

RESOLUTION NO. 2022-07

A RESOLUTION OF THE BOARD OF DIRECTORS OF HEBER LIGHT & POWER COMPANY, A UTAH ENERGY SERVICES INTERLOCAL ENTITY AND A POLITICAL SUBDIVISION OF THE STATE OF UTAH (THE “ISSUER”), AUTHORIZING THE ISSUANCE AND SALE OF NOT MORE THAN \$29,500,000 AGGREGATE PRINCIPAL AMOUNT OF ELECTRIC REVENUE BONDS, SERIES 2023 (THE “SERIES 2023 BONDS”); FIXING THE MAXIMUM AGGREGATE PRINCIPAL AMOUNT OF THE SERIES 2023 BONDS, THE MAXIMUM NUMBER OF YEARS OVER WHICH THE SERIES 2023 BONDS MAY MATURE, THE MAXIMUM INTEREST RATE WHICH THE SERIES 2023 BONDS MAY BEAR, AND THE MAXIMUM DISCOUNT FROM PAR AT WHICH THE SERIES 2023 BONDS MAY BE SOLD; PROVIDING FOR THE PUBLICATION OF A NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED; PROVIDING FOR THE RUNNING OF A CONTEST PERIOD AND SETTING OF A PUBLIC HEARING DATE AND RELATED MATTERS.

WHEREAS, the Board of Directors (the “Board”) of the Issuer desires to (a) finance the construction of capital improvements, including the completion of the South Fields Substation, land purchase for an East substation, an administrative office building and shop as well as other needed system improvements and related improvements (collectively, the “Series 2023 Project”), (b) fund a debt service reserve account, if necessary, and (c) pay costs of issuance with respect to the Series 2023 Bonds herein described; and

WHEREAS, to accomplish the purposes set forth in the preceding recital, and subject to the limitations set forth herein, the Issuer desires to issue its Electric Revenue Bonds, Series 2023 (the “Series 2023 Bonds”) (to be issued from time to time as one or more series and with such other series or title designation(s) as may be determined by the Issuer), pursuant to (a) the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended and other relevant provisions of law (collectively, the “Act”), (b) this Resolution, and (c) a Trust Indenture (the “Trust Indenture”), and a Supplemental Indenture of Trust (the “Supplemental Indenture” and together with the Trust Indenture, the “Indenture”), with such Indenture in substantially the form presented to the meeting at which this Resolution was adopted and which is attached hereto as Exhibit B; and

WHEREAS, the Act provides that prior to issuing bonds, an issuing entity must (a) give notice of its intent to issue such bonds and (b) hold a public hearing to receive input from the public with respect to (i) the issuance of the bonds and (ii) the potential economic impact that the improvement, facility or property for which the bonds pay all or part of the cost will have on the private sector; and

WHEREAS, the Issuer desires to call a public hearing for this purpose and to publish a notice of such hearing with respect to the Series 2023 Bonds, including a notice of bonds to be issued, in compliance with the Act; and

NOW, THEREFORE, it is hereby resolved by the Board of Directors of Heber Light & Power Company as follows:

Section 1. For the purpose of (a) financing the Series 2023 Project, (b) funding a debt service reserve account, if required, and (c) paying costs of issuance of the Series 2023 Bonds, the Issuer hereby authorizes the issuance of the Series 2023 Bonds which shall be designated "Heber Light & Power Company, Electric Revenue Bonds, Series 2023" (to be issued from time to time as one or more series and with such other series or title designation(s) as may be determined by the Issuer) in the aggregate principal amount of not to exceed \$29,500,000. The Series 2023 Bonds shall mature in not more than twenty-six (26) years from their date or dates, shall be sold at a price not less than ninety-eight percent (98%) of the total principal amount thereof, shall bear interest at a rate or rates of not to exceed five and one-half percent (5.50%) per annum, all pursuant to this Resolution, a resolution to be adopted by the Board authorizing and confirming the issuance and sale of the Series 2023 Bonds (herein referred to as the "Final Bond Resolution"), an Indenture to be entered into at the time of issuance of the Series 2023 Bonds in substantially the form attached hereto as Exhibit B, and the Issuer hereby declares its intention to issue the Series 2023 Bonds according to the provisions of this Resolution, the Indenture and the Final Bond Resolution, when adopted.

Section 2. The Issuer hereby authorizes and approves the issuance and sale of the Series 2023 Bonds pursuant to the provisions of this Resolution, the Indenture and the Final Bond Resolution to be adopted by the Board authorizing and confirming the issuance and sale of the Series 2023 Bonds and the final form of the Indenture.

Section 3. The Issuer shall hold a public hearing on September 28, 2022 to receive input from the public with respect to the issuance of the Series 2023 Bonds and the potential economic impact that the improvements to be financed with the proceeds of the Series 2023 Bonds will have on the private sector, which hearing date shall not be less than fourteen (14) days after notice of the public hearing is published. In accordance with the provisions of the Act, the Board Secretary will cause a "Notice of Public Hearing and Bonds to be Issued" to be (i) published one (1) time in Wasatch Wave, a newspaper of general circulation within the service territory of the Issuer, (ii) posted on the Utah Public Notice Website (<http://pmn.utah.gov>) and (iii) posted on the Utah Legal Notices website (www.utahlegals.com) created under Section 45-1-101, Utah Code Annotated 1953, as amended, and shall cause a copy of this Resolution and the Indenture to be kept on file in the Heber Light & Power Company offices, for public examination during the regular business hours of the Issuer until at least thirty (30) days after the date of publication thereof. The "Notice of Public Hearing and Bonds to be Issued" shall be in substantially the following form:

NOTICE OF PUBLIC HEARING AND BONDS TO BE ISSUED

NOTICE IS HEREBY GIVEN pursuant to the provisions of the Local Government Bonding Act, Title 11, Chapter 14, Utah Code Annotated 1953, as amended (the “Act”), that on August 24, 2022, the Board of Directors (the “Board”) of Heber Light & Power Company (the “Issuer”), adopted a resolution (the “Resolution”) in which it authorized the issuance of the Issuer’s Electric Revenue Bonds, Series 2023 (the “Series 2023 Bonds”) (to be issued in one or more series and with such other series or title designation(s) as may be determined by the Issuer) and called a public hearing to receive input from the public with respect to (a) the issuance of the Series 2023 Bonds and (b) any potential economic impact that the Project described herein to be financed with the proceeds of the Series 2023 Bonds may have on the private sector.

TIME, PLACE AND LOCATION OF PUBLIC HEARING

The Issuer shall hold a public hearing on September 28, 2022, at the hour of 6:00 p.m. at the Heber Light & Power Company boardroom, located at 31 South 100 West, Heber City, Utah. The purpose of the hearing is to receive input from the public with respect to (a) the issuance of the Series 2023 Bonds, and (b) any potential economic impact that the Project to be financed with the proceeds of the Series 2023 Bonds may have on the private sector. All members of the public are invited to attend and participate.

PURPOSE FOR ISSUING THE SERIES 2023 BONDS

The Series 2023 Bonds will be issued for the purpose of (a) financing the construction of capital improvements, including the completion of the South Fields Substation, land purchase for an East substation, an administrative office building and shop, as well as other needed system improvements and related improvements (collectively, the “Project”), (b) funding a deposit to a debt service reserve account, if necessary, and (c) paying costs of issuance of the Series 2023 Bonds.

PARAMETERS OF THE SERIES 2023 BONDS

The Issuer intends to issue the Series 2023 Bonds in the aggregate principal amount of not more than Twenty-Nine Million Five Hundred Thousand Dollars (\$29,500,000), to mature in not more than twenty-six (26) years from their date or dates, to be sold at a price not less than ninety-eight percent (98%) of the total principal amount thereof and bearing interest at a rate or rates not to exceed five and one-half percent (5.50%) per annum. The Series 2023 Bonds are to be issued and sold by the Issuer pursuant to the Resolution, including as part of said Resolution, a Trust Indenture and a Supplemental Indenture of Trust (together, the “Indenture”) which were before the Board at the time of the adoption of the Resolution and said Indenture is to be executed by the Issuer in such form and with such changes thereto as shall be approved by the Issuer; provided that the principal amount, interest rate or rates, maturity, and discount of the Series 2023 Bonds will not exceed the maximums set forth above. The Issuer reserves the right to not issue the Series 2023 Bonds for any reason and at any time up to the issuance of the Series 2023 Bonds.

REVENUES PROPOSED TO BE PLEDGED

The Series 2023 Bonds are special limited obligations of the Issuer payable from the net revenues of the Issuer's Electric System (the "System").

OUTSTANDING BONDS SECURED BY REVENUES

The Issuer currently has outstanding parity bonds of \$18,695,000 secured by the net revenues of the System.

OTHER OUTSTANDING BONDS OF THE ISSUER

Additional information regarding the Issuer's outstanding bonds may be found in the Issuer's annual financial report (the "Financial Report") at: <https://reporting.auditor.utah.gov/searchreports/s/>. For additional information, including any information more recent than as of the date of the Financial Report, please contact Bart Miller, Chief Financial Officer, (435) 654-1581.

TOTAL ESTIMATED COST OF BONDS

Based on the Issuer's current plan of finance and a current estimate of interest rates, the total principal and interest rate cost of the Series 2023 Bonds to be issued under the Act to finance the Project, if held until maturity, is \$54,484,000.

A copy of the Resolution and the Indenture are on file in the office of Heber Light & Power Company, 31 South 100 West, Heber City, Utah, where they may be examined during regular business hours of the Issuer from 8:00 a.m. to 5:00 p.m. Monday through Friday for a period of at least thirty (30) days from and after the date of publication of this notice.

NOTICE IS FURTHER GIVEN that a period of thirty (30) days from and after the date of the publication of this notice is provided by law during which any person in interest shall have the right to contest the legality of the Resolution, the Indenture (as it pertains to the Series 2023 Bonds), or the Series 2023 Bonds, or any provision made for the security and payment of the Series 2023 Bonds, and that after such time, no one shall have any cause of action to contest the regularity, formality, or legality thereof for any cause whatsoever.

DATED this August 24, 2022.

/s/Karly Schindler
Board Secretary

Section 4. The Issuer hereby reserves the right to opt not to issue the Series 2023 Bonds for any reason.

Section 5. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed and this Resolution shall be in full force and effect immediately upon its approval and adoption.

Section 6. The Issuer hereby declares its intention and reasonable expectation to use proceeds of tax-exempt bonds to reimburse itself for initial expenditures for costs of the Series 2023 Project. The Series 2023 Bonds are to be issued, and the reimbursements made, by the later of 18-months after the payment of the costs or after the Series 2023 Project is placed in service, but in any event, no later than three years after the date the original expenditure was paid. The maximum principal amount of the Series 2023 Bonds which will be issued to finance the reimbursed costs of the Series 2023 Project is not expected to exceed \$29,500,000.

APPROVED AND ADOPTED this August 24, 2022.

By: Hedie Franco
Chair

ATTEST:

By: Kathy Schindler
Board Secretary