenging the FIP before the U.S. Tenth Circuit Court of Appeals, and compliance requirements have been stayed while EPA reconsiders the FIP. For further discussion of regional haze compliance with respect to the Hunter Project, see “HUNTER PROJECT” in APPENDIX E.

Mercury and Air Toxics Standards. On December 16, 2011, the EPA issued final rules titled “Mercury and Air Toxics Standards.” The rules establish national emission standards for mercury and other hazardous air pollutants from coal- and oil-fired power plants. They require significant reductions in mercury and acid gas emissions from coal-fired power plants and would provide facilities with up to four years to meet the new standards. The rules apply to coal- and oil-fired electric generating units greater than 25 MW. The EPA updated emission limits in 2012 and again in 2013. On June 29, 2015, the U.S. Supreme Court found that the EPA interpreted the Clean Air Act improperly because it did not consider the costs of emissions reductions prior to crafting the standards, and remanded the case. The EPA issued a final finding in April 2016 affirming the same standards. That finding has been challenged in litigation filed by various parties.

While UAMPS believes that its Hunter and San Juan Projects are well-positioned to meet the new Mercury Air Toxics Standards due to installation of recent pollution control devices and the fact that coal burned at these plants has low mercury content, at this time UAMPS is unable to predict the full effects of the Mercury and Air Toxics Standards on UAMPS, its projects and the Participants.

PROPERTY AND CASUALTY INSURANCE

The Indenture requires that, subject in each case to the conditions that similar insurance is usually carried by utilities constructing and operating electric generation facilities comparable to the Payson Power Project and that such insurance is obtainable at reasonable rates and upon reasonable terms and conditions:

(1) UAMPS will secure and maintain, with responsible insurers, insurance on the physical properties of the Payson Power Project with a value in excess of \$100,000 and public liability insurance in the amounts and against such risks as are usually insurable in connection with similar facilities and are normally carried by public utilities engaged in the operation of similar properties, and such insurance policies procured pursuant to this provision shall name the Trustee as an additional loss payee and shall not terminate or expire prior to thirty days after the Trustee has been notified of such termination or expiration;

(2) UAMPS will secure and maintain adequate fidelity insurance or bonds on the positions of any person or persons handling or responsible for funds of UAMPS related to the Payson Power Project; and

(3) UAMPS may, in its sole discretion, obtain business interruption insurance with respect to the Payson Power Project.

The Indenture requires that in the event any useful portion of the Project shall be damaged or destroyed, UAMPS shall determine whether to proceed with the reconstruction or replacement thereof or to terminate the Project. In making such determination, UAMPS shall obtain (and shall be entitled to rely upon) a report of a Qualified Engineer (as defined in the Indenture) setting forth such engineer's recommendations as to the reconstruction, replacement or termination of the Project. In the event that UAMPS determines not to reconstruct or replace the Project, the proceeds of any insurance received by UAMPS on account of such damage or destruction (other than any business interruption loss insurance), shall be deposited into a special account in the Bond Fund and shall be used, together with other legally available moneys for such purpose, to redeem or defease Bonds.

In the event that UAMPS determines to proceed with the reconstruction or replacement of the Project, the proceeds of any insurance not applied to repair or replace damaged or destroyed property are required to be deposited in the Revenue Fund.

The proceeds of business interruption loss insurance, if any, shall be paid into the Revenue Fund.

LITIGATION

There is no litigation pending or threatened against UAMPS questioning or in any manner relating to or affecting, among other things, the validity or enforceability of the Series 2019 Bonds or the Power Sales Contracts, the authority of UAMPS to own the Payson Power Project or the collection and pledge of and lien on the Revenues pursuant to the Indenture. It is a condition of closing that each of the Participants deliver a

certificate to the effect that, among other things, there is no litigation pending or threatened against it questioning or in any manner relating to or affecting the validity or enforceability of its Power Sales Contract with UAMPS.

FINANCIAL STATEMENTS

The audited financial statements of UAMPS for the fiscal years ended March 31, 2019 and 2018 have been audited by Ernst & Young LLP, independent auditors, as stated in their report, and are included as APPENDIX B to this Official Statement. Ernst & Young LLP has not been engaged to perform and has not performed, since the date of such report (i) any procedures on the financial statements addressed in their report or (ii) any procedures relating to this Official Statement.

The balance sheet, statement of revenues and expenses and statement of cash flows information set forth in such financial statements reflect the financial activities of all of UAMPS' projects. As described herein, the Series 2019 Bonds are special obligations of UAMPS, payable solely from the revenues and funds pledged under the Indenture and not from the revenues or funds derived from any other project of UAMPS. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2019 BONDS" above.

MUNICIPAL ADVISOR

UAMPS has engaged Zions Public Finance, Inc., Salt Lake City, Utah as Municipal Advisor in connection with the Series 2019 Bonds (the "*Municipal Advisor*"). The Municipal Advisor has provided financial recommendations and guidance to UAMPS with respect to preparation for and timing of the sale of the Series 2019 Bonds, bond market conditions, costs of issuance and other factors relating to the sale of the Series 2019 Bonds. The Municipal Advisor has also read and participated in the drafting of certain provisions of this Official Statement. The Municipal Advisor has not audited, authenticated or otherwise verified the information set forth in the Official Statement, or any other related information available to UAMPS, with respect to accuracy and completeness of disclosure of such information, and no guaranty, warranty or other representation is made by the Municipal Advisor respecting accuracy and completeness of, or any other matters related to, this Official Statement. Municipal Advisor fees are contingent upon the sale and delivery of the Series 2019 Bonds.

UNDERWRITING

KeyBanc Capital Markets Inc. (the "*Underwriter*"), has agreed, subject to certain conditions, to purchase all of the Series 2019 Bonds from UAMPS at a price of \$26,649,535 (representing the principal amount of the Series 2019 Bonds, less underwriter's discount of \$120,465).

The Underwriter has advised UAMPS that the Series 2019 Bonds may be offered and sold to certain dealers (including dealers depositing the Series 2019 Bonds into investment trusts) at prices lower than the initial public offering prices reflected on the cover page of this Official Statement and that such public offering prices may be changed from time to time.

TAX MATTERS

FEDERAL

Interest on the Series 2019 Bonds is includible in gross income for federal income tax purposes. Ownership of the Series 2019 Bonds may result in other federal income tax consequences to certain taxpayers.

Holders of the Series 2019 Bonds should consult their tax advisors with respect to the inclusion of interest on the Series 2019 Bonds in gross income for federal income tax purposes.

STATE OF UTAH

In the opinion of Bond Counsel, under the laws of the State of Utah as presently enacted and construed, interest on the Series 2019 Bonds is exempt from taxes imposed by the Utah Individual Income Tax Act. Bond Counsel observes that the Utah State Tax Commission has posted guidance on its website (<https://incometax.utah.gov/subtractions/interest-us-obligations>) on how Utah individual income taxpayers can subtract interest on federally-taxable Utah municipal bonds, such as the Series 2019 Bonds, in computing their Utah taxable income. Prospective purchasers of the Series 2019 Bonds that are subject to the Utah Individual Income Tax Act should review the guidance provided by the Utah State Tax Commission and, as necessary, consult their tax advisors regarding the subtraction of interest on the Series 2019 Bonds in computing Utah taxable income.

Bond Counsel expresses no opinion with respect to any other taxes imposed by the State or any political subdivision thereof. Ownership of the Series 2019 Bonds may result in other state or local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Series 2019 Bonds. Prospective purchasers of the Series 2019 Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

CONTINUING DISCLOSURE

UAMPS will enter into a Continuing Disclosure Undertaking (the “*Undertaking*”) for the benefit of the Beneficial Owners of the Series 2019 Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the “*Rule*”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and the other terms of the Undertaking, including termination, amendment and remedies, are set forth in the Undertaking, the proposed form of which is attached as APPENDIX F.

A failure by UAMPS to comply with the Undertaking will not constitute an Event of Default under the Indenture and Beneficial Owners of the Series 2019 Bonds are limited to the remedies described in the Undertaking. UAMPS must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Series 2019 Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2019 Bonds and their market price.

UAMPS reports that within the last five years, it has not failed to comply in all material respects with its previous continuing disclosure undertakings under the Rule, except as described below. UAMPS further reports that, while it timely filed the information required by its prior continuing disclosure undertakings for fiscal years 2016 and 2017, some of this information was filed with incorrect CUSIP numbers. The continuing disclosure dissemination agent engaged by UAMPS is in the process of making corrective filings.

LEGAL MATTERS

All legal matters incident to the authorization and issuance of the Series 2019 Bonds are subject to the approval of Chapman and Cutler LLP, Bond Counsel. Certain matters will be passed upon for UAMPS by

Chapman and Cutler LLP in its roles as disclosure counsel and special counsel to UAMPS, and for the Underwriter by Gilmore & Bell, P.C. The approving opinion of Bond Counsel, in substantially the form set forth in APPENDIX G to this Official Statement, will be delivered with the Series 2019 Bonds.

UAMPS has previously received opinions from counsel or special counsel to each of the Participants, to the effect that the Power Sales Contract between UAMPS and each respective Participant has been duly authorized, executed and delivered by such Participant and constitutes the legal, valid and binding obligation of such Participant enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally or usual equity principles in the event equitable remedies are sought. Such opinions will be confirmed on the date of delivery of the Series 2019 Bonds.

RATINGS

S&P Global Ratings ("*S&P*") has assigned a municipal bond rating of "AA" to the Series 2019 Bonds based upon the issuance by BAM of its municipal bond insurance policy with respect to the Series 2019 Bonds. S&P has assigned an underlying (uninsured) rating of "A-" to the Series 2019 Bonds.

A securities rating is not a recommendation to buy, sell or hold securities. There is no assurance that a rating, once obtained, will continue for any given period of time or that it will not be revised downward or withdrawn entirely if, in the opinion of the rating agency, circumstances so warrant. Any such downward revision or withdrawal could have an adverse effect on the marketability or market price of the Series 2019 Bonds. UAMPS has not undertaken any responsibility after issuance of the Series 2019 Bonds to assure the maintenance of the ratings applicable thereto or to oppose any revision or withdrawal of such ratings.

ESCROW VERIFICATION

Public Finance Partners LLC (the "*Verifier*") will verify the accuracy of the mathematical computations concerning the adequacy of the maturing principal amounts of and interest earned on the obligations of the United States of America, together with other escrowed moneys, to pay when due pursuant to prior redemption the redemption price of, and interest on, the Series 2012 Refunded Bonds and the mathematical computations of the yield on the Bonds and the yield on the government obligations purchased with a portion of the proceeds of the sale of the Bonds.

The verification performed by the Verifier will be solely based upon data, information and documents provided to the Verifier by UAMPS and its representatives and the Underwriter. The Verifier has restricted its procedures to recalculating the computations provided by UAMPS and its representatives and the Underwriters and has not evaluated or examined the assumptions or information used in the computations.

MISCELLANEOUS

The descriptions and summaries herein of the Indenture, the Series 2019 Bonds, certain statutory provisions and certain contracts to which UAMPS and the Participants are parties do not purport to be complete. Reference is made to such documents, laws and contracts for full and complete statements of the terms and provisions thereof.

Any statement in this Official Statement involving matters of opinion, whether or not expressly so stated, is intended as such and not as a representation of fact. The various projections and statements as to future

events are based upon certain assumptions and no assurance can be given that such projections will prove to be correct. The Appendices attached hereto are an integral part of this Official Statement and must be read in conjunction with the foregoing material.

The delivery of this Official Statement has been duly authorized by the Board of Directors of UAMPS.

UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS

By /s/ Jason Norlen

Chair

By /s/ Scott Fox

Chief Financial Officer

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APPENDIX A

THE MAJOR PARTICIPANTS

This Appendix contains descriptions of the four Participants with Entitlement Shares and Debt Service Shares exceeding 10% under the Power Sales Contracts for the Payson Power Project, together with selected financial and operating information for the electric utility systems.

The information contained in this Appendix has been obtained from the Major Participants and other sources believed to be reliable. While UAMPS believes that the following information is a fair summary of the matters presented, UAMPS cannot guarantee the accuracy or completeness of the information set forth below.

SPRINGVILLE

GENERAL

The City of Springville was originally settled in 1850 and has current population of approximately 33,100. It has an incorporated area of approximately 14 square miles.

ELECTRIC SYSTEM DESCRIPTION

Springville's electric utility system was originally constructed in 1904. It has a service area of approximately 24 square miles, and serves approximately 11,900 active customers. The electric system includes five distribution stations and approximately 222 miles of transmission and distribution lines. Springville's electric system is governed by the Springville City Council and a Power Advisory Board which advises and assists the Council in its resource and rate management of the system. Day-to-day operations of the electric system are managed by a Power Director and two Division Superintendents. There are 27 employees in Springville's electric department.

GENERATING FACILITIES

Springville generates a portion of its electric requirements through its thermal and hydroelectric generating facilities and purchases a substantial amount of its requirements from various sources.

Springville's Whitehead Power Plant became operational in 1986 and now includes two natural gas-fired generators and four natural gas/diesel-fired generators with a total generating capacity of 31.8 MW. Springville's four hydroelectric generating facilities have an aggregate capacity of 2.0 MW, for a total System generating capacity of 33.8 MW. Although Springville's existing generating facilities have sufficient capacity to meet the majority of its energy requirements, it regularly evaluates whether off-system purchases are more economic than system generation and uses its generating capacity to back up low-cost market purchases of non-firm energy. Springville also sells capacity and energy to UAMPS and its members.

Springville purchases natural gas to operate the Whitehead Power Plant from multiple spot market suppliers and receives gas through the Dominion Energy distribution system.

Springville's hydroelectric generating facilities utilize available flows and heads in the city's irrigation and culinary water systems that draw water from Spring Creek Canyon and Hobbie Creek Canyon, which open into the city from the Wasatch Mountains. Springville's hydroelectric facilities include one 1,000 kW facility

and three smaller facilities with capacities ranging from 200 to 500 kW. These facilities produce inexpensive energy during the spring and summer months when stream flows are at their highest.

LICENSES, PERMITS AND APPROVALS

Springville reports that it holds all licenses, permits and approvals necessary for the operation of its electric utility, including all licenses from the Federal Energy Regulatory Commission for the operation of its facilities and all air quality permits necessary for the operation of its Whitehead Power Plant. Springville reports that the Plant presently operates within all emissions limits imposed by the air quality permit.

PURCHASED POWER AND ENERGY

In addition to participating in the Payson Power Project, to meet its power and energy requirements, Springville purchases power and energy through its participation in the following UAMPS Projects: (1) CRSP, (2) the Firm Power Supply Project, (3) the San Juan Project, (4) the UAMPS Pool Project, and (5) the Horse Butte Wind Project. See “APPENDIX E—POWER SUPPLY AND TRANSMISSION RESOURCES.”

LARGEST CUSTOMERS

Springville’s largest customer, which is engaged in the frozen foods industry, accounted for approximately 20.2% of its fiscal 2018 power sales revenues. The five largest customers of Springville’s electric system accounted for approximately 27.6% of 2018 power sales revenues.

SUMMARY FINANCIAL AND OPERATING INFORMATION

The following table presents summary financial and operating information for Springville’s electric utility for each of the last three fiscal years.

FISCAL YEAR ENDED JUNE 30,			
	2018	2017	2016
Operating information ¹			
Total energy requirements (MWh)	273,698	272,480	263,068
Peak demand (MW)	61	62	60
Annual load factor (%)	51%	50%	50%
System generation (MWh)	8,698	8,640	5,053
Number of customers (average):			
Residential	10,642	10,502	10,367
Commercial	1,147	1,072	1,046
Industrial	1	1	1
Municipal facilities, agricultural and other	<u>123</u>	<u>122</u>	<u>122</u>
Total customers	<u>11,913</u>	<u>11,697</u>	<u>11,536</u>
Energy sales (MWh)			
Residential	86,695	86,575	85,146
Commercial	97,143	96,420	91,111
Industrial	72,052	70,800	69,267
Municipal facilities, agricultural and other	<u>10,507</u>	<u>11,305</u>	<u>10,763</u>
Total energy sales (MWh)	<u>266,397</u>	<u>265,100</u>	<u>256,287</u>
Energy sales (\$)			
Residential	\$ 9,197,560	\$ 9,193,951	\$ 9,034,774
Commercial	10,593,029	10,343,988	10,004,405
Industrial	5,813,136	5,695,011	5,581,007
Municipal facilities, agricultural and other	<u>908,834</u>	<u>926,111</u>	<u>907,911</u>
Total energy sales (\$)	<u>\$26,512,559</u>	<u>\$26,159,061</u>	<u>\$25,528,097</u>
Financial information ²			
Revenues ³	\$28,457,977	\$28,191,239	\$27,592,707
Operation and maintenance expenses ⁴	<u>(22,633,769)</u>	<u>(22,011,552)</u>	<u>(21,814,074)</u>
Net revenues	<u>\$ 5,824,208</u>	<u>\$ 6,179,687</u>	<u>\$ 5,778,633</u>
Long-term electric system debt	0	0	0
Total noncurrent assets (Electric Fund)	\$32,287,211	\$32,260,869	\$28,139,810
Net Position	\$42,744,011	\$43,568,756	\$42,352,655

¹ Source: City of Springville.

² Source: Springville's audited financial statements for the years shown.

³ Revenues includes operating and non-operating revenues.

⁴ Operation and maintenance expenses excludes depreciation, amortization and other non-cash charges.

KAYSVILLE

GENERAL

Kaysville was incorporated in 1868 and is located in Davis County, which is north of Salt Lake City. Kaysville encompasses an estimated area of approximately 10 square miles. Kaysville has a population of approximately 32,100.

ELECTRIC SYSTEM DESCRIPTION

Kaysville's electric utility system has a service area of approximately 10.5 square miles, includes approximately 147.5 miles of transmission and distribution lines and serves approximately 9,600 customers.

The Kaysville City Council and the City Manager govern and manage the operation of its Power Department. A director of the Power Department, appointed by the City Manager, manages the day-to-day operations of the electric system. There are 14 employees in the Power Department. In addition to the essential utility functions these employees perform, the Department uses the Kaysville City administration services for billing, accounting, inspections, data processing, personnel and legal services.

SOURCES OF POWER AND ENERGY

In addition to participating in the Payson Power Project, to meet the power and energy requirements of its electric system Kaysville purchases power and energy through its participation in the following UAMPS projects: (1) CRSP, (2) the Hunter Project, (3) the San Juan Project, (4) the Intermountain Power Project, and (5) the UAMPS Pool Project, (5) the Firm Power Project, (6) the Horse Butte Wind Project and (7) the Veyo Heat Recovery Project. Kaysville is also a participant in the Carbon Free Power Project which is currently under development. See "APPENDIX E—POWER SUPPLY AND TRANSMISSION RESOURCES."

LICENSES, PERMITS AND APPROVALS

Kaysville reports that it holds all licenses, permits and approvals necessary for the operation of its electric utility.

LARGEST CUSTOMER

The Davis County School District accounted for approximately 4.8% percent of Kaysville's fiscal 2018 power sales revenues. The five largest customers of Kaysville's electric system accounted for approximately 11.6% of 2018 power sales revenues.

SUMMARY FINANCIAL AND OPERATING INFORMATION

The following table presents summary financial and operating information for Kaysville's electric utility for each of the last three fiscal years.

FISCAL YEAR ENDED JUNE 30,			
	2018	2017	2016
Operating information ¹			
Total energy requirements (MWh)	154,826	153,235	149,731
Peak demand (MW)	46	46	46
Annual load factor (%)	38%	38%	37%
System generation (MWh)	-	-	-
Number of customers (average):			
Residential	8,855	8,643	8,461
Commercial	775	753	733
Industrial	1	1	1
Other (City owned)	<u>-</u>	<u>62</u>	<u>61</u>
Total customers	<u>9,631</u>	<u>9,459</u>	<u>9,256</u>
Energy sales (MWh):			
Residential	94,383	94,906	93,317
Commercial	51,688	51,320	49,688
Industrial	<u>1,967</u>	<u>1,933</u>	<u>2,388</u>
Total energy sales (MWh)	<u>148,038</u>	<u>148,159</u>	<u>145,393</u>
Energy Sales (\$):			
Residential	\$ 9,073,122	\$ 8,856,209	\$ 8,742,641
Commercial	4,274,280	4,136,463	4,009,262
Industrial	<u>142,406</u>	<u>134,108</u>	<u>158,536</u>
Total energy sales(\$)	<u>\$13,489,808</u>	<u>\$13,126,780</u>	<u>\$12,910,439</u>
Financial information ²			
Revenues ³	\$15,192,070	\$14,969,453	\$14,874,565
Operation and maintenance expenses ⁴	<u>(14,950,065)</u>	<u>(13,765,793)</u>	<u>(12,345,370)</u>
Net revenues	<u>\$ 242,005</u>	<u>\$ 1,203,660</u>	<u>\$ 2,529,195</u>
Long-term electric system debt	0	0	0
Total noncurrent assets (Electric Fund)	\$17,166,532	\$17,553,727	\$17,883,173
Net Position	\$24,264,491	\$24,960,454	\$25,431,296

¹ Source: City of Kaysville.

² Source: Kaysville's audited financial statements for the years shown.

³ Revenues includes operating and non-operating revenues.

⁴ Operation and maintenance expenses excludes depreciation, amortization and other non-cash charges.

LEHI

GENERAL

The City of Lehi, Utah, was originally settled in 1850 and has a population of approximately 66,000. Lehi is located 12 miles north of Provo, Utah, and 23 miles south of Salt Lake City, in Utah County. Lehi has an incorporated area of approximately 28 square miles.

ELECTRIC SYSTEM DESCRIPTION

Lehi's electric utility system was originally constructed in 1927. It includes approximately 890 miles of transmission and distribution lines. The service area of the electric utility covers approximately 27 square miles and also serves 25 customers outside city limits. The electric utility is overseen by the City Council and the City Administrator, and the day-to-day operations are managed by a Power Director. There are 35 employees in Lehi's electrical department.

SOURCES OF POWER AND ENERGY

In addition to participating in the Payson Power Project, to meet the power and energy requirements of its electric system, Lehi purchases power and energy by participating in the following UAMPS Projects: (1) CRSP, (2) the Hunter Project, (3) the San Juan Project, (4) the Intermountain Power Project, (5) the Firm Power Project, (6) the UAMPS Power Pool, (7) the Horse Butte Wind Project and (8) the Veyo Heat Recovery Project. Lehi is also a participant in the Carbon Free Power Project which is currently under development. See "APPENDIX E—POWER SUPPLY AND TRANSMISSION RESOURCES."

Lehi also purchases power, through UAMPS, from the Jordanelle hydroelectric facility in Wasatch County, Utah.

Lehi has experienced, and continues to experience, rapid growth. To satisfy additional demands on its utility system, Lehi has undertaken acquisition of additional transmission facilities, including the recent completion of a new substation, with a second substation to follow, and the acquisition of 7 MW of internal generation consisting of natural gas-fired reciprocating engines, which became operational in 2018.

LICENSES, PERMITS AND APPROVALS

Lehi reports that it holds all licenses, permits and approvals necessary for the operation of its electric utility.

LARGEST CUSTOMERS

Lehi's largest customer accounted for approximately 2% of fiscal 2018 power sales revenues. The five largest customers of Lehi's electric system accounted for approximately 7.0% of 2018 power sales revenues.

FINANCIAL AND OPERATING INFORMATION

The following table presents summary financial and operating information for Lehi's electric utility for each of the last three fiscal years.

	FISCAL YEAR ENDED JUNE 30,		
	2018	2017	2016
Operating information ¹			
Total energy requirements (MWh)	373,719	354,943	324,951
Peak demand (MW)	103	98	95
Annual load factor (%)	41%	41%	39%
Sources of energy supply (MWh)			
System generation	-	-	-
Purchased energy	<u>373,719</u>	<u>354,943</u>	<u>324,951</u>
Total energy supply	<u>373,719</u>	<u>354,943</u>	<u>324,951</u>
Number of customers (average)			
Residential	18,382	17,524	17,158
Commercial	2,041	1,942	1,667
Other	<u>270</u>	<u>202</u>	<u>142</u>
Total customers	<u>20,693</u>	<u>19,668</u>	<u>18,967</u>
Energy sales (MWh)			
Residential	175,814	171,364	163,283
Commercial	187,670	175,140	140,671
Other	<u>1,167</u>	<u>690</u>	<u>11,264</u>
Total energy sales (MWh)	<u>364,651</u>	<u>347,194</u>	<u>315,218</u>
Energy sales (\$)			
Residential	\$15,412,606	\$15,020,516	\$14,329,462
Commercial	17,351,414	16,198,513	13,190,226
Other	<u>106,385</u>	<u>63,024</u>	<u>986,831</u>
Total energy sales (\$)	<u>\$32,870,405</u>	<u>\$ 31,282,053</u>	<u>\$28,506,519</u>
Financial information ²			
Revenues ³	\$38,683,291	\$34,072,941	\$32,413,055
Operation and maintenance expenses ⁴	<u>(27,683,496)</u>	<u>(26,050,071)</u>	<u>(24,643,464)</u>
Net revenues available for debt service	<u>\$10,999,795</u>	<u>\$8,022,870</u>	<u>\$7,769,591</u>
Long-term electric system debt	\$17,200,000	\$2,320,000	\$3,075,000
Annual debt service	\$803,395	\$807,078	\$803,782
Debt service coverage	13.7x	9.9x	9.7x
Total noncurrent assets (Electric Fund)	\$99,724,367	\$59,419,822	\$52,601,986
Net Position	\$91,874,766	\$76,906,171	\$65,810,808

¹ Source: City of Lehi.

² Source: Lehi's audited financial statements for the years shown.

³ Revenues includes operating and non-operating revenues.

⁴ Operation and maintenance expenses excludes depreciation, amortization and other non-cash charges.

LOGAN

GENERAL

Logan was founded in 1866 and is the county seat of Cache County, Utah. Logan is located about 85 miles northeast of Salt Lake City. Logan encompasses an estimated area of approximately 18.4 square miles and has an estimated population of approximately 51,600.

ELECTRIC SYSTEM DESCRIPTION

Logan has owned and operated its electric system since 1904. It has a service area of approximately 17.97 square miles and includes approximately 230.25 miles of transmission and distribution lines. Logan's electric system is governed by its City Council. A director of the power department, appointed by the Mayor, manages the electric system. There are 31 employees in Logan's electrical department.

GENERATING FACILITIES

The Logan electric system includes two hydroelectric generating stations on the Logan River. These units have an aggregate generating capacity of approximately 7.0 MW, with most energy produced during the spring and early summer when stream flows are highest. The Logan electric system also includes a natural gas/diesel-fired generating facility that includes three combustion turbines with a total capacity of 15 MW and the Dewitt Springs Hydroelectric Plant, which provides 230 kW of renewable energy from excess pressures provided from Logan's culinary water supply line.

LICENSES, PERMITS AND APPROVALS

Logan reports that it holds all licenses, permits and approvals necessary for the operation of its electric utility, including all licenses from the Federal Energy Regulatory Commission for the operation of its facilities and all air quality permits necessary for the operation of its natural gas generating facility. Logan reports that the natural gas generating facility presently operates within all emissions limits imposed by the air quality permit.

PURCHASED POWER AND ENERGY

In addition to participating in the Payson Power Project, to meet its power and energy requirements, Logan purchases power and energy through its participation in the following UAMPS Projects: (1) CRSP, (2) the Hunter Project, (3) the Intermountain Power Project, (4) the UAMPS Power Pool and (5) the Veyo Heat Recovery Project. Logan is also a participant in the Carbon Free Power Project which is currently under development. See "APPENDIX E—POWER SUPPLY AND TRANSMISSION RESOURCES."

LARGEST CUSTOMERS

Logan's largest customer (Utah State University) accounts for approximately 5.3% of fiscal 2018 power sales revenues. The five largest customers of Logan's electric system accounted for approximately 21.3% of 2018 power sales revenues.

SUMMARY FINANCIAL AND OPERATING INFORMATION

The following table presents summary financial and operating information for Logan's electric utility for each of the last three fiscal years.

	FISCAL YEAR ENDED JUNE 30,		
	2018	2017	2016
Operating information ¹			
Total Energy Requirements (MWh)	427,477	456,029	464,871
Peak Demand (MW)	88	91	98
Annual Load Factor (%)	55%	57%	54%
System Generation (MWh)	34,896	37,932	60,562
Number of Customers (average)			
Residential	17,814	17,501	17,308
Commercial	2,408	2,405	2,381
Industrial	7	7	7
Other	<u>1</u>	<u>1</u>	<u>1</u>
Total customers	<u>20,230</u>	<u>19,914</u>	<u>19,697</u>
Energy sales (MWh)			
Residential	101,474	95,420	95,234
Commercial	188,446	185,684	189,680
Industrial	100,609	93,186	91,672
Other	<u>19,819</u>	<u>26,955</u>	<u>22,342</u>
Total energy sales (MWh)	<u>410,348</u>	<u>401,245</u>	<u>398,928</u>
Energy Sales (\$)			
Residential	\$10,503,952	\$ 9,840,152	\$ 9,838,992
Commercial	16,282,253	16,168,280	16,369,750
Industrial	6,519,279	6,174,805	6,126,482
Other	<u>1,863,521</u>	<u>2,172,899</u>	<u>1,959,325</u>
Total energy sales (\$)	<u>\$35,169,005</u>	<u>\$34,356,136</u>	<u>\$34,294,549</u>
Financial information ²			
Revenues ³	\$37,051,513	\$36,359,511	\$35,933,466
Operation and maintenance expenses ⁴	<u>(27,210,643)</u>	<u>(26,772,604)</u>	<u>(26,692,730)</u>
Net revenues	\$ 9,840,870	\$ 9,586,907	\$ 9,240,736
Long-term electric debt	0	0	0
Total noncurrent assets (Electric Fund)	\$36,233,595	\$35,160,313	\$35,334,777
Net Position	\$73,220,321	\$68,144,050	\$61,283,618

¹ Source: City of Logan.

² Source: Logan's audited financial statements for the years shown.

³ Revenues includes operating and non-operating revenues.

⁴ Operation and maintenance expenses excludes depreciation, amortization and other non-cash charges.

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APPENDIX B

**AUDITED FINANCIAL STATEMENTS OF UAMPS FOR
THE FISCAL YEARS ENDED MARCH 31, 2019 AND 2018**

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AUDITED FINANCIAL STATEMENTS,
SUPPLEMENTAL SCHEDULES, REPORTS REQUIRED
BY THE UNIFORM GUIDANCE, SUPPLEMENTARY
INFORMATION REQUIRED BY THE UNIFORM
GUIDANCE, SCHEDULE REQUIRED BY THE UNIFORM
GUIDANCE, AND OTHER REPORT

Utah Associated Municipal Power Systems
Years Ended March 31, 2019 and 2018
With Report of Independent Auditors

Ernst & Young LLP



Utah Associated Municipal Power Systems

Audited Financial Statements, Supplemental Schedules, Reports Required by the Uniform Guidance, Supplementary Information Required by the Uniform Guidance, Schedule Required by the Uniform Guidance, and Other Report

Years Ended March 31, 2019 and 2018

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Report of Independent Auditors

The Board of Directors
Utah Associated Municipal Power Systems

Report on the Financial Statements

We have audited the accompanying financial statements of Utah Associated Municipal Power Systems as of and for the years ended March 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Utah Associated Municipal Power Systems' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Utah Associated Municipal Power Systems as of March 31, 2019 and 2018, and the changes in its financial position and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that management's discussion and analysis on pages 1 through 6 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Utah Associated Municipal Power Systems' basic financial statements. The accompanying schedules of project financial statements and Schedule of Expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional

procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the schedules of project financial statements and Schedule of Expenditures of Federal Awards as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we also have issued our report dated July 18, 2019 on our consideration of Utah Associated Municipal Power Systems' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Utah Associated Municipal Power Systems' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Utah Associated Municipal Power Systems' internal control over financial reporting and compliance.

Ernst & Young LLP

July 18, 2019

Utah Associated Municipal Power Systems

Management's Discussion and Analysis

Introduction

The following is a discussion and analysis of Utah Associated Municipal Power Systems' (UAMPS) financial performance and position, providing an overview of UAMPS' activities for the years ended March 31, 2019, 2018, and 2017.

Description of Business

UAMPS is a political subdivision of the state of Utah (the State). Its 46 members (the Members) include public power utilities in Utah, Idaho, Nevada, New Mexico, California, and Wyoming. UAMPS' purposes include the planning, financing, developing, acquiring, constructing, improving, bettering, operating, and maintaining projects or ownership interests or capacity rights therein for the generation, transmission, and distribution of electric energy for the benefit of its Members. UAMPS is governed by its Board of Directors (the Board). The Board consists of directors representing Members that have entitlement shares in the various projects undertaken by UAMPS. UAMPS is a project-based organization and presently operates 16 separate projects that provide a variety of power supply, transmission and other services to the Members that participate in them. The Members make their own elections to participate in UAMPS' projects and are not obligated to participate in any particular project. In general, UAMPS and its Members that elect to participate in a project enter into a contract that specifies the services or product to be provided to UAMPS from the project, the payments to be made by participating Members in respect of the costs of the project and other matters relating to the project.

Providing the Members with better methods to share resources and information about electric power issues is an important role for UAMPS. Through the Government and Public Affairs (GPA) project the Members are able to participate in the political process at the state and federal levels and to monitor current political issues that could directly impact the future of the electric industry.

The Board has ultimate control of UAMPS, maintaining managerial, financial and operational responsibility. UAMPS functions as an autonomous company supported solely from its own revenues. All assets, debts and obligations of UAMPS are separate and distinct from the assets, debts and obligations of the State. Upon dissolution of UAMPS, any monies not needed to liquidate UAMPS' obligations would be returned to its Members.

Highlights

UAMPS posted a change in net position for the years ended March 31, 2019, 2018, and 2017, of \$7.4 million, \$4.4 million, and \$3.0 million, respectively. The Members may elect to receive refunds of the 2019 excess of revenues over expenses during fiscal year 2020.

Overview of the Financial Statements

This report includes UAMPS' audited financial statements presented in accordance with accounting principles generally accepted in the United States. The audited financial statements include four components: statements of net position, statements of revenues and expenses and changes in net position, statements of cash flows and notes to the financial statements. The statements of net position provide information at a particular point in time; the statements of revenues and expenses show the results of the organization for the fiscal period, providing information regarding future cash flows. The changes in net position include additions due to the excess of revenue over expenses and decreases due to distributions. The statements of cash flows illustrate the cash that is received from and expended on various activities over the period.

UAMPS' financial statements were audited in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* issued by the Comptroller General of the United States. All statements are prepared on the accrual basis of accounting. All revenues and expenses are recognized when earned or incurred regardless of when cash is received or spent.

Notes to the financial statements provide additional schedules and information that are essential to a complete understanding of the financial statements.

Financial Analysis

Total cash and invested assets at March 31, 2019, 2018, and 2017, were \$80.7 million, \$79.0 million, and 73.3 million, respectively.

The increase of \$1.7 million from March 31, 2018 to March 31, 2019, is due to changes within several accounts. Overhaul funds for several projects saw both increases and decreases. Hunter overhaul decreased by \$1.4 million due to consumption of funds for a planned outage. Central-St. George project had an increase in the Project Account of \$1.6 million for new construction. Payson and San Juan overhaul funds increased by \$1.2 million and \$1.0 million, respectively. Cash decreased by \$2.4 million, based upon the timing of items presented for payment. Finally, Member funds increased overall by \$1.6 million.

The increase of \$5.7 million from March 31, 2017 to March 31, 2018, is due to fluctuations in several accounts. Accounts for changes in the Energy Imbalance Market and Billing Escrow increased \$4.1 million. Member funds on hand increased \$1.0 million. Unrestricted cash increased \$1.6 million due to timing of cash disbursements. Veyo Capital Contributions decreased \$1.9 million as the unspent proceeds were disbursed. Payson Project overhaul decreased \$1.8 million due the consumption of funds for the purchase of planned maintenance items. Horse Butte Wind Project Debt Service Reserve Funds decreased overall by \$0.6 million due to refunding activity. San Juan Project Reclamation Trust Fund increased by \$2.4 million due to the required annual contribution. Finally, Horse Butte Wind Project overhaul account increased by \$1.6 million.

Financial Analysis (continued)

The components of investments at March 31, 2019, 2018, and 2017, consisted of the following:

	2019	2018	2017
Investment in U.S. Treasury notes	13.4%	14.3%	15.6%
Investment in Debenture issued by Government Sponsored Enterprise	0.0	0.0	0.6
Utah Public Treasurer's Investment Fund	86.6	85.7	83.8
	100.0%	100.0%	100.0%

At March 31, 2019, 2018, and 2017, accounts receivable totaled \$26.4 million, \$22.1 million, and \$22.3 million, respectively. The increase from March 31, 2018 to March 31, 2019, is due to a few larger member accounts receivable balances at year-end, compared to the prior year, as well as third party related accounts receivable for one counterparty that cumulatively added to the increase. The change from March 31, 2017 to March 31, 2018, was minimal, as the balances were very consistent over those two years. The table below summarizes UAMPS' net position at March 31, 2019, 2018, and 2017:

	2019	2018	2017
Capital assets, net	\$ 195,539	\$ 217,377	\$ 141,549
Other assets	114,105	107,690	188,518
	309,644	325,067	330,067
Deferred outflows of resources	3,717	4,182	3,581
Total assets and deferred outflows of resources	\$ 313,361	\$ 329,249	\$ 333,648
Current liabilities	\$ 42,374	\$ 41,727	\$ 39,369
Long-term liabilities	199,142	213,221	211,807
Other liabilities	47,667	47,982	49,944
Total liabilities	289,182	302,930	301,120
Deferred inflows of resources	11,841	17,513	25,447
Net position:			
Net investment in capital assets	21,527	23,792	29,009
Restricted	6,822	6,146	7,618
Unrestricted	(16,012)	(21,132)	(29,546)
	12,337	8,806	7,081
Total liabilities, deferred inflows of resources, and net position	\$ 313,361	\$ 329,249	\$ 333,648

Financial Analysis of Operations

Operating revenue from power sales for the years ended March 31, 2019, 2018, and 2017, was \$203.2 million, \$192.9 million, and \$189.1 million, respectively. The increase of \$10.3 million is due to fluctuations in revenue in several projects. First, Horse Butte Wind Project had a decrease in production revenue of \$2.5 million, as the project was purchased, and no longer had to purchase the energy. This decrease was offset by an insurance settlement of \$1.2 million for lightning damage and business interruption. Secondly, both Pool Project and Payson Project had increased production revenue of \$6.3 million and \$6.2 million, respectively, due to higher MWh in the projects. Finally, the San Juan Project had a decline in production revenue due to decreased MWh.

The increase of \$3.8 million in fiscal year 2018 from fiscal year 2017 is due to increased revenue in the Pool Project due to increased MWh. San Juan Project also saw an increase of \$0.7 million due to higher MWh output. These increases were offset by decreased MWh and revenue at Payson Project of \$2.0 million. The Firm Power Project also saw a decrease of \$1.8 million due to the conclusion of specific contracts.

Investment income or (expense) for March 31, 2019, 2018, and 2017, was \$1.3 million, (\$0.1 million), and \$0.3 million, respectively. The increase in investment income from March 31, 2018 to March 31, 2019, came from higher interest rates for the cash accounts related to the various projects debt service and major overhaul cash accounts. The expense associated with March 31, 2018, is related to the expensing of bond issuance costs related to the Debt Refunding in the Horse Butte Wind Project.

The table below summarizes UAMPS' total revenues and expenses for fiscal years 2019, 2018, and 2017:

	2019	2018	2017
Revenue:			
Power sales	\$ 203,197	\$ 192,895	\$ 189,123
Investment and other income (expense)	1,288	(119)	276
Other income	742	1,882	1,863
	205,227	194,658	191,262
Expenses:			
Cost of power	155,155	155,926	151,856
Other expenses	42,654	34,345	36,390
	197,809	190,271	188,246
Change in net position	7,418	4,387	3,016
Net position at beginning of year	8,806	7,080	7,349
Distributions	(3,886)	(2,661)	(3,285)
Net position at end of year	\$ 12,338	\$ 8,806	\$ 7,080

Cash Flow and Liquidity

UAMPS' sources of cash include power sales, services, issuance of debt and investment income. The cash balance at March 31, 2019, 2018, and 2017, was \$1.4 million, \$3.8 million, and \$2.2 million, respectively. The amount will fluctuate primarily due to timing of the transfer from the revolving line of credit and cash transfers.

To manage cash flow requirements, UAMPS has a revolving line of credit with two financial institutions with total available cash lines of \$25.0 million. The rates from both financial institutions are variable with both being in relation to LIBOR. Of the combined \$25.0 million available on the revolving lines of credit, the outstanding balance was \$5.3 million, \$13.1 million, and \$9.8 million, as of March 31, 2019, 2018, and 2017, respectively.

Budgets and Billing

The UAMPS Board is presented a budget for its approval prior to the start of each fiscal year and power billings are based on that budget. Monthly reports are presented to the Board describing the operating costs compared to the budget and the revenues derived from the billing process. Any deviations are explained and the budgets are amended as necessary.

Significant Capital Assets and Long-Term Debt Activity

In May 2018 the Central-St. George project completed a construction project to energize the 4th Circuit. There are three existing energized 138kV lines at Red Butte/Central, and these were shifted to terminate the 4th circuit at Central and energize it at 138kV. The existing Red Butte/Central substation was configured to accommodate the two UAMPS 138kV lines out of Red Butte to St. George and the remaining two joint-owned 345kV (energized at 138kV) lines out of Central to St. George. At the Red Butte Substation, a new 138kV circuit breaker was added to allow the shifting of the 3 existing circuits and the addition of the 4th circuit. At the St. George substation, a limited duration 138kV line was constructed and one 138kV circuit breaker was added.

In late 2017 the Central-St. George project began work to re-route and upgrade the 69kV Creek Transmission Line to interconnect to the PacifiCorp Purgatory Flats Substation. The project was still in progress at March 31, 2019.

On March 31, 2019, 2018, and 2017, the construction work-in-progress balance was \$0.7 million, \$0.0 million, and \$0.4 million, respectively. The balance at March 31, 2019, consists of a computer software upgrade (\$0.2 million) and Central-St. George Project Purgatory Flats Substation (\$0.5 million). The balance at March 31, 2017, which consisted of computer equipment upgrades was placed in service, reducing the balance to \$0.0 million at March 31, 2018.

Significant Capital Assets and Long-Term Debt Activity (continued)

On April 27, 2018, UAMPS issued the Central-St. George Transmission Revenue Bonds Series 2018 (totaling \$2.2 million) at 3.85% interest to fund the construction of Purgatory Flats Project, the Debt Service Reserve requirement, and the associated costs of issuance. UAMPS may prepay the Bonds in whole or in part, in a minimum principal amount of \$0.5 million or in increments of \$1 in excess thereof, on any principal repayment date of December 1 in the years 2018 through 2027 with payments of accrued and unpaid interest, and the applicable prepayment premium. Principal prepaid shall be applied to reduce remaining principal payments on the Series 2018 Bonds in reverse chronological order.

UAMPS may, at its election, prepay the loan in part, upon UAMPS determination, in its sole discretion, that it has or will have proceeds of the Series 2018 Bonds that will not be applied to the cost of construction of Purgatory Flats Project, or other purposes for which the Series 2018 Bonds have been authorized to be issued. Such extraordinary optional prepayment shall be made in a single prepayment in a maximum principal amount of \$0.5 million, or any lesser principal amount, including accrued interest, without premium or penalty. Principal prepaid shall be applied to reduce remaining principal payments on the Series 2018 Bonds in reverse chronological order.

Western Electric Energy Markets

The energy markets in the Western Interconnection have remained stable due to low natural gas prices and general economic conditions. While most utilities in the west are seeing minimal load growth due to energy efficiency and distributed generation, UAMPS Members are still seeing significant load growth. UAMPS' loads continue to be growing in the 1% –2% range with some Members in the 5% growth range. UAMPS continues efforts to evaluate new generation resources, to work with the various regional transmission providers and regional planning organizations to see that the needed transmission infrastructure is built in a timely fashion and to evaluate and monitor the Energy Imbalance Market that our Transmission Providers, PacifiCorp and NV Energy, and others have joined. UAMPS is also monitoring efforts to enhance the Energy Imbalance Market through the addition of some aspects of the day ahead market of the California Independent System Operator (CAISO) and the proposal by the Southwest Power Pool to establish an alternative to the CAISO Energy Imbalance Market

Requests for Information

This financial report is designed to provide a general overview of UAMPS' finances for all those with an interest in UAMPS' finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Controller, UAMPS, 155 North 400 West, Suite #480, Salt Lake City, Utah 84103.

Utah Associated Municipal Power Systems

Statements of Net Position

	March 31	
	2019	2018
Assets		
Current assets:		
Cash	\$ 1,399,021	\$ 3,815,705
Receivables	26,394,583	22,110,667
Prepaid expenses and deposits	6,939,458	6,486,188
Investments	20,266,831	18,691,772
	<u>54,999,893</u>	<u>51,104,332</u>
Restricted assets:		
Interest receivable	46,143	45,658
Investments	59,059,174	56,540,284
	<u>59,105,317</u>	<u>56,585,942</u>
Capital assets:		
Generation	406,967,291	403,862,720
Transmission	85,168,040	84,669,469
Furniture and equipment	1,853,533	1,828,449
	<u>493,988,864</u>	<u>490,360,638</u>
Less accumulated depreciation	(299,179,789)	(272,983,887)
	<u>194,809,075</u>	<u>217,376,751</u>
Construction work-in-progress	729,675	—
	<u>195,538,750</u>	<u>217,376,751</u>
Deferred outflows of resources		
Defeasance costs	3,716,735	4,182,124
Total assets and deferred outflows of resources	<u><u>\$313,360,695</u></u>	<u><u>\$329,249,149</u></u>

Utah Associated Municipal Power Systems

Statements of Net Position (continued)

	March 31	
	2019	2018
Liabilities		
Current liabilities:		
Accounts payable	\$ 22,244,285	\$ 14,523,548
Accrued liabilities	11,754,522	11,130,002
Lines of credit	5,300,000	13,050,000
Current portion of unearned revenue	3,075,519	3,023,716
	<u>42,374,326</u>	<u>41,727,266</u>
Liabilities payable from restricted assets:		
Accrued interest payable	2,103,660	2,255,393
Current portion of long-term debt	16,195,457	15,217,464
	<u>18,299,117</u>	<u>17,472,857</u>
Long-term debt:		
Bonds payable, less current portion	182,295,478	194,301,000
Unamortized bond discount	—	(2,576)
Unamortized bond premium	16,846,207	18,922,162
	<u>199,141,685</u>	<u>213,220,586</u>
Other liabilities:		
Unearned revenue, less current portion	29,367,136	30,508,989
Deferred inflows of resources		
Net costs advanced from billings to members	11,841,086	17,513,639
Net position		
Net investment in capital assets	21,527,120	23,792,290
Restricted for project costs	6,822,119	6,145,445
Unrestricted	(16,011,894)	(21,131,923)
	<u>12,337,345</u>	<u>8,805,812</u>
Total liabilities, deferred inflows of resources, and net position	<u><u>\$313,360,695</u></u>	<u><u>\$329,249,149</u></u>

See accompanying notes.

Utah Associated Municipal Power Systems

Statements of Revenues and Expenses and Changes in Net Position

	Year Ended March 31	
	2019	2018
Operating revenues:		
Power sales	\$203,196,700	\$192,895,364
Other	741,535	1,882,408
	203,938,235	194,777,772
Operating expenses:		
Cost of power	155,155,281	155,925,969
In lieu of ad valorem taxes	650,821	639,302
Depreciation	26,447,549	22,759,223
General and administrative	13,234,790	11,193,567
	195,488,441	190,518,061
Operating income	8,449,794	4,259,711
Nonoperating revenues (expenses):		
Interest expense	(7,992,627)	(7,687,467)
Investment and other income (expense), net	1,287,778	(119,019)
Recognition of deferred costs and revenues	5,672,553	7,933,593
Total nonoperating expenses, net	(1,032,296)	127,107
Change in net position	7,417,498	4,386,818
Net position at beginning of year	8,805,812	7,080,299
Distributions to members	(3,885,965)	(2,661,305)
Net position at end of year	\$ 12,337,345	\$ 8,805,812

See accompanying notes.

Utah Associated Municipal Power Systems

Statements of Cash Flows

	Year Ended March 31	
	2019	2018
Operating activities		
Cash received from customers	\$196,703,438	\$192,038,817
Cash payments to suppliers for goods and services	(153,507,393)	(154,189,340)
Cash payments to employees for services	(6,956,894)	(7,115,004)
Cash payments for ad valorem taxes	(684,618)	(510,400)
Unearned revenue	1,860,831	2,434,393
Net cash provided by operating activities	37,415,364	32,658,467
Capital and related financing activities		
Disbursements for utility plant and equipment	(4,609,548)	(19,118,563)
Refund of excess construction proceeds	–	(1,833,062)
Proceeds from issuance of long-term debt	2,236,374	87,254,263
Disbursement for bond refunding	–	(65,970,000)
Principal disbursement on revenue bonds	(13,663,818)	(13,009,000)
Interest disbursement on revenue bonds	(9,352,435)	(14,721,799)
Bond issuance costs	(89,700)	(874,901)
Distribution	(3,885,965)	(2,661,307)
Net cash used in capital and related financing activities	(29,365,092)	(30,934,369)
Noncapital and related financing activities		
Draws on lines of credit	144,222,061	166,517,422
Disbursements on lines of credit	(151,972,061)	(163,267,422)
Net cash provided by (used in) noncapital and related financing activities	(7,750,000)	3,250,000

See accompanying notes.

Utah Associated Municipal Power Systems

Statements of Cash Flows (continued)

	Year Ended March 31	
	2019	2018
Investing activities		
Cash paid for investments	\$ (1,575,058)	\$ (5,284,377)
Restricted assets:		
Cash received from investments	2,743,225	7,127,947
Cash paid for investments	(5,413,969)	(6,311,946)
Interest income received	1,528,847	1,123,498
Net cash used in investing activities	(2,716,956)	(3,344,878)
Increase (decrease) in cash	(2,416,684)	1,629,220
Cash at beginning of year	3,815,705	2,186,485
Cash at end of year	<u>\$ 1,399,021</u>	<u>\$ 3,815,705</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 8,449,794	\$ 4,259,711
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	26,447,549	22,759,223
Amortization of unearned revenue	(2,950,881)	(2,955,162)
Amortization of prepaid energy	—	6,600,471
Unearned revenue	1,860,830	2,434,393
Decrease (increase) in current receivables	(4,283,916)	216,207
Decrease (increase) in prepaid expenses and deposits	(453,270)	272,063
Increase (decrease) in accounts payable	7,720,737	(1,564,934)
Increase in accrued liabilities	624,520	636,495
Net cash provided by operating activities	<u>\$ 37,415,364</u>	<u>\$ 32,658,467</u>

See accompanying notes.

Utah Associated Municipal Power Systems

Notes to Financial Statements

March 31, 2019

1. Summary of Significant Accounting Policies

Organization and Purpose

Utah Associated Municipal Power Systems (UAMPS), a separate political subdivision of the state of Utah, was established pursuant to the provisions of the Utah Interlocal Co-operation Act of November 1980, and was organized under the Amended and Restated Utah Associated Municipal Power Systems Agreement for Joint Cooperative Action. UAMPS' membership consists of 35 municipalities, 1 joint action agency, 1 electric service district, 1 public utility district, 2 water conservancy districts, 3 co-ops, 1 municipal utility district, 1 utility improvement district and 1 nonprofit corporation. (collectively, the Members). The Members are located in Utah, Idaho, Nevada, New Mexico, California, and Wyoming. UAMPS is a separate legal entity that possesses the ability to establish its own budget, incur debt, sue and be sued, and own and lease property. No other governmental units in Utah exercise significant control over UAMPS. As such, UAMPS is not a component unit as defined by the Governmental Accounting Standards Board (GASB) in its Section 2100, *Defining the Financial Reporting Entity*. Further, as defined in this Statement, UAMPS has no component units that should be included in the accompanying financial statements.

UAMPS' purposes include the planning, financing, developing, acquiring, constructing, improving, bettering, operating, and maintaining projects or ownership interests or capacity rights therein for the generation, transmission, and distribution of electric energy for the benefit of its Members.

Basis of Accounting

The accompanying financial statements have been prepared using the accrual basis of accounting. The accounting and reporting policies of UAMPS conform with the accounting rules prescribed by the GASB.

Recent Accounting Developments

GASB Statement No. 83

In November of 2016, the Governmental Accounting Standards Board (GASB) released GASB 83. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for certain asset retirement obligations (AROs). This Statement requires that recognition occur when the liability is both incurred and

Utah Associated Municipal Power Systems

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

reasonably estimable. This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The Company is currently evaluating the effects the adoption of this statement will have on the financial statements.

GASB Statement No. 87

In June of 2017, the Governmental Accounting Standards Board (GASB) released GASB 87, which requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for reporting periods beginning after January 15, 2019. The Company is currently evaluating the effects the adoption of this statement will have on the financial statements.

GASB Statement No. 88

In March of 2018, the Governmental Accounting Standards Board (GASB) released guidance designed to enhance debt-related disclosures in notes to financial statements, including those addressing direct borrowings and direct placements. Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*, clarifies which liabilities governments should include in their note disclosures related to debt. This Statement requires that all debt disclosures present direct borrowings and direct placements of debt separately from other types of debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The Company is currently evaluating the effects the adoption of this statement will have on the financial statements.

GASB Statement No. 89

In June of 2018, the Governmental Accounting Standards Board (GASB) released GASB 89. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a

Utah Associated Municipal Power Systems

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The Company is currently evaluating the effects the adoption of this statement will have on the financial statements.

GASB Statement No. 90

In August of 2018, the Governmental Accounting Standards Board (GASB) released Statement No. 90, *Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61*. The objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This statement is effective for UAMPS in fiscal year 2020. The implementation of this statement is not expected to have an impact on UAMPS's financial statements.

GASB Statement No. 91

In May of 2019, the Governmental Accounting Standards Board (GASB) released GASB 91. This statement clarifies the existing definition of a conduit debt obligation, establishes that a conduit debt obligation is not a liability of the issuer, establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations, and improves required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. The Company is currently evaluating the effects the adoption of this statement will have on the financial statements.

Revenue

UAMPS distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with the principal ongoing operations of the organization. The principal operating revenues and expenses of UAMPS are associated with the planning, financing, developing, acquiring, constructing, improving, bettering, operating, and maintaining projects or ownership interests or capacity rights therein for the generation, transmission, and distribution of electric energy for the benefit of its Members. All other revenues and expenses, such as interest income and interest expense and are reported as nonoperating revenues and expenses.

Utah Associated Municipal Power Systems

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Investments

All investments are recorded at fair value. UAMPS' investment in the Utah Public Treasurer's Investment Fund (PTIF) has a fair value equivalent to the value of the pool shares. This pool is administered by the State of Utah and is regulated by the Money Management Council under provisions of the Utah State Money Management Act.

Receivables

Receivables consist primarily of current power billings to Members.

Capital Assets

Generation assets, transmission assets, furniture, and equipment with an initial cost of more than \$500 are stated at cost, less accumulated depreciation. Interest incurred in the construction and implementation of fixed assets is capitalized into the cost of the fixed assets. Expenditures that increase values or extend useful lives are capitalized and routine maintenance and repairs are charged to expense in the period incurred. Leasehold improvements are capitalized and amortized over the lesser of the asset life or lease term. Depreciation is calculated using the straight-line method at rates that are designed to depreciate the cost of the assets over estimated useful lives ranging from three to 26 years.

Net Costs Advanced or to be Recovered Through Billings to Members

Billings to Members are designed to recover power costs as defined by the power sales contracts, which principally include current operating expenses, scheduled debt principal, and interest and deposits into certain funds. Pursuant to GASB Re10, *Regulated Operations*, expenses determined in accordance with GAAP, which are not currently billable as power costs, or amounts billed as power costs and recovered in advance of being recognized for GAAP are recorded as deferred inflows of resources in the accompanying statements of net position. For a company to report under GASB Re10, a company's rates must be designed to recover its costs of providing services, and the company must be able to collect those rates from customers. If it were determined, whether due to competition or regulatory action, that these standards no longer applied, UAMPS could be required to write off its regulatory deferred inflows. Management believes that UAMPS currently meets the criteria for continued application of GASB Re10, but will continue to evaluate significant changes in the regulatory and competitive environment to assess continuing applicability of the criteria.

Utah Associated Municipal Power Systems

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

Income Taxes

UAMPS is not subject to federal or state income taxes under provisions of Section 115 of the Internal Revenue Code.

Unearned Revenue

Certain participants of the Payson Project, the San Juan Project, the Hunter Project, the Central-St. George Project, and the Horse Butte Wind Project have elected to prepay certain costs of acquisition and debt service during the refinancing and/or construction of their projects. These prepayments, which represent the portion of Debt Service Costs that would be applicable to the participant's entitlement share in each of the respective projects future power generation capability, have been treated as unearned revenue and will be amortized to revenue over the life of the respective bond issues.

Risk Management

UAMPS is exposed to various risks of loss related to theft of, damage to, and destruction of assets, errors, and omissions, injuries to employees, and natural disasters and insures against these losses. UAMPS purchases plant and machinery insurance from a commercial carrier. There have been no significant reductions in insurance coverage from that in the prior year, and settlements have not exceeded insurance coverage for the past three fiscal years. Additionally, UAMPS purchases the following categories of insurance: Property, which includes Earthquake and Flood, General Liability, and Commercial Auto; Difference in Conditions, which includes Earthquake and Flood, Umbrella, Workers' Compensation, Directors and Officers/Employment Practices Liability and Crime.

Net Position

Net position is classified into three components:

- Net investment in capital assets: This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, other long-term borrowings, or deferred outflows of resources that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent

Utah Associated Municipal Power Systems

Notes to Financial Statements (continued)

1. Summary of Significant Accounting Policies (continued)

related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

- **Restricted:** This component of net position consists of amounts subject to external constraints on their use imposed by creditors (such as through debt covenants), contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted:** This component of net position consists of amounts that do not meet the definition of “restricted” or “net investment in capital assets”. As of March 31, 2019 and 2018, UAMPS reported a negative balance in unrestricted net position. The deficit is a result of a long-term prepayment of future power sales. The accounting policies and practices of UAMPS conform to the accounting principles generally accepted in the United States applicable to an enterprise fund of a government unit.

2. Power Sales and Transmission Service Contracts Relating to Bonds

UAMPS has entered into power sales and/or transmission service contracts (the Contracts) with various participants (the Purchasers). The Contracts are as follows:

- UAMPS has contracted with 5 municipalities to provide transmission capabilities from the Central-St. George Project to deliver electric power to the Purchasers. Each contract term extends, at a minimum, to the date all principal and interest on the Series 2009, 2011, 2012, 2016, and 2018 Bonds have been paid.
- UAMPS has contracted with 15 municipalities and 1 electric service district in the San Juan Project to supply power from the generating unit. Each contract term extends, at a minimum, to the date all principal and interest on the Series 2008 and 2011 Bonds have been paid.
- UAMPS has contracted with 14 municipalities, 1 public utility district, and 1 electric service district in the Payson Project to supply power from the generating unit. Each contract term extends, at a minimum, to the date all principal and interest on the 2012 and 2013 Bonds have been paid.

Utah Associated Municipal Power Systems

Notes to Financial Statements (continued)

2. Power Sales and Transmission Service Contracts Relating to Bonds (continued)

- UAMPS has contracted with 21 municipalities, 1 joint action agency, 1 co-op, and 1 public utility district in the Horse Butte Wind Project to supply power from the project. Each contract term extends, at a minimum, to the date all principal and interest on the 2012 and 2017 Bonds have been paid.
- UAMPS has contracted with 6 municipal utilities of one California public utility district in the Veyo Heat Recovery Project to supply power from the project. Each contract term extends, at a minimum, to the date all principal and interest on the 2014 bonds have been paid.

3. Net Costs Advanced From Billings to Members

	For the Years Ended		Accumulated Total as of	
	2019	2018	2019	2018
Items in accordance with GAAP not currently billable to members				
Depreciation, accretion and amortization of bond issuance costs	\$ 26,537,249	\$ 23,634,123	\$354,341,117	\$327,803,868
Refunding charge on refunding/defeasance of revenue bonds	—	163,333	40,273,931	40,273,931
Principal collected from certain receivables	—	—	8,151,148	8,151,148
Excess bond proceeds (used to pay Interest/CWIP)	—	14,695	13,604,822	13,604,822
Principal amounts of notes	—	—	1,750,000	1,750,000
Cost recovery on off-system sales losses	—	—	40,640,144	40,640,144
Estimated future loss on contracts	—	—	10,384,038	10,384,038
Amortization of unearned revenue	(2,950,881)	(2,955,162)	(38,070,386)	(35,119,505)
Utility plant renewals and replacements	(4,402,166)	(5,566,622)	(105,768,587)	(101,366,421)
Plant inventory	(17,082)	33,224	(599,737)	(582,655)
Principal amounts of debt service	(13,882,326)	(13,407,457)	(342,769,031)	(328,886,705)
Amortization of bond premium	(1,673,464)	(1,672,591)	(16,318,142)	(14,644,678)
Major overhaul reserve payments	1,414,559	308,222	(14,890,239)	(16,304,798)
Unrealized gain/loss on investment	151,854	359,808	(104,411)	(256,265)
Amortization of defeased debt costs	465,388	435,067	1,848,649	1,383,261
Amortization of prepaid energy	—	6,600,471	35,106,577	35,106,577
Accrued personal leave	29,422	(13,518)	579,021	549,599
Net costs advanced from billings to members	\$ 5,672,553	\$ 7,933,593	\$ (11,841,086)	\$ (17,513,639)

Utah Associated Municipal Power Systems

Notes to Financial Statements (continued)

4. Capital Assets

UAMPS' interest in two generating units represents a 14.6% and a 7.0% undivided interest in the PacifiCorp Hunter II and the Public Service Company of New Mexico San Juan Unit IV electric generating units (the Generating Units), respectively. The interest is recorded based on UAMPS' acquisition cost.

UAMPS has a 15.0% entitlement share in the transmission capability of a 105-mile 345 kilovolts (kV) transmission line constructed between Craig, Colorado and the Bonanza Generation Station in Uintah County, Utah. UAMPS is responsible for a like percentage of the costs of acquisition, construction, operation, and maintenance of the line. UAMPS has also purchased an entitlement share of 54 MW of transmission capability on the Bonanza line, which extends from the Bonanza Generation Station to the Mona, Utah Substation.

The Central-St. George Project, located in Washington County, Utah, owned and operated by UAMPS, consists of 138 kV transmission facilities, including a 345/138 kV electric substation, approximately 25 miles of 138 kV transmission line, a 138 kV switching yard, a 138/69 kV electric substation, and approximately 16 miles of 69 kV transmission line to provide service to four of its Members in Washington County. Pursuant to the terms of the Joint Operating Agreement, UAMPS and PacifiCorp have undertaken the Phase 3 upgrade to this system, which is the reconstruction of an existing line. The line has been removed, and replaced with 20 miles of new double circuit 345 kV transmission line. The line has been constructed at 345 kV standards and initially operating at 138 kV. The project was placed into service in April 2010.

In May 2018 the Central-St. George Project completed a construction project to energize the 4th Circuit. There are three existing energized 138kV lines at Red Butte/Central, and these were shifted to terminate the 4th circuit at Central and energize it at 138kV. The existing Red Butte/Central substation was configured to accommodate the two UAMPS 138kV lines out of Red Butte to St. George and the remaining two joint-owned 345kV (energized at 138kV) lines out of Central to St. George. At the Red Butte Substation, a new 138kV circuit breaker was added to allow the shifting of the 3 existing circuits and the addition of the 4th circuit. At the St. George substation, a limited duration 138kV line was constructed and one 138kV circuit breaker was added.

In late 2017, the Central-St. George Project began work to re-route and upgrade the 69kV Creek Transmission Line to interconnect to the PacifiCorp Purgatory Flats Substation. The project was still in progress at March 31, 2019.

Utah Associated Municipal Power Systems

Notes to Financial Statements (continued)

4. Capital Assets (continued)

The Payson project is a combined cycle, natural-gas-fired, electric generating facility with a nominal generating capacity of 143 MW located in Payson, Utah, owned, and operated by UAMPS. The Payson project also includes gas pipelines, electric transmission lines, and other properties, and facilities and equipment necessary for the operation of the generating facility. Engineering, equipment acquisition, and other pre-construction work on the Payson project began in 2002 and was completed in June 2004.

The Washington-Hurricane Generator Set consists of three generators. The generator set is rated 1,900 kilowatts (Kw) Continuous, 3,000-foot altitude, 120 degree, 12,740 volt, 3 phase, 1,800 RPM. The capacity of these units is sold to the respective purchasers. The generator set was purchased and placed into service in May 2007.

The Washington-Santa Clara Generator Set consists of two generators. The generator set is rated 1,900 Kw Continuous, 3,000 foot altitude, 120 degree, 12,740 volt, 3 phase, 1,800 RPM. The capacity of these units is sold to the respective purchasers. The generator set was purchased and placed into service in June 2008.

The Veyo Heat Recovery Project is a 7.8 MW recovered energy generation system that is constructed adjacent to a natural gas compressor station owned and operated by Kern River Gas Transmission Company in Southwestern Utah, near the community of Veyo. The Recovered Energy Generation System interconnects with the Veyo Compressor Station and utilizes the waste heat in the generation of electricity. The project was placed in service in May 2016.

UAMPS purchased the Horse Butte Wind Farm in March 2018. The project is a 57.6 MW wind project comprised of 32 Vestas V100 wind turbine generators rated at 1.8MW each, located in Bonneville County, Idaho. This project had been completed in August of 2012, and UAMPS had previously been purchasing the output of the project under a Power Purchase Agreement with the former owner.

Utah Associated Municipal Power Systems

Notes to Financial Statements (continued)

4. Capital Assets (continued)

	Generation	Transmission	Furniture and Equipment	Construction Work-In- Progress	Total
Balance, April 1, 2018	\$ 403,862,720	\$ 84,669,469	\$ 1,828,449	\$ –	\$ 490,360,638
Capital additions	3,170,163	498,571	211,138	729,675	4,609,547
Sales, retirements	(65,593)	–	(186,053)	–	(251,646)
Balance, March 31, 2019	\$ 406,967,290	\$ 85,168,040	\$ 1,853,534	\$ 729,675	\$ 494,718,539
Accumulated depreciation, April 1, 2018	\$ (213,539,395)	\$ (58,627,487)	\$ (817,005)	\$ –	\$ (272,983,887)
Depreciation expense	(22,661,132)	(3,316,296)	(470,122)	–	(26,447,549)
Retirements	54,635	–	197,012	–	251,647
Accumulated depreciation, March 31, 2019	<u>\$ (236,145,892)</u>	<u>\$ (61,943,783)</u>	<u>\$ (1,090,115)</u>	<u>\$ –</u>	<u>\$ (299,179,789)</u>
Average depreciation rate	<u>5.6%</u>	<u>3.9%</u>	<u>25.5%</u>	<u>0.0%</u>	<u>5.4%</u>

	Generation	Transmission	Furniture and Equipment	Construction Work-In- Progress	Total
Balance, April 1, 2017	\$ 305,845,678	\$ 84,669,469	\$ 1,014,537	\$ 400,000	\$ 391,929,684
Capital additions	98,462,872	–	947,811	–	99,410,683
Sales, retirements	(445,830)	–	(133,899)	(400,000)	(979,729)
Balance, March 31, 2018	\$ 403,862,720	\$ 84,669,469	\$ 1,828,449	\$ –	\$ 490,360,638
Accumulated depreciation, April 1, 2017	\$ (194,442,170)	\$ (55,338,890)	\$ (599,431)	\$ –	\$ (250,380,491)
Depreciation expense	(19,119,153)	(3,288,597)	(351,473)	–	(22,759,223)
Retirements	21,928	–	133,899	–	155,827
Accumulated depreciation, March 31, 2018	<u>\$ (213,539,395)</u>	<u>\$ (58,627,487)</u>	<u>\$ (817,005)</u>	<u>\$ –</u>	<u>\$ (272,983,887)</u>
Average depreciation rate	<u>5.4%</u>	<u>3.9%</u>	<u>24.7%</u>	<u>0.0%</u>	<u>5.2%</u>

Utah Associated Municipal Power Systems

Notes to Financial Statements (continued)

5. Investments

Investments are related primarily to debt service reserve funds. Investments consisted of the following:

	Year Ended March 31	
	2019	2018
Restricted:		
Utah Public Treasurers' Investment Fund	\$ 48,469,147	\$ 45,797,897
U.S. Treasury Note	10,590,027	10,742,387
Total	<u>\$ 59,059,174</u>	<u>\$ 56,540,284</u>
Current:		
Utah Public Treasurers' Investment Fund	\$ 20,266,831	\$ 18,691,772
Total	<u>\$ 20,266,831</u>	<u>\$ 18,691,772</u>

UAMPS categorized its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. As of March 31, 2019 and 2018, UAMPS had fair value measurements as shown below:

	Fair Value Measurements Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fiscal year 2019				
Utah Public Treasurers' Investment Fund	\$ 68,735,978	\$ —	\$ —	\$ 68,735,978
U.S. Treasury Note	10,590,027	—	10,590,027	—
	<u>\$ 79,326,005</u>	<u>\$ —</u>	<u>\$ 10,590,027</u>	<u>\$ 68,735,978</u>
Fiscal year 2018				
Utah Public Treasurers' Investment Fund	\$ 64,489,669	\$ —	\$ —	\$ 64,489,669
U.S. Treasury Note	10,742,387	—	10,742,387	—
	<u>\$ 75,232,056</u>	<u>\$ —</u>	<u>\$ 10,742,387</u>	<u>\$ 64,489,669</u>

Utah Associated Municipal Power Systems

Notes to Financial Statements (continued)

5. Investments (continued)

Debt securities classified in Level 2 of the fair value hierarchy are valued using third-party pricing service, which provides documentation on an ongoing basis that includes among other things, pricing information with respect to reference data, methodology, inputs summarized by asset class, pricing application and corroborative information. Utah Public Treasurers' Investment Fund (PTIF) securities classified in Level 3 are priced using the pool's fair value per share factor, as published by the Utah Treasurers' Office, multiplied by our pool balance.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. UAMPS policy for reducing its exposure to credit risk is to comply with the bond covenants that allow UAMPS to invest in U.S. government securities, obligations of any state, including the Utah Public Treasurers' Investment Fund (PTIF), certificates of deposit and bankers acceptances of banks meeting certain minimum requirements and repurchase agreements.

The PTIF operates and reports to the participants on an amortized cost basis. The income, gains, and losses, net of administration fees, of the PTIF are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares. The PTIF was unrated at March 31, 2019.

At March 31, 2019 and 2018, UAMPS' investments held the following quality ratings:

	Value	Quality Rating	
		AAA/Aaa/ AA+	Unrated
Fiscal Year 2019			
Utah Public Treasurers' Investment Fund	\$ 68,735,978	\$ —	\$ 68,735,978
U.S. Treasury Notes	10,590,027	10,590,027	—
Total	<u>\$ 79,326,005</u>	<u>\$ 10,590,027</u>	<u>\$ 68,735,978</u>
Fiscal Year 2018			
Utah Public Treasurers' Investment Fund	\$ 64,489,669	\$ —	\$ 64,489,669
U.S. Treasury Notes	10,742,387	10,742,387	—
Total	<u>\$ 75,232,056</u>	<u>\$ 10,742,387</u>	<u>\$ 64,489,669</u>

Utah Associated Municipal Power Systems

Notes to Financial Statements (continued)

5. Investments (continued)

Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance, and are not collateralized, are collateralized by the pledging financial institution, or is collateralized by the pledging financial institution's trust department or agent, but not in the depositor governments' name. UAMPS deposits are insured up to \$250,000 by the Federal Deposit Insurance Corporation. At March 31, 2019, UAMPS had \$1.1 million exposed to custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect fair value of an investment. UAMPS uses the Specific Identification Method for identifying interest rate risk. UAMPS policy for reducing its exposure to interest rate risk is to comply with bond covenants as previously discussed.

At March 31, 2019, UAMPS had the following debt investment balances by investment type and maturity:

	2019	Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Note	\$10,590,027	\$10,590,027	\$ —	\$ —	\$ —
	\$10,590,027	\$10,590,027	\$ —	\$ —	\$ —

6. Cash

The cash balance at March 31, 2019, of \$1.4 million and at March 31, 2018, of \$3.8 million consisted of deposits with banks.

As of March 31, 2019 and 2018, there was no balance in restricted cash.

Utah Associated Municipal Power Systems

Notes to Financial Statements (continued)

7. Debt

Pursuant to the Horse Butte Wind Project Revenue Bond Resolution, the San Juan Project Revenue Bond Resolution, the Central-St. George Transmission Project Revenue Bond Resolution, the Payson Power Project Bond Resolution, the Member Services Revenue Bond Resolution, and the Veyo Heat Recovery Project Revenue Bond Resolution, (collectively, the Resolutions), all supplemented from time to time, UAMPS has issued the following revenue and refunding revenue bonds and notes payable:

Series	Original Issue	Interest Rate	Original Maturity Date	Principal Outstanding March 31	
				2019	2018
Horse Butte Wind 2012A					
Serial	\$ 67,860,000	0.05%–5.00%	2013–2032	\$ 11,845,000	\$ 14,460,000
Horse Butte Wind 2017A:					
Serial	38,480,000	5.00%	2023-2032	38,480,000	38,480,000
Horse Butte Wind 2017B:					
Serial	32,455,000	5.00%	2026-2037	32,455,000	32,455,000
Horse Butte Wind 2017C:					
Taxable component	165,000	2.05%	2019	165,000	165,000
Taxable component	170,000	2.20%	2020	170,000	170,000
Taxable component	170,000	2.45%	2021	170,000	170,000
Taxable component	180,000	2.60%	2022	180,000	180,000
Taxable component	460,000	2.85%	2023	460,000	460,000
Term	480,000	3.05%	2024	480,000	480,000
Term	495,000	3.05%	2025	495,000	495,000
	2,120,000				

Utah Associated Municipal Power Systems

Notes to Financial Statements (continued)

7. Debt (continued)

Series	Original Issue	Interest Rate	Original Maturity Date	Principal Outstanding March 31	
				2019	2018
San Juan 2008A Serial	\$ 2,345,000	3.50%–4.50%	2009–2022	\$ 815,000	\$ 1,000,000
San Juan 2011 Serial	22,165,000	2.00%–5.50%	2011–2023	10,060,000	12,000,000
Central–St. George 2009 Serial	2,350,000	4.00%–5.00%	2010–2019	290,000	565,000
Central–St. George 2011 Term	3,800,000	2.65%	2011–2019	520,000	1,025,000
Central–St. George 2012 Serial	11,240,000	2.32%	2012–2019	1,510,000	2,985,000
Central–St. George 2016 Term	25,880,000	2.53%	2016–2027	24,510,000	24,910,000
Central–St. George 2018 Term	2,236,374	3.85%	2018–2027	2,116,556	-
Payson 2012 Serial	74,885,000	2.00%–5.00%	2013–2026	47,010,000	52,085,000
Payson 2013 Serial	2,025,000	1.76%	2014–2023	1,065,000	1,265,000
Veyo 2014 Serial	12,990,000	3.00%–5.00%	2017–2034	11,480,000	12,005,000
Term	1,060,000	4.00%	2035	1,060,000	1,060,000
Term	1,100,000	4.00%	2036	1,100,000	1,100,000
Term	1,145,000	4.00%	2037	1,145,000	1,145,000
Term	1,190,000	4.00%	2038	1,190,000	1,190,000
Term	1,240,000	5.00%	2039	1,240,000	1,240,000
Term	1,300,000	5.00%	2040	1,300,000	1,300,000
Term	1,365,000	5.00%	2041	1,365,000	1,365,000
	<u>8,400,000</u>				

Utah Associated Municipal Power Systems

Notes to Financial Statements (continued)

7. Debt (continued)

Series	Original Issue	Interest Rate	Original Maturity Date	Principal Outstanding March 31	
				2019	2018
Hurricane City – 2013					
Term	\$ 2,009,000	2.30%	2014–2027	\$ 1,365,000	\$ 1,500,000
Washington City – 2013					
Term	996,000	2.30%	2014–2027	676,000	743,000
Washington City – 2016					
Term	1,968,000	2.59%	2017–2029	1,700,000	1,847,000
				196,417,556	207,845,000
		Less unamortized bond discount		–	2,576
		Plus unamortized bond premium		16,846,207	18,922,162
Less current portion (excluding current portion of unamortized bond premium and discount)				14,122,078	13,544,000
				\$ 199,141,685	\$ 213,220,586

The Horse Butte Wind Project Revenue and Refunding Series 2017A Bonds and the Series 2017B Bonds maturing on or after September 1, 2028, are subject to redemption prior to maturity on or after March 1, 2028, in whole or in part on any date, at a redemption price equal to 100% of the principal amount of each Series 2017 Bond or portion thereof to be so redeemed plus accrued interest to the redemption date.

The Horse Butte Wind Project Revenue and Refunding Series 2017C Bonds are subject to redemption prior to the maturity at the option of UAMPS, in whole or in part, and if in part among maturities to be designated by UAMPS, on any date, at a Redemption Price, calculated by a quotation agent selected by UAMPS in a commercially reasonable manner, equal to the greater of 100% the principal amount of the Series 2017C Bonds to be redeemed; and the sum of the present value of the remaining scheduled payments of principal and interest to the maturity date of such Series 2017C Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such Series 2017C Bonds are to be redeemed, discounted to the date on which such Series 2017C Bonds are to be redeemed on a semi-annual basis, assuming a 360 day year consisting of twelve 30 day months, at the Treasury Rate plus 10 basis points; plus, in each case, accrued interest on the Series 2017C Bonds to be redeemed to the redemption date. The Series 2017C Bonds maturing on September 1, 2025, are subject to mandatory sinking fund redemption on September 1, 2024, at a redemption price equal to 100% of the principal amount of each Series 2017C Bond to be so redeemed, plus accrued interest to the redemption date.

Utah Associated Municipal Power Systems

Notes to Financial Statements (continued)

7. Debt (continued)

The Horse Butte Wind Revenue Bonds Series 2012A maturing on and after September 1, 2023 (totaling 42.0 million) were redeemed at 100% principal and accrued interest. Accordingly, all amounts related to the defeased Bonds were removed from the balance sheet. All of Series 2012B Bonds were redeemed at 100% principal plus accrued interest. The outstanding principal of the remaining Series 2012A Bonds at March 31, 2019, was \$11.8 million. The outstanding principal of the defeased in substance bonds was \$42.0 million.

The San Juan Project Revenue Bonds, Series 2008A (totaling \$2.3 million) maturing on or after June 1, 2019, are subject to redemption prior to maturity on or after June 1, 2018, in whole or in part on any date, at a redemption price equal to 100% of the principal amount of each bond or portion thereof plus accrued interest.

The San Juan Project Refunding Revenue Bonds, Series 2011 (totaling \$22.2 million), maturing June 1, 2023, at 2.00% – 5.50% interest, maturing on and after June 1, 2022, are subject to optional maturity on or after June 1, 2021, in whole at any time or in part on any date, at redemption price equal to 100.00% of the principal amount plus accrued interest.

The Central-St. George Transmission Project Revenue and Refunding Bonds, Series 2009, (totaling \$24.8 million), maturing on or after December 1, 2020, were redeemed at 100% principal and accrued interest. Accordingly, all amounts related to the defeased Bonds were removed from the balance sheet. The outstanding principal of the remaining Series 2009 Bonds at March 31, 2019, was \$0.3 million. The outstanding principal of the defeased in substance bonds was \$22.5 million.

The Central-St. George Transmission Project Revenue and Refunding Bond, Series 2011, (totaling \$3.8 million), at 2.65% interest, is subject to optional redemption on or after December 1, 2015, at 101.00% of the principal amount of the Series 2011 Bond to be redeemed plus accrued interest to the redemption date.

The Central-St. George Transmission Project Revenue and Refunding Bond, Series 2012, (totaling \$11.2 million), at 2.32% interest, is subject to optional redemption on or after June 1, 2016, at 101.00% of the principal amount of the Series 2012 Bond to be redeemed plus accrued interest to the redemption date.

The Central-St. George Transmission Project Revenue and Refunding Bond, Series 2016, (totaling \$25.8 million), at 2.53% interest, may be prepaid in whole or in part without penalty.

Utah Associated Municipal Power Systems

Notes to Financial Statements (continued)

7. Debt (continued)

On April 27, 2018, UAMPS issued the Central-St. George Transmission Revenue Bonds Series 2018 (totaling \$2.2 million) at 3.85% interest to fund the construction of Purgatory Flats Project, the Debt Service Reserve requirement, and the associated costs of issuance. UAMPS may prepay the Bonds in whole or in part, in a minimum principal amount of \$0.5 million or in increments of \$1 in excess thereof, on any principal repayment date of December 1 in the years 2018 through 2027 with payments of accrued and unpaid interest, and the applicable prepayment premium. Principal prepaid shall be applied to reduce remaining principal payments on the Series 2018 Bonds in reverse chronological order.

UAMPS may, at its election, prepay the loan in part, upon UAMPS determination, in its sole discretion, that it has or will have proceeds of the Series 2018 Bonds that will not be applied to the cost of construction of Purgatory Flats Project, or other purposes for which the Series 2018 Bonds have been authorized to be issued. Such extraordinary optional prepayment shall be made in a single prepayment in a maximum principal amount of \$0.5 million, or any lesser principal amount, including accrued interest, without premium or penalty. Principal prepaid shall be applied to reduce remaining principal payments on the Series 2018 Bonds in reverse chronological order.

The Payson Power Project Refunding Revenue Bonds, Series 2012, (totaling \$74.9 million) maturing on April 1, 2026, at 2.00% – 5.00% interest, maturing on or after April 1, 2022, are subject to redemption on or after October 1, 2021, in whole or in part on any date, at a redemption price of 100.00% of the principal amount of each Series 2012 Bond or portion thereof to be redeemed, plus accrued interest to the redemption date.

The Payson Power Project Revenue Bonds Series 2013 (totaling \$2.0 million) at 1.76% interest are not subject to optional redemption prior to maturity.

The Veyo Heat Recovery Project Revenue Bonds Series 2014 (totaling \$21.4 million) maturing on or after March 1, 2026, are subject to redemption prior to maturity on or after March 1, 2025, in whole or in part on any date, at a redemption price equal to 100% of the principal amount or portion plus accrued interest to redemption date. The Series 2014 Bonds maturing on March 1, 2038, are subject to mandatory sinking fund redemption on March 1, 2035, and on each March 1 thereafter to and including March 1, 2037, at a redemption price equal at a redemption price equal to principal amount plus accrued interest to the redemption date. The Series 2014 Bonds maturing on March 1, 2041, are subject to mandatory sinking funds redemption on March 1, 2039 and March 1, 2040, at a redemption price equal to 100% of the principal amount plus accrued interest to the redemption date.

Utah Associated Municipal Power Systems

Notes to Financial Statements (continued)

7. Debt (continued)

The Member Services Project Generator Revenue Refunding Bonds (Hurricane City project and Washington City project) Series 2013 Revenue Refunding Bonds (totaling \$2.0 million and \$1.0 million, respectively) at 2.30% interest are subject to redemption prior to maturity, at the election of UAMPS on or after November 1, 2020, in whole (but not in part), at a redemption price equal to 100.00% of the principal plus accrued interest.

The Member Services Project Generator Refunding Revenue Bonds (Washington City Project) Series 2016 (totaling \$2.0 million) at 2.59% interest, maturing on or after July 1, 2024, are subject to redemption prior to maturity, at the election of UAMPS on any interest payment date, on or after July 1, 2023, in whole or in part (and if in part, in inverse order of principal installments), at a redemption price equal to 100% of the principal amounts of the bonds to be redeemed plus accrued interest.

Restricted cash and investments are restricted only for the purposes stipulated in the Resolutions. When both restricted and unrestricted resources are available for use, UAMPS' Project Management Committee determines which resources are used first.

The Bond Resolutions include certain provisions and covenants including among others, the requirement that UAMPS shall at all times establish and collect rates and charges to provide Revenues at least sufficient in each fiscal year, together with other available funds, for the payment of the sum of operation and maintenance costs, debt service, and debt service reserve account for the fiscal year. UAMPS will punctually pay or cause to be paid the principal, redemption price and interest on the Bonds and any repayment obligations in strict conformity with the terms of the Bonds, any security instrument agreement, any reserve instrument agreement, and the indenture, and UAMPS will punctually pay or cause to be paid all sinking fund installments which may be established for any series of bonds. UAMPS is required file an annual budget with the respective trustees of each of their bonds and is required to keep proper books of records and accounts, and file with the Trustee annually financial statements.

Utah Associated Municipal Power Systems

Notes to Financial Statements (continued)

7. Debt (continued)

The scheduled maturities and related interest, based on scheduled rates for fixed rate bonds and the existing rates at March 31, 2019, for variable rate bonds, of long-term debt are as follows:

Year Ending March 31	Revenue and Refunding Revenue Bonds	Interest	Total Debt Service Requirements
2020	\$ 14,122,079	\$ 8,416,502	\$ 22,538,581
2021	14,695,205	7,785,197	22,480,402
2022	15,352,644	7,108,119	22,460,763
2023	16,035,409	6,398,270	22,433,679
2024	15,200,511	5,726,972	20,927,483
2025–2029	58,796,708	19,954,861	78,751,569
2030–2034	29,295,000	11,718,050	41,013,050
2035–2039	30,255,000	3,838,633	34,093,633
2040–2044	2,665,000	190,396	2,855,396
	<u>\$ 196,417,556</u>	<u>\$ 71,137,000</u>	<u>\$ 267,554,556</u>

UAMPS incurred interest costs of \$8.0 million and \$7.7 million for the years ended March 31, 2019 and 2018, respectively.

Utah Associated Municipal Power Systems

Notes to Financial Statements (continued)

7. Debt (continued)

The table below shows the changes in the net long-term debt balances that occurred during the year ended March 31, 2019.

	March 31 2018	Additions	Reductions	March 31 2019	Amount Due Within One Year
Horse Butte Wind 2012A – Serial	\$ 14,460,000	\$ –	\$ 2,615,000	\$ 11,845,000	\$ 2,750,000
Horse Butte Wind 2017A – Serial	38,480,000	–	–	38,480,000	–
Horse Butte Wind 2017B – Serial	32,455,000	–	–	32,455,000	–
Horse Butte Wind 2017C – Taxable Component	165,000	–	–	165,000	165,000
Horse Butte Wind 2017C – Taxable Component	170,000	–	–	170,000	–
Horse Butte Wind 2017C – Taxable Component	170,000	–	–	170,000	–
Horse Butte Wind 2017C – Taxable Component	180,000	–	–	180,000	–
Horse Butte Wind 2017C – Taxable Component	460,000	–	–	460,000	–
Horse Butte Wind 2017C – Term	480,000	–	–	480,000	–
Horse Butte Wind 2017C – Term	495,000	–	–	495,000	–
San Juan 2008A– Serial	1,000,000	–	185,000	815,000	190,000
San Juan 2011 – Serial	12,000,000	–	1,940,000	10,060,000	2,035,000
Central-St. George 2009 – Serial	565,000	–	275,000	290,000	290,000
Central-St. George 2011 – Serial	1,025,000	–	505,000	520,000	520,000
Central-St. George 2012 – Serial	2,985,000	–	1,475,000	1,510,000	1,510,000
Central-St. George 2016 – Term	24,910,000	–	400,000	24,510,000	410,000
Central-St. George 2018 – Term	–	2,236,374	119,818	2,116,556	211,079
Payson 2012 – Serial	52,085,000	–	5,075,000	47,010,000	4,925,000
Payson 2013 – Serial	1,265,000	–	200,000	1,065,000	205,000
Veyo 2014 – Serial	12,005,000	–	525,000	11,480,000	555,000
Veyo 2014 – Term	1,060,000	–	–	1,060,000	–
Veyo 2014 – Term	1,100,000	–	–	1,100,000	–
Veyo 2014 – Term	1,145,000	–	–	1,145,000	–
Veyo 2014 – Term	1,190,000	–	–	1,190,000	–
Veyo 2014 – Term	1,240,000	–	–	1,240,000	–
Veyo 2014 – Term	1,300,000	–	–	1,300,000	–
Veyo 2014 – Term	1,365,000	–	–	1,365,000	–
Hurricane City 2013 – Term	1,500,000	–	135,000	1,365,000	138,000
Washington City 2013 – Term	743,000	–	67,000	676,000	68,000
Washington 2016 – Term	1,847,000	–	147,000	1,700,000	150,000
	207,845,000	2,236,374	13,663,818	196,417,556	14,122,079
Less unamortized discount	5,153	–	2,576	2,577	2,577
Plus unamortized premium	20,598,203	–	1,676,041	18,922,163	2,075,955
	<u>\$ 228,438,050</u>	<u>\$ 2,236,374</u>	<u>\$ 15,337,283</u>	<u>\$ 215,337,142</u>	<u>\$ 16,195,457</u>

Utah Associated Municipal Power Systems

Notes to Financial Statements (continued)

7. Debt (continued)

The table below shows the changes in the net long-term debt balances that occurred during the year ended March 31, 2018.

	March 31 2017	Additions	Reductions	March 31 2018	Amount Due Within One Year
Horse Butte Wind 2012A – Serial	\$ 58,950,000	\$ –	\$ 44,490,000	\$ 14,460,000	\$ 2,615,000
Horse Butte Wind 2017A – Serial	–	38,480,000	–	38,480,000	–
Horse Butte Wind 2017B – Serial	–	32,455,000	–	32,455,000	–
Horse Butte Wind 2017C – Taxable Component	–	165,000	–	165,000	–
Horse Butte Wind 2017C – Taxable Component	–	170,000	–	170,000	–
Horse Butte Wind 2017C – Taxable Component	–	170,000	–	170,000	–
Horse Butte Wind 2017C – Taxable Component	–	180,000	–	180,000	–
Horse Butte Wind 2017C – Taxable Component	–	460,000	–	460,000	–
Horse Butte Wind 2017C – Term	–	480,000	–	480,000	–
Horse Butte Wind 2017C – Term	–	495,000	–	495,000	–
San Juan 2008A– Serial	1,175,000	–	175,000	1,000,000	185,000
San Juan 2011 – Serial	13,845,000	–	1,845,000	12,000,000	1,940,000
Central-St. George 2009 – Serial	830,000	–	265,000	565,000	275,000
Central-St. George 2011 – Serial	1,520,000	–	495,000	1,025,000	505,000
Central-St. George 2012 – Serial	4,430,000	–	1,445,000	2,985,000	1,475,000
Central-St. George 2016 – Term	25,300,000	–	390,000	24,910,000	400,000
Payson 2012 – Serial	56,970,000	–	4,885,000	52,085,000	5,075,000
Payson 2013 – Serial	1,465,000	–	200,000	1,265,000	200,000
Veyo 2014 – Serial	12,505,000	–	500,000	12,005,000	525,000
Veyo 2014 – Term	1,060,000	–	–	1,060,000	–
Veyo 2014 – Term	1,100,000	–	–	1,100,000	–
Veyo 2014 – Term	1,145,000	–	–	1,145,000	–
Veyo 2014 – Term	1,190,000	–	–	1,190,000	–
Veyo 2014 – Term	1,240,000	–	–	1,240,000	–
Veyo 2014 – Term	1,300,000	–	–	1,300,000	–
Veyo 2014 – Term	1,365,000	–	–	1,365,000	–
Hurricane City 2013 – Term	1,632,000	–	132,000	1,500,000	135,000
Washington City 2013 – Term	809,000	–	66,000	743,000	67,000
Washington 2016 – Term	1,968,000	–	121,000	1,847,000	147,000
	213,769,000	73,055,000	78,979,000	207,845,000	13,544,000
Less unamortized discount	7,729	–	2,576	5,153	2,576
Plus unamortized premium	12,726,728	14,199,262	6,327,787	20,598,203	1,676,040
	<u>\$ 226,487,999</u>	<u>\$ 87,254,262</u>	<u>\$ 85,304,211</u>	<u>\$ 228,438,050</u>	<u>\$ 15,217,464</u>

Utah Associated Municipal Power Systems

Notes to Financial Statements (continued)

8. Lines of Credit

The outstanding balance on the combined \$25.0 million available lines of credit was \$5.3 million and \$13.1 million at March 31, 2019 and 2018, respectively. The additional revolving lines of credit were obtained to assist UAMPS with working capital requirements.

9. Commitments and Contingencies

In the course of ordinary business activities, UAMPS enters into a variety of contractual obligations for future transactions for both energy and natural gas in order to meet Member's load and resource requirements.

UAMPS had the following Purchase Commitments at March 31, 2019:

	Gas	Power
Fiscal year:		
2020	\$ 12,949,831	\$ 46,584,841
2021	13,286,160	47,788,927
2022	13,503,365	46,747,167
2023	12,991,130	3,002,466
2024	837,510	—
Total	<u>\$ 53,567,996</u>	<u>\$ 144,123,401</u>

Under similar agreements UAMPS purchased energy in the amount of \$46.0 million in fiscal years 2019 and \$47.0 million in fiscal year 2018. UAMPS purchased natural gas in the amount of \$15.0 million in fiscal year 2019 and 2018.

Utah Associated Municipal Power Systems

Notes to Financial Statements (continued)

9. Commitments and Contingencies (continued)

UAMPS shares an ownership interest in the San Juan Generating Station, which has an agreement with the Public Service Company of New Mexico to purchase a minimum annual quantity of coal. Under the agreement currently in place, the San Juan Generating Station and UAMPS, as a part owner of generating unit number 4, have the following estimated commitments over the next five years:

			Total Commitment March 31, 2019	UAMPS Portion of Commitment March 31, 2019
Year	Tons	Price per Ton		
2020	2,800,000	\$ 46.2	\$ 129,360,000	\$ 5,437,000
2021	2,800,000	46.2	129,360,000	5,437,000
2022	1,400,000	46.2	64,680,000	2,719,000

During fiscal years 2019 and 2018, UAMPS incurred minimum coal costs of \$4.8 million and \$4.4 million respectively, and incremental coal costs each year of \$.4 million and \$.1 million respectively, as its portion of the existing San Juan Operating Agreement. Incremental coal costs are comprised of variable costs for the purchase of coal in excess of the minimum purchase requirement and can be negative due to consumption being less than the base purchase requirement.

UAMPS leases office space under a ten-year operating lease expiring in fiscal year 2022. Future minimum lease payments under the operating lease obligation are:

Fiscal year:	
2020	\$ 442,087
2021	336,514
	\$ 778,601

Rent expense for the years ended March 31, 2019 and 2018, was \$0.4 million.

Utah Associated Municipal Power Systems

Notes to Financial Statements (continued)

9. Commitments and Contingencies (continued)

During the normal course of conducting its business, UAMPS becomes involved in litigation. It is not possible to determine the eventual outcome of presently unresolved litigation. However, management believes it will not have a material adverse effect on UAMPS financial position or results of operations.

10. Retirement Plan

UAMPS has a noncontributory money purchase defined contribution pension plan, which covers all of its employees. Employees are eligible to participate from the date of employment. Contributions and earnings thereon are always fully vested upon participation in the plan. Contribution levels are established by the Board and are initially equal to 15.3%, increasing to a maximum of 25.0% of each covered employee's compensation. UAMPS' covered payroll amounted to approximately \$5.0 million in 2019 and \$4.5 million in 2018. Contributions, which are approximately 22.94% in 2019 and 24.28% in 2018 of total payroll, totaled approximately \$1.1 million for the years ended March 31, 2019 and 2018. All contributions are invested using an outside pension administrator, ICMA Retirement Corp. (ICMA). ICMA provides the participants with multiple options for their pension investments.

	Year Ended March 31	
	2019	2018
Total covered payroll	\$ 4,970,000	\$ 4,490,000
Contributions	1,140,000	1,090,000
Contributions as a percentage of payroll	22.94%	24.28%

Supplemental Schedules

Utah Associated Municipal Power Systems

Schedules of Project Financial Statements

Balance Sheet

March 31, 2019

	CRSP	Hunter II	San Juan Unit 4	IPP	Firm Power	Horse Butte Wind	Veyo	Craig Mona	Central St. George	Pool	Payson	CFPP	IPP #3	Resource	Gas Project	Government and Public Affairs	Member Services	Totals
Assets																		
Current assets:																		
Cash	\$ (39,682)	\$ 912,364	\$ (1,900,923)	\$ 401,966	\$ 176,146	\$ 1,579,652	\$ (113,834)	\$ 433,675	\$ (2,184,290)	\$ 4,151,167	\$ (2,144,356)	\$ (1,062,986)	\$ 188,503	\$ 1,000,720	\$ (164,135)	\$ 228,093	\$ (63,057)	\$ 1,399,021
Receivables	1,615,427	1,668,964	2,095,047	9,019	651,585	1,676,205	315,602	44,613	888,662	10,771,949	4,963,402	1,147,164	—	173,081	249,252	61,568	63,043	26,394,583
Prepaid expenses and deposits	—	2,479,000	1,350,177	—	—	852,596	—	218,415	—	325,000	1,714,270	—	—	—	—	—	—	6,939,458
Investment	1,490,622	2,271,294	2,027,964	6,468	687,419	1,428,836	377,329	58,374	483,570	7,002,229	3,976,042	191,077	—	94,092	21,367	49,945	100,201	20,266,831
	3,066,367	7,331,622	3,572,265	417,452	1,515,150	5,537,289	579,097	755,077	(812,058)	22,250,345	8,509,358	275,255	188,503	1,267,893	106,484	339,606	100,188	54,999,893
Restricted assets:																		
Cash																		
Interest receivable	—	—	—	—	—	—	—	—	14,908	—	31,235	—	—	—	—	—	—	46,143
Investments	—	8,968,484	10,222,465	—	—	11,495,652	1,996,529	—	6,610,468	—	18,321,960	—	—	—	—	—	1,443,616	59,059,174
	—	8,968,484	10,222,465	—	—	11,495,652	1,996,529	—	6,625,376	—	18,353,195	—	—	—	—	—	1,443,616	59,105,317
Utility plant and equipment:																		
Generation	—	97,266,092	69,042,326	—	—	93,514,019	30,677,605	—	—	—	109,638,266	—	—	—	—	—	6,828,983	406,967,291
Transmission	—	—	—	—	—	—	—	17,492,388	57,153,915	—	10,521,737	—	—	—	—	—	—	85,168,040
Furniture and equipment	74,851	230,630	176,949	60,038	38,775	197,685	18,228	18,219	59,843	—	387,718	152,490	—	235,901	77,004	110,868	14,334	1,853,533
	74,851	97,496,722	69,219,275	60,038	38,775	93,711,704	30,695,833	17,510,607	57,213,758	—	120,547,721	152,490	—	235,901	77,004	110,868	6,843,317	493,988,864
Less accumulated depreciation	(46,704)	(90,463,326)	(56,230,605)	(41,353)	(29,935)	(7,145,761)	(3,100,766)	(16,914,770)	(44,068,802)	—	(76,763,959)	(88,740)	—	(149,924)	(48,933)	(77,356)	(4,008,855)	(299,179,789)
	28,147	7,033,396	12,988,670	18,685	8,840	86,565,943	27,595,067	595,837	13,144,956	—	43,783,762	63,750	—	85,977	28,071	33,512	2,834,462	194,809,075
Construction work-in-progress	7,268	23,789	10,786	—	5,494	7,412	2,132	—	478,175	166,966	27,653	—	—	—	—	—	—	729,675
	35,415	7,057,185	12,999,456	18,685	14,334	86,573,355	27,597,199	595,837	13,623,131	166,966	43,811,415	63,750	—	85,977	28,071	33,512	2,834,462	195,538,750
Deferred outflows of resources	—	—	99,283	—	—	942,281	—	—	2,648,784	—	26,387	—	—	—	—	—	—	3,716,735
	\$ 3,101,782	\$ 23,357,291	\$ 26,893,469	\$ 436,137	\$ 1,529,484	\$ 104,548,577	\$ 30,172,825	\$ 1,350,914	\$ 22,085,233	\$ 22,417,311	\$ 70,700,355	\$ 339,005	\$ 188,503	\$ 1,353,870	\$ 134,555	\$ 373,118	\$ 4,378,266	\$ 313,360,695

Utah Associated Municipal Power Systems

Schedules of Project Financial Statements (continued)

Balance Sheet

March 31, 2019

	CRSP	Hunter II	San Juan Unit 4	IPP	Firm Power	Horse Butte Wind	Veyo	Craig Mona	Central St. George	Pool	Payson	CFPP	IPP #3	Resource	Gas Project	Government and Public Affairs	Member Services	Totals
Membership capital and liabilities																		
Current liabilities:																		
Outstanding checks in excess of transfer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	2,476,699	(1,934,734)	1,236,769	8,186	393,100	3,721,636	142,367	19,033	273,631	12,327,455	2,733,888	754,363	-	43,590	11,920	23,987	12,395	22,244,285
Accrued liabilities	60,012	310,940	414,270	26,777	40,605	(98,065)	34,895	22,596	41,034	10,250,388	280,261	107,908	-	151,820	49,473	61,586	22	11,754,522
Members' advance billings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lines of credit	389,814	593,968	530,335	1,691	179,768	373,656	98,676	15,265	126,459	1,831,160	1,039,780	49,969	-	24,606	5,588	13,061	26,204	5,300,000
Current portion of unearned revenue	-	-	412,772	-	-	1,346,736	382,569	-	167,794	124,638	641,010	-	-	-	-	-	-	3,075,519
	2,926,525	(1,029,826)	2,594,146	36,654	613,473	5,343,963	658,507	56,894	608,918	24,533,641	4,694,939	912,240	-	220,016	66,981	98,634	38,621	42,374,326
Liabilities payable from restricted assets:																		
Accrued interest payable	1,124	1,713	194,384	5	519	350,896	76,372	44	254,832	5,282	1,187,620	144	-	71	16	38	30,600	2,103,660
Current portion of long-term debt	-	-	2,287,737	-	-	4,189,737	647,416	-	2,938,503	-	5,776,064	-	-	-	-	-	356,000	16,195,457
	1,124	1,713	2,482,121	5	519	4,540,633	723,788	44	3,193,335	5,282	6,963,684	144	-	71	16	38	386,600	18,299,117
Long-term debt:																		
Bonds payable, less current portion	-	-	8,650,000	-	-	81,985,000	19,325,000	-	26,005,477	-	42,945,001	-	-	-	-	-	3,385,000	182,295,478
Plus unamortized bond premium	-	-	90,312	-	-	13,499,950	1,146,420	-	-	-	2,109,525	-	-	-	-	-	-	16,846,207
	-	-	8,740,312	-	-	95,484,950	20,471,420	-	26,005,477	-	45,054,526	-	-	-	-	-	3,385,000	199,141,685
Unearned revenue, less current portion	-	-	10,274,750	-	-	23,863,431	9,907,224	-	3,289,073	3,391,468	6,155,626	-	-	-	-	-	-	56,881,572
Accumulated amortization of unearned revenue	-	-	(9,380,408)	-	-	(8,527,220)	(1,905,153)	-	(2,897,336)	-	(4,804,319)	-	-	-	-	-	-	(27,514,436)
Net unearned revenue	-	-	894,342	-	-	15,336,211	8,002,071	-	391,737	3,391,468	1,351,307	-	-	-	-	-	-	29,367,136
Deferred inflows of resources	4,769	20,180,175	11,362,529	12,338	(23,523)	(17,451,746)	27,363	1,119,455	(8,123,652)	(6,337,366)	10,502,557	43,278	-	38,828	17,311	10,534	458,236	11,841,086
Net position	169,363	4,205,227	820,019	387,140	939,016	1,294,566	289,677	174,521	9,419	824,286	2,133,339	(616,657)	188,503	1,094,956	50,248	263,912	109,810	12,337,345
	<u>\$ 3,101,782</u>	<u>\$ 23,357,291</u>	<u>\$ 26,893,469</u>	<u>\$ 436,137</u>	<u>\$ 1,529,484</u>	<u>\$ 104,548,577</u>	<u>\$ 30,172,825</u>	<u>\$ 1,350,914</u>	<u>\$ 22,085,233</u>	<u>\$ 22,417,311</u>	<u>\$ 70,700,355</u>	<u>\$ 339,005</u>	<u>\$ 188,503</u>	<u>\$ 1,353,870</u>	<u>\$ 134,555</u>	<u>\$ 373,118</u>	<u>\$ 4,378,266</u>	<u>\$ 313,360,695</u>

Utah Associated Municipal Power Systems

Schedules of Project Financial Statements

Income Statement

Year Ended March 31, 2019

	CRSP	Hunter II	San Juan Unit 4	IPP	Firm Power	Wind	Veyo	Craig Mona	Central St. George	Pool	Payson	CFPP	IPP #3	Resource	Gas Project	Government and Public Affairs	Member Services	Totals
Operating revenues:																		
Power sales to members	\$ 11,689,335	\$ 17,793,534	\$ 16,285,538	\$ 131,857	\$ 5,859,183	\$ 14,475,548	\$ 2,996,132	\$ 806,706	\$ 4,331,587	\$ 82,701,110	\$ 42,922,467	\$ 1,750,675	\$	\$ 37,943	\$ 183,487	\$ 415,281	\$ 816,317	\$ 203,196,700
Other	(13,926)	(49,102)	(25,728)	80	(11,843)	(16,649)	(5,311)	27	123	(316,713)	(47,422)	324	—	1,227,341	149	185	—	741,535
	11,675,409	17,744,432	16,259,810	131,937	5,847,340	14,458,899	2,990,821	806,733	4,331,710	82,384,397	42,875,045	1,750,999	—	1,265,284	183,636	415,466	816,317	203,938,235
Operating expenses:																		
Cost of power	11,314,817	15,045,096	10,355,786	—	5,476,322	4,878,041	722,030	385,919	137,750	77,666,223	28,419,915	—	—	441,070	—	78,741	233,571	155,155,281
In lieu of ad valorem taxes	—	408,546	190,517	—	—	51,758	—	—	—	—	—	—	—	—	—	—	—	650,821
Depreciation	16,792	6,278,894	4,260,651	15,658	10,918	4,728,175	1,213,997	597,654	2,740,924	—	6,110,346	51,484	—	54,845	20,202	29,904	317,105	26,447,549
General and administrative	291,626	699,923	524,497	102,493	200,629	968,139	348,686	65,231	231,479	2,901,322	3,364,002	2,546,250	—	494,023	152,028	321,925	22,537	13,234,790
	11,623,235	22,432,459	15,331,451	118,151	5,687,869	10,626,113	2,284,713	1,048,804	3,110,153	80,567,545	37,894,263	2,597,734	—	989,938	172,230	430,570	573,213	195,488,441
Operating income (loss)	52,174	(4,688,027)	928,359	13,786	159,471	3,832,786	706,108	(242,071)	1,221,557	1,816,852	4,980,781	(846,735)	—	275,347	11,406	(15,104)	243,104	8,449,794
Nonoperating revenues (expenses):																		
Interest expense	(13,038)	(19,866)	(566,918)	(57)	(6,012)	(3,546,496)	(814,516)	(511)	(1,173,239)	(61,245)	(1,694,524)	(1,671)	—	(823)	(187)	(437)	(93,087)	(7,992,627)
Investment and other income (expense)	—	264,138	235,892	—	—	324,734	60,017	—	21,938	—	348,028	—	—	—	—	—	33,031	1,287,778
Deferred outflows of resources – net costs advanced	2,642	6,611,393	91,019	3,083	105	178,043	204,747	592,343	105,688	—	(1,982,392)	(8,179)	—	4,793	1,515	4,754	(137,001)	5,672,553
	(10,396)	6,855,665	(240,007)	3,026	(5,907)	(3,043,719)	(549,752)	591,832	(1,045,613)	(61,245)	(3,328,888)	(9,850)	—	3,970	1,328	4,317	(197,057)	(1,032,296)
Change in net position	\$ 41,778	\$ 2,167,638	\$ 688,352	\$ 16,812	\$ 153,564	\$ 789,067	\$ 156,356	\$ 349,761	\$ 175,944	\$ 1,755,607	\$ 1,651,893	\$ (856,585)	\$ —	\$ 279,317	\$ 12,734	\$ (10,787)	\$ 46,047	\$ 7,417,498

Reports Required by the Uniform Guidance

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

The Management and the Board of Directors
Utah Associated Municipal Power Systems

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Utah Associated Municipal Power Systems, which comprise the statement of net position as of March 31, 2019, and the related statements of revenues and expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 18, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Utah Associated Municipal Power Systems' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Utah Associated Municipal Power Systems' internal control. Accordingly, we do not express an opinion on the effectiveness of Utah Associated Municipal Power Systems' internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Utah Associated Municipal Power Systems' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Ernst & Young LLP

July 18, 2019

Report of Independent Auditors on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

Management and the Board of Directors
Utah Associated Municipal Power Systems

Report on Compliance for the Major Federal Program

We have audited Utah Associated Municipal Power Systems' (UAMPS) compliance with the types of compliance requirements described in the US Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on UAMPS's major federal program for the year ended March 31, 2019. UAMPS's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for UAMPS's major federal program based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about UAMPS's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of UAMPS's compliance.

Opinion on the Major Federal Program

In our opinion, UAMPS complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended March 31, 2019.

Report on Internal Control Over Compliance

Management of UAMPS is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered UAMPS's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of UAMPS's internal control over compliance.

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

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

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

Ernst + Young LLP

July 18, 2019

Supplementary Information Required by the Uniform Guidance

Utah Associated Municipal Power Systems

Schedule of Expenditures of Federal Awards

Year Ended March 31, 2019

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Total Current Year Expenditures
Nuclear Energy Research, Development, and Demonstration			
Passed through NuScale Power, LLC – Site Permitting and Licensing of the NuScale Small Modular Reactor	81.121	DE-NE0008369	\$ 1,130,630
Total Federal Expenditures			<u>\$ 1,130,630</u>

See Notes to Schedule of Expenditures of Federal Awards

Utah Associated Municipal Power Systems

Notes to Schedule of Expenditures of Federal Awards

March 31, 2019

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal grant activity of Utah Associated Municipal Power Systems (UAMPS) under programs of the federal government for the year ended March 31, 2019. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Because the schedule presents only a selected portion of the operations of UAMPS, it is not intended to and does not present the financial position, changes in net assets or cash flows of UAMPS.

2. Summary of Significant Accounting Policies

Expenditures reported in the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. No federal financial assistance has been provided to a subrecipient.

3. Indirect Cost Rate

Utah Associated Municipal Power Systems has elected not to use the 10% de minimis cost rate.

Schedule Required by the Uniform Guidance

Utah Associated Municipal Power Systems

Schedule of Findings and Questioned Costs

Year Ended March 31, 2019

Section I—Summary of Auditor's Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ **yes** x **no**

Significant deficiency(ies) identified?

_____ **yes** x **none reported**

Noncompliance material to financial statements noted?

_____ **yes** x **no**

Federal Awards

Internal control over major federal program:

Material weakness(es) identified?

_____ **yes** x **no**

Significant deficiency(ies) identified?

_____ **yes** x **none reported**

Type of auditor's report issued on compliance for major federal program:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ **yes** x **no**

Identification of major federal program:

CFDA number

81.121

Name of federal program or cluster

Nuclear Energy Research, Development and Demonstration

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

_____ **yes** x **no**

Utah Associated Municipal Power Systems
Schedule of Findings and Questioned Costs (continued)

Year Ended March 31, 2019

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Finding and Questioned Costs

No matters were reported.

Other Report

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

The Board of Directors
Utah Associated Municipal Power Systems

Report on Compliance

We have audited Utah Associated Municipal Power Systems' compliance with the applicable state compliance requirements described in the *State Compliance Audit Guide*, issued by the Office of the State Auditor, that could have a direct and material effect on Utah Associated Municipal Power Systems for the year ended March 31, 2019.

State compliance requirements were tested for the year ended March 31, 2019, in the following areas:

- Budgetary Compliance
- Open and Public Meetings Act
- Public Treasurer's Bond

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on Utah Associated Municipal Power Systems' compliance based on our audit of the state compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the *State Compliance Audit Guide*. Those standards and the *State Compliance Audit Guide* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state compliance requirements referred to above that could have a direct and material effect on a state compliance requirement occurred. An audit includes examining, on a test basis, evidence about Utah Associated Municipal Power Systems' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each state compliance requirement referred to above. However, our audit does not provide a legal determination of Utah Associated Municipal Power Systems' compliance with those requirements.

Opinion on Compliance

In our opinion, Utah Associated Municipal Power Systems complied, in all material respects, with the state compliance requirements referred to above for the year ended March 31, 2019.

Report on Internal Control Over Compliance

Management of Utah Associated Municipal Power Systems is responsible for establishing and maintaining effective internal control over compliance with the state compliance requirements referred to above. In planning and performing our audit of compliance, we considered Utah Associated Municipal Power Systems' internal control over compliance with the state compliance requirements referred to above to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance with those state compliance requirements and to test and report on internal control over compliance in accordance with the *State Compliance Audit Guide*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Utah Associated Municipal Power Systems' internal control over compliance.

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

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

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

Ernst + Young LLP

July 18, 2019

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APPENDIX C

CERTAIN DEFINITIONS; SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

CERTAIN DEFINITIONS

Set out below are certain definitions contained in the Indenture, the Power Sales Contracts and the Payson Power Project Agreements and used elsewhere in this Official Statement.

“Accreted Amount” means, with respect to Capital Appreciation Bonds of any Series and as of the date of calculation, the amount established pursuant to the Supplemental Indenture authorizing such Capital Appreciation Bonds as the amount representing the initial public offering price, plus the accumulated and compounded interest on such Bonds.

“Accrued Debt Service” means, as of any date of calculation, the amount of Debt Service that has accrued with respect to any Series of Bonds, calculating the Debt Service that has accrued with respect to each Series of Bonds as an amount equal to the sum of (1) the interest on the Bonds of such Series that has accrued and is unpaid and that will have accrued by the end of the then current calendar month, and (2) that portion of all Principal Installments payable within the twelve (12) month period following the date of calculation for the Bonds of such Series (other than Bond Anticipation Notes) that would have accrued (if deemed to accrue in the same manner as interest accrues) by the end of the then current calendar month.

“Additional Bonds” means any Bonds issued for a purpose described under “ISSUANCE OF BONDS—Additional Bonds” in this APPENDIX B.

“Additional Facilities” means, collectively, (1) all renewals, repairs, replacements, extensions and additions to the Initial Facilities, including capital additions, capital betterments and capital replacements, (2) all property, real, personal or mixed, of any nature, including electric generation, substation and transmission facilities, directly and functionally related to the Initial Facilities and (3) any additional electric generating facilities located at the site of or interconnected with the Initial Facilities, and any related facilities.

“Aggregate Debt Service” means, as of any date of calculation and with respect to any period, the sum of the amount of Debt Service for all Series of Bonds outstanding; *provided, however*, that for purposes of calculating the Debt Service Reserve Requirement for any Series Subaccount in the Debt Service Reserve Account, Aggregate Debt Service shall be calculated only with respect to the Series of Bonds secured by such Series Subaccount.

“Auction Agent” means an agent appointed by UAMPS for the purpose of determining the Auction Rate on a Series of Bonds, all as set forth in a Supplemental Indenture.

“Auction Rate” means an interest rate determined by an Auction Agent pursuant to auction procedures set forth in a Supplemental Indenture.

“Authorized Amount” means, with respect to a Commercial Paper Program, the maximum principal amount of commercial paper which is then authorized by UAMPS to be outstanding at any one time pursuant to such Commercial Paper Program.

“Balloon Bonds” means Bonds, other than Bonds which mature within one year of the date of issuance thereof, 25% or more of the Principal Installments on which (a) are due or, (b) at the option of the Holder thereof may be redeemed, during any period of a Year.

“Bond Anticipation Notes” means notes issued by UAMPS pursuant to the Indenture in advance of the permanent financing of UAMPS for the Payson Power Project.

“Bondowner” or *“Owner,”* or any similar term, means the owner of any Bond or Bonds. In the case of a fully-registered Bond, Bondowner means the registered owner of such Bond.

“Bond Payment Date” means each date on which (1) interest on the Bonds is due and payable or (2) principal of the Bonds is payable at maturity or pursuant to sinking fund installments.

“Bonds” means bonds, notes, commercial paper or other obligations (other than Subordinated Indebtedness and Repayment Obligations) authorized by and at any time outstanding pursuant to the Indenture.

“Business Day” means a day of the year which is not a Saturday, Sunday or legal holiday in New York, New York, or Salt Lake City, Utah, or a day on which the Trustee is authorized or obligated to close.

“Capital Appreciation Bonds” means Bonds the interest on which (1) is compounded and accumulated at the rates and on the dates set forth in the Supplemental Indenture authorizing the issuance of such Bonds and designating them as Capital Appreciation Bonds, and (2) is scheduled to be payable upon maturity or redemption of such Bonds.

“Code” means the Internal Revenue Code of 1986, as amended and supplemented from time to time including the United States Treasury Regulations thereunder, including temporary and proposed regulations.

“Commercial Paper Program” means commercial paper obligations with maturities of not more than two hundred seventy (270) days from the dates of issuance thereof which are issued and reissued by UAMPS from time to time pursuant to Article II and are outstanding up to an Authorized Amount.

“Commodity Swap” means an agreement between UAMPS and a Swap Counterparty to hedge, convert or swap of the price of electricity, gas or other commodity necessary or desirable to manage the risks associated with the ownership and operation of the Payson Power Project.

“Commodity Swap Payments” means as of each scheduled payment date specified in a Commodity Swap, the amount, if any, payable to the Swap Counterparty by UAMPS.

“Commodity Swap Receipts” means as of each payment date specified in an Commodity Swap, the amount, if any, payable to UAMPS by the Swap Counterparty.

“Construction Fund” means the Fund by that name established in the Indenture.

“Cost of Construction” means the costs of UAMPS properly attributable to the acquisition, construction and placing in service of the Initial Facilities and any Additional Facilities and all expenses preliminary and incidental thereto incurred by UAMPS in connection therewith and in connection with the issuance of the Bonds, including all amounts payable by UAMPS pursuant to the EPC Agreement, amounts payable or reimbursable by UAMPS under the Host City Agreement in connection with the siting and construction of the Payson Power

Project, and all costs and expenses incurred by UAMPS in connection with its development, negotiation and review of the Initial Facilities, the Project Agreements and any Additional Facilities.

“Crossover Date” means with respect to Crossover Refunding Bonds the date on which the principal portion of the related Crossover Refunded Bonds is scheduled to be paid or redeemed from the proceeds of such Crossover Refunding Bonds.

“Crossover Refunded Bonds” means Bonds refunded by Crossover Refunding Bonds.

“Crossover Refunding Bonds” means Refunding Bonds the proceeds of which are irrevocably deposited in escrow to secure the payment on the Crossover Date of the principal or Redemption Price of the Crossover Refunded Bonds (subject to possible use to pay the principal or Redemption Price of the Crossover Refunding Bonds under certain circumstances) and the earnings on such escrow deposit are to be applied to pay interest on the Crossover Refunding Bonds to and including the Crossover Date.

“Current Interest Bonds” means Bonds not constituting Capital Appreciation Bonds. Interest on Current Interest Bonds is payable periodically on the interest payment dates provided therefor in a Supplemental Indenture.

“Debt Service” means (subject to certain assumptions and exclusions set forth in the Indenture), for any particular Fiscal Year and for any Series of Bonds, an amount equal to the sum of:

- (1) all interest (for purposes of computing UAMPS’ compliance with the rate covenant set forth in the Indenture, net of any amount deposited with the Trustee representing capitalized interest and available to pay interest on Bonds) payable during such Fiscal Year on such Bonds outstanding, plus
- (2) the Principal Installments payable during such Fiscal Year on such Bonds outstanding (other than Bond Anticipation Notes), calculated on the assumption that Bonds outstanding on the day of calculation cease to be outstanding by reason of, but only by reason of, payment either upon maturity or application of any sinking fund installments required by the Indenture.

“Debt Service Reserve Requirement” means, with respect to any Series Subaccount that has been established in the Debt Service Reserve Account in the Bond Fund, unless otherwise specified in a Supplemental Indenture establishing such Series Subaccount, as of any date of calculation, an amount equal to the least of: (1) the sum of ten percent of the original principal amount of each Series of Bonds secured by such Series Subaccount; (2) the Maximum Annual Debt Service on the Bonds secured by such Series Subaccount; and (3) 125% of the Average Annual Debt Service on the Bonds secured by such Series Subaccount. The Debt Service Reserve Requirement for each Series Subaccount in the Debt Service Reserve Account shall be calculated on the date of original issuance of the first Series of Bonds secured thereby and shall be recalculated on the date of original issuance of any Series of Additional Bonds secured thereby. UAMPS may, but shall be under no obligation to, recalculate the Debt Service Reserve Requirement upon the issuance of a Series of Refunding Bonds to reflect the Bonds secured by such Series Subaccount that are Outstanding after such issuance.

“EPC Agreement” means the Engineering, Procurement and Construction Agreement between UAMPS and the EPC Contractor.

“EPC Contractor” means Colorado Energy Management, LLC, and its successors and assigns.

“Fiscal Year” means the annual accounting period of UAMPS as from time to time in effect, initially a period commencing on April 1 of each calendar year and ending on the next succeeding March 31.

“Fuel Agreement” means any agreement entered into by or on behalf of UAMPS for the acquisition or management of fuel for the operation of the Project or the transportation or storage of fuel to the Project and any associated credit or collateral agreement.

“Government Obligations” means:

(1) Direct obligations of (including obligations issued or held in book-entry form on the books of) the Department of the Treasury of the United States of America and obligations unconditionally guaranteed as to principal and interest by the United States of America and evidences of ownership interests therein; and

(2) Certain “AAA” rated pre-refunded bonds or other obligations of any state of the United States of America or any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable notice has been given by the obligor to call such bonds or obligations on the date specified in the notice.

“Host City Agreement” means the Host City Agreement between UAMPS and Payson City.

“Indenture” means the Trust Indenture, dated as of October 1, 2002 by and between UAMPS and the Trustee, as it may from time to time be supplemented and amended in accordance with its terms.

“Initial Facilities” means the properties, facilities, improvements and equipment described on EXHIBIT I to the Power Sales Contracts and all other properties, facilities, improvements and equipment necessary or desirable in connection with the initial acquisition, construction and placing in service of the Payson Power Project.

“Interest Rate Swap” means an agreement between UAMPS or the Trustee and a Swap Counterparty related to all or a portion of the interest on the Bonds of one or more Series whereby a fixed or a variable rate cash flow on a notional amount is exchanged for a variable or fixed rate of return, as the case may be, on an equal notional amount.

“Interest Rate Swap Payment” means as of each scheduled payment date specified in an Interest Rate Swap, the amount, if any, payable to the Swap Counterparty by UAMPS (or by the Trustee on behalf of UAMPS).

“Interest Rate Swap Receipt” means as of each payment date specified in an Interest Rate Swap, the amount, if any, payable to UAMPS (or to the Trustee for the account of UAMPS) by the Swap Counterparty.

“Investment Securities” means any of the following securities, if and to the extent that the same are at the time legal for investment of UAMPS’ funds:

(1) Government Obligations;

(2) The fund held by the Treasurer for the State of Utah and commonly known as the Utah State Public Treasurer’s Investment Fund;

- (3) Money market funds rated “AAAm” or “AAAm--G” or better by S&P;
- (4) U.S. dollar denominated deposit accounts, federal funds and banker’s acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of at least “A-1” by S&P and “P-1” by Moody’s and maturing not more than 360 days after the date of purchase;
- (5) Bonds, notes or other evidences or indebtedness rated “AAA” by S&P and “Aaa” by Moody’s issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years;
- (6) Obligations of any federal agency that represent full faith and credit obligations of the United States of America;
- (7) Obligations of the Resolution Funding Corporation and senior debt obligations of the Federal Home Loan Bank System;
- (8) Investment agreements, subject to such limitations as may be imposed by a Supplemental Indenture; and
- (9) Such other obligations as may be legal obligations for the investment of UAMPS’ funds as specified in a Supplemental Indenture.

“*Maximum Annual Debt Service*” means the greater of (1) the Aggregate Debt Service during the current Fiscal Year or (2) the Aggregate Debt Service in any future Fiscal Year.

“*O&M Agreement*” means (1) the Operation and Maintenance Agreement between UAMPS and the O&M Contractor, and (2) any other contract entered into by UAMPS to provide for the performance of operation, maintenance and similar services with respect to the Payson Power Project.

“*O&M Contractor*” means Colorado Energy Management LLC, and its successors and assigns.

“*Operation and Maintenance Costs*” means all actual operation and maintenance costs related to the Payson Power Project incurred by UAMPS in any particular Fiscal Year or period to which said term is applicable or charges made therefor during such Fiscal Year or period, but only if such charges are made in accordance with Generally Accepted Accounting Principles, including amounts reasonably required to be set aside in reserves for items of Operation and Maintenance Costs the payment of which is not then immediately required.

Operation and Maintenance Costs include, but are not limited to, “Operation and Maintenance Costs” and “Wheeling Costs,” each as defined in the Power Sales Contracts and all costs, expenses, reimbursements, fees and working capital deposits payable by UAMPS under the O&M Agreement, the Host City Agreement and the other Project Agreements; water supply and utility costs and charges; rentals and other amounts payable by UAMPS under the Site Lease; fuel costs including amounts payable under any Fuel Agreement; Commodity Swap Payments; the costs of ordinary repairs, renewals, and replacements to the Payson Power Project; the costs of maintaining, protecting and defending all licenses, permits and approvals necessary for the continuing operation of the Payson Power Project; salaries and wages, employees’ health, hospitalization, pension, retirement and other expenses; fees and expenses for services, materials and supplies; costs and expenses incurred in the sale or marketing of any output of the Payson Power Project that may from time to time be surplus

to the requirements of the Participants; rents, administrative and general expenses; insurance expenses; periodic costs of any Security Instruments or Reserve Instruments; costs, collateral deposits and other amounts (other than Commodity Swap Payments and Interest Rate Swap Payments) necessary to maintain any Commodity Swaps and Interest Rate Swaps; Fiduciaries' fees and expenses; Remarketing Agents', Auction Agent's, Market Agent's, Broker-Dealer's, and other agents' fees and expenses; legal, engineering, accounting, financing and financial advisory fees and expenses, and fees and expenses of other consulting and technical services; training of personnel; taxes; payments in lieu of taxes and other governmental charges; costs, and any other current expenses or obligations required to be paid by UAMPS under the provisions of the Project Agreements or by law, all to the extent properly allocable to the Payson Power Project.

Operation and Maintenance Costs do not include depreciation or obsolescence charges or reserves therefor; amortization of intangibles or other bookkeeping entries of a similar nature; interest charges and charges for the payment of principal, or amortization, of bonded or other indebtedness of UAMPS, or costs, or charges made therefor; any Swap Termination Payments; the costs or charges for capital improvements to or retirements from the Payson Power Project which under Generally Accepted Accounting Principles are properly chargeable to the capital account or the reserve for depreciation and do not include losses from the sale, abandonment, reclassification, revaluation or other disposition of any properties of the Payson Power Project; or such property items which are capitalized pursuant to the then existing accounting practice of UAMPS.

"Payson Power Project" means the Initial Facilities and any and all Additional Facilities.

"Power Sales Contracts" means the several Payson Power Project Power Sales Contracts, dated as of June 1, 2002, entered into between UAMPS and the Participants, together with all amendments and supplements thereto, and any additional Payson Power Project Power Sales Contracts entered into in connection with any transfers or assignments pursuant to Section 17(c) thereof, which collectively provide for the sale by UAMPS of all or a portion of the output of the Payson Power Project, as the same may be amended or supplemented in accordance with their terms and the terms of the Indenture.

"Principal" means (1) with respect to any Capital Appreciation Bond, the Accreted Amount thereof, and (2) with respect to any Current Interest Bond, the principal amount of such Bond payable at maturity; provided, however, that for purposes of all consents, votes, directions, notices, approvals and other actions taken by the Bondowners under the Indenture, (a) the principal of each Capital Appreciation Bond shall be deemed to be the Accreted Amount thereof as of the most recent compounding or accretion date, and (b) the principal of each Bond Anticipation Note shall be deemed to be zero.

"Principal Installment" means, as of any date of calculation, with respect to any Series of Bonds, (1) the principal amount of Bonds of such Series due on a certain future date for which no sinking fund installments have been established, or (2) the unsatisfied balance of any sinking fund installment due on a certain future date for Bonds of such Series.

"Project Agreements" means, collectively, the Host City Agreement, the Site Lease, the EPC Agreement, the O&M Agreement, the Fuel Agreement, the Transmission and Interconnection Agreements and all other agreements entered into or assumed by UAMPS in connection with the acquisition, ownership and operation of the Payson Power Project.

"Project Management Committee" means the committee of the Participants established pursuant to the Power Sales Contracts.

“Rating Agency” means Moody’s or S&P or any other rating agency so designated in a Supplemental Indenture.

“Record Date” means, with respect to any interest payment date for any Series of Bonds, the date specified as the Record Date in the Supplemental Indenture authorizing the issuance of such Series of Bonds.

“Redemption Price” means, with respect to any Bond, the principal thereof plus the applicable premium, if any, payable upon redemption thereof.

“Refunding Bonds” means all Bonds, whether issued in one or more Series, issued for the purpose of refunding any outstanding Bonds.

“Repayment Obligations” means the amounts payable by UAMPS to reimburse or repay the issuer of a Security Instrument or a Reserve Instrument for amounts paid or advanced thereunder.

“Reserve Instrument” means a letter of credit, surety bond or similar instrument issued by a bank, insurance company or other financial institution, in any case rated “Aaa” by Moody’s or “AAA” by S&P, in order to satisfy all or any portion of the Debt Service Reserve Requirement for any Series Subaccount.

“Revenues” means all revenues, fees, income, charges, rents and receipts derived by UAMPS from or attributable to the Payson Power Project and the Power Sales Contracts and any other sale of the output capacity or services of the Payson Power Project, including the proceeds of any insurance covering business interruption loss, all as determined in accordance with generally accepted accounting principles. “Revenues” also includes any Commodity Swap Receipts, Interest Rate Swap Receipts, Swap Termination Payments received by UAMPS and all interest, profits or other income derived from the investment of any moneys held pursuant to the Indenture and required to be paid into the Revenue Fund. Revenues shall not include: (1) insurance proceeds resulting from casualty damage to the Payson Power Project (other than insurance proceeds deposited into a special account in the Bond Fund for the redemption of Bonds); (2) the proceeds from the sale of the Bonds; or (3) moneys received under any Security Instrument or Reserve Instrument.

“Security Instrument” means an instrument or other device issued by a Security Instrument Issuer to pay, or to provide security or liquidity for, a Series of Bonds. The term “Security Instrument” includes, by way of example and not of limitation, letters of credit, bond insurance policies, standby bond purchase agreements, lines of credit and other credit enhancement or liquidity devices.

“Security Instrument Issuer” means a bank, insurance company, financial guarantor or other financial institution that issues a Security Instrument for one or more Series of Bonds.

“Series” means all of the Bonds designated as being of the same Series authenticated and delivered on original issuance in a simultaneous transaction, and any Bonds thereafter authenticated and delivered in lieu thereof or in substitution therefor pursuant to the Indenture.

“Series Subaccount” means, as applicable, (1) each separate Subaccount created for one or more Series of Bonds or for one or more Interest Rate Swaps in the Debt Service Account or (2) each separate subaccount in the Debt Service Reserve Account.

“Stabilization Fund” means the Fund by that name established pursuant to the Indenture.

“Subordinated Indebtedness” means any bond, note or other evidence of indebtedness which is expressly made subordinate and junior in right of payment to the Bonds and which complies with the provisions of the Indenture. Subordinated Indebtedness shall not be, nor shall be deemed to be, Bonds for purposes of the Indenture, except as may be expressly provided by Supplemental Indenture.

“Supplemental Indenture” means any indenture supplementing or amending the Indenture entered into in accordance with the terms of the Indenture.

“Swap Agreement” means an Interest Rate Swap or a Commodity Swap.

“Swap Counterparty” means (1) with respect to any Interest Rate Swap, a member of the International Swap Dealers Association (ISDA) rated in one of the three top Rating Categories by at least one Rating Agency and (2) with respect to any Commodity Swap, a member of ISDA rated in one of the four top Rating Categories by at least one Rating Agency, provided that if such Swap Counterparty is not rated in one of the top three Rating Categories, UAMPS shall require such Swap Counterparty to agree to such collateral and security arrangements as UAMPS shall determine to be necessary to protect its interests.

“Swap Termination Payment” means the amount, if any, payable by UAMPS (or by the Trustee for the account of UAMPS) or by the Swap Counterparty as a result of the termination of any Swap Agreement.

“Transmission and Interconnection Agreements” means, collectively, (1) Transmission Service and Operating Agreement dated May 7, 1992 between UAMPS and PacifiCorp, (2) the various Interconnection Agreements between UAMPS and Southern Utah Valley Power Systems, Payson City, Strawberry Water Users Association and PacifiCorp, (3) any other contractual or legal arrangement for the interconnection of the Payson Power Project to the transmission facilities of another utility or entity and (4) any other contractual or legal arrangement with another utility, system transmission system operator, regional transmission organization or other public or private entity providing for the transmission of the output of the Payson Power Project.

“Trustee” means Zions Bancorporation, National Association, and its successors and assigns, and any other corporation or association which may at any time be substituted in its place as provided in the Indenture.

“Variable Rate Bonds” means Bonds that bear interest at other than fixed rates to maturity.

“Wheeling Costs” means all costs and expenses paid, payable, incurred or accrued by UAMPS for the transmission of electric energy from the Payson Power Project to the Participants as contemplated in the Power Sales Contracts.

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

GENERALLY

The following is a summary of certain provisions of the Indenture. This summary is not to be considered a full statement of the terms of such Indenture and accordingly is qualified in its entirety by reference thereto and is subject to the full text thereof. Capitalized terms not defined herein or elsewhere in this Official Statement have the meanings set forth in the Indenture. Certain of the capitalized terms used herein are defined in “CERTAIN DEFINITIONS” above.

ESTABLISHMENT OF FUNDS AND ACCOUNTS

The following funds and accounts are established under the Indenture:

- (1) Construction Fund, to be held by the Trustee, in which there shall be established separate Project Accounts for the Initial Facilities and each of the Additional Facilities;
- (2) Revenue Fund, to be held by UAMPS;
- (3) Operation and Maintenance Fund, to be held by UAMPS;
- (4) Bond Fund, to be held by the Trustee, consisting of a Debt Service Account, in which the Trustee shall establish a separate Series Subaccount for each Series of Bonds and each Interest Rate Swap, and a Debt Service Reserve Account, in which the Trustee may establish a separate Series Subaccount for one or more Series of Bonds;
- (5) Subordinated Indebtedness Fund, to be held by the Trustee; and
- (6) Stabilization Fund, to be held by UAMPS.

UAMPS may, by Supplemental Indenture, establish one or more additional Funds or accounts.

PLEDGE OF THE INDENTURE

The Bonds are special obligations of UAMPS payable from and secured by the Revenues, moneys, securities and funds pledged therefor under the Indenture. The Indenture pledges for the payment of principal or Redemption Price of and interest on the Bonds in accordance with their terms and the provisions of the Indenture, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture, all right, title and interest of UAMPS in and to (1) the proceeds of sale of the Bonds, (2) the Revenues, and (3) all Funds established by the Indenture (except for any Rebate Fund), including the investments, if any, thereof, subject to any required rebate of all or a portion of the earnings on such investments to the United States of America pursuant to the requirements of the Code; *provided, however*, that each Series of Bonds is secured by the Debt Service Reserve Account only if and to the extent that the Supplemental Indenture providing for the issuance of such Series of Bonds specifically provides that such Series shall be secured by a Series Subaccount in the Debt Service Reserve Account established for such Series Bonds or by a Series Subaccount previously established for another Series of Bonds. The Indenture provides that UAMPS may by Supplemental Indenture pledge the Revenues to secure its repayment obligations to the issuer of any Reserve Instrument, *provided* that any such pledge shall be subordinate to the pledge of the Indenture in favor of the Bonds.

FLOW OF FUNDS

Allocation of Revenues to Special Funds. All Revenues shall be promptly deposited by UAMPS to the credit of the Revenue Fund. UAMPS shall not less frequently than monthly transfer amounts from the Revenue Fund to the Operation and Maintenance Fund as shall be necessary for the payment of all Operation and Maintenance Costs which are unpaid and which will become due prior to the end of the current calendar month. UAMPS shall also transfer to the Operation and Maintenance Fund from the Revenue Fund such amounts as shall be necessary to provide a working capital reserve not less than an amount reasonably estimated to pay the

Operation and Maintenance Costs of the Payson Power Project for two months. Such working capital shall be maintained (1) on deposit in the Operation and Maintenance Fund, (2) in working capital deposits with the O&M Contractor pursuant to the Indenture, (3) through a loan agreement, line of credit or similar facility entered into pursuant to the Indenture, or (4) by a combination of (1), (2) and (3).

The Operation and Maintenance Costs shall be paid by UAMPS out of the amounts on deposit in the Operation and Maintenance Fund, from time to time as such costs become due and payable. Amounts deposited into the Operation and Maintenance Fund may be transferred by UAMPS to the O&M Contractor on the commercial operation date of the Initial Facilities as a working capital deposit pursuant to the O&M Agreement and from time to time thereafter to replenish or fund any increases in such working capital deposit. UAMPS may accumulate such additional amounts in the Operation and Maintenance Fund as are reasonably necessary to provide for the payment of items of Operation and Maintenance Costs which accrue over time and which are payable less frequently than monthly.

On or before the third Business Day preceding each Bond Payment Date or the date on which any Interest Rate Swap Payment or any payment on Subordinated Indebtedness is due, UAMPS shall, after the transfer of amounts to the Operation and Maintenance Fund described above, from and to the extent of the moneys on deposit in the Revenue Fund, transfer and deposit into the following Funds the amounts set forth below in the following order:

(1) first, into the Bond Fund for credit to the Debt Service Account, the amount, if any, required so that the balance in each of the Series Subaccounts in the Debt Service Account shall equal the Debt Service coming due on such Bond Payment Date on the Series of Bonds for which such Series Subaccount was established or the Interest Rate Swap Payment coming due on such Interest Rate Swap payment date; *provided* that if there are not sufficient moneys for deposit into all Series Subaccounts in the Debt Service Account, all moneys available for distribution among such Series Subaccounts shall be distributed on a *pro rata* basis to the deficient Series Subaccounts in the Debt Service Account, such distribution to be determined by multiplying the amount available for distribution by the proportion that the deficiency in each Series Subaccount bears to the total deficiency in all Series Subaccounts;

(2) second, into the Bond Fund for credit to each Series Subaccount established within the Debt Service Reserve Account, if moneys shall ever have been paid out such Series Subaccount for the purpose specified in the Indenture or a draw on a Reserve Instrument shall have been made or if for any other reason moneys in the Debt Service Reserve Account shall have been removed and in any such case if such moneys shall not have been replaced from any source, such amount of the money remaining in the Revenue Fund, or all of the money so remaining if less than the amount necessary, until either the amount so paid out of or removed from such Series Subaccount or drawn on the Reserve Instrument shall have been replaced, so as to cause an amount equal to the Debt Service Reserve Requirement for such Series Subaccount to be on deposit therein (or, if the amount on deposit in the Revenue Fund shall not be sufficient to make the deposits required to be made pursuant to the Indenture with respect to two or more Series Subaccounts in the Debt Service Reserve Account, then such amount on deposit in the Revenue Fund shall be applied ratably, in proportion to the deficit in each such Series Subaccount);

(3) third, into the Subordinated Indebtedness Fund such amount as shall be required to be deposited under each Supplemental Indenture authorizing the issuance of Subordinated Indebtedness; and

(4) fourth, into the Reserve and Contingency Fund established under the Power Sales Contracts, such amount as shall be necessary so as to cause the amount set forth by UAMPS in its annual

budget for the then-current Fiscal Year to be deposited into the Reserve and Contingency Fund by the end of such Fiscal Year.

So long as cash and Investment Securities shall be held in the Bond Fund in an amount sufficient to pay in full all Outstanding Bonds, Repayment Obligations and Swap Payments in accordance with their terms, no deposits shall be required to be made into the Bond Fund.

Amounts on deposit in the Revenue Fund may be transferred from time to time by UAMPS into the Stabilization Fund, *provided, however*, that after any such transfer (1) the sum of the amounts on deposit in the Revenue Fund and the Debt Service Account shall equal the amount of Debt Service that has accrued on all Series of Bonds that are outstanding, (2) the Debt Service Reserve Requirement shall be on deposit in each Series Subaccount in the Debt Service Reserve Account, and (3) there shall be on deposit in the Operation and Maintenance Fund the amount of working capital required by the Indenture.

Bond Fund – Debt Service Account. Each Supplemental Indenture providing for the issuance of a Series of Bonds shall establish a separate Series Subaccount in the Debt Service Account for each such Series of Bonds issued *provided, however*, that such a separate Series Subaccount shall not be established for a Series of Bonds if such Series of Bonds is secured by a Series Subaccount in the Debt Service Reserve Account that also secures one or more other Series of Bonds as contemplated by Section 5.07(a) (in which case the Supplemental Indenture shall provide for the payment of such Series of Bonds from the same Series Subaccount in the Debt Service Account as such other Series of Bonds). There shall be transferred and deposited into each Series Subaccount such amounts from the Revenue Fund pursuant to the Indenture, and from the Project Account in the Construction Fund pursuant to the Indenture as shall be necessary to provide for the timely payment of the Debt Service on the applicable Series of Bonds.

Except as otherwise provided in a Supplemental Indenture authorizing a Series of Bonds, amounts accumulated in any Series Subaccount in the Debt Service Account with respect to any sinking fund installment (together with amounts accumulated therein with respect to interest on the Bonds for which such sinking fund installment was established) shall, if so directed by UAMPS in a written request not less than 30 days before the due date of such sinking fund installment, be applied by the Trustee to (1) the purchase of Bonds of the Series and maturity for which such sinking fund installment was established, (2) the redemption at the applicable sinking fund Redemption Price of such Bonds, if then redeemable by their terms, or (3) any combination of (1) and (2).

Bond Fund – Debt Service Reserve Account. Each Supplemental Indenture providing for the issuance of a Series of Bonds may (1) establish in the Debt Service Reserve Account a separate Series Subaccount for such Series of Bonds or (2) provide for such Series of Bonds to be secured by a Series Subaccount previously established. Any Supplemental Indenture that establishes a separate Series Subaccount shall specify (x) the Debt Service Reserve Requirement for such Series Subaccount, (y) whether future Bonds, Additional Bonds or Refunding Bonds may be secured by such Series Subaccount and (z) the manner in which such Series Subaccount shall be funded.

Subject to any limitations contained in a Supplemental Indenture, UAMPS may satisfy all or any portion of any Debt Service Reserve Requirement by means of a Reserve Instrument (or may substitute one Reserve Instrument for another). No Swap Counterparty and no holder or owner of Subordinated Indebtedness shall have any claim upon the amounts on deposit in any Series Subaccount in the Debt Service Reserve Account and no Swap Payments, Termination Payments or payments on Subordinated Indebtedness shall be made from any Series Subaccount in the Debt Service Reserve Account.

If on the third Business Day immediately preceding each Bond Payment Date, after the deposit of moneys described herein under the section entitled “Allocation of Revenues to Special Funds” above, the amount in any Series Subaccount in the Debt Service Account shall be less than the amount required to be in such Series Subaccount, the Trustee will: (1) apply amounts from the corresponding Series Subaccount in the Debt Service Reserve Account to the extent necessary to make good the deficiency; and (2) to the extent that moneys and investments available in the corresponding Series Subaccount in the Debt Service Reserve Account are not sufficient to eliminate the deficiency in the Series Subaccounts in the Debt Service Account and Reserve Instruments are in effect for the corresponding Series of Bonds, immediately make a demand for payment on all such Reserve Instruments, pursuant to the Indenture.

Whenever the moneys on deposit in a Series Subaccount in the Debt Service Reserve Account, including investment earnings and the amounts available under any Reserve Instrument with respect thereto, shall exceed the Debt Service Reserve Requirement for such Series Subaccount, such excess shall be transferred by the Trustee and paid to UAMPS for deposit into the Revenue Fund.

Whenever the amount in a Series Subaccount in the Debt Service Reserve Account, excluding the amounts available under any Reserve Instrument, together with the amounts in the corresponding Series Subaccount in the Debt Service Account are sufficient to pay in full all Outstanding Bonds payable from and secured by such Series Subaccount in accordance with their terms (including principal or applicable sinking fund Redemption Price and interest thereon), the funds on deposit in such Series Subaccount in the Debt Service Reserve Account shall be transferred to the corresponding Series Subaccount in the Debt Service Account and no further deposits shall be required to be made into such Series Subaccount in the Debt Service Reserve Account.

Unless otherwise provided in a Supplemental Indenture authorizing a Series of Bonds, in calculating the amount on deposit in a Series Subaccount in the Debt Service Reserve Account, any amount available under a Reserve Instrument will be treated as an amount on deposit therein.

Unless otherwise specified in the Supplemental Indenture authorizing a Series of Bonds, no Reserve Instrument for such Series of Bonds shall be allowed to expire unless and until cash has been deposited into the appropriate Series Subaccount in the Debt Service Reserve Account, or a new Reserve Instrument has been issued in place of the expiring Reserve Instrument, in an amount or to provide coverage at least equal to the applicable Debt Service Reserve Requirement.

Reserve and Contingency Fund. The amounts in the Reserve and Contingency Fund, established under the Power Sales Contracts and funded from time to time by UAMPS according to its annual budget, are not subject to the pledge and lien of the Indenture, but shall, from time to time, be applied by UAMPS to the payment of unusual or extraordinary Operation and Maintenance Costs, and the Cost of Construction of any part of the Payson Power Project, and shall provide reserves for these purposes.

Subordinated Indebtedness Fund. The Trustee shall apply amounts in each separate account in the Subordinated Indebtedness Fund at the times, in the amounts and to the purposes specified with respect thereto in the respective resolutions, indentures or other instruments, including any Supplemental Indenture, relating to such account and the Subordinated Indebtedness payable therefrom or secured thereby.

Stabilization Fund. If on the third Business Day preceding any Bond Payment Date, the amount in any Series Subaccount in the Debt Service Account is less than the amount required to be in such Series Subaccount, and there are not sufficient moneys on deposit in the corresponding Series Subaccount in the Debt Service Reserve Account to cure such deficiency, UAMPS shall transfer from the Stabilization Fund and deposit into

such Series Subaccount in the Debt Service Account the amount necessary (or all the moneys in the Stabilization Fund, if less than the amount necessary) to make up such deficiency, in accordance with the Indenture.

Amounts in the Stabilization Fund not required to meet a deficiency as described in the previous paragraph may be transferred from time to time by UAMPS from the Stabilization Fund free and clear of the lien of the Indenture and deposited into any funds or accounts established by UAMPS to be used for any lawful Payson Power Project purpose.

Construction Fund. There shall be paid into the Construction Fund the amounts required to be so paid by the provisions of the Indenture or any Supplemental Indenture. The Trustee shall establish within the Construction Fund a separate Project Account for the Initial Facilities and any Additional Facilities and may establish one or more subaccounts in each Project Account. Amounts in each Project Account shall be applied to pay the Cost of Construction. To provide for the payment of capitalized interest, the Trustee shall transfer from such Project Account, to the appropriate Series Subaccount in the Debt Service Account, the amounts required to pay interest on the Bonds when due.

The substantial completion of acquisition and construction of the Initial Facilities and any Additional Facilities shall be evidenced by a written certificate of UAMPS, filed with the Trustee. Upon the filing of such certificate, the balance in the Project Account in the Construction Fund in excess of the amount, if any, stated in such certificate as being required for payment of any remaining part of the Cost of Construction shall, subject to any provision in a Supplemental Indenture, be (i) used to purchase Bonds as provided in the Indenture, (ii) deposited into the Debt Service Reserve Account to fund any amounts required to be deposited therein, (iii) deposited into the Debt Service Account, (iv) transferred into another Project Account to pay Costs of Acquisition of other Additional Facilities or (v) used for any other purpose for which proceeds of Bonds may be used under applicable law and covenants regarding the use of proceeds of Bonds, including a transfer into the Operation and Maintenance Fund to provide working capital and reserves for the payment of Operation and Maintenance Costs.

INVESTMENT OF FUNDS

Moneys held in any Fund or account shall be invested and reinvested by UAMPS or the Trustee to the fullest extent practicable in Investment Securities which mature not later than such times as shall be necessary to provide moneys when needed for payments to be made from such Fund or account.

Subject to any required rebate of earnings on investments in any Fund or account to the United States of America pursuant to Section 148(f) of the Code and except as otherwise provided in a Supplemental Indenture establishing a Project Account or a Series Subaccount: (1) all moneys earned as an investment of moneys in each Project Account in the Construction Fund shall be retained in such Project Account; (2) net income earned on any moneys or investments in the Revenue Fund, the Operation and Maintenance Fund, the Stabilization Fund and the Debt Service Account shall be transferred to the Revenue Fund; (3) whenever a Series Subaccount in the Debt Service Reserve Account is in its full required amount, net income earned on any moneys or investments therein shall be transferred to the Revenue Fund as provided in the Indenture, otherwise, to be retained therein.

ISSUANCE OF BONDS

General Provisions. Whenever UAMPS shall determine to issue any Series of Bonds, UAMPS shall enter into a Supplemental Indenture with the Trustee which shall specify the information required by the Indenture.

The Bonds of any Series shall be executed by UAMPS for issuance under the Indenture and delivered to the Trustee and thereupon shall be authenticated by the Trustee and by it delivered to UAMPS or upon the written request of UAMPS but only upon receipt by the Trustee of the documents required by the Indenture, including an opinion of counsel and a certificate setting forth the Debt Service and the Aggregate Debt Service for each Fiscal Year of the Bonds of such Series, provided however, that the certificate requirement does not apply with respect to the First Series of Bonds.

Initial Bonds. Initial Bonds may be issued only upon a determination by UAMPS that they are being issued in a principal amount sufficient, together with the amount of any Prepayments made by the Prepayment Participants, to provide for:

- (1) the full payment of the estimated Cost of Construction of the Initial Facilities, including all fees and incentives that are reasonably expected to be payable to the EPC Contractor under the EPC Agreement,
- (2) the full payment of the principal or Redemption Price of and interest on all Bond Anticipation Notes then outstanding, and
- (3) the deposit, payment or application of the proceeds of such Bonds to any other item of the Cost of Construction of the Initial Facilities.

The portion of the proceeds of the Initial Bonds described in (2) will be deposited into a separate and segregated subaccount in the Bond Fund held by the Trustee and will be used solely for the payment of the principal or Redemption Price of and interest on the Bond Anticipation Notes then outstanding.

Additional Bonds. One or more Series of Additional Bonds may be authenticated and delivered upon original issuance from time to time in such principal amount for each such Series as may be determined by UAMPS for the purpose of paying or providing for the payment of all or a portion of (1) any unpaid items of the Cost of Construction of the Initial Facilities, the Cost of Construction of Additional Facilities and any other item included within the “Cost of the Project” under (and as defined in) the Power Sales Contracts, (2) Operation and Maintenance Costs, working capital reserves therefor and any other items within the definition of “Cost of Construction,” (3) principal, Redemption Price and interest on Bond Anticipation Notes or (4) any combination of (1), (2) and (3).

Each Supplemental Indenture authorizing the issuance of a Series of Additional Bonds:

- (1) Shall specify the items of the Cost of Construction and any Additional Facilities for which the proceeds of such Series of Additional Bonds will be applied; and
- (2) May require UAMPS to deposit a specified amount of money from the proceeds of the sale of such Series of Additional Bonds or from other legally available sources into the applicable Project Account sufficient to pay when due all or a portion of the interest on such Series of Additional Bonds accrued and to accrue to the estimated completion date of the Additional Facilities set forth in the written certificate of UAMPS delivered with respect to such Series of Additional Bonds pursuant to the Indenture, plus interest to accrue on such Series of Additional Bonds after the estimated completion date of the Additional Facilities for up to one year (or such different period as may then be permitted by law).

Each Series of Additional Bonds shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents described under “*General Provisions*” above) of a written certificate of UAMPS containing the following:

- (1) The then estimated completion date and the then estimated Cost of Construction of the remaining Initial Facilities or the Additional Facilities being financed by such Series of Bonds, as and to the extent applicable;
- (2) A statement that, upon the authentication and delivery of the Bonds of such Series, no Event of Default has occurred and is then continuing under the Indenture and no event has or will have occurred which, with the passage of time or the giving of notice, or both, would give rise to an Event of Default under the Indenture; and
- (3) A statement that the issuance of such Series of Bonds complies with the requirements of the Indenture and the Power Sales Contracts.

The proceeds, including accrued interest, of each Series of Additional Bonds shall be deposited simultaneously with the delivery of such Bonds in the Construction Fund and, to the extent permitted by law and the provisions of the Indenture, in any other Funds or such other funds or accounts as may be established by the Supplemental Indenture, in such amount, if any, as may be provided in the Supplemental Indenture authorizing the issuance of such Series of Additional Bonds.

There may also be deposited from any legally available source, to the extent permitted by law and the provisions of the Indenture, in the Funds or such other funds or accounts as may be established by the Supplemental Indenture, such amounts, if any, as may be provided in the Supplemental Indenture authorizing the issuance of such Series of Additional Bonds.

UAMPS may enter into one or more loan agreements, lines of credit or similar facilities in order to fund the Costs of Construction or the Operation and Maintenance Costs of the Payson Power Project. The repayment obligations of UAMPS under any such loan agreement, line of credit or similar facility shall be evidenced by a Bond or Bonds issued under the Indenture to the financial institution providing the loan agreement, line of credit or similar facility.

Refunding Bonds. One or more Series of Refunding Bonds may be issued in such principal amount which, when taken together with other legally available funds, will provide UAMPS with funds sufficient to accomplish the refunding of all or a part of the outstanding Bonds of one or more Series, including in each case the payment of all expenses in connection with such refunding, provided that UAMPS’ Payson Power Project Refunding Revenue Bonds, Series 2012, may be issued to refund all of UAMPS’ Outstanding Payson Power Project Revenue Bonds, 2003 Series A, originally issued in the aggregate principal amount of \$100,850,000, and all of UAMPS’ outstanding Special Obligation Revenue Bonds, Series 2007, originally issued in the aggregate principal amount of \$2,751,000.

Each Supplemental Indenture authorizing the issuance of a Series of Refunding Bonds shall specify the Bonds to be refunded.

Each Series of Refunding Bonds (other than crossover refunding bonds) shall be authenticated and delivered by the Trustee only upon receipt by the Trustee (in addition to the documents required under “*General Provisions*” above) of the following documents or moneys or securities:

(1) A written certificate of UAMPS stating that the issuance of such Series of Refunding Bonds complies with the requirements of the Indenture and the Power Sales Contracts;

(2) Irrevocable instructions to the Trustee, satisfactory to it, to give due notice of any redemption of the Bonds to be refunded on the redemption date or dates specified in such instructions;

(3) If, within the next succeeding 90 days, the Bonds to be refunded do not mature, are not redeemable or are not to be redeemed, irrevocable instructions to the Trustee satisfactory to it, to mail the notice provided for in the Indenture to the Owners of the Bonds being refunded; and

(4) Either (A) moneys in an amount sufficient to effect payment of the principal or the applicable Redemption Price of the Bonds to be refunded, together with accrued interest to the maturity or redemption date, as the case may be, which moneys shall be held by the Trustee or any one or more of the Paying Agents in a separate account irrevocably in trust for the Bonds to be refunded, or (B) Government Obligations in such principal amounts, of such maturities, bearing such interest, and otherwise having such terms and qualifications and any moneys, as shall be necessary to comply with the provisions of the Indenture, which Government Obligations and moneys shall be held in trust and used only as provided in the Indenture.

A Series of Refunding Bonds may be combined with a Series of Additional Bonds. The Indenture contains certain special requirements for the issuance of crossover refunding bonds.

Bond Anticipation Notes. One or more Series of Bond Anticipation Notes may be authenticated and delivered upon original issuance from time to time in such principal amount for each such Series as may be determined by UAMPS for the purpose of paying or providing for the payment of all or a portion of the Cost of Construction of any Additional Facilities, or the refunding of Bond Anticipation Notes, or a combination of such purposes. UAMPS covenants in the Indenture to apply so much of the proceeds of the Bonds in anticipation of which such Bond Anticipation Notes have been issued as shall be necessary to provide for the payment of all Principal Installments on such Bond Anticipation Notes.

The payment of the interest on Bond Anticipation Notes shall be on a parity with the lien and charge created in the Indenture for the payment of the principal of and interest on the Bonds. The payment of the Principal Installments on Bond Anticipation Notes shall be paid *first*, from the proceeds of Bonds issued by UAMPS and *second*, to the extent not so paid, as an item of Subordinated Indebtedness and the Supplemental Indenture pursuant to which any Series of Bond Anticipation Notes is issued shall so provide. Such Supplemental Indenture shall also provide that each of such Bond Anticipation Notes shall state on its face that the payment of Principal Installments thereof is so subordinated, and shall contain certain other requirements listed in the Indenture.

PARTICULAR COVENANTS

Punctual Payment. UAMPS will punctually pay or cause to be paid the principal, Redemption Price and interest on the Bonds in strict conformity with the terms of the Bonds and the Indenture, and UAMPS will punctually pay or cause to be paid all sinking fund installments which may be established for any Series of Bonds.

Operation and Maintenance. UAMPS shall, subject to the provisions of the Project Agreements and consistent with the terms and provisions thereof and with prudent utility practice, (a) cause the Payson Power Project to be operated, maintained and managed in an efficient and economical manner consistent with the Power

Sales Contracts, (b) cause the Payson Power Project to be maintained, preserved and kept in good repair, working order and condition, and (c) cause all necessary and proper repairs, replacements and renewals to be made so that the operating efficiency of the Payson Power Project will be of a high character.

Power to Own Payson Power Project and Collect Charges; Maintenance of Revenues. UAMPS has, and will have as long as any Bonds are outstanding, good, right and lawful power to own the Payson Power Project and to sell the capacity or output thereof upon the terms and conditions contained in the Power Sales Contracts. UAMPS shall promptly collect all amounts payable under the Power Sales Contracts as the same become due, and shall at all times maintain and promptly and vigorously enforce its rights against any Participant who does not pay such charges when due. UAMPS will at all times comply with all terms, covenants and provisions, express and implied, of the Project Agreements and the Power Sales Contracts and all other contracts or agreements affecting or involving the Payson Power Project or business of UAMPS with respect thereto. UAMPS will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such Supplemental Indentures and such further accounts, instruments and transfers as may be reasonably required for the better assuring, pledging and confirming to the Trustee all and singular the Revenues, including the payments to be made by the Participants or other users, and the other amounts pledged by the Indenture to the payment of the principal of, Redemption Price and interest on the Bonds. UAMPS will not sell, convey, mortgage, encumber or otherwise dispose of any part of the Revenues, except as specifically authorized in the Indenture.

Power Sales Contracts and Project Agreements. UAMPS agrees that if an Event of Default exists and is continuing under the Indenture (see “Events of Default” below), the Trustee in its name or in the name of UAMPS may enforce all rights of UAMPS and all obligations of the Participants and UAMPS under and pursuant to the Power Sales Contracts for and on behalf of the Bondowners.

UAMPS shall collect and forthwith deposit in the Revenue Fund all amounts payable to it by the Participants pursuant to the Power Sales Contracts or pursuant to any other contract for the use or sale of the capacity or output of the Payson Power Project or any part thereof. UAMPS shall enforce the provisions of the Power Sales Contracts and duly perform its covenants and agreements thereunder. UAMPS will not consent or agree to or permit any rescission of or amendment to or otherwise take any action under or in connection with the Power Sales Contracts which will reduce the aggregate amount of the payments required thereunder or which will in any manner materially impair or materially adversely affect the rights of UAMPS thereunder or the rights or security of the Bondowners under the Indenture. So long as the Bonds are outstanding, UAMPS shall not establish a “Billing Period” (as defined in the Power Sales Contracts) that is longer than one month.

If for any reason any of the Power Sales Contracts is no longer in force and effect, UAMPS, to the extent permitted by law, shall enter into one or more power sales contracts or make other arrangements for the disposition of capacity or output of the Payson Power Project to purchasers in order to provide Revenues. UAMPS shall, to the extent permitted by law, provide for the payment of Revenues pursuant to any power sales contracts so entered into or other arrangements so made which will be fully sufficient to pay the principal or Redemption Price and interest to become due in respect of all Bonds in strict conformity with the terms of the Bonds and the Indenture.

Failure of a Participant to make to UAMPS any of the payments for which provision is made in its Power Sales Contract within 5 business days after the due date of any such payment shall constitute an immediate default on the part of such Participant under its Power Sales Contract. Upon the occurrence of such an event of default under any Power Sales Contract, UAMPS shall immediately take all actions authorized by the Power Sales Contract against such Participant and with respect to its Entitlement Share pursuant to the terms of the Power Sales Contract.

UAMPS covenants and agrees that it will duly perform its obligations under the Project Agreements and will enforce the provisions thereof against the other parties thereto. UAMPS will not consent or agree to any termination of or amendment to any of the Project Agreements which, in the judgment of UAMPS, will materially and adversely affect its rights thereunder.

Notwithstanding any other provision of the Indenture, UAMPS and the Participants may enter into any necessary or desirable supplements to the Power Sales Contracts in connection with any Additional Facilities, and may revise Schedule I to the Power Sales Contracts, so long as the sum of all of the Entitlement Shares and the sum of all of the Debt Service Shares listed thereon each equal 100%.

Notwithstanding any other provision of the Indenture, UAMPS may revise Schedule I to the Power Sales Contracts in connection with a sale or assignment permitted under and in accordance with Section 17(c) thereof, so long as the sum of all of the Entitlement Shares and the sum of all of the Debt Service Shares listed thereon each equal 100%.

Observance of Law and Regulations. UAMPS will keep, observe and perform all valid and lawful obligations or orders or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States of America or of the State of Utah, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of any and every right, privilege, license or franchise now owned or hereafter acquired by UAMPS relating to or affecting the Payson Power Project or the Participants, including its right to exist and carry on business, to the end that such rights, privileges, license and franchises shall be maintained and preserved, and shall not become abandoned, forfeited or in any manner impaired; *provided, however*, that UAMPS shall not be required to comply with any such orders so long as the validity or application thereof shall be contested in good faith.

Rates, Fees and Charges. UAMPS shall at all times establish and collect rates and charges for the use of the capacity and output of the Payson Power Project or the sale of the capacity or service of the Payson Power Project, as shall be required to provide Revenues at least sufficient in each Fiscal Year, together with other available funds, for the payment of the sum of:

- (1) Operation and Maintenance Costs during such Fiscal Year;
- (2) An amount equal to the Aggregate Debt Service for such Fiscal Year;
- (3) The amount, if any, to be paid during such Fiscal Year into the Debt Service Reserve Account in the Bond Fund; and
- (4) All other charges or amounts payable out of Revenues during such Fiscal Year.

Payment of Taxes and Charges. UAMPS will from time to time duly pay and discharge, or cause to be paid and discharged, all taxes, assessments and other governmental charges, or required payments in lieu thereof, lawfully imposed upon the properties of the Payson Power Project or upon the Revenues when the same become due (except those taxes, assessments, charges or claims which UAMPS shall in good faith contest by proper legal proceeding if UAMPS shall in all such cases have set aside on its books reserves deemed adequate with respect thereto), and will duly observe and conform to all valid requirements of any governmental authority relative to any such properties. UAMPS will keep the Payson Power Project and all parts thereof free from judgments, mechanics' and materialmen's liens (except those arising by mere operation of law from the acquisition of the Initial Facilities and any Additional Facilities which are paid in due course) and free from all other liens, claims, demands and encumbrances of whatsoever prior nature or character, to the end that the

priority of the lien of the Indenture on the Revenues may at all times be maintained and preserved, and be free from any claim or liability which might embarrass or hamper UAMPS in conducting its business.

Insurance. Subject in each case to the conditions that similar insurance is usually carried by utilities constructing and operating electric generation facilities comparable other Payson Power Project and that such insurance is obtainable at reasonable rates and upon reasonable terms and conditions, (1) UAMPS will secure and maintain, or cause there to be secured and maintained, insurance on the physical properties of the Payson Power Project with a value in excess of \$100,000, and public liability insurance in the amounts and against such risks as are usually insurable in connection with similar facilities and are normally carried by public utilities engaged in the operation of similar properties; (2) UAMPS will secure and maintain adequate fidelity insurance or bonds on the positions of any person or persons handling or responsible for funds of UAMPS related to the Payson Power Project; and (3) UAMPS may, in its sole discretion, obtain business interruption insurance with respect to the Payson Power Project. UAMPS will annually file with the Trustee, a written statement describing the insurance then in effect, any damage or destruction to any portion of the Payson Power Project and the amount of insurance proceeds covering such loss.

Accounts and Reports. UAMPS will at all times keep, or cause to be kept, proper books of record and accounts, separate and apart from all other records and accounts of UAMPS, in which complete and accurate entries shall be made of all transactions relating to the Payson Power Project, the Revenues, the Funds and the Power Sales Contracts. The Indenture requires UAMPS to place on file with Trustee from time to time various audited and unaudited financial statements and various reports relating to the Payson Power Project, the Revenues, the Funds and the Power Sales Contracts. Such records and filings are available at all times during business hours for inspection by the Owners of not less than 5 percent of the Bonds then outstanding and by other parties.

Creation of Liens. UAMPS shall not issue any bonds, notes, debentures, or other evidences of indebtedness of similar nature, other than the Bonds and the Bond Anticipation Notes, payable out of or secured by a pledge or assignment of the Revenues or other moneys, securities or funds held or set aside by UAMPS or by the fiduciaries under the Indenture and shall not create or cause to be created any lien or charge on the Revenues, or such moneys, securities or funds; *provided, however*, that UAMPS may enter into Swap Agreements and may incur Subordinated Indebtedness upon the terms and conditions set forth in the Indenture.

UAMPS will not create, and will use its good faith efforts to prevent the creation of, any mortgage or lien upon the Payson Power Project or any property essential to the proper operation of the Payson Power Project or to the maintenance of the Revenues. UAMPS will not create, or permit the creation of, any pledge, lien, charge or encumbrance upon the Revenues except only as provided in or permitted by the Indenture.

Eminent Domain. If all or any part of the Payson Power Project shall be taken by eminent domain proceedings or conveyance in lieu thereof, the net proceeds realized by UAMPS therefrom shall be (a) applied to replace the lost portion of the Payson Power Project or (b) deposited with the Trustee in a special fund in trust and shall be applied and disbursed by the Trustee subject to the following conditions:

(1) If such funds are sufficient to provide for the payment of the entire amount of principal due or to become due upon all of the outstanding Bonds, together with all of the interest due or to become due thereon and any redemption premiums thereon, so as to enable UAMPS to retire all of the Bonds then outstanding, either by call and redemption at the then current Redemption Prices or by payment at maturity or partly by redemption prior to maturity and partly by payment at maturity, the Trustee shall apply such moneys to such retirement or payment, as appropriate, and to the payment of such interest. Pending the application of such proceeds for such purpose, such moneys shall be invested

by the Trustee in Government Obligations. The balance of such moneys, if any shall be transferred to UAMPS.

(2) If such proceeds are insufficient to provide the moneys required for the purposes described in subparagraph (1) above, UAMPS shall request the Trustee in writing to apply such proceeds for one of the following purposes: (a) to the purchase, redemption or retirement of Bonds; (b) to the cost of additions, improvements or extensions to the Payson Power Project; or (c) for deposit into the Revenue Fund.

Reconstruction; Application of Insurance Proceeds. In the event any useful portion of the Payson Power Project shall be damaged or destroyed, UAMPS shall determine whether to proceed with the reconstruction or replacement thereof or to terminate the Payson Power Project. In making such determination, UAMPS shall obtain (and shall be entitled to rely upon) a report of a Qualified Engineer setting forth such engineer's recommendations as to the reconstruction, replacement or termination of the Payson Power Project. In the event that UAMPS determines not to reconstruct or replace the Payson Power Project, the proceeds of any insurance received by UAMPS on account of such damage or destruction (other than any business interruption loss insurance), shall be deposited into a special account in the Bond Fund and shall be used, together with other legally available moneys for such purpose, to redeem or defease Bonds. Subject to the provisions of the Indenture, any balance of such proceeds of insurance not needed to pay such cost of reconstruction or replacement and any investment earnings thereon, shall be deposited into the Revenue Fund. If the proceeds of insurance to be applied to the reconstruction or replacement of any portion of the Payson Power Project are insufficient for such purpose, the deficiency may be supplied out of moneys in the Stabilization Fund or other legally available monies. The proceeds of business interruption loss insurance, if any, shall be paid into the Revenue Fund.

Construction of Initial Facilities and Additional Facilities. UAMPS will cause the acquisition and construction of the Initial Facilities and any Additional Facilities to be accomplished in a sound and economic manner and as expeditiously as is practicable, in accordance with the provisions of the Project Agreements. UAMPS will, as expeditiously as is practicable, take all action on its part necessary to acquire any regulatory permits and approvals needed to acquire, construct, own, and maintain the Payson Power Project. UAMPS will promptly and vigorously enforce the obligations of the EPC Contractor under the EPC Agreement. UAMPS will vigorously enforce and defend its rights under the Project Agreements and will not consent or agree to any amendment of the Project Agreements that materially and adversely affects its rights thereunder.

Annual Budget; Limitation on Operation and Maintenance Costs. Prior to the beginning of each Fiscal Year, UAMPS shall prepare and file with the Trustee for the ensuing Fiscal Year an Annual Budget recommended by the Project Management Committee and approved by the Board of Directors of UAMPS. UAMPS shall not expend any amount from the Operation and Maintenance Fund for Operation and Maintenance Costs for any Fiscal Year in excess of the amounts provided therefor in the Annual Budget as then in effect except under certain circumstances enumerated in the Indenture.

CONCERNING THE TRUSTEE

The Trustee shall perform the trusts contained in the Indenture as a corporate trustee ordinarily would perform such trusts under a corporate indenture, upon and subject to the express terms and conditions set forth in the Indenture. The Trustee shall perform such duties and only such duties as are specifically set forth in the Indenture and shall also act as registrar and paying agent.

The Trustee may resign at any time by giving not less than 60 days' notice to UAMPS; *provided* that no such resignation of the Trustee shall take effect until a successor Trustee shall have been appointed and shall have accepted the duties of the Trustee under the Indenture. So long as no Event of Default has occurred and is continuing hereunder, UAMPS may at any time and shall following the breach by the Trustee of the trusts set forth in the Indenture, remove the Trustee and appoint a successor. The Trustee also may be removed at any time by an instrument or concurrent instruments in writing, filed with the Trustee, and signed by the Owners of a majority in principal amount of the Bonds then outstanding or their attorneys-in-fact duly authorized. Notice of any resignation or removal of the Trustee shall be given to the Bond owners as provided in the Indenture.

UAMPS covenants and agrees in the Indenture to pay to the Trustee its reasonable compensation and its reasonable expenses, disbursements and advances and to indemnify the Trustee against certain liabilities arising out of the performance of its duties under the Indenture. The Indenture grants to the Trustee a lien prior to the lien of the Bonds upon all property or funds held or collected by the Trustee (other than funds held in trust for particular Bonds) to secure UAMPS' obligations to compensate and indemnify the Trustee.

EVENTS OF DEFAULT

The occurrence of one or more of the following events shall constitute an "*Event of Default*":

(1) failure by UAMPS to make the due and punctual payment of the principal or Redemption Price of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise;

(2) failure by UAMPS to make the due and punctual payment of any installment of interest on any Bond or any sinking fund installment when and as such interest installment or sinking fund installment shall become due and payable;

(3) failure by UAMPS to observe any of the covenants, agreements or conditions on its part contained in the Indenture or in the Bonds, and failure to remedy the same for a period of sixty (60) days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to UAMPS by the Trustee, or to UAMPS and the Trustee by the Owners of not less than 25% in aggregate principal amount of the Bonds at the time outstanding; or

(4) bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, including without limitation proceedings under Chapter 9 of Title 11, United States Code (as the same may from time to time be amended), or other proceedings for relief under any federal or state bankruptcy law or similar law for the relief of debtors are instituted by or against UAMPS and if instituted against UAMPS, said proceedings are consented to or are not dismissed within 30 days after such institution; *provided, however*, that such event shall not constitute an Event of Default unless in addition, (a) UAMPS is unable to meet its debts with respect to the Payson Power Project as such debts become due or (b) any plan of adjustment or other action in such proceeding would affect in any way the Revenues or the Payson Power Project.

ACCELERATION

Upon the occurrence of an Event of Default, unless the principal of all the Bonds shall have already become due and payable:

(1) the Trustee may, or

(2) upon receipt of the written request of the Owners of not less than 25% of the aggregate principal amount of the Bonds at the time outstanding (subject to any limitations specified in a Supplemental Indenture authorizing a Series of Bonds with respect to the rights of the Owners of such Bonds), the Trustee shall, declare upon notice in writing to UAMPS the principal of all the Bonds then outstanding, and the interest accrued thereon, to be due and payable immediately. Upon such declaration such principal and interest shall be immediately due and payable, notwithstanding anything to the contrary contained in the Indenture or in the Bonds; *provided* that with respect an Event of Default described in subsection (1) or (2) under “*Event of Default*” relative to any Series of Bonds outstanding secured by a Security Instrument which is in full force and effect and not in default on any payment obligation thereunder, no acceleration of such Series of Bonds shall occur without the written consent of such Security Instrument Issuer.

The right of the Trustee to make any such declaration as described above, however, is subject to various conditions set forth in the Indenture and any such declaration may be rescinded and annulled as provided in the Indenture.

BONDHOLDER RIGHTS

No owner of any Bond shall have any right to institute any proceeding, judicial or otherwise, with respect to the Indenture, or for the appointment of a receiver or trustee, or for any other remedy thereunder, unless:

(1) such owner has previously given written notice to the Trustee of a continuing Event of Default;

(2) the owners of not less than 25% in aggregate principal amount of the outstanding Bonds shall have made written request to the Trustee to institute proceedings in respect of such Event of Default;

(3) such owners have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;

(4) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity has failed to institute any such proceedings; and

(5) no direction inconsistent with such written request has been given to the Trustee during such 60-day period by the owners of a majority in principal amount of the outstanding Bonds.

In addition, no one or more owners of Bonds shall have any right to affect, disturb or prejudice the rights of any other owners of Bonds, or to obtain or to seek to obtain priority or preference over any other such parties or to enforce any right under the Indenture, except as provided in the Indenture.

Notwithstanding any other provision in the Indenture, the owner of any Bond shall have the right to receive payment of the principal or Redemption Price of and interest on such Bond on the respective stated maturities expressed in such Bond (or, in the case of redemption, on the redemption date of such Bond) and to

institute suit for the enforcement of any such payment. Such right to receive payment shall not be impaired without the consent of such owner.

The owners of a majority of the principal amount of the outstanding Bonds shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee, *provided* that:

- (1) such direction shall not be in conflict with any rule of law or the Indenture,
- (2) the Trustee shall not determine that the action so directed would be unjustly prejudicial to the owners not taking part in such direction, and
- (3) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

No remedy in the Indenture conferred upon or reserved to the Trustee or to the owners of Bonds is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and in addition to every other remedy given under the Indenture or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised at any time or from time to time, and as often as may be necessary, by the Trustee or the Owner of any one or more of the Bonds. Nothing in the Indenture shall permit the levy of any attachment or execution upon any of the properties of UAMPS, nor shall any properties of UAMPS be subject to forfeiture by reason of any default under the Indenture, it being expressly understood and agreed by each and every Bondowner by the acceptance of any Bond that the rights of all such Bondowners are limited and restricted to the use and application of Revenues, Funds and other moneys, securities and funds pledged under the Indenture in accordance with the terms of the Indenture.

APPOINTMENT OF RECEIVER

Upon the occurrence of an Event Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondowners, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the trust estate created by the Indenture, including, without limitation, the proceeds of the sale of the Bonds, the Revenues and the Funds, including the investments, if any, thereof, pending such proceedings, with such powers as a court making such appointments shall confer.

MODIFICATION OR AMENDMENT OF INDENTURE

UAMPS and the Trustee may from time to time and at any time enter into a Supplemental Indenture modifying or amending the Indenture or any Supplemental Indenture and the rights and obligations of UAMPS, the Trustee and of the Owners of the Bonds pursuant to the affirmative vote at a meeting of Bondowners, or with the written consent without a meeting, (1) (A) of the Owners of at least a majority in principal amount of the Bonds then outstanding, or (B) in case less than all of the several Series of Bonds then outstanding are affected by the modification or amendment, of the Owners of at least a majority in principal amount of the Bonds of each Series so affected and then outstanding, and (2) in case the modification or amendment changes the terms of any sinking fund installment, of the Owners of at least 60% in principal amount of the Bonds of the particular Series and maturity entitled to such sinking fund installment and then outstanding; *provided, however*, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified Series remain outstanding, the consent of the Owners of Bonds of such Series shall not be required and Bonds of such Series

shall not be deemed to be outstanding for the purpose of any calculation of outstanding bonds under the Indenture.

UAMPS and the Trustee may also from time to time and at any time enter into a Supplemental Indenture modifying or amending the Indenture or any Supplemental Indenture and the rights and obligations of UAMPS and the Owners of the Bonds, without the consent of any Bondowners for any of the following purposes:

- (1) to provide additional covenants and agreements of UAMPS to those therefor contained in the Indenture;
- (2) to surrender any right or power reserved to or conferred upon UAMPS by the Indenture;
- (3) to limit the principal amount of Bonds that may be issued under the Indenture;
- (4) to make such provisions for the purpose of curing any ambiguity, or of curing or correcting any defective provision contained in the Indenture or in regard to questions arising under the Indenture, as UAMPS may deem necessary or desirable, and which, in accordance with the Indenture, shall not adversely affect the interests of the Owners of the Bonds;
- (5) to provide for the issuance of a Series of Bonds, the execution of a Swap Agreement or the issuance or occurrence of Subordinated Indebtedness in accordance with the provisions of the Indenture;
- (6) to provide for the issuance of the Bonds pursuant to a book-entry system or as uncertificated registered public obligations pursuant to the provisions of the Registered Public Obligations Act, Chapter 7 of Title 15 of the Utah Code Annotated 1953, as amended, or any successor provision of law;
- (7) to make any change which, in the judgment of the Trustee, shall not materially adversely affect the rights or interests of the Owners of any outstanding Bonds and is required by a Rating Agency in order to obtain or maintain any rating on the Bonds;
- (8) to make any change necessary (A) to establish or maintain the exemption from federal income taxation of interest on any Series of Bonds as a result of any modifications or amendments to Section 148 of the Code (or any successor provision of law) or interpretations thereof by the Internal Revenue Service, or (B) to comply with the provisions of Section 148(f) of the Code (or any successor provision of law), including provisions for the payment of all or a portion of the investment earnings of any of the Funds established under the Indenture to the United States of America;
- (9) to evidence the appointment of a successor Trustee;
- (10) if the Bonds affected by such change are rated by a Rating Agency, to make any change which does not result in a reduction of the rating applicable to any of the Bonds so affected, *provided* that if any of the Bonds so affected are secured by a Security Instrument, such change must be approved in writing by the issuer of such Security Instrument;

(11) if the Bonds affected by such change are secured by a Security Instrument, to make any change approved in writing by the issuer of such Security Instrument, *provided* that if any of the Bonds so affected are rated by a Rating Agency, such change shall not result in a reduction of the rating applicable to any of the Bonds so affected;

(12) to the extent permitted by a Supplemental Indenture authorizing a Series of Additional Bonds (or Bond Anticipation Notes), the designation of additions, improvements and extensions to the Payson Power Project as Additional Facilities by such Supplemental Indenture may be modified or amended if UAMPS delivers to the Trustee an engineer's certificate to the effect that such modification or amendment will not adversely impact UAMPS' ability to perform the covenants relating to rates or charges contained in the Indenture;

(13) to change or modify the Initial Facilities or the designation of the properties, facilities, improvements and equipment as Initial Facilities, and in connection therewith UAMPS may enter into amended or additional Power Sales Contracts, upon submission to the Trustee of: (i) a Supplemental Indenture designating the facilities to comprise the Initial Facilities, (ii) an Opinion of Counsel of nationally recognized bond counsel to the effect that such change to the Initial Facilities and such amended or additional Power Sales Contracts, if any, will not adversely affect the validity of any Bonds previously issued and then Outstanding or the exclusion from federal gross income of the interest thereon, if any, (iii) a Written Certificate of UAMPS setting forth the Estimated Completion Date and the estimated Cost of Construction of the changed Initial Facilities, and certifying that such changes, and the execution of any additional Power Sales Contracts, will not adversely affect UAMPS' ability to comply with the provisions of the Indenture, particularly Section 6.10, (iv) a Written Certificate of UAMPS certifying compliance with the provisions of the Power Sales Contracts in connection with the changes to the Initial Facilities and the execution of any amended or additional Power Sales Contracts, (v) a confirmation from each Rating Agency then maintaining a rating on any Outstanding Bonds that the changes to the Initial Facilities and execution of any amended or additional Power Sales Contracts will not adversely affect its rating on such Bonds, and (vi) if UAMPS enters into any amended or additional Power Sales Contracts, (A) a copy of each amended or additional Power Sales Contract, (B) a revised Schedule I to the Power Sales Contracts, and (C) an Opinion of Counsel of nationally recognized bond counsel to the effect that such amended or additional Power Sales Contracts constitute the valid and binding obligation of UAMPS and the Participants, and are enforceable in accordance with their terms; and

(14) in connection with the acquisition or construction of any Additional Facilities, UAMPS may enter into amended or additional Power Sales Contracts, upon submission to the Trustee of: (i) a Supplemental Indenture designating the facilities to comprise the Additional Facilities, (ii) an Opinion of Counsel of nationally recognized bond counsel to the effect that such amended or additional Power Sales Contracts, if any, will not adversely affect the validity of any Bonds previously issued and then Outstanding or the exclusion from federal gross income of the interest thereon, if any, (iii) a Written Certificate of UAMPS certifying that such execution of amended or additional Power Sales Contracts will not adversely affect UAMPS' ability to comply with the provisions of the Indenture, particularly Section 6.10, (iv) a Written Certificate of UAMPS certifying compliance with the provisions of the Power Sales Contracts in connection with such execution of amended or additional Power Sales Contracts, (v) a confirmation from each Rating Agency then maintaining a rating on any Outstanding Bonds that such execution of amended or additional Power Sales Contracts will not adversely affect its rating on such Bonds, (vi) a copy of each amended or additional Power Sales Contract, (vii) a revised Schedule I to the Power Sales Contracts, and (viii) an Opinion of Counsel of nationally recognized bond

counsel to the effect that such amended or additional Power Sales Contracts constitute the valid and binding obligation of UAMPS and the Participants, and are enforceable in accordance with their terms.

No modification or amendment shall be permitted pursuant to paragraph (10), (11) or (12) unless UAMPS delivers to the Trustee an opinion of counsel of nationally recognized standing in the field of law relating to municipal bonds to the effect that such modification or amendment will not adversely affect the tax-exempt status or validity of any Bonds affected by such modification or amendment.

No modification or amendment permitted by the Indenture shall (1) extend the fixed maturity of any Bond, or reduce the principal amount or Redemption Price thereof, or reduce the rate or extend the time of payment of interest thereon, without the consent of the Owner of each Bond so affected, or (2) reduce the aforesaid percentage of Bonds required for the affirmative vote or written consent to an amendment or modification of the Indenture, without the consent of the Owners of all of the Bonds then outstanding, or (3) without its written consent thereto, modify any of the rights or obligations of the Trustee.

Each Supplemental Indenture modifying or amending the Indenture as described above shall become effective as of the date of its execution and delivery by UAMPS and the Trustee or such later date as shall be specified in such Supplemental Indenture.

ARBITRAGE COVENANT

UAMPS covenants that moneys on deposit in any Fund, whether or not such moneys were derived from proceeds of sales of Bonds or from any other sources, will not be used in a manner which will cause any Bonds, the interest on which is to be exempt from federal income taxation under the Code, to be "arbitrage bonds" within the meaning of Section 148 of the Code; *provided, however*, that this covenant shall not prevent the issuance of a Series of Bonds the interest on which is subject to Federal income taxation under the Code.

DISCHARGE OF INDEBTEDNESS

If UAMPS shall pay or cause to be paid, or there shall otherwise be paid, subject to any limitations contained in a Supplemental Indenture with respect to a Series of Bonds, to the Owners of all Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Indenture, then the pledge of any Revenues and other moneys, securities and Funds pledged under the Indenture and all covenants, agreements and other obligations of UAMPS to the Bondowners shall thereupon cease, terminate and become void and be discharged and satisfied.

If UAMPS shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of any outstanding Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under the Indenture, and all covenants, agreements and obligations of UAMPS to the Owners of such Bonds shall thereupon cease, terminate and become void and be discharged and satisfied.

All or any portion of the Bonds of any Series or maturity shall prior to the maturity or redemption date thereof be deemed to have been paid if (1) in case any of said Bonds are to be redeemed on any date prior to their maturity, UAMPS shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail as provided in the Indenture notice of redemption of such Bonds on said date, (2) there shall have been deposited with the Trustee either moneys in an amount which shall be sufficient, or Government Obligations the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited

with the Trustee at the same time, shall be sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the redemption date or maturity date thereof, as the case may be, and (3) in the event said Bonds do not mature, are not redeemable or are not to be redeemed, in each case, within the next succeeding 90 days, UAMPS shall have given the Trustee in form satisfactory to it irrevocable instructions to mail, first class postage prepaid, a notice to the Owners of such Bonds that the deposit required by (2) above has been made with the Trustee and that said Bonds are deemed to have been paid in accordance with the Indenture and stating such maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, on said Bonds.

Neither Government Obligations nor moneys deposited with the Trustee pursuant to the Indenture nor principal or interest payments on any such Government Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal or Redemption Price, if applicable, and interest on said Bonds; *provided* that any cash received from such principal or interest payments on such Government Obligations deposited with the Trustee, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Government Obligations maturing at times and in amounts sufficient to pay when due the principal or Redemption Price, if applicable, and interest to become due on said Bonds on and prior to such redemption date or maturity date thereof, as the case may be, and interest earned from such reinvestments shall be paid over to UAMPS, as received by the Trustee, free and clear of any trust, lien or pledge.

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APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE POWER SALES CONTRACTS

The following is a summary of certain provisions of the Payson Power Project Power Sales Contracts between UAMPS and each of the Participants (the “*Power Sales Contracts*”). This summary is not to be considered a full statement of the terms of such Power Sales Contracts and accordingly is qualified in its entirety by reference thereto and is subject to the full text thereof. Capitalized terms not defined herein or elsewhere in this Official Statement have the meanings set forth in the Power Sales Contracts. Certain of the capitalized terms used herein are defined in “CERTAIN DEFINITIONS” in APPENDIX C to this Official Statement.

TERM

The Power Sales Contracts remain in effect, unless earlier terminated in accordance with their terms, until the later of (i) the date on which the principal of, premium, if any, and interest on all Bonds have been paid or sufficient funds have been irrevocably set aside for the full defeasance thereof and all other obligations of UAMPS under the Financing Documents have been paid or satisfied, all as determined in accordance with the Financing Documents, and (ii) February 17, 2049 or such later date to which UAMPS’ existence shall be extended; *provided, however*, that in compliance with the Act, the term of the Power Sales Contracts shall not extend for more than fifty years from their effective date.

Financing Documents is defined in the Power Sales Contracts as the bond resolution, indenture, trust agreement or other instrument or instruments providing for the issuance of and the security for the Bonds and any Bond Anticipation Notes and all amendments thereof and supplements thereto.

SALE AND PURCHASE; PAYMENTS

From and after the date of the acquisition by UAMPS of the Payson Power Project, UAMPS is to sell to each Participant, and each Participant is to purchase from UAMPS the Participant’s Entitlement Share. Each Participant’s payments shall include (i) for its share of Debt Service Costs (as defined in the Power Sales Contracts), an amount determined by multiplying Debt Service Costs by the Participant’s Debt Service Share; (ii) for its share of Operation and Maintenance Costs (as defined in the Power Sales Contracts), an amount determined by multiplying Operation and Maintenance Costs by the Participant’s Entitlement Share; and (iii) the Wheeling Costs actually incurred in transmitting the Electric Energy allocable to the Participant’s Entitlement Share to the Participant’s Point of Delivery for such Billing Period. For information concerning each Participant’s Entitlement Share and Debt Service Share see “THE PARTICIPANTS—Schedule of Entitlement and Debt Service Shares” in this Official Statement.

Debt Service Costs are defined in the Power Sales Contracts as, for each Billing Period of each Contract Year, an amount equal to the sum of (i) the interest accruing on the Bonds during such Billing Period, except to the extent that amounts are on deposit under the Financing Documents to pay such interest from the proceeds of Bonds; (ii) the amounts falling due during such Billing Period under any Interest Rate Contract with respect to the Bonds; (iii) the portion of the next due principal installment on the Bonds accruing on the Bonds (which shall be deemed to accrue in the same manner as interest accrues) during such Billing Period, all as calculated in accordance with the Financing Documents; (iv) any additional amounts necessary or required to be deposited into the Bond Fund or the Subordinated Indebtedness Fund under the provisions of the Financing Documents; and (v) the accruing principal of and interest on any Bond Anticipation Notes or obligations subordinate to the Bonds issued by UAMPS pursuant to the Financing Documents and amounts necessary to provide or replenish

and necessary reserves in connection with such obligations. Debt Service Costs also include trustee, paying agent, escrow agent and other fiduciaries' fees and expenses, the amounts required to be paid from time to time to maintain any credit or liquidity instruments for and ratings on the Bonds and other costs payable by UAMPS from time to time in connection with the Bonds.

Debt Service Percentage is defined in the Power Sales Contracts as, with respect to each Participant and as of any date of determination, the percentage obtained by subtracting the Participant's Prepayment Percentage from the Participant's Entitlement Share.

Debt Service Share is defined in the Power Sales Contracts as, with respect to each Participant and as of any date of determination, the actual percentage of Debt Service Costs payable by the Participant, determined by dividing the Participant's Debt Service Percentage (expressed as a decimal) by the sum (expressed as a decimal) of the Debt Service Percentages of all Participants, including the Participant whose Debt Service Share is being determined.

Operation and Maintenance Costs is defined in the Power Sales Contracts as all costs and expenses (other than Wheeling Costs and Debt Service Costs) attributable to the Payson Power Project that are paid, payable, incurred or accrued by UAMPS during each Billing Period resulting from the ownership, operation, maintenance and termination of, and repairs, renewals, replacements, additions, improvements, and betterments and modifications to, the Payson Power Project. Operation and Maintenance Costs also include, without limitation, the following items of cost:

- (1) any amount which UAMPS may be required during such Billing Period to pay for the prevention or correction of any unusual loss or damage or for renewals, replacements, repairs, additions, improvements, modifications and betterments which arise out of or are required by the Project Agreements for which UAMPS is obligated, but only to the extent that funds for such payment are not provided by the issuance of the Bonds or prepayments made by the Participants;

- (2) the costs of operating and maintaining the Payson Power Project and of producing and delivering electric power and energy therefrom during such Billing Period, including the operation and maintenance expenses and fuel costs of the Payson Power Project pursuant to the Project Agreements, amounts payable under the Operating Agreement and each Fuel Agreement, the portion of UAMPS' administrative and general expenses allocable or directly charged to the Payson Power Project, working capital and reserves for the payment of operation and maintenance expenses, and all other costs and expenses (but excluding depreciation) not included in the costs specified in the other items of this definition and properly chargeable to the Payson Power Project;

- (3) legally required or permitted federal, state and local taxes and ad valorem taxes or payments in lieu of ad valorem taxes, in each case related to the Payson Power Project;

- (4) all other amounts, including fuel and coal costs, payable by UAMPS pursuant to the provisions of the Project Agreements;

- (5) any additional amount not specified in the other items of this definition which must be paid by UAMPS during such Billing Period under the Project Agreements, including all amounts payable under the Host City Agreement and all rents and other amounts payable under the Ground Lease;

(6) amounts to be deposited into the Reserve and Contingency Fund established pursuant to the Power Sales Contracts;

(7) legal, engineering and accounting fees and expenses, the cost of any litigation related to the Payson Power Project, the Project Agreements, the Power Sales Contracts and the interests and transactions contemplated by such agreements and the Power Sales Contracts, the costs of technical and advisory services and the cost of governmental and regulatory permits and approvals, all to the extent allocable to the Payson Power Project;

(8) the costs of Additional Facilities, but only to the extent not paid or financed as a portion of the Cost of Construction;

(9) all other amounts payable by UAMPS under the terms of the Operating Agreement; and

(10) the costs of, or reserve for the costs of, decommissioning or removing from service all or any part of the Project.

Wheeling Costs is defined in the Power Sales Contracts as, for each Billing Period of each Contract Year, all capital, operating and other costs and expenses paid, payable, incurred or accrued by UAMPS during such Billing Period for the transmission of Electric Energy from the Payson Power Project to the Participant's Point of Delivery pursuant to the Transmission and Interconnection Agreements otherwise.

PREPAYMENTS

A Participant may elect to make one or more prepayments to UAMPS pursuant to and in accordance with the procedures set forth in the Power Sales Contracts. A Participant may only make a prepayment at the time of the financing of the Cost of the Project through the issuance of Bonds, Additional Bonds or other obligations under the Financing Documents. In connection with each prepayment that may be made by the Participant pursuant to the Power Sales Contracts the Participant acknowledges and agrees with UAMPS that:

(1) each prepayment shall be held, invested and applied in accordance with the provisions of, and subject to the limitations set forth in, the Financing Documents;

(2) the Participant's election to make a prepayment shall be irrevocable and under no circumstances whatsoever shall the Participant be entitled to a return or rebate of all or any portion of any prepayment, including, without limitation, circumstances such as the suspension, interruption, interference, reduction, curtailment or termination of the Payson Power Project;

(3) in the event of a default by the Participant under its Power Sales Contract, the Entitlement Share of the Participant may be allocated or reallocated to the other Participants pursuant to the procedures set forth in the Power Sales Contracts and, in the event that the Participant fails to cure such default within the period provided for in the Power Sales Contract, the Prepayment Percentage of the defaulting Participant may be reduced to 0%;

(4) no prepayment shall be deemed to constitute an investment by the Participant and the Participant shall not be entitled to any interest, investment earnings or rate of return on any amounts paid by it to UAMPS as a prepayment; and

(5) notwithstanding any prepayment by the Participant, UAMPS shall be obligated to provide the Electric Energy allocable to the Participant's Entitlement Share only in accordance with the terms and provisions of the applicable Power Sales Contract.

The following standards and parameters govern the calculation by UAMPS from time to time of the amount of any prepayment to be made by the Participant and the calculation by UAMPS from time to time of the Participant's Prepayment Percentage, Debt Service Percentage and Debt Service Share:

(1) as of any date of determination, the sum of the Participant's Prepayment Percentage and the Participant's Debt Service Percentage shall equal the Participant's Entitlement Share;

(2) as of any date of determination, the sum of the Prepayment Percentages and Debt Service Percentages of all Participants shall equal 100%;

(3) as of any date of determination, the sum of the Debt Service Shares of all Participants having Prepayment Percentages that are less than their respective Entitlement Shares shall equal 100%; and

(4) UAMPS shall have absolute and exclusive authority to establish escrow arrangements governing the deposit and disbursement of each prepayment and to determine and calculate from time to time the Reference Project Costs, the amount of any prepayment to be made by the Participant and the Participant's Prepayment Percentage, Debt Service Percentage and Debt Service Share, and all such determinations and calculations by UAMPS shall be conclusive and binding upon the Participant.

Reference Project Costs shall be determined by UAMPS in its sole discretion based upon the items of the Cost of the Project to be financed in connection with the initial issuance of Bonds, Additional Bonds or other obligations under the Financing Documents. The amount of Reference Project Costs shall be determined from time to time so as to provide for a proportional allocation of the Cost of the Project (other than items of the Cost of the Project related solely to the Bonds) between Bond proceeds and prepayments.

If the Participant elects to make any Prepayment, the governing body shall find and determine, and the Participant shall certify to UAMPS, among other things, that:

(1) the amounts used to make such Prepayment are derived from retained earnings of the Participant's electric enterprise fund, unexpended proceeds of borrowings previously made by the Participant for electric system purposes or other legally available moneys of the Participant; and

(2) the Participant will deposit or has deposited, as applicable, with the Trustee appointed under the Financing Documents, an amount equal to the estimated amount of the Prepayment to be made by the Participant, all in accordance with Prepayment escrow instructions provided by UAMPS.

If the governing body of the Participant elects to make any Prepayment, UAMPS will then provide the Participant with at least 15 days notice of the date by which the Participant must deposit the amount of the Prepayment into the escrow established by UAMPS. The arrangements for such special escrow account shall provide for the investment of the amount so deposited and for the disbursement of such amount and the investment earnings thereon by the Trustee upon the direction of UAMPS to pay a portion of the Cost of the Project.

The Participant acknowledges and agrees that the estimated amount of the Prepayment to be made by the Participant will be subject to adjustment to reflect the actual cost of the various items included in Reference Project Costs.

CONSTRUCTION OF THE INITIAL FACILITIES AND ADDITIONAL FACILITIES

UAMPS shall use its best efforts to cause the Initial Facilities to be expeditiously and economically acquired and constructed pursuant to the Construction Agreements. UAMPS will diligently defend and protect its rights under the Construction Agreements and will enforce the contractors' obligations under such Agreements.

UAMPS may from time to time recommend the acquisition or construction of Additional Facilities to improve or add to the Project. Any such Additional Facilities shall be approved by the Project Management Committee. Upon completion of the Initial Facilities and any Additional Facilities, UAMPS shall submit to the Project Management Committee, a final breakdown of all Costs of the Project.

BILLING PROCEDURES

The payments to be made by each Participant to UAMPS are based upon a budget for each Contract Year that is to be delivered by UAMPS to each Participant on or before the beginning of each Contract Year. A Contract Year (other than the initial Contract Year) commences on the first day of UAMPS' fiscal year (currently April 1). Such budgets are to show an annual estimate of each Participant's share of Operation and Maintenance Costs, Wheeling Costs and Debt Service Costs for the following Contract Year. The Participant is, to the extent and in the manner deemed appropriate by the Participant, to incorporate the estimates shown on the budget in its annual budgetary process for the Participant's electric enterprise fund.

The Power Sales Contracts provide for quarterly or more frequent review by UAMPS of its budget and for adjustment thereof as necessary to accommodate extraordinary receipts, credits or expenditures substantially affecting Operation and Maintenance Costs, Wheeling Costs and Debt Service Costs.

So long as the Billing Period is a month, on or before the 25th day after the end of each Billing Period, UAMPS is to render to each Participant a statement showing the amount payable by such Participant for such Billing Period in respect of: (1) Operation and Maintenance Costs, (2) Wheeling Costs, (3) Debt Service Costs and (4) any other amounts, adjustments or reconciliations payable by or credited to such Participant pursuant to the Power Sales Contract or the Financing Documents and not otherwise shown, including items of the Cost of Construction of the Payson Power Project not then or not to be financed by the issuance of Bonds or prepayments which have therefore been incurred or are then due and payable by UAMPS.

Amounts shown on the statements are due and payable to UAMPS on the 15th day following the date on which the billing statement was rendered or at such other time as may be established by UAMPS pursuant to the Power Sales Contracts. Delayed payment charges are provided for late payment. In the event of a dispute as to any monthly payment, such Participant is required nonetheless to pay the amount shown due pending final determination by agreement or by determination by the Board of Directors of UAMPS.

In order to promote the efficient and economic administration of the Payson Power Project, UAMPS may, at any time after the end of the initial Contract Year and from time to time thereafter, adopt another standard period of time as the Billing Period under the Power Sales Contracts. In addition, UAMPS may from time to time revise the billing and payment procedures provided for in the Power Sales Contracts to promote the efficient

and economic administration of the Payson Power Project or to conform such billing procedures to those utilized in connection with other projects of UAMPS.

OBLIGATION OF EACH PARTICIPANT

The obligation of each Participant to make payments for Operation and Maintenance Costs, Wheeling Costs, Debt Service Costs and other amounts under its Power Sales Contract constitutes a several obligation and not a joint obligation with those of any other Participant. Each Participant's obligation to make such payments constitutes an obligation of such Participant payable as an operating expense of the Participant's electric system payable solely from the revenues and other available funds of the electric system, and constitutes a cost of purchased power and energy. Such payments shall be made whether or not the Payson Power Project or any portion thereof is acquired, completed, operable or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of the Payson Power Project Output or any termination of any of the Payson Power Project Agreements, for any reason whatsoever, in whole or in part. The obligations of each Participant to make such payments are not subject to any reduction, whether by offset, counterclaim, or otherwise, and are not conditioned upon the performance by UAMPS under the Power Sales Contracts or any other agreement or instrument.

SCHEDULING OF DELIVERIES AND DELIVERY

Each Participant shall be entitled to use Electric Energy equal to the Participant's Entitlement Share. UAMPS shall schedule or cause to be scheduled such Electric Energy in accordance with the Operating and Scheduling Procedures approved by the Project Management Committee. At any time the Payson Power Project is operable or operating, a Participant shall not be entitled to schedule in any hour Electric Energy in excess of that which is allocable to the Participant's Entitlement Share, unless arrangements have been made for a planned purchase of such Electric Energy through the UAMPS Pool. The Participants have executed and delivered to UAMPS appendices to the Pooling Agreement that assigns the Electric Energy allocable to the Participant's Entitlement Share under the Power Sales Contracts to the UAMPS Pool. Any surplus Electric Energy attributable to the Participant's Entitlement Share shall be sold or otherwise disposed of by the Participant only through the UAMPS Pool. In addition to any sales of surplus Electric Energy requested by the Participant through the UAMPS Pool, UAMPS has agreed in the Power Sales Contracts to utilize its best efforts to sell, exchange or otherwise dispose of any incidental surplus Electric Energy attributable to the Payson Power Project for the benefit of the Participants.

UAMPS may interrupt or reduce deliveries under the Power Sales Contract if (i) the Operator has determined that such interruption or reduction is necessary in case of emergencies affecting the Project, in order to install equipment, to make repairs and replacements to, to make investigations and inspections of, or to perform maintenance work on, the Project or otherwise carry out its obligations as Operator under the Operating Agreement; (ii) Electric Energy from the Project is otherwise unavailable whether due to an event of Uncontrollable Force otherwise; or (iii) the transmission of Electric Energy from the Project is interrupted or curtailed by the control area utility, SUVPS or other transmitting utility. In order that the operation of the Participant's electric system will not be unreasonably interrupted or interfered with, UAMPS will, to the extent necessary, use its best efforts to make arrangements to serve the Participant's load through other projects of UAMPS or the UAMPS Pool. UAMPS will also use its best efforts, consistent with the provisions of the Project Agreements and the other Power Sales Contracts, to arrange for any planned interruption or reduction in the Project Output to be scheduled at a time which will cause the least interference with the operation of the Participant's electric system.

INSURANCE

In the Power Sales Contracts, UAMPS has agreed to maintain, or during the construction of the Initial Facilities shall cause the EPC Contractor to maintain, in force, as part of the Cost of the Project or Operation and Maintenance Costs, as appropriate, insurance with responsible insurers with policies against risk of direct physical loss, damage or destruction of the Project, including liability insurance and employers' liability insurance, all to the extent consistent with Prudent Utility Practice and to the extent available at reasonable cost, but in no case less than will satisfy applicable regulatory requirements and requirements of the Financing Documents.

ACCOUNTING AND AVAILABILITY OF INFORMATION

In the Power Sales Contracts, UAMPS has agreed that it will keep accurate records and accounts relating to the Payson Power Project and related costs separate and distinct from its other records and accounts. Such accounts shall be audited annually.

In the Power Sales Contracts, UAMPS has also agreed to make available for examination by each Participant all accounts, records and agreements relating to the Payson Power Project in the possession of UAMPS. Each Participant shall, upon request, furnish to UAMPS all such information and other documents as shall be reasonably necessary in connection with the financing of the Payson Power Project and, annually, certain financial information.

ISSUANCE OF BONDS AND SUBORDINATED INDEBTEDNESS BY UAMPS

UAMPS may at any time issue Additional Bonds in accordance with and for any of the purposes for which Bonds may be issued under the Financing Documents. UAMPS may also issue refunding bonds under the Financing Documents in the event Debt Service Costs may be reduced by the refunding of any Bonds or in the event it shall otherwise be advantageous, in the opinion of UAMPS, to refund any Bonds. Any such Additional Bonds and/or refunding bonds, if issued, will be secured by the pledge made pursuant to the Financing Documents of the payments required to be made by the Participant under the Power Sales Contract, and of other revenues of UAMPS attributable to the Project.

COVENANTS OF EACH PARTICIPANT

Maintenance of Rates. Each Participant agrees to establish, maintain, revise, charge and collect rates for electric service rendered by it to its customers so that such rates shall provide revenues which, together with other funds reasonably estimated to be available, will be sufficient to meet the Participant's obligations to UAMPS under its respective Power Sales Contract, to pay all other operating expenses of the Participant's electric system and to provide revenues sufficient to enable the Participant to keep its electric system in good working order, and to pay all obligations of the Participant payable from, or constituting a charge or lien on, the revenues of its electric system and, to the extent being paid from the revenues of its electric system, all general obligation bonds of the Participant.

Maintenance of Revenues. Each Participant agrees to at all times comply with all terms, covenants and provisions of all utility contracts to which it is a party, to promptly collect all charges due for electric power and electric energy supplied by the Participant as the same become due and to at all times maintain and promptly and vigorously enforce its rights against any customer or other entity that does not pay such charges when due.

Each Participant further agrees to not (i) enter into any contract pursuant to which the Participant will be obligated to take or pay for electric power and electric energy or for transmission service furnished to the Participant or (ii) grant any franchise for competing electric service within its service area, except in each case upon 90 days' prior notice to UAMPS and delivery to UAMPS of a certificate and report from a Qualified Independent Engineer to the effect that the performance by the Participant of its obligations under such contract or the granting of such franchise, as applicable, will not adversely affect the ability of the Participant to meet its obligations under its respective Power Sales Contract. This provision does not apply to any contract between the Participant and UAMPS or to any franchises or similar arrangements required by state or federal law as a part of a comprehensive restructuring of the electric industry.

To the extent permitted by law and except as otherwise permitted by the Power Sales Contracts, each Participant agrees to vigorously defend and enforce its exclusive right to provide electric service within its service area.

Prudent Utility Practice. Each Participant agrees to, in accordance with prudent utility practice, (i) at all times operate its electric system and the business thereof in an efficient manner, (ii) maintain its electric system in good repair, working order and condition, and (iii) from time to time make all necessary and proper repairs, renewals, replacements, additions, betterments and improvements with respect to the electric system, so that at all times the business thereof shall be properly conducted.

Operating Expenses. UAMPS and the Participant intend that the payments to be made by the Participant to UAMPS pursuant to the Power Sales Contract (1) will be treated as a cost of purchased electric power and energy and as an operating expenses of the Participant's electric system or Integrated Utility System and (2) will be payable as an operation and maintenance expense of, and (together with all other operation and maintenance expenses) as a first charge on the revenues derived from the operation of, its electric system or Integrated Utility System, prior to payment of any debt service payable from such revenues. The Participant covenants to and agrees with UAMPS that it will use its best efforts to include the payments to be made by it under this Power Sales Contract as a cost of purchased power and as an operation and maintenance expense in the annual operating budgets of its electric system or Integrated Utility System and in any resolution, ordinance or indenture providing for future borrowings for the Participant's electric system or Integrated Utility System.

Tax Status. Each Participant agrees to not use or permit to be used any of the Electric Energy acquired under its respective Power Sales Contract or operate its system in any manner or for any purpose or take or omit to take any action which could, either alone or in conjunction with any other similar actions by the Participant or other Participants, result in loss of the exclusion from gross income for federal income tax purposes of the interest on any Bond or Bonds theretofore issued or thereafter issuable by UAMPS as tax exempt obligations, pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and applicable regulations and rulings thereunder.

DEFAULT

Each of the following constitutes a "default" by a Participant under its respective Power Sales Contract:

- (a) failure of a Participant to make to UAMPS any of the payments for which provision is made in the Power Sales Contracts within five business days after the due date of any such payment; or
- (b) failure by a Participant to observe any of the covenants, agreements or obligations on its part contained in the Power Sales Contracts and failure to remedy the same for a period of sixty days

after written notice thereof, specifying such failure and requiring the same to be remedied, has been given by or on behalf of UAMPS; or

(c) bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, including without limitation proceedings under Title 11, Chapter 9, United States Code or other proceedings for relief under any federal or state bankruptcy law or similar law for the relief of debtors are instituted by or against a Participant and, if instituted against a Participant, said proceedings are consented to or are not dismissed within thirty days after such institution.

In the event of default, the defaulting Participant shall not be relieved of its liability for payment of any amounts in default or its failure to observe its covenants, agreements and obligations under its Power Sales Contract and UAMPS has the right to recover from the Participant any amount in default. In enforcement of any such right of recovery, UAMPS may bring suit, action, or proceeding in law or in equity, including mandamus and action for specific performance, as may be necessary or appropriate to enforce against the Participant any covenant, agreement or obligation of the Participant or the obligation of the Participant to make any payment for which provision is made in the Power Sales Contracts.

In addition to proceeding with its rights against a defaulting Participant as described above, UAMPS may, upon not less than 30 days' written notice from UAMPS to the Participant, cease and discontinue providing all or any portion of the Participant's Entitlement Share and may terminate the Participant's right to receive the Electric Energy allocable to its Entitlement Share under its Power Sales Contract. In connection with its determination to discontinue providing all or any portion of a defaulting Participant's Entitlement Share, UAMPS shall take into account, among such other matters as UAMPS in its sole discretion shall deem relevant, the amounts and due dates of its payment obligations under the Project Agreements and the Financing Documents and the funds and revenues available to UAMPS to enable it to meet its obligations thereunder. Any such termination of the Participant's Entitlement Share under a Power Sales Contract shall not, however, terminate, reduce or modify the Participant's outstanding obligations and liabilities thereunder.

TRANSFER OF ENTITLEMENT SHARE AFTER DEFAULT

In the event of a default by any Participant and discontinuance of service pursuant to such Participant's Power Sales Contract, but only if the Payson Power Project has not been terminated, UAMPS and the Participant agree to take the following actions in the order set forth below:

(1) UAMPS shall immediately make a mandatory allocation of the defaulting Participant's Entitlement Share among all of the nondefaulting Participants, which allocation shall be made so that the defaulting Participant's Entitlement Share is distributed pro rata among the nondefaulting Participants, based upon their original Entitlement Shares.

(2) Within sixty days after the allocation of the defaulting Participant's Entitlement Share, each of the nondefaulting Participants shall notify UAMPS in writing of its election of one of the following options: (a) to retain that portion of the defaulting Participant's Entitlement Share allocated to such nondefaulting Participant as described above and the additional amount, if any, of the defaulting Participant's Entitlement Share that such nondefaulting Participant elects to acquire from any other nondefaulting Participant that may elect to retain less than all of the defaulting Participant's Entitlement Share allocated to it as described above; or (b) to retain none or less than all of the defaulting Participant's Entitlement Share allocated to the Participant. Any Participant that shall have elected to retain all of that portion of the defaulting Participant's Entitlement Share allocated to it is deemed to

have fully satisfied its obligations to UAMPS under its Power Sales Contract and shall not thereafter be required to accept any additional allocation of the defaulting Participant's Entitlement Share.

(3) Within thirty days after its receipt of the elections of all nondefaulting Participants as described in the immediately preceding paragraph, UAMPS shall determine whether the nondefaulting Participants have elected to retain all of the Entitlement Share of the defaulting Participant. In the event that any of the Participants shall have elected to retain less than all of its allocation of the defaulting Participant's Entitlement Share, UAMPS shall proportionally reallocate the remaining amount of the defaulting Participant's Entitlement Share among those nondefaulting Participants that have requested additional amounts of the defaulting Participant's Entitlement Share as described in clause (a) of the immediately preceding paragraph. To the extent necessary to provide for a complete reallocation of the defaulting Participant's Entitlement Share, UAMPS shall next proportionately reallocate any remaining portion of the defaulting Participant's Entitlement Share among those Participants that did not elect to retain all of their initial allocations of such Entitlement Share.

Any portion of the Entitlement Share of a defaulting Participant transferred as described above to a nondefaulting Participant shall become a part of and shall be added to the Entitlement Share of each transferee Participant, and from and after the date of such transfer the transferee Participant shall be obligated to pay for its increased Entitlement Share pursuant to the terms and provisions of its Power Sales Contract. The defaulting Participant shall remain liable to UAMPS and the other Participants, for costs incurred and damages suffered by them in connection with the actions taken with respect to the defaulting Participant's Entitlement Share.

In the event that a defaulting Participant has made a Prepayment, UAMPS shall calculate the net depreciated amount of such Prepayment as of the date of the Participant's default. The net depreciated amount of such Prepayment as of such date shall be calculated utilizing a depreciation schedule comparable to the amortization schedule for the principal of the Bonds. UAMPS shall, prior to the expiration of the term of the Power Sales Contracts, repay such net depreciated amount, less any unrecovered costs or expenses of UAMPS resulting from the default, to the defaulting Participant, without interest, from the amounts, if any, on deposit in the Surplus Fund established under the Financing Documents. UAMPS may, but shall not be obligated to, repay all or any part of such net depreciated amount prior to the final payment of all of the Bonds.

In the event that less than all of a defaulting Participant's Entitlement Share shall have been mandatorily reallocated to nondefaulting Participants that did not optionally retain or accept such portion of the defaulting Participant's Entitlement Share as described above, UAMPS shall use its best efforts to sell or dispose of all or any part of the defaulting Participant's Entitlement Share as follows and in the following order:

(i) UAMPS shall first seek to sell all or any part of the remaining portion of the defaulting Participant's Entitlement Share on terms and conditions comparable to those contained in the Power Sales Contracts; and

(ii) UAMPS shall then seek to sell all or any part of such portion of the defaulting Participant's Entitlement Share or the Electric Energy associated therewith on the best obtainable terms and conditions.

Subject to the provisions of the Financing Documents, no sale, transfer or other disposition of all or a part of a defaulting Participant's Entitlement Share shall be made if such sale, transfer or disposition will adversely affect the exclusion from gross income for federal income tax purposes of the interest on any of the Bonds issued as tax exempt obligations.

In the event that UAMPS is unable to sell or dispose of any portion of the defaulting Participant's Entitlement Share within 180 days of commencing its best efforts so to do and UAMPS, based upon determinations by the Project Management Committee and the Board, determines that the inability to sell or dispose of the defaulting Participant's Entitlement Share will materially and adversely affect the ability of the nondefaulting Participants to meet their obligations under the Power Sales Contract and the Financing Documents, then UAMPS shall take such actions as UAMPS in its sole discretion deems necessary to ensure the availability of sufficient funds and revenues to enable UAMPS to meet its obligations under the Project Agreements and the Financing Documents. Such actions may include, without limitation, any of the following measures (or combination thereof):

(i) UAMPS may sell all or any portion of the Payson Power Project that is allocable to the defaulting Participant's Entitlement Share on such terms and condition as UAMPS deems to be in the best interest of UAMPS and the nondefaulting Participants and shall apply the proceeds of such sale to the purchase, redemption or defeasance of the Bonds or to other purposes related to the Project; or

(ii) UAMPS may enter into contractual arrangements for the sale of all or any portion of the defaulting Participant's Entitlement Share or the Electric Energy associated therewith on such terms and conditions as will maximize the revenues available to UAMPS without regard to any adverse effect that such sale may have on the exclusion of interest on the Bonds from gross income for federal income tax purposes.

In the event that UAMPS makes any sale pursuant to clause (ii) above, UAMPS will obtain an opinion of nationally recognized bond counsel addressing the tax status of interest on the Bonds issued as tax exempt obligations. UAMPS will take such remedial actions as are available to it to preserve the tax exempt status of interest on such Bonds. In the event that such opinion indicates that interest on the Bonds is or will become includible in gross income for federal income tax purposes, the Participants acknowledge that it may be necessary for UAMPS to pay additional amounts as interest or penalties on the Bonds and that the Debt Service Costs payable by the Participants pursuant to the Power Sales Contracts will increase correspondingly. Each Participant agrees to pay its Debt Service Share of such increased Debt Service Cost pursuant to the provisions of its respective Power Sales Contract.

DISPOSITION OR TERMINATION OF THE PROJECT

Except as described above under "Transfer of Entitlement Share after Default," UAMPS may not sell, lease or otherwise dispose of the Payson Power Project or any substantial part of the Project without the consent of the Participants. However, the Power Sales Contracts do not prohibit a merger or consolidation or sale of all or substantially all of the property of UAMPS. Subject to the applicable provisions of the Payson Power Project Agreements, if the Payson Power Project is terminated, UAMPS agrees to use its best efforts to cause the Payson Power Project to be economically salvaged, discontinued, disposed of or sold in whole or in part.

RESTRICTIONS ON DISPOSITION OF ELECTRIC SYSTEM OR POWER SALES CONTACT

Each Participant agrees in its Power Sales Contract that it will not sell, lease or dispose of all or substantially all of its electric system nor assign its Entitlement Share or any or all of its interests under its Power Sales Contract, except upon 120 days' prior written notice to UAMPS and upon satisfaction of the following conditions: (i) at the sole option of UAMPS either (A) such purchaser, assignee or lessee assumes all obligations of such Participant under such Power Sales Contract in such manner as assures UAMPS to its sole satisfaction that the Participant's Entitlement Share to be purchased and the amounts to be paid therefor will not be reduced; or (B) such purchaser, assignee or lessee enters into a new contract with UAMPS for the purchase of the

Participant's Entitlement Share at a price and on terms which UAMPS in its sole discretion determines not to be less beneficial to it and the other Participants than is such Participant's Power Sales Contract; (ii) the senior debt, if any, of such purchaser, assignee or lessee (if such purchaser, assignee or lessee is not a Participant) shall be rated by at least one nationally recognized bond rating agency in a category generally recognized to be "investment grade" (iii) UAMPS determines that such sale, lease or other disposition will not adversely affect UAMPS, the other Participants or the security for the payment of Bonds; and (iv) UAMPS shall have received an opinion of nationally recognized bond counsel to the effect that such sale, assignment or disposition will not by itself adversely affect the federal income tax-exempt status of interest on Bonds.

APPENDIX E

UAMPS POWER SUPPLY, TRANSMISSION AND OTHER RESOURCES

The following is a summary of the various power supply, transmission and other projects undertaken by UAMPS on behalf of its Members. Any bonds issued or to be issued by UAMPS to finance the capital or other costs of a project, and any other costs or obligations of such project, constitute special obligations of UAMPS and are secured solely by or payable solely from payments made to UAMPS by those Members that participate in the respective project. Obligations of UAMPS and members participating in a project are independent—there is no cross-default between contracts. There has never been a payment default by any Member participating in any UAMPS project.

Member participation in projects is shown in the forepart of this Official Statement, see “UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS—Membership.”

POWER POOL

The UAMPS Power Pool has been established through power pooling agreements (the “*Pooling Agreements*”) which UAMPS has entered into with 42 of its 46 Members, including the Participants in the Payson Power Project (collectively, the “*Pool Participants*”). Pursuant to the Pooling Agreements, UAMPS acts as agent for: (1) the scheduling and dispatch of power and energy; (2) the purchase of any power and energy required to meet such Pool Participant’s electric system loads or to provide reserves for such loads; (3) the sale of any power and energy available to a Pool Participant which is deemed surplus to meet its electric system loads; (4) the utilization of transmission rights and provision of transmission service to effect power and energy deliveries to, and sales by, each Pool Participant; (5) the administration of payments with respect to each Pool Participant’s purchase and sale of power and energy and transmission services; and (6) conducting power supply and transmission studies and developing programs for the acquisition or construction of power and transmission resources.

Most of the Pool Participants purchase from the Power Pool all of their supplemental power and energy requirements that exceed their power supply resources (which may include both physical resources and contractual supplies). Power supplied by the pool is priced according to whether the purchase is “planned” or “unplanned” within the meaning of the Pooling Agreements. “Planned” purchases are those amounts of power and/or energy that a Pool Participant has scheduled through UAMPS at least one hour before such power and/or energy is required. “Unplanned” purchases are those amounts of power and/or energy that the Pool Participant required, as determined by the Pool Participant’s meter(s), that do not come from the Pool Participant’s own resources, including planned purchases under the Pooling Agreements.

Pool Participants may participate in the All-In Cost Pool that provides for participants to sell surplus resources at the all-in cost or purchase their deficit resource needs at an all-in cost from other participants. After all of the participants have satisfied their resource needs, any unutilized resource surplus is purchased by the unplanned pool and any deficit resource need is purchased from the unplanned pool.

In addition to the Power Pool, UAMPS operates an electronic power exchange through which the Pool Participants are able to enter into forward transactions with one another or with UAMPS for the purchase and sale of power and energy.

The resources presently dedicated to the UAMPS Power Pool generally consist of power and energy from the following resources: (1) the Pool Participants’ allocations of CRSP power and energy; (2) electric

generating facilities owned and operated by certain of the Pool Participants; (3) power and energy generated by UAMPS' Hunter, San Juan, Payson, Veyo and Horse Butte Projects; (4) power and energy purchased by UAMPS under the Firm Power Project; (5) power purchase agreements with, and market purchases from, power suppliers, marketers and others throughout the West; and (6) resources owned or contracted for by individual Pool Participants that they dedicate to the Power Pool for scheduling to their loads by UAMPS.

UAMPS has entered into fixed-price, firm power purchase agreements for approximately 100 MW/year of electricity through March 2022 from several established sellers in the Western energy markets. UAMPS has entered into firm power sale arrangements with over twenty of its Pool Participants for the re-sale of this electricity at prices that cover its cost and administrative expenses. Favorable conditions in the Western energy markets enabled UAMPS and the Pool Participants participating in these transactions to obtain fixed-price supplemental power supplies from a diverse mix of suppliers for the next several years. The participating Pool Participants use the supplemental power supplies to meet their power supply requirements, and a number of the Pool Participants use the supplemental supplies to displace higher-priced resources. Short-term transactions are executed through the Power Pool and long-term transactions are executed through the Firm Power Project.

COLORADO RIVER STORAGE PROJECT

The Colorado River Storage Project (officially referred to as the "*Salt Lake City Area Integrated Projects*") ("*CRSP*") is owned by the United States of America and operated by the United States Bureau of Reclamation. One purpose of CRSP is the production of hydroelectric capacity and energy. The Western Area Power Administration ("*Western*") is responsible for the marketing and transmission of federal power in 15 western and central states. Western's 684 customers in this 1,300,000-square mile area include municipal power systems, such as the Members, cities and towns, rural electric cooperatives, public utility and irrigation districts, federal and state agencies, Native American tribes, investor-owned utilities (only one of which has an allocation of federal hydropower from Western) and marketers. Western annually markets and transmits electric power generated by fifty-six hydropower plants operated by the United States Bureau of Reclamation, the Corps of Engineers and the International Boundary and Water Commission, and power generated by the Navajo Generating Station coal-fired plant near Page, Arizona, which plants together have an installed capacity of 10,504 MW. Western operates and maintains over 17,000 circuit miles of transmission lines, 296 substations and related electric facilities.

Several of the Participants have firm allocations of CRSP capacity and energy that are purchased pursuant to an Integrated Contract for Electric Service between Western and UAMPS, as amended from time to time including by the Replacement Purchase Options Amendment, and a parallel contract between UAMPS and each of the Participants (collectively, the "*CRSP Contract*"). Under the CRSP Contract, Western is obligated to furnish firm electric service, subject to the available capacity of substation and transmission facilities, to the points of delivery. UAMPS acts as a single purchasing agent and schedules purchases of CRSP energy for the Participants and the other Members of UAMPS. The current CRSP Contracts became effective on December 1, 1989 and have been extended through September 30, 2057. The CRSP Contracts contain mechanisms for addressing operational changes and reduced generating levels resulting from the Record of Decision for the Glen Canyon Dam Environmental Impact Statement, including provision by Western or UAMPS to supply the additional necessary resources in the event Western lacks sufficient hydroelectric generation to meet its commitment to UAMPS' Members, and the costs and charges associated with acquiring this additional power.

Western is obligated to review annually its rates for CRSP energy to ensure that such rates generate sufficient revenues to cover the operating and other expenses of CRSP. Western's current composite rate of 29.62 mills/kWh (2.962¢/kWh) has been in effect since October 1, 2009. The current rate schedule will expire

September 30, 2020, and may be adjusted upon evaluation of changed costs in the operation, maintenance, purchased power expense and interest expense from the continued drought in the Colorado River Region. In addition, Western established a Cost Recovery Charge (“CRC”) in order to recover costs in times when hydropower generation is low and actual purchased power expenses are higher than forecasted. Western has not imposed the CRC through FY 2019.

In December 2016, the Glen Canyon Dam Long-Term Experimental and Management Plan Environmental Impact Statement and Record of Decision was completed. This effectuates a long-term experimental plan for the future operation of Glen Canyon Dam and other associated management activities and could result in changes in power production due to modifications of water releases during experimentation and drought. Western would be required to obtain replacement power during these periods of experimentation. The magnitude and duration of such purchases resulting from the long-term experimentation plan is currently being determined. The CRC may be utilized as a method to recover short term revenue deficiencies.

In addition to the CRSP Contract, UAMPS purchases output from the Provo River Powerplant and the Olmsted Powerplant under separate contracts with Western. The Provo River Powerplant is a hydroelectric generating facility located at the Deer Creek Reservoir with 5 MW of generating capacity. UAMPS purchases 30% of the output from the Provo River Powerplant which Western delivers in the summer months through banking arrangements. The Olmsted Powerplant Replacement Project was completed in 2018, replacing a hydroelectric generator located on a water pipeline at the mouth of Provo Canyon that had been in operation for over 100 years. The Olmsted Powerplant now has 12 MW of generating capacity and is expected to produce 3 average MW of energy. While owned by the United States, the Olmsted Powerplant is operated and maintained by the Central Utah Water Conservancy District (“CUWCD”). UAMPS purchases 70% of the output from the Olmsted Powerplant which it resells at cost to CUWCD, Lehi, Kaysville, Springville and one other Member. Although there is no variable cost associated with either the Provo River Powerplant or the Olmsted Powerplant, UAMPS is responsible for a corresponding percentage of operating and capital costs that are fixed by year without regard to the generation output. These contracts expire in 2024, with the possibility of being renewed or replaced.

HUNTER PROJECT

The Hunter Project consists of UAMPS’ undivided 14.582% ownership interest in Hunter 2, a 446 MW coal-fired electric generating unit located in Emery County, Utah (the “*Hunter Project*”). Hunter 2 has been in commercial operation since June 1, 1980. Hunter 2 is jointly owned by PacifiCorp, UAMPS and Deseret Generation & Transmission Co-operative (dba “*Deseret Power*”) and is operated by PacifiCorp pursuant to an Ownership and Management Agreement among the co-owners. Under the Ownership and Management Agreement, PacifiCorp has agreed, subject to the occurrence of certain uncontrollable forces, to use best efforts to supply sufficient quantities of coal and water to permit operation of Hunter 2 at an average plant factor of 65%.

UAMPS sells the output of the Hunter Project to 21 participating Members under power sales contracts dated as of June 1, 1982, as amended, with two other Members participating in the Hunter Project under assignments from original participants (the “*Hunter 2 Contracts*”). The Hunter 2 participants are required to pay all of UAMPS’ operating, fuel, debt service, administrative and other costs of Hunter 2 equal to the percentage of output that they are entitled to receive from UAMPS’ ownership interest. Such costs are billed monthly. Payments by the Hunter 2 participants are made on a “take-or-pay” basis.

To the date of this Official Statement, Hunter 2 has proved to be a highly reliable generating unit.

The Hunter 2 participants have agreed in their Hunter 2 Contracts that they will charge and collect rates and charges for the electric service they provide to provide sufficient revenues to meet timely their payment obligations under their Hunter 2 Contracts and to pay timely all other amounts constituting a charge on their electric revenues.

All Hunter Project revenue bonds issued by UAMPS have been retired in full.

With respect to compliance with EPA's Regional Haze Rule, EPA disapproved the State of Utah's Regional Haze State Implementation Plan ("SIP"), which set forth a best available retrofit technology ("BART") determination for the Hunter Project in December 2013. After EPA's disapproval, the State of Utah of supplemented its Regional Haze SIP in 2015. This supplement was rejected by EPA on July 5, 2016, and, at the same time, EPA issued a federal implementation plan ("FIP") for the Hunter Project requiring the installation of selective catalytic reduction ("SCR") technology for Units 1 and 2. UAMPS, along with the other joint owners (PacifiCorp and Deseret Generation & Transmission) and the State of Utah are challenging the FIP before the U.S. Tenth Circuit Court of Appeals. This legal challenge included a request for a judicial stay to toll the compliance deadline to install SCRs at the Hunter Project. In July 2017, EPA initiated its own internal administrative process to reconsider the FIP. The requested judicial stay was granted on September 11, 2017 while EPA reconsiders the FIP. UAMPS cannot predict the outcome of EPA's reconsideration process or the judicial challenge to the FIP. At EPA's request, the State of Utah submitted a revised and more scientifically-accurate analysis of the BART alternative analysis from the 2015 Regional Haze SIP incorporating data using EPA's preferred photochemical CAMx model.

In March 2019, the revised 2015 Regional Haze SIP was presented to the Utah Air Quality Board and a 30-day public comment period ensued. In May 2019, UAMPS along with the other joint owners filed comments in support of the revised 2015 Regional Haze SIP, and it was unanimously approved by the Board in June 2019.

SAN JUAN PROJECT

UAMPS acquired its San Juan Project from Public Service Company of New Mexico ("PNM") in 1994. UAMPS' San Juan Project consists of a 7.028% undivided ownership interest, providing approximately 35 MW of capacity, in Unit 4 of the San Juan Generating Station, together with undivided interests in certain common facilities and certain related interests and equipment, including SNCRs as described below.

UAMPS sells the output of the San Juan Project to 16 participating Members under Power Sales Contracts dated as of July 1, 1993 (collectively, the "*San Juan Power Sales Contracts*") to meet a portion of their needs for baseload power supplies. Pursuant to the San Juan Power Sales Contracts, each of the San Juan participants has agreed to make payments to UAMPS in respect of the San Juan Project on a "take-or-pay" basis.

UAMPS' ownership of the San Juan Project has been governed by successive project participation agreements among the various participants in the San Juan Project, and is currently governed by a September 2017 amendment to the San Juan Project Participation Agreement (the "*Project Participation Agreement*"), among PNM, UAMPS and the other owners of interests in the San Juan Generating Station. Under the Project Participation Agreement, PNM, as operating agent, has agreed, among other things, to maintain a supply of coal consistent with prudent utility practice and operate the San Juan Generating Station in compliance with the contracts under which water is delivered to the San Juan Station. The Project Participation Agreement and PNM's current coal supply agreement for the San Juan Generating Station will expire on July 1, 2022. The current Project Participation Agreement reflects the exit of certain San Juan Generating Station participants and

the retirement of San Juan Generating Station Units 2 and 3 effective as of December 31, 2017, as described below, but does not change PNM's obligations as operating agent as described in this paragraph.

UAMPS issued San Juan Project Revenue Bonds to finance and refinance a portion of the cost of acquisition of the San Juan Project. Approximately \$8.7 million of San Juan Project Revenue Bonds are now outstanding, with maturities through 2023.

Restructuring Agreement (the "*Restructuring Agreement*") in connection with the proposed retirement of Units 2 and 3 and the exit of some of the San Juan Generating Station participants from their ownership in the plant effective December 31, 2017. The Restructuring Agreement provides the essential terms of restructured ownership and addresses other related matters, including that the exiting participants remain obligated for their respective proportionate share of environmental, mine reclamation, and certain other legacy liabilities that are attributable to activities that occurred prior to their exit, and of certain costs, such as costs of decommissioning the San Juan Generating Station. Effective December 31, 2017, Units 2 and 3 entered retirement and the exiting participants exited their ownership in the San Juan Generating Station. The exiting participants owned 50.0% of Unit 3 and 38.8% of Unit 4, but none of Units 1 or 2. PNM currently owns 77.3% in Unit 4 and an aggregate of 66.3% in Units 1 and 4.

While UAMPS' ownership interest in San Juan Generating Station Unit 4 did not change as a result of the exit of participants from the San Juan Generating Station, UAMPS pays an increased percentage of the costs of operating the common facilities of the San Juan Generating Station.

PNM's 2017 Integrated Resource Plan ("*IRP*") found that retiring PNM's ownership in the San Juan Generating Station in 2022 would provide long-term cost savings for PNM's customers. The 2017 IRP is not a final determination of PNM's future generation portfolio. In 2018, the participants in the San Juan Generating Station, including PNM, UAMPS, Tucson Electric Power and the Incorporated County of Los Alamos, but excluding City of Farmington, gave notice under the provisions of the Project Participation Agreement of their respective intents not to renew the Project Participation Agreement or the existing coal supply agreement beyond June 30, 2022. In a December 2018 compliance filing with the New Mexico Public Regulatory Commission ("*NMPRC*"), PNM reported that because a majority of the participants had decided not to continue San Juan Generating Station operations beyond June 2022, and there had been no sale or transfer of the San Juan Generating Station ownership interests to City of Farmington or to any third-parties, the participants are contractually required to proceed with planning for an orderly shutdown of the San Juan Generating Station in 2022. On July 1, 2019, PNM filed with the NMPRC an application seeking certain regulatory approvals from the NMPRC, including, among others, the NMPRC's approval for abandonment and decommissioning of the San Juan Generating Station plant and facilities and reclamation of the coal mine that provides fuel for the San Juan Generating Station. UAMPS will be responsible for its proportionate share of decommissioning and reclamation costs.

Proceedings before the NMPRC regarding PNM's abandonment application and related filings for the San Juan Generating Station are ongoing and involve numerous interested intervenors asserting varying positions. UAMPS continues to monitor these proceedings and is considering its own options for replacement of this power resource after June 30, 2022.

City of Farmington has continued to seek a transfer to a third-party of the San Juan Generating Station ownership interests of PNM, UAMPS and the other participants who decided not to renew the Project Participation Agreement or the existing coal supply agreement beyond June 30, 2022. In the event such a transfer does not occur, it is expected that operations at the San Juan Generating Station will cease on June 30, 2022, and decommissioning of the San Juan Generating Station plant and facilities and reclamation of the mine that

provides fuel for the San Juan Generating Station will ensue. In the event such a transfer does occur and operation of the San Juan Generating Station continue beyond June 30, 2022, ultimate decommissioning of the San Juan Generating plant and facilities and final mine reclamation will be deferred into the future.

VEYO HEAT RECOVERY PROJECT

The Veyo Heat Recovery Project (the “*Veyo Project*”) consists of a 7.8 MW recovered energy generation system (the “*Recovered Energy Generation System*”) constructed adjacent to a natural gas compressor station (the “*Veyo Compressor Station*”) owned and operated by Kern River Gas Transmission Company (“*Kern River*”) in Southwestern Utah. The Veyo Project is located near the unincorporated community of Veyo, Utah, which is approximately 20 miles northwest of the City of St. George, Utah. The Recovered Energy Generation System was completed and commenced commercial operation in May 2016.

The Veyo Compressor Station includes three natural gas turbine compressors, related plant equipment, lines of pipe, buildings and other equipment, materials and facilities. It is used by Kern River in connection with its operation of an interstate gas transmission pipeline and produces exhaust waste heat from three natural gas turbines. The Recovered Energy Generation System is located on land administered by the United States Bureau of Land Management (“*BLM*”) pursuant to a right-of-way granted by the BLM for use of the land.

The Recovered Energy Generation System interconnects with the Veyo Compressor Station and utilizes the waste heat in the generation of electricity. UAMPS and Kern River entered into a Host Agreement, dated as of February 21, 2014 (the “*Host Agreement*”) provides the terms for (i) UAMPS to operate the Project at the Veyo Compressor Station and (ii) Kern River to sell waste heat from the Veyo Compressor Station to UAMPS for use in the Project. The term of the Host Agreement extends to 2036 – twenty (20) years after commercial operation of the Project.

Approximately \$19.9 million in Veyo Heat Recovery Project Revenue Bonds are now outstanding, with maturities through 2041.

HORSE BUTTE WIND PROJECT

The primary feature of the Horse Butte Wind Project is a 57.6 MW nameplate capacity wind farm comprised of 32 Vestas V-100 1.8 MW wind turbines and related structures, facilities, equipment, fixtures, improvements and associated real and personal property interests (the “*Facility*”). The Facility is located in Bonneville County, Idaho, approximately 16 miles east of the City of Idaho Falls, Idaho. The Facility commenced commercial operation on August 15, 2012.

UAMPS initially purchased all of the energy produced by the Facility under a 20-year power purchase agreement with a special purpose entity that was organized to own the Facility. In March 2018, UAMPS purchased the Horse Butte Wind Project from the special purpose entity and now owns and operates the Facility. UAMPS has sold all of the output of the Horse Butte Wind Project to 23 of its Members under substantially identical Horse Butte Wind Project Power Sales Contracts.

Approximately \$82 million of Horse Butte Wind Project Revenue Bonds and Refunding Bonds are now outstanding, with maturities through 2037.

IPP PROJECT

Intermountain Power Agency (“IPA”) is a political subdivision of the State of Utah and was organized in 1977 by 23 Utah municipalities under the Act. The Intermountain Power Project (“IPP”) is currently in operation and includes a two-unit, coal-fired, steam-electric generation station, having a net capability of 1,800 MW, together with associated transmission lines and converter stations. The Department of Water and Power of the City of Los Angeles (the “Department”) is the operating agent for IPP. The generation station is located near Lynndyl, Utah, approximately 100 miles southwest of Salt Lake City. As a portion of IPP, IPA has constructed transmission facilities to certain points of delivery to serve its participants, consisting of a northern and southern system. The northern transmission system includes two 345 kV alternating current lines connecting the generation station with the PacifiCorp transmission system near Mona, Utah, and a 230 kV alternating current line connecting the generation station and the Gonder Substation near Ely, Nevada. IPA and PacifiCorp have interconnected the 345 kV lines with the PacifiCorp system. The California Purchasers (defined below) in IPP utilize the direct current southern transmission system to transmit their entitlements in IPP and pay the costs associated with such system.

IPA has outstanding approximately \$485 million of subordinated bonds outstanding (including notes issued to the Department in exchange for certain prepayments made by it to IPA) that were issued to finance and refinance the costs of IPP.

The purchasers of electric power and energy supplied by IPP are 36 utilities (the “Purchasers”) consisting of: the Department and the California cities of Anaheim, Riverside, Burbank, Glendale and Pasadena (collectively, the “California Purchasers”); PacifiCorp; 23 Utah municipalities (collectively, the “Utah Purchasers”); and six rural electric cooperatives which provide electric service in Utah, Arizona, Colorado, Nevada and Wyoming (collectively, the “Cooperative Purchasers”).

IPA Power Sales Contracts. IPA has sold the entire capability of the IPP to the 36 Purchasers pursuant to separate power sales contracts between IPA and each Purchaser (the “IPA Power Sales Contracts”). Under the IPA Power Sales Contracts, each Purchaser, including certain of the Participants, is entitled to IPP generation and transmission capabilities based on its respective generation entitlement share and transmission entitlement share and is obligated to make payments therefor on a “take-or-pay” basis, that is, whether or not IPP or any part thereof has been completed, is operating or is operable or its output is suspended, interrupted, interfered with, reduced or curtailed or terminated in whole or in part. The payment obligations under the IPA Power Sales Contracts constitute operating expenses of the respective California Purchasers and Utah Purchasers, including certain of the Participants, payable solely from their electric revenue funds, and constitute general obligations of PacifiCorp and the other Cooperative Purchasers.

The following table sets forth the percentages and amounts of the net generation capability of IPP available to the California Purchasers, PacifiCorp, the Utah Purchasers, including the Major Purchasers and the Cooperative Purchasers under the IPA Power Sales Contracts.

	GENERATION ENTITLEMENT SHARE	CAPABILITY (MW)
California Purchasers	74.943%	1,349.0
PacifiCorp	4.000	72.0
Utah Purchasers	14.040	252.7
Cooperative Purchasers	<u>7.017</u>	<u>126.3</u>
Totals	<u>100.000%</u>	<u>1,800.0</u>

Excess Power Sales Agreement. Because the capability of IPP purchased by the Utah Purchasers and the Cooperative Purchasers was expected to be in excess of their needs, these Purchasers entered into an Excess Power Sales Agreement, as amended (the “*Excess Power Sales Agreement*”), in 1980 providing for the sale of all or part of their IPP capability to four of the California Purchasers, being the Department, Burbank, Glendale and Pasadena (the “*Excess Power Purchasers*”).

Although the Excess Power Sales Agreement does not reduce or modify the obligations of the Utah Purchasers under the IPA Power Sales Contracts, the Excess Power Purchasers are obligated to make payments under the Excess Power Sales Agreement, on a “take-or-pay” basis, equal to the amounts due by the Utah Purchasers under the IPA Power Sales Contracts with respect to the capacity sold pursuant to the Excess Power Sales Agreement and, to the extent such payments are made, the Utah Purchasers are relieved from their obligations under their IPA Power Sales Contracts.

Under the provisions of the Excess Power Sales Agreement, the Utah Purchasers may recall, and from time to time have recalled, from the Excess Power Purchasers all or any portion of their aggregate 14.040% entitlements to the use of the capability of IPP, subject to the lead times and other requirements of the Excess Power Sales Agreement, including occasional restrictions on recall amounts. The Utah Purchasers have currently committed to sell to the Excess Power Purchasers all of their entitlements to IPP capability through March 24, 2018.

UAMPS (in its capacity as successor to Intermountain Consumer Power Association) acts as agent of the Utah Purchasers under the Excess Power Sales Agreement. All of the Utah Purchasers are Members of UAMPS, and they have established the IPP Project within UAMPS to coordinate and optimize the utilization of their capacity entitlements in IPP.

Recent Developments. For several years IPA has been in discussions with the Department and the other Purchasers with respect to the possibility of the repowering of the IPP to be fueled by natural gas before the termination of the IPA Power Sales Contracts on June 15, 2027. IPA and the Purchasers have executed Second Amendatory Power Sales Contracts, which provide that the IPP be repowered to natural gas and that IPA offer the Purchasers renewal in their generation and associated entitlements through Renewal Power Sales Contracts, the term of which commences upon the termination of the current Power Sales Contracts on June 15, 2027. The Renewal Power Sales Contract became effective on January 17, 2017, when 100% of the entitlements were accepted.

FIRM POWER PROJECT

UAMPS has established the Firm Power Project to provide for the acquisition by UAMPS of firm supplies of power and energy under contracts with other power suppliers. The firm power supplies acquired by UAMPS are resold to the participants in the Firm Power Project at cost under the Firm Power Supply Agreements

between UAMPS and the participating Members. The Firm Power Supply Agreements are master agreements that can accommodate multiple power supply transactions.

Through the Firm Power Project, UAMPS has a long-term power purchase and exchange agreement with Avangrid Renewables LLC, an indirect subsidiary of Iberdrola SA, for up to 15.6 MW of the output from a wind turbine electrical generation facility in Uinta County, Wyoming. Energy deliveries under the power purchase agreement began in January 2004 and extend for 25 years. UAMPS has sold all of the energy available to it under the power purchase agreement to 19 of its Members at a fixed price that recovers all of UAMPS' costs in purchasing and delivering the energy to each of the participating Members.

Through the Firm Power Project, UAMPS has also entered into a long-term power purchase agreement with NTUA Generation, Inc., a subsidiary of the Navajo Tribal Utility Authority, for 66 MW of output from the Red Mesa Tapaha Solar Project, a solar photovoltaic generation facility to be located within the boundaries of the Navajo Nation. Power deliveries under the power purchase agreement extend for 25 years after the commercial operation date of this project, which is currently scheduled for June 2022. UAMPS has sold all of the energy available to it under this power purchase agreement to fifteen of its Members under power sales agreements that extend for the term of the power purchase agreement at a fixed price that recovers all of UAMPS' costs in purchasing and delivering energy from this project to the participating Members.

CARBON FREE POWER PROJECT

The Carbon Free Power Project (“CFPP”) is in the first phase of investigating the feasibility of a nuclear project using NuScale Power, LLC’s (“NuScale”) small modular reactor (“SMR”) technology. The CFPP could consist of up to twelve 60 MW reactors located at the Idaho National Laboratory near Idaho Falls, Idaho. The reactors provide smaller, scalable version of pressurized water reactor technology.

On December 31, 2016, NuScale submitted an application to the U.S. Nuclear Regulatory Commission (“NRC”) to approve the company’s SMR commercial power plant design. This is the first SMR design certification application to be submitted to the NRC. The NRC has targeted completing the certification process within 40 months.

UAMPS has entered into Power Sales Contracts dated as of April 1, 2018 (the “CFPP Power Sales Contracts”) with 35 participating Members that have subscribed for a total of 213 MW of capacity from the CFPP. The CFPP Power Sales Contracts provide for the development, licensing, construction, financing and operation of the CFPP and include a phased approach to the continued development of the CFPP. During the development phases, the CFPP participants have the ability at the end of each development phase to withdraw from the CFPP and to terminate their payment obligations with respect to costs incurred during future phases of the CFPP. Pursuant to the CFPP Power Sales Contracts, the CFPP participants have agreed to make payments to UAMPS on a “take-or-pay” basis, regardless of whether the CFPP is developed, licensed, constructed, operable or operating.

UAMPS feasibility analysis includes engineering and regulatory activities to complete a site selection analysis to allow the project participants the necessary information to make a decision whether to proceed with the Construction and Operating License Application to be submitted to the NRC. The CFPP presently has a target commercial operation date of 2026.

CRAIG-MONA TRANSMISSION PROJECT

The Craig-Mona Transmission Project consists of the acquisition by UAMPS of the right to use a portion of the transmission capability of two interconnected 345 kV transmission lines, together with the right to use a portion of the capacity of certain related facilities. UAMPS utilizes the Craig-Mona Project to provide transmission access to suppliers of electric energy generated in eastern Utah, Colorado and Wyoming and has purchased both firm and non-firm energy on behalf of the Craig-Mona participants from these suppliers. Purchased energy is transmitted by the Craig-Mona Project to the Mona Substation, which is owned and operated by PacifiCorp.

UAMPS has sold all of the transmission capacity of the Craig-Mona Transmission Project to its ten participating Members pursuant to Transmission Service Contracts (the “*Transmission Service Contracts*”). Payments are to be made by the Craig-Mona participants under the Craig-Mona Transmission Service Contracts on a “take-or-pay” basis. Payments made by the Craig-Mona participants under the Transmission Service Contracts constitute operating expenses of their respective electric systems, payable solely from the revenues and other available funds of such systems. The obligation of each of the Craig-Mona participants under its respective Transmission Service Contracts is several and is not joint. All of the Craig-Mona Transmission Project Revenue Bonds issued by UAMPS have been retired.

CENTRAL-ST. GEORGE TRANSMISSION PROJECT

UAMPS has undertaken the Central-St. George Transmission Project on behalf of five of its Members in Washington County, Utah, to improve the quality and reliability of transmission service. The Central-St. George Transmission Project presently includes the following components: (1) a 345-138 kV substation; (2) 21 miles of double-circuit 138 kV transmission line; (3) a 138 kV switching station; (4) various 138 kV and 69 kV transmission lines and 138-69 kV substations; (5) an approximately 54% ownership interest in a 21-mile double circuit 345 kV transmission line (presently energized at 138 kV) jointly owned with PacifiCorp; and (6) certain related facilities and improvements.

UAMPS has sold all of the transmission capacity of the Central-St. George Transmission Project to the Central-St. George participants pursuant to Transmission Service Agreements (the “*Central-St. George Transmission Service Agreements*”). Payments are to be made by the Central-St. George participants under the Central-St. George Transmission Service Agreements on a “take-or-pay” basis. Payments made by the Central-St. George participants under the Central-St. George Transmission Service Agreements constitute operating expenses of their respective electric systems, payable solely from the revenues and other available funds of such systems. The obligation of each of the Central-St. George participants under its respective Central-St. George Transmission Service Agreement is several and is not joint.

Approximately \$28.4 million Central-St. George Transmission Project Revenue and Refunding Bonds are now outstanding, with maturities through 2027.

TRANSMISSION OF POWER SUPPLY RESOURCES

The ARTSOA between UAMPS and PacifiCorp is utilized by UAMPS to transmit most of the power supply resources described above, other than CRSP, to its Members. Under the ARTSOA, PacifiCorp has agreed to provide firm transmission service to UAMPS from various points of receipt to certain points of delivery, as scheduled by UAMPS. The ARTSOA is a network transmission agreement and provides for the wheeling by PacifiCorp of power and energy from resources specified by UAMPS to UAMPS’ Members at a Formula Rate

that is updated annually based on actual and projected costs of PacifiCorp. The Formula Rate is the same as that charged by other transmission service agreements and PacifiCorp's Open Access Transmission Tariff (OATT).

The ARTSOA permits UAMPS to designate additional points of receipt into PacifiCorp's transmission system for new power supply resources, as well as additional points of delivery for new Members and loads.

The current ARTSOA was entered into by UAMPS and PacifiCorp in September 2019, and is the fifth such agreement between the parties dating back to 1992. The ARTSOA provides that it will remain in full force and effect so long as UAMPS is interconnected with PacifiCorp's system as set forth in the ARTSOA. The ARTSOA can be suspended or terminated only if both parties agree to implement a new agreement.

See "INVESTMENT CONSIDERATIONS—Certain Factors Affecting the Electric Utility Industry" in the Official Statement for a discussion of federal regulatory actions and initiatives regarding electric transmission.

NATURAL GAS PROJECT

The Natural Gas Project was formed in 2008 to acquire economical supplies of natural gas as fuel for electric generation (*i.e.*, purchase, sell, transport, hedge or store). Natural gas purchases may include spot, daily, monthly, long-term, forward and prepaid transactions. The Natural Gas Project provides all of the fuel required for the operation of the Payson Project. In order to fix the price of a portion of the gas required for Payson Project operations in future years, UAMPS has entered into natural gas purchase agreements with three highly-rated suppliers for the purchase of a total 16 million MMBtu of gas at fixed prices for delivery through 2026.

RESOURCE PROJECT

Through its Resource Project, UAMPS conducts analyses and studies of new power supply and transmission projects for its Members. Separate studies are conducted for each new resource and the Members have the option of participating in all, some or none of these studies. The new resources presently under study include various thermal and renewable power supply projects in Utah and other states.

Through the Resource Project UAMPS has developed its Smart Energy Efficiency Program, designed to lower energy demand and cut costs for both its Members and the consumers they serve. The Smart Energy Efficiency Program helps participating Members track and improve energy efficiency for their own utilities, identify and apply for local and federal grants. The Smart Energy Efficiency Program also includes consumer education programs and incentives to reduce energy consumption and will include other programs in the future. The Smart Energy Efficiency Program is open to all Resource Project Participants.

MEMBER SERVICES PROJECT

The Member Services Project has been undertaken by UAMPS to address community needs. This project is available for equipment purchases or special services that improve service for the Members' customers. Services may include educational programs, material purchases and customer satisfaction surveys.

Hurricane and Washington have used the Member Services Project to acquire and finance gas-fired generating units to provide peaking power and voltage support for their electric utility systems. Five separate generating units have been acquired and installed and are now in operation. Washington is entitled to receive all of the output of three of the generating units and Hurricane is entitled to receive all of the output of two of

the generating units. Pursuant to capacity purchase agreements between UAMPS and these Participants, each Participant is responsible to pay the debt service and operations and maintenance costs attributable to each of its generators on a “take-or-pay” basis, and such costs constitute an operating expense of the Participant’s electric utility system. UAMPS has issued its Member Services Project Generator Revenue Bonds to finance such projects, approximately \$3.3 million of which remain outstanding with maturities through 2027.

GOVERNMENT AND PUBLIC AFFAIRS PROJECT

The Government and Public Affairs Project was formed to allow UAMPS to protect Members’ interest by monitoring, influencing, suggesting legislation and educating governmental and regulatory agencies on a local, state and federal level. Members may choose to participate in political services for federal and/or state legislative activities. Additional political services may be added with the interest of the Members.

APPENDIX F

FORM OF CONTINUING DISCLOSURE UNDERTAKING

CONTINUING DISCLOSURE UNDERTAKING

FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER SECTION (b)(5) OF RULE 15c2-12

[TO BE DATED THE CLOSING DATE]

This Continuing Disclosure Undertaking (the “*Agreement*”) is executed and delivered by Utah Associated Municipal Power Systems (“*UAMPS*”) in connection with the issuance of its \$26,770,000 Payson Power Project Refunding Revenue Bonds, Series 2019 (the “*Bonds*”). The Bonds are being issued pursuant to a Trust Indenture dated as of October 1, 2002, as heretofore amended and supplemented (the “*Trust Indenture*”), and as further supplemented by the Sixth Supplemental Trust Indenture dated as of November 1, 2019, each between Zions Bancorporation, National Association (the “*Trustee*”) and UAMPS. The Trust Indenture, as supplemented by the Sixth Supplemental Indenture, is referred to herein as the “*Indenture*.”

In consideration of the issuance of the Bonds by UAMPS and the purchase of such Bonds by the beneficial owners thereof, UAMPS covenants and agrees as follows:

1. PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by UAMPS as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). UAMPS represents that it and the Major Participants (as defined below) are the only entities that constitute “obligated persons” within the meaning of the Rule (collectively, the “*Obligated Persons*”) at the time the Bonds are delivered to the Participating Underwriters. Other persons may become Obligated Persons with respect to the Bonds at any time after issuance of the Bonds if any such person satisfies the Objective Criteria set forth below.

2. DEFINITIONS. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

“*Annual Financial Information*” means the financial information and operating data relating to the Major Participants and any other Obligated Person, as described in *Exhibit I*.

“*Annual Financial Information Disclosure*” means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

“*Audited Financial Statements*” means the audited financial statements of UAMPS, the Major Participants and any other Obligated Person, prepared pursuant to the standards and as described in *Exhibit I*.

“*Commission*” means the Securities and Exchange Commission.

“*Dissemination Agent*” means any agent designated as such in writing by UAMPS and which has filed with UAMPS a written acceptance of such designation, and such agent’s successors and assigns.

“EMMA” means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

“Exchange Act” means the Securities Exchange Act of 1934, as amended.

“Financial Obligation” means (a) a debt obligation, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (c) a guarantee of an obligation or instrument described in clause (a) or (b); *provided however*, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

“Major Participants” means (a) as of the date of this Agreement, the Cities of Springville, Kaysville, Lehi and Logan and (b) after the date of this Agreement, any other Participant that acquires a Debt Service Share (as defined in the Power Sales Contracts) with respect to the Bonds of at least 10%.

“MSRB means the Municipal Securities Rulemaking Board.

“Objective Criteria” means a Project Participant or a person or entity having payment responsibility in conjunction with the Payson Power Project (as defined in the Indenture) that is greater than or equal to ten percent (10%) of the annual debt service requirement of the Payson Power Project, as set forth in UAMPS’ annual budget for any fiscal year.

“Participating Underwriter” means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

“Reportable Event” means the occurrence of any of the Events with respect to the Bonds set forth in Exhibit II.

“Reportable Events Disclosure” means dissemination of a notice of a Reportable Event as set forth in Section 5.

“Rule” means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

“State” means the State of Utah.

“Undertaking” means the obligations of UAMPS pursuant to Sections 4 and 5.

3. CUSIP NUMBER/FINAL OFFICIAL STATEMENT. The CUSIP Numbers of the Bonds maturing in each of the following years are as follows:

MATURITY (APRIL 1)	PRINCIPAL AMOUNT	CUSIP (917328)
2020	\$ 375,000	SR8
2021	540,000	SS6
2022	6,250,000	ST4
2023	6,385,000	SU1

MATURITY (APRIL 1)	PRINCIPAL AMOUNT	CUSIP (917328)
2024	6,530,000	SV9
2025	6,690,000	SW7

The Final Official Statement relating to the Bonds is dated October 23, 2019 (the “*Final Official Statement*”). UAMPS will include the CUSIP Number in all disclosure described in Sections 4 and 5 of this Agreement.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, UAMPS hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, UAMPS will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, UAMPS hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. References to “material” in *Exhibit II* refer to materiality as it is interpreted under the Exchange Act. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Indenture.

6. CONSEQUENCES OF FAILURE OF UAMPS TO PROVIDE INFORMATION. UAMPS shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of UAMPS to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause UAMPS to comply with its obligations under this Agreement. The beneficial owners of 25% or more in principal amount of the Bonds outstanding may challenge the adequacy of the information provided under this Agreement and seek specific performance by court order to cause UAMPS to provide the information as required by this Agreement. A default under this Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy

under this Agreement in the event of any failure of UAMPS to comply with this Agreement shall be an action to compel performance.

7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, UAMPS by resolution or ordinance authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of UAMPS, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined either by parties unaffiliated with UAMPS or any of the Obligated Persons (such as the Trustee), or by approving vote of Bondholders pursuant to the terms of the Indenture at the time of the amendment or waiver.

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, UAMPS shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. TERMINATION OR SUSPENSION OF UNDERTAKING. (a) The Undertaking of UAMPS shall be terminated hereunder if UAMPS shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Indenture. UAMPS shall give notice to EMMA in a timely manner if this Section is applicable.

(b) The Undertaking of UAMPS to provide Annual Financial Information and Audited Financial Statements on behalf of any other Obligated Person shall be (i) terminated hereunder if such Obligated Person shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Indenture, (ii) suspended during such period that such Obligated Person does not satisfy the Objective Criteria, or (iii) terminated if the Undertaking of UAMPS shall have been terminated pursuant to Section 8(a) above and another entity shall have agreed to perform the Undertaking of UAMPS to provide Annual Financial Information and Audited Financial Statements on behalf of all other Obligated Persons.

(c) UAMPS shall give notice to EMMA in a timely manner if this Section is applicable to any Obligated Person.

9. DISSEMINATION AGENT. UAMPS may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

10. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent UAMPS from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. If UAMPS chooses to include any information from any document or notice of occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, UAMPS shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event. If UAMPS is changed, UAMPS shall disseminate such information to EMMA.

11. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of UAMPS, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

12. RECORDKEEPING. UAMPS shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. ASSIGNMENT. UAMPS shall not transfer its obligations under the Indenture unless the transferee agrees to assume all obligations of UAMPS under this Agreement or to execute an Undertaking under the Rule.

14. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS

By: _____
Chief Financial Officer
155 North 400 West, Suite 480
Salt Lake City, Utah 84103

EXHIBIT I
ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED
FINANCIAL STATEMENTS

“*Annual Financial Information*” means (a) the operating data contained in the Official Statement in the table captioned “Payson Power Project Operating History” under the caption “THE PAYSON POWER PROJECT—Project Operations—*Operating History*” and (b) the financial information and operating data relating to the Major Participants and any other Obligated Person of the type contained in the Official Statement under the caption, “APPENDIX A — THE MAJOR PARTICIPANTS.”

“*Audited Financial Statements*” means:

(i) with respect to UAMPS, UAMPS’ audited financial statements for its most recent fiscal year, prepared in accordance with generally accepted accounting principles in the United States as promulgated to apply to governmental entities in the United States from time to time (or such other accounting principles as may be applicable to UAMPS in the future pursuant to applicable law);

(ii) with respect to the Major Participants, the audited financial statements of each of the Major Participants, including income statement, balance sheet and cash flow information regarding its electric utility enterprise fund, for its most recent fiscal year, prepared in accordance with generally accepted accounting principles in the United States as promulgated to apply to governmental entities in the United States from time to time (or such other accounting principles as may be applicable to each of the Major Participants in the future pursuant to applicable law); and

(iii) with respect to any other Obligated Person, the audited financial statements of such Obligated Person, including income statement, balance sheet and any cash flow information regarding such Obligated Person’s electric utility enterprise fund for its most recent fiscal year, prepared in accordance with generally accepted accounting principles in the United States as promulgated to apply to governmental entities in the United States from time to time (or such other accounting principles as may be applicable to such Obligated Person in the future pursuant to applicable law).

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. UAMPS shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA, by UAMPS on its own behalf and on behalf of all other Obligated Persons according to the following schedule:

ANNUAL FINANCIAL INFORMATION RELATING TO:	END OF FISCAL YEAR	DATE ANNUAL FINANCIAL INFORMATION IS TO BE PROVIDED BY UAMPS TO EMMA
UAMPS	Currently March 31	180 days after end of UAMPS fiscal year (currently March 31)

Major Participants	Currently June 30	220 days after end of the Major Participant's fiscal years (currently June 30)
Each other Obligated Person, if any	End of such Obligated Person's fiscal year	220 days after end of such Obligated Person's fiscal year

Audited Financial Statements as described above should be filed at the same time as the Annual Financial Information for each respective Obligated Person. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included, if available. Audited Financial Statements will be submitted to EMMA within 30 days after availability to UAMPS.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, UAMPS will disseminate a notice of such change as required by Section 4.

EXHIBIT II
EVENTS WITH RESPECT TO THE BONDS
FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of UAMPS or a Major Participant*
13. The consummation of a merger, consolidation, or acquisition involving UAMPS or a Major Participant or the sale of all or substantially all of the assets of UAMPS or a Major Participant, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material
15. Incurrence of a Financial Obligation of the Obligated Person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Obligated Person, any of which reflect financial difficulties.

* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for UAMPS in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of UAMPS, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of UAMPS.

APPENDIX G

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED THE CLOSING DATE]

Re: \$26,770,000
Utah Associated Municipal Power Systems
Payson Power Project Refunding Revenue Bonds
Series 2019 (Taxable)

Utah Associated Municipal Power Systems (“UAMPS”) has on this date issued its Payson Power Project Refunding Revenue Bonds, Series 2019 in the aggregate principal amount of \$26,770,000 (the “*Series 2019 Bonds*”), dated as of the date hereof, maturing on April 1 of each of the years and bearing interest as follows:

APRIL 1 OF THE YEAR	AMOUNT MATURING	INTEREST RATE
2020	\$ 375,000	2.05%
2021	540,000	2.15
2022	6,250,000	2.20
2023	6,385,000	2.35
2024	6,530,000	2.40
2025	6,690,000	2.50

The Series 2019 Bonds are authorized to be issued pursuant to a Trust Indenture dated as of October 1, 2002, as heretofore amended and supplemented (the “*Trust Indenture*”), and as supplemented by a Sixth Supplemental Trust Indenture dated as of November 1, 2019 (the “*Sixth Supplemental Indenture*” and together with the Trust Indenture, the “*Indenture*”), each between UAMPS and Zions Bancorporation, National Association, as trustee (the “*Trustee*”). Reference is made to the Indenture for a description of the covenants and undertakings of UAMPS in connection with the Series 2019 Bonds and the pledge and assignment to the Trustee of the revenues, moneys, securities and funds held or set aside under the Indenture for the payment of the principal and redemption price of and interest on the Series 2019 Bonds. Capitalized terms used and not otherwise defined herein have the meanings assigned to them in the Indenture.

In connection with the Payson Power Project (the “*Project*”), UAMPS has previously issued its \$74,885,000 Payson Power Project Refunding Revenue Bonds, Series 2012 (the “*Series 2012 Bonds*”) and its \$2,025,000 Payson Power Project Revenue Bonds, Series 2013.

The Series 2019 Bonds are issued under the authority contained in the Utah Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended, and other applicable provisions of law (collectively, the “*Act*”) for the purpose of providing funds sufficient, together with other legally available moneys, to (i) advance refund the \$31,485,000 outstanding principal amount of the Series 2012 Bonds maturing on and after April 1, 2022 (the “*Series 2012 Refunded Bonds*”) and (ii) pay all expenses properly incident thereto and to the issuance of the Series 2019 Bonds.

The Series 2019 Bonds are special obligations of UAMPS, payable solely from the Revenues, moneys, securities and funds pledged under the Indenture for the payment of the principal of and interest on the Series 2019 Bonds. No interest in the Project or other property or interest, except the pledge and assignment of the Revenues, moneys, securities and funds provided for in the Indenture, has been pledged or assigned to the Trustee as security for the Series 2019 Bonds.

UAMPS has previously entered into the Payson Power Project Power Sales Contracts (collectively, the “*Power Sales Contracts*”) with 16 of its Members (the “*Participants*”), pursuant to which UAMPS has sold all of the capacity and energy from the Project to the Participants in the amounts and upon the terms set forth in the Power Sales Contracts. Amounts received by the Participants under the Power Sales Contracts constitute the primary source of Revenues pledged pursuant to the Indenture for the payment of principal of and interest on the Series 2019 Bonds. Certain of the Participants have made capital contributions in respect of the initial Cost of Construction of the Project and, as a result, have a reduced present obligation under their respective Power Sales Contracts to make payments to UAMPS in respect of the principal of or interest on the Series 2019 Bonds.

In connection with the issuance of the Series 2019 Bonds, we have examined: (a) the Act and such other provisions of law as we deem relevant; (b) certified copies of the proceedings of record of UAMPS preliminary to and in connection with the issuance of the Series 2019 Bonds; (c) certified copies of the proceedings of record of the governing bodies of each of the Participants authorizing, among other things, the execution and delivery of the respective Power Sales Contracts; (d) executed counterparts of the Indenture and the Power Sales Contracts; (e) the form of the Series 2019 Bonds set forth in the Indenture; (f) the deposit of a portion of the proceeds of Series 2019 Bonds into that certain escrow account (the “*Escrow Account*”) under and pursuant to the Escrow Agreement dated as of November 1, 2019, between UAMPS and Zions Bancorporation, National Association, as escrow agent thereunder, to provide for the refunding of Series 2012 Refunded Bonds; (g) a [Verification Report] dated the date hereof of Public Finance Partners LLC with respect to the sufficiency of the cash and Government Securities deposited into the Escrow Account to pay the interest on and the Redemption Price of the Series 2012 Refunded Bonds; and (h) such other materials, showings and documents as we deem necessary for the purpose of this opinion. Based upon the foregoing, we are of the opinion that:

- (1) UAMPS is duly created and validly existing under the Act and has lawful power, right and authority to acquire, own and operate the Project and to issue the Series 2019 Bonds;
- (2) The proceedings of UAMPS referred to above show lawful authority for the issuance of the Series 2019 Bonds and the execution and delivery of the Sixth Supplemental Indenture and the Sixth Supplemental Indenture has been duly and lawfully adopted by UAMPS in accordance with the Trust Indenture and is authorized thereunder;
- (3) Each of the Power Sales Contracts has been duly authorized, executed and delivered by UAMPS and constitutes the valid and binding obligation of UAMPS enforceable in accordance with its respective terms;
- (4) Each of the Power Sales Contracts has been duly authorized, executed and delivered by the respective Participant and constitutes the valid and binding obligation of the Participant, enforceable in accordance with its terms;
- (5) The Indenture has been duly authorized, executed and delivered by UAMPS and constitutes the legal, valid and binding obligation of UAMPS, enforceable in accordance with its terms;

(6) The Indenture creates the valid pledge which it purports to create of the Revenues, moneys, securities and funds held or set aside under the Indenture, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture;

(7) The Series 2019 Bonds are valid and binding special obligations of UAMPS, enforceable in accordance with their terms and the terms of the Indenture, and the Series 2019 Bonds are entitled to the benefits of the Indenture and the Act. The Series 2019 Bonds have been duly and validly authorized and issued by UAMPS in accordance with the Act and the Indenture. Neither the faith and credit nor the taxing power of the State of Utah or any political subdivision thereof, the Participants or any other member of UAMPS, is pledged to the payment of the principal or redemption price of, or interest on, the Series 2019 Bonds;

(8) The Series 2012 Refunded Bonds are deemed to have been paid within the meaning and with the effect expressed in the Indenture and are therefore not outstanding for purposes of the Indenture and are not entitled to any lien, benefit or security thereunder;

(9) All actions, conditions and things required by the Constitution and laws of the State of Utah to happen, exist and be performed precedent to the sale and issuance of the Series 2019 Bonds have been complied with;

(10) Under present law, interest on the Series 2019 Bonds is includable in gross income of the owners thereof for federal income tax purposes. Ownership of the Series 2019 Bonds may result in other federal tax consequences to certain taxpayers. Holders of the Series 2019 Bonds should consult their own tax advisors concerning tax consequences of ownership of the Series 2019 Bonds; and

(11) Under the existing laws of the State of Utah, as presently enacted and construed, interest on the Series 2019 Bonds is exempt from taxes imposed by the Utah Individual Income Tax. No opinion is expressed with respect to any other taxes imposed by the State of Utah or any political subdivision thereof. Ownership of the Series 2019 Bonds may result in other state and local tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Series 2019 Bonds.

Enforceability of the Series 2019 Bonds, the Indenture and the Power Sales Contracts may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights generally or usual equity principles in the event equitable remedies are sought. The respective obligations of UAMPS and the Participants under the Series 2019 Bonds, the Indenture and the Power Sales Contracts are subject to the exercise in the future by the State of Utah and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the power delegated to it by the federal constitution.

We further certify that we have examined the form of Bond prescribed by the Indenture and find the same in due form of law.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Series 2019 Bonds.

In rendering this opinion, we have relied upon certifications of UAMPS and each of the Participants with respect to certain material facts solely within the knowledge of UAMPS and the Participants relating to the

application of the proceeds of the Series 2019 Bonds and the use of the Project. Certain matters have been passed on for the Participants by their respective counsels, to which opinions reference is hereby made. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result.

This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX H

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF TRANSACTION]
[and maturing on]

Effective Date: _____

Risk Premium: \$ _____

Member Surplus Contribution: \$ _____

Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

200 Liberty Street, 27th floor
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN

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STAFF REPORT

DATE: October 15, 2019
TO: The Honorable Mayor and City Council
FROM: Corey Merideth, Recreation Director
SUBJECT: Approval of Resolution of establishing a RAP Tax Ad Hoc Committee.

RECOMMENDED ACTION

Motion to approve Resolution No. ____ that establishes a RAP Tax Ad Hoc Committee.

GOALS, OBJECTIVES AND STRATEGIES AT ISSUE

General Plan Goal - . . . to provide a wide range of opportunities and healthy experiences.

Objective 6 - To provide recreation that creates lasting memories, provides diverse opportunities, builds unity, and provides safe and fun experiences for all age abilities and interest.

BACKGROUND

Staff has been directed by Council to get a RAP Tax question on the 2020 ballot. Establishing a RAP Tax Ad Hoc Committee will be needed to successfully educate the citizens of Springville of what the tax entails.

FISCAL IMPACT

If the RAP Tax Committee is successful with getting the tax passed, Springville City will receive revenue of 1/10th of 1% on most sales tax items. Estimates of the tax will produce approximately \$400,000 for the next 10 years for the direct benefit of Recreation, Arts and Parks.

Attachments:

Resolution #2019-XX

A RESOLUTION ESTABLISHING AN AD HOC COMMITTEE TO ASSIST IN PASSING A RAP (Recreation, Arts and Parks) TAX ON 2020 BALLOT FOR SPRINGVILLE CITY.

WHEREAS, Springville City is proposing a RAP Tax vote on the 2020 ballot; and

WHEREAS, the Mayor desires to have public input and involvement in use of the tax money;

NOW, THEREFORE, be it resolved by the City Council of Springville City that the following Ad Hoc Committee be established as directed.

1: Ad Hoc Committee Established. There is hereby established an Ad Hoc Committee entitled RAP Tax Committee which shall have between six (6) and ten (10) members from the general public appointed by the Mayor, with the approval of the City Council. Members of the Committee shall serve without compensation, except that the City may make provision for payment of necessary expenses incurred by them in carrying out the duties specified in this Resolution.

One (1) or two (2) members of the City Council to be designated by the Mayor shall be assigned to attend the Committee meetings. City Council members shall serve as non-voting members of the Committee. In addition, selected staff members shall attend committee meetings.

2: Term of Office. Each member of the Committee, except the City Council members who serve on the Board, shall serve until their duties are completed and the 2020 vote is complete.

3: Organization. The Committee shall have a chair assigned by the Mayor and may adopt rules and regulations for the conduct of its business. The Committee should meet as often as necessary to conduct necessary business. Written minutes shall be kept of each meeting and the minutes shall be forwarded to the City Council for their review.

4: Powers and Duties. The Ad Hoc Committee shall be an advisory board only.

Duties of the RAP Tax Committee shall include the following:

- (1) Assist in ideas of usage for tax revenue for Recreation, Arts and Parks;
- (2) Assist in educating the citizens on the tax and its planned usage;
- (3) Assist in public meetings associated with the project; and
- (4) Perform any other duties deemed appropriate and assigned by the Mayor.

Passed by the City Council of Springville City this 05th day of November, 2019. This resolution becomes effective on the day following the date of adoption.

Richard J. Child, Mayor

ATTEST:

Kim Crane, City Recorder



STAFF REPORT

DATE: October 29, 2019
TO: Honorable Mayor and City Council
FROM: Josh Yost - Community Development
SUBJECT: Certified Local Government Historic Preservation Grants Approval

RECOMMENDED MOTION

Motion to approve the staff recommendation of grant awards.

SUMMARY OF ISSUES/FOCUS OF ACTION

The Certified Local Government (CLG) program is designed to promote historic preservation at the local level. This is a federal program through the National Park Service and administered by the Utah State Historic Preservation Office (SHPO). Qualified local governments become "certified" and thereby qualify to receive matching grants from the SHPO. Springville has been awarded a grant to fund improvements to private homes in the city.

BACKGROUND

After the SHPO awarded the grant to Springville, Community Development solicited funding applications from local property owners. The solicitation flyer is included as Attachment 1. Staff reviews each application for eligibility and compliance with adopted standards and makes funding recommendations for each compliant application. Typically, the Landmarks Preservation Commission approves these recommendations of individual grants to local applicants, but the commission is not currently active and staff has chosen to forward these recommendations to the Council for approval.

The recommended grant amounts are based on a percentage of the available funds (\$20,000) calculated from each approved application's share of the total approved request amount (\$71,201). Staff computed ranking based on urgency and visual impact but did not apply these ranking when determining funding recommendations.

PLANNING COMMISSION REVIEW

No Planning Commission review was necessary for this item.

Attachments

1. 2019-2020 Grant Solicitation Flyer
2. Ratings and Recommendations Spreadsheet
3. Staff Reviews and Recommendations
4. Application Forms

cc:



Springville Historical Preservation Commission

2019-2020 Grant

The Springville Historic Preservation Commission will be providing small grants to assist home and building owners in protecting and restoring the exterior of their building for the 2019–2020 year. The grant is for projects that contribute to the historic look and feel of the building and must be visible from the street. Interested citizens and businesses must determine if their building meets the following qualifications:

- Must be on the National Register of Historic Places or located within the Springville National Historic District, be at least 50 years old and considered a 'contributing' building
- Can only be used for work on the exterior of the building
- Must be used on elements of the building that are at least 50 years old
- Cannot be used for landscaping
- Cannot be used on building additions that are less than 50 years old

Once a grant is received, but before beginning work, you must select and obtain bids from at least three licensed contractors and submit those bids to the Historic Preservation Commission. The work must be completed by one of the licensed contractors represented in the bids you provide to the Commission.

The Springville Historic Preservation Commission reviews the grant applications. The amount of each grant varies depending on the amount of grant money available and the number of people applying for a grant.

If you have any questions regarding the CLG Grant, please contact Springville City's Community Development department at (801) 491-7861.

**To apply for a grant or for more information, please visit historicspringville.org.
Forms are due on March 31, 2019**

2019 Springville CLG Grant Application Ratings and Recommendations

		Year			Scope		Visual	Total	Percentage
Name	Project Address	Built	Eligible	Request	Approved	Urgency	Impact	Rating	Allocation
Anita Schley	117 E 200 N	1876	Yes	\$ 8,000.00	Yes	1	2	3	\$ 2,247.16
Benjamin Lee	187 W 300 S	1888	Yes	\$ 9,000.00	No				
Bruce Bennett	164 W 200 S	1906	Yes	\$ 3,700.00	Yes	2	2	4	\$ 1,039.31
Daniel Anderson	239 S Main	1910	Yes	\$ 4,000.00	Yes	1	2	3	\$ 1,123.58
Garth Mason	110 W 100 S	1907	Yes	\$ 7,500.00	Yes	2	2	4	\$ 2,106.71
Jon Liddiard	292 E 300 S	1889	Yes	\$ 5,000.00	Yes	3	3	6	\$ 1,404.47
Katie Jones	186 E 200 S	1900	Yes	\$ 3,000.00	No				
Lorraine Steffens	264 E 300 S	1898	Yes	\$ 10,000.00	No				
Paige Mills	368 E Center	1915	Yes	\$ 6,000.00	Yes	2	2	4	\$ 1,685.37
Rebeca Carmona	935 Hillcrest Dr	1959	No	\$ 20,000.00					
Tamara Little	101 E 200 S	1904	Yes	\$ 12,000.00	Yes	2	3	5	\$ 3,370.74
Tom Clements	173 E 300 S	1901	Yes	\$ 7,001.00	Yes	3	2	5	\$ 1,966.55
Torgunn Rawle	366 W 300 S	1889	Yes	\$ 8,000.00	Yes	3	3	6	\$ 2,247.16
Whitney Petrich	159 W 100 S	1939	Yes	\$ 10,000.00	Yes	2	2	4	\$ 2,808.95
Total Eligible Requests					Total Recommended Grants				
\$ 71,201.00					\$ 20,000.00				
\$ (51,201.00)					\$ -				

2019 Springville CLG Grant Recommendations

Anita Schley

117 East 200 North

Request: \$7,470

Our house was built by Thomas Mendenhall- one of the 8 founding families of Springville. There is a second story dormer on the front of the house that we'd like to put vintage shake style cement board siding. There's another second story dormer on the back of the house that we'd like to use a less expensive standard white vinyl siding on. The house currently doesn't have any gutters. In order to keep water directed away from and protect the stone foundation from deteriorating, gutters need to be installed along all of the eaves of the roof. We'd appreciate your help in these projects.

Recommendation: \$2,247.16

Need recommendation from Steve Cornell on siding.

Benjamin Lee

187 W 300 S

Request: \$9,000

The facade bricks used in the construction of my home were improperly fired when they were originally made. This has led to a number of the original bricks dissolving in part and seriously corroding the facade. In an attempt to preserve the structure, previous owners plastered the weak spots and then painted over the whole of the masonry in order to mask the problem areas. This compounded the decay by trapping moisture in the bricks, preventing them from breathing, and causing them to further decay. I would like to attempt to permanently solve this problem by stopping further corrosion. I hope to be able to do this while also restoring the house to its original look. I am attempting to do this through installing a faux masonry facade that both fully covers the existing damage and looks identical to what it looked like originally. I would do this all without further serious damage to the existing structure. As far as I know, this process would first require a sublayer of plywood covering the entire old brick surface. This would provide a reliable surface on which the new brick could be adhered. Then a thin veneer of masonry will be glued to this new plywood, patterned after the original design. A final step would be to mortar in the 'joints' between the 'bricks' to give the impression of a solid surface. This technique, in theory, would allow me to restore the house to its original glory without sustaining further damage to the exterior.

Further research indicates that I may need to dig around the foundation to allow the brick to first dry before attempting the new facade. Also, not that I have no real idea of what this process will cost, as I'm not finding it easy to reach contractors thus far.

Recommendation \$0

The proposed work does not comply with the Secretary of Interior's Standards for the Treatment of Historic Properties. Standards 5, 6 and 9 require that "distinctive materials, features, finishes and construction techniques" be "repaired rather than replaced" and that "exterior alterations... will not destroy historic materials. The masonry issues described by the applicant are common and are not the result of improper production techniques, but are inherent characteristics of the materials and methods of production. Improper repair and maintenance over time have hastened the deterioration of the masonry as described by the applicant.

The deterioration cited by the applicant should be addressed through removal of deteriorated brick and replacement with matching brick and compatible mortar. Additionally, removal of the paint, although costly, would greatly improve the long term performance of the brick and provide a return to the original visual character of the house. Technical Preservation Briefs 1 and 2 and The General Services Administration Technical Documents for Brick Unit Masonry provide standards and guidance for this work. Staff recommends the applicant develop a revised scope of work and apply for the next round of funding.

Bruce Bennett

164 W 200 S

Request: \$3,700

The exterior paint on the trim, under the eaves, and around the windows on the front of the house is peeling and needs to be professionally removed and repainted. If I can do it this year, I can save the rest of the paint and only have to repaint those areas that are failing. The top two layers of the mortar between the top two layers of bricks on the both chimneys is failing and the bricks are slowly forced off the chimney then fall off all together. Two of the bricks fell off during the winter. This is both a danger to the integrity of the chimney and safety hazard. Both chimneys can be seen from the street.

Recommendation: \$1,039.31

The proposed work meets the Secretary of the Interior's Standards. Both categories of work should follow the recommendations contained in The Secretary of the Interior's Guidelines for the Treatment of Historic Properties. Preservation Briefs 1, 2, 10 are also applicable. The General Services Administration also provides excellent Technical Documents under Architectural Woodwork, Wood Ornaments, and Brick Unit Masonry.

Daniel Anderson

239 S Main

Request: \$4,000

Thank you for your time. Grace Bible Church, a Utah nonprofit corporation, has been a community neighbor in downtown Springville since 2008. At that time, we purchased and moved into the historic J. C. Penney building located at 239 S Main St. We recognize that the external appearance of our building contributes to the culture and atmosphere of the historic district and heart of Springville. We are therefore looking to invest in the building's façade in ways that honor its history and role in the life of

our city. We are excited to apply for a 2019/2020 grant to help us achieve this goal. We are currently requesting that the commission award us \$4,000 to refinish the ceiling of the building's street-facing entryway/alcove. We would like to replace the current dilapidated plywood layer with a professionally-finished, historic slat ceiling using either real wood or wood-like vinyl. This project, together with other projects that the church will self-fund over the next two years, will help restore the building's unique beauty while increasing its curb appeal to passersby. We have received informal quotes from Mike Frost and Eric House, general contractors who attend Grace Bible Church. However, we are in the process of receiving three formal quotes from Centurion Homes, B & W Construction and Development, and Thor Development. We would use one of these three external contractors, whomever provides the most competitive quote. Once again, thank you for your consideration. We are available to answer any questions you may have. We look forward to hearing back from the commission.

Recommendation: \$1,123.58

The specific material will be approved by staff prior to construction. The current vestibule ceiling at Christopher's Herb Shop is a good period appropriate example.

Staff would like to collaborate with the applicant to craft a scope of work for ongoing façade work. The building is an extremely intact example of a commercial block from the 1940's and requires only minor cosmetic work to restore it to its historic appearance. Technical Preservation Brief 11: Rehabilitating Historic Storefronts

Garth Mason

110 W 100 S

Request: \$7,500

Repoint exterior masonry where mortar is crumbling, repaint wooden trim, and repaint detached garage (over 50 years old and may be close to original - was used as a granary previously).

Recommendation: \$2,106.71

The proposed work meets the Secretary of the Interior's Standards. Staff will approve masonry contractor prior to construction. Refer to Preservation Briefs 1, 2, 10. The General Services Administration also provides excellent Technical Documents under Architectural Woodwork, Wood Ornaments, and Brick Unit Masonry.

Jon Liddiard

292 E 300 S

Request: \$5,000

We'd like to use the grant to restore our roof and/or remove the old siding, and restore the brick exterior. The roof is in need of desperate repair and is critical to preserving the building as a whole. Because of the wear on the roof, the wood sheathing underneath will have to be replaced and not just the shingles. We would also like to remove the aluminum siding that was placed on the building in the late 1970s, and expose the original brick. We have removed small portions, and it appears that the brick

was whitewashed previously. We'd like to repair any damaged brick, and either apply another white wash, or refinish the brick to its original color. Either project will bring our home back closer to its original state, and enhance the beauty of the street and the neighborhood. We are excited to continue these projects as part of our commitment to living in a Springville historic house.

Recommendation: \$1,404.47

The proposed work meets the Secretary of the Interior's Standards. Staff will approve treatment of brick after removal of siding. Review Technical Preservation Brief 4 - Roofing for Historic Buildings.

Katie Jones

186 E 200 S

Request: \$3,000.00

I would like to reinforce the stone foundation around the outside of my house with a concrete wall, as well as lift and add support to the concrete front porch.

Recommendation: \$0

The proposed work does not comply with the Secretary of Interior's Standards for the Treatment of Historic Properties. Standards 5, 6 and 9 require that "distinctive materials, features, finishes and construction techniques" be "repaired rather than replaced" and that "exterior alterations... will not destroy historic materials.

The foundation should be exposed to the footings, inspected for loose or missing mortar and repointed with appropriate mortar as necessary. To control moisture at the foundation, drain board can be applied to the foundation below grade with a perforated drain pipe placed at the base of foundation. The foundation can then be backfilled with drain rock to facilitate drainage and prevent backsplash of rain water against the foundation wall. Staff recommends the applicant develop a revised scope of work and apply for the next round of funding.

Lorraine Steffens

264 E 300 S

Request: \$10,000

I would like the wood replaced around the eaves of the house. It would be the front and side of the house that is visible from the street.

Recommendation: \$0

The proposed work does not comply with the Secretary of Interior's Standards for the Treatment of Historic Properties. The wholesale removal and replacement of historic features is not permitted by the Standards. Standards 5, 6 and 9 require that "distinctive materials, features, finishes and construction techniques" be "repaired rather than replaced" and that "exterior alterations... will not destroy historic materials.

The woodwork should be inspected for soundness and any unsound or rotted elements replaced in kind. Loose or failing paint should be removed and the woodwork repainted following the recommendations of Preservation Brief 10 - Exterior Paint Problems on Historic Woodwork and the Guidelines for the Treatment of Historic Properties.

Paige Mills

368 E Center St.

Request: \$6,000

Replacing and updating the siding on the Dormer and 2 Gable areas. The current material is weathered and has water damage that needs to be fixed. To repair correctly the current material all need to be removed, have new sheeting placed and have the hardy board hung. Possibly Soffit and fascia removed and rehung. Replace the front door to the house. It is an old glass door that is heavy and drafty and has no weatherstripping or casing.

Recommendation: \$1,685.37

The replacement of the dormer and gable cladding complies with the Secretary of the Interior's Standards. The replacement material will be approved by staff prior to construction. The replacement of the front door does not comply with the Standards. Standards 5, 6 and 9 require that "distinctive materials, features, finishes and construction techniques" be "repaired rather than replaced" and that "exterior alterations... will not destroy historic materials." The historic door and frame should be made weather tight through repair and application of appropriate weather stripping.

Tamara Little

101 E 200 S

Request: \$12,000.00

Painting entire exterior of building to preserve the original wood, columns and brick and improve the building's appearance, therefore enhancing the historic district. The exterior body, trim, and porch columns are peeling, exposing wood to the elements. Exterior brick has been previously painted. Scraping, sanding, stripping as professionally recommended to best preserve historical features. Priming and painting exterior. Sand and/or scrape outside doors and re-stain or paint. Repairing and preserving the original decorative carvings at the base and top of porch columns. Repairing and preserving portions of deterioration in the concrete on exterior walls: There are areas of broken and deteriorating concrete on exterior walls, primarily on exterior trim (around the lower perimeter of the structure) and around windows. - Loose or damaged concrete will be removed down to sound material. Areas of concern will be evaluated to determine source of deterioration. If existing reinforced steel is exposed, rust will be mechanically removed and the steel reinforcing will be painted with a galvanizing paint product to prevent further rusting. Patch using recognized preservation methods: including compatible mortar mixes and selected replacement, where necessary, with like materials.

Recommendation: \$3,370.74

The proposed work complies with the Secretary of the Interior's Standards. Concrete repair contractor and methods will be approved by staff prior to construction. Refer to Preservation Briefs 1, 2, 10 and 15.

The General Services Administration also provides excellent Technical Documents under Architectural Woodwork, Wood Ornaments, Brick Unit Masonry, Concrete Repair and Concrete Restoration and Cleaning.

Tom Clements

173 E 300 S

Request: \$7,001

The home used to be a First Baptist church, but was converted into a home in 1920. There is a plaque on the home and a dedication stone, which I would like to have it re-done (someone chissled it off) Still has the original roofing, with different shingles on it (at least three layers). Would like the roof done.

Recommendation: \$1,966.55

The proposed work complies with the Secretary of the Interior's Standards. Photographic or other documentation should be provided prior to re-creating the dedication stone.

Torgunn Rawle

366 W 300 S

Request: \$8,000

All the outside woodwork needs to be repaired/replaced and painted, this includes also the gingerbread trim and gable decorations. 2 porches and also trim around the windows.

Recommendation: \$2,247.16

The proposed work complies with the Secretary of the Interior's Standards. The work should follow the recommendations contained in The Secretary of the Interior's Guidelines for the Treatment of Historic Properties. Care should be taken to avoid replacing historic wood features instead of repairing or replacing only the deteriorated wood.

Whitney Petrich

159 W 100 S

Request: \$10,000.00

I am applying for this grant to replace the shingles on the roof of our home and our side shed.

Recommendation: \$2,808.95

The proposed work complies with the Secretary of the Interior's Standards. Review Technical Preservation Brief 4 - Roofing for Historic Buildings.

Lisa Bullock

From: SHPC <springvillecity@yahoo.com>
Sent: Saturday, February 16, 2019 11:30 AM
To: Lisa Bullock
Subject: New submission from Apply for Funding

Name
Anita Schley
Your Address
117 east 200 north Springville, Utah 84663 United States Map It
Phone
(801) 946-4047
Email
anita@schleyphoto.com
Project Address
117 east 200 north Map It
Year House or Building was Built
1876
Describe the project for which you would like to receive the grant
Our house was built by Thomas Mendenhall- on of the 8 founding families of Springville. There is a second story dormer on the front of the house that we'd like to put vintage shake style cement board siding. There's another second story dormer on the back of the house that we'd like to use a less expensive standard white vinyl siding on. The house currently doesn't have any gutters. In order to keep water directed away from and protect the stone foundation from deteriorating, gutters need to be installed along all of the eaves of the roof. We'd appreciate your help in these projects.
List three contractors from whom you are obtaining bids
Wallentine Siding and Exteriors Phoenix Siding and Construction Siding Solutions and Construction
How much funding are you requesting?
\$7,470.00

From: [SHPC](#)
To: [Glen Goins](#)
Subject: New submission from Apply for Funding
Date: Sunday, March 31, 2019 10:26:40 PM

Name

Benjamin Lee

Your Address

187 W 300 South
Springville, UT 84663
United States
[Map It](#)

Phone

(208) 819-7131

Email

benji@thirdofeight.com

Project Address

187 W 300 South
[Map It](#)

Year House or Building was Built

1888

Describe the project for which you would like to receive the grant

The facade bricks used in the construction of my home were improperly fired when they were originally made. This has led to a number of the original bricks dissolving in part and seriously corroding the facade.

In an attempt to preserve the structure, previous owners plastered the weak spots and then painted over the whole of the masonry in order to mask the problem areas. This compounded the decay by trapping moisture in the bricks, preventing them from breathing, and causing them to further decay.

I would like to attempt to permanently solve this problem by stopping further corrosion. I hope to be able to do this while also restoring the house to its original look. I am attempting to do this through installing a faux masonry facade that both fully covers the existing damage and looks identical to what it looked like originally. I would do this all without further serious damage to the existing structure.

As far as I know, this process would first require a sublayer of plywood covering the entire old brick surface. This would provide a reliable surface on which the new brick could be adhered. Then a thin veneer of masonry will be glued to this new plywood, patterned after the original design. A final step would be to mortar in the 'joints' between the 'bricks' to give the impression of a solid surface.

This technique, in theory, would allow me to restore the house to its original glory without sustaining further damage to the exterior.

Further research indicates that I may need to dig around the foundation to allow the brick to first dry before attempting the new facade. Also, not that I have no real idea of what this process will cost, as I'm not finding it easy to reach contractors thus far.

List three contractors from whom you are obtaining bids

Artistic Plastering, 801 836 5957
High Country Construction, 801 319 3205
Velez Masonry, 801 420 2675

How much funding are you requesting?

\$9,000.00

From: [SHPC](#)
To: [Glen Goins](#)
Subject: New submission from Apply for Funding
Date: Saturday, March 09, 2019 7:53:49 PM

Name

Bruce Bennett

Your Address

164 West 200 South
Springville, UT 84663
United States
[Map It](#)

Phone

(801) 358-4245

Email

bbennett@rapidsurvey.com

Project Address

164 West 200 South
[Map It](#)

Year House or Building was Built

1906

Describe the project for which you would like to receive the grant

The exterior paint on the trim, under the eaves, and around the windows on the front of the house is peeling and needs to be professionally removed and repainted. If I can do it this year, I can save the rest of the paint and only have to repaint those areas that are failing.

The top two layers of the mortar between the top two layers of bricks on the both chimneys is failing and the bricks are slowly forced off the chimney then fall off all together. Two of the bricks fell off during the winter. This is both a danger to the integrity of the chimney and safety hazard. Both chimneys can be seen from the street.

List three contractors from whom you are obtaining bids

Painters
David Horne
(801) 943-8839

Steve Ottesen Painting
(801) 830-9995

Rocky Mountain Painting, Inc.
(801) 209-0725

Brick Masons
Child Enterprises
(801) 489-5022

Abstract Masonry Restoration, Inc.
(801) 505-4977

Pleasant Creek Masonry
(435) 225-4298

How much funding are you requesting?

\$3,700.00

From: [SHPC](#)
To: [Glen Goins](#)
Subject: New submission from Apply for Funding
Date: Saturday, March 30, 2019 7:32:08 AM

Name

Daniel Anderson

Your Address

P.O. Box 70
Springville, Utah 84663
United States
[Map It](#)

Phone

(559) 395-2214

Email

daniel.anderson.jr@live.com

Project Address

239 S Main St. (Springville, UT 84663)
[Map It](#)

Year House or Building was Built

1910?

Describe the project for which you would like to receive the grant

March 30, 2019

Daniel Anderson
Grace Bible Church
239 S Main St.
Springville, UT 84663

RE: Springville Historic Preservation Commission Grant Application

Dear Springville Historic Preservation Commission,

Thank you for your time. Grace Bible Church, a Utah nonprofit corporation, has been a community neighbor in downtown Springville since 2008. At that time, we purchased and moved into the historic J. C. Penney building located at 239 S Main St.

We recognize that the external appearance of our building contributes to the culture and atmosphere of the historic district and heart of Springville. We are therefore looking to invest in the building's façade in ways that honor its history and role in the life of our city. We are excited to apply for a 2019/2020 grant to help us achieve this goal.

We are currently requesting that the commission award us \$4,000 to refinish the ceiling of the building's street-facing entryway/alcove. We would like to replace the current dilapidated plywood layer with a professionally-finished, historic slat ceiling using either real wood or wood-like vinyl. This project, together

with other projects that the church will self-fund over the next two years, will help restore the building's unique beauty while increasing its curb appeal to passersby.

We have received informal quotes from Mike Frost and Eric House, general contractors who attend Grace Bible Church. However, we are in the process of receiving three formal quotes from Centurion Homes, B & W Construction and Development, and Thor Development. We would use one of these three external contractors, whomever provides the most competitive quote.

Once again, thank you for your consideration. We are available to answer any questions you may have. We look forward to hearing back from the commission.

Very Best,

Daniel Anderson

List three contractors from whom you are obtaining bids
Centurion Homes B & W Construction and Development Thor Development
How much funding are you requesting?
\$4,000.00

From: [SHPC](#)
To: [Glen Goins](#)
Subject: New submission from Apply for Funding
Date: Saturday, March 30, 2019 9:22:31 PM

Name

Garth Mason

Your Address

110 West 100 South
Springville, UT 84663
United States
[Map It](#)

Phone

(801) 310-1022

Email

garth.mason@gmail.com

Project Address

110 West 100 South
[Map It](#)

Year House or Building was Built

1907

Describe the project for which you would like to receive the grant

Repoint exterior masonry where mortar is crumbling, repaint wooden trim, and repaint detached garage (over 50 years old and may be close to original - was used as a granary previously).

List three contractors from whom you are obtaining bids

Still seeking a masonry contractor.
Painting - David Millet, Steve Ottesen and probably 2 others for competing bids.

How much funding are you requesting?

\$7,500.00

From: [SHPC](#)
To: [Glen Goins](#)
Subject: New submission from Apply for Funding
Date: Sunday, March 31, 2019 10:12:02 PM

Name

Jon Liddiard

Your Address

292 E 300 S
Springville, UT 84663
United States
[Map It](#)

Phone

(917) 254-8650

Email

jon.lidd@gmail.com

Project Address

292 E 300 S
[Map It](#)

Year House or Building was Built

1889

Describe the project for which you would like to receive the grant

We'd like to use the grant to restore our roof and/or remove the old siding, and restore the brick exterior. The roof is in need of desperate repair and is critical to preserving the building as a whole. Because of the wear on the roof, the wood sheeting underneath will have to be replaced and not just the shingles. We would also like to remove the aluminum siding that was placed on the building in the late 1970s, and expose the original brick. We have removed small portions, and it appears that the brick was white-washed previously. We'd like to repair any damaged brick, and either apply another white wash, or refinish the brick to its original color. Either project will bring our home back closer to its original state, and enhance the beauty of the street and the neighborhood. We are excited to continue these projects as part of our commitment to living in a Springville historic house.

List three contractors from whom you are obtaining bids

Mountainland Exteriors
Mynt Roofing
Abstract Masonry Restoration

How much funding are you requesting?

\$5,000.00

Lisa Bullock

From: SHPC <springvillecity@yahoo.com>
Sent: Thursday, January 24, 2019 3:37 PM
To: Lisa Bullock
Subject: New submission from Apply for Funding

Name
Katie Jones
Your Address
186 East 200 South Springville, UT 84663 United States Map It
Phone
(805) 587-9203
Email
mskatiejones@gmail.com
Project Address
186 East 200 South Map It
Year House or Building was Built
1900
Describe the project for which you would like to receive the grant
I would like to reinforce the stone foundation around the outside of my house with a concrete wall, as well as lift and add support to the concrete front porch.
List three contractors from whom you are obtaining bids
BASEco Foundation Repair and Waterproofing; Les Allen Construction; Bennett Paving and Construction.
How much funding are you requesting?
\$3,000.00

From: [SHPC](#)
To: [Glen Goins](#)
Subject: New submission from Apply for Funding
Date: Tuesday, March 05, 2019 4:04:14 PM

Name

Lorraine Steffens

Your Address

264 E 300 S
Springville, Ut 84663
United States
[Map It](#)

Phone

(801) 489-6873

Email

steros39@gmail.com

Project Address

264 E 300 S
[Map It](#)

Year House or Building was Built

1898

Describe the project for which you would like to receive the grant

I would like the wood replaced around the eaves of the house. It would be the front and side of the house that is visible from the street.

I'm not sure how much to request due to the fact I haven't gotten any bids yet....

List three contractors from whom you are obtaining bids

Ashcraft and Sons- Chris Ashcraft 385-439-4092

Cory Christensen 801-836-5081

David Allmendinger 801-623-8645

How much funding are you requesting?

\$10,000.00

Lisa Bullock

From: SHPC <springvillecity@yahoo.com>
Sent: Thursday, February 07, 2019 3:36 PM
To: Lisa Bullock
Subject: New submission from Apply for Funding

Name
Paige Mills
Your Address
368 E Center St. Springville, UT 84663 United States Map It
Phone
(801) 616-0900
Email
absolute.paigem@gmail.com
Project Address
368 E Center Street Map It
Year House or Building was Built
1915
Describe the project for which you would like to receive the grant
Replacing and updating the siding on the Dormer and 2 Gable areas. The current material is weathered and has water damage that needs to be fixed. To repair correctly the current material all need to be removed, have new sheeting placed and have the hardy board hung. Possibly Soffit and fascia removed and rehung. Replace the front door to the house. It is an old glass door that is heavy and drafty and has no weatherstripping or casing.
List three contractors from whom you are obtaining bids
Siding Bids: Wallentine Siding and Exteriors RGS Exteriors and Construction New Concepts Siding Holliman Siding and Home Improvement Front Door Bids: CR Doors Sunroc Wholesale Window and Door
How much funding are you requesting?
\$6,000.00

From: [SHPC](#)
To: [Glen Goins](#)
Subject: New submission from Apply for Funding
Date: Wednesday, March 13, 2019 11:54:40 AM

Name

Rebeca Carmona

Your Address

935 Hillcrest Dr
Springville Utah
United States
[Map It](#)

Phone

(801) 358-1389

Email

mar_rebe5969@yahoo.com

Project Address

Same
[Map It](#)

Year House or Building was Built

1959

Describe the project for which you would like to receive the grant

Re-roofing and more

List three contractors from whom you are obtaining bids

Raven Roofing and contracting long. Home Depot

How much funding are you requesting?

\$20,000.00

From: [SHPC](#)
To: [Glen Goins](#)
Subject: New submission from Apply for Funding
Date: Sunday, March 31, 2019 1:01:22 PM

Name

Tamara Little

Your Address

946 S. 2300 E.
Springville, UTAH 84663
United States
[Map It](#)

Phone

(801) 592-0885

Email

tamlittle@gmail.com

Project Address

101 E. 200 S. Springville
[Map It](#)

Year House or Building was Built

1904

Describe the project for which you would like to receive the grant

Painting entire exterior of building to preserve the original wood, columns and brick and improve the building's appearance, therefore enhancing the historic district. The exterior body, trim, and porch columns are peeling, exposing wood to the elements. Exterior brick has been previously painted. Scraping, sanding, stripping as professionally recommended to best preserve historical features. Priming and painting exterior. Sand and/or scrape outside doors and re-stain or paint.

Repairing and preserving the original decorative carvings at the base and top of porch columns.

Repairing and preserving portions of deterioration in the concrete on exterior walls: There are areas of broken and deteriorating concrete on exterior walls, primarily on exterior trim (around the lower perimeter of the structure) and around windows. - Loose or damaged concrete will be removed down to sound material. Areas of concern will be evaluated to determine source of deterioration. If existing reinforced steel is exposed, rust will be mechanically removed and the steel reinforcing will be painted with a galvanizing paint product to prevent further rusting. Patch using recognized preservation methods: including compatible mortar mixes and selected replacement, where necessary, with like materials.

List three contractors from whom you are obtaining bids

Fullmer's Painting
Painter1
American Town Painting

How much funding are you requesting?

\$12,000.00

Lisa Bullock

From: SHPC <springvillecity@yahoo.com>
Sent: Monday, February 11, 2019 4:10 PM
To: Lisa Bullock
Subject: New submission from Apply for Funding

Name
Tom Clements
Your Address
173 East 300 South Springville, uT 84663 United States Map It
Phone
(801) 704-9695
Email
noemail@noemail.com
Project Address
173 East 300 South Map It
Year House or Building was Built
1901
Describe the project for which you would like to receive the grant
The home used to be a First Baptist church, but was converted into a home in 1920. There is a plaque on the home and a dedication stone, which I would like to have it re-done (someone chissled it off) Still has the original roofing, with different shingles on it (at least three layers). Would like the roof done.
List three contractors from whom you are obtaining bids
Will obtain these if approved for funding.
How much funding are you requesting?
\$7,000.00

From: [SHPC](#)
To: [Glen Goins](#)
Subject: New submission from Apply for Funding
Date: Monday, April 01, 2019 1:06:30 AM

Name

Torgunn Rawle

Your Address

366 West 300 South
Springville, Utah 84663
United States
[Map It](#)

Phone

(801) 380-6583

Email

rrawle11@msn.com

Project Address

366 West 300 South
366 West 300 South
[Map It](#)

Year House or Building was Built

1889

Describe the project for which you would like to receive the grant

All the outside woodwork needs to be repaired/replaced and painted, This includes also the gingerbread trim and gable decorations. 2 porches and also trim around the windows.

List three contractors from whom you are obtaining bids

Reed Jessee is helping me with getting the right contractors in doing this job right. He is having a meeting at 9 am at the Springville city offices Tuesday 2. April 2019
We do not know the highest amount we can request for this project. But if the amount is 8000.00 unless a higher amount is available, we will request that amount.
With all the research Reed Jessee has been doing and contractors he has been in contact with the project price has been estimated \$25.000.00
Thank you for offering this help to restore my home.

How much funding are you requesting?

\$8,000.00

Lisa Bullock

From: SHPC <springvillecity@yahoo.com>
Sent: Thursday, February 07, 2019 3:51 PM
To: Lisa Bullock
Subject: New submission from Apply for Funding

Name
Whitney Petrich
Your Address
159 W 100 S Springville, UT 84663 United States Map It
Phone
(435) 319-4527
Email
whitneypetrich@gmail.com
Project Address
159 W 100 S Springville, UT N/A Map It
Year House or Building was Built
1939
Describe the project for which you would like to receive the grant
I am applying for this grant to replace the shingles on the roof of our home and our side shed.
List three contractors from whom you are obtaining bids
Quality roofing services (801) 427-7465 JB Roofing, LLC (801)-513-8798 Costanzo's Quality Roofing & Construction (801) 428-8339
How much funding are you requesting?
\$10,000.00