



**MURRAY**  
CITY COUNCIL

**Council Meeting  
December 3, 2024**



# Murray City Municipal Council

## City Council Meeting Notice

### December 3, 2024

**PUBLIC NOTICE IS HEREBY GIVEN** that the Murray City Municipal Council will hold a City Council meeting beginning at 6:30 p.m. on Tuesday, December 3, 2024 in the Murray City Council Chambers located at Murray City Hall, 10 East 4800 South, Murray, Utah.

The public may view the Council Meeting via the live stream at [www.murraycitylive.com](http://www.murraycitylive.com) or <https://www.facebook.com/Murraycityutah/>.

#### Meeting Agenda

**6:30 p.m.**      **Council Meeting** – Council Chambers  
Adam Hock conducting.

#### **Opening Ceremonies**

Call to Order  
Pledge of Allegiance

#### **Approval of Minutes**

Council Meeting – November 12, 2024

#### **Special Recognition**

1. Recognition of Station 81 Crew and Rick Johansen. Travis Bodtcher presenting.

#### **Citizen Comments**

Comments will be limited to three minutes, step to the microphone, state your name and city of residence, and fill out the required form.

#### **Consent Agenda**

Mayor Hales presenting.

1. Consider confirmation of the Mayor's appointment of Aaron Hildreth to the Planning Commission for a term beginning January 2025 through January 2028.
2. Consider confirmation of the Mayor's appointment of Traci Black to the Arts Advisory Board for a term beginning January 2025 through January 2028.
3. Consider confirmation of the Mayor's reappointment of Blair Lyon to the Arts Advisory Board for a term beginning January 2025 through January 2027.
4. Consider confirmation of the Mayor's reappointment of Pace Gardner to the Arts Advisory Board for a term beginning January 2025 through January 2027.

#### **Public Hearings**

Staff, sponsor presentations and public comment will be given prior to Council action on the following matters.

1. Consider a resolution approving the 2024 Murray City Water Conservation Plan. Aaron Frisk and

Andrew McKinnon presenting.

2. Consider an ordinance enacting Section 17.76.190 of the Murray City Municipal Code relating to residential short-term rentals and amending Sections 17.76.020 and 17.84.060 of the Murray City Municipal Code relating to the determination of permitted and conditional uses. Zachary Smallwood presenting.
3. Consider an ordinance amending Sections 12.28.030 and 12.28.040 of the Murray City Municipal Code related to Golf Course fees. Kim Sorensen presenting.
4. Consider an ordinance annexing real property located between approximately Van Winkle Expressway to 900 East and 4800 South to the Boundary of Murray City at 4840-4890 South. Brooke Smith and G.L. Critchfield presenting.

### **Business Items**

1. Consider a resolution providing advice and consent to the Mayor's appointment of Chad Wilkinson as the City's Community and Economic Development Department Director. Mayor Hales presenting.
2. Consider a resolution approving the execution of a Memorandum of Understanding between the Central Valley Water Reclamation Facility ("CVWRF") and the City regarding their respective ownership and maintenance responsibilities. Ben Ford presenting.
3. Consider a resolution approving and authorizing execution of an amendment to an Interlocal Cooperation Agreement between Murray City Corporation and Salt Lake County for a contribution of TRCC Funds to assist in financing the restoration of the Murry Theater. Kim Sorensen presenting.
4. Consider a resolution approving and authorizing execution of an amendment to an Interlocal Cooperation Agreement between Murray City Corporation and Salt Lake County for a contribution of TRCC Funds to assist funding construction of Riverview Park improvements. Kim Sorensen presenting.
5. Consider a resolution authorizing and approving the Power County Power Project Power Sales Contract with Utah Associated Municipal Power Systems; and related matters. Greg Bellon presenting.
6. Consider a resolution authorizing and approving the Millard County Power Project Power Sales Contract with Utah Associated Municipal Power Systems; and related matters. Greg Bellon presenting.

### **Mayor's Report and Questions**

### **Adjournment**

### **NOTICE**

Supporting materials are available for inspection on the Murray City website at [www.murray.utah.gov](http://www.murray.utah.gov).

Special accommodations for the hearing or visually impaired will be made upon a request to the office of the Murray City Recorder (801-264-2663). We would appreciate notification two working days prior to the meeting. TTY is Relay Utah at #711.

Council Members may participate in the meeting via telephonic communication. If a Council Member does participate via telephonic communication, the Council Member will be on speaker phone. The speaker phone will be amplified so that the other Council Members and all other persons present in the Council Chambers will be able to hear all discussions.

On Tuesday, November 26, 2024, at 9:00 a.m., a copy of the foregoing notice was posted in conspicuous view in the front foyer of the Murray City Center, Murray, Utah. Copies of this notice were provided for the news media in the Office of the City Recorder. A copy of this notice was posted on Murray City's internet website [www.murray.utah.gov](http://www.murray.utah.gov), and the state noticing website at <http://pmn.utah.gov>.



Jennifer Kennedy  
Council Executive Director  
Murray City Municipal Council



**MURRAY**  
CITY COUNCIL

# Call to Order

# Pledge of Allegiance



MURRAY  
CITY COUNCIL

# Council Meeting Minutes

## MURRAY CITY MUNICIPAL COUNCIL

### COUNCIL MEETING

Minutes of Tuesday, November 12, 2024

Murray City Hall, 10 East 4800 South, Council Chambers, Murray, Utah 84107

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#### Attendance:

##### Council Members:

Paul Pickett	District #1
Pam Cotter	District #2 – Council Chair
Rosalba Dominguez	District #3
Diane Turner	District #4
Adam Hock	District #5 – Council Vice-Chair

##### Others:

Brett Hales	Mayor	Jennifer Kennedy	City Council Executive Director
Brooke Smith	City Recorder	Pattie Johnson	Council Administration
G.L. Critchfield	City Attorney	Brenda Moore	Finance Director
Rob White	IT Director	Phil Markham	CED Director
Kim Sorensen	Parks & Recreation Director	Craig Burnett	Police Chief
David Rodgers	Senior Planner	Kathy White	Murray Chamber of Commerce
Sheri VanBibber	Murray Exchange Club	Joey Mittelman	Fire Chief
Zac Smallwood	Planning Manager	Ben Gray	IT
Citizens & Guests			

**Call to Order:** 6:30 p.m. – Council Member Turner

**Approval of Minutes:** Council Meeting, October 1, 2024 and Council Meeting, October 15, 2024.

**MOTION:** Mr. Hock moved to approve both sets of minutes, and Ms. Dominguez SECONDED the motion. Voice vote taken, all “Ayes.” Approved 5-0

#### Citizen Comments:

Sheri Van Bibber – Murray Resident

Ms. Van Bibber thanked everyone for their help with the Haunted Woods event held in Murray Park last month. She said approximately 7,500 people attended over three nights and the cost was \$5 per person. She noted this year marked the 50<sup>th</sup> anniversary of the event.

#### Public Hearings:

- An ordinance amending Sections 17.64.020 and 17.64.090 of the Murray City Municipal Code relating to residential fencing regulations and setbacks and fencing between residential and non-residential zoning districts.** Planning Manager Zac Smallwood said the request would clarify some residential fencing codes in the zoning ordinance. It would also allow for additional height in residential zones when a residential property is abutting a non-residential property. He shared findings to confirm why staff supported the request and reported that the Planning Commission also recommended approval to the City Council.

The public hearing was open for public comments. No comments were given, and the public hearing was closed.

**MOTION:** Mr. Hock moved to approve the ordinance. Ms. Cotter SECONDED the motion.

#### Council Roll Call Vote:

Mr. Hock	Aye
Mr. Pickett	Aye

Ms. Cotter Aye  
Ms. Dominguez Aye  
Ms. Turner Aye  
Motion passed: 5-0

**Business Items:**

- **A resolution approving an Interlocal Cooperation Agreement between the City and Salt Lake County for receipt by the City of Tier II Zoo, Arts, and Parks Funds.** Parks and Recreation Director Kim Sorensen requested approval of an Interlocal Agreement with Salt Lake County that would allow Murray City to receive grant funding in the amount of \$100,000. Mr. Sorensen said funding would be used for cultural arts programs.

**MOTION:** Ms. Dominguez moved to approve the resolution. Mr. Pickett SECONDED the motion.

**Council Roll Call Vote:**

Mr. Hock Aye  
Mr. Pickett Aye  
Ms. Cotter Aye  
Ms. Dominguez Aye  
Ms. Turner Aye  
Motion passed: 5-0

- **A resolution adopting the regular meeting schedule of the Murray City Municipal Council for calendar year 2025.** City Council Executive Director Jennifer Kennedy presented the proposed City Council meeting schedule for 2025.

**MOTION:** Ms. Dominguez moved to approve the resolution. Mr. Hock SECONDED the motion.

**Council Roll Call Vote:**

Mr. Hock Aye  
Mr. Pickett Aye  
Ms. Cotter Nay  
Ms. Dominguez Aye  
Ms. Turner Aye  
Motion Passed: 4-1

**Mayor's Report and Questions:** Mayor Hales reminded citizens to not park cars in the street this winter or place snow removed from driveways and sidewalks into roadways. He invited Council Members to attend an upcoming volunteer banquet and confirmed that the Christmas Tree Lighting would be held on December 7, 2024 at 6:00 p.m.

**Adjournment:** 6:49 p.m.

**Pattie Johnson**  
**Council Office Administrator III**



**MURRAY**  
CITY COUNCIL

# Special Recognition



**MURRAY**

# Murray City Fire Department

## Life-Saving Recognition

### Council Action Request

#### Council Meeting

Meeting Date: December 3, 2024

<b>Department Director</b> Joey Mittelman	<b>Purpose of Proposal</b> Life-saving recognition
<b>Phone #</b> 801-111-2222	<b>Action Requested</b> Recognition of crew and citizen
<b>Presenters</b> Travis Bodtcher	<b>Attachments</b> None
<b>Required Time for Presentation</b> 10 Minutes	<b>Budget Impact</b> \$0
<b>Is This Time Sensitive</b> No	<b>Description of this Item</b> Incident Details: Station 81 was dispatched to a seizure patient at Lowe's on 4500 S. While enroute, the call was updated to a full arrest. Additional details informed us that an off-duty firefighter was already on scene performing CPR.  The firefighter, Rick Johansen, administered three rounds of CPR and utilized the AED at Lowe's, delivering two defibrillations. When our crews arrived, Rick was completing his final chest compressions before a pulse check, at which point they found the patient had regained a pulse.
<b>Mayor's Approval</b> 	
<b>Date</b> January 31, 2018	

## **Continued from Page 1:**

Our crew stabilized the patient's vitals, prepared him for transport, and transmitted a 12-lead ECG to the hospital, enabling the Cath lab team to begin preparations. The patient ultimately received at least one stent to restore oxygenated blood flow to the blocked section of his heart and is expected to survive with minimal to no deficits following his stay at IMC.

It is without question that Rick's training, quick thinking, and willingness to act were instrumental in the patient's survival.



**MURRAY**  
CITY COUNCIL

# Citizen Comments

Limited to three minutes, unless otherwise approved by Council



**MURRAY**  
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# Consent Agenda



**MURRAY**

# **Mayor's Office**

## **Appointment - Aaron Hildreth to the Planning Commission.**

### **Council Action Request**

#### **Council Meeting**

Meeting Date: December 3, 2024

<b>Department Director</b> Phil Markham	<b>Purpose of Proposal</b> Appointment of Planning Commission member.
<b>Phone #</b> 801-264-2619	<b>Action Requested</b> Consider confirmation of the Mayor's appointment of Aaron Hildreth to the Planning Commission.
<b>Presenters</b> Mayor Hales	<b>Attachments</b> Resume
<b>Required Time for Presentation</b>	<b>Budget Impact</b> None
<b>Is This Time Sensitive</b> Yes	<b>Description of this Item</b> Aaron Hildreth will be appointed to the Planning Commission from January 16, 2025 - January 21, 2028. He will be replacing Michael Henrie representing District 2.
<b>Mayor's Approval</b> 	
<b>Date</b> November 19, 2024	

# AARON HILDRETH

## OPERATIONS

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MAYOR HALES,

I would be delighted to be considered for an appointment to Murray's Planning Commission. I have lived in Murray for 10 years and am an owner/operator of Intellipop Internet Services, a company I founded 12 years ago with customers across Utah including Murray. With my education in government and private sector experience, I could bring a unique perspective to the planning commission.

My relevant work includes negotiating a public-private partnership with Santaquin, UT to build network infrastructure to city property and collaborating with Lehi, UT to sell services on a municipally owned fiber network that services all residents. I am supportive of the block one proposals for State Street and appreciate the work that goes into planning and executing large scale public-private partnerships.

I would be honored to serve and I am fully dedicated to making sure Murray navigates its future growth while preserving the quality of life in our community.

SINCERELY,



AARON HILDRETH

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# AARON HILDRETH

## OPERATIONS

### CONTACT



<https://linkedin.com/in/aaronhildreth/>



### SKILLS

Strategic Planning & Market Expansion

Municipal Partnerships & Infrastructure Development

Team Leadership & Operational Management

Customer Experience & Community Engagement

### EDUCATION

**B.S. Political Science**

**University of Utah**

Graduated 2010

Minors in Ethics and Campaign Management

Served Internships at U.S District Court and United States House of Representatives

### Publications

The Iranian Threat: Public Perception Vs. Reality

Hinckley Institute Journal of Politics · May 15, 2010

### ASSOCIATIONS

Utah Broadband Advisory Council  
Fiber Broadband Association  
Wireless Internet Service Provider Association

### PROFILE

I am a Founding Member of Intellipop, LLC, a fiber and wireless internet service provider headquartered in Utah. Our mission is to offer internet service that prioritizes customer experience while continually pushing for faster, more reliable broadband services. My work focuses on operations, marketing, branding and expanding our client base into new markets and opportunities.

### WORK EXPERIENCE

#### Chief Operating Officer / Chief Revenue Officer

Intellipop Internet Services

2012 - Present

- Lead day-to-day operations, overseeing marketing, customer experience, and team building.
- Developed partnerships with municipalities to secure access to critical infrastructure such as tower sites, enhancing community broadband coverage and ensuring redundancy for city networks.
- Expanded Intellipop's market presence to over 35 cities across Utah and 7 states, involving strategic planning and market analysis.
- Grew annual revenue to over \$4M by driving market penetration, customer acquisition, and sustained customer retention strategies.
- Built and managed a team of 12 employees, coordinating Customer Support, Marketing, and Field Operations to maintain operational excellence.
- Spearheaded digital and print marketing initiatives, boosting brand awareness and engaging local communities in new service areas.
- Ensured high customer retention through exceptional service quality and proactive customer follow-ups.
- Represented the company as a Brand Ambassador at local events, fairs, and community engagements and spoken on industry panels across the U.S.

#### Relevant Experience

U.S. House of Representatives – [Summer 2009]

- Conducted research on public policy issues, with a focus on infrastructure, community development, and local government needs.
- Assisted in constituent services, helping address local concerns and liaising between the public and federal offices.
- Supported communication efforts, including drafting memos and preparing briefings for elected officials, enhancing understanding of community priorities.

U.S. District Court – [Spring 2010]

- Gained exposure to legal processes and governmental regulations, including land use, zoning laws, and community planning cases.
- Assisted with general court documentation, providing a deeper understanding of legal frameworks in the Federal Government
- Observed and supported court proceedings related to civil and criminal cases, particularly those involving tax and land disputes.



**MURRAY**

# Mayor's Office

## Appointment - Traci Black to the Arts Advisory Board.

### Council Action Request

#### Council Meeting

Meeting Date: December 3, 2024

<b>Department Director</b> Phil Markham	<b>Purpose of Proposal</b> Appointment of board member member.
<b>Phone #</b> 801-264-2619	<b>Action Requested</b> Consider confirmation of the Mayor's appointment of Traci Black to the Arts Advisory Board.
<b>Presenters</b> Mayor Hales	<b>Attachments</b> Resume
<b>Required Time for Presentation</b>	<b>Budget Impact</b> None
<b>Is This Time Sensitive</b> Yes	<b>Description of this Item</b> Traci Black will be appointed to the Arts Advisory Board from January 2025 - January 2028. She will replace Peter Klinge.
<b>Mayor's Approval</b> 	
<b>Date</b> November 19, 2024	

# TRACI BLACK

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## OBJECTIVE

Serve on the Murray Arts Advisory Board and support continued quality art experiences in the Murray community.

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## EXPERIENCE

### **Murray Library Board President**

As a library board, our responsibilities included establishing the mission and vision for the library, determining governing policies, hiring and evaluating the library director of the, and overseeing the general management of the library. We also worked with Murray City leaders to pass a bond that will eventually allow a bigger library to be built.

### **PTA President- Murray High School and Riverview Junior High**

I oversaw the PTA activities and supported general school activities, supervised the distribution of finances, offered teacher support on many levels, gave student support and leadership assistance, and helped with book clubs, school arts, created a school-wide art project at Riverview, and helped with the Arts Fair. I also was the producer for the Riverview Junior High Spring Musical for nine years.

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## SERVICE

### **Murray Arts**

Events I help with include the art show at the Fashion Place Mall, ushering and tickets for the summer shows, and I presented when they did the 3<sup>rd</sup> grade field trips to the Murray Cemetery.

### **Thanksgiving Point Volunteer Advisory Board**

In various areas, I have volunteered at Thanksgiving Point for nine years and am currently serving on the Volunteer Advisory Board. I serve at events, in the gardens, and with their fund-raising events and I am a liaison from the volunteers to the staff.

### **Timpanogos Storytelling Festival Volunteer Coordinator**

I am the volunteer coordinator for the annual festival. There are over 350 positions that need filled and I arrange the spots and recruit for volunteers.

### **Taylorsville Arts Council Production Assistant**

Taylorsville has a youth production and for the last eight years I have served as a production assistant, focusing on communication and cast support.

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## EMPLOYMENT

### **This is the Place Heritage Park**

As a family, we volunteered at This is the Place Heritage Park for six years. I am now a park employee and teach children on field trips as well as working in the heritage homes demonstrating pioneer skills.



**MURRAY**

**Council Action Request**

# **Mayor's Office**

## **Reappointment - Blair Lyon to the Arts Advisory Board.**

### **Council Meeting**

Meeting Date: December 3, 2024

<b>Department Director</b> Kim Sorenson	<b>Purpose of Proposal</b> Reappointment of Arts Advisory Board member.
<b>Phone #</b> 801-264-2619	<b>Action Requested</b> Consider confirmation of the Mayor's reappointment of Blair Lyon to the Arts Advisory Board.
<b>Presenters</b> Mayor Hales	<b>Attachments</b> Resume
<b>Required Time for Presentation</b>	<b>Budget Impact</b> None
<b>Is This Time Sensitive</b> Yes	<b>Description of this Item</b> Blair Lyon will be reappointed to the Arts Advisory Board from January 2025 - January 2027.
<b>Mayor's Approval</b> 	
<b>Date</b> November 19, 2024	

# **Blair Lyon**

## **BACKGROUND SUMMARY**

I grew up in a very musical family. My mother played the piano, and danced in what later became Ballet West; my father was a Music professor and composer. We performed on our violins regularly in the community growing up, and in Jr. High and High School I was very involved in many choral and vocal groups. In college I played in Jazz and Dance bands, as well as in the Symphony Orchestras, as well as acting in a few theatrical productions. In Murray I was in the casts of “Beauty and the Beast” (2009) and “The Twelve Dancing Princesses” (as seen on the Murray Arts website). I feel compelled to disclose that I have, by request, played in the “pit orchestras” for a few musicals in Taylorsville, Utah.

## **EXPERIENCE & EDUCATION**

Elementary Music Educator, Salt Lake City School District - Aug. 1989-Jun.2022

K-12 Music Educator, Eureka (NV) School District - Aug. 1987-June 1988

Master of Arts: Music Education, Western Illinois University, Aug. 1995

Bachelor of Arts: Music Education, Utah State University, June 1986

- Spanish Teaching Minor, USU 1986 (USBE endorsement)



**MURRAY**

# Mayor's Office

## Reappointment - Pace Gardner to the Arts Advisory Board.

### Council Action Request

#### Council Meeting

Meeting Date: December 3, 2024

<b>Department Director</b> Kim Sorenson	<b>Purpose of Proposal</b> Reappointment of Arts Advisory Board member.
<b>Phone #</b> 801-264-2619	<b>Action Requested</b> Consider confirmation of the Mayor's reappointment of Pace Gardner to the Arts Advisory Board.
<b>Presenters</b> Mayor Hales	<b>Attachments</b> Resume
<b>Required Time for Presentation</b>	<b>Budget Impact</b> None
<b>Is This Time Sensitive</b> Yes	<b>Description of this Item</b> Pace Gardner will be reappointed to the Arts Advisory Board from January 2025 - January 2027.
<b>Mayor's Approval</b> 	
<b>Date</b> November 19, 2024	

# PACE GARDNER

Murray, UT 84107

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## CERTIFICATIONS

**Secondary Education (6-12) English Endorsement** MAY 19

**Level 2**

The Utah State Board of Education

License valid May 2019-June 2024

**Educational Technology Certificate** SEPT. 17

**Level 1**

Canyons School District in partnership with

the Utah State Board of Education

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## EDUCATION

**Master of Fine Arts, Creative Writing** MAY 11

Chapman University, Orange, CA

Department of English

Emphasis: Short Fiction

Thesis: *Ten Paces*

Committee: James Blaylock, M.A, (Committee Chair); Mark Axelrod, Ph.D.

My thesis, *Ten Paces*, is a collection of ten works of short fiction. While several of the pieces would appear to be influenced by the minimalist movement, the true scope of the collection is meant to be far more diverse and much less formulaic. The stories run the gamut from strict realism to post modern deconstructionism. The stories are also arranged chronically in order of completion, from the work that accompanied my admission application to the Chapman University Writing Program to the final piece of writing I completed during my graduate studies. The rationale behind this decision was intended in a meta-fictional context; the synchronic effect of each piece (study of an event at a given time) is heightened by the diachronic survey of the work's arrangement (study of an event over time). My thesis is ten, chronologically arranged stories tracking my development as a fiction writer during an extremely formative stage of thought and work.

**Master of Arts, English**

MAY 11

Chapman University, Orange, CA

Department of English

Areas of emphasis within coursework: Literary Theory and Critical Practice 1920-Present, Twentieth Century Modernism, Teaching Composition, African American Transitional Studies, Problems in Literary Analysis, Film/Literary Studies, Asian American Diaspora.

**Bachelor of Arts, English**

MAY 06

University of Utah, Salt Lake City, UT

Department of English

Areas of emphasis within coursework: Comparative Literature, Creative Writing Theory and Practice, African American Literary Analysis, Twentieth Century American Post Modernism.

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**EXPERIENCE****Language Arts Instructor**

AUG 17-PRESENT

English Department

Brighton High School

Cottonwood Heights, UT

A member of the Canyons School District, Brighton High School is a 5A classification public school serving grades 9-12. Tailored curriculum to follow vertically aligned language arts courses. Advanced through the Canyons Teacher Effectiveness Support System (CTESS) certification process; participated with English 9, English 12, and Concurrent Enrollment Professional Learning Communities (PLCs); participated on Response to Intervention (RTI) teams to identify struggling students and use Multi-Tiered System of Supports (MTSS) to help tailor instruction to their particular needs.

Appointed 12<sup>th</sup> grade PLC team lead 2019-2020; became National Honor Society head advisor 2020-2021; joined Brighton School and Community Council (SCC) 2021-2022; named co-editor of *Runes*, Brighton High's literary magazine 2019-2020, and produced first online edition of *Runes* 2020-2021. Since 2018-2019, have served as Canyons School District Living Leader representative at Brighton: disseminated health updates from the district and organized healthy living activities for faculty and staff. Received grants for wellness programs each year as a Living Leader. Have functioned as a mentor teacher for student teachers from Utah State University, Iowa State University, Westminster College, and West Governor's University.

*Courses presented:*

2022-2023: Concurrent Enrollment 1010/2010, English 12a/b

2021-2022: Concurrent Enrollment 1010/2020, English 12a/b, Creative Writing I/II

2020-2021: Concurrent Enrollment 1010/2010, English 12a/b, Creative Writing II, English 9a

2019-2020: Concurrent Enrollment 1010/2010, Creative Writing II

2018-2019: Concurrent Enrollment 1010/2010, English 9a/b, English 9a/b Honors

2017-2018: Concurrent Enrollment 1010, English 9a/b, English 9a/b Honors

**Language Arts Instructor**

AUG 14-AUG 17

English Department

Summit Academy High School

Bluffdale, UT

Summit Academy is a public charter high school with a dedicated college preparatory focus offering instruction for roughly 500 students in grades 9-12. As such, closely followed institutional guidelines for vertical alignment of curriculum to present a slate of language arts classes with a clear focus on college-level rigor. Drawing on knowledge of required skills for success at the college level, presented appropriate strategies for both skills acquisition (parts of speech and grammar) and writing proficiency (research methods, argument focus, writing across curriculum, etc.).

Became Advanced Placement (AP) certified for the Language & Composition exam for 2015-2016 school year. Students obtained a 77% pass rate (national average pass rate is 60%). Also became Concurrent Enrollment (CE) certified for ENGL 1010 through Salt Lake Community College for 2015-2016 school year. Renewed original CE endorsement for 2016-2017 school year as well as became certified to teach Concurrent Enrollment ENGL 2010 for 2016-2017 school year. Courses focused on awareness of rhetorical contexts, integrating multiple literacies, and civic awareness/engagement.

Founded, compiled, and produced Summit Academy's only dedicated artistic publication, *APEX*. *APEX* is a compendium of short fiction, poetry, and visual works created by SAHS students, and the publication has featured multiple pieces of award-winning fiction. As the only formal creative outlet for writers and artists at Summit Academy, *APEX* became a space to recognize often-underrepresented students and showcase their unique voices, talents, and works.

*Courses presented:*

2016-2017: Study Skills, English 10, English 12 Fundamental, English 12, Concurrent Enrollment 1010 & 2010, Advanced Placement Language & Rhetoric

2015-2016: English 10 Fundamental, English 10, English 10 Honors, English 12 Fundamental, English 12, Concurrent Enrollment English 1010, Advanced Placement Language & Rhetoric, Creative Writing

2014-2015: English 9, English 10 Fundamental, English 10, English 10 Honors, English 11, Creative Writing

**Faculty Lecturer**

AUG 12-JUNE 14

Department of Basic Composition &amp; ESL

Utah Valley University

Orem, UT

Lead students through five-credit writing class focused on improving numerous aspects of student writing performance. The class maintained an emphasis on a social constructivist approach to writing, including a heavy emphasis on an awareness of understanding and adapting to the rhetorical situation. The class incorporated a weekly computer lab session, which was used to help to reinforce elements of multimodal learning. In addition to teaching

face-to-face sections, participated in a pilot hybrid class program; during this pilot program, online course content was augmented with twice weekly class meetings. Assisted in the progress of the hybrid classes, including helping to facilitate development of course content. In both face-to-face and hybrid sections, course curriculum was varied; genre-based and project-based approaches were presented.

Also, developed a first-year experience course titled “You + UVU,” highlighting student place, position and relationship to Utah Valley University through campus-based readings and writing prompts. This particular section focus was meant to reinforce the first-year experience in freshmen students, and, by association, aid in freshman retention. This course model was further developed by multiple entities in the Department of Basic Composition and has, because of continued success, now become the standard curriculum for all English 0890 sections.

As a full-time faculty member, participated in all departmental events, meetings and in-service work. Also participated in and completed multiple training modules: Safe Hire Training, EEO Laws and Discrimination Prevention for Higher Education, Sexual Harassment Prevention for Non-Supervisory Faculty.

<b>Adjunct Instructor</b> Department of English Salt Lake Community College Salt Lake City, UT Taught multiple sections of English 1010 (in both full 16 week and compressed 8-week formats). Worked extensively to integrate current research approaches and online survey into all aspects of course curriculum. Because of the disparate level of students' technological, literary, and grammatical knowledge, worked to create proficiencies in those areas by reimagining standard introductory writing topics—narrative, rhetorical analysis, research—in new and creative ways. Class focused on writing topics and activities ranging from blog posts to the creation of electronic writing portfolios.	AUG 11-AUG 12
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<b>Adjunct Instructor</b> Department of Basic Composition & ESL Utah Valley University Orem, UT Designed and presented a foundational writing course to students with varied academic backgrounds and capabilities. The introductory course expanded upon standard writing courses in significant ways; the course was five credits and contained a five-day per week meeting schedule; incorporated a weekly computer lab day, and the students worked independently once per week through an online class meeting schedule. This expansion obligated the creation of a dynamic skill set from both instructor and students to succeed with classroom and online activities.	AUG 11-AUG 12
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**English/Writing Tutor**

SEPT 08- MAY 11

Cypress College Learning Resource Center

Cypress Community College

Cypress, CA

In addition to conducting one-on-one tutoring sessions with writing students, worked with English Department instructors to create and present to their classes a weekly, subject-specific schedule of workshops. Workshop topics included mechanics of language (compound and complex sentences, dependent clauses) as well as style and structure topics (Rogerian, narrative, and research essay construction, direct/paraphrased quotations). During the period of final examinations each semester, worked as a dedicated tutor in special connection with disadvantaged and disabled students in the offices of the EOPS Program (Extended Opportunity Programs and Services) and the DSP&S Program (Disabled Students Program & Services).

**English/Writing Tutor**

MAY 09-MAY 10

Chapman University Writing Center

Chapman University

Orange, CA

Held half and hour-long appointment sessions with Chapman undergraduate and graduate students. Dealt with higher order language concerns such as authorial tone, problems in logic, and argumentative progression. Also provided comprehensive essay feedback to student papers through the writing center's online tutoring program. Worked with center director to produce study materials for an original workbook compilation published through the Chapman University Writing Center.

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**PUBLICATIONS****Editor**

2020-2021     *Runes*. Brighton High School Literary Magazine, Cottonwood Heights, UT.  
2016-2017     *APEX*. Summit Academy High School Literary Magazine, Bluffdale, UT.  
2015-2016     *APEX*. Summit Academy High School Literary Magazine, Bluffdale, UT.

**Thesis**

2011            *Ten Paces*. Chapman University Press, Chapman University, Orange, CA.

**Fiction**

2010            "First Step." *Elephant Tree*, literary magazine, Chapman University Press, Chapman University, Orange, CA.

2007            "The Watchman." *Two Old Guys from Brooklyn*, fiction anthology, Salt Lake Community Writing Center, Salt Lake City, UT.

2007            "Nine Ball." *So They Said*, fiction anthology, Salt Lake Community Writing Center, Salt Lake City, UT.

2006 "Untitled." *Enormous Rooms*, literary magazine, University of Utah Press, University of Utah, Salt Lake City, UT.

### **Journalism**

2007-2008 Weekly on-site and feature sports articles, high school preparatory sports beat, "Up Close" community sections of *The Salt Lake Tribune*, Salt Lake City, UT.

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## PRESENTATIONS

### **Conference Presentations**

2018 "Let Your Writing Live: Integrating Technology into the Composition Classroom" Utah Coalition for Educational Technology (UCET) Conference. University of Utah, Salt Lake City, UT.

2015 "Active Learning in the Elementary & High School Classroom" Professional Development Conference. Co-presented with Amy Solum. Summit Academy Schools (K-12), Draper, UT.

2014 "There's More than One Way to Kill Two Birds with One Skinned Cat: Using University Focused Curriculum in the Composition Classroom to Improve Student Retention and the First Year Experience" Scholarship of Teaching & Engagement Conference (SoTE). The Faculty Center for Teaching Excellence. Utah Valley University, Orem, UT.

2013 "An Exploration of the (Dis)connect Between Pedagogy and Assessment" Southwest Association for Developmental Education (SWADE) Conference. Chapter of the National Association for Developmental Education (NADE). Co-presented with Michael Hilbert. Salt Lake Community College, West Jordan, UT.

2013 "Understanding the Interplay: An Examination of the Concealed Weapons Policy in Utah Public Schools and the Effects of that Policy on Students and the Community" Scholarship of Teaching & Engagement Conference (SoTE). The Faculty Center for Teaching Excellence. Utah Valley University, Orem, UT.

2013 "Playin' Together Nicely: An Exploration of the (Dis)connect Between Pedagogy and Assessment" Scholarship of Teaching & Engagement Conference (SoTE). Co-presented with Michael Hilbert. The Faculty Center for Teaching Excellence. Utah Valley University, Orem, UT.

2011 "Why Can't We Be Friends?: Frank Norris' Portrayal of Societal Norms and Power in Gilded Age Society" Sigma Tau Delta English Honors Society International Convention. Comparative Literature and Critical Theory Category. Pittsburgh, PA.

2011 "First Step" Sigma Tau Delta English Honors Society International Convention. Open Fiction Category. Pittsburgh, PA.

2010 "From Winesburg to Manila: Linh Dinh's Expansion of the Aesthetic of the Grotesque" Acacia Conference. Comparative Literature Category. California State University Fullerton, Fullerton, CA.

#### **Other Presentations**

2013 "Seizing Opportunities by Continuing Your College Education" English as a Second Language (ESL) graduation ceremony. Keynote address. University College, Utah Valley University. Orem, UT.

2010 "Bear-Hugging Marilyn" John Fowles Literary Forum. Fiction reading. Chapman University, Orange, CA.

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#### **AWARDS**

2016-2017 Teacher of the Year. Summit Academy High School. Bluffdale, UT.

2011 Second Place Award. "First Step." Open Fiction Category. Sigma Tau Delta English Honors Society International Conference. Pittsburgh, PA.

2006 Second Place Award. "Implied Inferiority: The Counterintuitive Effects of Affirmative Action." Comparative Literature Category. University of Utah Critical Writing Contest. Salt Lake City, UT.

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#### **GRANTS**

2022-2023 *Senior Capstone Project Grant*. Awarded by Brighton School and Community Council (SCC).  
*Living Leader Wellness Grant*. Awarded by Canyons School District.

2021-2022 *Creative Writing Grant*. Awarded by Brighton School and Community Council (SCC).  
*Senior Capstone Project Grant*. Awarded by School and Community Council (SCC).  
*Living Leader Wellness Grant*. Awarded by Canyons School District.

2020-2021    *Living Leader Wellness Grant*. Awarded by Canyons School District.  
2019-2020    *Living Leader Wellness Grant*. Awarded by Canyons School District.  
2018-2019    *Living Leader Wellness Grant*. Awarded by Canyons School District.

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#### PROFESSIONAL MEMBERSHIPS

National Council of Teachers of English  
Modern Language Association

Sigma Tau Delta English Honors Society



**MURRAY**  
CITY COUNCIL

# Public Hearings



**MURRAY**  
CITY COUNCIL

# Public Hearing #1



**MURRAY**

**Council Action Request**

**Murray City Public Works  
Water Division**

**Water Conservation Plan**

**Committee of the Whole & Council Meeting**

Meeting Date: December 3, 2024

<b>Department Director</b> Russ Kakala	<b>Purpose of Proposal</b>  Review our 2024 Water Conservation Plan for adoption. Plan needs to be updated and adopted every 5 years.
<b>Phone #</b> 801-270-2404	<b>Action Requested</b>  Discussion and Adoption
<b>Presenters</b> Aron Frisk Andrew McKinnon	<b>Attachments</b>  2024 Water Conservation Plan
<b>Required Time for Presentation</b> 40 Minutes	<b>Budget Impact</b>  No increase to budget expected
<b>Is This Time Sensitive</b> Yes	<b>Description of this Item</b>  This plan is a combination of strategies for reducing the consumption of water, reducing the loss or waste of water, improving, or maintaining the efficiency in the use of water.
<b>Mayor's Approval</b>   <b>Date</b> November 14, 2024	

# MURRAY CITY CORPORATION

## NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on the 3<sup>rd</sup> day of December 2024, at the hour of 6:30 p.m. of said day in the Council Chambers of Murray City Center, 10 East 4800 South, Murray, Utah, the Murray City Municipal Council will consider and intends to approve by resolution the 2024 Murray City Water Conservation Plan. A copy of the 2024 Murray City Water Conservation Plan will be available for public inspection on the City's public website and at the Murray City Public Works Department offices located at 4646 South 500 West, Murray, Utah 84123.

The purpose of this hearing is to receive public comment concerning the proposed approval of the 2024 Murray City Water Conservation Plan as described above.

DATED this 13<sup>th</sup> day of November 2024.



MURRAY CITY CORPORATION

A handwritten signature in black ink, appearing to read "Brooke Smith".

Brooke Smith  
City Recorder

DATE OF PUBLICATION: November 18, 2024  
PH24-45

### LOCATIONS OF POSTING – AT LEAST 14 DAYS BEFORE THE DATE OF THE PUBLIC HEARING

1. Utah Public Notice Website
2. Murray City Public Website
3. Posted at City Hall (Public location reasonably likely to be seen by residents)

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION APPROVING THE 2024 MURRAY CITY WATER CONSERVATION PLAN

WHEREAS, Murray City has prepared a 2024 Water Conservation Plan (“Conservation Plan”); and

WHEREAS, a copy of the Conservation Plan is available for public inspection on the City’s public website and at the Murray City Public Works Department, located at 4646 South 500 West, Murray, Utah; and

WHEREAS, the Council has reviewed the Conservation Plan and after considering the public input, the Council is prepared to approve and adopt the Conservation Plan.

NOW, THEREFORE, BE IT RESOLVED by the Murray City Municipal Council as follows:

1. It hereby adopts the 2024 Murray City Water Conservation Plan, a copy of which is attached.
2. The 2024 Murray City Water Conservation Plan shall be available for public inspection at the office of the Department of Public Services, 4646 South 500 West, Murray Utah.

DATED this 3<sup>rd</sup> day of December 2024

MURRAY CITY MUNICIPAL COUNCIL

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Pam Cotter, Chair

ATTEST:

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Brooke Smith, City Recorder

**ATTACHMENT**

2024 Murray City Water Conservation Plan



PREPARED FOR:

PREPARED BY:



# WATER CONSERVATION PLAN

OCTOBER 2024

PREPARED FOR:



PREPARED BY:



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### ABBREVIATIONS

AMI .....	Advanced Metering Infrastructure
AMR.....	Automated Meter Reading
DWRi.....	Division of Water Rights
GPCD .....	Gallons per Capita per Day
JVWCD .....	Jordan Valley Water Conservancy District
SLC .....	Salt Lake City
SLCPU .....	Salt Lake City Public Utilities

### UNIT CONVERSIONS

GALLONS = ACRE FEET  $\times$  325,850

ACRE-FEET = GALLONS  $\div$  325,850

MILLION GALLONS = ACRE-FEET  $\div$  3.069

ACRE-FEET = MILLION GALLONS  $\times$  3.069

GPCD = GALLONS  $\div$  DAYS OF USAGE  $\div$  POPULATION

## INTRODUCTION

Attitudes toward water supplies are changing. Water is no longer seen as a boundless resource, but as a valuable commodity that needs to be managed carefully. With this shift in attitude, conservation is becoming a larger part of water suppliers' plans to meet future water needs. Many water suppliers throughout the country have adopted conservation programs. Benefits of these programs include:

- Using existing water supplies more efficiently.
- Maximization of existing water conveyance, treatment, and distribution facilities.
- Delaying or deferring the expense of construction or capital improvement projects.
- Reducing the need for additional water supplies.

Murray City recognizes the benefits of conservation programs. The City recognizes that per capita use will be at higher levels without emphasis and a clear plan on conservation. It also recognizes that there are still many benefits of further conservation efforts. Since sustained water conservation efforts will be an important component in the City's plans for future water use, this report will evaluate the City's current conservation program and will discuss additional measures that will allow further conservation of water.

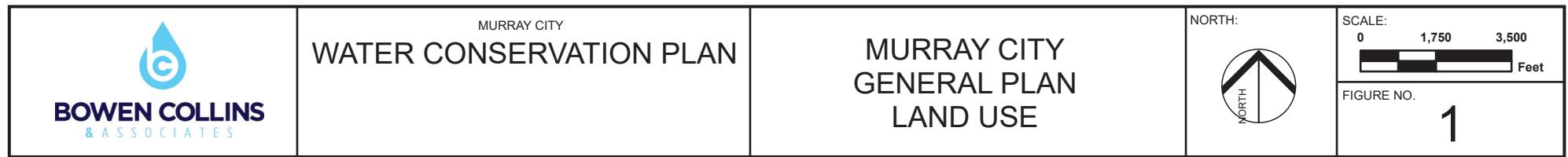
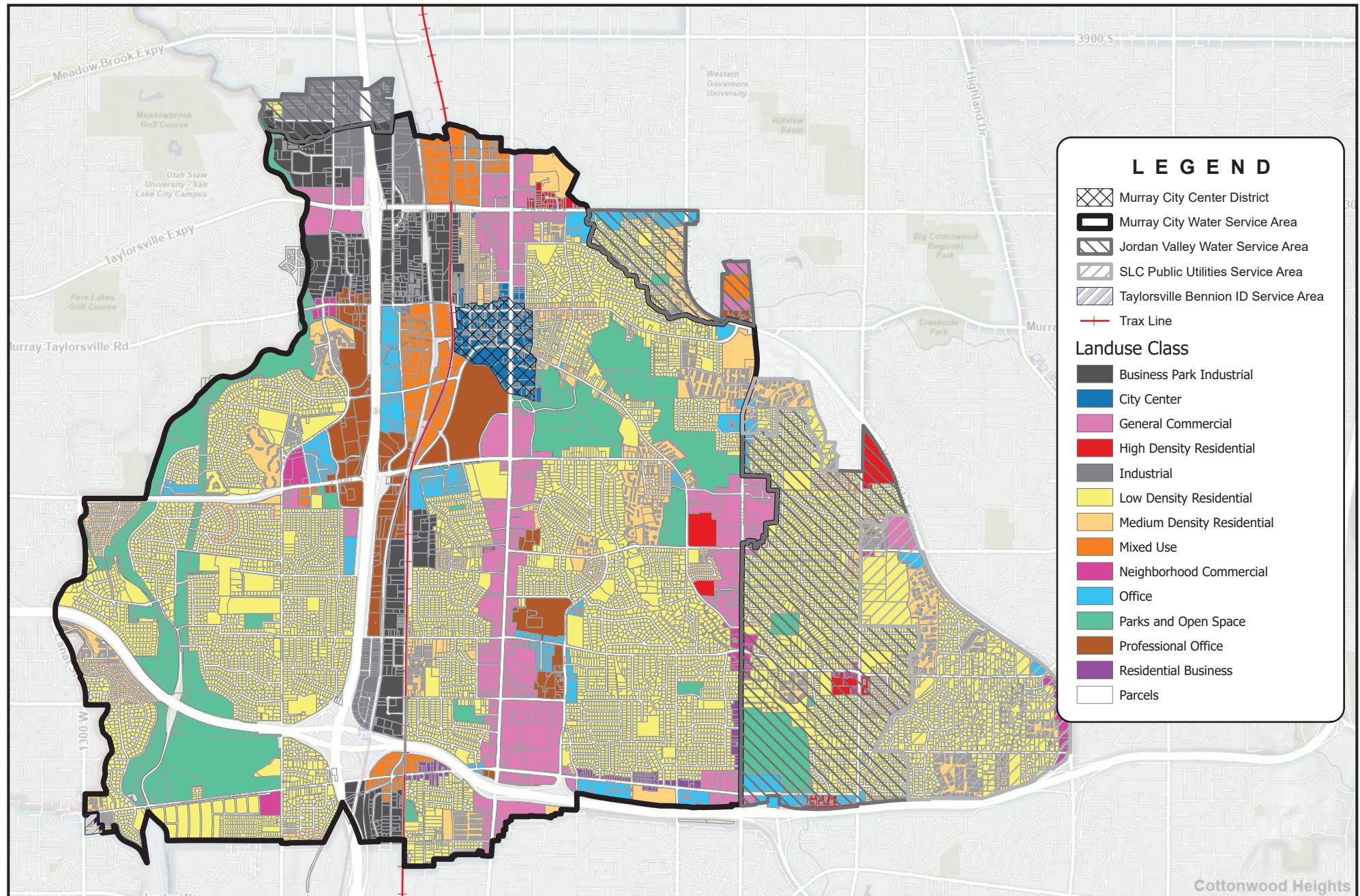
## SYSTEM PROFILE

### **Murray City Water System Service Area**

Murray City's corporate boundaries include an area larger than the City's water system service area. As a result, projecting water demands requires identifying the service area's population and population growth. Figure 1 shows the existing Murray City corporate boundary, water system service boundary, and the City's general plan for land use. The Murray City water system service area serves approximately 80 percent of the City area. The Jordan Valley Water Conservancy District (JVWCD) supplies approximately 13 percent of the City area while Salt Lake City Public Utilities (SLCPU) supplies the remaining 7 percent area. Taylorsville Bennion Improvement District serves an area less than 0.5 percent of the total Murray City area at the southwest portion of the City (near Winchester Dr and 1300 West). Murray City has no plans to expand its existing water service area to serve the Jordan Valley or Salt Lake water service areas in the future. Therefore, all future demand projections in this report are based on the population within the Murray City Water System Service Area.

### **Population**

Murray is in Salt Lake County and has a population of roughly 41,539 residents based on the city's corporate boundaries. Murray has both culinary and secondary water systems, but most of the water demand is on the culinary system with only one well, Germania Well, providing secondary water. The existing Murray City corporate boundary, water system service boundary, and the city's general plan for land use are shown in Figure 1. Murray City's corporate boundaries include an area larger than the City's water system service area with the Murray City water system service area serving approximately 80% of the City area.



## System Connections

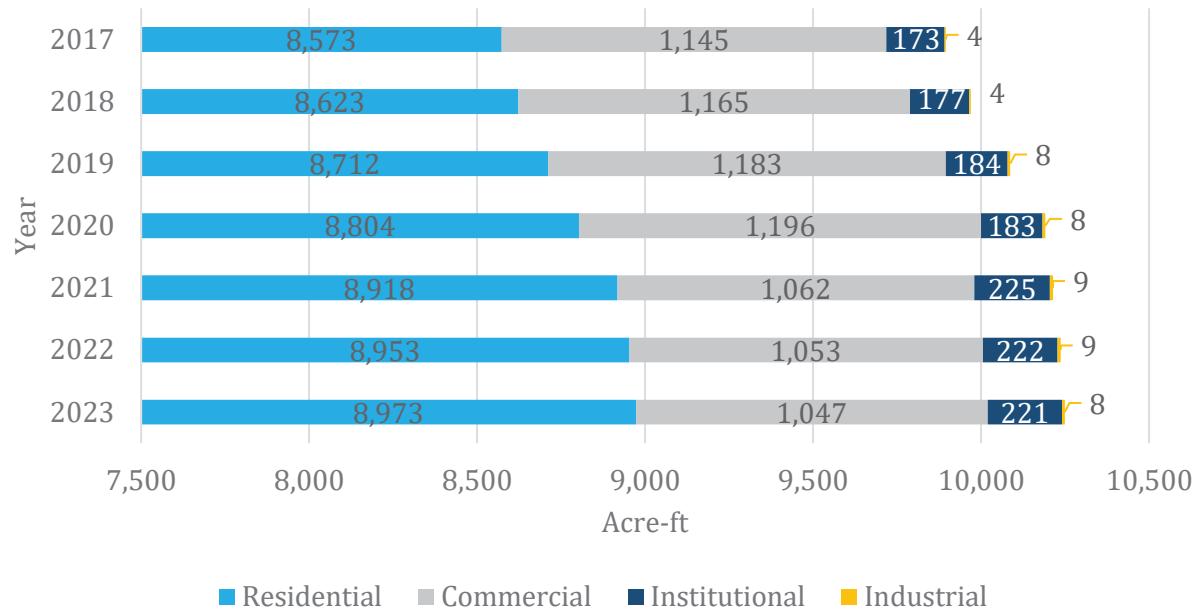
The Murray City water system includes residential, commercial, industrial, and institutional connections. To help evaluate and quantify the amount of water that can reasonably be conserved in Murray, an analysis of current water use patterns has been performed. Usage among different classes of customers for the year 2020 is shown in Figure 2. Secondary connections are assumed to be included in the accounts of culinary users. Murray City has minimal secondary water usage with only one well, Germania Well, used to irrigate City parks.

Roughly 88 percent of the meters in Murray City are residential connections, accounting for 62 percent of the total water use. Hence, residential water use represents the largest single area for potential conservation. However, Murray also has a significant number of commercial and industrial connections. While comprising only about 10 percent of the total number of meters, commercial and industrial customers accounted for roughly 20 percent of Murray City water use. Institutional water use is not far behind commercial and industrial water use accounting for about 18% of the water use with only 2 percent of the total connections. Thus, non-residential accounts should not be overlooked as potential contributors to future conservation efforts.

**Table 1**  
**FY 2023 Water Usage by Connection Type<sup>a</sup>**

Customer Class	Accounts	Percent of Connections	Culinary Annual Water Use (acre-ft)	Secondary Annual Water Use (acre-ft)	Total Water Use (acre-ft)	Percent of Total Water Use
Residential	8,973	87.6%	6,318	0	6,318	62.2%
Commercial	1,047	10.2%	1,982	0	1,982	19.5%
Industrial	8	0.08%	37	0	37	0.4%
Institutional	221	2.2%	1,050	765	1,815	17.9%
Unmetered	0	0	0	0	0	0
<b>TOTAL</b>	<b>10,249</b>	<b>100.00%</b>	<b>9,387</b>	<b>765</b>	<b>10,152</b>	<b>100.00%</b>

<sup>a</sup>Water usage by connection type data obtained from the Utah Division of Water Rights Public Water Supplier Information for 2023.



**Figure 2: Current Culinary Delivery Type**

### Current Billing Rates

In 2018 the City established a new tiered rate structure to encourage water conservation (full rate schedule is in Figure 3). All water connections are charged a monthly base rate dependent on the meter size with no monthly water allowance included in the base rate. Each tier in the structure charges a higher rate based on the quantity of water being used. It is recommended that the current billing rates be updated.



MURRAY

3/4"-1" Meter			2018	2019	2020	2021	2022
		Base Fee	\$10.00	\$10.60	\$11.24	\$11.91	\$12.51
Tier	Minimum HCF	Maximum HCF					
1	0	8	\$0.95	\$1.01	\$1.07	\$1.13	\$1.19
2	9	25	1.15	1.22	1.29	1.37	1.44
3	26	49	1.40	1.48	1.57	1.67	1.75
4	50	79	1.75	1.86	1.97	2.08	2.19
5	80	Above	2.50	2.65	2.81	2.98	3.13

3" Meter			2018	2019	2020	2021	2022
		Base Fee	\$38.50	\$40.81	\$43.26	\$45.86	\$48.15
Tier	Minimum HCF	Maximum HCF					
1	0	120	\$0.95	\$1.01	\$1.07	\$1.13	\$1.19
2	121	375	1.15	1.22	1.29	1.37	1.44
3	376	735	1.40	1.48	1.57	1.67	1.75
4	736	1,185	1.75	1.86	1.97	2.08	2.19
5	1,186	Above	2.50	2.65	2.81	2.98	3.13

4" Meter			2018	2019	2020	2021	2022
		Base Fee	\$61.30	\$64.98	\$68.88	\$73.01	\$76.66
Tier	Minimum HCF	Maximum HCF					
1	0	200	\$0.95	\$1.01	\$1.07	\$1.13	\$1.19
2	201	625	1.15	1.22	1.29	1.37	1.44
3	626	1,225	1.40	1.48	1.57	1.67	1.75
4	1,226	1,975	1.75	1.86	1.97	2.08	2.19
5	1,976	Above	2.50	2.65	2.81	2.98	3.13

1 1/2" Meter			2018	2019	2020	2021	2022
		Base Fee	\$15.70	\$16.64	\$17.64	\$18.70	\$19.63
Tier	Minimum HCF	Maximum HCF					
1	0	32	\$0.95	\$1.01	\$1.07	\$1.13	\$1.19
2	33	100	1.15	1.22	1.29	1.37	1.44
3	101	196	1.40	1.48	1.57	1.67	1.75
4	197	316	1.75	1.86	1.97	2.08	2.19
5	317	Above	2.50	2.65	2.81	2.98	3.13

6" Meter			2018	2019	2020	2021	2022
		Base Fee	\$118.31	\$125.41	\$132.93	\$140.91	\$147.95
Tier	Minimum HCF	Maximum HCF					
1	0	400	\$0.95	\$1.01	\$1.07	\$1.13	\$1.19
2	401	1,250	1.15	1.22	1.29	1.37	1.44
3	1,251	2,450	1.40	1.48	1.57	1.67	1.75
4	2,451	3,950	1.75	1.86	1.97	2.08	2.19
5	3,951	Above	2.50	2.65	2.81	2.98	3.13

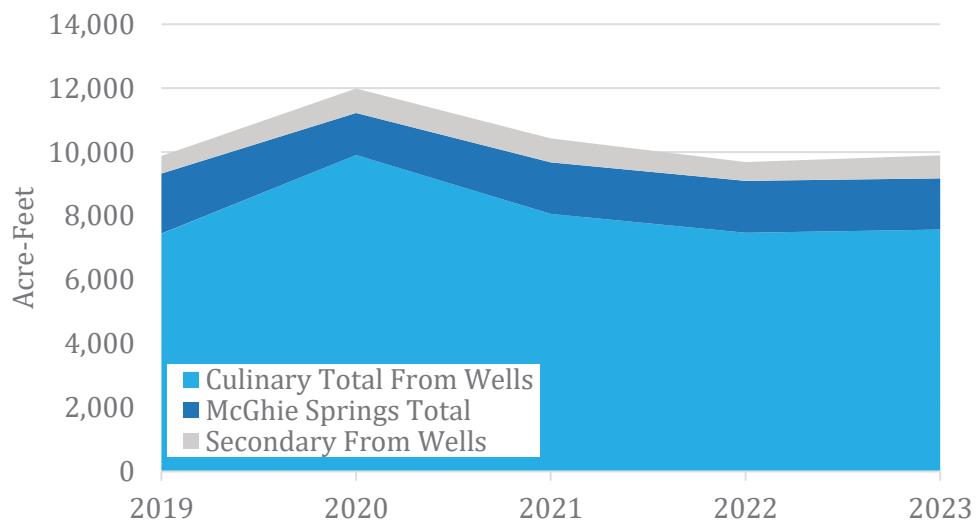
2" Meter			2018	2019	2020	2021	2022
		Base Fee	\$22.54	\$23.89	\$25.32	\$26.84	\$28.19
Tier	Minimum HCF	Maximum HCF					
1	0	64	\$0.95	\$1.01	\$1.07	\$1.13	\$1.19
2	65	200	1.15	1.22	1.29	1.37	1.44
3	201	392	1.40	1.48	1.57	1.67	1.75
4	393	632	1.75	1.86	1.97	2.08	2.19
5	633	Above	2.50	2.65	2.81	2.98	3.13

8" Meter			2018	2019	2020	2021	2022
		Base Fee	\$186.73	\$197.93	\$209.81	\$222.39	\$233.51
Tier	Minimum HCF	Maximum HCF					
1	0	1,120	\$0.95	\$1.01	\$1.07	\$1.13	\$1.19
2	1,121	3,500	1.15	1.22	1.29	1.37	1.44
3	3,501	6,860	1.40	1.48	1.57	1.67	1.75
4	6,861	11,060	1.75	1.86	1.97	2.08	2.19
5	11,061	Above	2.50	2.65	2.81	2.98	3.13

Figure 3: Current Murray City Tiered Water Rate Structure

## SUPPLY INFORMATION

A summary of Murray city's current and historical water supply is contained here. For additional information on water supply the reader should refer to Murray City's Water Master Plan. The Murray City water system relies on well water as its predominant supply source producing about 84 percent of annual system water demand. McGhie Springs, located near the mouth of Big Cottonwood Canyon, makes up the remaining 16 percent of annual water production. Figure 4 shows the volume the City has used from each system as reported to the Division of Water rights (DWRi) Website from 2019 to 2023. An exchange agreement with Salt Lake City provides additional water supply in an emergency, up to 1%. The City also has a physical connection to the JVWCD system. However, this connection has not been used since 1988 and is not considered part of the City's water system service area water supply. Note in recent years Murray City has combined some water rights to allow for more flexibility in moving rights to and from wells depending on production capacity and demands. Additionally, in 2022 and 2023 Murray City purchased 15.47 and 10.87 acre-ft from Salt Lake City (SLC) Corporation. This water was used at the McGhie Springs property and an adjacent property and was not used in the Murray City water system. Murray Water does not consider part of its water system.



\*Note: In 2022 and 2023 Murray City purchased 15.47 and 10.87 acre-ft from SLC Corporation

**Figure 4: Murray City Culinary and Secondary Water Sources**

## Annual Supply

Murray's annual source supply is summarized in Table 2 for both dry and average water years.

**Table 2**  
**Estimated Production -- Murray City Dry and Average Water Years**

Supply Category	Estimated Production - Dry Year (acre-feet) <sup>1</sup>	Estimated Production - Average Year (acre-feet) <sup>2</sup>
Wells	9,910	7,974
McGhie Springs	1,315	1,788
Purchased	0	3
Exchanged	0	0
<b>Total</b>	<b>10,460</b>	<b>9,765</b>

<sup>1</sup> Dry year production was based on 2020 because 2020 was the most recent dry year without drought mitigation measures in place.

<sup>2</sup> Average production was based on 2017 through 2022.

The difference in total water supply during dry and average years is 695 acre-feet of water. Total estimated water supply during dry years will be used as Murray City's annual water supply capacity for planning purposes.

On the following page, Table 3 summarizes the City's current culinary and secondary water supply for both max historic production and estimated reliable annual yield, as well as a summary of the water rights. Annual yield has been estimated by calculating 80% of the max well production from 2017 to 2022. This calculation assumes that the current well production rates are sustainable and not depleting the aquifer. It is recommended that Murray City conduct a well sustainability study to improve understanding of the recharge and depletion of the aquifer.

**Table 3**  
**Murray City Existing Source Annual Capacity Summary**

Source Name	Max Historic Production <sup>a</sup> (acre-ft)	Appropriated		Estimated Reliable Annual Well Yield (acre-ft)
		cfs	mgd	
<b>Wells</b>				
Powerhouse	518.87	5.000	3.23	415
600 West	340.77	2.490	1.61	273
500 East	265.71	3.017	1.95	213
Howe	560.64	1.500	0.97	449
300 West	401.04	3.510	2.27	321
Grant	1,811.99	3.000	1.94	1,450
Vine Street	979.75	2.389	1.54	784
700 West	528.08	2.500	1.62	422
900 East	695.77	2.017	1.30	557
Reservoir	359.60	4.600	2.97	288
Whitmore West	1,695.52	5.000	3.23	1,356
Whitmore East	1,489.07	2.000	1.29	1,191
McGhie	1,015.21	3.750	2.42	0 <sup>c</sup>
360 West	130.29	3.010	1.95	104
Millrace	140.66	2.635	1.70	113
Park	418.20	1.892	1.22	335
4500 South	238.40	1.250	0.81	191
Monroc	807.33	3.899	2.52	646
Hi-land	260.52	1.250	0.81	208
Other Sources				
McGhie Springs	1,509.32	5.562	3.59	
SLC Exchange	0.00 <sup>b</sup>	1.250	0.81	0
Purchased from SLC Corporation	15.47	0	0	0
Germania Well (Irrigation)	764.64	0.5	0.03	612
<b>TOTALS</b>	<b>14,946.85</b>	<b>62.071</b>	<b>39.79</b>	<b>9,925</b>

<sup>a</sup> Historic data ranges from 2017 to 2022 and was gathered from the Division of Water Rights website.

<sup>b</sup> SLC exchange has not been used since 1988.

<sup>c</sup> McGhie Springs Well reliable yield is calculated with the McGhie Springs because of their influence on each other

## **WATER MEASUREMENT**

Currently, all culinary and secondary water connections in the Murray City water system service area are metered. In 2010 the City began a meter replacement program which is now completed. This program should be maintained to replace all older meters so that no meter exceeds 25 years in operation. The City is transitioning to an advanced metering infrastructure (AMI) system and is almost complete with the changeover from automated meter reading (AMR). AMI systems automate collection of meter data around the City and can actively measure use, identify leaks, and educate customers on use. Installation requires construction of central towers to collect the data. Generally, AMI technology can help encourage water conservation more for each customer by helping customers proactively monitor water use.

## **WATER PRODUCTION, SALES, AND SYSTEM LOSS**

### **Historic Water Use**

Historic water use from 2010 to 2022 is summarized in Table 4 and includes both water production (water produced by each source and delivered to the system) and water sales (metered use out of the system) for the culinary system. For both categories, per capita water use has been calculated. Data for this table comes from production records and water sales records provided from the City to the Division of Water Rights, and recent population.

### **System Losses**

Murray City water system losses have been estimated with historic water production and historic water sales in Table 4. On average since 2010, the City water system loses have been approximately 7.6% of the annual water production (Table 4).

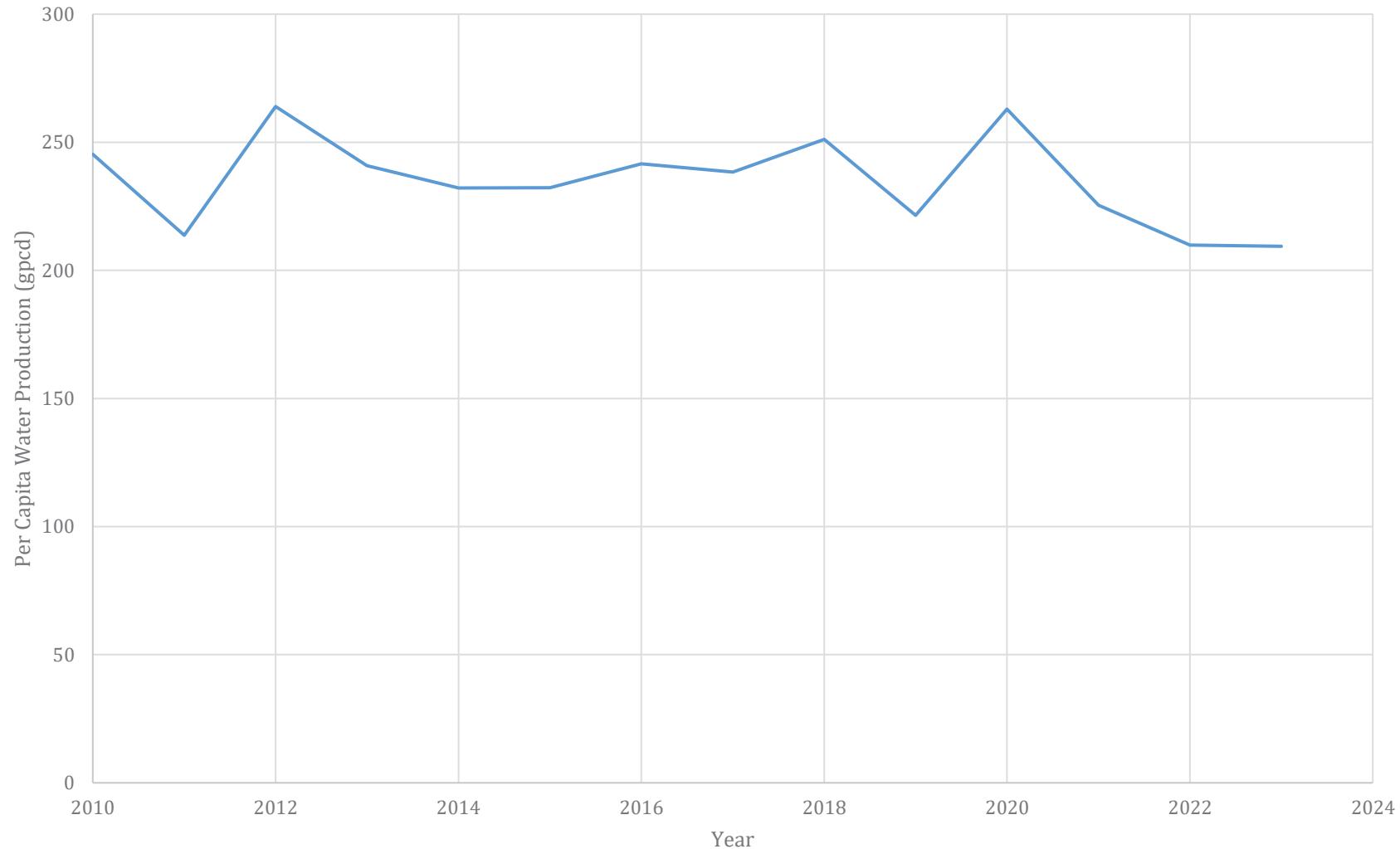
In 2016, the City performed an AWWA water loss audit and found that 212.9 MG/yr were lost out of the 3,077.2 MG/yr supplied in 2016. Roughly 6.9% of the water supplied was lost in the system with 32.7% of that loss due to unavoidable annual real losses. Revenue loss associated with the real and apparent losses are \$15,954 and \$83,816 respectively. The City plans to continue performing AWWA water loss audits to identify areas within the water system that require improvements and to make plans to improve those areas. See “Conservation Practices” for further discussion of the city efforts to minimize system losses including prevention activities and activities to locate and eliminate existing leaks.

### **Historic Per Capita Water Use**

As summarized in Table 4, the historic per capita water production ranges from 264 gallons per capita per day (gpcd) in 2012 to a low 209 gpcd in 2023. The change in per capital water use is shown in Figure 5.

**Table 4**  
**Historic Per Capita Water Culinary Production, Sales, and System Loss**

Year	Water Service Area Residential Population	Historic Water Production Culinary (acre-ft)	Historic Water Production Irrigation (acre-ft)	Per Capita Production Without Irrigation (gpcd)	Per Capita Production Combined (gpcd)	Historic Water Sales (acre-ft)	Per Capita Water Use (gpcd)	System Loss without Irrigation (acre-ft)	System Loss without Irrigation %	System Loss Combined (acre-ft)	System Loss Combined %
2010	35,000	9,281	336	237	245	8,255	211	1,026	12.4%	1,362	16.5%
2011	36,000	8,265	352	205	214	7,597	188	667	8.8%	1,019	13.4%
2012	36,000	10,127	517	251	264	9,421	234	706	7.5%	1,223	13.0%
2013	36,000	9,252	461	229	241	8,654	215	598	6.9%	1,060	12.2%
2014	36,000	8,875	485	220	232	8,338	207	538	6.4%	1,023	12.3%
2015	36,680	9,031	512	220	232	8,340	203	691	8.3%	1,203	14.4%
2016	36,990	9,444	569	228	242	8,702	210	741	8.5%	1,310	15.1%
2017	37,010	9,403	478	227	238	8,726	210	677	7.8%	1,155	13.2%
2018	37,500	9,840	710	234	251	8,945	213	895	10.0%	1,605	17.9%
2019	37,595	8,771	554	208	221	8,206	195	566	6.9%	1,120	13.6%
2020	38,110	10,461	765	245	263	9,433	221	1,029	10.9%	1,793	19.0%
2021	38,340	8,931	750	208	225	8,293	193	638	7.7%	1,388	16.7%
2022	38,723	8,514	588	196	210	7,616	176	898	11.8%	1,486	19.5%
2023	39,111	8,450	724	193	209	7,667	175	783	10.2%	1,507	19.6%



**Figure 5: Historic Per Capita Water Production**

Figure 5 shows the City's per capita total (culinary & irrigation only) water production has an overall downward trend from 2010 to 2023. The highest per capita production of water was in 2012 likely due to extreme dry weather. The City's conservation efforts will need to consider the effect of drought and dry weather on water use demands so that future conservation goals can be achieved, even under dry weather conditions. Overall, Figure 5 indicates that since 2010, Murray City has had a downward trend of per capita water sales.

### Current Per Capita Water Use

An analysis of Murray City's current culinary water use was completed. Water use for 2023 is summarized in Table 5.

**Table 5**  
**Water Demands for Existing Conditions**

		2023 (Existing)
<b>Total Water Use (Residential + Non-Residential)</b>	<i>mg</i>	3,175
<b>Residential Population</b>		42,002
<b>Average Day Demand (ADD)</b>	<i>mgd</i>	8.7
	<i>gpm</i>	6,040
	<i>gpcd</i>	207
<b>Peak Day Demand (PDD)</b>	<i>mgd</i>	22.0
	<i>gpm</i>	15,244
	<i>gpcd</i>	523
<b>Peak Hour Demand (PHD)</b>	<i>mgd</i>	31.0
	<i>gpm</i>	21,495
	<i>gpcd</i>	737
<b>Peak Day Factor</b>		2.52
<b>Peak Hour Factor</b>		3,175

### CONSERVATION GOAL WITH MILESTONES

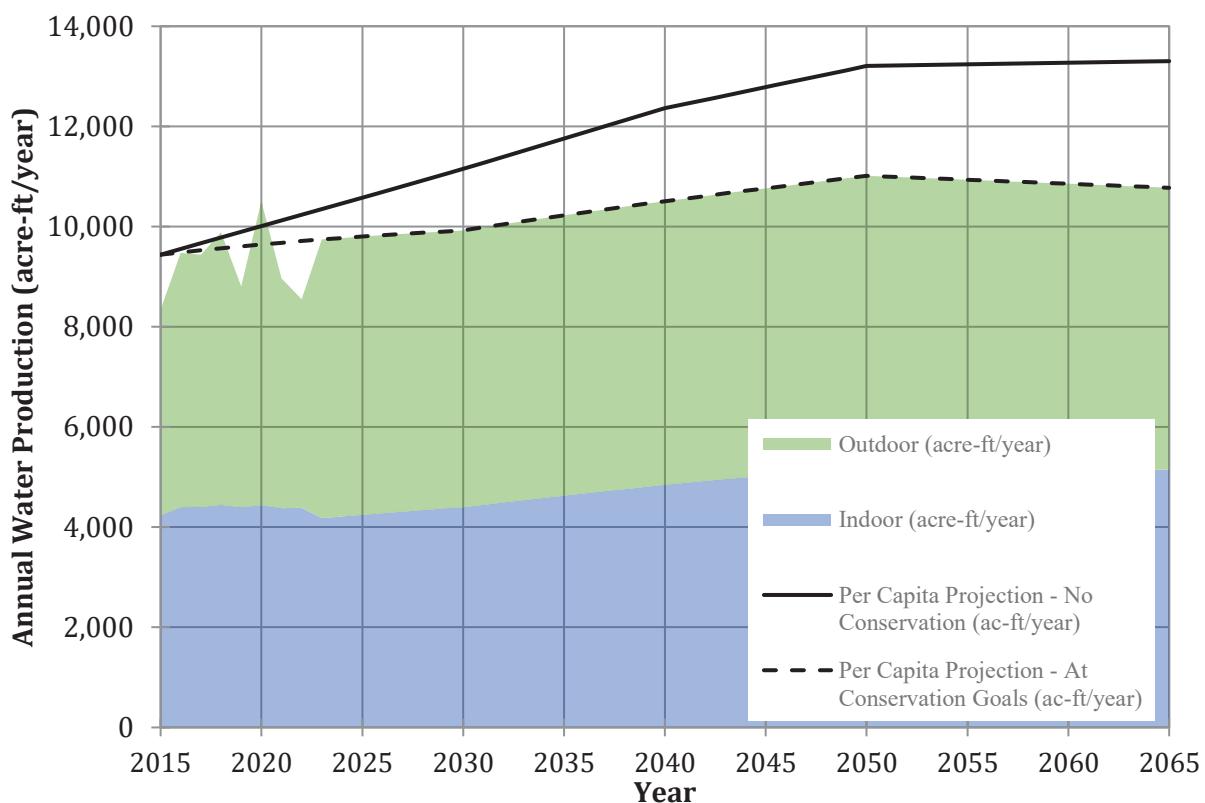
The State of Utah recently adopted regional water conservation goals for the State of Utah that focus on regions of water use driven primarily by dominant river drainages. Murray city is part of the Salt Lake regional area. The adopted goals establish 2015 as the baseline year to compare to for conservation. Murray City's desired conservation goals are summarized in Table 6. Figure 6 shows the City's culinary water projection with and without conservation.

The City recognizes that the per capita goal for 2030 is less than the Salt Lake Regional goal. This is primarily because the City's baseline starting point is significantly higher than the Salt Lake Regional baseline. This may be a result of a large commercial base in Murray City and/or due to larger lot sizes in the City that are typical of the older single family homes within the City. For example, the City's standard for service connections has been 1-inch for many years because smaller services were found to have inadequate capacity for the larger lot sizes. As higher densities are developed within the City, the long-term Salt Lake region goals can be met; but it may take longer to reach proposed goals than for the region as a whole.

**Table 6**  
**Conservation Goal with Milestones Through 2065**

Year	Salt Lake Regional (gpcd)	Murray Per Capita Water Use Goal (gpcd)	Murray Percent Reduction Goal
2015	210	220 <sup>1</sup> (Baseline)	0%
2030	187	196	11%
2040	178	187	15%
2065	169	167	24%

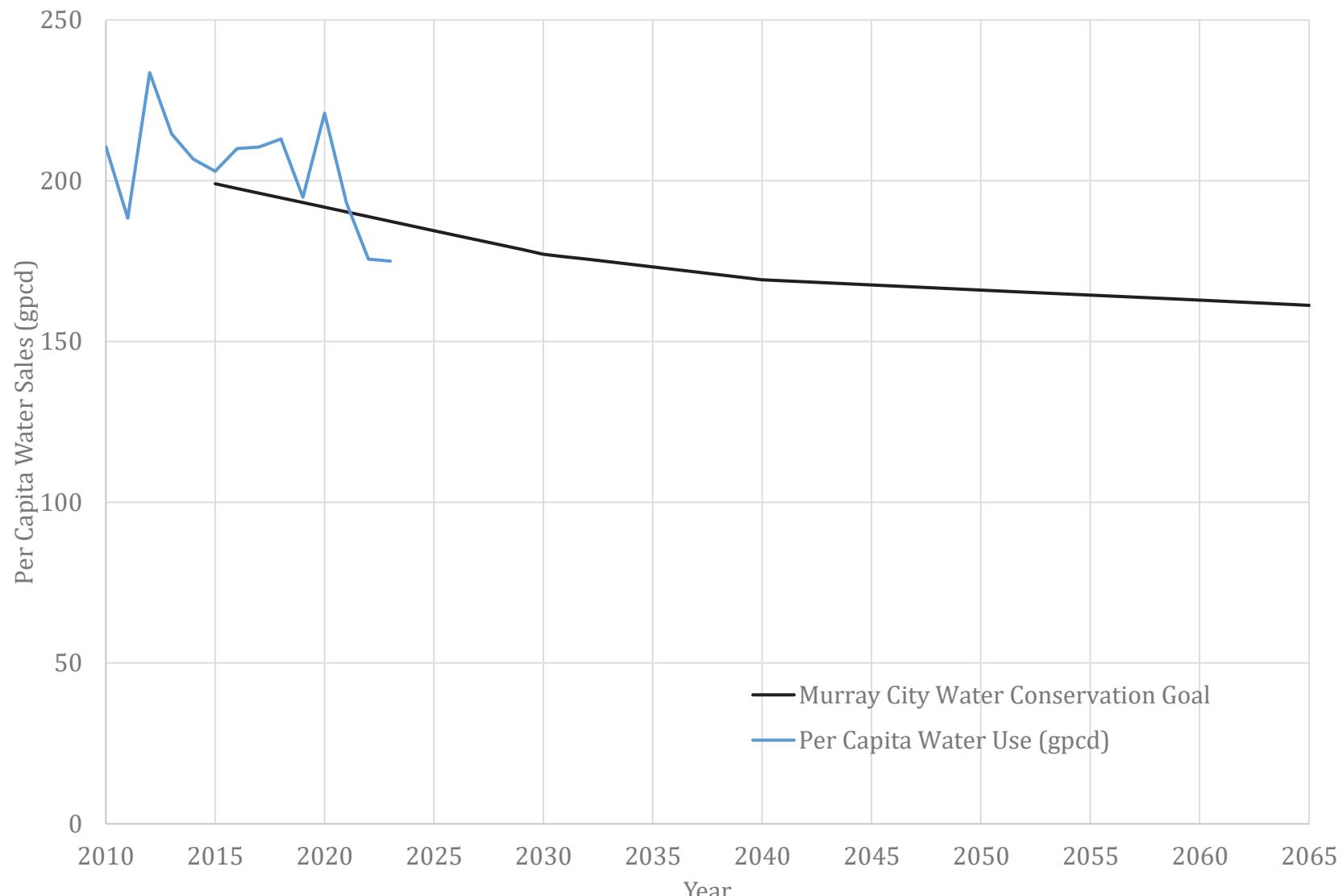
<sup>1</sup> The baseline is based on the City's approximate 10-year average annual demand per capita per day. The 10-year average was used instead of the 2015 annual demand because 2015 was an unusually low water use year for the city.



**Figure 6: Culinary Demand with and without Conservation**

### Measuring Savings from Conservation

Figure 7 shows historic culinary water production on a per capita basis compared to the historic and proposed City conservation goal. As can be seen, Murray City is on track with their per capita conservation goals with some expected variation in dry years. To track how well the City is doing in achieving its conservation goal in the future, the City will continue to annually estimate per capita water demands based on yearly metered sales data and an updated population estimate as a function of new system connections.



**Figure 7: Historic & Future Conservation Goal Per Capita Water Use**

## EFFECT OF CONSERVATION ON FUTURE WATER SUPPLY AND DEMAND

The City has experienced large amounts of growth in the past and Murray City planning personnel estimate an average growth rate of 1 percent for the next 10 years, followed by slow and steady growth until buildout. The historic and projected population estimates for the Murray City water service area are shown in Table 7.

**Table 7**  
**Murray City Historic and Projected Population Estimates**

Year	Murray City Overall Population Projection <sup>1</sup>	Water Service Area Residential Population	Water Service Area Projected Growth Rate
2010	46,746 <sup>2</sup>	34,269 <sup>2</sup>	-
2015	49,250 <sup>2</sup>	36,105 <sup>2</sup>	1.05%
2020	50,637	38,340	1.21%
2025	54,904	42,927	2.29%
2030	57,540	46,969	1.82%
2035	60,241	51,011	1.66%
2040	62,941	55,053	1.54%
2045	69,011	59,095	1.43%
2050	75,080	63,137	1.33%
2055	77,090	64,632	0.47%
2060	79,100	66,127	0.46%
2065	81,110	67,622	0.45%

<sup>1</sup> Population projections are for the City's corporate boundary (larger than Murray Water service area)

<sup>2</sup> Based on 2015 Water Master Plan.

As Murray City continues to develop at higher densities through redevelopment, reductions in per capita demand are anticipated as a result of reduced per capita outdoor demand. This is because outdoor irrigated areas are not anticipated to increase significantly over time and may actually decrease. For the purpose of this conservation and the water master plan, it has been assumed that minor increases in outdoor demands will continue through 2025 and will plateau at approximately 17.6 mgd of peak day outdoor demand.

As housing densities increase within the Murray City Water service area, additional reductions in per capita use are anticipated as a result of reduced per capita outdoor demands and conservation. Figure 8 shows the projected annual demands in the Murray Water Service area through 2065 given indoor demands and outdoor demands. Outdoor demand projections are extrapolated from outdoor demands recorded in 2020 (a relatively dry and warm climate year without major conservation efforts) while accounting for future conservation.

Outdoor conservations efforts alone are expected to reduce per capita demands by 24% to 167 gallons per capita per day between 2015 and 2065. During this time indoor demands increase. Therefore, additional indoor conservation would result in an even lower per capita demand. Table 8 summarizes the existing and future water demands given outdoor conservation efforts. Table 8 also calculates existing and future peak day and peak hour factors. Peak day and peak hour factors are expected to decrease in the future due to outdoor conservation efforts. Peak water demands typically

occur in the summer due to high irrigation demand. If irrigation demands are reduced, because of outdoor conservation efforts, we can expect peaking factors to reduce in tandem.

Table 8 shows the per capita demand for residential and non-residential customers, and the State defined per capita demand using the State of Utah's calculation method. Each calculation method was included in Table 9 because only about half of Murray's total water use is used by residential connections.

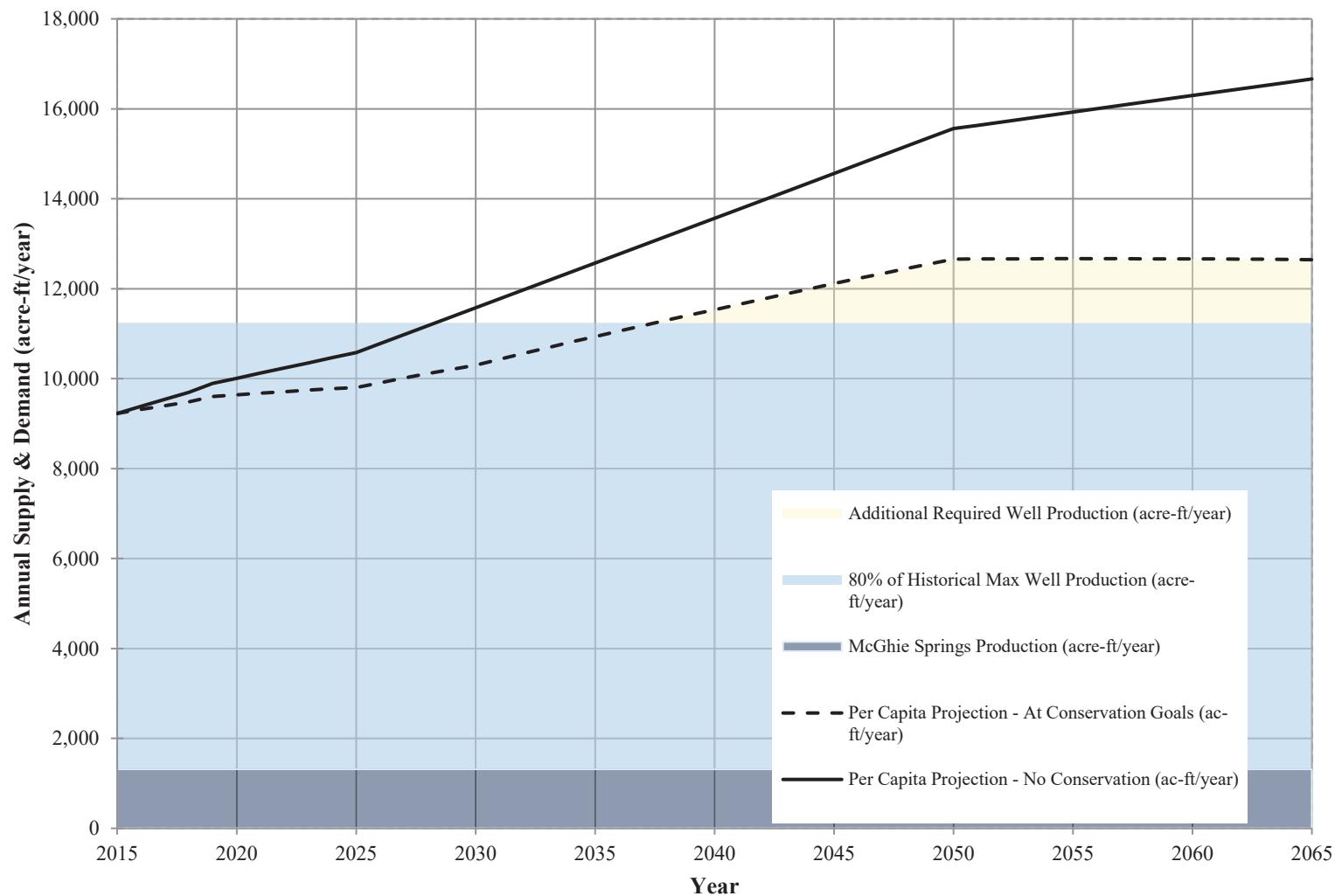
**Table 8**  
**Murray City Historic and Projected Population Estimates**

		2023 (Existing)	2065 (Build Out)
<b>Total Water Use (Residential + Non-Residential)</b>	<i>mg</i>	3,175	4,120
<b>Residential Population</b>		42,002	67,622
<b>Average Day Demand (ADD)</b>	<i>mgd</i>	8.7	11.29
	<i>gpm</i>	6,040	7,839
	<i>gpcd</i>	207	167
<b>Peak Day Demand (PDD)</b>	<i>mgd</i>	22.0	26.20
	<i>gpm</i>	15,244	18,197
	<i>gpcd</i>	523	387
<b>Peak Hour Demand (PHD)</b>	<i>mgd</i>	31.0	36.95
	<i>gpm</i>	21,495	25,657
	<i>gpcd</i>	737	546
<b>Peak Day Factor</b>		2.52	2.32
<b>Peak Hour Factor</b>		3,175	3.16

**Table 9**  
**2022 Water Demands for Residential and Non-Residential Use<sup>1</sup>**

Demand	Residential	Non-Residential
Average Day Demand (gpcd)	150	56
Indoor Demand (gpcd)	61	23
Peak Day Demand (gpcd)	327	123
Peaking Factor (PDD/ADD)	2.18	2.18
Indoor Peaking Factor	1.25	1.25
Peak Indoor Demand (gpcd)	76	29
Average Household Size	2.51	-
Peak Day Demand for Average Household (gpd)	821	-
Peak Day Indoor Demand for Average Household (gpd)	191	-

<sup>1</sup> 2022 data was used in this analysis because a breakdown of residential versus non-residential water use in 2023 was not yet available.



\*McGhie Springs production is based on dry year production (2020) for reliable spring yield.

\*Reliable yield for wells was calculated at 80% of the maximum annual well production for each well between 2017 and 2022. The non-potable Germania well accounts for 612 acre-ft of the reliable well yield.

**Figure 8: Projected Supply/ Demand with and without Conservation**

Because most growth in the City will primarily increase indoor water demands, annual use of well supplies is anticipated to go up as wells will be used more throughout the year to meet indoor demands. This is shown in Figure 8 as densities increase in the City and annual demands increase with residential and nonresidential indoor demands. Fortunately, peak day demands are not anticipated to be above available peak day supply. With the implementation of their conservation goals (Table 6) the City has sufficient supply for their projected demands. Although the City has sufficient water rights for predicted increases in annual demand, there is still concern about groundwater sustainability over time.

Conservation will help the City be better prepared for potential supply reductions associated with climate change, groundwater depletion, and/or drought years. Figure 8 illustrates why water conservation is essential to Murray City's long-term water supply plan.

## **WATER CONSERVATION PRACTICES**

The following sections document both existing and proposed water conservation practices in the City. To organize the information, each section groups conservation practices by the following major conservation categories:

- Conservation Public Awareness Practices
- Education and Training Practices
- Rebates, Incentives, and Rewards
- Ordinances and Standards
- Water Pricing
- Improvements to Physical System

### **Current Conservation Practices**

Each water conservation program that Murray City is currently implementing is discussed in detail below (organized by major conservation categories):

#### **Conservation Public Awareness Practices:**

- ***Elementary Education Program (Water Wise Kids)*** – Murray City has partnered with the National Energy Foundation (NEF) to implement a water wise education program for all 4<sup>th</sup> grade students in the Murray School District. The program includes classroom presentations to these students on water and conservation. The City provides the students with a take home water kit that includes toilet leak detector tablets, a dual spray swivel aerator and a shower timer. The City also holds a drawing contest that coincides with the WaterSense "Fix a Leak Week" that the students participate in and awards prizes to winners from each of the schools. The overall winner of the contest wins a pizza party for their entire class. Participating teachers have evaluated this program with very high reviews and responded that they would conduct this program again and recommend it to their colleagues.
- ***"Tap Into Murray Quality" Campaign*** – Murray City's ongoing "Tap Into Murray Quality" campaign has helped the City develop and maintain a relationship with its customers so they can better understand the quality of the water and the services they are receiving. A large part of this campaign includes conservation activities.
- ***Public Outreach Booths*** – The City's water department is actively involved in providing public outreach booths at various community events including the Farmers Market, youth soccer games or sporting events, 4<sup>th</sup> of July activities and other local activities. The City uses

these opportunities to distribute water conserving materials and educate the community members about conservation and the City's water system.

- **Earth Day** - Each year to help celebrate Earth Day the City holds an event for 4<sup>th</sup> grade students and teaches the kids ways they can help conserve water around their home. After a short presentation, the students receive water bottles and backpacks with the City's conservation logo on them.
- **WaterSense Program Partner** - WaterSense is a voluntary partnership program created by the United States Environmental Protection Agency (EPA) with a goal of protecting the nation's water supply by promoting and enhancing the market for water-efficient products and services and consistently spreading the message of water efficiency. Murray City has utilized many of the tools provided by WaterSense. The City also participates in many of the events including Fix A Leak Week and Shower Better Week.
- **Consumer Confidence Report** - Each year, water conservation information is included in the consumer confidence report. This report is sent to all Murray City customers and is posted on the City's web site. The report also includes information on the City's water sources, water quality information, and conservation tips.
- **Online/Social Media**-The City's website provides information about conservation as well as links to other conservation-oriented websites. Conservation messaging is also posted on and distributed through social media.
- **Water Wise Landscaping** - Many of the City's landscapes have been converted to water wise landscaping. The increased use of water wise landscaping and the installation of rain sensors has helped the City conserve water and demonstrate outdoor water conserving practices.
- **Water-Waster Notification Program** - The City maintains a water-waster notification program where citizens can call in and report an observed water-waster. As water wasters are identified, an employee of Murray Water Department contacts the customer and provides tips on indoor and outdoor water conservation to help the customers reduce their usage.
- **High Consumption Notices** - The City sends "high consumption/possible leak" notices to customers when their monthly consumption is higher than normal.

#### **Education & Training Practices:**

- **Fix a Leak Week** - For Fix a Leak Week the City partnered with Lowe's and local plumbers to help encourage residents to find and fix water leaks. As part of Fix a Leak Week the City set up a public outreach booth at Lowe's to advertise the WaterSense Rebate Program and gave away WaterSense labeled toilets, faucets, and shower heads. The City distributed leak test kits for toilets, Murray City Water t-shirts and water bottles. The City also partnered with local plumbers who gave special discounts to customers and encouraged community members to take advantage of the rebate program.
- **Shower Better Month** - As part of Shower Better Month the City had showerhead giveaways, encouraged residents to replace inefficient showerheads and take advantage of our WaterSense Rebate program.

#### **Rebates, Incentives & Rewards:**

- **WaterSense Rebate Program** - The City actively participates in the WaterSense Rebate Program. Rebates are valued at \$150 per toilet and \$25 per showerhead for customers who replaced their existing toilet/showerhead with a new EPA WaterSense labeled version. Over

the years customers have taken advantage of the rebates and have replaced 332 toilets and 86 for shower heads with new, more efficient ones.

- **Flip Your Strip Program** – This program encourages the removal of turf grass in parking strips as the primary landscape feature. Replacement of turf with more drought tolerant options is encouraged. Eligible customers can receive a discount of \$1.50 per square foot of converted park strip.
- **Utah Rivers Council's RainHarvest Program** – The City has partnered with Utah Rivers Council RainHarvest program to reduce the cost of the rain barrels for their residents. This program encourages community members to collect rainwater, reduce culinary water use and improve water quality of rivers, streams, and lakes.
- **Toilet Replacement** – Residents can receive up to \$150 by replacing an old toilet (manufactured before 1994) with a WaterSense labeled toilet.
- **Smart Controller** – Residents can receive a rebate up to \$100 when they purchase an eligible WaterSense labeled smart controller. Smart controllers encourage conservation by automatically adjusting landscape watering based on local weather and landscape conditions.
- **Showerhead** – Residents can receive rebates of up to \$25 per showerhead when replacing a showerhead with a new EPA WaterSense labeled version. The use of WaterSense labeled showerheads conserves water at the use point.
- **Turf Trade** – The City started its participation in this program in 2024. Murray City provides offer Turfgrass Water Conservation Alliance (TWCA) seed to our residents at cost. This grass seed requires 30% less water than typical Kentucky Bluegrass. Residents can purchase this from Murray City Water every Friday from the first Friday in April through the last Friday in September. In 2024, 211 residents participated and 620 five lb bags of seed were distributed, enough to replace over 7 acres of typical Kentucky Bluegrass.

### Ordinances & Standards:

Murray City has some existing ordinances intended to encourage water conservation:

- **Ordinance 13.08.140: Executive orders of mayor Limiting Use of Water** – This ordinance states that in the event of scarcity of water, the Mayor has the power to place restrictions on water use and provide penalties for those not in compliance.
- **Ordinance 13.08.120: Wasting Water Prohibited** – This ordinance prohibits the pressurized irrigation of landscape between the hours of ten o' clock (10:00) A.M. and six o' clock (6:00) P.M. any violation of this ordinance results in a penalty for those not in compliance.

### Water Pricing:

- **Tiered Water Pricing Schedule** – In 2018 the City established a new tiered rate structure to encourage water conservation (full rate schedule is in Figure 3). All water connections are charged a monthly base rate based on the meter size with no monthly water allowance included in the base rate. Each tier in the structure charges a higher rate based on the quantity of water being used.

## Improvements to Physical System:

- **Mainline Replacement Program:** Murray City has repaired and replaced 1 percent of Murray City's distribution pipe network on an annual basis.
- **Upgraded SCADA Control System:** There are continuous improvements to the SCADA system to increase the overall water system operating and reporting efficiency. The City is currently transitioning their Automated Meter Reading (AMR) system to an Advanced Metering Infrastructure (AMI) system. Completion of this project is underway to be completed by 2025. AMI systems automate collection of meter data around the City and can actively measure use, identify leaks, and educate customers on use. Generally, AMI technology can help encourage water conservation more for each customer by helping customers proactively monitor water use. The customer portal provides 24-hour leak detection notifications to customers.
- **Smart Controls:** Some City -owned landscapes have been equipped with smart controls. Smart controls automatically adjust the time and frequency a landscape is irrigated based on local weather and landscape conditions to reduce waste.
- **Rain Sensors** – Some City-owned landscapes have been equipped with rain sensors. These devices can detect rainfall events and send messages to the central control computer, indicating how much precipitation has been received at the site and can terminate a watering cycle when the precipitation makes irrigation unnecessary.

## New Conservation Practices Planned for Implementation

There are several new conservation practices that the City has either recently started to implement or will implement in the next five years. The following sections describe each conservation practice and Table 10 summarizes the implementation schedule, estimated costs, and measurement of progress for each practice.

### Conservation Public Awareness Practices:

- **Public Outreach.** Murray City plans to maintain existing programs including:
  - Active participation and outreach at community events such as the 4<sup>th</sup> of July and Earth Day activities
  - Elementary Education Program (Water Wise Kids)
  - WaterSense Program Partner
  - Consumer Confidence Report
  - Social Media Updates
  - Water Waster Notification Program
  - High Consumption Notices
- **Water Conservation Plan** – Update the Water Conservation Plan by 2029 in adherence with ordinances to update water conservation plans every five years.

### Education & Training Practices:

- **Public Education Efforts.** Public education efforts will consist of maintaining the existing programs including:

- Shower Better Month

### Rebates, Incentives & Rewards.

- **Potential Rebates** – Murray City plans to maintain existing rebate, incentive, and reward programs including:
  - Flip Your Strip
  - Utah Rivers Council's RainHarvest program
  - Toilet Replacement
- Smart Controller
- Shower Head

### Ordinances & Standards:

- **Utah Water Savers Program Efficiency Standards.** Murray City Council has had discussions on whether to adopt the Utah Water Savers Program efficiency standards. These standards encourage the use of native landscaping to decrease the outdoor water demands and aid in water conservation. These standards should be reconsidered.
- **Minimum service size.** Murray City to consider a new ordinance to allow and promote 3/4" meters and services for Multifamily units with no irrigation responsibilities. The City's current minimum service size for new development is 1". This has the following benefits:
  - Customers who share the cost of water via master meters are not able to correct water wasting behaviors or leaks because they do not know or cannot quantity if they are wasting water.
  - Billing each meter allows individual users to benefit from conservation or conversely pay for higher use if they are a high-volume user.

### Water Pricing:

- **Update Tiered Water Rate Pricing to Further Incentivize Conservation** – Murray City currently has a tiered water rate structure that encourages conservation. This water rate has not been updated since 2018 and a new water rate study needs to be completed to ensure that the pricing of the water system is self-sustaining for the water utilities.

### Improvements to Physical System:

- **AWWA Water Audit Program** – Participate in the AWWA Water Audit Program. This program helps water suppliers quantify system water loss and associated revenue losses. The City will participate in at least one additional water audit by 2026.
- **Pipe Replacement Program:** Replace and repair 1 percent of Murray City's distribution pipe network on an annual basis so that the entire system is replaced within the 100-year service life of a pipe network.
- **Well Sustainability Study** – Murray City plans to conduct a well sustainability study specifically to determine a reliable aquifer yield to ensure no serious aquifer depletion is occurring. Wells are the main source of water supply in Murray City and as such ensuring sustainable use of aquifer is paramount to water supply for future growth.
- **Investigate Leak Detection Technologies** – Murray City will meet with advanced leak detection equipment vendors to explore options to identify leaks via new technologies. A budget or plan will be created if research shows merit to available options.

**Table 10**  
**Implementation Schedule, Estimated Costs & Measurement of Progress**

New Conservation Practices	Implementation Timeline	Estimated Cost	Measurement of Progress
Maintain Public Outreach Programs	Ongoing	Varied	Completion of any of the listed activities (See New Conservation Practices)
Water Conservation Plan	Complete by 2024 & 2029	\$10,000	Completion of Report
Public Education Efforts	Ongoing	Varied	Completion of any of the associated tasks recommended (See New Conservation Practices)
Promote Rebates	Ongoing	Varied	Complete any of the associated tasks recommended (See New Conservation Practices)
Utah Water Savers Program Efficiency Standards	Complete by 2029	\$0	Ordinance adopted
Water Rates Study	Complete by 2024	\$20,000	New adopted water rates
AWWA Water Audit Program	Complete by 2026	\$5,000	Completed audit score and record
Pipe Replacement Program	Ongoing	\$3 million/year	Completion of associated tasks recommended (See New Conservation Practices)
Leak Detection technology Investigation	Complete 2025	\$0	Meet with at least three vendors
Well Sustainability Study	Complete by 2029	\$70,000	Completion of aquifer reliable yield report

## **WATER CONSERVATION COORDINATOR**

All water conservation coordination, implementation, monitoring, and reporting initiatives set forth by the department are assigned to the Water Division of the Murray City Public Works Department.

## **WATER CONSERVATION PLAN AUTHOR(S)**

This plan was prepared by Bowen Collins & Associates at the Draper office with feedback from City staff:

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**MURRAY**  
CITY COUNCIL

# Public Hearing #2



**MURRAY**

**Council Action Request**

# **Community and Economic Development**

## **Short Term Rental Ordinance**

**Council Meeting**

Meeting Date: December 3, 2024

<b>Department Director</b> Phil Markham	<b>Purpose of Proposal</b> Review proposed regulations regarding Short Term Rentals
<b>Phone #</b> 801-270-2427	<b>Action Requested</b> Land Use Ordinance Text Amendment
<b>Presenters</b> Zachary Smallwood	<b>Attachments</b> Slides
<b>Required Time for Presentation</b> 30 Minutes	<b>Budget Impact</b> None Anticipated
<b>Is This Time Sensitive</b> No	<b>Description of this Item</b> The City Council implemented a Temporary Land Use Ordinance regarding short term rentals in July of 2024.  The Council has given staff direction on where they would like to have short term rentals allowed and staff is prepared with a draft ordinance to regulate short term rentals in the City.  The Planning Commission held a public hearing on October 17th, 2024 and voted 4-3 to forward a recommendation of approval to the City Council.
<b>Mayor's Approval</b>	
<b>Date</b> January 31, 2018	

## MURRAY CITY CORPORATION

### NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on the 3<sup>rd</sup> day of December, 2024, at the hour of 6:30 p.m., in the City Council Chambers of the Murray City Hall, 10 East 4800 South, Murray, Utah, the Murray City Municipal Council will hold and conduct a Public Hearing on and pertaining to text amendments to enact Section 17.76.190 of the Murray City Municipal Code relating to residential short-term rentals and to amend Sections 17.76.020 and 17.84.060 of the Murray City Municipal Code relating to the determination of permitted and conditional uses.

The purpose of this hearing is to receive public comment concerning the proposed text amendments as described above.

DATED this 7<sup>th</sup> day of November 2024.



MURRAY CITY CORPORATION

  
Brooke Smith  
City Recorder

DATE OF POSTING: November 22, 2024  
PH24-44

LOCATIONS OF POSTINGS – AT LEAST 10 CALENDAR DAYS BEFORE THE PUBLIC HEARING:

1. Utah Public Notice Website
2. Murray City Website
3. Posted at Murray City Hall
4. Mailed to Affected Entities

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE ENACTING SECTION 17.76.190 OF THE MURRAY CITY MUNICIPAL CODE RELATING TO RESIDENTIAL SHORT-TERM RENTALS AND AMENDING SECTIONS 17.76.020 AND 17.84.060 OF THE MURRAY CITY MUNICIPAL CODE RELATING TO THE DETERMINATION OF PERMITTED AND CONDITIONAL USES.

BE IT ENACTED BY THE MURRAY CITY MUNICIPAL COUNCIL:

*Section 1. Purpose.* The purpose of this ordinance is to enact Section 17.16.190 of the Murray City Municipal Code relating to residential short-term rentals, and to amend Sections 17.76.020 and 17.84.060 of the Murray City Municipal Code relating to the determination of permitted and conditional uses.

*Section 2. Enactment of Section 17.76.190 of the Murray City Municipal Code.* Section 17.16.190 of the Murray City Municipal Code relating to residential short-term rentals shall be enacted to read as follows:

**17.76.190: RESIDENTIAL SHORT-TERM RENTALS (STR):**

A. Purpose. This section is established to provide regulations for residential short-term rentals (STRs) related to single family and multi-family neighborhoods. These standards seek to allow for STRs while also protecting the safety and general welfare of residents and preserving the residential character of neighborhoods. Allowing STRs, is intended to provide economic relief to existing property owners who might otherwise be forced to leave a neighborhood, thus promoting, and preserving stable and affordable housing in the city. This section also intends to stabilize neighborhoods by promoting home ownership and preserving long term rental housing in the City.

B. Definitions. The following words and phrases when used in this section 17.76.190 shall be construed as defined in this subsection B:

1. **DEDICATED VACATION RENTAL:** Renting an entire dwelling as a short-term rental where there are no owner occupants.
2. **HOST:** Any natural person who is an owner of the dwelling unit and uses the dwelling unit as their primary residence and offers a dwelling unit for use as a short-term rental.
3. **HOSTED SHARING:** Renting for a period of less than thirty (30) consecutive days, one or more bedrooms in a dwelling unit that is the primary residence of the host, while the host lives on-site, in the dwelling unit, throughout the visitors' stay.

4. **LIVES ON-SITE:** Maintains a physical presence in the dwelling unit, including, but not limited to, sleeping overnight, preparing and eating meals, and engaging in other activities in the dwelling unit, of the type typically maintained by a natural person in the dwelling unit in which they are an owner of the dwelling unit and uses that dwelling unit as their primary residence.
5. **OWNER.** Any person who, alone or with others, has legal or equitable title to a dwelling unit. A person whose interest in a dwelling unit is solely that of a tenant, subtenant, lessee, or sublessee under an oral or written rental housing agreement shall not be considered an owner.
6. **PRIMARY RESIDENCE.** The usual place of return for housing of an owner or long-term resident as documented by at least two of the following: motor vehicle registration, driver's license, Utah state identification card, voter registration, income tax return, property tax bill, or a utility bill. A person can only have one primary residence.
7. **RENTER:** A single person or group of people who provides compensation, in any form, in exchange for occupancy of a dwelling unit, under one lease or rental agreement.
8. **SHORT-TERM RENTAL (STR):** Any dwelling unit that is available for use or is used for accommodations or lodging of guests paying a fee or other compensation for a period of less than thirty (30) consecutive days.
9. **STR LAND USE PERMIT:** An administrative permit issued to the property owner seeking to use their property as an STR after Community and Economic Development staff have determined that the owner's property qualifies under the requirements of this chapter.
10. **UNHOSTED SHARING:** Renting an entire dwelling unit where the owner occupants of a residence vacate the unit while it is rented to short-term guests.

C. Dedicated Vacation Rentals and Unhosted Sharing Arrangements Prohibited.

1. All dedicated vacation rentals and unhosted sharing arrangements are prohibited within the jurisdiction of the City.
2. Short term rentals which existed prior to the January 1, 2025 must register with the city and obtain a business license.
3. Registration of Dedicated Vacation Rentals and Unhosted Sharing Arrangements.

- a. The Community and Economic Development Director, or designee, shall establish a process for registration and shall establish a system for keeping records of the same. The director shall provide registration forms for this purpose.
- b. The director shall verify the qualification of a dedicated vacation rental or unhosted sharing arrangement for registration.
- c. An adversely affected party may appeal the director's registration or denial as provided in chapter 17.16.
- d. Failure to register is a violation of this section and subject to chapter 17.172.190(G).

D. Applicability.

1. A hosted residential short-term rental is allowed in the R-1-6, R-1-8, R-1-10, R-1-12, and in the R-N-B zoning district after obtaining both a residential short-term rental land use permit and a business license. A residential short-term rental is prohibited in all other zoning districts.
2. The following are exempt and shall not be subject to the provisions of this section:
  - a. A residential lease of thirty (30) or more consecutive days.
  - b. RV parks, bed and breakfasts (inns and homestays), campgrounds, hotels, and motels, as described and regulated in Title 17.

E. Standards and Requirements. A residential short-term rental may be allowed within any existing legal conforming residential dwelling by obtaining an STR land use permit from the Community and Economic Development Department, wherein the applicant demonstrates compliance with requirements found in Title 17 and all of the following standards and requirements:

1. Application: A completed application form, provided by the City, and payment of all fees.
2. Property Information:
  - a. A detailed written description of the proposed use.
  - b. A basic site plan of the property including locations of accessory structures, setbacks, parking, and entrances to the dwelling and STR.

- c. A floorplan drawing of the dwelling that identifies the portions of the dwelling to be used for the STR.
- d. Only one designated STR or STR area is allowed per dwelling.
- e. No person or persons may be housed separately and/or apart from the dwelling unit in any tent, trailer, camper, lean-to, recreation vehicle or other structure.

3. Parking Plan: A detailed drawing of an off-street parking plan must be provided to ensure that all occupants of the primary dwelling and STR can be accommodated on-site at all times.

- a. Parking may not include any on-street parking, and shall be limited to the existing garage, driveway, and dedicated parking spots of the residential unit.
- b. Any proposed parking improvements shall also be included in the off-street parking plan and must be completed prior to issuance of a business license.
- c. All elements of the parking plan must comply with all other requirements of this section.
- d. The applicant shall provide the maximum renter occupancy proposed and demonstrate that sufficient parking has been provided off street at a rate of one-half (1/2) space per bedroom or sleeping area and in no case shall the parking be less than one (1) space.

4. Owner Occupancy: The owner shall reside in the dwelling in which an STR is desired and the dwelling must be the owner's primary residence. Applications for a short-term rental shall not be accepted until which time the owner of the subject property has demonstrated ownership and use of the home as their primary residence for no less than twelve (12) consecutive months.

- a. The owner shall prove ownership of the property as evidenced by a copy of a transfer deed listing the applicant as the fee title owner.
  - i. Fee title owner may be an individual or trustor of a family trust that possesses fifty percent (50%) or more ownership of the proposed STR.
  - ii. Fee title owner may not be a corporation, partnership, limited liability company, or similar entity.

- b. To establish that the property is the owner's primary residence, the owner shall:
    - i. Present a government issued identification document listing the address of the property as the address of the owner; and
    - ii. A signed affidavit sworn before a notary public shall be provided by the owner stating that the proposed property is the primary residence of the owner.
5. Occupancy During Rental Period: The owner shall comply with the following occupancy restrictions:
  - a. The property shall not be rented to more than one party at any given time, and the owner shall not divide and rent out portions of the dwelling to multiple parties at the same time.
  - b. Hosted sharing is allowed three hundred sixty-five (365) days a year.
  - c. The property shall only be rented for a minimum duration of one day and a maximum of thirty (30) days.
6. No Conflict with Private Restrictions: The property owner shall sign an affidavit sworn before a notary public that certifies to the City that the subject property has no existing private covenants, conditions, or restrictions prohibiting STRs.
7. Urgent Response: The owner, shall be available to immediately respond twenty-four (24) hours a day, three hundred sixty-five (365) days a year in person and by telephone.
  - a. The owner shall be able to physically respond within one hour of an inquiry or request by the City.
  - b. If the owner is unreachable after three (3) attempted contacts by Murray City within one hour, a citation may be issued.
  - c. If the owner is not able to respond within an hour a citation may be issued.
8. Property Maintenance Requirements. All STRs shall adhere to all City ordinances relating to the maintenance and management of property.
9. Inspections. Prior to the initial letting of a short-term rental and prior to the permit renewal, the owner shall arrange for an inspection annually by the City to confirm that occupancy standards and requirements herein are satisfied. All short-term rental units shall be subject to inspection and approval by the City to

verify registration, application, permit, operating and/or occupancy standards and requirements or if there is reason to believe that any provision of this chapter is being violated.

10. Noise and Nuisance Control: The owner shall ensure that the guests adhere to the noise control in section 8.16 of the Murray City Code, as amended.

- a. Guests and/or their pets shall not create noise that by reason of time, nature, intensity or duration are out of character with noise customarily heard in the surrounding neighborhood;
- b. Guests shall not disturb the peace of surrounding residents by engaging in outside recreational activities or other similar activities between ten o'clock (10:00) P.M. and seven o'clock (7:00) A.M.;
- c. Guests or persons shall not disturb the peace of any neighborhood, person, or family by loud or unusual noises or by tumultuous and offensive conduct, public indecency, threatening, traducing, quarreling, challenging to fight, or fighting;
- d. Guests and/or their pets shall not interfere with the privacy of surrounding residents or trespass onto surrounding properties;
- e. Guests shall not engage in disorderly or illegal conduct, including illegal consumption of drugs or alcohol.

11. Owner must be and remain current in payment to the State for transient room taxes, or sales taxes related to the STR.

12. Duration of Permit and Renewal.

- a. A land use permit issued under this section shall remain in effect for a period of one (1) year from the date it was issued.
- b. The owner may request the renewal of the permit upon applying for such renewal to the Community and Economic Development Department and the payment of the renewal fee.
- c. The Community and Economic Development Department Director, or designee shall have the authority to impose additional reasonable conditions on any renewal in the event of any prior violation of the conditions of the license or the provisions of this chapter to address any such past violations.

F. Conditions for Denial of Permit.

1. The applicant failed to conform to permit conditions of the previous year.
2. Renters at the property were issued more than two noise ordinance violations during the previous permit period
3. Any other reasonable and rational factors or combination of factors (e.g. small lot, inadequate street parking, etc) that would cause a clearly detrimental impact on the neighborhood.
4. If an application is denied, the applicant may correct any deficient conditions and reapply. Whenever an application or a renewal application is denied, the Community and Economic Development Department will provide the applicant with a written list of deficient conditions, including a list of sustained unresolved legitimate complaints in the case of a denied renewal application.
5. If the property has any existing violations of a City ordinance or State law no permit shall be issued until such violations are corrected.

G. Violations and Penalties.

1. Failure to comply with this section, 17.76.190 shall constitute a violation for which the City may issue a citation for a class C misdemeanor and impose penalties. Each day that a violation occurs or continues is a separate violation.
2. Operation of a property in the city for short-term rental purposes without an STR Land Use Permit or a business license shall be a violation of this code for which the City may issue a citation.
3. It shall be a violation for any person to operate an STR in violation of any federal, state or local law, rule or regulation.
4. A STR permit that has been granted may be suspended or revoked for failure to maintain compliance with the standards and requirements of paragraph E, for any violation of the provisions of this section, title 17, or for any of the reasons as contained in section 5.04.070.
5. Any appeal of a decision to deny, suspend or revoke a STR permit shall be heard in accordance with those procedures established by chapter 17.16.
6. The remedies provided in this section are not exclusive, and nothing in this section shall preclude the use or application of any other remedies, penalties or procedures established by law.

H. Suspension or Revocation. The City may issue a notice suspending or revoking a permit granted under this section if the owner of the permit or renter has:

1. Violated or is not in compliance with this section 17.96.190;
2. Committed an assault, any act of domestic violence, a drug offense or any felony on the short-term rental premise;
3. Refused to allow any inspection of the premises of the STR authorized by Title 5 or by any other statute or ordinance;
4. Given materially false or misleading information in obtaining the permit;
5. Knowingly operated the STR during the period when the permittee's permit was suspended or revoked;
6. Become delinquent in payment to the State for transient room taxes, or sales taxes related to the STR.
7. Suspension or revocation shall take effect within ten (10) days of the issuance of notice unless an appeal is filed as provided by this title.
8. The fact that a conviction is being appealed shall have no effect on the revocation of the permit or license.

#### I. Revocation Process:

1. Upon receiving a first complaint from any person alleging any violation of this section, the City shall call or email, and send a letter or notification to the property owner explaining the nature of the complaint and requiring immediate correction.
2. A second complaint will result in the City sending second letter or notification to the property owner explaining the complaint and warning that the STR permit may be in jeopardy of being revoked.
3. A third complaint will result in written notification from the City to the property owner requiring their attendance at a meeting with a member of the CED staff to show cause why the STR permit should not be revoked. The show-cause hearing shall be held even if the owner fails to appear.
4. Following a show-cause hearing and short of revoking the STR permit, the CED Director may add any conditions or make any other adjustments to the permit deemed reasonably necessary.
5. Following a show-cause hearing, the CED Director, or designee may revoke an STR permit issued under this section if it finds that:

- a. The permittee failed to comply repeatedly with any condition set forth in this chapter or the STR permit;
- b. The permittee engaged in a pattern of unlawful activity; or
- c. The permittee violated State law or local ordinances.

6. In cases of severe initial misconduct affecting the health or safety of any individual or the community, the first complaint may be treated as a third complaint.

J. Effect of Revocation. When any permit issued pursuant to this section is revoked, the revocation shall continue for one (1) year from the date of revocation. The permittee shall not be issued an STR permit for one (1) year from the date of such revocation. In the event that a permit is revoked a second time within five (5) years, the permittee shall not be issued an STR permit for five (5) years from the date of the second revocation.

K. Injunction. An entity or individual who operates or causes to be operated a short-term rental without a valid permit or business license or who operates or causes to operate an STR in violation of the provisions of this section 17.76.190 is subject to a suit for injunction in addition to the civil and criminal violations provided in this title 17, title 5, and any other remedy available at law or in equity.

L. Notwithstanding any other remedy in this section, violations of the City Code or State law may be prosecuted as a criminal offense in the Justice Court.

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*Section 3. Amendment of Sections 17.76.020 and 17.84.060 of the Murray City Municipal Code.* Sections 17.76.020 and 17.84.060 of the Murray City Municipal Code relating to the determination of permitted and conditional uses shall be amended to read as follows:

#### **17.76.020: ESTABLISHMENT OF USES NOT SPECIFIED:**

When a use is not specifically contained in the list of "permitted" or "conditional" uses, the use is determined to be prohibited. but if a use is of the same character and intensity as such "permitted" or "conditional" uses so listed, the community development director may allow the establishment of that use subject to determination of the following criteria:

- A. The establishment of the use will be in accordance with the purposes of the district in which that use is proposed.
- B. The use will be an appropriate addition to the zone because it has the same basic characteristics as the other uses permitted in the district.

- C. The use will not be detrimental to the public health, safety, or welfare.
- D. The use shall not adversely affect the character of that district in which it is proposed to be established.
- E. The use will not create more traffic, odor, dust, dirt, smoke, noise, vibration, illumination, glare, unsightliness, or any other objectionable influence than the amount normally created by any of the uses listed as uses in that district.
- F. The use will not create any greater hazard of fire or explosion than the hazard normally created by any of the uses listed as uses in that district. (Ord. 07-30 § 2)

....

#### **17.84.060: USES NOT DESIGNATED:**

- A. Uses that are not listed in a zoning district's list of permitted or conditional uses is determined to be prohibited.
- B. Any A use that is similar to another use but is not specifically designated shall be considered in accordance with section 17.76.020 of this title. (Ord. 07-30 § 2)

....

*Section 4. Effective date. This Ordinance shall take effect upon first publication.*

PASSED, APPROVED AND ADOPTED by the Murray City Municipal Council on this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

MURRAY CITY MUNICIPAL COUNCIL

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Pam Cotter, Chair

ATTEST:

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Brooke Smith, City Recorder

MAYOR'S ACTION:

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

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Brett A. Hales, Mayor

ATTEST:

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Brooke Smith, City Recorder

CERTIFICATE OF PUBLICATION

I hereby certify that this Ordinance, or a summary hereof, was published according to law on the \_\_\_\_\_ day of \_\_\_\_\_, 2024.

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Brooke Smith, City Recorder

Land Use Ordinance Text Amendment - Project # 24-100 - Sections 17.76.020 & 17.84.060 and enacting 17.76.190 - Amending language regarding Permitted and Conditional Uses and enacting regulations regarding short-term rentals

Zachary Smallwood presented the request from staff to amend sections 17.76.020 & 17.84.06, related to permitted and conditional uses and the creation of section 17.76.190 residential short-term rentals in the Murray City Land Use Ordinance. Mr. Smallwood said that the City Council instituted a temporary land use regulation, also known as a moratorium on short-term rentals because of a loophole found in the above referenced sections of the land use ordinance, which expires in January, 2025, per Utah State Statute. Staff is asking the Planning Commission for a recommendation to forward to the City Council. He said that if the Planning Commission does not move forward with a recommendation, they will need to provide a date that the item will be heard again. He provided a definition of a short-term rental, being a dwelling or portion thereof available for accommodations/lodging for compensation provided for a period of less than thirty days. He indicated that the proposed ordinance defines three types of short-term rentals, which include hosted, unhosted and dedicated vacation rental. These proposed regulations disallow unhosted and dedicated vacation rentals. He outlined the parking requirements in the proposed regulations.

Mr. Smallwood and the commissioners discussed the parking requirements. The commissioners wanted to understand how the required number of parking spaces is determined. Mr. Smallwood said that owners are only allowed to rent to one party, but the number of spaces is determined by the number of bedrooms.

Chair Patterson asked if staff has looked at other cities short-term rental requirements. Mr. Smallwood said that many cities don't regulate them. The premise is that since there's no ordinance, there's no enforcement. He said that he modeled the ordinance after best practices and finding what staff could of other cities.

Some commissioners felt that the proposed ordinance was too restrictive for residents and onerous for staff to enforce. Mr. Smallwood said this is a baseline starting point. The City Council will have staff provide a status report in one year. Changes may be made at that time.

Commissioner Hristou asked who will be enforcing the new regulations. Mr. Smallwood said the responsibility falls on the Community and Economic Development Department. He said they've already purchased tracking software and anticipate the need for budget opening to pay for additional staff.

Chair Patterson asked how many short-term rentals have staff identified. Mr. Smallwood said about 150 were in operation as of September 2024. He said this information was provided in a demo of the newly purchased software. He pointed out that there are about 150 in existence and will be grandfathered in and will not have to comply with the new regulations, this is the determination from legal counsel.

Commissioner Milkavich pointed out that there are two side to the argument of short-term rentals. There are pros and cons. She wanted to make sure they are addressing the negative aspects, especially for neighborhoods. Chair Patterson said she feels they certainly should be regulated to mitigate the negative aspects, but she does feel the currently proposed regulations are too punitive. Although she agrees there should be regulation, she doesn't feel there needs to be an ordinance right now. Mr. Smallwood said that the city needs to start somewhere and improve upon the initial regulations.

The commissioners and Mr. Smallwood discussed the approach of making the code stricter to start with. Some commissioners felt it shouldn't be as strict at first. They felt it should only get stricter over time, as

needed. Mr. Hacker pointed out that if they start out with loose regulations, it's too difficult to reign it in. Mr. Smallwood said that it's also the way the City Council wants to start.

Mr. Smallwood discussed the aspect of code enforcement of short-term rentals. He mentioned the penalties of operating without a permit, which could lead to a class C misdemeanor.

The commissioners and Mr. Smallwood discussed how the fine structure would work and if the fines would begin when the business activity began or when the activity was discovered. Mr. Richardson clarified that the fines could start from the date that prosecutor could prove the start of the short-term rentals.

Mr. Smallwood briefly described the process for operating a short-term rental. The process will involve staff-level approval, where the applicant will need to submit a site plan, floor plan, parking plan, proof of owner occupancy, proof of non-conflict with HOA's and a business license. Staff recommends that the Planning Commission forward a recommendation of approval to the City Council.

Chair Patterson opened the agenda item for public comment. Seeing none, the public comment period was closed.

Commissioner Pehrson expressed that the proposed code is overly complicated and that applicants should not have to submit so much documentation as part of the application process. He said it adds an unnecessary burden on the applicant and on the city to manage and enforce that process.

Commissioner Henrie said he doesn't see why an unhosted sharing is an issue. He also agrees that it will be overregulated and restrictive. He feels the code should start out being less strict and then only become stricter as needed. Mr. Smallwood said the issue is that, when a stricter code is imposed, everything prior to that is grandfathered in and allowed to continue. Commissioner Henrie said that he feels that's an acceptable way to handle it and argued that residents should be allowed to do what they want with their property, so long as it isn't a nuisance or isn't violating laws. Commissioner Milkavich said that the ordinance is trying to address potential nuisances. They discussed the aspects of the code that address issues with unhosted properties.

Commissioner Hristou asked Mr. Richardson about the challenges that other cities have seen. Mr. Richardson said there's not a large amount of case law or history to draw from, since short term rentals are relatively new. He said the issue revolves around balancing private property rights with public interest.

Commissioner Pehrson said what he feels is too restrictive is that the rental needs to be hosted. He clarified that he doesn't want to make the code weaker, but he doesn't want it to be burdensome on staff to enforce.

Mr. Smallwood said he anticipates that the code will ease up in the future, because it is quite onerous. There are many unknown factors at this point. He doesn't disagree this is a lot for staff to manage but knows it will improve over time. He said he can report back to them in a year to revisit how the process is going. He feels it will be easier to know what to change once they have the year's data to work with. He also pointed out that they need to push forward what's proposed and clean up later, because they are up against a tight deadline.

The commissioners discussed the best way to modify the proposal to meet the deadline. They want to avoid having the City Council deny the proposal.

Commissioner Milkavich said it will be chaotic if they don't have a code in place by January. They must decide what they can live with for now to be able to move forward. They discussed striking "unhosted," but Mr. Smallwood told them that the council feels very strongly about that aspect and will not allow for unhosted rentals.

Commissioner Pehrson suggested removing requirement (9) from the ordinance because it's already required as part of the business licensing process. Commissioner Pehrson also suggested omitting (2)(e). Mr. Smallwood said he would be concerned about the impact of getting rid of it altogether.

Commissioner Hristou said that he agrees they should make the code as simple as possible. He is just concerned with cutting items without fully understanding the downstream affect.

Commissioner Pehrson asked Mr. Smallwood to share with the City Council the conversations the commissioners had regarding the restrictiveness of the proposed code.

Some of the commissioners shared their concerns that it feels like they must forward a recommendation without any amendments because they feel that the City Council does not want to take those amendments into consideration. They just feel obligated to forward the recommendation as a form of going through the motions.

Commissioner Henrie made a motion to strike the sentence "allowing short-term rentals is intended to provide economic relief to existing property owners who might otherwise be forced to leave a neighborhood, thus promoting preserving stable and affordable housing in the city." He feels that it's irrelevant.

The motion failed for a second.

Commissioner Hristou made a motion to recommend approval to the city council for the request to amend the Murray City Land Use ordinance, amending sections 17.76.020 & 17.84.060 and enacting 17.76.190 regarding residential short-term rentals, as presented in the staff report.

Seconded by Commissioner Milkavich. Roll call vote:

<u>N</u>	Patterson
<u>N</u>	Hacker
<u>A</u>	Milkavich
<u>A</u>	Pehrson
<u>A</u>	Richards
<u>N</u>	Henrie
<u>A</u>	Hristou

Motion passes: 4-3



## AGENDA ITEM # 10 Residential Short Term Rentals

ITEM TYPE:	Text Amendment		
ADDRESS:	City Wide	MEETING DATE:	October 17, 2024
APPLICANT:	Planning Division Staff	STAFF:	Zachary Smallwood, Planning Division Manager
PARCEL ID:	Not Applicable	PROJECT NUMBER:	24-100
PROPOSED AMENDMENT	Amending Sections 17.76.020 & 17.84.060 & Enacting 17.76.190		
REQUEST:	The Murray City Planning Division proposes amending Sections 17.76.020 & 17.84.060 related to Permitted and Conditional Uses and the creation of Section 17.76.190, Residential Short Term Rentals, in the Murray City Land Use Ordinance.		

### I. BACKGROUND & STAFF REVIEW

#### Background

Murray City Planning Division staff previously worked on a Residential Short Term Rental Ordinance in 2021 which was reviewed by the Planning Commission and tabled by the City Council. Since then, business licensing has received a number of requests to apply for a short term residential business license.

One applicant challenged the City's provisions of permitted and conditional uses resulting in the city granting the request for a business license for a short-term rental. The City Attorney presented a Temporary Land Use Regulation (aka moratorium) on all short-term rentals in the City to the City Council in July of 2024. The City Attorney's Office and Planning Staff have been working on drafting new language with the City Council to adequately regulate STRs in the City.

The following subsections review aspects of the code that are being proposed. A full draft of the ordinance is also provided as an attachment to this report for the Planning Commission to review.

## Proposed Code

The Murray City Planning Division began with the previously presented STR code that was presented in 2021. Crafting changes based on feedback from the City Council staff believes that the proposed code will successfully implement a framework to appropriately allow and regulate short-term rentals (STRs) in the city.

### Definitions:

It is necessary to define the three main types of short-term rentals.

1. *Hosted Sharing*: means renting out a portion of the dwelling out while the homeowner resides on property at the same time.
2. *Unhosted Sharing*: means renting out a portion or the entire dwelling while the homeowner is NOT residing on property, but still uses the property as their primary residence.
3. *Dedicated Vacation Rental*: means that the homeowner does not reside on the property and rents out the dwelling.

During research it was clear that Murray's citizens wanted to make sure that any short-term rental had accountability by the property owner. To respond to that concern, Planning Division Staff recommends that unhosted sharing and dedicated vacation rentals as defined above be prohibited within the city.

### Where Allowed:

Planning Division staff recommends that short-term rentals be allowed in single-family residential districts. These are listed in the proposed ordinance and listed below. This allows citizens additional opportunity to more fully enjoy the use of their property. Murray City staff would review a land use permit (see the "permitting" section that follows) in order to verify whether an applicant would be able to meet all the requirements allowing STRs.

Recommended Zoning Districts	
R-1-6, Single Family	R-1-8, Single Family
R-1-10, Single Family	R-1-12, Single Family
R-N-B, Residential Neighborhood Business	

### Permitting:

Proposed Section 17.76.190(E) states that "E. Standards and Requirements. A residential short-term rental may be allowed within any existing legal conforming residential dwelling by obtaining an STR land use permit from the Community and Economic Development Department, wherein the applicant demonstrates compliance with requirements found in Title 17 and all of the following standards and requirements..." Planning Division staff

recommends that the STR Land Use Permit be an administrative permit, approved at the staff level. This would allow residents to apply and be approved relatively quickly if requirements can be met as opposed to going through a Conditional Use Permit process with the associated delays of required noticing and a public meetings.

Standards and Requirements:

Any request to operate an STR will require an application on a form that is provided by the city. The application will cover what is needed in order to get approved for an STR permit. Requirements will include a site plan showing the layout of the property including setbacks and entrances to the dwelling and/or STR. The site plan is also where the proposed parking will be shown.

Parking will be required at one-half (1/2) space per bedroom that will be used as a short-term rental and in no case shall this be less than one (1) additional space. This is in addition to the two (2) spaces that are required for most dwellings. As an example, a property owner that intends to use one (1) bedroom out of a total four (4) bedrooms in their home for an STR would be required to demonstrate the availability of at least three (3) off-street parking spaces.

Floorplans will be required for to show the areas to be used as an STR. Only one designated area for STRs will be allowed. This language means that a property owner could not rent out multiple bedrooms to multiple groups. Planning Division staff finds this to be the most reasonable and fair approach; a property owner is allowed an STR, but the residential character of the area is less impacted with only one group in a dwelling at any time, and the use of the STR will have less of an impact to neighboring property owners.

The property owner will be required to provide proof of occupancy of the proposed STR. They must be a fee title owner, or part of a family trust that owns a minimum of fifty percent of the dwelling. Additionally, the property will need to document that the property is their primary residence by providing a government issued ID and by signing an affidavit affirming that they reside on the property a minimum of 183 days per calendar year.

If the property owner is part of an HOA, they will need to sign an affidavit that certifies that the property owner will not be violating any CC&Rs prohibiting short-term rentals. As part of the application process the applicant will need to provide contact information for someone that will be available 24/7/365 in case of any potential violations.

All STRs are required to follow city ordinances relating to property maintenance, noise, and nuisances. If the guests do not follow these rules the property owner may be subject to a violation and/or the guest may be evicted.

Violations and Penalties:

It is vital that there be consequences for not following the ordinance regarding short-term rentals. Planning Division staff worked with the City Attorney's office to craft a violations and penalty section that is firm and effective, yet fair.

A property owner found operating a short term rental without approval by the city or is in violation of the standards in their permit, the city may issue a citation for a class C misdemeanor and impose penalties. The property owner would need to cease all operations of the short-term rental and if able go through the permitting process to allow a short-term rental or come back into compliance. If the property owner does not cease operations or continues out of compliance, every additional day in operation would constitute a separate violation.

Within these sections is a process for revocation. Anyone operating an STR that receives a complaint will be required to remedy the complaint if after three complaints then a show-cause hearing will be scheduled. The CED Director may revoke an STR permit after this hearing. This will result in a revocation for one (1) year. If an operator has had their permit revoked twice in a five year period the revocation shall be for five years from the second offense.

### Additional Land Use Code Cleanup

As part of this text amendment, staff has included changes to Sections 17.76.020 and 17.84.060 regarding Permitted and Conditional Uses to clarify that indeed, when a use is not listed as permitted or conditional it is prohibited in the City. This does allow for some flexibility in that if there is a use that is similar to another it may be considered on its own merits and has been in place for a number of years.

### Summary

The proposed code is intended to help people in two distinct ways. The first by allowing for homeowners to supplement their income by providing an opportunity for them to rent out a portion of the dwelling in which they reside. Allowing short-term rentals has the potential to provide economic relief for a homeowner who may not be able to afford their home otherwise, thus stabilizing the neighborhood from turnover of new residents. Requiring that the property owner reside on the property alleviates one of the main concerns of STRs: that the property will become a party house, or that the property will fall into disrepair by absentee landlords.

The second, which is more complex is to allow these short term rentals with as little impact to the neighborhood as possible. The nature of short-term rentals will create small impacts to the immediate neighbors and the Planning Division has worked diligently to make sure that the requirements to obtain a permit and the penalties for not having or violating the conditions of a permit will reduce those impacts. Planning Division staff believes this proposal will provide the greatest good, for the greatest number of the residents of Murray City.

## **II. CITY DEPARTMENT REVIEW**

The proposed ordinance was made available for review by City Staff from various departments on October 1, 2024. Reviewing departments did not provide any comments.

## **III. PUBLIC COMMENTS**

Notice of the public hearing for the requested text amendment was sent to affected entities and posted on the State's public notice website. No comments have been received as of the writing of the Staff Report.

## **IV. FINDINGS**

1. The proposed changes are in harmony with objective 11 of the Land Use and Urban Design Element of the 2017 Murray City General Plan to "stimulate reinvestment in deteriorating areas of the city to support growth and enhance the image of the community". Hosts of short-term rentals are often encouraged to market their property, by reinvesting in their homes they help the imageability of the neighborhood.
2. The proposed changes support objective 3 of the Neighborhoods & Housing Element of the 2017 Murray City General Plan to "encourage housing options for a variety of age, family size and financial levels". The proposed changes allow residents that own a home and that may be struggling to pay their mortgage an opportunity to rent out a portion or all of their home for less than thirty days.
3. Objective 1 of the Moderate Income Housing Element advises the city to "ensure housing affordability targets are achievable using a range of strategies". Staff finds that the proposed code furthers this objective by making it easier for a homeowner to stay in their home by renting out a portion of their dwelling.

## **V. STAFF RECOMMENDATION**

Based on the background, staff review, and the findings in this report, Staff recommends that the Planning Commission forward a recommendation of APPROVAL to the City Council for the request to amend the Murray City Land Use Ordinance amending Sections 17.76.020 and 17.84.060 and enacting Section 17.76.190, Residential Short Term Rentals, as presented in the Staff Report.



**\*\*UPDATED\*\***

**NOTICE OF PUBLIC HEARING**

**October 17<sup>th</sup>, 2024, 6:30 PM**

The Murray City Planning Commission will hold a public hearing in the Murray City Municipal Council Chambers, located at 10 East 4800 South, Murray, UT to receive public comment on the following application:

**Amendments to Chapter 17.76 Supplemental Development Standards. This is a request by Murray City Planning Staff to create section 17.76.190 related to Residential Short-Term Rentals. The Planning Commission will review recommended language to regulate hosted short-term rentals and disallowing unhosted or vacation rentals.**

**Additional amendments to Sections 17.76 & 17.84 to clarify when a use is not listed as permitted or conditional it is not allowed.**

The meeting is open, and the public is welcome to attend in person or you may submit comments via email at [planningcommission@murray.utah.gov](mailto:planningcommission@murray.utah.gov). If you would like to view the meeting online, you may watch via livestream at [www.murraycitylive.com](http://www.murraycitylive.com) or [www.facebook.com/MurrayCityUtah/](http://www.facebook.com/MurrayCityUtah/).

*Comments are limited to 3 minutes or less, written comments will be read into the meeting record.*

If you have questions or comments concerning any of these items, please contact the Murray City Planning Division at 801-270-2430, or e-mail [planning@murray.utah.gov](mailto:planning@murray.utah.gov).

Special accommodations for the hearing or visually impaired will be upon a request to the office of the Murray City Recorder (801-264-2660). We would appreciate notification two working days prior to the meeting. TTY is Relay Utah at #711.

## **17.76.190: RESIDENTIAL SHORT-TERM RENTALS (STR):**

A. Purpose. This section is established to provide regulations for residential short-term rentals (STRs) related to single family and multi-family neighborhoods. These standards seek to allow for STRs while also protecting the safety and general welfare of residents and preserving the residential character of neighborhoods. Allowing STRs, is intended to provide economic relief to existing property owners who might otherwise be forced to leave a neighborhood, thus promoting, and preserving stable and affordable housing in the city. This section also intends to stabilize neighborhoods by promoting home ownership and preserving long term rental housing in the City.

B. Definitions. The following words and phrases when used in this section 17.76.190 shall be construed as defined in this subsection B:

1. **DEDICATED VACATION RENTAL:** Renting an entire dwelling as a short term rental where there are no owner occupants.
2. **HOST:** Any natural person who is an owner of the dwelling unit and uses the dwelling unit as their primary residence and offers a dwelling unit for use as a short term rental.
3. **HOSTED SHARING:** Renting for a period of less than 30 consecutive days, one or more bedrooms in a dwelling unit that is the primary residence of the host, while the host lives on-site, in the dwelling unit, throughout the visitors' stay.
4. **LIVES ON-SITE:** Maintains a physical presence in the dwelling unit, including, but not limited to, sleeping overnight, preparing and eating meals, and engaging in other activities in the dwelling unit, of the type typically maintained by a natural person in the dwelling unit in which they are an owner of the dwelling unit and uses that dwelling unit as their primary residence.
5. **OWNER.** Any person who, alone or with others, has legal or equitable title to a dwelling unit. A person whose interest in a dwelling unit is solely that of a tenant, subtenant, lessee, or sublessee under an oral or written rental housing agreement shall not be considered an owner.
6. **PRIMARY RESIDENCE.** The usual place of return for housing of an owner or long-term resident as documented by at least two of the following: motor vehicle registration, driver's license, Utah state identification card, voter registration, income tax return, property tax bill, or a utility bill. A person can only have one primary residence.
7. **RENTER:** a single person or group of people who provides compensation, in any form, in exchange for occupancy of a dwelling unit, under one lease or rental agreement.
8. **SHORT-TERM RENTAL (STR):** Any dwelling unit that is available for use or is used for accommodations or lodging of guests paying a fee or other compensation for a period of less than 30 consecutive days.
9. **STR LAND USE PERMIT:** An administrative permit issued to the property owner seeking to use their property as an STR after Community and

Economic Development staff have determined that the owner's property qualifies under the requirements of this chapter.

10. **UNHOSTED SHARING:** Renting an entire dwelling unit where the owner occupants of a residence vacate the unit while it is rented to short-term guests.
- C. **Dedicated Vacation Rentals and Unhosted Sharing Arrangements Prohibited.**
  1. All dedicated vacation rentals and unhosted sharing arrangements are prohibited within the jurisdiction of the City.
  2. Short term rentals which existed prior to the January 1, 2025 must register with the city and obtain a business license.
  3. **Registration of Dedicated Vacation Rentals and Unhosted Sharing Arrangements.**
    - a. The Community and Economic Development Director, or designee, shall establish a process for registration and shall establish a system for keeping records of the same. The director shall provide registration forms for this purpose.
    - b. The director shall verify the qualification of a dedicated vacation rental or unhosted sharing arrangement for registration.
    - c. An adversely affected party may appeal the director's registration or denial as provided in chapter 17.16.
    - d. Failure to register is a violation of this section and subject to chapter 17.172.190(G).
- D. **Applicability.**
  1. A hosted residential short-term rental is allowed in the R-1-6, R-1-8, R-1-10, R-1-12, and in the R-N-B zoning district after obtaining both a residential short-term rental land use permit and a business license. A residential short-term rental is prohibited in all other zoning districts.
  2. The following are exempt and shall not be subject to the provisions of this section:
    - a. A residential lease of thirty (30) or more consecutive days.
    - b. RV parks, bed and breakfasts (inns and homestays), campgrounds, hotels, and motels, as described and regulated in Title 17.
- E. **Standards and Requirements.** A residential short-term rental may be allowed within any existing legal conforming residential dwelling by obtaining an STR land use permit from the Community and Economic Development Department, wherein the applicant demonstrates compliance with requirements found in Title 17 and all of the following standards and requirements:
  1. **Application:** A completed application form, provided by the City, and payment of all fees.
  2. **Property Information:**
    - a. A detailed written description of the proposed use.
    - b. A basic site plan of the property including locations of accessory structures, setbacks, parking, and entrances to the dwelling and STR
    - c. A floorplan drawing of the dwelling that identifies the portions of the dwelling to be used for the STR.

- d. Only one designated STR or STR area is allowed per dwelling.
- e. No person or persons may be housed separately and/or apart from the dwelling unit in any tent, trailer, camper, lean-to, recreation vehicle or other structure.

3. **Parking Plan:** A detailed drawing of an off-street parking plan must be provided to ensure that all occupants of the primary dwelling and STR can be accommodated on-site at all times.

- a. Parking may not include any on-street parking, and shall be limited to the existing garage, driveway, and dedicated parking spots of the residential unit.
- b. Any proposed parking improvements shall also be included in the off-street parking plan and must be completed prior to issuance of a business license.
- c. All elements of the parking plan must comply with all other requirements of this section.
- d. The applicant shall provide the maximum renter occupancy proposed and demonstrate that sufficient parking has been provided off street at a rate of one-half (1/2) space per bedroom or sleeping area and in no case shall the parking be less than one (1) space.

4. **Owner Occupancy:** The owner shall reside in the dwelling in which an STR is desired and the dwelling must be the owner's primary residence. Applications for a short-term rental shall not be accepted until which time the owner of the subject property has demonstrated ownership and use of the home as their primary residence for no less than twelve (12) consecutive months.

- a. The owner shall prove ownership of the property as evidenced by a copy of a transfer deed listing the applicant as the fee title owner.
  - i. Fee title owner may be an individual or trustor of a family trust that possesses fifty percent (50%) or more ownership of the proposed STR.
  - ii. Fee title owner may not be a corporation, partnership, limited liability company, or similar entity.
- b. To establish that the property is the owner's primary residence, the owner shall:
  - i. Present a government issued identification document listing the address of the property as the address of the owner; and
  - ii. A signed affidavit sworn before a notary public shall be provided by the owner stating that the proposed property is the primary residence of the owner.

5. **Occupancy During Rental Period:** The owner shall comply with the following occupancy restrictions:

- a. The property shall not be rented to more than one party at any given time, and the owner shall not divide and rent out portions of the dwelling to multiple parties at the same time.

- b. Hosted sharing is allowed 365 days a year.
  - c. The property shall only be rented for a minimum duration of one day and a maximum of thirty (30) days.
- 6. No Conflict with Private Restrictions: The property owner shall sign an affidavit sworn before a notary public that certifies to the City that the subject property has no existing private covenants, conditions, or restrictions prohibiting STRs.
- 7. Urgent Response: The owner, shall be available to immediately respond twenty-four (24) hours a day, three hundred sixty-five (365) days a year in person and by telephone.
  - a. The owner shall be able to physically respond within one hour of an inquiry or request by the City.
  - b. If the owner is unreachable after three (3) attempted contacts by Murray City within one hour, a citation may be issued.
  - c. If the owner is not able to respond within an hour a citation may be issued.
- 8. Property Maintenance Requirements. All STRs shall adhere to all City ordinances relating to the maintenance and management of property.
- 9. Inspections. Prior to the initial letting of a short-term rental and prior to the permit renewal, the owner shall arrange for an inspection annually by the City to confirm that occupancy standards and requirements herein are satisfied. All short-term rental units shall be subject to inspection and approval by the City to verify registration, application, permit, operating and/or occupancy standards and requirements or if there is reason to believe that any provision of this chapter is being violated.
- 10. Noise and Nuisance Control: The owner shall ensure that the guests adhere to the noise control in section 8.16 of the Murray City Code, as amended.
  - a. Guests and/or their pets shall not create noise that by reason of time, nature, intensity or duration are out of character with noise customarily heard in the surrounding neighborhood;
  - b. Guests shall not disturb the peace of surrounding residents by engaging in outside recreational activities or other similar activities between ten o'clock (10:00) P.M. and seven o'clock (7:00) A.M.;
  - c. Guests or persons shall not disturb the peace of any neighborhood, person, or family by loud or unusual noises or by tumultuous and offensive conduct, public indecency, threatening, traducing, quarreling, challenging to fight, or fighting;
  - d. Guests and/or their pets shall not interfere with the privacy of surrounding residents or trespass onto surrounding properties;
  - e. Guests shall not engage in disorderly or illegal conduct, including illegal consumption of drugs or alcohol.
- 11. Owner must be and remain current in payment to the State for transient room taxes, or sales taxes related to the STR.
- 12. Duration of Permit and Renewal.

- a. A land use permit issued under this section shall remain in effect for a period of one (1) year from the date it was issued.
- b. The owner may request the renewal of the permit upon applying for such renewal to the Community and Economic Development Department and the payment of the renewal fee.
- c. The Community and Economic Development Department Director, or designee shall have the authority to impose additional reasonable conditions on any renewal in the event of any prior violation of the conditions of the license or the provisions of this chapter to address any such past violations.

**F. Conditions for Denial of Permit.**

1. The applicant failed to conform to permit conditions of the previous year.
2. Renters at the property were issued more than two noise ordinance violations during the previous permit period
3. Any other reasonable and rational factors or combination of factors (e.g. small lot, inadequate street parking, etc) that would cause a clearly detrimental impact on the neighborhood.
4. If an application is denied, the applicant may correct any deficient conditions and reapply. Whenever an application or a renewal application is denied, the Community and Economic Development Department will provide the applicant with a written list of deficient conditions, including a list of sustained unresolved legitimate complaints in the case of a denied renewal application.
5. If the property has any existing violations of a City ordinance or State law no permit shall be issued until such violations are corrected.

**G. Violations and Penalties.**

1. Failure to comply with this section, 17.76.190 shall constitute a violation for which the City may issue a citation for a class C misdemeanor and impose penalties. Each day that a violation occurs or continues is a separate violation.
2. Operation of a property in the city for short-term rental purposes without an STR Land Use Permit or a business license shall be a violation of this code for which the City may issue a citation.
3. It shall be a violation for any person to operate an STR in violation of any federal, state or local law, rule or regulation.
4. A STR permit that has been granted may be suspended or revoked for failure to maintain compliance with the standards and requirements of paragraph E, for any violation of the provisions of this section, title 17, or for any of the reasons as contained in section 5.04.070.
5. Any appeal of a decision to deny, suspend or revoke a STR permit shall be heard in accordance with those procedures established by chapter 17.16.
6. The remedies provided in this section are not exclusive, and nothing in this section shall preclude the use or application of any other remedies, penalties or procedures established by law.

H. Suspension or Revocation. The City may issue a notice suspending or revoking a permit granted under this section if the owner of the permit or renter has:

1. Violated or is not in compliance with this section 17.96.190;
2. Committed an assault, any act of domestic violence, a drug offense or any felony on the short-term rental premise;
3. Refused to allow any inspection of the premises of the STR authorized by Title 5 or by any other statute or ordinance;
4. Given materially false or misleading information in obtaining the permit;
5. Knowingly operated the STR during the period when the permittee's permit was suspended or revoked;
6. Become delinquent in payment to the State for transient room taxes, or sales taxes related to the STR.
7. Suspension or revocation shall take effect within ten (10) days of the issuance of notice unless an appeal is filed as provided by this title.
8. The fact that a conviction is being appealed shall have no effect on the revocation of the permit or license.

I. Revocation Process:

1. Upon receiving a first complaint from any person alleging any violation of this section, the City shall call or email, and send a letter or notification to the property owner explaining the nature of the complaint and requiring immediate correction.
2. A second complaint will result in the City sending second letter or notification to the property owner explaining the complaint and warning that the STR permit may be in jeopardy of being revoked.
3. A third complaint will result in written notification from the City to the property owner requiring their attendance at a meeting with a member of the CED staff to show cause why the STR permit should not be revoked. The show-cause hearing shall be held even if the owner fails to appear.
4. Following a show-cause hearing and short of revoking the STR permit, the CED Director may add any conditions or make any other adjustments to the permit deemed reasonably necessary.
5. Following a show-cause hearing, the CED Director, or designee may revoke an STR permit issued under this section if it finds that:
  - a. The permittee failed to comply repeatedly with any condition set forth in this chapter or the STR permit;
  - b. The permittee engaged in a pattern of unlawful activity; or
  - c. The permittee violated State law or local ordinances.
6. In cases of severe initial misconduct affecting the health or safety of any individual or the community, the first complaint may be treated as a third complaint.

J. Effect of Revocation. When any permit issued pursuant to this section is revoked, the revocation shall continue for one (1) year from the date of revocation. The permittee shall not be issued an STR permit for one (1) year from the date of such revocation. In the event that a permit is revoked a second time within five (5) years, the permittee shall not be issued an STR permit for five (5) years from the date of the second revocation.

- K. Injunction, An entity or individual who operates or causes to be operated a short-term rental without a valid permit or business license or who operates or causes to operate an STR in violation of the provisions of this section 17.76.190 is subject to a suit for injunction in addition to the civil and criminal violations provided in this title 17, title 5, and any other remedy available at law or in equity.
- L. Notwithstanding any other remedy in this section, violations of the City Code or State law may be prosecuted as a criminal offense in the Justice Court.

DRAFT

## EXISTING CODE

### 17.76.020: ESTABLISHMENT OF USES NOT SPECIFIED:

When a use is not specifically contained in the list of "permitted" or "conditional" uses, but is of the same character and intensity as such "permitted" or "conditional" uses so listed, the community development director may allow the establishment of that use subject to determination of the following criteria:

- A. The establishment of the use will be in accordance with the purposes of the district in which that use is proposed.
- B. The use will be an appropriate addition to the zone because it has the same basic characteristics as the other uses permitted in the district.
- C. The use will not be detrimental to the public health, safety, or welfare.
- D. The use shall not adversely affect the character of that district in which it is proposed to be established.
- E. The use will not create more traffic, odor, dust, dirt, smoke, noise, vibration, illumination, glare, unsightliness, or any other objectionable influence than the amount normally created by any of the uses listed as uses in that district.
- F. The use will not create any greater hazard of fire or explosion than the hazard normally created by any of the uses listed as uses in that district. (Ord. 07-30 § 2)

### 17.84.060: USES NOT DESIGNATED:

Any use not designated shall be considered in accordance with section 17.76.020 of this title. (Ord. 07-30 § 2)

#### 17.76.020: ESTABLISHMENT OF USES NOT SPECIFIED:

When a use is not specifically contained in the list of "permitted" or "conditional" uses, the use is determined to be prohibited. If a use~~but~~ is of the same character and intensity as such "permitted" or "conditional" uses so listed, the community development director may allow the establishment of that use subject to determination of the following criteria:

- A. The establishment of the use will be in accordance with the purposes of the district in which that use is proposed.
- B. The use will be an appropriate addition to the zone because it has the same basic characteristics as the other uses permitted in the district.
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- E. The use will not create more traffic, odor, dust, dirt, smoke, noise, vibration, illumination, glare, unsightliness, or any other objectionable influence than the amount normally created by any of the uses listed as uses in that district.
- F. The use will not create any greater hazard of fire or explosion than the hazard normally created by any of the uses listed as uses in that district. (Ord. 07-30 § 2)

#### 17.84.060: USES NOT DESIGNATED:

- A. Uses that are not listed in a zoning districts list of permitted or conditional uses is determined to prohibited.
- A.B. A Any use that is similar to another use but is not specifically designated shall be considered in accordance with section 17.76.020 of this title. (Ord. 07-30 § 2)

17.76.020: ESTABLISHMENT OF USES NOT SPECIFIED:

When a use is not specifically contained in the list of "permitted" or "conditional" uses, the use is determined to be prohibited. If a use is of the same character and intensity as such "permitted" or "conditional" uses so listed, the community development director may allow the establishment of that use subject to determination of the following criteria:

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17.84.060: USES NOT DESIGNATED:

- A. Uses that are not listed in a zoning districts list of permitted or conditional uses is determined to prohibited.
- B. A use that is similar to another use but is not specifically designated shall be considered in accordance with section 17.76.020 of this title. (Ord. 07-30 § 2)



# MURRAY CITY COUNCIL



# Short Term Rentals

Land Use Text Amendment



# Why Are We Here?

The City Council instituted a temporary land use regulation (moratorium) on short-term rentals because of a loophole found in the Land Use Ordinance.

The City Council held a workshop on 8/26 to work on a policy direction.

The draft ordinance was presented to the Council on 9/17/2024.

The moratorium expires in January of 2025.

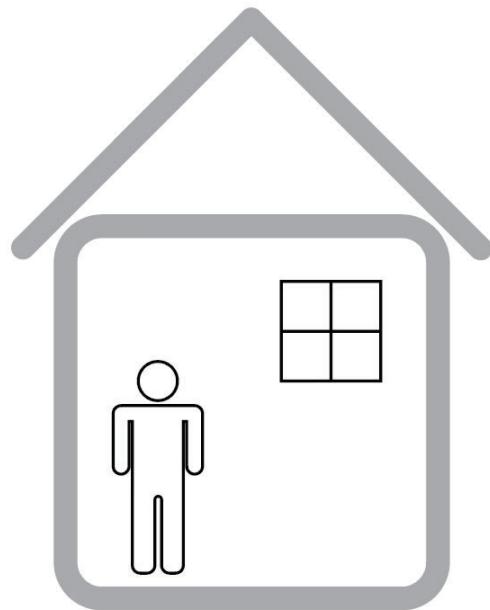


# Recap: Short Term Rentals

## What is a Short-Term Rental?

Any dwelling or portion thereof that is available for use or is used for accommodations or lodging of guests paying a fee or other compensation for a period of less than 30 consecutive days.

# 3 types of short-term rentals



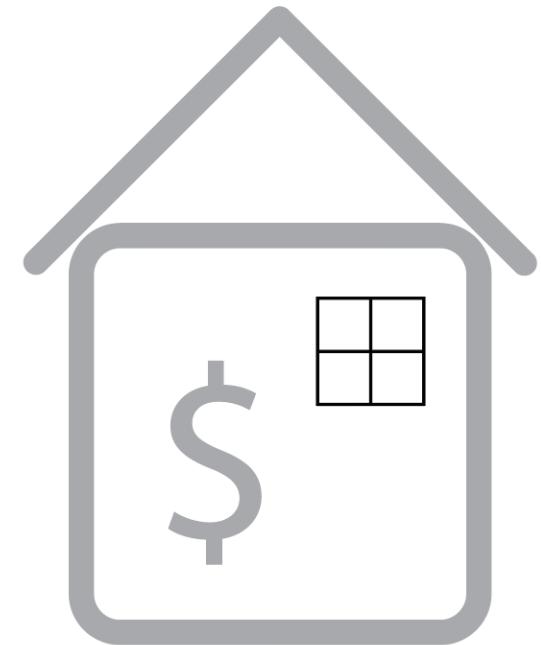
## Hosted Sharing

Means the owner is present during a guests stay



## Unhosted Sharing

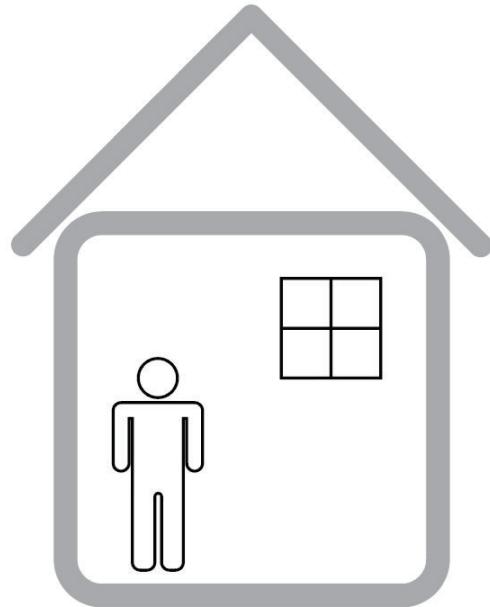
Means the owner leaves the home during a guests stay



## Dedicated Vacation Rental

Means the owner does not live on property

# 3 types of short-term rentals



## Hosted Sharing

Means the owner is present  
during a guests stay



## Unhosted Sharing

Means the owner leaves the  
home during a guests stay

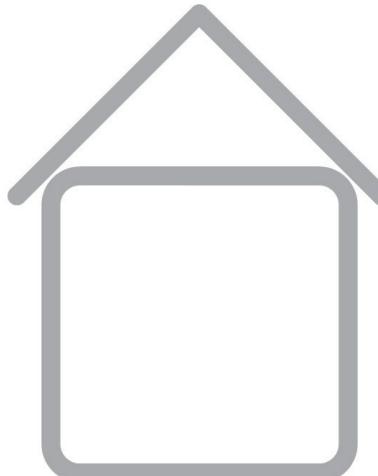


## Dedicated Vacation Rental

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live on property

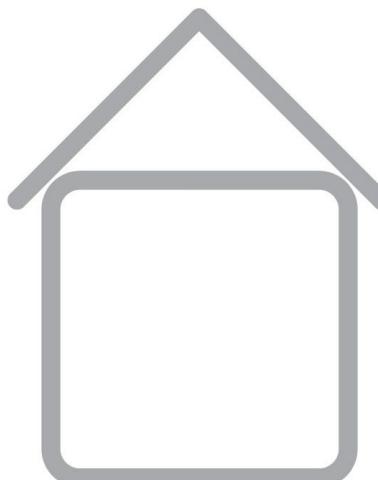
# Parking Requirements

In addition to the two (2) off-street spaces required by zoning ordinance, an additional  $\frac{1}{2}$  space per bedroom or sleeping area would be required with a minimum of one (1) extra space.



2-bedroom hosted sharing unit. (renting 1 room)

Code	Spaces Req'd
17.72.070	2
Proposed STR	1 (.5 but minimum applies)
<b>Total</b>	<b>3</b>



4-bedroom unhosted sharing unit. (renting 4 rooms)

Code	Spaces Req'd
17.72.070	2
Proposed STR	2
<b>Total</b>	<b>4</b>

# Enforcement

Each day of operations constitutes a separate offense

1. Class C misdemeanor

- 1. Fines between \$110 - \$1,000

2. Potential revocation of Land Use Permit.

- 1. First revocation prohibits STRs for one year.

- 2. Second violation within 5 year period results in prohibiting the operation of an STR for 5 years as of the date of the second violation.

# Process To Operate An STR

1. Staff Level Approval
2. Application
  1. Site Plan
  2. Floorplan
3. Parking Plan
4. Proof of Owner Occupancy
5. Proof of non-conflict with  
HOAs
6. Business License

# Findings

1. The proposed changes are in harmony with objective 11 of the Land Use and Urban Design Element of the 2017 Murray City General Plan to “stimulate reinvestment in deteriorating areas of the city to support growth and enhance the image of the community”. Hosts of short-term rentals are often encouraged to market their property, by reinvesting in their homes they help the imageability of the neighborhood.
2. The proposed changes support objective 3 of the Neighborhoods & Housing Element of the 2017 Murray City General Plan to “encourage housing options for a variety of age, family size and financial levels”. The proposed changes allow residents that own a home and that may be struggling to pay their mortgage an opportunity to rent out a portion or all of their home for less than thirty days.
3. Objective 1 of the Moderate Income Housing Element advises the city to “ensure housing affordability targets are achievable using a range of strategies”. Staff finds that the proposed code furthers this objective by making it easier for a homeowner to stay in their home by renting out a portion of their dwelling.
4. The Planning Commission held a public hearing on October 17, 2024 and voted 4-3 to forward a positive recommendation.

## Staff Recommendation

Staff and the Planning Commission recommend the City Council **APPROVE** the request to amend the Murray City Land Use Ordinance amending Sections 17.76.020 and 17.84.060 and enacting Section 17.76.190, Residential Short Term Rentals, as presented in the Staff Report.



THANK YOU!





**MURRAY**  
CITY COUNCIL

# Public Hearing #3



**MURRAY**

**Council Action Request**

**Department  
Parks and Recreation  
Murray Parkway fee increase**

**Council Meeting**

Meeting Date: December 3, 2024

<b>Department Director</b> Kim Sorensen	<b>Purpose of Proposal</b> Discuss ordinance to raise golf fees
<b>Phone #</b> 801-264-2619	<b>Action Requested</b> Increase golf fees to keep up with market
<b>Presenters</b> Kim Sorensen	<b>Attachments</b> Ordinance
<b>Required Time for Presentation</b> 15 Minutes	<b>Budget Impact</b> Increase in revenue
<b>Is This Time Sensitive</b> No	<b>Description of this Item</b> Increase golf fees by approximately 11%. Regular 9 hole increases \$2 to \$20, regular 18 hole increase \$4 to \$40. Add shotgun tournament fee of \$15.00.
<b>Mayor's Approval</b> 	
<b>Date</b> September 20, 2024	Any additional space needed is available on second page.

## Murray City Corporation

NOTICE IS HEREBY GIVEN that on the 3<sup>rd</sup> day of December 2024, at the hour of 6:30 p.m. of said day in the Council Chambers of Murray City Hall, 10 East 4800 South, Murray, Utah, the Murray City Municipal Council will hold and conduct a hearing to receive public comment concerning a proposed ordinance amending the Murray Parkway Golf Course fees.

The purpose of this hearing is to receive public comment concerning proposed Murray Parkway Golf Course Fee increases.

DATED this 20<sup>th</sup> day of November 2024.



MURRAY CITY CORPORATION

A handwritten signature in black ink that reads "Brooke Smith".

Brooke Smith  
City Recorder

DATE OF PUBLICATION: November 22, 2024  
PH24-47

Posted to the City's website

Posted to the Utah Public Notice Website

Posted at City Hall (Public location reasonably likely to be seen by residents)

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE AMENDING SECTIONS 12.28.030 AND 12.28.040 OF THE  
MURRAY CITY MUNICIPAL CODE RELATED TO GOLF COURSE FEES.

BE IT ENACTED BY THE MURRAY CITY MUNICIPAL COUNCIL:

*Section 1.* Purpose. The purpose of this ordinance is to amend sections 12.28.030 and 12.28.040 of the Murray City Municipal Code to amend the Golf Course fees.

*Section 2.* Amendment to sections 12.28.030 and 12.28.040 of the Murray City Municipal Code. Sections 12.28.030 and 12.28.040 of the Murray City Municipal Code shall be amended to read as follows:

**12.28.030: GREEN FEES:**

The green fees shall be as follows:

User Type	9 Holes	18 Holes
10 round punch card	\$180.00	n/a
Juniors	\$13.00	\$26.00
Murray High School and Cottonwood High School golf teams	\$11.00	\$22.00
Other high school golf teams	\$13.00	\$26.00
Regular	\$20.00	\$40.00
Seniors (age 60 or older)	\$17.00	\$34.00
Shotgun Tournament Fee		\$15.00 per player

All rates above include applicable Sales and Use Tax and are available during times as determined in writing by the Parks and Recreation Director, the Mayor, and the Director of Finance and Administration. (Ord. 22-09: Ord. 20-31: Ord. 19-05)

**12.28.040: GOLF COURSE OPERATION; RENTALS:**

Rental fees shall be as follows:

Rental Types	9 Holes	18 Holes
Golf clubs	\$9.00	\$18.00
Pull cart	\$4.00	\$8.00
Range ball tokens	\$5.00	
Riding carts (per person)	\$10.00	\$20.00
Trail fee for private carts used for medical reasons	\$10.00	\$20.00

All rates above include applicable Sales and Use Tax and are available during times as determined in writing by the Parks and Recreation Director, the Mayor, and the Director of Finance and Administration. (Ord. 22-09: Ord. 20-31: Ord. 19-05)

**Section 3. Effective date.** This Ordinance shall take effect upon first publication.

PASSED, APPROVED AND ADOPTED by the Murray City Municipal Council on this 19<sup>th</sup> day of November, 2024.

MURRAY CITY MUNICIPAL COUNCIL

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Pam Cotter, Chair

ATTEST:

---

Brooke Smith, City Recorder

Transmitted to the Office of the Mayor of Murray City on this \_\_\_\_\_ day of  
\_\_\_\_\_, 2024.

MAYOR'S ACTION: Approved

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

---

Brett A. Hales, Mayor

ATTEST:

---

Brooke Smith, City Recorder

CERTIFICATE OF PUBLICATION

I hereby certify that this Ordinance or a summary hereof was published according to law on the \_\_\_\_\_ day of \_\_\_\_\_, 2024.

---

Brooke Smith, City Recorder

## PERCENTAGE DIFFERENCE

*Senior is 60 and over *Junior is 17 and under												9 cart	18 cart	
COURSE	9-WD	9-WD/cart	9 SRWD	9 SRWD w/cart	18 WD	18 WD w/cart	18 SRWD	18 SRWD w/cart	9-WE	9-WE w/cart	18 WE	18 WE w/cart		
River Oaks - 568-4653 9300 S. Riverside Dr.														
2024 Pricing	\$22.00	\$32.00	\$18.00	\$28.00	\$40.00	\$60.00	\$33.00	\$53.00	\$22.00	\$32.00	\$40.00	\$60.00	\$10.00	\$20.00
Mountain View														
2024 Pricing	\$18.00	\$28.00	\$15.00	\$25.00	\$34.00	\$54.00	\$27.00	\$47.00	\$18.00	\$28.00	\$34.00	\$54.00	Done	\$10.00 \$20.00
Riverbend														
2024 Pricing	\$20.00	\$30.00	\$17.00	\$27.00	\$40.00	\$60.00	\$32.00	\$52.00	\$20.00	\$30.00	\$40.00	\$60.00	Done	\$10.00 \$20.00
Old Mill														
2024 Pricing	\$22.00	\$32.00	\$17.00	\$27.00	\$42.00	\$62.00	\$32.00	\$52.00	\$22.00	\$32.00	\$42.00	\$62.00	Done	\$10.00 \$20.00 Ask Schramm about Riverbend WE Rates
South Mountain														
2024 Pricing	n/a	\$30.00	n/a	\$26.00	n/a	\$60.00	n/a	\$50.00	n/a	\$30.00	n/a	\$60.00	Done	
Murray Parkway														
2024 Pricing	\$18.00	\$28.00	\$15.00	\$25.00	\$36.00	\$56.00	\$30.00	\$50.00	\$18.00	\$28.00	\$36.00	\$56.00	Done	\$10.00 \$20.00
Glenmoor														
2024 Pricing	\$24.13	\$34.86	\$24.13	\$34.86	\$48.26	\$69.71	\$48.26	\$69.71	\$24.13	\$34.86	\$53.62	\$75.07		\$10.00 \$20.00
Meadow Brook														
2024 Pricing	\$18.00	\$27.00	\$16.00	\$26.00	\$35.00	\$55.00	\$31.00	\$51.00	\$19.00	\$29.00	\$37.00	\$57.00	Done	\$10.00 \$20.00
Bonneville														
2024 Pricing	\$22.00	\$32.00	\$19.00	\$29.00	\$44.00	\$64.00	\$38.00	\$58.00	\$22.00	\$32.00	\$44.00	\$64.00	Done	\$10.00 \$20.00
Glendale														
2024 Pricing	\$19.00	\$29.00	\$16.00	\$26.00	\$38.00	\$58.00	\$32.00	\$50.00	\$20.00	\$30.00	\$40.00	\$60.00	Done	\$10.00 \$20.00
Mountain Dell														
2024 Pricing	\$25.00	\$35.00	\$19.00	\$29.00	\$44.00	\$64.00	\$38.00	\$58.00	\$25.00	\$35.00	\$44.00	\$64.00	Done	\$10.00 \$18.00
Average cost with River Oaks	\$20.81	\$30.71	\$17.61	\$27.53	\$40.13	\$60.25	\$34.13	\$53.70	\$21.01	\$30.99	\$41.06	\$61.10		
Average Cost - Not Inc RO	\$20.68	\$30.59	\$17.57	\$27.49	\$40.14	\$60.27	\$34.25	\$53.77	\$20.90	\$30.89	\$41.18	\$61.21		
Murray Parkway	\$20.00	\$30.00	\$17.00	\$27.00	\$40.00	\$60.00	\$34.00	\$54.00	\$20.00	\$30.00	\$40.00	\$60.00		\$10.00 \$20.00
% Difference Over/Under	-3.3%	-1.9%	-3.2%	-1.8%	-0.3%	-0.4%	-0.7%	0.4%	-4.3%	-2.9%	-2.9%	-2.0%		

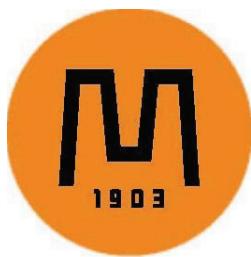
Avg of top 4 competitors	\$20.50	\$30.50	\$16.75	\$26.75	39.00	\$59.00	\$31.00	\$51.00	\$20.50	\$30.50	\$39.00	59.00
	\$0.50	\$0.50	-\$0.25	-\$0.25	-\$1.00	-\$1.00	-\$3.00	-\$3.00	\$0.50	\$0.50	-\$1.00	-\$1.00



**MURRAY**  
CITY COUNCIL

# Public Hearings

## # 4



**MURRAY**

## Council Action Request

# Finance and Admin

## Annexation - Van Winkle 2

### Council Meeting

Meeting Date: December 3, 2024

<b>Department</b>	<b>Purpose of Proposal</b>
<b>Director</b>	The purpose of this proposal is to hold a public hearing for the Van Winkle2 annexation.
<b>Phone #</b>	<b>Action Requested</b> Adopt an ordinance approving the annexation petition.
801-111-2222	
<b>Presenters</b>	<b>Attachments</b> Annexation Petition, Public Hearing Notice, Map, Draft Ordinance, and PowerPoint Presentation.
Brooke Smith GL Critchfield	
<b>Required Time for Presentation</b>	<b>Budget Impact</b> The total taxable value is \$26,620,020. Property Tax at the 2023 rate of .00513 for the city would be \$40,276. For the library it would be \$8,811.
5 Minutes	
<b>Is This Time Sensitive</b>	<b>Description of this Item</b>
Yes	On September 17, 2024, Murray City received an annexation petition to incorporate property into city boundaries. The petition was certified by the City Recorder on October 18, 2024, confirming compliance with Utah Code Ann. §10-2-405. The proposed annexation area is located along Van Winkle Expressway, generally between 4800 South and Murray City's boundary at 4840-4890 South.
<b>Mayor's Approval</b>	No protests were filed on or before November 18, 2024. Next steps are for the City Council to hold a public hearing on December 3, 2024, to consider the ordinance for annexation. If approved, the area will transition to Murray City's jurisdiction for fire protection, emergency services, and law enforcement.
	
<b>Date</b>	January 31, 2018

# Murray City Corporation

## NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on the 3<sup>rd</sup> day of December 2024, at the hour of 6:30 p.m. of said day in the Council Chambers of Murray City Hall, 10 East 4800 South, Murray, Utah, the Murray City Municipal Council will hold and conduct a Public Hearing regarding the annexing of approximately 0.063 square miles of real property located between approximately Van Winkle Expressway to 900 East and 4800 South to the boundary of Murray City at 4840-4890 South. The complete annexation petition, a map, and legal boundary description are available for inspection and copying at the office of the Murray City Recorder, 10 East 4800 South, Room 155, Murray, Utah during regular business hours.

The purpose of this public hearing is to receive public comment concerning the annexation of real property located between approximately Van Winkle Expressway to 900 East and 4800 South to the boundary of Murray City at 4840-4890 South.

DATED this 19<sup>th</sup> day of November 2024.



MURRAY CITY CORPORATION

A handwritten signature in black ink that reads "Brooke Smith".

Brooke Smith  
City Recorder

DATES OF PUBLICATION: November 25, 2024  
PH24-46

### Class B Notice

1. Utah Public Notice Website
2. City Website
3. City Hall
4. Mail (or otherwise deliver) to each residence and each owner of real property within the area proposed for annexation.

ORDINANCE 24-\_\_\_\_\_

AN ORDINANCE ANNEXING REAL PROPERTY LOCATED  
BETWEEN APPROXIMATELY VAN WINKLE EXPRESSWAY  
TO 900 EAST AND 4800 SOUTH TO THE BOUNDARY OF  
MURRAY CITY AT 4840-4890 SOUTH.

BE IT ORDAINED BY THE MURRAY CITY MUNICIPAL COUNCIL

**Preamble**

A majority of the owners of certain real property described below have filed a petition, and an accurate plat prepared by a licensed surveyor, with the City Recorder to annex such real property to the City. The petition has been signed by the owners of at least one-half (1/2) of the value of said real property as shown by the last assessment roll. The property consists of approximately 40.875 acres and lies contiguous to the corporate boundaries of the City. The Murray City Municipal Council accepted the petition for annexation for further consideration and, within thirty days of such acceptance, the City Recorder reviewed the petition and certified that the petition meets the requirements for annexation as provided by Sections 10-2-403(2), (3) and (4) of the Utah Code. Within ten days of the Murray City Municipal Council's receipt of the notice of certification, notice was provided as provided by Section 10-2-406(1)(a) and within twenty days of the Murray City Municipal Council's receipt of the notice of certification, written notices were mailed to the affected entities as provided by Section 10-2-406(1)(b) of the Utah Code. No protests to the annexation petition were filed during the protest period specified.

**Section 1. Purpose.** The purpose of this Ordinance is to annex property located between approximately Van Winkle Expressway to 900 East and 4800 South to the boundary of Murray City at 4840-4890 South to the City.

**Section 2. Enactment.**

1. The real property more particularly described in Paragraph 2, below, is hereby annexed to the City, and the corporate limits of the City are hereby extended accordingly.

2. The real property which is the subject of this Ordinance is described as follows:

That area of unincorporated Salt Lake County to be annexed into Murray City Corporation located in the North Half of section 8, Township 2 South, Range 1 East of the Salt Lake Base and Meridian. The boundary of said area is further described as follows:

Beginning in the existing Millcreek City boundary as established by the Northwest corner of that Unincorporated Triangle Annexation to Millcreek depicted on that Final Local Entity Plat recorded in Book 2020P, at Page 182 in the Office of the Salt Lake County Recorder, said corner being in the center of the Van Winkle Expressway, which is S. 0°26'13" W. 733.51 feet along the Section Line and West 3236.17 feet from the Northeast Corner of said Section 8; thence along said Millcreek City boundary and center of Expressway the following two (2) course s: 1). Southeasterly 2365.37 feet, more, or less, along the arc of a 3819.83 foot radius curve to the right (long chord bears S. 56°40'40" E. 2327.76 feet) through a central angle of 35°28'46"; 2). S. 38°56'17" E. 277.44 feet, more or less, to where the Easterly extension to the North boundary of the property described in that Special Warranty Deed recorded in Book 10132, at Page 8566 intersects said Millcreek City boundary; thence along said Easterly Extension S. 85°03'29" W. 102.70 feet, more or less, to the Northeast corner of said property and the Westerly right-of-way line of said Van Winkle Expressway; thence along the Northerly boundary of said property the following three (3) course s: 1) S. 85°03'29" W. 456.41 feet; 2) N. 14°10'31" W. 133.22 feet; 3) S. 85°22'29" W. 102.94 feet, more or less, to a Northeast corner in the existing Murray City boundary as established by the North boundary of the Three Fountains East Annexation to Murray City depicted on that Annexation Plat recorded in Book 2002P, at Page 60; thence along said Northerly boundary the following five (5) course s: 1) S. 85°22'47" W. 253.42 feet; 2) N. 57°17'43" W. 111.32 feet; 3) N. 89°45'14" W. 50.12 feet; 4) N. 3°42'44" W. 37.62 feet; 5) N. 89°45'14" W. 1065.09 feet, more or less, to an existing East line in said Murray City boundary established by that Murray City Ordinance recorded in Book 2J, at Page 68, thence continuing along said East Murray City boundary the following two (2) courses; 1) N. 19°08'16" E. 253.44 feet, more or less; 2) N. 4°39'41" W. 1103.99 feet, more or less, to a South boundary of Millcreek City as established by that Millcreek A Municipal Corporation Final Local Entity Plat record d in Book 2016, at Page 344; thence East along said boundary 43.34 feet, more or less, to the Point of Beginning.

The above-described municipal annexation contains 0.063 square miles, or 40.875 acres, more or less.

3. The City's zoning map and master plans shall be amended to include the real property described above in Paragraph 2.

4. Within 60 days after the passage of this Ordinance, the City Recorder is hereby authorized to file with the lieutenant governor a notice of an impending boundary action and a copy of the approved final local entity plat.

5. Upon the lieutenant governor's issuance of annexation, the City Recorder is hereby authorized to submit to the County Recorder of Salt Lake County, Utah:

- a. the original notice of an impending boundary action;
- b. the original certificate of annexation;
- c. the original approved final local entity plat; and

- d. a certified copy of this Ordinance.

6. Concurrently with section 5 the City Recorder is hereby authorized to:

- a. send notice of the annexation to each affected entity,
- b. file with the Bureau for Emergency Medical Services:

- i. a certified copy of this Ordinance,
- ii. a copy of the final local entity plat, and

- c. send notice of the annexation to any special district from which the annexed area is automatically withdrawn.

7. A copy of the Ordinance and plat shall be deposited in the Office of the City Recorder.

Section 3. Effective Date. This Ordinance shall become effective upon adoption and passage by the City Council.

PASSED, APPROVED AND ADOPTED by the Murray City Municipal Council on this day of December 2024.

MURRAY CITY MUNICIPAL COUNCIL

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Pam Cotter, Chair

ATTEST:

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Brooke Smith, City Recorder

Transmitted to the Office of the Mayor of Murray City on this \_\_\_\_ day of \_\_\_\_\_, 2024.

MAYOR'S ACTION: Approved

DATED this \_\_\_\_ day of \_\_\_\_\_ 2024.

---

Brett A. Hales, Mayor

ATTEST:

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Brooke Smith, City Recorder

CERTIFICATE OF PUBLICATION

I hereby certify that this Ordinance or a summary hereof was published according to law on the \_\_\_\_ day of \_\_\_\_\_, 2024.

---

Brooke Smith, City Recorder

## Notice of Intent to File Annexation Petition

Name of Annexation: VAN WINKEL - 2

Petitioner Representative Name: MARVIN HENDRICKSON

Mailing Street Address: 4914 ESTHER CIR

City, State, Zip: SALT LAKE CO UTAH 84117

Phone: 801-209-1134

Email: M TREASURE VALLEY@QWEST OFFICE.NET

Date: 24 OCT 2023

Dear Murray City:

Notice is hereby given that, pursuant to Utah Code Ann. 10-2-403 (2), a person or persons intending to file an annexation petition shall file a notice of intent to file a petition with the city recorder of the proposed annexing municipality and send a copy of the notice to each affected entity. The notice of intent shall include an accurate map of the proposed annexation area. The county where the area is located will mail a notice to each owner of real property located within the area proposed to be annexed and each owner of real property located within 300 feet of the proposed annexation area. The notice shall be in writing and accompanied by an accurate map identifying the area proposed for annexation. The proposed annexing municipality shall provide an annexation petition upon request from the person or persons who filed the notice of intent under Subsection (2)(a)(i)(A), and the petition may be duplicated for circulation for signatures.

Sincerely,



## Petition for Annexation

Name of Annexation: VAN WINKLE - 2

We, the undersigned owners of private real property, hereby petition that the area (the "Area") shown on the accurate and recordable map (prepared by a licensed surveyor) that is attached to this petition (this "petition") be annexed into Murray City.

Each of the undersigned affirms that:

- (A) each has personally signed this petition;
- (B) each is an owner of real property that is located within the Area; and
- (C) the current residence address of each is correctly written after the signer's name.

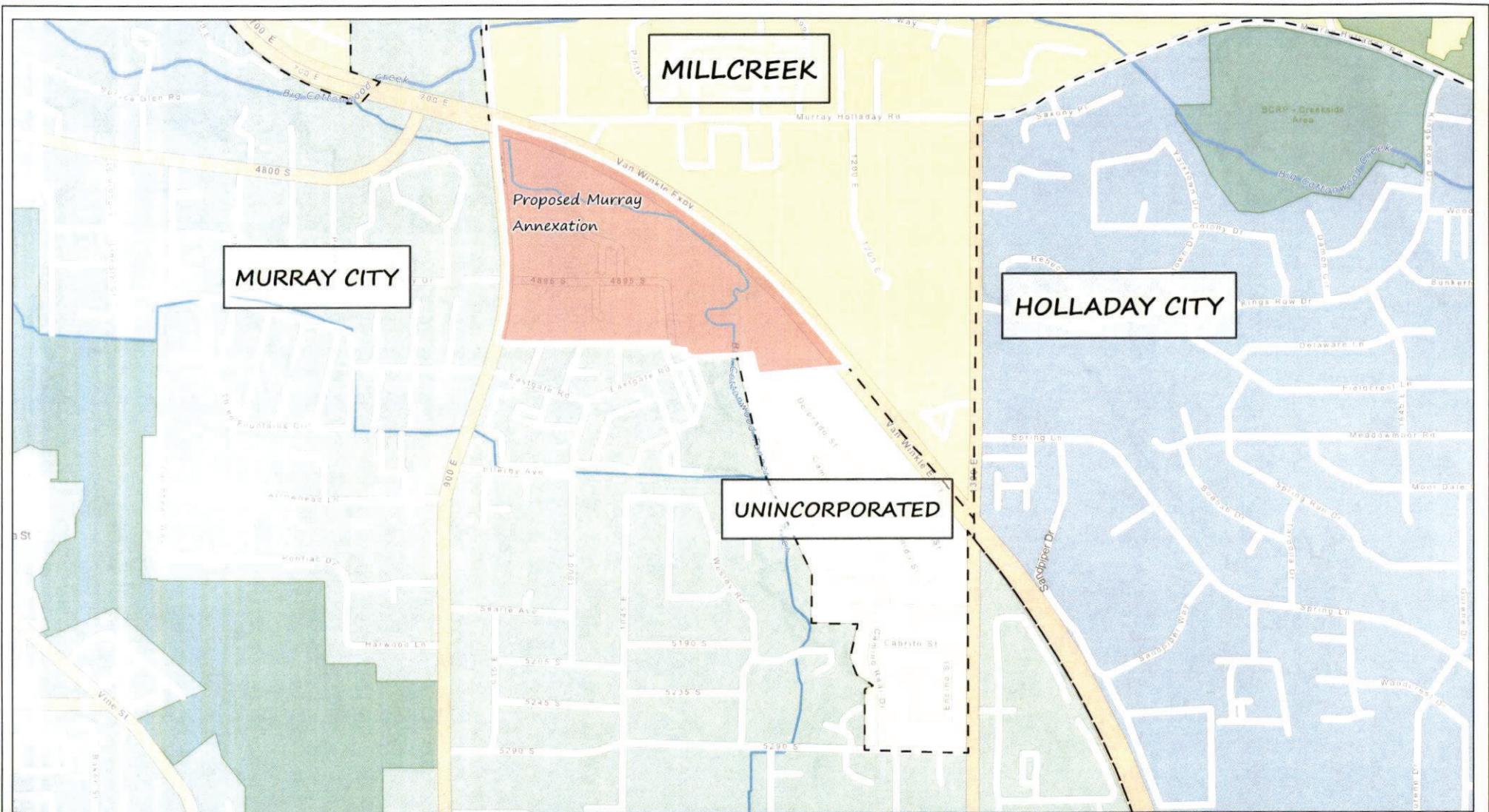
Further, each of the undersigned designates the individuals identified below as sponsors and contact sponsors of this petition:

### **NOTICE**

- There will be no public election on the annexation proposed by this petition because Utah law does not provide for an annexation to be approved by voters at a public election.
- If you sign this petition and later decide that you do not support the petition, you may withdraw your signature by submitting a signed, written withdrawal with the recorder of Murray City. If you choose to withdraw your signature, you must do so no later than 30 days after Murray City receives notice that the petition has been certified.

Sincerely,

	Status	Name	Mailing Address	Phone	Email
1	Sponsor/Contact	MARVIN HENDRICKSON	4914 S ESTHER CIR S.L.C. Ut 84117	801-434-1341	MTREASURE VALLEY@WEST OFFICE@NET
2	Sponsor	KYLE MILLER	4885 S 900G-100 S.L.C. Ut 84117	801-573-6664	Kyle@utmillers CO.COM
3	Sponsor	FONDA SPERRY	4924 S ESTHER CIR S.L.C. Ut 84117	801-268-3417	
4	Sponsor	ROBERTA SIMMONS	4926 S ESTHER CIR S.L.C. Ut 84117	801-266-6582	
5	Sponsor	Wm ROBERTS	4926 S 1065 G S.L.C. Ut 84117	801-558-9438	
1	<i>Marvin Hendrickson</i>	3. Fonda Sperry	5		
2	<i>Kyle Miller</i>	4. Roberta Simmons			



  Municipal Boundary  
  Proposed Murray Annexation

9/19/2023

In Conjunction with the Offices of:  
 Salt Lake County Assessor  
 Salt Lake County Clerk  
 Salt Lake County Council  
 Salt Lake County Mayor  
 Salt Lake County Recorder

### Proposed Murrey Annexation

The information depicted on this map is not field verified and is for general reference only.  
 The information is not intended to be used to determine property ownership, final building and site  
 design, jurisdictional boundaries, or to replace a certified topographical  
 or boundary survey, or any other legal document.

Prepared By The Office Of  
**REID J. DEMMAN P.L.S.**  
 Salt Lake County Surveyor  
 2001 S. State N1 400 SLC, UT 84114-4575  
 385-468-8240  
 slco.org/surveyor



# Murray City Corporation

## NOTICE OF PROPOSED ANNEXATION

1. On September 17, 2024, Murray City received an Annexation Petition proposing the annexation of approximately 0.063 square miles of real property into Murray City.
2. On October 18, 2024, the City Council received from the City Recorder a notice of certification of the Petition in satisfaction of Utah Code Ann. §10-2-405(3)(c)(i).
3. The area is generally located along Van Winkle Expressway approximately between Van Winkle Expressway and 900 East and between 4800 South and the boundary of Murray City at 4840-4890 South. (See attached map.)
4. The complete annexation petition, a map, and legal boundary description are available for inspection and copying at the office of the Murray City Recorder, 10 East 4800 South, Room 155, Murray, Utah during regular business hours.
5. **THE MURRAY CITY COUNCIL MAY GRANT THE PETITION AND ANNEX THE AREA UNLESS, WITHIN THE TIME REQUIRED UNDER STATE LAW, (Utah Code Ann. §10-2-407(2)(a)(i)), A WRITTEN PROTEST TO THE ANNEXATION PETITION IS FILED WITH THE SALT LAKE COUNTY CLERK AND A COPY OF THE PROTEST DELIVERED TO THE CITY RECORDER OF MURRAY CITY.**

### 6. PROTESTS:

- a. Protests must be filed in accordance with state law: Utah Code Ann. §10-2-407.
- b. Who May Protest: A protest to the annexation petition may be filed with the Salt Lake County Clerk by property owners if the protest contains the signatures of the owners of private real property that:
  - i. is located in the unincorporated area within ½ mile of the area proposed for annexation;
  - ii. covers at least 25% of the private land area located in the unincorporated area within ½ mile of the area proposed for annexation; and
  - iii. is equal in value to at least 15% of all real property located in the unincorporated area within ½ mile of the area proposed for annexation.
- c. Deadline to File Protests: **NOVEMBER 18, 2024**
- d. Protests Must be Filed with the Salt Lake County Clerk at:

<u>Physical Address:</u> Salt Lake County Clerk Elections Division 2001 South State Street, Ste S1-200 Salt Lake City, Utah 84114	<u>Mailing Address:</u> Salt Lake County Clerk Elections Division 2001 South State Street, Ste S1-200 P.O. Box 144575 Salt Lake City, Utah 84114
---	---

e. **On Same Day Protest Filed with Salt Lake County Clerk, Copy of Protest**  
**Must Be Delivered or Mailed to:**

Murray City Recorder  
10 East 4800 South, Room 155  
Murray, Utah 84107

7. If no lawful protest is received, the Murray City Council will hold a public hearing on Tuesday, December 3, 2024 at 6:30 p.m. in the Murray City Council Chambers located at 10 East 4800 South, Murray, Utah to consider the annexation petition.

8. The area proposed for annexation to Murray City will be automatically annexed to have Murray City provide fire protection, and emergency services and law enforcement services.

9. The area proposed for annexation to Murray City will be automatically withdrawn from Unified Fire Authority providing fire protection, and emergency services and from Unified Police Department providing law enforcement services.

DATED this 21<sup>st</sup> day of October 2024.

MURRAY CITY CORPORATION



Jennifer Kennedy  
City Council Executive Director

**NOTICE PUBLICATION AND MAILINGS:**

**No later than October 28, 2024:**

1. Utah Public Notice Website
2. City Website
3. City Hall
4. Mail (or otherwise deliver) to each residence and each owner of real property
  - (a) within the area proposed for annexation and
  - (b) within the unincorporated area within ½ mile of the area proposed for annexation.

**No later than November 7, 2024:**

Mail written notice to each affected entity:

1. Salt Lake County.
2. A special district under [Title 17B, Limited Purpose Local Government Entities - Special Districts](#), or special service district under [Title 17D, Chapter 1, Special Service District Act](#), whose boundary includes any part of an area proposed for annexation
3. A school district whose boundary includes any part of an area proposed for annexation, if the boundary is proposed to be adjusted as a result of the annexation
4. Any municipality whose boundaries are within 1/2 mile of an area proposed for annexation.

# Annexation Public Hearing

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**VAN WINKLE - 2**

**PETITIONER: MARV HENDRICKSON**

Brooke Smith, City Recorder  
GL Critchfield, City Attorney  
December 3, 2024

Murray City



Objective:  
Overview of the annexation petition.

Utah Code Title:  
Title 10, Chapter 2, Part 4.



## **SUBMISSION OF NOTICE OF INTENT**

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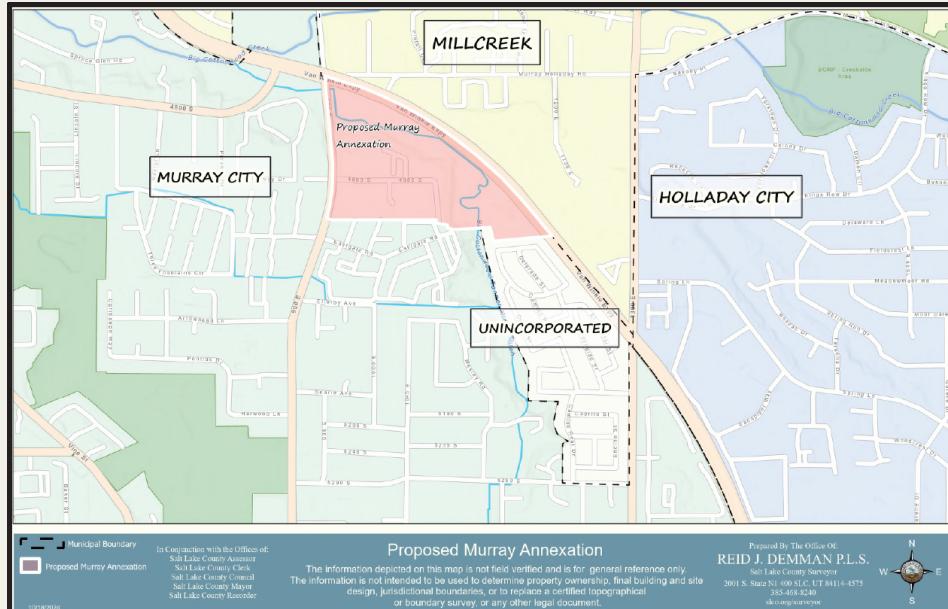
Requirement: Prior to filing a petition, a notice of intent must be submitted to the city recorder and affected entities, including an accurate map of the proposed annexation area. 10-2-403(2)

Compliance: Notice of Intent submitted on September 29, 2023 and affected entities were notified on (or after) September 17, 2024, with map included.

Murray City

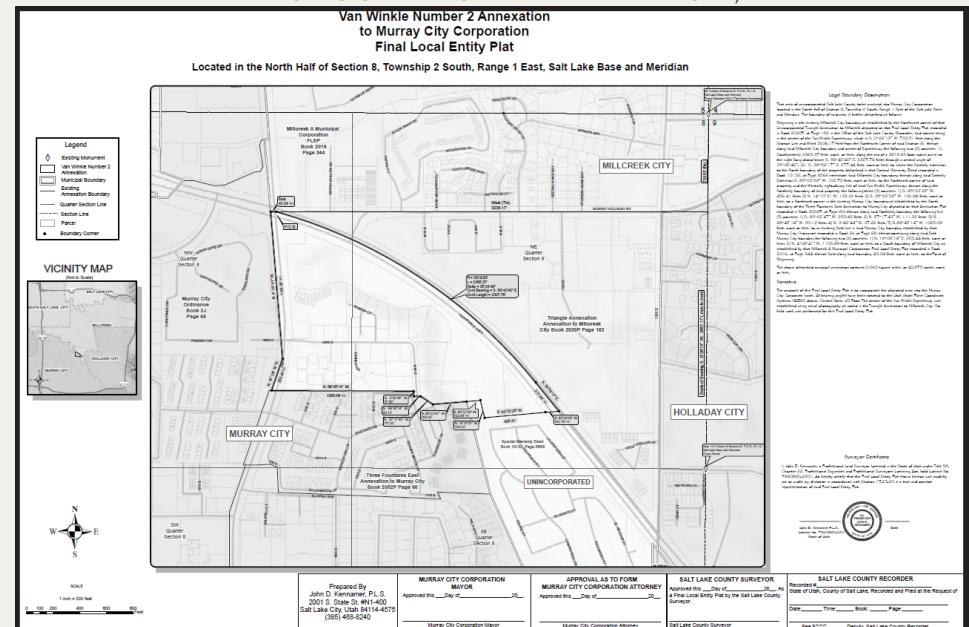


# ACCURATE AND RECORDABLE MAP



10-2-403 (2)(A)(II) EACH NOTICE OF INTENT UNDER SUBSECTION (2)(A)(I) SHALL INCLUDE AN ACCURATE MAP OF THE AREA THAT IS PROPOSED TO BE ANNEXED.

**BRADLEY PARK**  
**SALT LAKE COUNTY CHIEF DEPUTY SURVEYOR**  
**10-2-403 (3)(C)(I) AN ACCURATE AND "RECORDABLE" MAP, PREPARED BY A LICENSED SURVEYOR IN ACCORDANCE WITH SECTION 17-23-20, OF THE AREA PROPOSED FOR ANNEXATION;**



# NOTICE TO AFFECTED ENTITIES



Jennifer Wilson  
Mayor  
October 20th, 2023

Erin Litvack  
Deputy Mayor, County  
Services

Darrin Casper  
Deputy Mayor, Finance  
& Administration  
10 East 4800 South  
Murray City, Utah 84107

Catherine Kanter  
Deputy Mayor, Regional  
Operations  
Re: Proposed Annexation into Murray City

Andrew Roberts  
Chief of Staff  
Dear Mr. Hill,

I hereby certify that the notice required by Utah Code Annotated Section §10-2-403(2)(b)(A) was mailed on October 13<sup>th</sup>, 2023, to each property owner within the proposed area for annexation and those within 300 feet of the proposed annexation area. A copy of the notice is enclosed. If you have any questions regarding this notice, please contact me at 385-468-6606.

Sincerely,

Scott Baird  
Digitally signed by Scott  
Baird  
Date: 2023.10.23  
09:10:53 -06'00'

Scott Baird, P.E.  
Department Director, Public Works and Municipal Services  
Salt Lake County

Cc: Marvin Hendrickson, Petition Sponsor Representative  
Mitch Park, County Council  
David Pena, Salt Lake County District Attorney's Office

Salt Lake County Government Center  
2001 South State Street, Suite N-2100 | PO Box 144875 | Salt Lake City, UT 84114-4575  
Tel: 385-468-7000 | Fax: 385-468-7001 | www.slcgov.org

## Attention: Your property may be affected by a proposed annexation.

Records show that you own property within an area that is intended to be included in a proposed annexation to Murray City (See attached map) or that is within 300 feet of that area. If your property is within the area proposed for annexation, you may be asked to sign a petition supporting the annexation. You may choose whether or not to sign the petition. By signing the petition, you indicate your support of the proposed annexation. If you sign the petition but later change your mind about supporting the annexation, you may withdraw your signature by submitting a signed, written withdrawal with the recorder of Murray City within 30 days after Murray City receives notice that the petition has been certified.

There will be no public election on the proposed annexation because Utah law does not provide for an annexation to be approved by voters at a public election. Signing or not signing the annexation petition is the method under Utah law for the owners of property within the area proposed for annexation to demonstrate their support of or opposition to the proposed annexation. You may obtain more information on the proposed annexation by contacting:

For Annexing Municipality, Murray City  
Doug Hill, Chief Administrative Officer  
Murray City  
5025 South State Street  
Murray City, Utah 84107  
801-264-2600  
[dhill@murray.ut.gov](mailto:dhill@murray.ut.gov)

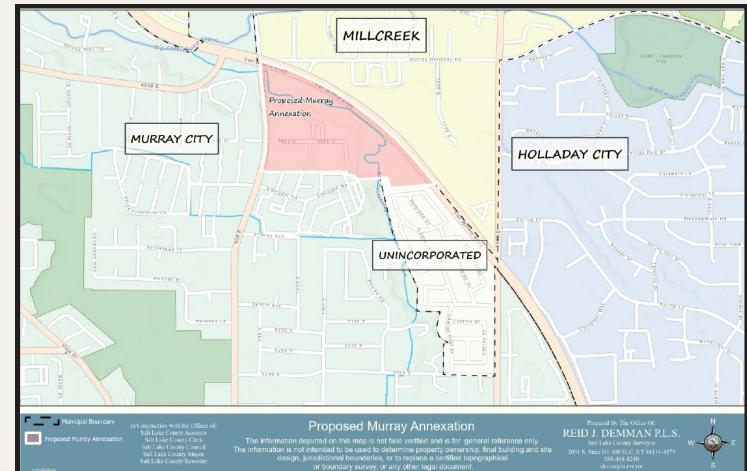
For Salt Lake County  
Scott Baird, Director of Public Works and Municipal Services  
2001 S. State Street, Suite #N3-400  
Salt Lake City, UT 84190  
385-468-5606  
[sbaird@slco.org](mailto:sbaird@slco.org)

For Petition Sponsor  
Marvin Hendrickson  
4914 Esther Circle  
Salt Lake City, Utah 84117  
801-209-1134  
[muremeasurevalley@qwestoffice.net](mailto:muremeasurevalley@qwestoffice.net)

Once filed, the annexation petition will be available for inspection and copying at the Murray City Recorder's Office located at 5025 State Street, Murray City, Utah 84107.

## NOTICE TO PROPERTY OWNERS BY THE COUNTY:

- **RESPONSIBILITY: COUNTY WHERE THE PROPOSED ANNEXATION AREA IS LOCATED**
- **RECIPIENTS: PROPERTY OWNERS:**
  - **WITHIN THE PROPOSED ANNEXATION AREA**
  - **WITHIN 300 FEET OF THE PROPOSED ANNEXATION AREA**
- **CONTENT: INFORMATION ABOUT THE PROPOSED ANNEXATION, INCLUDING DETAILS ON THE ANNEXATION PROCESS AND HOW PROPERTY OWNERS CAN PARTICIPATE OR EXPRESS CONCERNS.**
- **REFERENCE: UTAH CODE § 10-2-403(2)(B)(1)**



Proposed Murray Annexation

Proposed Murray Annexation

The information depicted on this map is not field verified and is for general reference only. It is provided for the convenience of the public and is not to be used for any legal purpose, including, but not limited to, the location of property boundaries, the existence of any building and site, zoning, jurisdiction boundaries, or to determine a deeded tract, right-of-way, or boundary survey, or any other legal document.

REID J. DEMMAN P.L.S.

Salt Lake County Surveyor  
801 S. State Street, P.O. Box 144875  
Salt Lake City, UT 84114-4575  
Tel: 385-468-7000 | Fax: 385-468-7001  
slcgov.org

# NOTICE TO AFFECTED ENTITIES

I MELVIN HENDRICKSON AGENCIES ON THIS LIST WERE MAILED NOTICE OF ANNEXATION ON SEPT 17, 2024 (52)		
Dominion Energy PO Box 45360 Salt Lake City, UT 84145-0360	Salt Lake County Council 2001 South State Street, Ste N-2-200 Salt Lake City, UT 84114-4575	Salt Lake County Municipal Service #N600 2100 State Street Salt Lake City, UT 84190
High Valley Transit District 2480 W Kirby Rd Park City, Utah 84098	Salt Lake County Service Area #3 PO Box 92067 Snowbird, Utah 84092	TRSSD- Traverse Ridge Special Service District 1020 E Pioneer Rd Draper, Utah 84020
MURRAY CITY SCHOOL DISTRICT 5102 S. Commerce Drive Murray, UT 84107	GRANITE SCHOOL DISTRICT 2500 South State Street, Room D-229 Salt Lake City, UT 84115	Board of Education of Salt Lake City School District 440 East 100 South Salt Lake City, Utah 84111
Canyons School District 9361 South 300 East Sandy, Utah 84070	MURRAY CITY HALL 10 E. 4800 S. Murray, UT 84107	Murray Fire Department 4848 Box Elder St. Murray, UT 84107
Murray City Police Department 10 East 4800 South Murray, UT 84107	MILLCREEK CITY HALL 1330 E Chambers Avenue Millcreek, UT 84106	Millcreek SALT LAKE COUNTY LIBRARY 2266 E Evergreen Ave Millcreek, UT 84109
Holladay 4580 S 2300 E Holladay, UT 84117	Holladay SALT LAKE COUNTY LIBRARY 2150 E Murray-Holladay Rd (4730 S) Holladay, UT 84117	SALT LAKE 451 South State Street PO Box 148515 Salt Lake City, UT 84111
SALT LAKE COUNTY ASSESSOR 2001 S State St Salt Lake City, Utah 84114-7421	COTTONWOOD HEIGHTS CITY HALL 2277 Bengal Blvd. Cottonwood Heights	ROCKY MOUNTAIN POWER 959 S 3200 W. Salt Lake City, UT 84104
COTTONWOOD HEIGHTS PARKS AND REC 7500 S 2700 E. Cottonwood Heights, UT 84121	HOLLADAY CITY HALL 4580 S. 2300 E. HOLLADAY, UT 84117	MOUNT OLYMPUS IMPROVEMENT DISTRICT 3932 S. 500 E. MILLCREEK, UT 84107
DOMINION ENERGY 333 State Street Salt Lake City, UT 84111	Rocky Mountain Power Annexations PO Box 400 Portland, OR 97207-0400	Utah Office of the State Treasurer Multicounty Assessing/Collecting Levy 350 State Street #180 Salt Lake City, UT 84114
Salt Lake County - Library 2001 South State Street Salt Lake City, UT 84114	Salt Lake City Public Utilities PO Box 840173 Los Angeles, Ca 90084-0173	Salt Lake County Assessor Chris Stevens 2001 S State St Salt Lake City, UT 84114-7421

I MELVIN HENDRICKSON AGENCIES ON THIS LIST WERE MAILED NOTICE OF ANNEXATION ON SEPT 17, 2024 (52)		
Firefly Public Infrastructure District No. 1-10 180 N. University Ave., Suite 260 Provo, Utah 84601	Utah State Board of Education and Board of Directors of Public Works and Municipal Services 250 E 500 S. PO Box 144200 Salt Lake City, UT 84111	
Salt Lake County 2001 South State Street Salt Lake City, Utah 84114	SOUTH SALT LAKE VALLEY MOSQUITO ABATEMENT DISTRICT 7308 Airport Rd. West Jordan, UT 84084	JORDAN VALLEY WATER CONSERVANCY DISTRICT 8215 S 1300 W. West Jordan, UT 84088
COTTONWOOD IMPROVEMENT DISTRICT (SEWER ONLY) 8620 Highland Dr. Sandy, UT 84093	CENTRAL UTAH WATER CONSERVANCY DISTRICT 1426 E 750 N St #400 Orem, UT 84097	SALT LAKE COUNTY MUNICIPAL- TYPE SERVICES 2001 S State, #N 3-600 Salt Lake City, UT 84190
UNIFIED FIRE SERVICE MILLCREEK FIRE DEPARTMENT 790 E 3900 S. Salt Lake City, UT 84107	UNIFIED FIRE SERVICE HOLLADAY FIRE DEPARTMENT 790 E 3900 S. Salt Lake City, UT 84107	UNIFIED FIRE SERVICE COTTONWOOD FIRE DEPARTMENT 1790 Fort Union Blvd. Cottonwood Heights, UT 84121
SALT LAKE VALLEY LAW ENFORCEMENT SERVICE AREA 3365 South 900 West Salt Lake City, UT 84119	GREATER SALT LAKE MUNICIPAL SERVICES DISTRICT Salt Lake County Government Center #N2600, 2001 State St. Salt Lake City, UT 84190	WASATCH FRONT WASTE AND RECYCLING DISTRICT 604 W 6960 S. Midvale, UT 84047
Alta Canyon Recreation Special Service District 5665 S Highland Dr Sandy, Utah 84082	Dixie Deer Special Service District 316 N. Lodge Road. Central, Utah 84722	Emigration Improvement District PO Box 58945 Salt Lake City, Utah 84158
Fairway Estates Subdivision 8000 South Redwood Road West Jordan, Utah 84088	Federal Mineral Lease Special Service District 3 P.O. Box 165 Ephraim, Utah 84627	Salt Lake County - Library 8030 S 1825 W West Jordan, Utah 84088-4025
Firefly Public Infrastructure District No. 1-10 180 N. University Ave., Suite 260 Provo, Utah 84601		

## NOTICE TO AFFECTED ENTITIES BY THE PETITIONER:

- **RESPONSIBILITY: PETITIONER**
- **RECIPIENTS: AFFECTED ENTITIES, INCLUDING:**
  - COUNTIES WHERE THE PROPOSED ANNEXATION AREA IS LOCATED
  - SPECIAL DISTRICTS OR SERVICE DISTRICTS ENCOMPASSING THE AREA
  - SCHOOL DISTRICTS WITH BOUNDARIES INCLUDING THE AREA
  - MUNICIPALITIES WITHIN ½ MILE OF THE PROPOSED ANNEXATION AREA
- **CONTENT: NOTICE OF INTENT TO FILE AN ANNEXATION PETITION, ACCOMPANIED BY AN ACCURATE MAP OF THE PROPOSED AREA.**
- **REFERENCE: UTAH CODE § 10-2-403(2)(A)(i)**

# COMPLIANCE WITH PROPERTY OWNER SIGNATURE REQUIREMENT

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## REQUIREMENT:

- UTAH CODE § 10-2-403(3)(B)(I) AND (III):
  - THE PETITION MUST CONTAIN THE SIGNATURES OF PROPERTY OWNERS WHO:
    - (I) ARE LOCATED WITHIN THE AREA PROPOSED FOR ANNEXATION.
    - (III) OWN PRIVATE REAL PROPERTY EQUAL IN VALUE TO AT LEAST ONE-THIRD (1/3) OF THE VALUE OF ALL PRIVATE REAL PROPERTY WITHIN THE AREA PROPOSED FOR ANNEXATION.

## COMPLIANCE:

- TOTAL PRIVATE PROPERTY VALUE IN PROPOSED ANNEXATION AREA:
  - \$37,575,200.00 (ACCORDING TO SALT LAKE COUNTY RECORDS)
- ONE-THIRD THRESHOLD:
  - \$12,525,066.67 (CALCULATED AS \$37,575,200.00 ÷ 3)
- TOTAL VALUE OF SIGNED AND VALID PETITIONS:
  - \$16,587,000.00

## ANALYSIS:

- THE TOTAL VALUE OF SIGNED AND VALID PETITIONS IS \$16,587,000.00, WHICH EXCEEDS THE REQUIRED ONE-THIRD THRESHOLD OF \$12,525,066.67.
- THIS MEANS THAT PROPERTY OWNERS REPRESENTING APPROXIMATELY 44.16% OF THE TOTAL PRIVATE PROPERTY VALUE HAVE SIGNED THE PETITION.

## CONCLUSION:

- THE PETITION MEETS THE LEGAL REQUIREMENT SPECIFIED IN UTAH CODE § 10-2-403(3)(B)(I) AND (III).
- COMPLIANCE ACHIEVED: THE ANNEXATION PETITION HAS SECURED SUFFICIENT PROPERTY OWNER REPRESENTATION IN TERMS OF PROPERTY VALUE.



# CERTIFICATION OF PETITION

 MURRAY CITY CORPORATION

Brett A. Hales, Mayor  
Brooke Smith, City Recorder

October 18, 2024

Marvin Hendrickson  
3251 West 4100 South  
Salt Lake City, UT 84119

Subject: Notice of Certification for the Van Winkle-2 Annexation Petition

In accordance with Utah Code Section 10-2-405, I have completed the review of the annexation petition submitted for the Van Winkle 2. I am pleased to certify that the petition has met the necessary requirements as outlined in Subsections 10-2-403. Included in this letter is the Certification of the Van Winkle -2 Annexation Petition. Murray City will be moving forward with the required noticing process outlined in Utah Code Section 10-2-406. If you have any questions, feel free to contact me.

**CERTIFICATION**

STATE OF UTAH,  
City and County of Salt Lake,

I, Brooke Smith, City Recorder of Murray City, Utah do hereby certify that the Van Winkle-2 Annexation Petition was accepted by the City Council on October 15, 2024 for further review (Resolution #24-64).

After a thorough review, I certify that the requirements set forth in State Code 10-2-403 have been met and are complete.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of said City, this 18<sup>th</sup> day of October, 2024.

  
\_\_\_\_\_  
Brooke Smith, City Recorder  
Murray City, Utah

cc: Murray City Council, Hand Delivery  
cc: Salt Lake County Council, 2001 S State Street, Ste N2-200, Salt Lake City, UT 84114-4575  
cc: Scott Baird, Salt Lake County Public Works ([SBaird@slco.org](mailto:SBaird@slco.org))

- On September 17, 2024, Murray City received an Annexation Petition proposing the Annexation
- On October 15, 2024, Council accepted a Resolution to move forward with Annexation request (R24-64).
- Requirement: City Recorder must certify the petition within 30 days of filing.
  - Utah Code: 10-2-405(2)
- Compliance: On October 18, 2024, the City Recorder certified Petition within the required timeframe.

Murray City



# PUBLIC NOTIFICATION AND HEARING

**REQUIREMENT:**  
PUBLIC NOTICE MUST BE  
PROVIDED, AND A HEARING  
HELD TO DISCUSS THE  
ANNEXATION.

**PROTEST:**  
NO PROTEST RECEIVED.

**COMPLIANCE:**  
NOTICES PUBLISHED ON  
OCTOBER 21, 2024; PUBLIC  
HEARING CONDUCTED ON  
DECEMBER 3, 2024.

**Murray City Corporation**

**NOTICE OF PROPOSED ANNEXATION**

1. On September 17, 2024, Murray City received an Annexation Petition proposing the annexation of approximately 0.063 square miles of real property into Murray City.

2. On October 18, 2024, the City Council received from the City Recorder a notice of certification of the Petition in satisfaction of Utah Code Ann. §10-2-405(3)(c)(i).

3. The area is generally located along Van Winkle Expressway approximately between Van Winkle Expressway and 900 East and between 4800 South and the boundary of Murray City at 4840-4890 South. (See attached map.)

4. The complete annexation petition, a map, and legal boundary description are available for inspection and copying at the office of the Murray City Recorder, 10 East 4800 South, Room 155, Murray, Utah during regular business hours.

5. **THE MURRAY CITY COUNCIL MAY GRANT THE PETITION AND ANNEX THE AREA UNLESS, WITHIN THE TIME REQUIRED UNDER STATE LAW, (Utah Code Ann. §10-2-407(2)(a)(i)), A WRITTEN PROTEST TO THE ANNEXATION PETITION IS FILED WITH THE SALT LAKE COUNTY CLERK AND A COPY OF THE PROTEST DELIVERED TO THE CITY RECORDER OF MURRAY CITY.**

6. **PROTESTS:**

a. Protests must be filed in accordance with state law: Utah Code Ann. §10-2-407.

b. **Who May Protest:** A protest to the annexation petition may be filed with the Salt Lake County Clerk by property owners if the protest contains the signatures of the owners of private real property that:

- i. is located in the unincorporated area within  $\frac{1}{2}$  mile of the area proposed for annexation;
- ii. covers at least 25% of the private land area located in the unincorporated area within  $\frac{1}{2}$  mile of the area proposed for annexation; and
- iii. is equal in value to at least 15% of all real property located in the unincorporated area within  $\frac{1}{2}$  mile of the area proposed for annexation.

c. **Deadline to File Protests:** NOVEMBER 18, 2024

d. **Protests Must be Filed with the Salt Lake County Clerk at:**

<b>Physical Address:</b> Salt Lake County Clerk Elections Division 2001 South State Street, Ste S1-200 Salt Lake City, Utah 84114	<b>Mailing Address:</b> Salt Lake County Clerk Elections Division 2001 South State Street, Ste S1-200 P.O. Box 144575 Salt Lake City, Utah 84114
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Same Day Protest Filed with Salt Lake County Clerk, Copy of Protest Be Delivered or Mailed to:

Murray City Recorder  
10 East 4800 South, Room 155  
Murray, Utah 84107

If no protest is received, the Murray City Council will hold a public hearing on December 3, 2024 at 6:30 p.m. in the Murray City Council Chambers located at 10 East 4800 South, Room 155, Murray, Utah to consider the annexation petition.

If a protest is filed, the area proposed for annexation to Murray City will be automatically annexed to have fire protection, and emergency services and law enforcement services.

If a protest is filed, the area proposed for annexation to Murray City will be automatically withdrawn from Unified Police and Fire Protection, and emergency services and from Unified Police and Fire Protection.

On October 24, 2024.

MURRAY CITY CORPORATION

  
Jennifer Kennedy  
City Council Executive Director

Murray City



## CONCLUSION

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### Summary:

All legal requirements for the annexation petition have been met as per Utah Code Title 10, Chapter 2, Part 4.

### Next Steps:

City Council to hold a Public Hearing, deliberate, and make a final decision on the annexation request.

Murray City



# Thank you!

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**VAN WINKLE - 2**

**PETITIONER: MARV HENDRICKSON**

Brooke Smith, City Recorder  
GL Critchfield, City Attorney  
December 3, 2024

Murray City





**MURRAY**  
CITY COUNCIL

# Business Items



**MURRAY**  
CITY COUNCIL

# Business Item #1



**MURRAY**

# **Mayor's Office**

## **Approve Mayor's appointment of Chad Wilkinson, CED Director**

### **Council Action Request**

**Committee of the Whole and Council Meeting**

Meeting Date: December 3, 2024

<b>Department Director</b> Mayor Brett Hales	<b>Purpose of Proposal</b> Consider mayor's appointment of community and economic development director.
<b>Phone #</b> 801-264-2600	<b>Action Requested</b> Actionable
<b>Presenters</b> Brett Hales	<b>Attachments</b> Resolution
<b>Required Time for Presentation</b> 10 Minutes	<b>Budget Impact</b> None
<b>Is This Time Sensitive</b> Yes	<b>Description of this Item</b> Consider a Resolution providing advice and consent to the mayor's appointment of Chad Wilkinson as the city's community and economic development department director, replacing Phil Markham. Pending approval, Chad will start work on January 6, 2025.
<b>Mayor's Approval</b> 	
<b>Date</b> November 19, 2024	

RESOLUTION NO. R24-

A RESOLUTION PROVIDING ADVICE AND CONSENT TO THE  
MAYOR'S APPOINTMENT OF CHAD WILKINSON AS THE CITY'S  
COMMUNITY AND ECONOMIC DEVELOPMENT DEPARTMENT  
DIRECTOR.

WHEREAS, the City needs to hire a Community and Economic Development Department Director; and

WHEREAS, section 10-3b-202 of the Utah Code provides that the Mayor, with advice and consent of the City Council, appoints each department director of the City; and

WHEREAS, the Mayor has determined that Chad Wilkinson is very qualified to serve as the City's Community and Economic Development Department Director; and

WHEREAS, the Mayor appoints Chad Wilkinson as the City's Community and Economic Development Department Director subject to advice and consent of the City Council; and

WHEREAS, the City Council wants to give its consent to the Mayor's appointment of Chad Wilkinson as the City's Community and Economic Development Department Director.

NOW, THEREFORE, BE IT RESOLVED by the Murray City Municipal Council that it hereby consents to the Mayor's appointment of Chad Wilkinson as the City's Community and Economic Development Department Director.

DATED this    day of December 2024.

MURRAY CITY MUNICIPAL COUNCIL

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Pam Cotter, Chair

ATTEST:

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Brooke Smith, City Recorder



**MURRAY**  
CITY COUNCIL

# Business Item #2



**MURRAY**

**Council Action Request**

# Public Works

## CVWRF Memorandum or Understanding

**Committee of the Whole/& Council Meeting**

Meeting Date: December 3, 2024

<b>Department Director</b> Russ Kakala	<b>Purpose of Proposal</b> MOU between Murray City and Central Valley WRF detailing boundaries and responsibilities.
<b>Phone #</b> 801-270-2404	<b>Action Requested</b> Presentation and approving resolution for the MOU.
<b>Presenters</b> Ben Ford, Wastewater Superintendent	<b>Attachments</b> MOU resolution, CVWRF resolution & connection point maps.
<b>Required Time for Presentation</b> 15 Minutes	<b>Budget Impact</b> No Budget impact
<b>Is This Time Sensitive</b> No	<b>Description of this Item</b> Present a resolution Memorandum of Understanding between Murray City and Central Valley Water Reclamation Facility clearly identifying the boundary ownership and maintenance responsibilities between the two systems. Each of the seven member entities will pass an individual resolution showing their own connection points with CVWRF. Once each entity has passed the resolution CVWRF will then pass the resolution.
<b>Mayor's Approval</b>  	
<b>Date</b> December 3, 2024	

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION APPROVING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING BETWEEN THE CENTRAL VALLEY WATER RECLAMATION FACILITY (“CVWRF”) AND THE CITY REGARDING THEIR RESPECTIVE OWNERSHIP AND MAINTENANCE RESPONSIBILITIES

WHEREAS, Title 11, Chapter 13, of the Utah Code provides that two or more public agencies may, by agreement, jointly exercise any power common to the contracting parties for joint undertakings and services; and

WHEREAS, the City owns, operates, and maintains a system for the collection and conveyance of wastewater, which includes City-owned pipelines, pump stations, structures, and other facilities (“Collection System”); and

WHEREAS, CVWRF owns, operates, and maintains wastewater treatment facilities, including interceptor lines, vaults, siphons, flow meter stations, and related structures and appurtenances for centralized treatment of wastewater (“CVWRF Facilities”); and

WHEREAS, the City and CVWRF are each a party to the Central Valley Reclamation Facility Amended and Restated Interlocal Agreement entered into and deemed effective January 1, 2017, as amended (“Interlocal Agreement”); and

WHEREAS, pursuant to the Interlocal Agreement, the City is responsible for operating and maintaining its own Collection System, and CVWRF is responsible for operating the CVWRF Facilities; and

WHEREAS, the City and CVWRF desire to record their intentions as to the points of interconnection between Member’s Collection System and CVWRF’s Facilities, and to outline their mutual understanding regarding ownership and maintenance responsibilities.

NOW, THEREFORE, BE IT RESOLVED by the Murray City Municipal Council as follows:

1. It does hereby approve the execution of a Memorandum of Understanding between the Central Valley Water Reclamation Facility and the City regarding their respective ownership and maintenance responsibilities in a form substantially the same as that attached hereto; and
2. That the Memorandum of Understanding is in the best interest of the City; and
3. Mayor Brett A. Hales is hereby authorized to execute the Memorandum of Understanding on behalf of the City and to act in accordance with its terms.

DATED this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_

MURRAY CITY MUNICIPAL COUNCIL

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Pam Cotter, Chair

ATTEST:

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Brooke Smith, City Recorder

**ATTACHMENT**  
**MEMORANDUM OF UNDERSTANDING**

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“MOU”) is entered into with an effective date of July \_\_\_, 2024 (“Effective Date”) by and between Central Valley Water Reclamation Facility (“CVWRF”), a Utah Interlocal Entity, and Murray City, a municipal corporation (“Member”) to document the parties’ understanding regarding their respective ownership and maintenance responsibilities.

### RECITALS

WHEREAS, Member owns, operates, and maintains a system for the collection and conveyance of wastewater, which includes Member-owned pipelines, pump stations, structures, and other facilities (“Collection System”); and

WHEREAS, CVWRF owns, operates, and maintains wastewater treatment facilities, including interceptor lines, vaults, siphons, flow meter stations, and related structures and appurtenances for centralized treatment of wastewater (“CVWRF Facilities”); and

WHEREAS, CVWRF and Member are each a party to the Central Valley Reclamation Facility Amended and Restated Interlocal Agreement entered into and deemed effective January 1, 2017, as amended (“Interlocal Agreement”); and

WHEREAS, pursuant to the Interlocal Agreement, each Member Entity, (as that term is defined in the Interlocal Agreement), is responsible for operating and maintaining its own Collection System, and CVWRF is responsible for operating the CVWRF Facilities; and

WHEREAS, the parties desire to record their intentions as to the points of interconnection between Member’s Collection System and CVWRF’s Facilities, and to outline their mutual understanding regarding ownership and maintenance responsibilities.

### AGREEMENT

NOW, THEREFORE, the parties express their mutual understanding as follows:

- 1. Point of Connection.** The “Point of Connection” is defined as the outside edge of Member’s Collection System facilities where it physically connects to the CVWRF Facilities. Attached hereto and incorporated by reference into this MOU is Exhibit A, which provides detailed descriptions and locations of the Points of Connection that are in existence or are known as of the date of this MOU. The parties acknowledge and agree that Member owns the facilities on one side of the Point of Connection and CVWRF owns the facilities on the opposite side of the Point of Connection as depicted in Exhibit A. Notwithstanding the foregoing, for “Integrated Facilities,” as defined in Paragraph 3, the Point of Connection is not the point where Member’s pipe enters a CVWRF structure, but rather the outside edge of Member’s Collection System where it physically connects to CVWRF’s interceptor lines, as depicted in Exhibit A.
- 2. Maintenance Responsibilities.** Except as provided in Paragraph 3, the parties acknowledge and agree that Member is responsible for all maintenance, repair, and

operation of the Collection System, including blue-staking the Collection System, and CVWRF is responsible for all maintenance, repair, and operation of the CVWRF Facilities, including blue-staking the CVWRF Facilities.

3. **Integrated Facilities.** It is understood that in certain instances, pipelines or components of the Collection System owned by Member may run through or within structures that are part of the CVWRF Facilities (“Integrated Facilities”). In these situations, notwithstanding the location of the components of the Collection System being located within CVWRF Facilities structures, Member shall retain responsibility for cleaning and maintaining such components of the Collection System as noted in Exhibit A, including maintaining the integrity of any pipeline lining.
4. **Pipeline Affected by Structure Replacement.** For Integrated Facilities, in the event CVWRF replaces or significantly alters a CVWRF Facilities structure through which any components of Member’s Collection System run, resulting in the need to remove or replace such component of the Collection System, the following shall apply:
  - a. CVWRF shall be responsible for the cost of replacing the impacted section of Member’s Collection System as part of the structure’s replacement or alteration.
  - b. The replacement of the impacted portion of the Collection System will be done in a manner that is in conformance with Member’s specifications and standards. Member shall have the right to inspect all construction pertaining to the impacted portion of the Collection System being replaced. Upon completion of construction, Member shall provide written approval of the new components of the impacted portion of the Collection System as a condition of Member accepting ownership of the same.
  - c. Upon completion of such replacement, Member will own the newly installed portion of the Collection System, and Member will assume all responsibility for maintenance, repair, and operation of the replaced segment as provided in this MOU.
5. **Notification and Coordination.** CVWRF agrees to provide Member reasonable advance notice of construction, replacement, or significant alteration of CVWRF Facility structures with Integrated Facilities that could impact portions of Member’s Collection System. Both parties commit to coordinating their efforts to minimize disruption.
6. **Term and Termination.** This MOU may be terminated by either party in such party’s sole discretion by giving thirty days advance notice to the other party. This MOU will automatically terminate upon termination or expiration of the Interlocal Agreement.
7. **Modification of Exhibit.** Exhibit A to this MOU may be updated from time to time as any new Point of Connection is created, or an existing Point of Connection is modified by executing an amendment to this MOU, the form of which is attached hereto at Exhibit B.

8. **Interlocal Agreement not Modified.** This MOU is not intended to and does not amend, interpret, provide a course of dealing between the parties, or otherwise modify the Interlocal Agreement. In the event of a conflict between the Interlocal Agreement and this MOU, the Interlocal Agreement will prevail.
9. **Counterparts.** This MOU may be executed in one or more counterparts, each of which shall be deemed an original, but such counterparts, when taken together, shall constitute one agreement. The parties may sign and transmit electronic signatures to this MOU via electronic mail (whether by .pdf or other similar electronic or digital means).

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this MOU has been executed as of the dates below written to be effective as of the Effective Date.

**CVWRF:**

CENTRAL VALLEY WATER RECLAMATION  
FACILITY, a Utah Interlocal Entity

Date: July \_\_\_, 2024

By: \_\_\_\_\_  
Name: Debra Armstrong  
Title: Board Chair

By: \_\_\_\_\_  
Name: Phillip Heck, Ph.D., P.E.  
Title: General Manager

**Member:**

MURRAY CITY, a municipal corporation

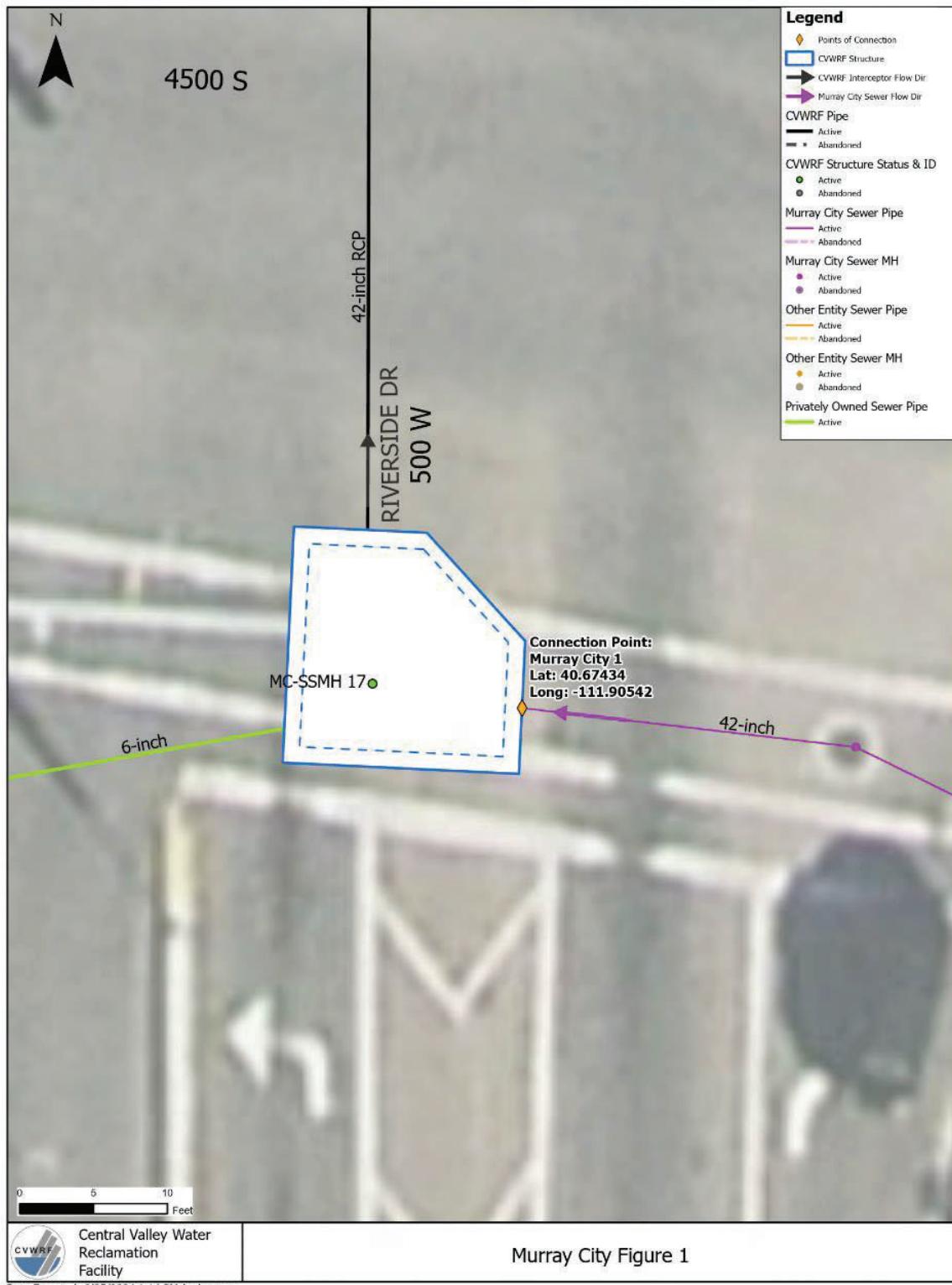
Date: July \_\_\_, 2024

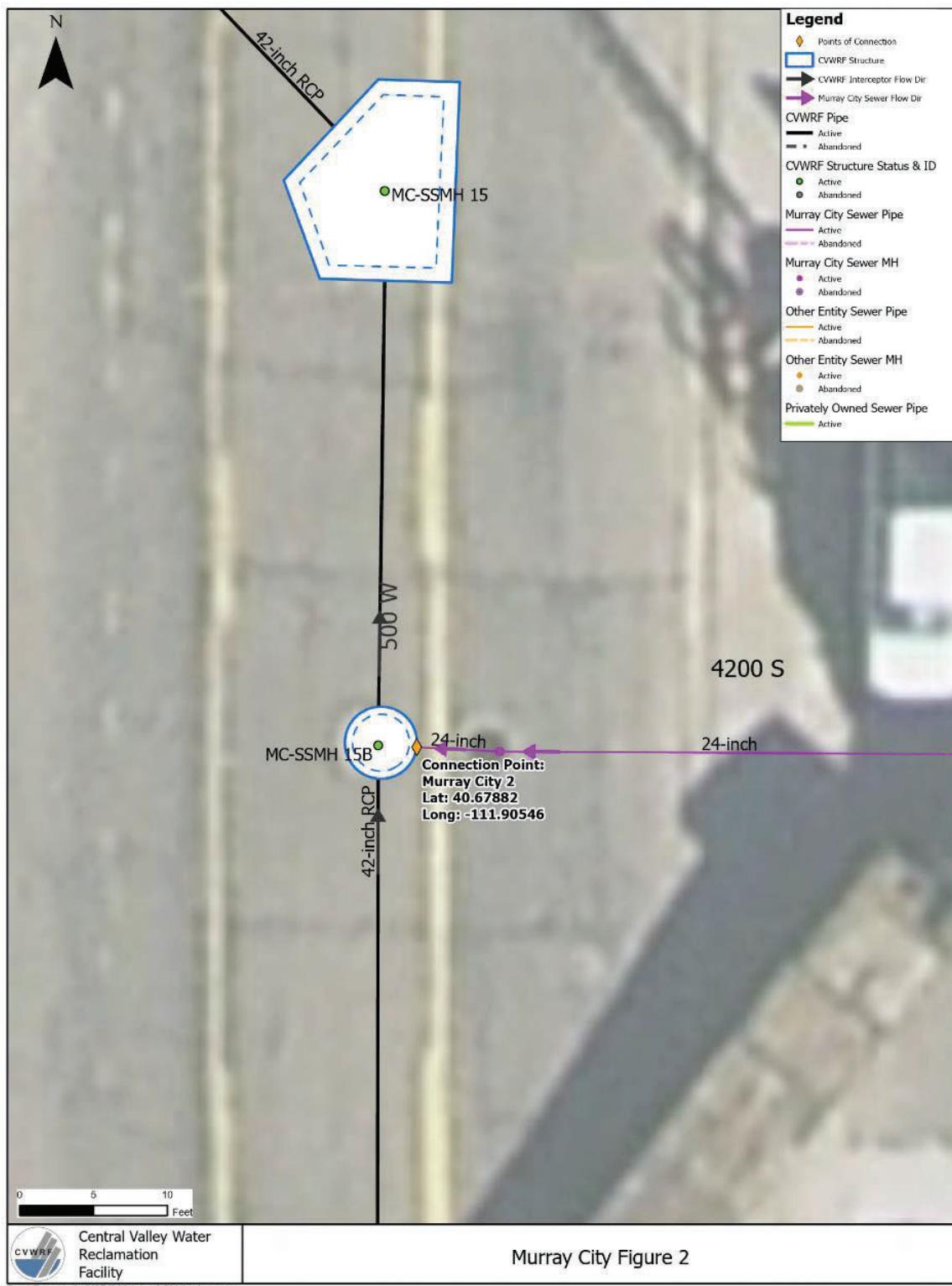
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## **Exhibit A to MOU** **Points of Connection**

Points of Connection Summary for CVWRF and Murray City

Applicable Figure	Connection Point #	CVWRF Structure (CVWRF ID)	Boundary Description	Responsibility for Structure	Size (Host Pipe) of Entity Pipe Connected to CV Structure or Pipe	Approx. Address	Lat, Long (WGS 1984)	Notes
Murray City Figure 1	Murray City 1	MC-SSMH 17	East outside face of manhole MC-SSMH 17 where 42" Murray pipe connects.	CVWRF	42"	4500 S 500 W (south side of intersection)	40.67434, -111.90542	6-inch pipe connecting at SW corner of structure is privately owned, not by Murray City.
Murray City Figure 2	Murray City 2	MC-SSMH 15B	East outside edge of manhole MC-SSMH 15B where 24" Murray pipe connects.	CVWRF	24"	4200 S 500 W (center of road)	40.67882, -111.90546	





**Error! Unknown document property name.**

**Exhibit B to MOU**  
**Form of Amendment to MOU**

## {FIRST} AMENDMENT

TO

## MEMORANDUM OF UNDERSTANDING

This {First} Amendment to Memorandum of Understanding (“**Amendment**”) is made and entered into as of {month} {day}, {year} (the “Effective Date”), by and between Central Valley Water Reclamation Facility (“CVWRF”), a Utah Interlocal Entity, and Murray City, a municipal corporation (“Member”).

### RECITALS

WHEREAS, CVWRF and Member are parties to that certain Memorandum of Understanding dated \_\_\_\_\_, 2024 (the “**MOU**”); and

Whereas, the parties desire to amend the MOU to provide for a new Exhibit A to reflect updates to the Points of Connection.

### AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the parties undertake and agree as follows:

1. Exhibit A to the MOU shall be deleted in its entirety and replaced with the Exhibit “A” attached to this Amendment.
2. **Effect of Amendment.** Capitalized terms that are not defined in this Amendment have the same definitions as used in the MOU. The terms and conditions of the MOU, other than those expressly amended herein, remain in full force and effect.
3. **Counterparts.** The parties may execute this Amendment in any number of counterparts, each of which when executed and delivered will constitute a duplicate original, but all counterparts together, and together with the MOU, will constitute a single agreement.

IN WITNESS WHEREOF, this Amendment has been executed as of the Effective Date.

[SIGNATURE PAGE FOLLOWS]

**CVWRF:**

CENTRAL VALLEY WATER RECLAMATION  
FACILITY, a Utah Interlocal Entity

Date:

By: \_\_\_\_\_  
Name: Phillip Heck, Ph.D., P.E.  
Title: General Manager

**Member:**

MURRAY CITY, a municipal corporation

Date:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Exhibit A to Amendment**



**MURRAY**  
CITY COUNCIL

# Business Item #3



**MURRAY**

**Council Action Request**

# Parks and Recreation

## Theater TRCC Grant Extension

**Committee of the Whole**

Meeting Date: December 3, 2024

<b>Department</b> <b>Director</b> Kim Sorensen	<b>Purpose of Proposal</b> Discuss extension of TRCC Grant deadline to June 30, 2025
<b>Phone #</b> 801-264-2619	<b>Action Requested</b> Discuss amendment with Salt Lake County to extend grant.
<b>Presenters</b> Kim Sorensen	<b>Attachments</b> TRCC amendment
<b>Required Time for Presentation</b> 5 Minutes	<b>Budget Impact</b> No budget impact
<b>Is This Time Sensitive</b> Yes	<b>Description of this Item</b> Amendment extending the Murray Theater TRCC Grant from December 31, 2024 to June 30, 2025
<b>Mayor's Approval</b>   <b>Date</b> November 19, 2024	

RESOLUTION NO. R24-

A RESOLUTION APPROVING AND AUTHORIZING EXECUTION  
OF AN AMENDMENT TO AN INTERLOCAL COOPERATION AGREEMENT  
BETWEEN MURRAY CITY CORPORATION AND SALT LAKE COUNTY FOR  
A CONTRIBUTION OF TRCC FUNDS TO ASSIST IN FINANCING  
THE RESTORATION OF THE MURRAY THEATER.

WHEREAS, Murray City (the "City") and Salt Lake County ("County") are public agencies as defined by the Utah Interlocal Cooperation Act, Utah Code Ann. §§ 11-13-101 et. seq. (the "Cooperation Act"), and, as such, are authorized by the Cooperation Act to enter into this Agreement to act jointly and cooperatively on the basis of mutual advantage in order to provide facilities in a manner that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities; and

WHEREAS, the County receives funds ("TRCC Funds") pursuant to the Tourism, Recreation, Cultural, Convention, and Airport Facilities Tax Act, Utah Code Ann. §§ 59-12-601 et seq. (the "TRCC Act"). The TRCC Act provides that TRCC Funds may be used, among other things, for the development, operation, and maintenance of publicly owned or operated recreation, cultural, or convention facilities; and

WHEREAS, the City requested TRCC Funds from the County to help it fund the project described in its TRCC Application; more specifically, the City requested TRCC Funds to help finance the restoration of the Murray Theater; and

WHEREAS, on or about November 23, 2022, the Parties entered into an interlocal cooperation agreement with Salt Lake County for the receipt of the requested TRCC Funds ("Agreement"); and

WHEREAS, the Parties now want to amend the Agreement to extend the expenditure and reporting deadlines by entering into Amendment No. 1 between Salt Lake County and the City, attached hereto as ATTACHMENT A.

NOW, THEREFORE, BE IT RESOLVED by the Murray City Municipal Council that:

1. Amendment No. 1 to the Agreement between and Salt Lake County Murray City Corporation ("Amendment No. 1") is approved, in substantially the form attached hereto as ATTACHMENT A, and that the Mayor is authorized to execute the same.

2. Amendment No. 1 will become effective as stated in the agreement.

PASSED and APPROVED and made effective this 3<sup>rd</sup> day of December 2024.

MURRAY CITY MUNICIPAL COUNCIL

---

Pam Cotter, Chair

ATTEST:

---

Brooke Smith, City Recorder

## **ATTACHMENT A**

Amendment No. 1 to the Agreement Between  
Salt Lake County and Murray City Corporation

AMENDMENT NO. 1

To the

AGREEMENT BETWEEN

SALT LAKE COUNTY

AND

MURRAY CITY CORPORATION

\*\*\*

THIS AMENDMENT NO.1 to Salt Lake County Contract #0000003223 is effective as of \_\_\_\_\_ day of \_\_\_\_\_, 2024, by and between **SALT LAKE COUNTY**, a body corporate and politic of the State of Utah, for and on behalf of its Department of Community Services ("County") and the **MURRAY CITY CORPORATION**, a municipal corporation of the State of Utah ("City"). County and City may each be referred to herein as a "Party" and collectively as the "Parties."

RECITALS:

- A. On or about November 23, 2022, the Parties entered into Salt Lake County Contract # 0000003223 (the "Agreement");
- B. The Parties now wish to amend the Agreement to extend the expenditure deadline and reporting deadlines.

AMENDMENT

The Parties agree to amend the Agreement as follows:

1. The paragraph 2, is deleted and replaced as follows:
2. **CITY'S OBLIGATIONS AND REPRESENTATIONS.**

A. Acknowledgement. City acknowledges that the TRCC Funds provided to City under this Agreement are County public funds received pursuant to the TRCC Act and Salt Lake County Code of Ordinances §3.10.030, 3.10.040, and 3.10.051, and therefore must be used for

the development, operation, and maintenance of publicly owned or operated recreation, cultural, or convention facilities.

B. Allowable Uses and Limitation on Use.

(i) City shall use the TRCC Funds provided under this Agreement solely to cover costs incurred by City to develop the Project as described in **EXHIBIT A**, (application) and **EXHIBIT B**, (project budget).

(ii) City shall not expend any TRCC Funds on: (a) fund-raising expenditures related to capital or endowment campaigns, grants or re-grants; (b) direct political lobbying, (c) bad debt expense, (d) non-deductible tax penalties, (e) operating expenses that are utilized in calculating federal unrelated business income tax; or (f) in any other manner that would be inconsistent with the use stated in Paragraphs 2A and 2B of this Agreement.

C. Project Completion Deadline. Recipient shall complete the project scope as outlined in City's TRCC Application hereto as EXHIBIT A by **June 30, 2025**. Any scope change for the project must be requested and approved by the TRCC advisory board before the work is completed.

D. Match Requirement. If City's TRCC Application attached hereto as **EXHIBIT A** and/or budget attached as **EXHIBIT B** indicate that City will make a matching contribution toward the purpose for which TRCC Funds will be used by City under this Agreement, City shall make the matching contribution so indicated in the amount specified in City's Application. If City fails to make and expend such a matching contribution prior to **June 30, 2025**, the County may require repayment of TRCC Funds from City for noncompliance with this provision.

E. Reimbursement Deadline. City shall furnish to County the TRCC Reimbursement Form, which can be found at <https://slco.org/community-services/trcc-support-program/>, together with such invoices or other supporting documentation as County may reasonably require. All requests for reimbursement under this Agreement shall be made on or before **September 30, 2025**. Additionally, if it is later determined that City used any portion of the TRCC Funds for anything other than for the purposes identified in Paragraph 2B above, City shall immediately pay to the County an amount equal to the amount of TRCC Funds spent for purposes other than those identified in Paragraph 2B.

F. Reporting Requirements. City shall submit to the County a completed copy of the TRCC Project Status Report, which can be found at <https://slco.org/community-services/trcc-support-program/>, detailing how the TRCC Funds were expended no later than **December 31, 2022, December 31, 2023, December 31, 2024 and September 30, 2025**.

G. Recordkeeping. City agrees to maintain its books and records in such a way that any TRCC Funds received from the County will be shown separately in the City's books. City shall maintain records adequate to identify the use of the TRCC Funds for the purposes specified

in this Agreement. City shall make its books and records available to the County at reasonable times.

H. Public Funds and Public Monies:

(i) City agrees that the TRCC Funds are “public funds” and “public monies,” meaning monies, funds, and accounts, regardless of the source from which they are derived, that are owned, held, or administered by the State or any of its boards, commissions, institutions, departments, divisions, agencies, bureaus, laboratories, or similar instrumentalities, or any county, City, school district, political subdivision, or other public body. The terms also include monies, funds or accounts that have been transferred by any of the aforementioned public entities to a private contract provider for public programs or services. Said funds shall maintain the nature of “public funds” while in City’s possession.

(ii) City, as the recipient of “public funds” and “public monies” pursuant to this and other agreements related hereto, expressly agrees that it, its officers, and its employees are obligated to receive, keep safe, transfer, disburse and use these “public funds” and “public monies” as authorized by law and this Agreement for TRCC qualifying purposes in Salt Lake County. City understands that it, its officers, and its employees may be criminally liable under Utah Code Ann. § 76-8-402 for misuse of public funds or monies. City expressly agrees that the County may monitor the expenditure of TRCC Funds by City.

(iii) City agrees not to make TRCC Funds or proceeds from such funds available to any public officer or employee or in violation of the Public Officers’ and Employees’ Ethics Act, Utah Code Ann. §§ 67-16-1, *et seq.* (1953, as amended).

I. Right to Verify and Audit. The County reserves the right to verify application and evaluation information and to audit the use of TRCC Funds received by City under this Agreement, and the accounting of such use. If the County requests an audit, City agrees to cooperate fully with the County and its representatives in the performance of the audit.

J. Noncompliance. City agrees that the County may withhold TRCC Funds or other funds or require repayment of TRCC Funds from City for noncompliance with this Agreement, for failure to comply with directives regarding the use of public funds, or for misuse of public funds or monies.

K. Representations.

(i) No Officer or Employee Interest. City represents and agrees that no officer or employee of the County has or shall have any pecuniary interest, direct or indirect, in this Agreement or the proceeds resulting from the performance of this Agreement.

(ii) Ethical Standards. City represents that it has not: (a) provided an illegal gift in connection with this Agreement to any County officer or employee, or former County officer or employee, or to any relative or business entity of a County officer or employee, or relative or business entity of a former County officer or employee; (b) retained any person to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, other than bona fide employees of bona fide commercial agencies established for the purpose of securing business; (c) breached any of the ethical standards in connection with this Agreement set forth in State statute or Salt Lake County Code of Ordinances § 2.07; or (d) knowingly influenced, and hereby promises that it will not knowingly influence, in connection with this Agreement, any County officer or employee or former County officer or employee to breach any of the ethical standards set forth in State statute or Salt Lake County

2. Exhibit B and C to the Agreement are hereby deleted and Project Budget attached hereto as Exhibit B, is incorporated by this reference:

3. All Parts, Paragraphs, Attachments and other provisions of the Agreement shall be the same and remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment No. 1, the day and year first above written.

*[Signature Pages to Follow]*

**SIGNATURE PAGE FOR THE COUNTY**

**SALT LAKE COUNTY:**

By \_\_\_\_\_  
Mayor Jennifer Wilson or Designee

Dated: \_\_\_\_\_, 2024

*Approved by:*

DEPARTMENT OF COMMUNITY SERVICES

By \_\_\_\_\_  
Robin Chalhoub  
Department Director

Dated: \_\_\_\_\_, 2024

*Reviewed and Advised as to Form and Legality:*

By \_\_\_\_\_  
Senior Deputy District Attorney

*[Signatures continue on next page.]*

**INTERLOCAL AGREEMENT -- SIGNATURE PAGE FOR THE CITY**

**MURRAY CITY**

By \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_, 2024

Attest:

\_\_\_\_\_, City Recorder  
Date signed: \_\_\_\_\_

*Approved as to Proper Form and Compliance with Applicable Law:*

**CITY ATTORNEY**

By \_\_\_\_\_

Name: \_\_\_\_\_

Dated: \_\_\_\_\_, 2024

Exhibits B  
Project Budget



## TRCC Project Budget Worksheet

### Project Summary:

Total Project Budget	\$ 11,238,621.00
Total Funding Sources	\$ 11,238,621.00
County Funding Requested	
Projected Surplus/(Deficit)	\$ -

Date: October 4, 2024

Project Name: Murray Theater Renovation  
Applicant Name: Murray City  
Contact Name: Emily Barton  
Contact Email: ebarton@murray.utah.gov

### Project Budget:

	Projected Cost	Detail
Geotechnical	\$ 48,600.00	
Study	\$ 57,600.00	
Contractor	\$ 9,944,976.00	
Design Svrs	\$ 286,000.00	
Land	\$ 901,445.00	
Total Project Budget	<u>\$ 11,238,621.00</u>	

### Funding Sources:

	Secured	Unsecured	Total	Detail
Appropriated Funding	\$ 7,252,121.00		\$ 7,252,121.00	Money Funded by Murray City
Other (Describe)	\$ 3,636,500.00		\$ 3,636,500.00	TRCC Grant awarded for this project on 11/22/22 - Contract 0000003223
Grant: State	\$ 350,000.00		\$ 350,000.00	State Cultural Capital Grant
			\$ -	
			\$ -	
			\$ -	
			\$ -	
Total Funding Sources	<u>\$ 11,238,621.00</u>	<u>\$ -</u>	<u>\$ 11,238,621.00</u>	



**MURRAY**  
CITY COUNCIL

# Business Item #4



**MURRAY**

# Parks and Recreation

## Riverview Park TRCC Grant Extension

### Council Action Request

#### Council Meeting

Meeting Date: December 3, 2024

<b>Department Director</b> Kim Sorensen	<b>Purpose of Proposal</b> Extension of River Park TRCC Grant deadline to December 30, 2024
<b>Phone #</b> 801-264-2619	<b>Action Requested</b> Approve amendment with Salt Lake County to extend grant.
<b>Presenters</b> Kim Sorensen	<b>Attachments</b> TRCC amendment
<b>Required Time for Presentation</b> 5 Minutes	<b>Budget Impact</b> No budget impact
<b>Is This Time Sensitive</b> Yes	<b>Description of this Item</b> Amendment extending the River Park TRCC Grant from September 31, 2024 to December 31, 2024
<b>Mayor's Approval</b>	
<b>Date</b> November 19, 2024	Any additional space needed is available on second page.

RESOLUTION NO. R24-

A RESOLUTION APPROVING AND AUTHORIZING EXECUTION OF AN AMENDMENT TO AN INTERLOCAL COOPERATION AGREEMENT BETWEEN MURRAY CITY CORPORATION AND SALT LAKE COUNTY FOR A CONTRIBUTION OF TRCC FUNDS TO ASSIST FUNDING CONSTRUCTION OF RIVERVIEW PARK IMPROVEMENTS.

WHEREAS, Murray City (the "City") and Salt Lake County ("County") are public agencies as defined by the Utah Interlocal Cooperation Act, Utah Code Ann. §§ 11-13-101 et. seq. (the "Cooperation Act"), and, as such, are authorized by the Cooperation Act to enter into this Agreement to act jointly and cooperatively on the basis of mutual advantage in order to provide facilities in a manner that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities; and

WHEREAS, the County receives funds ("TRCC Funds") pursuant to the Tourism, Recreation, Cultural, Convention, and Airport Facilities Tax Act, Utah Code Ann. §§ 59-12-601 et seq. (the "TRCC Act"). The TRCC Act provides that TRCC Funds may be used, among other things, for the development, operation, and maintenance of publicly owned or operated recreation, cultural, or convention facilities; and

WHEREAS, the City requested TRCC Funds from the County to help it fund the project described in its TRCC Application; more specifically, the City requested TRCC Funds to help fund Riverview Park Improvements; and

WHEREAS, in May of 2024, the Parties entered into an interlocal cooperation agreement for the receipt of the requested TRCC Funds ("Agreement"); and

WHEREAS, the Parties now want to amend the Agreement to extend the expenditure and reporting deadlines by entering into Amendment No. 1 between Salt Lake County and the City, attached hereto as ATTACHMENT A.

NOW, THEREFORE, BE IT RESOLVED by the Murray City Municipal Council that:

1. Amendment No. 1 to the Agreement between and Salt Lake County Murray City Corporation ("Amendment No. 1") is approved, in substantially the form attached hereto as ATTACHMENT A, and that the Mayor is authorized to execute the same.

2. Amendment No. 1 will become effective as stated in the agreement.

PASSED and APPROVED and made effective this 3<sup>rd</sup> day of December 2024.

MURRAY CITY MUNICIPAL COUNCIL

---

Pam Cotter, Chair

ATTEST:

---

Brooke Smith, City Recorder



**MURRAY**  
CITY COUNCIL

# Business Item #5



**MURRAY**

# Power Department

## Natural Gas Power Sales Contracts

### Council Action Request

#### Council Meeting

Meeting Date: December 3, 2024

<b>Department Director</b> Greg Bellon	<b>Purpose of Proposal</b> Power County Power Project Power Sales Contract
<b>Phone #</b> 801-264-2730	<b>Action Requested</b> Approve the resolution.
<b>Presenters</b> Greg Bellon	<b>Attachments</b>
<b>Required Time for Presentation</b> 20 minutes	<b>Budget Impact</b>
<b>Is This Time Sensitive</b> No	<b>Description of this Item</b>
<b>Mayor's Approval</b>	
<b>Date</b> November 18, 2024	

**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION AUTHORIZING AND APPROVING THE POWER COUNTY  
POWER PROJECT POWER SALES CONTRACT WITH UTAH ASSOCIATED  
MUNICIPAL POWER SYSTEMS; AND RELATED MATTERS.**

\*\*\*\*\*      \*\*\*\*\*      \*\*\*\*\*

WHEREAS, Murray City, Utah (the “*Participant*”) is a member of Utah Associated Municipal Power Systems (“*UAMPS*”) pursuant to the provisions of the Utah Associated Municipal Power Systems Amended and Restated Agreement for Joint and Cooperative Action, as amended (the “*Joint Action Agreement*”);

WHEREAS, one of the purposes of *UAMPS* under the *Joint Action Agreement* is the acquisition and construction of electric generating, transmission and related facilities in order to secure reliable, economic sources of electric power and energy for its members;

WHEREAS, *UAMPS* proposes to acquire and construct a combined cycle natural gas-fired electric generating facility plant known as the “*Power County Power Project*” (the “*Project*”) to be located at a site in Power County, Idaho, and to sell the capacity and output of the *Project* pursuant to the *Power County Power Project Power Sales Contracts* (the “*Power Sales Contracts*”) between *UAMPS* and the *Participants* (capitalized terms used and not defined herein have the meanings assigned to them in the *Power Sales Contracts*);

WHEREAS, the Governing Body has reviewed (or caused to be reviewed on its behalf) certain descriptions and summaries of the *Project* and the *Power Sales Contracts*, and representatives of the *Participant* have participated in discussions and conferences with *UAMPS* and others regarding the *Project* and have received from *UAMPS* all requested information and materials necessary for the decision of the Governing Body to authorize and approve the *Power Sales Contract*;

WHEREAS, the *Participant* acknowledges that the obligation of the *Participant* to make the payments provided for in the *Power Sales Contract* will be a special obligation of the *Participant* and an operating expense of the *Participant*’s electric system, payable from the revenues and other available funds of the electric system, and that the *Participant* shall be unconditionally obligated to make the payments required under the *Power Sales Contract* whether or not the *Project* or any portion thereof is acquired, constructed, completed, operable or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of the output thereof for any reason whatsoever; and

WHEREAS, the Governing Body has reviewed (or caused to be reviewed on its behalf) its current and projected needs for electric power and energy and information with respect to the *Project* prepared by *UAMPS* setting forth, among other things, preliminary estimates of the Development Costs, the Cost of Acquisition and Construction, the estimated timeline for the

development and construction of the Project and related matters, and now desires to authorize and approve the Power Sales Contract;

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of Murray City, Utah, as follows:

*Section 1. Approval of Power Sales Contract; Development Share.* (a) The Power Sales Contract, in substantially the form attached hereto as *Annex A*, is hereby authorized and approved, and the Mayor is hereby authorized, empowered and directed to execute and deliver the Power Sales Contract on behalf of the Participant, and the City Recorder is hereby authorized, empowered and directed to attest and countersign such execution and to affix the corporate seal of the Participant to the Power Sales Contract, with such changes to the Power Sales Contract from the form attached hereto as *Annex A* as shall be necessary to conform to the Participant's legal status, to complete the form of the Power Sales Contract or to correct any minor irregularities or ambiguities therein and as are approved by the Mayor, his execution thereof to constitute conclusive evidence of such approval.

(b) A Development Share representing \_\_\_\_\_ kW of capacity in the Project is hereby authorized and approved. The Participant acknowledges that (i) its Development Share may be increased to provide for a full allocation of the Project Output and (ii) by virtue of its Development Share, the Participant will have an Entitlement Share with the same amount of Electric Power as its Development Share from and after the Completion of Development through the remaining term of the Power Sales Contract, all as provided in the Power Sales Contract.

*Section 2. Participant's Representative.* (a) The appointment of Gary Bellon as the Participant's Representative to UAMPS and Matt Young as alternate Representatives is hereby confirmed.

(b) Such Representative (or, in his or her absence, such alternate(s)) is hereby delegated full authority to (i) approve any appendix to the Pooling Agreement between UAMPS and the Participant that may be necessary or desirable in connection with the utilization of the Participant's Entitlement Share, and (ii) act on all matters that may come before the Project Management Committee established by the Power Sales Contract, and shall be responsible for reporting regularly to the Governing Body regarding the activities of the Project Management Committee.

*Section 3. Compliance with Tax Covenants.* The Participant agrees in the Power Sales Contract that it will apply all of the electric power and energy acquired under the Power Sales Contract to a Qualified Use and that it will not take or omit to take any action which could adversely affect the Tax Status of any Bond or Bonds theretofore issued or thereafter issuable by UAMPS. In furtherance of that agreement, the Governing Body of the Participant hereby agrees that it will observe and comply with such instructions as may be provided from time to time by UAMPS with respect to the Qualified Use of the electric power and energy acquired under the Power Sales Contract.

*Section 4. Further Authority.* (a) The Mayor and the City Recorder are hereby authorized, empowered and directed to (i) execute the Certificate of the Participant in substantially

the form attached as EXHIBIT III to the Power Sales Contract and to deliver the same to UAMPS, and (ii) from time thereafter and upon the request of UAMPS, execute the Bring-Down Certificate of the Participant in substantially the form attached as *Exhibit IV* to the Power Sales Contract and to deliver the same to UAMPS.

(b) The Participant's legal counsel is hereby authorized, empowered and directed to (i) execute the Opinion of Counsel to the Participant in substantially the form attached as EXHIBIT V to the Power Sales Contract and to deliver the same to UAMPS, and (ii) from time thereafter and upon the request of UAMPS, execute the Bring-Down Opinion of Counsel to the Participant in substantially the form attached as EXHIBIT VI to the Power Sales Contract and to deliver the same to UAMPS.

*Section 5. Miscellaneous; Effective Date.* (a) This resolution shall be and remain irrepealable until the expiration or termination of the Power Sales Contract in accordance with its terms.

(b) All previous acts and resolutions in conflict with this resolution or any part hereof are hereby repealed to the extent of such conflict.

(c) In case any provision in this resolution shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(d) This resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED on \_\_\_\_\_, 2024.

MURRAY CITY, UTAH

By \_\_\_\_\_  
Mayor

ATTEST:

---

City Recorder

[SEAL]

**POWER COUNTY POWER PROJECT  
POWER SALES CONTRACT**

BETWEEN

UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS

AND

**MURRAY CITY, UTAH**

DATED AS OF DECEMBER 1, 2024

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EXHIBIT IV	Form of Participant's Bring-Down Certificate
EXHIBIT V	Form of Opinion of Counsel to the Participant
EXHIBIT VI	Form of Bring-Down Opinion of Counsel to the Participant

**POWER COUNTY POWER PROJECT  
POWER SALES CONTRACT**

This POWER SALES CONTRACT made and entered into as of December 1, 2024, is by and between UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS, a political subdivision of the State of Utah (“UAMPS”) and Murray City, a political subdivision of the State of Utah (the “*Participant*”).

**R E C I T A L S\***

WHEREAS, UAMPS was organized by the Members under the Act and the Joint Action Agreement as a separate legal entity to accomplish the Members’ joint and cooperative action, including securing power supply resources for the Members’ present and future needs;

WHEREAS, UAMPS is organized as an energy services interlocal entity under the Act with the power, among other things, to (i) acquire supplies of electric power and energy by the acquisition or construction of electric generation and transmission facilities or by contracting for the purchase of electric power and energy and (ii) enter into contracts for the sale of the output, services and other benefits provided by such facilities or contracts to public agencies and others inside or outside the State of Utah;

WHEREAS, the Participant is authorized by applicable law to develop, acquire, construct, own and operate electric generating, transmission and related facilities and ownership interests therein and has entered into the Joint Action Agreement to provide for the joint exercise of such powers through UAMPS;

WHEREAS, UAMPS has adopted an integrated resource plan that identifies the need for an additional baseload generating resource to serve the electricity supply requirements of its Members, and has conducted studies to determine the optimal facilities, equipment and location for the additional generating resource;

WHEREAS, in order to develop a long-term source of reliable, cost-effective electricity for the benefit of those Members that elect to participate in the Project (the “*Participants*,” as defined herein), UAMPS has through its Resource Project examined and is continuing to examine the feasibility of the development, construction and operation of a combined cycle natural gas-fired electric generating facility located in Power County, Idaho (the “*Project*”);

WHEREAS, UAMPS and Utah Municipal Power Agency, an energy services interlocal entity organized under the Act (“UMPA”), have entered into the Study Costs Sharing Agreement under which UMPA shares in the study costs of the development of the Project and may elect to become an owner of the Project pursuant to a Joint Ownership Agreement between UAMPS and UMPA;

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\* Capitalized terms used and not defined in the Recitals have the meanings assigned to them in Section 1.

WHEREAS, pursuant to the Power Sales Contracts, UAMPS will continue with the development of the Project and, if the Project Management Committee determines the Project to be feasible, will proceed with the acquisition, construction and operation of the Project and will sell Electric Energy from the Project to the Participants;

WHEREAS, in order to finance the Development Costs and the Cost of Acquisition and Construction of the Project, UAMPS will enter into the Financing Documents and may issue revenue bonds, notes or other obligations payable from a pledge of the payments to be made by the Participants under the Power Sales Contracts and any other revenues received by UAMPS in connection with the Project;

WHEREAS, prior to its authorization of the execution, delivery and performance by the Participant of this Power Sales Contract, the governing body of the Participant has reviewed (or caused a review to be made of) various descriptions and summaries of the Project, the Project Agreements and this Power Sales Contract, and the Participant's current and reasonably anticipated future requirements for Electric Power and Electric Energy, and the governing body of the Participant has determined that it is necessary and desirable for the Participant to enter into this Power Sales Contract in order to obtain a long-term, cost-based supply of Electric Energy by the acquisition of an Entitlement Share pursuant to the terms and conditions of this Power Sales Contract;

WHEREAS, UAMPS will cause the Project to be operated in accordance with Good Utility Practice and will schedule the Project Output in accordance with the Operating and Scheduling Procedures, all for the joint and ratable benefit of the Participants; and

WHEREAS, UAMPS and the Participant are duly authorized under applicable provisions of law, to execute, deliver and perform this Power Sales Contract and their respective governing bodies and any regulatory agencies having jurisdiction have taken all necessary actions and given all necessary approvals in order to constitute this Power Sales Contract as the legal, valid and binding obligation of the parties.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, it is agreed by and between the parties to this Power Sales Contract as follows:

*Section 1. Definitions and Rules of Construction.* (a). As used in this Power Sales Contract and in the Recitals set out above:

“*Act*” means the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended, and other applicable provisions of law.

“*Additional Bonds*” means additional Bonds from time to time issued by UAMPS pursuant to the Financing Documents and in accordance with Section 18.

“*Additional Facilities*” means capital additions, betterments and replacements and other capital items directly and functionally related to the Project, including electric transmission, fuel transportation, storage, fuel storage and related facilities, additional electric generating and related

facilities located at the Project site, long-term supplies of natural gas or other fuel for the use of the Project and any other facilities, improvements and properties designated by the Project Management Committee as Additional Facilities under the Power Sales Contracts.

*“Annual Budget”* means the budget adopted by UAMPS for each Contract Year pursuant to the provisions of Section 24.

*“Authorized Officer of UAMPS”* means the Chairman of the Board of Directors, the Vice Chairman of the Board, the Secretary, the Treasurer and the Chief Executive Officer of UAMPS and any other officer or employee authorized or having delegated authority to perform specific acts or duties under the Power Sales Contracts by resolution duly adopted by the Board.

*“Billing Period”* means such period of time as shall be established from time to time by UAMPS for the preparation, calculation and billing of the amounts payable by the Participant hereunder.

*“Board”* means the Board of Directors of UAMPS or such other governing body of UAMPS as may be established from time to time pursuant to the Joint Action Agreement and the Act.

*“Bond Counsel”* means a firm of attorneys of recognized standing in matters relating to the tax status of municipal bonds, experienced in matters relating to public power systems and selected by UAMPS.

*“Bond Fund”* means the funds and accounts created by the Financing Documents for the payment of debt service on Bonds and reserves therefor.

*“Bonds”* means (i) bonds, notes, repayment obligations under loan agreements and lines of credit, and other debt obligations issued or incurred from time to time by UAMPS pursuant to the Financing Documents to finance Development Costs and the Cost of Acquisition and Construction, regardless of whether such bonds, notes and other obligations are senior or subordinated obligations, (ii) Additional Bonds and (iii) Refunding Bonds.

*“Budget and Plan of Finance”* means the comprehensive budget and plan of finance for the Development Costs, the Construction Costs and other items of the Cost of Acquisition and Construction approved from time to time by the Project Management Committee, together with proposed financing arrangements for Development Costs during the Development Period and for Construction Costs during the Construction Period, all as more fully described in Section 15.

*“Capital Contribution”* means (i) a capital contribution in respect of the Cost of Acquisition and Construction of, the Initial Facilities that is paid to UAMPS by the Participant pursuant to Section 17 and (ii) a capital contribution paid to UAMPS in connection with the issuance of Additional Bonds or Refunding Bonds as may be authorized by the Project Management Committee pursuant to Section 17(g).

*“Capital Contribution Percentage”* means with respect to each series of Bonds, a percentage calculated by UAMPS obtained by dividing (i) the dollar amount of the Capital Contribution made by the Participant, by (ii) the Reference Project Costs, all as more fully provided in Section 17(e).

*“Code”* means the Internal Revenue Code of 1986, as amended. References herein to the Code are deemed to include the applicable U.S. Treasury Regulations thereunder.

*“Commercial Operation”* means, with respect to the Initial Facilities, the date on which the Initial Facilities (i) have been substantially completed pursuant to the EPC Agreement and any other Construction Agreements that may be applicable, including the satisfaction of all required performance tests thereunder, (ii) are capable of continuous firm operation, (iii) are interconnected and synchronized with, and capable of delivering Electric Energy to, the transmission grid, (iv) have received all Permits and Approvals required for their operation, and (v) meet such additional requirements as may be established by the Project Management Committee. The criteria and standards for the Commercial Operation of any Additional Facilities shall be developed by UAMPS and submitted to the Project Management Committee for its review and approval.

*“Commercial Operation Date”* means, with respect to the Initial Facilities and any Additional Facilities, the date on which all of the Initial Facilities and any Additional Facilities achieve Commercial Operation, as determined by the Project Management Committee.

*“Commercially Reasonable”* or *“Commercially Reasonable Efforts”* means, with respect to any action required to be made, attempted or taken by a party under this Contract or one of the Project Agreements, such efforts as a reasonably prudent business would undertake, consistent with Good Utility Practice, for the protection of its own interest under the conditions affecting such action, including without limitation, the amount of notice of the need to take such action, the duration and type of the action, the competitive environment in which such action occurs, the terms and provisions of the Project Agreements and the Financing Documents, the contractual and legal obligations of, and the risk to, such party in connection with such action; *provided, however*, an obligation to act in a “Commercially Reasonable” manner or to exercise “Commercially Reasonable Efforts” does not include taking actions that would, individually or in the aggregate, cause the party subject to such obligation to incur costs, or suffer any other detriment, that is out of reasonable proportion to the benefits to the other party under this Contract or the Project Agreements.

*“Completion of Development”* means, with respect to the Initial Facilities (i) the completion of all Development Work, (ii) the receipt of all Permits and Approvals necessary for the construction of the Project, (iii) the completion of definitive forms of the principal Construction Agreements, (iv) the completion of the definitive Budget and Plan of Finance for the Cost of Acquisition and Construction, and (v) a determination by the Project Management Committee that the Project is feasible and that the construction of the Initial Facilities should proceed, all as more fully described in Section 6.

*“Construction Agreements”* means the EPC Agreement and each other agreement entered into by UAMPS for the acquisition and construction of any part of the Initial Facilities and any Additional Facilities.

*“Construction Costs”* means all of the Cost of Acquisition and Construction of the Initial Facilities incurred during the Construction Period.

*“Construction Period”* means the period beginning on the date that the Project Management Committee determines that the Completion of Development has occurred and UAMPS delivers the task order directing the EPC Contractor to proceed with construction under the EPC Agreement and ending on the Commercial Operation Date.

*“Contract”* means this Power County Project Power Sales Contract dated as of December 1, 2024 between UAMPS and the Participant and any amendments permitted pursuant to Section 43.

*“Contract Resolution”* means the resolution of the Participant’s governing body approving and authorizing the execution of this Contract, in substantially the form attached to EXHIBIT III.

*“Contract Year”* means the Fiscal Year of UAMPS, except that the first Contract Year shall commence on the Effective Date and shall end on the last day of the then-current Fiscal Year. In the event that UAMPS changes its Fiscal Year for accounting purposes, the Contract Year shall, without further action, be amended to conform to such Fiscal Year.

*“Cost of Acquisition and Construction”* means all costs and expenses paid or incurred by UAMPS in connection with the acquisition and construction of the Project, whether prior or subsequent to the Effective Date, including all Development Costs. *“Cost of Acquisition and Construction”* includes all costs incurred by UAMPS in connection with planning, designing, acquiring, constructing and placing in operation the Initial Facilities and any Additional Facilities, and amounts paid or payable under the Construction Agreements (including all costs, fees, compensation and incentives payable to the EPC Contractor under the EPC Agreement). *“Cost of Acquisition and Construction”* includes, without duplication of any cost, the following:

(1) working capital and reserve requirements of the Project, including, without limitation, amounts for deposit into the Reserve and Contingency Fund and those items set forth in the definition of Operation and Maintenance Costs, as may be determined from time to time by UAMPS;

(2) interest accruing in whole or in part on Bonds issued to pay all or any portion of the Cost of Acquisition and Construction or the Cost of Additional Facilities prior to and during the acquisition and construction thereof and for such additional period as UAMPS may determine to be reasonably necessary for placing the Project or the Additional Facilities in operation in accordance with the provisions of the Budget and Plan of Finance;

(3) the deposit or deposits, if any, required to be made under the Financing Documents from the proceeds of Bonds into any fund or account established pursuant to the Financing Documents to meet debt service reserve requirements for the Bonds and premiums and fees payable for any credit or liquidity facilities with respect to the Bonds;

(4) the deposit or deposits into the Bond Fund and any other fund or account required to be funded by the Financing Documents;

(5) the payment of principal or redemption price of and interest on any Bonds issued as bond anticipation notes;

(6) planning and development costs, engineering fees, contractors' fees, fiduciaries' fees, auditors' and accountants' fees, costs of obtaining all permits and approvals, the cost of real property, labor, materials, equipment, supplies, training and testing costs, insurance premiums, legal, financial advisory and financing costs and issuance costs of the Bonds, amounts payable under the Real Estate Agreements, administrative and general costs, and all other costs properly allocable to the acquisition and construction of the Project and placing the same in operation;

(7) all costs relating to litigation, claims or judgments not otherwise covered by insurance and arising out of the acquisition, construction or operation of the Project or otherwise related to the Project, the Project Agreements, the Power Sales Contracts or the transactions contemplated thereby;

(8) payment to UAMPS or any Participant to reimburse advances and payments made or incurred for costs preliminary or incidental to the acquisition and construction of the Project;

(9) legally required or permitted federal, state and local taxes, or payments in lieu of such taxes, relating to the Project incurred during the period of the acquisition or construction thereof;

(10) the cost of long-term supplies of natural gas or other fuel supplies necessary or desirable in connection with the operation of the Project and the costs of transporting fuel supplies to the Project and prepayments and advance payments therefor, including the costs of pipelines, laterals, receiving stations or capacity rights therein; and

(11) all other costs incurred by UAMPS, and properly allocable to the acquisition and construction of the Project, including all costs financed by the issuance of Additional Bonds.

*“Debt Service Costs”* means, for each Billing Period of each Contract Year, an amount equal to the sum of:

(1) 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,

together with any other amounts required by the Financing Documents to be deposited into the Bond Fund in respect of the interest payments on the Bonds;

(2) the portion of the next due principal installment on the Bonds, together with any other amounts required by the Financing Documents to be deposited into the Bond Fund in respect of the principal payments on the Bonds; provided however, that the amount included in Debt Service Costs pursuant to this clause (2) shall not include the principal of Bonds becoming due and payable solely as a result of the acceleration of the maturity thereof;

(3) the scheduled amounts falling due during such Billing Period under any Interest Rate Contract with respect to the Bonds;

(4) 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;

(5) Trustee, paying agent, escrow agent and other fiduciaries' fees and expenses payable under the Financing Documents; fees and expenses of remarketing agents, broker-dealers, auction agents and other providing services with respect to Bonds;

(6) the amounts required to be paid to maintain any credit or liquidity facilities for and ratings on the Bonds and other costs payable by UAMPS from time to time in connection with the Bonds; and

(7) the amounts required to be paid under any Financing Document that is a credit agreement, credit facility, loan agreement or other instrument or facility used to finance Development Costs, including the repayment of all drawings thereunder, the interest on such drawings and the fees, expenses and other charges payable by UAMPS thereunder;

*provided, however,* that the additional interest expense on or in respect of any Bonds that are subject to federal income taxation (and not eligible for tax credits or interest subsidy payments) may, as determined by the Project Management Committee pursuant to Section 16(d), be allocated to those Participants whose legal status or use of the Project Capability or the Project Output adversely affects the Tax Status of such Bonds. In the event of such allocation, the Debt Service Costs payable by such Participants shall be increased to include amounts sufficient to pay any such additional interest expense.

*“Debt Service Percentage”* means, with respect to each Participant and as of any date of determination, the percentage obtained by subtracting the Participant's Capital Contribution Percentage from the Participant's Entitlement Share. The Participant's initial Debt Service Percentage will be calculated at the time that it pays a Capital Contribution and will be set forth on SCHEDULE I. The Debt Service Percentages for the Participants may be calculated separately for each separate series of Bonds.

*“Debt Service Share”* means, with respect to each Participant and as of any date of determination, the 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. The Participant’s initial Debt Service Share will be calculated at the time that it pays a Capital Contribution and will be set forth on SCHEDULE I. The Debt Service Shares for the Participants may be calculated separately for each separate series of Bonds.

*“Decommission”* means all actions necessary to safely retire and remove the Project from service, restore the Project site, satisfy the decommissioning requirements of the Permits and Approvals and satisfy all requirements of the regulatory agencies having jurisdiction over the decommissioning of the Project.

*“Decommissioning Costs”* means the costs and expenses of Decommissioning the Project.

*“Decommissioning Fund”* means the fund or funds established by UAMPS for the payment of Decommissioning Costs as provided in Section 22.

*“Decommissioning Period”* means the period beginning at the end of the Operating Period and continuing to the date on which the Project has been Decommissioned and all Decommissioning Costs have been paid.

*“Development Cost Share”* means with respect to each Participant, the percentage of Development Costs payable by the Participant during the Development Period, determined by dividing the Participant’s Development Share by the sum of the Development Shares of all Participants. The Participant’s initial Development Cost Share will be set forth on SCHEDULE D.

*“Development Costs”* means all costs, fees and expenses incurred by UAMPS in performing the Development Work, including (i) costs, fees and expenses incurred by UAMPS in connection with its initial consideration and examination of the Project through its Resource Project, (ii) the costs of transmission and interconnection studies and deposits for such costs and (iii) pre-construction costs approved by the Project Management Committee, including deposits, advance payments and prepayments for items of the Cost of Acquisition and Construction of the Initial Facilities.

*“Development Period”* means the period beginning on the Effective Date and ending on the earlier of (i) the date that the Project Management Committee determines that the Completion of Development has occurred or (ii) the date that the Project Management Committee determines to terminate the Project, all as provided in Section 6.

*“Development Share”* means the quantity of Electric Power from the Project elected by the Participant as of the Effective Date and shown opposite the name of the Participant in SCHEDULE D attached hereto.

*“Development Work”* means all work and services necessary or desirable in connection with:

- (i) the selection of the site for the Project, the negotiation of the Real Estate Agreements and all other work necessary to secure all rights and interests to the real property necessary for the Project;
- (ii) obtaining the transmission and interconnection agreement(s) necessary to deliver Electric Energy from the Project to Participants;
- (iii) the estimating, design and engineering work to be performed with respect to the Initial Facilities;
- (iv) the development and negotiation of definitive Project Agreements and any other contracts and agreements necessary in connection with the Project;
- (v) obtaining all Permits and Approvals necessary for the construction and operation of the Project;
- (vi) the continued development of and updates to the Budget and Plan of Finance; and
- (vii) such other work and services as shall be approved by the Project Management Committee.

*“Effective Date”* means (i) with respect to the initial Power Sales Contracts, the date established pursuant to the provisions of Section 2(a), and (ii) with respect to any Power Sales Contract executed by a Participant after the Effective Date, such date as shall be approved by the Project Management Committee.

*“Electric Energy”* means electric energy expressed in kilowatt-hours (kWh).

*“Electric Power”* means electric power expressed in kilowatts (kW).

*“Electric System”* means the Participant’s electric utility system as established, maintained and operated pursuant to applicable State and local law. With respect to any Participant that does not own and operate an electric utility system that serves retail customers, the term “Electric System” shall be deemed to refer to the applicable utility system designated in its Power Sales Contract.

*“Engineering Studies and Reports”* means collectively, the written studies, analysis, summaries and reports (a) regarding the Participant’s current power supply resources and projected power supply requirements provided by UAMPS in connection with the Participant’s consideration of this Power Sales Contract and (b) regarding such aspects of the Project as the Project Management Committee shall deem necessary or advisable in connection with its governance and oversight of the Project.

*“Enterprise Fund”* means the electric enterprise fund of the Participant as established and maintained pursuant to applicable State and local law. With respect to any Participant that does maintain an electric enterprise fund, the term “Enterprise Fund” shall be deemed to refer to the applicable enterprise fund designated in its Power Sales Contract.

*“Entitlement Share”* means, with respect to each Participant and as the context may require, either the amount of Electric Power or the percentage of the initial Project Capability shown opposite the name of such Participant to be set forth in the SCHEDULE I that shall be approved by the Project Management Committee in connection with the Completion of Development, as the same may be revised from time to time in accordance with the provisions of this Power Sales Contract.

*“EPC Agreement”* means the agreement between UAMPS and the EPC Contractor with respect to the engineering, procurement and construction of the Initial Facilities.

*“EPC Contractor”* means the firm or corporation appointed as the engineering, procurement and construction contractor pursuant to the EPC Agreement.

*“Final Completion”* (or such similar term as may be used in the EPC Agreement) means the final completion of the Initial Facilities as determined pursuant to the EPC Agreement.

*“Financing Documents”* means the bond resolution, indenture, trust agreement or other instrument or instruments providing for the issuance of and the security for the Bonds and all amendments thereof and supplements thereto.

*“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 March 31 of the next succeeding calendar year.

*“Fuel Agent”* means any entity appointed by UAMPS to manage or facilitate the acquisition, transportation and storage of fuel for the operation of the Project and/or the management of the costs of fuel for the Project.

*“Fuel Agreement”* means any agreement entered into by or on behalf of UAMPS for the acquisition, transportation or storage of fuel for the Project, and also includes tolling agreements and any agreement entered into by UAMPS to manage the cost of fuel for the Project, including options, caps, collars, swaps and similar agreements.

*“Good Utility Practice”* means, as of any particular time, any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry at such time, or which, in the exercise of reasonable judgment in light of facts known at such time, could have been expected to accomplish the desired results at the lowest reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others or to be limited to the lowest-cost practice, method or act, but rather to be a spectrum of possible practices, methods and acts, having due regard for manufacturers’ warranties and the jurisdiction.

*“Initial Facilities”* means the real and personal property, facilities, structures, improvements and equipment to be acquired and constructed in connection with the initial operation of the Project as generally described on EXHIBIT I. In connection with the Completion of Development and at such other times as it deems necessary, UAMPS shall submit updates to EXHIBIT I to the Project Management Committee for approval.

*“Interconnection Agreement”* means each agreement providing for the interconnection of the Project with the facilities of a transmission provider and all supplements and amendments thereto, together with any successor or replacement agreement providing for the interconnection of the Project with the transmission grid.

*“Interest Rate Contract”* means any International Swap Dealers Association (ISDA) Master Agreement, together with the schedules and confirmations thereto, that is an interest rate swap, cap, floor, collar or similar agreement to manage or hedge interest rates or expenses.

*“Joint Action Agreement”* means the Utah Associated Municipal Power Systems Amended and Restated Agreement for Joint and Cooperative Action dated as of March 20, 2009, as amended and supplemented from time to time.

*“Joint Ownership Agreement”* means (i) an agreement under which UAMPS and another person own the Project or a portion thereof as tenants in common, (ii) agreements between UAMPS and another person or persons for the organization and operation of a Special Purpose Entity and (iii) any other form of joint ownership arrangement approved by the Project Management Committee.

*“Members”* means, collectively, each entity which has executed the Joint Action Agreement or a supplement thereto.

*“Minimum Subscription”* is defined in Section 2.

*“Month”* means a calendar month.

*“Operating Agreement”* means any contract between UAMPS and an Operator providing for the operation and maintenance of all or any portion of the Project.

*“Operating Period”* means the period beginning on the Commercial Operation Date and continuing to the date on which the Project is retired and removed from service.

*“Operating and Scheduling Procedures”* means those standards, procedures and criteria approved from time to time by the Project Management Committee with respect to the operation of the Project and the Project Capability and the scheduling of the Project Output which shall, to the extent practicable, promote the efficient and economic utilization of the Project, the Project Capability and the Project Output consistent with Good Utility Practice for the benefit of the Participants taken as a whole.

*“Operation and Maintenance Costs”* means, with respect to each Billing Period of each Contract Year, all costs and expenses (other than Transmission Costs and Debt Service Costs) attributable to the 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 Project. Operation and Maintenance Costs shall further include, without limitation, the following items of cost:

- (1) the costs of operating and maintaining the Project and of producing Electric Power and Electric Energy therefrom during such Billing Period, including the operation and maintenance expenses and fuel costs of the Project pursuant to the Project Agreements, amounts payable under the Operating Agreement and each Fuel Agreement (including fees, expenses, incentives and other compensation payable to the Operator and the Fuel Agent);
- (2) 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 shall be obligated, but only to the extent that funds for such payment are not provided by the issuance of Bonds or Capital Contributions made by the Participants;
- (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 Project;
- (4) all other amounts, including fuel 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;
- (6) the portion of UAMPS’ administrative and general expenses allocable or directly charged to the 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 Project;
- (7) amounts to be deposited into the Reserve and Contingency Fund established pursuant to Section 20;
- (8) legal, engineering and accounting fees and expenses, the cost of any litigation related to the Project, the Project Agreements, this Power Sales Contract and the interests and transactions contemplated by such agreements and this Power Sales Contract, the costs of technical and advisory services and the cost of all Permits and Approvals, all to the extent allocable to the Project;

(9) the costs of Additional Facilities, but only to the extent not paid or financed as a portion of the Cost of Acquisition and Construction; and

(10) Decommissioning Costs and amounts for deposit into the Decommissioning Fund.

*“Operator”* means any entity that performs all or a substantial portion of the operation and maintenance work on the Project under an Operating Agreement with UAMPS.

*“Participant”* means the party defined as the Participant in the preamble of this Power Sales Contract and its permitted successors and assigns hereunder.

*“Participants”* means the parties, including the Participant, other than UAMPS, to the Power Sales Contracts and (i) initially named on SCHEDULE D, and (ii) from and after the Completion of Development, named on SCHEDULE I.

*“Participant’s Representative”* means (i) the officer, employee or other agent of the Participant designated from time to time by the Participant as the Representative of the Participant for purposes of the Joint Action Agreement, to whom all notices and other communications to be given by UAMPS to the Participant hereunder shall be sent or (ii) in the event that the individual appointed as the Participant’s Representative is unavailable to act on behalf of the Participant, the individual duly appointed or designated by the Participant as its alternate Representative pursuant to the Joint Action Agreement.

*“Performance Tests”* means all start-up and shakedown procedures and performance tests to be conducted under the EPC Agreement before Final Completion.

*“Permits and Approvals”* means all certificates, permits, licenses, approvals, rulings, orders or other authorizations from any federal, state or local governmental body, board or agency having jurisdiction over UAMPS, the Project or both that are required to be obtained or maintained for the construction, operation, maintenance or repair of the Project or any component of it.

*“Permitted Output Contract”* means a contract that:

(i) (A) has a term (including all renewal options) not longer than three years and is either a negotiated arrangement that provides for compensation at fair market value or is based on generally applicable and uniformly applied rates, or (B) is a requirements-type contract that provides for the sale of electricity to a retail consumer or other end user of electricity; and

(ii) in each case (A) complies with the provisions of U.S. Treasury Regulation Section 1.141-7 and (B) is approved by UAMPS based on guidance provided by Bond Counsel.

*“Point of Delivery”* means the point or points of physical interconnection of the Initial Facilities or Additional Facilities, as applicable, with the electric transmission grid, as determined pursuant to the Interconnection Agreement.

*“Pooling Agreement”* means, collectively, the Power Pooling Agreements between UAMPS and the Members and certain other entities providing for the establishment and operation of the UAMPS Pool and related matters, including all supplements and appendices thereto and as the same may be amended, restated or supplemented from time to time.

*“Power Sales Contract”* means this Power Sales Contract between UAMPS and the Participant and *“Power Sales Contracts”* means all of the Power Sales Contracts, dated the date hereof, between UAMPS and the Participants, all of which are uniform in all material respects in their terms, conditions and provisions, with the exception of: (i) the Development Share, the Development Cost Share, the Entitlement Share, the Capital Contribution Percentage, the Debt Service Percentage and the Debt Service Share for each of the Participants; (ii) for those Participants that are political subdivisions of a State other than Utah, revisions relating to the Participant’s status as a political subdivision of another State and the fact that it is governed by and subject to the laws of that State; (iii) for those Participants that are cooperative utilities, revisions relating to the Participant’s corporate status, the definition of “Qualified Use” and the provisions of Section 32(f); (iv) for those Participants that do not own and operate electric utility systems that serve retail customers, the revisions noted in the definitions of “Electric System” and “Enterprise Fund” and revisions relating to the Participant’s corporate status, the definition of “Qualified Use” and the provisions of Section 32(f); and (v) the matters set forth in the Exhibits.

*“Project”* means the development, acquisition, ownership, construction, improvement, equipping, operation, retirement and decommissioning of the Initial Facilities and any Additional Facilities, and the rights, interests, obligations and liabilities of UAMPS under the Project Agreements and the Permits and Approvals.

*“Project Agreements”* means, collectively, the Construction Agreements, the Operating Agreement, the Real Estate Agreements, each Fuel Agreement, the Interconnection Agreement, the Transmission Agreements, any Joint Ownership Agreement and any other agreements entered by UAMPS to further the acquisition, development, construction, and operation of the Project.

*“Project Capability”* means the nominal Electric Power and associated Electric Energy that the Project is capable of producing, net of (reduced by) the Electric Power (project capability) owned by another person under a Joint Ownership Agreement. The Project Capability initially available to UAMPS shall be based on the aggregate nameplate rating of the generating units included in the Initial Facilities with such adjustments as the Project Management Committee deems necessary to reflect the actual capability of the Initial Facilities. Project Capability initially means the aggregate amount of Electric Power shown on EXHIBIT I hereto and associated Electric Energy.

*“Project Management Committee”* means the committee of the Participants established pursuant to Section 5 which shall make certain decisions and recommendations with respect to the operation and management of the Project as provided herein.

*“Project Output”* means the amount of Electric Power and Electric Energy, if any, which is actually generated by the Project in any particular hour.

*“Qualified Use”* means the sale of electricity to retail customers located within the Participant’s electricity “service area” pursuant to generally applicable and uniformly applied rate schedules or tariffs; *provided that:*

- (a) “Qualified Use” shall not include any sale of electricity that gives rise to “private business use” or a “private loan” within the meaning of Section 141 of the Code;
- (b) “Qualified Use” shall include the use of electricity by a Participant to meet its own requirements; and
- (c) “Qualified Use” shall include sales of electricity under Permitted Output Contracts and other sales and uses of electricity, in each case as may be approved by UAMPS based on guidance provided by Bond Counsel.

For purposes of this definition, “service area” has the meaning assigned to such term in U.S. Treasury Regulation Section 1.148-1(e)(2)(iii) and includes any area recognized as the electricity service area of the Participant under state or federal law.

*“Real Estate Agreements”* means the agreements entered into by UAMPS to obtain necessary site control and easement rights for the acquisition and construction of the Project.

*“Reference Project Costs”* means, for purposes of calculating the amount of a Capital Contribution to be made by the Participant as provided in Section 17, the estimated Cost of Acquisition and Construction determined by UAMPS and approved by the Project Management Committee prior to the first issuance of long-term Bonds to finance the Cost of Acquisition and Construction of the Initial Facilities or any Additional Facilities. Reference Project Costs shall not include amounts for (i) costs of issuance, debt service reserves or capitalized interest on Bonds and (ii) any other items in the definitions of “Development Costs” or “Cost of Acquisition and Construction” not properly allocable to Reference Project Costs, as determined by the Project Management Committee.

*“Refunding Bonds”* means refunding Bonds from time to time issued by UAMPS pursuant to the Financing Documents and in accordance with Section 18.

*“Required Approvals”* means all governmental, regulatory and lender approvals, consents and authorizations required or necessary for (i) the execution, delivery and performance of this Contract (or any amendment hereto) by the Participant and (ii) this Contract (or any amendment hereto) to be the legal, valid and binding obligation of the Participant.

*“Reserve and Contingency Fund”* means the fund, if any, established pursuant to Section 20.

*“Study Costs Sharing Agreement”* means the Agreement to Share and Participate in Study Costs dated as of July 1, 2024, between UAMPS and UMPA.

*“Substantial Completion”* (or such similar term as may be used in the EPC Agreement) means the substantial completion of the Initial Facilities as determined pursuant to the EPC Agreement.

*“Super-Majority Vote”* means the affirmative vote of Participants’ Representatives that represent 75% of (i) the number (per capita) of Participants’ Representatives serving on the Project Management Committee, and (ii) during the Development Period, the Development Cost Shares of all Participants or, after the Development Period, the Entitlement Shares of all Participants. For the avoidance of doubt, in the event that a Super-Majority Vote is required when a Participant’s Representative is not entitled to vote on matters before the Project Management Committee pursuant to Section 5(b)(1), such Participant’s Representative and such Participant’s Development Cost Share or Entitlement Share (as applicable) shall be disregarded in computing the percentages of Participants’ Representatives and Entitlement Shares that have voted on the matter requiring a Super-Majority Vote.

*“System Point of Receipt”* means (i) the point(s) of interconnection between the Participant’s electric utility system and the transmission facilities of the applicable balancing authority or authorities, or (ii) such other point(s) for the receipt by the Participant of Electric Energy from the Project as may be agreed to by the parties.

*“Tax Status”* means (i) the exclusion from gross income for federal income tax purposes of the interest on any Bonds issued as tax-exempt obligations, or (ii) the right of a bondowner (or other investor) to receive tax credits or the right of UAMPS to receive interest subsidy payments on any Bonds issued as tax credit bonds or interest subsidy bonds, respectively, in each case pursuant to the provisions of the Code.

*“Transmission Agreements”* means each transmission contract, agreement or tariff that is used or necessary for the delivery of Electric Power and Energy from the Point of Delivery to the Participant’s System Point of Receipt, whether by direct transmission, displacement, exchange or otherwise.

*“Transmission Costs”* means, 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 Project to the Participant’s System Point of Receipt pursuant to the Transmission Agreements or otherwise. The Participant shall be responsible for the payment of Transmission Costs to UAMPS hereunder only to the extent that UAMPS has, at the request of the Participant, entered into or utilized Transmission Agreements for the transmission of Electric Energy from the Point of Delivery to the Participant’s System Point of Receipt.

*“Trustee”* means the bank or trust company acting as the trustee under the Financing Documents.

“UAMPS” means Utah Associated Municipal Power Systems, a political subdivision organized and existing under the laws of the State of Utah, the Act and the Joint Action Agreement, and its successors. All references to UAMPS in this Power Sales Contract shall include Authorized Officers of UAMPS and their delegates acting pursuant to specific authorization by the Board.

“UAMPS Pool” means that electric power pool or pools established pursuant to the Pooling Agreement between UAMPS and the Members under which UAMPS provides certain services with respect to the scheduling, dispatch and the sale of Electric Power and Electric Energy and other matters pursuant to the operating criteria and procedures provided for in the Pooling Agreement.

“UMPA” means Utah Municipal Power Agency, a political subdivision organized and existing under the laws of the State of Utah, the Act and the interlocal cooperation agreement among its members, and its successors.

“Uncontrollable Force” means any cause, event or force beyond the control of the party affected, including, but not restricted to failure, or threat of failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, acts of a public enemy, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, and restraint by court or public authority and action or non-action by, or inability to obtain the necessary authorizations or approvals from, any governmental agency or authority, which by exercise of due diligence and foresight such party could not reasonably have been expected to avoid and which by exercise of due diligence it shall be unable to overcome. “Uncontrollable Force” includes any cause, event or force constituting “force majeure,” “uncontrollable force” or similar term as defined in any Project Agreement.

“Uniform System of Accounts” means the Federal Energy Regulatory Commission Uniform Systems of Accounts Prescribed for Public Utilities and Licensees Subject to the Provisions of the Federal Power Act, 18 C.F.R. Part 101, as the same may be modified, amended or supplemented from time to time or such other system of accounting as may be applicable by law to UAMPS.

(b) References to Articles, Sections, Schedules and Exhibits are to the Articles and Sections of and Schedules and Exhibits to this Contract, unless otherwise provided. Article and Section headings are included herein for convenience of reference only and shall not constitute a part of this Contract for any other purpose or be given any substantive effect. Any of the defined terms may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. The use of the word “include” or its derivations shall not be construed as language of limitation.

(c) References to contracts and agreements, including the Project Agreements, refer to such contracts and agreements as they may be amended or supplemented from time to time in accordance with their respective provisions and, in the case of the Project Agreements, the provisions of Section 40.

(d) Any representation, warranty, certificate or legal opinion with respect to the enforceability of this Contract or any other contract or agreement made in or provided pursuant to

this Contract shall be deemed to be qualified by reference to the effect of applicable bankruptcy, insolvency, moratorium, reorganization or similar laws affecting creditor's rights generally and by the application of equitable principles, regardless of whether such qualification is expressly stated herein or therein.

*Section 2. Effective Date and Term of Contract.* (a) Promptly upon its governing body's adoption of the Contract Resolution and its receipt of any other Required Approvals, the Participant shall (i) cause this Contract to be executed by its authorized officers, and (ii) deliver to UAMPS notice of the requested amount of its Development Share (in kW) and an executed counterpart of this Contract, together with its executed certificate (in substantially the form attached hereto as EXHIBIT III) and its executed opinion of counsel (in substantially the form attached hereto as EXHIBIT V). The Effective Date of the Power Sales Contracts shall occur on the date on which UAMPS receives executed Power Sales Contracts and the other items described in the preceding sentence from Participants that have requested Development Shares totaling 85% of the expected Project Capability as of the Effective Date (the "*Minimum Subscription*"). At its initial meeting, the Project Management Committee shall confirm and declare that the Effective Date has occurred, shall approve any changes to the expected Project Capability and shall approve the completed form of SCHEDULE D. The Authorized Officers of UAMPS shall execute all such Power Sales Contracts as of the date that the Effective Date occurs. Once it has occurred, the Effective Date shall not be affected by any subsequent action, event or circumstance.

(b) If the Minimum Subscription is achieved but the total amount of Electric Power requested by the Participants is less than the expected amount of the Project Capability, UAMPS will during the Development Period solicit additional Project participation by third parties under Power Sales Contracts, Joint Ownership Agreements or other arrangements. Participants that have executed Power Sales Contracts may also elect to increase their Development Shares at such times and in such amounts as may be approved by the Project Management Committee up to and including the end of the Development Period. In the event that less than all of the expected Project Capability is fully subscribed at the end of the Development Period as described in this paragraph, UAMPS shall take such actions as are necessary to downsize the expected Project Capability to the amount of subscription under the Power Sales Contracts and any Joint Ownership Agreements or other arrangements. UAMPS and the Participant acknowledge and agree that it may not be possible to precisely match the final amount of the expected Project Capability with the amount of Project subscription and in this case the Project Management Committee will have the authority to approve such true up adjustments to the Entitlement Shares of all Participants as are necessary at the time that it approves the initial SCHEDULE I.

(c) This Contract will become effective upon the Effective Date, and will, unless terminated pursuant to Section 43, continue until the last to occur of : (i) the date on which all of the Project Agreements have terminated or expired in accordance with their respective terms and all obligations of UAMPS thereunder have been fully paid, satisfied or discharged; (ii) the date on which all Bonds have been paid in full as to principal, premium and interest, or sufficient funds shall 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; and (iii) the date on which the Initial Facilities and any Additional Facilities shall be permanently removed from service and

Decommissioned and all Decommissioning Costs shall have been paid or irrevocable arrangements have been made that fully fund all Decommissioning Costs.

*Section 3. Development Share; Entitlement Share.* (a) From the Effective Date through the end of the Development Period, the Participant shall have a Development Share and a Development Cost Share as set forth on SCHEDULE D. A Participant's Development Cost Share shall not exceed   <sup>1</sup> percent, unless otherwise approved by the Project Management Committee.

(b) By virtue of its Development Share and in consideration of its associated Development Cost Share, the Participant (i) shall have the right to participate in the decision-making over the development of the Project through its representative on the Project Management Committee, and (ii) shall, from and after the Completion of Development through the remaining term of this Contract and without any further action on its part or by any other person, have an Entitlement Share with the same amount of Electric Power as its Development Share.

*Section 4. The Project and the Initial Facilities.* (a). The Project shall initially be known as the "Power County Power Project." The Project Management Committee may in its discretion adopt a different name for the Project at any time. In such event, all references to "Power County Power Project" in this Contract shall be changed to the name adopted by the Project Management Committee.

(b) The Project shall consist of the Initial Facilities and any Additional Facilities approved by the Project Management Committee. A preliminary and general description of the Initial Facilities prepared by UAMPS is attached as EXHIBIT I to this Contract. EXHIBIT I shall be reviewed, modified as deemed necessary and approved by the Project Management Committee promptly after the Effective Date.

(c) As the development of the Project proceeds and as the components of the Initial Facilities are designed, engineered, constructed, installed and tested, UAMPS shall from time to time recommend revisions to EXHIBIT I to the Project Management Committee for approval in order that the description therein reasonably corresponds to the Initial Facilities being developed and constructed. EXHIBIT I shall be updated as necessary in connection with the Completion of Development. Following the Commercial Operation Date, UAMPS shall prepare and submit to the Project Management Committee for its review and approval a completed EXHIBIT I that includes a final description of the Initial Facilities and the Project Capability. UAMPS and the Participant agree that in no event will any revisions to EXHIBIT I alter or affect their respective rights and obligations under this Contract.

*Section 5. Project Management Committee.* (a). The Participants hereby establish the Project Management Committee, which shall consist of one voting representative from each Participant (who shall be the Participant's Representative) and shall be chaired by a Participant's Representative elected by the Project Management Committee. Pursuant to the Contract Resolution, the Participant has delegated full and complete authority to its Participant's

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<sup>1</sup> % amount will be inserted upon completion of credit review of Participant group.

Representative to act on all matters and decisions that come before the Project Management Committee. Each Representative appointed by the Participant shall serve on the Project Management Committee until the Participant appoints a successor. An Authorized Officer of UAMPS shall attend all meetings of the Project Management Committee and shall cause minutes to be kept of all such meetings.

(b) The Joint Action Agreement and the bylaws of UAMPS shall govern the procedures for and the voting rights on the Project Management Committee, *provided that:*

(1) The Participant's Representative of any Participant that is in default hereunder (A) shall not be entitled to vote on any matter during the period of such default, and the consent or approval of such Participant or such Participant's Representative shall not be required during the existence of such default and (B) shall be disregarded for purposes of determining whether a quorum of the Project Management Committee is present at any meeting;

(2) A Super-Majority vote of all Project Management Committee Representatives shall be required on all decisions which would result in the termination of the Project; and

(3) All decisions made by the Project Management Committee shall be made by resolution, order or other appropriate action of the Project Management Committee and, except in those instances when the Project Management Committee is acting pursuant to delegated authority from the Board, before such resolution, order or action of the Project Management Committee shall take effect, the same shall be ratified and approved by resolution, order or action of the Board, acting in accordance with the Joint Action Agreement and the bylaws of UAMPS.

The Participants acknowledge that the Joint Action Agreement provides, among other things, that decisions of the Board with respect to the Project shall be made only upon the recommendation of the Project Management Committee and that weighted votes may be called for on any recommendation or decision to be made by the Project Management Committee or the Board, respectively, all as more fully provided in the Joint Action Agreement.

(c) In addition to its other responsibilities under the Power Sales Contracts, the Project Management Committee shall:

(1) review, provide advice and recommendations to and consult with UAMPS regarding the Project;

(2) supervise, review and monitor the Development Work and the development of the Project in accordance with Section 6 and the other applicable provisions of the Power Sales Contracts and the resolutions of the Project Management Committee;

(3) review, provide advice and recommendations to UAMPS on, and approve the Project Agreements and any modifications or amendments thereto;

(4) supervise and provide direction to UAMPS during the construction of the Project, including approval of the construction budget for the Project and approval of all notices to proceed and notices to construct given by UAMPS under the EPC Agreement;

(5) review, approve and revise from time to time the Budget and Plan of Finance for the Initial Facilities and any Additional Facilities;

(6) review, approve and provide advice and direction to UAMPS with respect to the issuance of Bonds, Additional Bonds and Refunding Bonds

(7) review, provide advice and recommendations to and consult with UAMPS regarding the Commercial Operation Date of the Initial Facilities, and the Performance Tests for and the Substantial Completion and the Final Completion of the Facility under the EPC Agreement;

(8) determine and declare the Project Capability upon the Final Completion of the Project and from time to time thereafter as it deems necessary to reflect the actual capability of the Project;

(9) review and approve the Operating and Scheduling Procedures, any Operator of the Project and any Operating Agreement;

(10) review and consult with UAMPS regarding the acquisition and management of supplies of natural gas and any other necessary fuels for the Project and review and approve each Fuel Agreement and any Fuel Agent to be appointed by UAMPS;

(11) review, recommend and approve any Additional Facilities;

(12) assist with the resolution of any billing disputes as provided in Section 28; and

(13) review, recommend and consult with UAMPS regarding any actions or remedies to be taken by UAMPS under Sections 34 and 35 of the Power Sales Contracts.

UAMPS and the Participant acknowledge and agree that the responsibilities of the Project Management Committee with respect to the Project are complete and comprehensive and are not limited to the specific responsibilities enumerated herein.

(d) The Project Management Committee may from time to time direct UAMPS to commission, obtain and provide such Engineering Studies and Reports that the Project Management Committee deems reasonably necessary or desirable with respect to the Project. The Project Management Committee shall be entitled to rely upon such Engineering Studies and Reports with respect to its determinations and decisions with respect to the Project, including particularly its determinations under Section 6.

*Section 6. Development Period and Development Work.* (a) During the Development Period, UAMPS shall use Commercially Reasonable Efforts to cause the Development Work to proceed in an expeditious and economical manner. UAMPS shall (i) report not less frequently than monthly to the Project Management Committee (unless otherwise approved by the Project Management Committee) with respect to the progress of the Development Work and the Development Costs incurred or expended, (ii) recommend from time to time revisions and updates to the Budget and Plan of Finance to the Project Management Committee, and (iii) act consistently with and in furtherance of the directions given to it by the Project Management Committee.

(b) Promptly after the Effective Date of the Power Sales Contracts, the Project Management Committee shall by resolution establish a maximum target price for cost of energy (\$/MWh) from the Project (the “*Target Price*”). The Target Price shall be the maximum cost of energy expected to be payable by the Participants under the Power Sales Contracts, and shall exclude only Transmission Costs, taking into account the information and assumptions utilized in the Development Work and the Budget and Plan of Finance. Such resolution shall establish such determination dates based on Project development milestones as the Project Management Committee deems necessary for determining whether the expected cost of energy from the Project exceeds the Target Price, together with such other matters as the Project Management Committee deems necessary or desirable. A determination by the Project Management Committee that the Target Price is exceeded as of any such determination date, shall constitute a determination by the Project Management Committee to terminate the Project.

(c) In addition to a determination under paragraph (b), the Project Management Committee may by a Super-Majority Vote suspend or terminate the Project at any time during Development Period upon its determination that the Project is not feasible for any reason. UAMPS shall give prompt written notice to all Participants of any such determination of the Project Management Committee under paragraph (b) above or this paragraph (c). In the event that the Project Management Committee determines to terminate the Project during Development Period, UAMPS shall proceed to wind up the Project and the Development Work, determine the remaining amount of the Development Costs and submit billings to the Participants for such Development Costs and the amount necessary to repay and retire any Bonds or obligations that have been issued or incurred to finance Development Costs.

(d) Upon substantial completion of the Development Work, including the Project Agreements and receipt of the Permits and Approvals (or an indication of the terms and conditions thereof), UAMPS will conduct a review and analysis and report to and consult with the Project Management Committee regarding the actions necessary to complete the Development Work, the terms and conditions of the Project Agreements and the Permits and Approvals and the definitive Budget and Plan of Finance, and will make recommendations to the Project Management Committee as to whether the Project should proceed to the Construction Period.

(e) Following its review of the report and recommendations of UAMPS, the Project Management Committee will in its discretion:

(i) determine whether or when Completion of Development has occurred;

- (ii) review and approve definitive engineering and feasibility studies for the Initial Facilities, and such other materials as it deems necessary in order to determine that construction and operation of the Initial Facilities is feasible and should proceed;
- (iii) review and approve the definitive Budget and Plan of Finance for the Cost of Acquisition and Construction of the Initial Facilities;
- (iv) make a determination by a Super-Majority Vote as to whether construction of the Project is feasible and whether the Project should proceed to the Construction Period;
- (v) approve the Power Sales Contracts to be entered into with any new Participants any additional terms and conditions for their participation in the Project; and
- (vi) review and approve the initial SCHEDULE I for the Project.

A determination by the Project Management Committee that construction of the Initial Facilities is not feasible and should not proceed to the Construction Period will result in termination of the Project; notwithstanding any such termination, this Contract shall remain in effect until the conditions described above and in Section 2(b) have been satisfied.

(f) Upon a determination by the Project Management Committee that construction of the Initial Facilities is feasible and the Project should proceed to the Construction Period, UAMPS will then execute the Project Agreements, the Construction Contracts for the Initial Facilities and finance the Cost of Acquisition and Construction of the Initial Facilities through the issuance of Bonds.

(g) 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. UAMPS may issue Bonds or incur other obligations pursuant to the Financing Documents to finance all or a portion of the costs incurred in the Development Work and construction of the Additional Facilities.

*Section 7. Joint Ownership Agreement.* (a) UAMPS and the Participants acknowledge and agree that UMPA shall have the right to become an owner of an undivided percentage interest in the Initial Facilities as provided in the Study Costs Sharing Agreement.

(b) If UMPA elects to become the owner of an undivided interest in the Initial Facilities, UAMPS shall negotiate the terms and provisions of the Joint Ownership Agreement between UAMPS and UMPA and present the same to the Project Management Committee for its approval. Additional parties may become owners of undivided interests in the Initial Facilities upon the approval of the Project Management Committee.

*Section 8. Construction Period.* (a) The Construction Period shall commence upon the determination of the Project Management Committee that Completion of Development has occurred. During the Construction Period, UAMPS shall (i) cause the construction of the Project to proceed in an expeditious and economical manner pursuant to the Construction Agreements and

other Project Agreements, (ii) monitor the performance of the contractors under the Construction Agreements, and (iii) report to the Project Management Committee with respect to the progress of the acquisition and construction of the Project as provided herein.

(b) UAMPS shall perform its obligations under the Construction Agreements and shall:

- (i) use Commercially Reasonable Efforts consistent with and subject to the terms and provisions of the Project Agreements to cause the Project to be expeditiously and economically acquired and constructed pursuant to the Construction Agreements;
- (ii) diligently defend and protect the rights of UAMPS and the Project under the Construction Agreements and enforce the contractors' obligations thereunder;
- (iii) monitor the performance of the contractors under the Construction Agreements and report promptly to the Project Management Committee with respect to any default or event of default under the Construction Agreements;
- (iv) report not less frequently than monthly to the Project Management Committee (unless otherwise approved by the Project Management Committee) regarding the current status of construction and any changes to the estimated Commercial Operation Date and the estimated Cost of Acquisition and Construction; and
- (v) give prompt notice to the Project Management Committee and the Participant of the occurrence of the Commercial Operation Date of the Initial Facilities and any Additional Facilities.

(c) As soon as practicable after the Commercial Operation Date of the Initial Facilities, UAMPS shall prepare a complete statement and reconciliation of the final (or substantially final) Cost of Acquisition and Construction of the Initial Facilities and submit the same to the Project Management Committee for its review and acceptance. In the event that a substantially final statement of the cost of construction of the Initial Facilities is submitted to and accepted by the Project Management Committee, UAMPS shall provide periodic reports to the Project Management Committee regarding the remaining items of the Cost of Acquisition and Construction of the Initial Facilities until a final statement is available for its review and approval.

*Section 9. Operation and Maintenance of the Project.* UAMPS covenants and agrees that, during the Operating Period, it will use Commercially Reasonable Efforts consistent with and subject to the terms and provisions of the Project Agreements to cause the Project to be operated, maintained and managed in an efficient and economical manner in accordance with Good Utility Practice for the joint and ratable benefit of all of the Participants. UAMPS agrees with and covenants to the Participant that UAMPS will vigorously enforce and defend its rights under the Project Agreements. The Participant acknowledges and agrees that UAMPS may, upon the approval of the Project Management Committee, from time to time enter into amendments of and supplements to any or all of the Project Agreements and that, except as otherwise required by Section 40, UAMPS will not be required to obtain the consent or approval of the Participant in connection with any such supplement or amendment.

*Section 10. Scheduling of Electric Energy; Coordination with UAMPS Pool.* (a) From and after the Commercial Operation Date of the Project, the Participant shall be entitled to use the Electric Energy allocable 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. UAMPS shall provide the Participant with notice of any amendment to or modification of the Operating and Scheduling Procedures.

(b) At any time the Project is operable or operating the Participant shall not be entitled to use 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 Participant agrees that, prior to the first delivery of Electric Energy under this Power Sales Contract, it will execute and deliver to UAMPS an appendix to the Pooling Agreement (in a form approved by the Project Management Committee) that assigns the Electric Energy allocable to the Participant's Entitlement Share 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 in accordance with the provisions of such appendix to the Pooling Agreement. In addition to any sales of surplus Electric Energy requested by the Participant through the UAMPS Pool, UAMPS will utilize Commercially Reasonable Efforts to sell, exchange or otherwise dispose of any incidental surplus Electric Power and Electric Energy attributable to the Project for the benefit of the Participants.

(c) Prior to the first delivery of Electric Energy under this Power Sales Contract, the Participant shall provide to UAMPS a written schedule of the Participant's available electric resources and the order in which such resources are to be applied to meet the Participant's requirements for Electric Power and Electric Energy. UAMPS shall verify all such resources and promptly notify the Participant of any rejection of such resources. The Participant may revise or modify such schedule upon written notice to UAMPS at least one business day prior to the beginning of any Billing Period.

*Section 11. Point of Delivery; Risk of Loss.* (a) The Electric Energy allocable to the Participant's Entitlement Share shall be delivered at the Point of Delivery. The Participant shall be responsible for, and shall pay all costs associated with, (i) the transmission of such Electric Energy from the Point of Delivery to its System Point of Receipt and (ii) the distribution and delivery of Electric Energy from its System Point of Receipt to its customers.

(b) Upon the request of the Participant, UAMPS will use Commercially Reasonable Efforts to enter into one or more Transmission Agreements, or will utilize its transmission rights under existing Transmission Agreements, to provide for transmission service for the Electric Energy allocable to the Participant's Entitlement Share from the Point of Delivery to the Participant's System Point of Receipt. Any future Transmission Agreements entered into by UAMPS for or on behalf of the Participant shall be approved by UAMPS and the Participant, and the Participant shall pay all Transmission Costs thereunder. The Participant agrees that it shall maintain (or cause UAMPS to maintain) during the term of this Contract, such Transmission Agreements as shall be necessary for the firm transmission of the Electric Energy allocable to its Entitlement Share from the Point of Delivery to its System Point of Receipt, except as may be otherwise approved by the Project Management Committee. The Participant shall provide

UAMPS with copies of all Transmission Agreements utilized by it and with such other information regarding its transmission arrangements as UAMPS may reasonably request.

(c) From and after the Commercial Operation Date of the Project, the Participant shall be obligated to maintain an appropriate power factor at the Participant's System Point of Receipt consistent with the provisions of the Transmission Agreements. Should the power factor, as metered at such System Point of Receipt, not be maintained within the limits established under the Transmission Agreements, the Participant shall be notified and requested to correct such power factor. If the Participant has not begun corrective action at the end of 90 days, UAMPS may take corrective action and the Participant shall be obligated to reimburse or compensate UAMPS for all sums expended and all services contracted for or performed by UAMPS or for which UAMPS shall be obligated relating to such corrective action.

(d) Electric Energy delivered hereunder and risk of loss shall pass from UAMPS to the Participant at the Point of Delivery. As between the parties to this Contract, UAMPS shall be deemed to be in exclusive control and possession of the Electric Energy delivered hereunder, and responsible for any damage or injury caused thereby, prior to the time such Electric Energy shall have been delivered to the Participant at the Point of Delivery. After delivery of Electric Energy to the Participant at the Point of Delivery, the Participant shall be deemed to be in exclusive control and possession thereof and responsible for any injury or damage caused thereby. UAMPS assumes all liability for and shall indemnify, defend and hold harmless the Participant (individually) from any claims, including death of persons, arising from any act or incident occurring when title to Electric Energy is vested in it. All costs and expenses incurred by UAMPS under the foregoing indemnity shall constitute a Cost of Acquisition and Construction or an item of Operation and Maintenance Costs, as determined by the Project Management Committee. To the extent permitted by law and solely to the extent of the revenues of its Electric System and any available insurance proceeds, the Participant assumes all liability for and shall indemnify, defend and hold harmless UAMPS and the other Participants from any claims, including death of persons, arising from any act or incident occurring when title to Electric Energy is vested in it.

*Section 12. Interruption or Reduction of Deliveries.* UAMPS may interrupt or reduce deliveries under this Power Sales Contract of Electric Energy if: (a) 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; (b) Electric Energy from the Project is otherwise unavailable whether due to an event of Uncontrollable Force or otherwise; or (c) the transmission of Electric Energy from the Project is interrupted or curtailed by the balancing area authority 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 Commercially Reasonable Efforts to make arrangements to serve the Participant's load through other projects of UAMPS or the UAMPS Pool. UAMPS will also use Commercially Reasonable 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.

*Section 13. Availability of Electric Energy.* (a) Except as provided otherwise by this Power Sales Contract and subject to the provisions of the Project Agreements, Electric Energy allocable to the Participant's Entitlement Share shall be made available in accordance with this Power Sales Contract during the term hereof; *provided, however*, that nondelivery of Electric Energy hereunder for any reason whatsoever (1) shall not relieve the Participant from its obligation to make its payments under Section 27 and (2) shall not impose any liability upon UAMPS for any direct or consequential damages suffered by the Participant.

(b) The Participant acknowledges and agrees that deliveries of the Electric Energy allocable to its Entitlement Share are not firm and are contingent upon the operation of the Project, the availability of transmission and other factors. The Participant agrees that it is solely responsible for any firming transactions with respect to its Entitlement Share.

*Section 14. Insurance.* UAMPS shall maintain, or during the Construction Period shall cause the EPC Contractor to maintain, in force, as part of the Cost of Acquisition and Construction or Operation and Maintenance Costs, as appropriate, insurance with responsible insurers with policies against risk or direct physical loss, damage or destruction of the Project, including liability insurance and employers' liability insurance, all to the extent consistent with Good 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.

*Section 15. Budget and Plan of Finance.* (a) The Budget and Plan of Finance for the Initial Facilities shall include the following information:

- (i) the amount of Development Costs incurred to the date of the Budget and Plan of Finance and the estimated total Development Costs to the Completion of Development;
- (ii) the estimated Cost of Acquisition and Construction;
- (iii) the estimated timeline for the development and construction of the Initial Facilities to the Commercial Operation Date;
- (iv) the estimated levelized cost of energy (\$/MWh) for Project Output sold to the Participants under the Power Sales Contracts (which may be a range of such costs);
- (v) the proposed funding and financing arrangements for all Development Costs during the Development Period; including Bonds and other funding and financing arrangements; and
- (vi) such other information as may be required to be included in the Budget and Plan of Finance by the Project Management Committee.

(b) UAMPS and the Participant acknowledge and agree that as of the Effective Date, (i) UAMPS has not obtained the Permits and Approvals necessary for the construction and operation of the Project, (ii) the overall development of the Project is at a preliminary stage, and (iii) a

definitive estimate of the Cost of Acquisition and Construction will not be available until the Completion of Development. Accordingly, the parties acknowledge and agree that the information contained in the initial Budget and Plan of Finance is necessarily preliminary and is subject to change based on, among other things, additional information that becomes available to UAMPS during the Development Period, the negotiation of the terms and provisions of the Project Agreements, the terms and conditions of the Permits and Approvals, and the development and negotiation of funding sources and financing arrangements for Development Costs and the Cost of Acquisition and Construction.

(c) The Budget and Plan of Finance shall be updated by UAMPS from time to time during the Development Period as necessary. Each update of the Budget and Plan of Finance shall be subject to the approval of the Project Management Committee.

*Section 16. Financing of the Project.* (a) UAMPS shall finance the portion of the Cost of Acquisition and Construction of the Initial Facilities that is not paid from Capital Contributions made by the Participants through the issuance of one or more series of Bonds pursuant to the Budget and Plan of Finance approved by the Project Management Committee.

(b) Unless otherwise approved by the Project Management Committee, the Budget and Plan of Finance shall provide for the financing of all Development Costs, Construction Costs and other Costs of the Initial Facilities to a date not earlier than the estimated Commercial Operation Date of the Initial Facilities with the objective that the Participant will not be required to make any payments to UAMPS in respect of Debt Service Costs until a date that is after the estimated Commercial Operation Date. UAMPS shall use Commercially Reasonable Efforts to structure and implement the financings for the Development Costs and Construction Costs of the Initial Facilities to achieve this result. The Participant acknowledges and agrees that UAMPS cannot guarantee that it will be able to achieve this result, and under certain circumstances it may be necessary for UAMPS to submit billings to the Participant pursuant to Section 26 to enable it to pay Development Costs.

(c) UAMPS and the Participant acknowledge and agree that:

(i) as of the Effective Date, (A) UAMPS has not obtained the Permits and Approvals necessary for the construction and operation of the Project, and (B) the overall development of the Project is at a preliminary stage;

(ii) UAMPS shall use Commercially Reasonable Efforts to obtain all such Permits and Approvals as a part of the Development Work during the Development Period;

(iii) the Development Costs incurred by UAMPS will be financed by the issuance of Bonds;

(iv) in the event that UAMPS is unable to obtain transmission service for Project Output on reasonable terms, is unable to obtain the required Permits and Approvals for the construction and operation of the Project or the Project Management Committee determines that the continued development of the Project is not feasible for any reason, the

Project Management Committee may determine to terminate the Project as provided herein; and

(v) if the Project Management Committee determines to terminate the Project during the Development Period, the Project will not be completed and the Participant will be required to pay, among other things, its Development Cost Share of all Development Costs incurred and its Development Cost Share of Debt Service Costs until all Bonds previously issued are fully paid and retired, as provided in Section 6.

(d) Each Participant may elect to make a Capital Contribution to UAMPS pursuant to Section 17. Prior to the giving by UAMPS of the notice required by Section 17(a), the Project Management Committee shall determine whether any additional interest expense on or in respect of any Bonds that are subject to federal income taxation shall be allocated to those Participants whose legal status or use of Project Output requires the issuance of such Bonds. In the event the Project Management Committee determines to make such allocation, the notice required by Section 17(a) shall include such information as shall be necessary to generally inform the affected Participants of the additional Debt Service Costs that may be payable by them in the event they elect not to make a Capital Contribution.

*Section 17. Capital Contributions.* (a) Prior to the first issuance of long-term Bonds to finance the Cost of Acquisition and Construction of the Initial Facilities, UAMPS shall give written notice to the Participant of:

- (i) its right to elect to make a Capital Contribution;
- (ii) the date by which it must notify UAMPS of its election, which shall be not earlier than 30 days after the date of such notice;
- (iii) the applicable Reference Project Costs; and
- (iv) the maximum amount of the Participant's Capital Contribution, which shall be an amount equal to the product of (A) such Reference Project Costs and (B) the ratio of the Entitlement Share of the Participant to the Entitlement Shares of all Participants.

The Participant may elect to make a Capital Contribution only from the retained earnings of its Electric System or other legally available funds not derived from any external borrowing.

(b) The Participant's election to make a Capital Contribution shall be made by written resolution adopted by its governing body. An original or certified copy of such resolution shall be submitted to UAMPS with the Participant's notice of its election to make the Capital Contribution. In the event that the Participant does not notify UAMPS of the determination of its governing body by the date specified in the notice provided by UAMPS, the Participant shall be deemed to have elected not to make a Capital Contribution.

(c) Following receipt of the Participant's election to make the Capital Contribution, UAMPS will provide the Participant with notice of:

- (i) the date (which shall be not earlier than 30 days after the date of such notice) by which the Participant must make the Capital Contribution;
- (ii) instructions for the deposit of the Capital Contribution into a separate and segregated special escrow account established under the Financing Documents; and
- (iii) a written statement of information regarding UAMPS, the Project and the Project Agreements for the Participant's use in any offering material for any indebtedness to be issued to finance the Capital Contribution.

The Capital Contribution shall be held and invested in accordance with the provisions of the Financing Documents, which shall provide for the investment of the Capital Contribution, the crediting of any interest earnings for the account of the Participant and the application of the Capital Contribution by the Trustee upon the direction of UAMPS to fund a portion of the Cost of Acquisition and Construction of the Initial Facilities, and for deposit into certain funds and accounts established by the Financing Documents. If the Participant fails to make the Capital Contribution as and when required by the UAMPS' notice, it shall be deemed to have rescinded its election to make the Capital Contribution.

(d) The Participant acknowledges and agrees that the amount of the Capital Contribution to be made by the Participant will be based upon an estimate of the Cost of Acquisition and Construction of the Initial Facilities, which estimates will be subject to adjustment to reflect the final Cost of Acquisition and Construction of the Initial Facilities approved by the Project Management Committee. Not more than 30 days following the determination of the final Cost of Acquisition and Construction of the Initial Facilities, UAMPS shall deliver a final accounting statement to the Participant showing the Cost of Acquisition and Construction, the amount of and interest earnings on the Capital Contribution and any amounts payable by or credited to the Participant in respect of the final Cost of Acquisition and Construction. The Participant agrees that it will pay any additional amount payable by it shown on such accounting statement on or before the 30th day following the date of such final accounting statement, or on such later date as may be approved by the Project Management Committee.

(e) After Capital Contributions have been made by all electing Participants, UAMPS shall complete (or revise, as applicable) SCHEDULE I and provide a copy of the completed or revised SCHEDULE I to each of the Participants. With respect to all Participants and at all times, SCHEDULE I shall show that:

- (i) the sum of each Participant's Capital Contribution Percentage and Debt Service Percentage equals its Entitlement Share;
- (ii) the sum of the Capital Contribution Percentages and Debt Service Percentages of all Participants equals 100%; and
- (iii) the sum of the Debt Service Shares of all Participants equals 100%.

UAMPS' calculation and determination of the Development Costs and the Cost of Acquisition and Construction of the Initial Facilities and the Participant's Capital Contribution Percentage, Debt Service Percentage and Debt Service Share in accordance with (i), (ii) and (iii) above shall be subject to the approval of the Project Management Committee, and upon such approval shall be conclusive and binding upon UAMPS and the Participant. UAMPS shall revise SCHEDULE I from time to time as provided herein so that it sets forth the correct Entitlement Shares, Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares of all Participants.

(f) The Participant acknowledges and agrees with UAMPS that:

(i) its election to make a Capital Contribution 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 Capital Contribution in the event that Uncontrollable Force, termination of any Project Agreements or other circumstances result in the suspension, interruption, interference, reduction, curtailment or termination of the Project or the Project Output;

(ii) the Capital Contribution shall not be deemed to constitute an investment by the Participant and the Participant shall not be entitled to any investment earnings or rate of return on the Capital Contribution, except with respect to interest earnings on the Capital Contribution pending its application as provided above; and

(iii) any Capital Contribution made by the Participant shall not change or affect UAMPS' ownership in the Project or any of the rights and obligations of UAMPS and the Participant under this Contract, except as specifically provided herein, including the right of UAMPS to suspend or terminate the Participant's right to receive the Electric Energy allocable to its Entitlement Share as provided in Section 34.

(g) In connection with the issuance of Additional Bonds or Refunding Bonds, the Project Management Committee may determine to provide Participants with the option of making a capital contribution with respect to the Costs of the Project being financed or refinanced by the Additional Bonds or Refunding Bonds under procedures and standards substantially similar to those set forth in this Section, with such adjustments as the Project Management Committee shall determine to be advisable. Any capital contribution made by a Participant pursuant to this paragraph (g) shall constitute a Capital Contribution for all purposes of the Power Sales Contracts.

*Section 18. Additional Bonds and Refunding Bonds.* (a) Additional Bonds may be sold and issued by UAMPS in accordance with the provisions of the Financing Documents at any time and from time to time for the purpose of financing the Cost of Acquisition and Construction. UAMPS may incur other obligations pursuant to the Financing Documents to achieve purposes deemed beneficial to the Project.

(b) Any Additional Bonds shall be secured by the pledge made pursuant to the Financing Documents of the payments required to be made by the Participant under Section 27, as such payments may be increased and extended by reason of the issuance of Additional Bonds, and of other revenues of UAMPS attributable to the Project. Additional Bonds may be issued in amounts sufficient to pay the full amount of such costs and to provide such reserves as may be determined

by UAMPS to be reasonably necessary. In the event that the Project Management Committee approves the issuance of Additional Bonds, it shall determine whether to make a capital contribution option available to the Participants and the procedures therefore.

(c) In the event Debt Service Costs may be reduced by the refunding of any Bonds then outstanding or in the event it shall otherwise be advantageous, in the opinion of UAMPS, to refund any Bonds, UAMPS may issue and sell Refunding Bonds in accordance with the Financing Documents.

*Section 19. Pledge of Payments.* All payments required to be made by the Participant pursuant to Section 27, together with other revenues of UAMPS attributable to the Project may be pledged by UAMPS pursuant to the Financing Documents to secure the payment of Bonds and any Additional Bonds or Refunding Bonds.

*Section 20. Reserve and Contingency Fund.* (a) In addition to various funds and accounts established under the Financing Documents, UAMPS may, upon the approval of the Project Management Committee, establish an additional fund with respect to the Project known as the "Reserve and Contingency Fund" to be funded, held and applied as provided herein. Amounts on deposit in the Reserve and Contingency Fund may be used to pay or provide reserves for unusual or extraordinary Operation and Maintenance Costs, renewals, repairs, replacements, additions or betterments of or to any items included in the Project, the cost of any Additional Facilities or the cost of or reserves for the retirement, decommissioning and termination of the Initial Facilities and any Additional Facilities that will not be paid from the Decommissioning Fund.

(b) The Project Management Committee may direct UAMPS to include in the Annual Budget adopted pursuant to Section 24 an amount for deposit into the Reserve and Contingency Fund. This amount may represent either an appropriation of excess revenues from the operation of the Project during the preceding Fiscal Year or amounts to be billed to and collected from the Participants as an item of Operation and Maintenance Costs during the Fiscal Year covered by the Annual Budget.

*Section 21. Damage, Destruction or Condemnation.* Subject to the provisions of the Project Agreements, UAMPS shall use Commercially Reasonable Efforts to collect or cause to be collected amounts arising from insurance proceeds, condemnation awards, damages due from contractors, subcontractors or others and proceeds from the sale or other disposition of surplus property, all related to the Project, and shall apply all receipts, revenues and other moneys received by it or credited to it from the foregoing sources to the repair, reconstruction or replacement of the Project, to the retirement or defeasance of Bonds (in whole or in part), by purchase, redemption or other arrangements therefor, to the payment of other costs and expenses of UAMPS in connection with the Project or to the credit, pro rata, of the Participants, based upon their Entitlement Shares in the Project, all as provided in the Financing Documents.

*Section 22. Decommissioning.* Upon the retirement of the Project and its removal from service, UAMPS shall take all actions necessary to Decommission the Project. The Decommissioning Fund shall be established as a separate and segregated trust fund or escrow account, and the amounts in the Decommissioning Fund shall be used solely for the payment of

Decommissioning Costs and necessary administrative and other charges. The Decommissioning Fund may be funded by a prepayment, by sinking fund deposits or by another method approved by the Project Management Committee. Pending the application of amounts on deposit in the Decommissioning Fund to pay Decommissioning Costs, the Decommissioning Fund may be invested as provided in the trust or escrow agreement. Any amounts remaining in the Decommissioning Fund upon the completion of the Decommissioning of the Project shall be applied or disbursed at the direction of the Project Management Committee.

(b) The Project Management Committee may direct UAMPS to establish other funds or accounts to provide additional reserves for the payment of Decommissioning Costs.

*Section 23. Disposition or Termination of the Project.* (a) Except as otherwise provided in the Power Sales Contracts, UAMPS shall not sell, lease or otherwise dispose of the Project or any substantial part of the Project without the approval of the Project Management Committee by a Super-Majority Vote. Subject to the provisions of the Financing Documents and the Project Agreements, this Section shall not prohibit a merger or consolidation or sale of all or substantially all of the property of UAMPS.

(b) Subject to the applicable provisions of the Project Agreements, if the Project shall be terminated, UAMPS shall use Commercially Reasonable Efforts to cause the Project to be economically salvaged, discontinued, disposed of or sold in whole or in part. UAMPS shall make accounting statements for each Billing Period to the Participant of all costs and any net proceeds associated therewith. Such accounting statements shall continue for such Billing Periods until the Project has been salvaged, discontinued or finally disposed of, at which time a final accounting statement with respect thereto shall be made by UAMPS at the earliest reasonable time. The costs of salvage, discontinuance or disposition shall include, but shall not be limited to, all accrued costs and liabilities resulting from the acquisition, construction, operation or maintenance of and renewals and replacements to the Project. Such costs and, subject to the provisions of the Financing Documents, the net proceeds, if any, from the sale or salvage of Project components or assets shall be allocated among the Participants based upon their respective Entitlement Shares.

*Section 24. Annual Budget; Accounting.* (a) On or before 15 days prior to the estimated commencement of the first Contract Year and on or before the beginning of each Contract Year thereafter, UAMPS shall prepare and mail to the Participant an Annual Budget for the Project recommended by the Project Management Committee and approved by the Board, based, to the extent appropriate, on budgets received under the Project Agreements, showing an annual estimate of Operation and Maintenance Costs, Transmission Costs and Debt Service Costs, and the Participant's share of each, for the following Contract Year. The Participant shall, to the extent and in the manner deemed appropriate by the Participant, incorporate the estimates shown on the Annual Budget in its annual budgetary process for the Participant's Enterprise Fund.

(a) At the end of each quarter during each Contract Year and at such other times as it shall deem desirable, UAMPS shall review the Annual Budget of Operation and Maintenance Costs, Transmission Costs and Debt Service Costs for the Contract Year. In the event such review indicates that the Annual Budget does not or will not substantially correspond with actual receipts or expenditures, or if at any time during such Contract Year there are or are expected to be

extraordinary receipts, credits or expenditures of costs substantially affecting Operation and Maintenance Costs, Transmission Costs and Debt Service Costs, UAMPS shall prepare and provide to the Participant's Representative a revised Annual Budget, recommended by the Project Management Committee and approved by the Board, incorporating adjustments to reflect such receipts, credits or expenditures which shall thereupon supersede the previous Annual Budget. The revised Annual Budget and any written materials that accompany it shall specifically identify the changes from the Annual Budget that was previously in effect.

(b) UAMPS agrees that it will, from and after the date of the acquisition by UAMPS of the Project, keep accurate records and accounts relating to the Project, the Cost of Acquisition and Construction, Reference Project Costs, Operation and Maintenance Costs, Transmission Costs and Debt Service Costs in accordance with the Financing Documents and which are generally consistent with the Uniform System of Accounts, separate and distinct from its other records and accounts; *provided* that UAMPS may establish revenue and operation and maintenance funds that account for more than one project of UAMPS so long as UAMPS shall maintain books and records adequate to show the amounts in each of such funds allocable to each such Project. Said accounts shall be audited annually by a firm of certified public accountants, experienced in public finance and electric utility accounting and of national reputation, to be employed by UAMPS. A copy of each annual audit, including all written comments and recommendations of such accountants, approved by the Members shall be furnished by UAMPS to the Participant not later than 180 days after the end of each Contract Year.

*Section 25. Billing Periods.* (a) The initial Billing Period to be used for the preparation, calculation and billing of the amounts payable by the Participant hereunder shall be a Month. In order to promote the efficient and economic administration of the 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 hereunder. In addition to the foregoing, UAMPS may, upon the approval of the Project Management Committee, from time to time revise the billing and payment procedures provided for in this Section to promote the efficient and economic administration of the Project or to conform such billing procedures to those utilized in connection with other projects of UAMPS.

(b) Any change in the Billing Period shall be made in the Annual Budget provided for in Section 24 and shall not be effective for at least 30 days after the mailing of notice of such change in the Billing Period or in the billing and payment procedures to the Participant. At the time of the mailing of such Annual Budget, UAMPS shall send to the Participant a revised form of the billing procedures set forth in Section 26(b), which shall reflect any changes in the dates of billing and payment and the method thereof that are necessary or desirable to make this Section correspond to the new Billing Period, such changes to become effective on the date the new Billing Period takes effect. In no event shall any such change in the Billing Period or in the billing and payment procedures increase the amounts payable by the Participant pursuant to this Section in respect of Operation and Maintenance Costs, Transmission Costs and Debt Service Costs.

*Section 26. Billings.* (a) The Participant acknowledges and agrees that it is necessary for UAMPS to recover all of the costs and expenses associated with the Project through billings to and payments by the Participants under the Power Sales Contracts. UAMPS will exercise

Commercially Reasonable Efforts to finance all Development Costs during the Development Period. In the event that Development Costs are not refinanced by the issuance of long-term Bonds, the Participant shall pay its Development Cost Share of the amount necessary to repay the financed Development Costs. UAMPS will exercise Commercially Reasonable Efforts to finance all Construction Costs, net of any Capital Contributions, with the proceeds of Bonds issued at the beginning of the Construction Period. The Participant's share of Operation and Maintenance Costs and Debt Service Costs will equal its Entitlement Share (expressed as a percentage of all Entitlement Shares), subject to the adjustments provided for in the Power Sales Contracts.

(b) For so long as the Billing Period is a Month, on or before the 25th day after the end of each Billing Period beginning with the first Billing Period in the first Contract Year, UAMPS shall render to the Participant a billing statement showing the amount payable by the Participant for such Billing Period in respect of: (i) Development Costs, (ii) Operation and Maintenance Costs; (iii) Transmission Costs; (iv) Debt Service Costs; and (v) any other amounts, adjustments or reconciliations payable by or credited to the Participant pursuant to this Contract or the Financing Documents and not otherwise shown. The Participant shall pay the total of such amounts at the time specified in Section 27, as the same may be revised from time to time. The billing statement for each Billing Period shall be based, to the fullest extent practicable, upon the actual operation of the Project during such Billing Period. To the extent that any billing statement rendered by UAMPS shall have included any estimated amounts in respect of the Participant's share of Operation and Maintenance Costs, Debt Service Costs or the Transmission Costs or other costs allocable to the Participant, such estimated amounts shall be reconciled at least once during each Contract Year with the actual operation and scheduling of the Project and the Participant shall receive a bill or credit, as applicable, to reflect such reconciliations pursuant to clause (v) of this paragraph.

(c) Debt Service Costs, including any adjustments thereto, shall be determined by UAMPS in accordance with the Financing Documents. Operation and Maintenance Costs, including any adjustments thereto, shall be determined by UAMPS in accordance with the applicable provisions of the Power Sales Contracts and the Project Agreements. UAMPS and the Participant acknowledge and agree that certain categories of costs may be financed as a Cost of Acquisition and Construction (and paid by the Participant as Debt Service Costs or through Capital Contributions) or paid by the Participant as Operation and Maintenance Costs, as determined by the Project Management Committee, but without duplication of any item of cost. Transmission Costs, including any adjustments thereto, shall be determined by UAMPS in accordance with the applicable provisions of this Contract and the Transmission Agreements. The Participant shall pay all such amounts pursuant to Section 27.

(d) In the event that the failure of a Participant to make its payments in accordance with its Power Sales Contract shall have resulted in the application of amounts in any reserve or working capital funds for the Project, any amounts thereafter paid to UAMPS, including delayed-payment and interest charges, by such defaulting Participant in respect of past due payments (i) shall be used to replenish such fund or (ii) to the extent that the other Participants shall have made up the deficiency created by such application or paid additional amounts into any such funds, shall be credited, pro rata, on the billing statements of such other Participants in the next Billing Period or Billing Periods as shall be appropriate.

*Section 27. Participant's Payment Obligations.* (a) Payments required to be paid by the Participant to UAMPS shall be due and payable to UAMPS at its principal office or by wire transfer to such account as UAMPS shall designate in writing to the Participant, on the 10th day of the Month following the Month in which the billing statement was rendered or at such other time as may be established by UAMPS pursuant to Section 25.

(b) If payment in full is not made by the Participant on or before the close of business on the due date, UAMPS shall impose a delayed payment charge on the unpaid amount due for each day overdue at a rate equal to the lesser of one percent per month, compounded monthly, or the maximum rate lawfully payable by the Participant; provided, however, that UAMPS, acting upon the direction of the Project Management Committee, may elect to waive such delayed payment charge (or portion thereof) but only to the extent that any such waiver will not adversely affect the ability of UAMPS to meet its payment obligations under the Project Agreements or the Financing Documents or materially increase the amounts payable by the other Participants. If said due date is not a business day, payment shall be made on the next following business day.

(c) The obligation of the Participant to make the payments for Development Costs, Operation and Maintenance Costs, Transmission Costs, Debt Service Costs and other amounts payable by the Participant pursuant to Section 26 is a several obligation and not a joint obligation with those of any other Participant. Prior to the Commercial Operation Date, the obligation of the Participant to make such payments shall constitute a cost of the development of a new power supply resource. From and after the Commercial Operation Date, the obligation of the Participant to make such payments shall constitute a cost of purchased electric power and electric energy. In all cases, the obligation of the Participant to make the payments required by Section 26 shall be payable as an operating expense and solely from the revenues and other legally available funds of its Electric System. In no event shall the Participant be obligated or required to levy or collect ad valorem property taxes or assessments to meet its payment obligations under this Contract. Such payments shall be made whether or not the Project or any portion thereof is acquired, completed, operable, operating, suspended or terminated, and notwithstanding the damage or destruction of the Project, the suspension, interruption, interference, reduction or curtailment of the Project Output, termination of any of the Project Agreements, loss or interruption of transmission from the Point of Delivery or termination of any Transmission Agreement, for any reason whatsoever, in whole or in part. The obligations of the Participant to make such payments shall not be subject to any reduction, whether by offset, counterclaim, or otherwise, and shall not be conditioned upon the performance by UAMPS under this or any other agreement or instrument.

(d) The payment obligations of the Participant under this Contract are special obligations payable solely from the revenues and other available income of its Electric System and do not, and shall not be deemed to, constitute an indebtedness or liability of the Participant under any constitutional, statutory or other legal limitation or requirement.

*Section 28. Disputed Billings.* In the event of any dispute as to any portion of the billing statement for such Billing Period, the Participant shall nevertheless pay the full amount of the disputed charges when due and shall give written notice of the dispute to UAMPS not later than the 60th day after such billing statement was submitted. Such notice shall identify the disputed billing statement, state the amount in dispute and set forth a full statement of the grounds for such

dispute. No adjustment shall be considered or made for disputed charges unless such notice is given by the Participant. UAMPS shall give consideration to, and shall consult with the Project Management Committee with respect to, such dispute and shall advise the Participant with regard to its position relative thereto within thirty (30) days following receipt of such written notice. Upon final determination (whether by agreement or determination by the Project Management Committee) of the correct amount, any difference between such correct amount and such full amount shall be accounted for in the billing statement next submitted to the Participant after such determination. For the avoidance of doubt, any overpayment or underpayment determined pursuant to Section 26(b) shall not be considered to be a disputed payment that is subject to this Section.

*Section 29. Audit Rights.* (a) At its cost, the Participant may, upon the giving of not less than 15 days' prior written notice to UAMPS, but not more often than once during any two-year period, inspect and audit the books and records of UAMPS relating to the Project for the purpose of verifying the amounts payable by the Participant under this Contract within the three-year period preceding the commencement of the audit. UAMPS agrees to make available to the Participant, to the extent Commercially Reasonable, all relevant records and all requested information relating to the subject matter of any such audit, subject in all cases to any confidentiality restrictions applicable to third-party information or contracts; provided that UAMPS shall make Commercially Reasonable Efforts to obtain a waiver of such restrictions for purposes of the audit and the Participant shall execute such non-disclosure agreements as may be reasonably requested by UAMPS. Any audit shall be conducted during normal business hours, and the Participant will use Commercially Reasonable Efforts to complete any audit within one month, subject to the availability of relevant records and information and the absence of material accounting irregularities.

(b) If any audit discloses that an overpayment or underpayment has been made during the three-year period described above, the amount of the overpayment or underpayment will be promptly paid by the appropriate party, together with interest calculated at an annual rate equal to the Secured Overnight Funding Rate (SOFR) reported on the website of the Federal Reserve Bank of New York, or reported by any successor to the Federal Reserve Bank of New York as administrator of SOFR, plus 100 basis points, compounded daily and on the basis of a 360-day year, from the date or dates of any such overpayment or underpayment through and including the date of the payment correcting the overpayment or underpayment. Any payment made by UAMPS pursuant to this Section shall constitute an item of Operation and Maintenance Costs.

*Section 30. Representations and Warranties.* (a) The Participant represents and warrants to UAMPS as follows:

(i) the Participant is a political subdivision, duly created and validly existing under the laws of the State of Utah, and has all corporate power and authority necessary to enter into and perform its obligations under this Contract;

(ii) this Contract has been duly authorized, executed and delivered by the Participant and constitutes its legal, valid and binding obligation enforceable in accordance with its terms;

(iii) the execution, delivery and performance by the Participant of this Contract does not and will not (A) conflict with any constitutional, statutory or regulatory provision, judgment, decree or order applicable to the Participant and (B) constitute a breach of or a default under any bond ordinance, resolution or indenture or any contract or agreement to which the Participant is a party or to which any of the property, assets or revenues of its Electric System is subject;

(iv) all Required Approvals have been obtained;

(v) to the Participant's knowledge, there is no pending or threatened action or proceeding affecting the Participant which purports to affect the authorization, legality, validity or enforceability of this Contract, the Joint Action Agreement or the Pooling Agreement; and

(vi) prior to and in connection with its approval and execution of this Contract, the Participant conducted its own review of the descriptions, information and studies regarding the Project, the Project Agreement and this Contract provided by UAMPS and made an independent determination to enter into this Contract.

(b) UAMPS represents and warrants to the Participant as follows:

(i) UAMPS is a political subdivision of the State of Utah and an energy services interlocal entity, duly created and validly existing under the Act and the Joint Action Agreement;

(ii) UAMPS has all corporate power and authority necessary to enter into and perform its obligations under this Contract;

(iii) This Contract has been duly approved by the Project Management Committee and the Board and has been duly authorized, executed and delivered by UAMPS and constitutes its legal, valid and binding obligation enforceable in accordance with its terms;

(iv) the execution, delivery and performance by UAMPS of this Contract does not and will not (A) conflict with any constitutional, statutory or regulatory provision, judgment, decree or order applicable to UAMPS and (B) constitute a breach of or a default under any bond ordinance, resolution or indenture or any contract or agreement to which UAMPS is a party or to which any of its property, assets or revenues is subject;

(v) to UAMPS' knowledge, there is no pending or threatened action or proceeding affecting UAMPS which purports to affect the authorization, legality, validity or enforceability of this Contract, the Joint Action Agreement or the Pooling Agreement; and

(vi) the descriptions, information and studies regarding the Project, the Project Agreements and this Contract provided to the Participant by UAMPS have been prepared

in good faith based upon the facts and information known to UAMPS at the time, and UAMPS has no reason to believe that such descriptions, information and studies taken as a whole are incorrect or misleading in any material respect.

*Section 31. Information to Be Made Available.* (a) From and after the effective date of the Power Sales Contracts and subject to their availability under the applicable provisions of the Project Agreements, UAMPS shall make available for examination by the Participant:

- (1) all books of accounts, records, documentation and contracts in the possession of UAMPS relating to the operation of the Project;
- (2) copies of all agreements and data in the possession of UAMPS relating to the financing of the Project;
- (3) copies of all operating and financial records and reports relating to the Project in the possession of UAMPS;
- (4) copies of policies of insurance carried pursuant to Section 14; and
- (5) such other information and documents with respect to the Project as the Participant may reasonably request from time to time.

(b) UAMPS may from time to time provide information to the Participant or the Participant's Representative that it designates as "non-public," "commercially sensitive," "confidential" or with similar words indicating that public disclosure of such information should not be made and can be expected to cause harm to UAMPS and the Participants. The Participant and the Participant's Representative agree to (i) classify any information as "non-public," "protected" or with such similar words as may be used under all public records laws that may apply to the Participant, (ii) notify UAMPS of any request or demand for disclosure of such information and (iii) cooperate with UAMPS in contesting any such disclosure request or demand.

(c) The Participant acknowledges that the ability of UAMPS to sell the Bonds depends upon, among other things, the credit standing of the Participants and their Electric Systems and that it will be necessary for UAMPS to provide certain information with respect to the Participants and their Electric Systems in connection with the sale of the Bonds (whether or not the Participant is making a Capital Contribution). Consequently, the Participant covenants to and agrees with UAMPS that the Participant will, upon request, provide to UAMPS all information with respect to the Participant and its Electric System, including financial and operating information and all contracts, documents, reports, bond resolutions and indentures, as may be requested by UAMPS or its counsel in connection with the financing of the Project and the issuance of the Bonds.

(d) The Participant covenants to and agrees with UAMPS that the Participant will furnish to UAMPS (1) not later than 180 days after the end of each fiscal year of the Participant, (A) a copy of the most recent annual financial statements of the Participant and its Enterprise Fund, audited by an independent certified public accountant or firm of such accountants, together with copies of all management letters and written recommendations and comments submitted by the

accountants making such audit, and (B) the information and documents described in EXHIBIT II attached hereto, and (2) such other information and documents as UAMPS may reasonably request from time to time.

(e) The Participant may notify UAMPS if non-public information is contained in the materials provided under EXHIBIT II. UAMPS agrees to (i) classify any such non-public information as “protected records” within the meaning of, and to the extent permitted under, the Utah Government Records Access and Management Act, (ii) agrees to cooperate with the Participant to appropriately classify any such non-public information under such other public records laws that apply to the Participant and (iii) notify the Participant of any demand for disclosure of such information and will cooperate with the Participant in contesting any such disclosure demand.

(f) Concurrently with its execution and delivery of this Contract, the Participant shall deliver to UAMPS (i) a certificate, together with attached exhibits, in substantially the form attached hereto as EXHIBIT III and (ii) an opinion of counsel in substantially the form attached hereto as EXHIBIT V. In connection with each issuance of Bonds by UAMPS and at such other times as UAMPS may reasonably request, the Participant shall deliver to UAMPS (iii) a bring-down certificate in substantially the form attached hereto as EXHIBIT IV, and (iv) a bring-down opinion of counsel in substantially the form attached hereto as EXHIBIT VI.

*Section 32. Covenants and Agreements of the Participant.* The Participant covenants to and agrees with UAMPS as follows:

(a) *Maintenance of Rates.* The Participant shall 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 this Contract, to pay all other operating expenses of the Participant’s Electric System and to provide revenues sufficient 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 other bonds of the Participant now or hereafter outstanding.

(b) *Maintenance of Revenues.* The Participant shall promptly collect all charges due for electric utility services supplied by it as the same become due. The Participant shall at all times maintain and shall exercise Commercially Reasonable Efforts to enforce its rights against any person, customer or other entity that does not pay such charges when due.

(c) *Sale or Assignment of Electric System or Power Sales Contract.* During the term of this Contract, the Participant shall not sell, lease or otherwise dispose of all or substantially all of its Electric System, except upon compliance with the following provisions respecting the transfer or assignment of its Entitlement Share.

The Participant shall not assign, sell or transfer all or any part of its Entitlement Share or any or all of its interests under this Contract, except upon one hundred twenty (120) days’ prior written notice to UAMPS and compliance with the provisions set forth below. Within thirty (30)

days after receipt of such notice from the Participant (and if such notice indicates that the Participant proposes to assign its Entitlement Share), UAMPS shall notify all of the other Participants of the proposed assignment or transfer by the Participant of all or part of its Entitlement Share. Each of the other Participants shall have the option of acquiring all or any portion of the Entitlement Share that is proposed to be assigned or transferred and shall notify UAMPS of its exercise of such option within forty-five days of its receipt of the notice from UAMPS referred to in the preceding sentence. In the event that two or more of the other Participants shall exercise their options with respect to the Entitlement Share that is proposed to be assigned or transferred in amounts which exceed the total Entitlement Share proposed to be assigned, UAMPS shall, to the extent necessary, make a pro rata allocation of the such Entitlement Share among the Participants which have exercised their options, based upon the existing Entitlement Shares of the requesting Participants. In the event that less than all of such Entitlement Share shall be acquired by other Participants, UAMPS shall notify the other Members of UAMPS of the proposed assignment of an Entitlement Share and shall provide such Members with an opportunity to acquire the remaining portion of the Participant's Entitlement Share.

In the event that less than all of the Entitlement Share proposed to be transferred or assigned is to be acquired by other Participants or other Members of UAMPS, the Participant may proceed to transfer or assign its Entitlement Share and its rights under this Contract upon satisfaction of the following conditions: (A) at the sole option of UAMPS either (i) the purchaser or assignee shall assume all obligations of the Participant under this Contract in such a manner as shall assure UAMPS to its sole satisfaction that the Participant's Entitlement Share to be purchased hereunder 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 purchaser or assignee shall enter into an agreement supplemental to this Contract to clarify the terms upon which the Participant's Entitlement Share is to be sold hereunder by UAMPS to such purchaser or assignee; or (ii) such purchaser or 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 this Contract; (B) the senior debt, if any, of such purchaser or assignee, if such purchaser or assignee is not a Participant shall be rated by at least "Baa2" or "BBB", as applicable, by at least one Rating Agency; (C) the Project Management Committee 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 Bond Counsel to the effect that such sale, assignment or disposition will not by itself adversely affect the Tax Status of Bonds theretofore issued or thereafter issuable. UAMPS shall make the determinations required by this subparagraph (3) within one hundred twenty (120) days of receipt by UAMPS of the notice referred to in the first sentence of this subparagraph and shall provide a written copy of such determinations to the Participant.

In the event any sale, lease or other disposition is permitted pursuant to this subparagraph (3), UAMPS may require as additional security to assure the flow of revenues under this Contract, and the transferring and assigning Participant shall provide or cause to be provided either a prepayment or a security deposit for amounts due under this Contract in such amounts as shall be determined by the Project Management Committee.

Upon the completion of any such sale, lease or other disposition, UAMPS shall prepare and send to each of the Participants a revised SCHEDULE I, setting forth the Entitlement Shares, Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares of the Participants, as revised to reflect such sale, lease or other disposition.

(d) *Good Utility Practice.* The Participant shall, in accordance with Good 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, (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, and (iv) duly perform its obligations under all power supply and transmission service agreements to which it is a party.

(e) *Operating Expenses.* UAMPS and the Participant intend that the payments to be made by the Participant to UAMPS pursuant to this Contract will be payable (i) if and to the extent that any payments are required to be made prior to the Commercial Operation Date, from the revenues and income derived from the operation of the Participant's Electric System as a cost of the development of a new long-term power supply resource, (ii) from and after the Commercial Operation Date as a cost of purchased electric power and energy, and (iii) in each case as an operating expense of the Participant's Electric System and a first charge, together with all other operating expenses, on the revenues derived from the operation of the Participant's Electric System; *provided that* if any amount payable by the Participant under this Contract is prohibited from being paid as an operating expense of the Participant's Electric System under applicable law or a binding contractual obligation, such amount shall be payable from the available revenues and income of the Participant's Electric System. The Participant covenants to and agrees with UAMPS that it will, unless otherwise required by applicable law or under a binding contractual obligation, include the annual payments required to be made by it under this Contract as a cost of purchased electric power and energy as an operating expense in the annual operating budget of its Electric System and in any resolution, ordinance or indenture providing for future borrowings for the Participant's Electric System.

(f) *Tax Status.*

(i) The Participant agrees that it will apply all of the Electric Energy acquired under this Contract to a Qualified Use and that it will not take or omit to take any action (whether with respect to the Electric Energy acquired under this Contract or otherwise) which could, either alone or in conjunction with any other similar actions by the Participant or other Participants, adversely affect the Tax Status of any Bonds issued or issuable by UAMPS. Upon any breach of the foregoing covenants, the Participant shall take and pay the costs of all remedial actions as may be directed by UAMPS in order to maintain the Tax Status of the Bonds.

(ii) The Participant represents and warrants that, as of the Effective Date, it has no contracts (and has no current expectation of entering into any contracts) other than Permitted Output Contracts to provide electric service to any purchaser. At least thirty days prior to entering into any such contract, the Participant shall notify UAMPS of its

intent to enter into such contract and provide copies of such contract to UAMPS. Within thirty days after receipt of such notice, UAMPS shall advise the Participant as to whether, in the opinion of Bond Counsel, such contract would result in a violation of the covenant in clause (i) above. The cost of such opinion and other reports necessary in connection therewith shall be borne by the Participant.

(iii) The Participant agrees to provide such information as UAMPS may request and to comply with such additional instructions as may be provided by UAMPS in order to confirm and maintain the Qualified Use of the Electric Energy sold under this Contract.

*Section 33. Default by Participant.* Each of the following shall constitute a “default” by the Participant under this Power Sales Contract:

(a) failure of the Participant to make to UAMPS any of the payments for which provision is made in this Power Sales Contract within five business days after the due date of any such payment; or

(b) failure by the Participant to observe any of the covenants, agreements or obligations on its part contained herein 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, shall have 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 the Participant and, if instituted against the Participant, said proceedings are consented to or are not dismissed within thirty days after such institution.

*Section 34. Continuing Obligation of Participant; Right of UAMPS to Discontinue Service.* (a) In the event of any default referred to in Section 33, the 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 hereunder and UAMPS shall have the right to recover from the Participant any amount in default. In enforcement of any such right of recovery, UAMPS may bring any suit, action, or proceeding in law or in equity, including mandamus and action for specific performance, as may be necessary or appropriate to enforce any covenant, agreement or obligation of the Participant hereunder or the obligation of the Participant to make any payment for which provision is made in this Contract.

(b) In addition to proceeding with its rights against a defaulting Participant pursuant to paragraph (a) above, UAMPS may, upon not less than thirty 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 this 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 this Power Sales Contract shall not, however, terminate, reduce or modify the Participant's outstanding obligations and liabilities hereunder.

(c) The suspension or termination of a defaulting Participant's right to receive its Entitlement Share and any actions taken by UAMPS pursuant to Section 35 shall not terminate, reduce or modify the defaulting Participant's obligations and liabilities under its Power Sales Contract. The defaulting Participant shall remain liable under all billing statements rendered by UAMPS, whether prior or subsequent to the default, and UAMPS for itself and on behalf of the nondefaulting Participants shall be entitled to recover from the defaulting Participant all damages, legal fees, costs and expenses incurred by UAMPS and the nondefaulting Participants as a result of such default. UAMPS shall exercise Commercially Reasonable Efforts to mitigate the damages resulting from the Participant's default.

*Section 35. Transfer of Entitlement Share Following Default; Other Actions by UAMPS.*

(a) UAMPS and the Participant acknowledge that a default by any of the Participants under its Power Sales Contract could reduce the revenues available to UAMPS which are necessary in order for UAMPS to meet its obligations under the Project Agreements and the Financing Documents on a timely basis. In the event of an insufficiency of revenues and an inability on the part of UAMPS to meet its obligations under the Project Agreements and the Financing Documents on a timely basis, the ability of UAMPS to deliver Electric Energy from the Project and the interests of all of the Participants will be materially and adversely affected. The provisions of this Section are intended to assure the sufficiency of revenues to UAMPS following a default by a Participant under its Power Sales Contract by the reallocation of the defaulting Participant's Entitlement Share. As set forth below, UAMPS agrees to take certain actions to mitigate the impact of any such reallocation on the nondefaulting Participants. The Participants agree that the provisions of this Section are reasonable and necessary in order for them to achieve the benefits of their joint and cooperative undertaking with respect to the Project.

(b) In the event of a default by any Participant and discontinuance of service pursuant to Section 35 of such Participant's Power Sales Contract, but only if the Project has not been terminated, UAMPS and the nondefaulting Participants shall 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, pro rata on the basis of their original Entitlement Shares. UAMPS shall provide written notice to the nondefaulting Participants of the mandatory allocation of the defaulting Participant's Entitlement Share which notice shall (a) set forth the date of the mandatory allocation, (b) include a revised Schedule I showing the increased Entitlement Shares and (to the extent applicable) the revised Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares of the nondefaulting Participants as a result of such allocation, (c) direct each of the nondefaulting Participants to make an election pursuant to subparagraph (2) below, and (d) set forth the date by which each of the nondefaulting

Participants must notify UAMPS of its election pursuant to subparagraph (2) below. Such mandatory allocation of the defaulting Participant's Entitlement Share and the increased Entitlement Shares and the revised Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares of the nondefaulting Participants as a result of such allocation (as shown on the revised Schedule I prepared by UAMPS) shall remain in effect until the completion of the procedures provided for in this paragraph (a). During such period, each of the nondefaulting Participants shall have all of the rights, benefits, obligations and responsibilities associated with its increased Entitlement Share and its revised Capital Contribution Percentage, Debt Service Percentage and Debt Service Share as a result of such allocation.

(2) Within sixty days after the allocation of the defaulting Participant's Entitlement Share provided for in subparagraph (1) above, 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 pursuant to subparagraph (1) 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 pursuant to subparagraph (1) above; or (B) to retain none or less than all of the defaulting Participant's Entitlement Share allocated to the Participant pursuant to subparagraph (1) above. Any Participant that shall have elected to retain all of that portion of the defaulting Participant's Entitlement Share allocated to it pursuant to subparagraph (1) above shall be deemed to have fully satisfied its obligations to UAMPS under this Section 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 pursuant to subparagraph (2), UAMPS shall determine whether the nondefaulting Participants have elected to retain all of the Entitlement Share of the defaulting Participants pursuant to subparagraph (2). 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. To the extent necessary to provide for a complete reallocation of the defaulting Participant's Entitlement Share, UAMPS shall next 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. Proportional reallocations shall be based upon the Entitlement Shares of the nondefaulting Participants in effect immediately prior to the defaulting Participant's default.

(4) In no event shall any reallocation of a defaulting Participant's Entitlement Share, or the total of all mandatory reallocations of Entitlement Shares in the event of two or more Participant defaults under the Power Sales Contracts, cause any nondefaulting

Participant's Entitlement Share to increase by more than [ ]%\* over its original Entitlement Share set forth on Schedule I.

(5) Each allocation or reallocation of a defaulting Participant's Entitlement Share shall also allocate or reallocate the defaulting Participant's Capital Contribution Percentage and Debt Service Percentage to the nondefaulting Participants receiving such allocation or reallocation. The Capital Contribution Percentage and the Debt Service Percentage of the defaulting Participant shall be allocated to each of such nondefaulting Participants proportionally based upon the respective amounts of the defaulting Participant's Entitlement Share that are allocated or reallocated to them.

(6) UAMPS shall deliver, promptly after making the determinations and reallocations required by this paragraph (b), a notice to the nondefaulting Participants which notice shall (A) set forth the reallocation of the defaulting Participant's Entitlement Share made by UAMPS pursuant to subparagraph (3) above, and the effective date of such reallocation, (B) set forth the amount, if any, of the Entitlement Share of the defaulting Participant that has been mandatorily reallocated to nondefaulting Participants that did not elect to retain or acquire the same, and (C) include a revised SCHEDULE I showing the revised Entitlement Shares, Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares, respectively, of the nondefaulting Participants as a result of the reallocation provided for under subparagraph (3). The Entitlement Shares, Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares shown on such revised SCHEDULE I shall thereafter be the Entitlement Shares, Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares of the nondefaulting Participants.

(7) Any portion of the Entitlement Share of a defaulting Participant transferred pursuant to this paragraph (b) 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 this 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 provided for in this Section.

(c) In the event that any portion of a defaulting Participant's Entitlement Share shall have been mandatorily reallocated to nondefaulting Participants pursuant to paragraph (b)(3) above or in the event that the procedures set forth in paragraph result in the reallocation of less than all of a defaulting Participant's Entitlement Share, UAMPS shall use Commercially Reasonable Efforts to sell or dispose of all or any part of the defaulting Participant's Entitlement Share as follows and in the following order:

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\* This amount will not exceed 25% and will be determined by the Project Management Committee upon the Effective Date of the Power Sales Contracts.

(1) UAMPS shall first seek to sell all or any part of the defaulting Participant's Entitlement Share on terms and conditions comparable to those contained in the Power Sales Contracts; and

(2) 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 an Entitlement Share shall be made pursuant to this paragraph (c) 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.

(d) In the event that UAMPS is unable to sell or dispose of any portion of the defaulting Participant's Entitlement Share pursuant to paragraph (c) above within 180 days of commencing Commercially Reasonable 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 or the ability of UAMPS to meet its obligations under the Project Agreements and the Financing Documents, then UAMPS shall take such actions as UAMPS in its sole discretion shall deem 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 any combination thereof):

(1) UAMPS may sell all or any portion of the Project that is allocable to the defaulting Participant's Entitlement Share on such terms and conditions 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

(2) 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 (2) above, UAMPS will obtain an opinion of 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 Participant acknowledges 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 Participant pursuant to Section 26 will increase correspondingly. The Participant agrees to pay its Debt

Service Share of such increased Debt Service Costs pursuant to the provisions of this Power Sales Contract.

(e) Upon any sale or disposition of all or any portion of a defaulting Participant's Entitlement Share or the Electric Energy associated therewith or any sale of the Project pursuant to paragraphs (c) and (d) above, UAMPS shall take into account the proceeds realized or the revenues to be received from such sale or disposition and shall, to the extent necessary, make adjustments to the Entitlement Share, Capital Contribution Percentage, Debt Service Percentage and Debt Service Share of each of the nondefaulting Participants to reflect such sale or disposition and to ensure the receipt of revenues sufficient to enable UAMPS to meet its obligations under the Project Agreements and the Financing Documents. The Participant acknowledges that such adjustments may, under certain circumstances, result in a change in the Participant's share of Operation and Maintenance Costs, Transmission Costs and Debt Service Costs without a corresponding change in the Participant's Entitlement Share. Upon the completion of the procedures provided for in this Section, UAMPS shall prepare and send to each of the Participants a final revised SCHEDULE I, setting forth the Entitlement Shares, the Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares, respectively, of the nondefaulting Participants after the procedures and actions provided for in this Section.

*Section 36. Other Default by Participant.* In the event of a failure of the Participant to observe, keep and perform any of the covenants, agreements or obligations on its part contained in this Power Sales Contract, UAMPS may, in addition to its other rights hereunder, bring any suit, action, or proceeding in law or in equity, including mandamus, injunction and action for specific performance, as may be necessary or appropriate to enforce any covenant, agreement or obligation of this Power Sales Contract against the Participant.

*Section 37. Default by UAMPS; Dispute Resolution.* (a) In the event of any default by UAMPS under any covenant, agreement or obligation of this Power Sales Contract, the Participant's sole remedy for such default shall be limited to mandamus, injunction, action for specific performance or any other available equitable remedy as may be necessary or appropriate and in no event shall the Participant withhold or offset any payment owed to UAMPS hereunder.

(b) Prior to and as a condition to the filing of any action with respect to this Contract under paragraph (a) above, the Participant shall first submit the dispute or matter in question to the Project Management Committee for mediation by giving notice in writing to UAMPS and the Chair of the Project Management Committee describing the dispute or matter and the issue or issues to be resolved. The Participant agrees to participate fully and in good faith in all mediation proceedings of the Project Management Committee. In the event that the Project Management Committee is unable to resolve or mediate such dispute or matter within 120 days after UAMPS has received written notice of the dispute, the Participant shall have the right to initiate such proceedings as it may deem necessary pursuant to paragraph (a).

*Section 38. Abandonment of Remedy.* In case any proceeding taken on account of any default shall have been discontinued or abandoned for any reason, the parties to such proceedings shall be restored to their former positions and rights hereunder, respectively, and all rights,

remedies, powers and duties of UAMPS and the Participant shall continue as though no such proceedings had been taken.

*Section 39. Waiver of Default.* Any waiver at any time by either UAMPS or the Participant of its rights with respect to any default of the other party hereto, or with respect to any other matter arising in connection with this Power Sales Contract, shall not be a waiver with respect to any subsequent default, right or matter.

*Section 40. Relationship to and Compliance with Other Instruments.* (a) It is recognized by the parties hereto that UAMPS, in undertaking, or causing to be undertaken, the planning, financing, construction, acquisition, operation and maintenance of the Project, must comply with the requirements of the Financing Documents, the Project Agreements and all Permits and Approvals necessary therefor, and it is therefore agreed that this Power Sales Contract is made subject to the terms and provisions of the Financing Documents, the Project Agreements and all such Permits and Approvals.

(b) UAMPS covenants and agrees that it will use Commercially Reasonable Efforts for the benefit of the Participant to comply in all material respects with all terms, conditions and covenants applicable to it contained in the Financing Documents, the Project Agreements and all Permits and Approvals relating thereto and that it will not, without the consent of the Participant, enter into any amendment or modification of the Financing Documents or the Project Agreements which will change the Participant's Entitlement Share or which will materially and adversely affect the rights and obligations of the Participant hereunder.

*Section 41. Liability of Parties.* UAMPS and the Participant shall assume full responsibility and liability for the maintenance and operation of their respective properties and each shall, to the extent permitted by law, indemnify and save harmless the other from all liability and expense on account of any and all damages, claims, or actions, including injury to or death of persons arising from any act or accident in connection with the installation, presence, maintenance and operation of the property and equipment of the indemnifying party and not caused in whole or in part by the negligence of the other party; *provided* that any liability which is incurred by UAMPS through the operation and maintenance of the Project or pursuant to the Project Agreements and not covered, or not covered sufficiently, by insurance shall be paid solely from the revenues of UAMPS hereunder, and any payments made by UAMPS to satisfy such liability shall, except to the extent paid from proceeds of Bonds or Capital Contributions, become part of Operation and Maintenance Costs.

*Section 42. Assignment of Power Sales Contract.* (a) This Power Sales Contract shall inure to the benefit of and shall be binding upon the respective successors and assigns of the parties to this Power Sales Contract; *provided, however,* that neither this Power Sales Contract nor any interest herein shall be transferred or assigned by either party hereto except as follows:

(1) UAMPS may assign its interests under this Power Sales Contract or all or any portion of the amounts payable by the Participant hereunder pursuant to the Financing Documents as described in paragraph (b) below;

(2) UAMPS may sell, transfer or reallocate all or any portion of the Participant's Entitlement Share following a default by the Participant and a discontinuance of service as provided in Section 35;

(3) After such point in time as all Bonds issued under the Financing Documents have been paid or deemed to have been paid as provided in the Financing Documents, UAMPS may assign this Power Sales Contract and pledge the amounts payable by the Participant hereunder without limitation;

(4) the Participant shall assign the Electric Energy allocable to the Participant's Entitlement Share to the UAMPS Pool as provided in Section 10; and

(5) subject to the provisions of Section 32, the Participant may assign or transfer all or any portion of its Entitlement Share or its interests under this Power Sales Contract.

(b) The Participant acknowledges and agrees that UAMPS may assign and pledge to the Trustee designated in the Financing Documents all or any portion of its right, title, and interest in and to the payments to be made to UAMPS under the provisions of this Power Sales Contract, as security for the payment of the principal (including sinking fund installments) of, premium, if any, and interest on Bonds and, upon such assignment and pledge, UAMPS may grant to the Trustee any rights and remedies herein provided to UAMPS, and thereupon any reference herein to UAMPS shall be deemed, with the necessary changes in detail, to include the Trustee which on behalf of and together with the owners from time to time of the Bonds shall be third party beneficiaries of the covenants and agreements of the Participant herein contained.

*Section 43. Termination or Amendment of Power Sales Contract.* (a) This Power Sales Contract shall not be terminated by either party under any circumstances, whether based upon the default of the other party under this Power Sales Contract or any other instrument or otherwise except as specifically provided in this Power Sales Contract.

(b) This Power Sales Contract shall not be amended, modified, or otherwise altered in any manner that will adversely affect the security for the Bonds afforded by the provisions of this Power Sales Contract. So long as any of the Bonds are outstanding or until adequate provisions for the payment thereof have been made in accordance with the provisions of the Financing Documents, this Power Sales Contract shall not be amended, modified, or otherwise altered in any manner which will reduce the payments pledged as security for the Bonds or extend the time of such payments provided herein or which will in any manner impair or adversely affect the rights of the owners from time to time of the Bonds.

(c) Subject to Section 6, no Power Sales Contract entered into between UAMPS and another Participant may be amended so as to provide terms and conditions that are substantially and materially different from those herein contained except upon written notice to and written consent or waiver by each of the other Participants, and upon similar amendment being made to the Power Sales Contract of any other Participants requesting such amendment after receipt by such Participant of notice of such amendment.

(d) In connection with any revision or amendment of the billing procedures provided for in Section 25 or of any of the Exhibits, UAMPS shall promptly provide a copy of the revision or amendment to the Participant.

*Section 44. Notices and Computation of Time.* All notices, demands or other communications made pursuant to this Contract (each, a "Notice") may be sent by facsimile, electronic mail, other mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivery. Notice shall be deemed given when received by the addressee, unless received on a day that is not a business day or received after 5:00 p.m. (receiving party's local time) on a business day, in which case Notice shall be deemed to have been received on the next following business day. In the absence of proof of the actual receipt date, the following presumptions will apply: (i) Notice sent by facsimile or electronic mail shall be deemed to have been received upon the sending party's receipt of electronic confirmation of successful transmission; (ii) Notice sent by overnight mail or courier shall be deemed to have been received on the next business day after it was sent or such earlier time as is confirmed by the receiving party; and (iii) Notice sent by first class mail shall be deemed to have been received five business days after mailing.

(b) All Notices shall be sent by UAMPS to the business address, facsimile address or e-mail address of the Participant's Representative. All Notices shall be sent by the Participant to the business address, facsimile address or designated e-mail address of UAMPS. Either party may change its Notice address(es) by Notice to the other party.

*Section 45. Relationship of UAMPS and the Participant; Relationship among Participants.* (a) This Power Sales Contract is not intended to create, nor shall it be deemed to create, any relationship between UAMPS and the Participant other than that of independent parties contracting with one another for the purpose of effectuating the provisions of this Power Sales Contract.

(b) The covenants, obligations, liabilities, rights and benefits of the Participant under this Power Sales Contract are individual and not joint and several, or collective, with those of any other Participant. Other than giving effect to the joint and cooperative action of UAMPS on behalf of the Participants, the Power Sales Contracts shall not be construed to create an association, joint venture, trust or partnership, or to impose a trust or partnership covenant, obligation or liability on, between or among the Participant and any one or more of the Participants. No Participant shall be or be deemed to be under the control of, nor shall any Participant control or be deemed to control, any or all of the other Participants or the Participants as a group. No Participant shall be bound by the actions of any other Participant, nor shall any Participant be deemed to be the agent of any other Participant or have the right to bind any other Participant.

*Section 46. No Recourse Against Officers, Etc. of UAMPS or Participant.* No member of the governing body, nor any officer or employee of UAMPS or the Participant shall be individually or personally liable for any payment under this Power Sales Contract or be subject to any personal liability or accountability by reason of the execution of this Power Sales Contract; *provided, however*, that this Section shall not relieve any officer or employee of UAMPS or the Participant from the performance of any official duty imposed by law or this Power Sales Contract.

*Section 47. Governing Law; Jurisdiction and Venue.* (a) This Power Sales Contract is made under and shall be governed by the law of the State of Utah; *provided, however,* that if the Participant is organized or created pursuant to the laws of another state, then the authority of the Participant to execute and perform its obligations under this Power Sales Contract shall be determined under the laws of such state. Headings herein are for convenience only and shall not influence the construction hereof.

(b) All judicial proceedings brought against either party arising out of or relating hereto shall be brought exclusively in the courts of the State of Utah or of the United States of America for the District of Utah. By executing and delivering this Contract, each party, for itself and in connection with its properties, irrevocably accepts generally and unconditionally the nonexclusive jurisdiction and venue of such courts; waives any defense of *forum non conveniens*; agrees that service of all process in any such proceeding in any such court may be made by registered or certified mail, return receipt requested, to the party at its address provided in accordance with Section 44; and agrees that service as provided above is sufficient to confer personal jurisdiction over the party in any such proceeding in any such court, and otherwise constitutes effective and binding service in every respect.

*Section 48. Severability; No Merger.* (a) If any section, paragraph, clause or provision of this Power Sales Contract shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this Power Sales Contract shall remain in full force and effect as though such section, paragraph, clause or provision or any part thereof so adjudicated to be invalid had not been included herein.

(b) This Power Sales Contract constitutes the entire and complete agreement of UAMPS and the Participant in respect of the Project and shall not be nor shall it be deemed to be modified, amended or superseded by any other agreement or contract between UAMPS and the Participant in respect of any other project or subject.

*Section 49. Contract Beneficiaries.* This Contract is entered for the benefit of and as the binding agreement of UAMPS and the Participant. The Trustee and the owners of the Bonds are the only third-party beneficiaries of this Contract, as and to the extent provided in the Financing Documents.

IN WITNESS WHEREOF, the parties hereto have caused this Power Sales Contract to be executed by their proper officers respectively, being thereunto duly authorized, and their respective corporate seals to be hereto affixed, as of the day, month and year first above written.

MURRAY CITY, UTAH

By: \_\_\_\_\_  
Its Mayor

[SEAL]

ATTEST AND COUNTERSIGN

By: \_\_\_\_\_  
Title: City Recorder

UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS

By: \_\_\_\_\_  
Chairman

[SEAL]

ATTEST AND COUNTERSIGN

By: \_\_\_\_\_  
Assistant Secretary

**PRELIMINARY**

**SCHEDULE D**

**SCHEDULE OF PARTICIPANTS, DEVELOPMENT SHARES AND DEVELOPMENT COST SHARES**

PARTICIPANT	DEVELOPMENT SHARE (kW)	DEVELOPMENT COST SHARE (%)*
TOTAL		100.0000%

\* Column may not total due to rounding.

**SCHEDULE I**  
**SCHEDULE OF PARTICIPANTS, ENTITLEMENT SHARES**

**SCHEDULE OF PARTICIPANTS, ENTITLEMENT SHARES,  
CAPITAL CONTRIBUTION PERCENTAGES, DEBT SERVICE PERCENTAGES  
AND DEBT SERVICE SHARES\***

PARTICIPANT	kW	ENTITLEMENT SHARE %
TOTAL		%

\* Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares to be added if Capital Contributions are made.

\*\* Column may not total due to rounding.

## **EXHIBIT I**

### **DESCRIPTION OF THE INITIAL FACILITIES**

*The following is a preliminary and summary description of the Initial Facilities. This description is subject to change based upon selection of the Contractor, the negotiation of the final terms of the Construction Contracts and the construction of the Initial Facilities. The final description of the Initial Facilities will be approved by the Project Management Committee after the Project achieves commercial operation.*

PARTICIPANT \_\_\_\_\_  
FISCAL YEAR \_\_\_\_\_

## EXHIBIT II

### FORM OF PARTICIPANT'S ANNUAL INFORMATION REPORT\*

#### SYSTEM DESCRIPTION

Incorporated area of municipality \_\_\_\_\_ square miles.

Service area of utility \_\_\_\_\_ square miles.

Transmission and distribution lines \_\_\_\_\_ miles.

Number of employees in electrical department \_\_\_\_\_. (Include sum of shared employees' time in other city offices to determine equivalent full-time employees.)

Number of customers served outside the city limits \_\_\_\_\_.  
Service area outside of the city limits \_\_\_\_\_ square miles.

#### NUMBER OF ELECTRICAL CUSTOMERS AND TYPE OF LOAD SERVED

CUSTOMER CLASS	NUMBER OF CUSTOMERS
Residential	
Commercial	
Industrial	
Agricultural and Pumping	
Military and Other	
TOTAL	

Annual audit will be sent to UAMPS as soon as completed after the fiscal year.

Electric Rate Schedules for the above classes of service are attached hereto.

---

\* Under Section 31(d) of the Power Sales Contract, UAMPS has agreed to classify certain of the information provided by the Participant on this Exhibit II as a "protected record," pursuant to the Participant's request. The Participant must also take any actions necessary on its part to appropriately classify and protect such information provided in this Exhibit.

### Customer Sales by Class

Total sales to your customers \_\_\_\_\_ kWh.

Revenues from energy sales to your customers in \$\_\_\_\_\_.

CUSTOMER CLASS	KWH SALES	REVENUES (\$)
Residential		
Commercial		
Industrial		
Agricultural		
Other		
TOTAL		

**GENERATION  
PRODUCED FOR SYSTEM LOAD**

	GENERATING UNIT PRODUCTION							
	#1		#2		#3		#4	
	kW	kWh	kW	kWh	kW	kWh	kW	kWh
July								
August								
September								
October								
November								
December								
January								
February								
March								
April								
May								
June								
TOTAL								

**SYSTEM PEAK INCLUDING LOAD  
COVERED BY OWN GENERATION**

	kW		kW
July		January	
August		February	
September		March	
October		April	
November		May	
December		June	

### **FIVE LARGEST LOADS**

	TYPE OF BUSINESS	KWH SOLD	ANNUAL ELECTRICAL BILLINGS
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____

### **ACHIEVEMENTS**

Provide below the achievements of your utility for the year.

### EXHIBIT III

## FORM OF CERTIFICATE OF PARTICIPANT

The undersigned hereby certify that they are the [Executive Officer] and [Clerk/Recorder/Secretary] of \_\_\_\_\_ (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 pursuant to Section 31(f) of the Power County Power Project Power Sales Contract, dated as of December 1, 2024 (the "*Power Sales Contract*"), between the Participant and UAMPS, in connection with the execution and delivery of the Power Sales Contract. Capitalized terms used and not otherwise defined herein have the meanings assigned to them in the Power Sales Contract.

2. The Participant is a \_\_\_\_\_, duly created and validly existing under the laws of the State of \_\_\_\_\_ (the "State"), and is governed by a \_\_\_\_\_ (the "Governing Body").

3. Attached hereto as *Exhibit A* is a true, complete and correct copy of a resolution authorizing the execution and delivery of the Power Sales Contract and related matters (the "*Contract Resolution*"). The Contract Resolution was duly adopted by a majority of the Governing Body present and voting at a public meeting of the Governing Body held on , at which a quorum was present and acted throughout.

4. The meeting of the Governing Body at which the Contract Resolution was adopted was duly called, noticed and held in conformity with applicable laws of the State and procedural rules of the Governing Body. The Contract Resolution is in full force and effect and has not been amended, modified, repealed or supplemented.

5. The names of the [Executive Officer] and the [Clerk/Recorder/Secretary] authorized to execute and deliver the Power Sales Contract on behalf of the Participant are as follows:

NAME	OFFICE
«officer»	[Executive Officer]
«officer»	[Clerk/Recorder/Secretary]

6. (a) No petition was filed with the Participant or any of its officers seeking to refer the Contract Resolution to the electors of the Participant in accordance with the provisions of state law; and (b) no litigation has been instituted, is pending or has been threatened to require a referendum election on the Contract Resolution.

7. The Participant owns and operates an electric utility system (the “*System*”) that distributes and furnishes electric energy to consumers located within the established service area of the System. The Participant will use all of the electric energy from its Entitlement Share in a Qualified Use.

8. The Participant has previously executed the Utah Associated Municipal Power Systems Amended and Restated Agreement for Joint and Cooperative Action dated as of March 20, 2009, and all amendments thereto and supplements thereto (the “*Joint Action Agreement*”) and that certain Power Pooling Agreement (the “*Pooling Agreement*”) between the Participant and UAMPS relating to the power pool administered by UAMPS. The Joint Action Agreement and the Pooling Agreement are each in full force and effect and constitute the legal, valid and binding agreements of the Participant.

9. «Rep» has been duly appointed by the Governing Body as the Participant’s representative to UAMPS.

10. The representations and warranties of the Participant in Section 30 of the Power Sales Contract are true and correct on and as of the date of this certificate.

11. The Participant acknowledges that the information it provides under Section 31(c) and (d) of the Power Sales Contract may be used by UAMPS in connection with the issuance of Bonds to finance the Development Costs and the Cost of Acquisition and Construction of the Project and to provide necessary information to lenders and other interested parties.

Dated: \_\_\_\_\_.

[PARTICIPANT]

By \_\_\_\_\_  
[Executive Officer]

By \_\_\_\_\_  
[Clerk/Recorder/Secretary]

[Seal]

## EXHIBIT A

[Form of Contract Resolution]

**RESOLUTION NO. \_\_\_\_\_**

### A RESOLUTION AUTHORIZING AND APPROVING THE POWER COUNTY POWER PROJECT POWER SALES CONTRACT WITH UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS; AND RELATED MATTERS.

\*\*\*\*\*      \*\*\*\*\*      \*\*\*\*\*

WHEREAS, \_\_\_\_\_ (the “*Participant*”) is a member of Utah Associated Municipal Power Systems (“UAMPS”) pursuant to the provisions of the Utah Associated Municipal Power Systems Amended and Restated Agreement for Joint and Cooperative Action, as amended (the “*Joint Action Agreement*”);

WHEREAS, one of the purposes of UAMPS under the Joint Action Agreement is the acquisition and construction of electric generating, transmission and related facilities in order to secure reliable, economic sources of electric power and energy for its members;

WHEREAS, UAMPS proposes to acquire and construct a combined cycle natural gas-fired electric generating facility plant known as the “Power County Power Project” (the “*Project*”) to be located at a site in Power County, Idaho, and to sell the capacity and output of the Project pursuant to the Power County Power Project Power Sales Contracts (the “*Power Sales Contracts*”) between UAMPS and the Participants (capitalized terms used and not defined herein have the meanings assigned to them in the Power Sales Contracts);

WHEREAS, the Governing Body has reviewed (or caused to be reviewed on its behalf) certain descriptions and summaries of the Project and the Power Sales Contracts, and representatives of the Participant have participated in discussions and conferences with UAMPS and others regarding the Project and have received from UAMPS all requested information and materials necessary for the decision of the Governing Body to authorize and approve the Power Sales Contract;

WHEREAS, the Participant acknowledges that the obligation of the Participant to make the payments provided for in the Power Sales Contract will be a special obligation of the Participant and an operating expense of the Participant’s electric system, payable from the revenues and other available funds of the electric system, and that the Participant shall be unconditionally obligated to make the payments required under the Power Sales Contract whether or not the Project or any portion thereof is acquired, constructed, completed, operable or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of the output thereof for any reason whatsoever; and

WHEREAS, the Governing Body has reviewed (or caused to be reviewed on its behalf) its current and projected needs for electric power and energy and information with respect to the Project prepared by UAMPS setting forth, among other things, preliminary estimates of the Development Costs, the Cost of Acquisition and Construction, the estimated timeline for the development and construction of the Project and related matters, and now desires to authorize and approve the Power Sales Contract;

Now, THEREFORE, BE IT RESOLVED by the Governing Body of \_\_\_\_\_, as follows:

*Section 1. Approval of Power Sales Contract; Development Share.* (a) The Power Sales Contract, in substantially the form attached hereto as *Annex A*, is hereby authorized and approved, and the [Executive Officer] is hereby authorized, empowered and directed to execute and deliver the Power Sales Contract on behalf of the Participant, and the [Clerk/Recorder/Secretary] is hereby authorized, empowered and directed to attest and countersign such execution and to affix the corporate seal of the Participant to the Power Sales Contract, with such changes to the Power Sales Contract from the form attached hereto as *Annex A* as shall be necessary to conform to the Participant's legal status, to complete the form of the Power Sales Contract or to correct any minor irregularities or ambiguities therein and as are approved by the [Executive Officer], his execution thereof to constitute conclusive evidence of such approval.

(b) A Development Share representing \_\_\_\_\_ kW of capacity in the Project is hereby authorized and approved. The Participant acknowledges that (i) its Development Share may be increased to provide for a full allocation of the Project Output and (ii) by virtue of its Development Share, the Participant will have an Entitlement Share with the same amount of Electric Power as its Development Share from and after the Completion of Development through the remaining term of the Power Sales Contract, all as provided in the Power Sales Contract.

*Section 2. Participant's Representative.* (a) The appointment of \_\_\_\_\_ as the Participant's Representative to UAMPS and of \_\_\_\_\_ and \_\_\_\_\_ as alternate Representatives is hereby confirmed.

(b) Such Representative (or, in his or her absence, such alternate(s)) is hereby delegated full authority to (i) approve any appendix to the Pooling Agreement between UAMPS and the Participant that may be necessary or desirable in connection with the utilization of the Participant's Entitlement Share, and (ii) act on all matters that may come before the Project Management Committee established by the Power Sales Contract, and shall be responsible for reporting regularly to the Governing Body regarding the activities of the Project Management Committee.

*Section 3. Compliance with Tax Covenants.* The Participant agrees in the Power Sales Contract that it will apply all of the electric power and energy acquired under the Power Sales Contract to a Qualified Use and that it will not take or omit to take any action which could adversely affect the Tax Status of any Bond or Bonds theretofore issued or thereafter issuable by UAMPS. In furtherance of that agreement, the Governing Body of the Participant hereby agrees that it will observe and comply with such instructions as may be provided from time to time by UAMPS with respect to the Qualified Use of the electric power and energy acquired under the Power Sales Contract.

*Section 4. Further Authority.* (a) The [Executive Officer] and the [Clerk/Recorder/Secretary] are hereby authorized, empowered and directed to (i) execute the Certificate of the Participant in substantially the form attached as EXHIBIT III to the Power Sales Contract and to deliver the same to UAMPS, and (ii) from time thereafter and upon the request of UAMPS, execute the Bring-Down Certificate of the Participant in substantially the form attached as *Exhibit IV* to the Power Sales Contract and to deliver the same to UAMPS.

(b) The Participant's legal counsel is hereby authorized, empowered and directed to (i) execute the Opinion of Counsel to the Participant in substantially the form attached as EXHIBIT V to the Power Sales Contract and to deliver the same to UAMPS, and (ii) from time thereafter and upon the request of UAMPS, execute the Bring-Down Opinion of Counsel to the Participant in substantially the form attached as EXHIBIT VI to the Power Sales Contract and to deliver the same to UAMPS.

*Section 5. Miscellaneous; Effective Date.* (a) This resolution shall be and remain irrepealable until the expiration or termination of the Power Sales Contract in accordance with its terms.

(b) All previous acts and resolutions in conflict with this resolution or any part hereof are hereby repealed to the extent of such conflict.

(c) In case any provision in this resolution shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(d) This resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

[PARTICIPANT]

By \_\_\_\_\_

ATTEST:

---

[Secretary/Clerk/Recorder]

[SEAL]

## **ANNEX A**

[Attach Power Sales Contract]

## EXHIBIT IV

## FORM OF BRING DOWN CERTIFICATE OF THE PARTICIPANT

STATE OF \_\_\_\_\_ )  
 )  
COUNTY OF «COUNTY» )

The undersigned hereby certify that they are the [Executive Officer] and [Clerk/Recorder/Secretary] of \_\_\_\_\_ (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 Power County Power Project Revenue Bonds, \_\_\_\_\_ Series \_\_\_\_\_ (the "Bonds"), as more fully described in the Official Statement of UAMPS dated \_\_\_\_\_ (the "Official Statement") prepared in connection with the offering and sale of the Bonds.

2. Pursuant to Section 31(f) of the Power County Power Project Power Sales Contract, dated as of December 1, 2024, between the Participant and UAMPS, in connection with the execution and delivery of the Power County Power Project, the undersigned executed and delivered a certificate dated \_\_\_\_\_ (the "*Original Certificate*"). The undersigned hereby reaffirm the statements made in the Original Certificate on and as of the date hereof. Capitalized terms used and not otherwise defined herein have the meanings assigned to them in the Original Certificate.

[3. The undersigned have reviewed the statements and information relating to the Participant and its electric system contained in APPENDIX    to the Preliminary Official Statement and the Official Statement under the caption, "THE 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, (a) were and are true and correct in all material respects and fairly and accurately present the financial and operating position of the System for the periods and as of the dates presented and (b) did not and do not omit to state a material fact necessary in order to make such statements not misleading. Since the dates of the Preliminary Official Statement and the Official Statement, there has been no change in the business, financial position, results of operations or condition of the Participant or the System that would (x) materially affect the accuracy and completeness of such statements and information or (y) materially and adversely affect the ability of the Participant to meet its obligations under the Power Sales Contract.]

Dated this \_\_\_\_\_ day of \_\_\_\_\_.

[PARTICIPANT]

By \_\_\_\_\_  
Its \_\_\_\_\_

[SEAL]

## EXHIBIT V

### FORM OF OPINION OF COUNSEL TO THE PARTICIPANT

---

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

Ladies and Gentlemen:

I have acted as counsel to \_\_\_\_\_ (the “*Participant*”) in connection with the Power County Power Project Power Sales Contract, dated as of December 1, 2024 (the “*Power Sales Contract*”), between the Participant and Utah Associated Municipal Power Systems (“*UAMPS*”). I have been advised that, pursuant to the Power Sales Contract, UAMPS has undertaken the Project and has sold all of the Electric Energy from the Project to the Participant and others that have executed Power Sales Contracts with UAMPS.

This opinion is being delivered to you pursuant to Section 31(f) of the Power Sales Contract in connection with the execution and delivery of the Power Sales Contract. Capitalized terms used and not defined herein have the meanings assigned to such terms in the Power Sales Contract.

As counsel to the Participant, I have examined (i) those documents relating to the existence, organization and operation of the Participant and its electric utility system (the “*System*”), (ii) all resolutions and proceedings of the Participant relating to the due authorization, execution and delivery by the Participant of the Power Sales Contract, (iii) an executed counterpart of the Power Sales Contract, and (iv) such other documents, information, facts and matters of law as are necessary for me to render the opinions contained herein.

Based upon the foregoing, I am of the opinion that:

1. The Participant is a \_\_\_\_\_ duly organized and validly existing under the laws State of \_\_\_\_\_ (the “*State*”) and is qualified to own, operate and furnish electric service through the System.

2. The Participant has full legal right, power and authority to enter into the Power Sales Contract and to carry out and consummate all of the transactions contemplated thereby, and the Participant has complied with the provisions of applicable law which would be a condition precedent to entering into the Power Sales Contract or carrying out and consummating such transactions.

3. Each of the Power Sales Contract, the Joint Action Agreement and the Pooling Agreement has been duly authorized, executed and delivered by the Participant and constitutes the legal, valid and binding obligation of the Participant and is enforceable under the present law of the State in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally or usual equity principles in the event equitable remedies should be sought.

4. Pursuant to the Power Sales Contract, the Participant's obligation to make payments to UAMPS under the Power Sales Contract is a special obligation payable solely from the revenues and other available income of the System initially as a cost of the development of a new power supply resource and from and after the commercial operation of the Project as a cost of purchased electric energy, in each case as an operating expense of the System. The application of the revenues and other available funds of the System to make such payments is not subject to any prior lien, encumbrance or restriction.

5. The Participant has obtained all Required Approvals.

6. There is no pending or, to my knowledge, threatened, action or proceeding affecting the Participant (nor to my knowledge is there any basis therefor), which (a) purports to affect the authorization, legality, validity or enforceability of the Power Sales Contract, the Joint Action Agreement or the Pooling Agreement or (b) involves the possibility of any judgment or liability, not fully covered by insurance, which may result in any material adverse change in the business, affairs, properties or assets, or in the condition, financial or otherwise, of the System.

7. The execution, delivery and performance by the Participant of the Power Sales Contract will not conflict with or constitute a breach of or default under any agreement, indenture, bond, note, resolution or other instrument to which the Participant is a party or by which it or the properties of the System is bound or affected, or any applicable law, ruling, regulation, ordinance, judgment, order or decree to which the Participant (or any of its officers in their respective capacities as such) or its properties is subject.

8. No event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a material default or event of default under any agreement, indenture, bond, note, resolution or other instrument to which the Participant is a party or by which it or the properties of the System is bound or affected, which breach or default would have a material adverse impact on UAMPS' ownership or operation of the Project or the ability of the Participant to fully perform its obligations under the Power Sales Contract.

9. The Participant has lawful authority to fix and collect rates, fees and charges for the services provided by the System. Such rates, fees and charges for utility services provided to customers located within the corporate boundaries of the Participant are not subject to regulation by any authority of the State or the United States and have been duly and validly adopted by the Participant and are in full force and effect.

10. The Participant has lawful authority to own the System and, to my knowledge, the Participant (a) has good and merchantable title to the properties comprising the System and (b) holds all permits, licenses and approvals necessary for the operation of the System.

I hereby authorize Chapman and Cutler LLP, as bond counsel, to rely on this opinion as though addressed to it.

Respectfully submitted,

## EXHIBIT VI

### FORM OF BRING-DOWN OPINION OF COUNSEL TO THE PARTICIPANT

---

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

Ladies and Gentlemen:

I have acted as counsel to \_\_\_\_\_ (the “*Participant*”) in connection with the Power County Power Project Power Sales Contract dated as of December 1, 2024 (the “*Power Sales Contract*”) between the Participant and Utah Associated Municipal Power Systems (“*UAMPS*”). I have been advised that UAMPS has made arrangements for the issuance and sale on the date hereof of its Power County Power Project Revenue Bonds, \_\_\_\_\_ Series \_\_\_\_\_ (the “*Bonds*”).

Pursuant to Section 31(f) of the Power Sales Contract in connection with the execution and delivery of the Power County Power Project, I rendered to UAMPS an approving legal opinion, dated \_\_\_\_\_ (the “*Prior Opinion*”), with respect to the Participant. In connection with the issuance and sale by UAMPS of the Bonds, I hereby reaffirm the Prior Opinion, as though it was dated the date hereof, in the form it was so rendered on \_\_\_\_\_.

[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 (together with any supplements or amendments thereto as of the date hereof, the “*Preliminary Official Statement*”) and the Official Statement (together with any supplements or amendments thereto as of the date hereof, 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 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, “APPROVAL OF LEGAL PROCEEDINGS,” in the Official Statement. I hereby further authorize [Bond Counsel] and [other reliance parties] to rely on the Prior Opinion and on this opinion in each case as though addressed to them.

Respectfully submitted,

**EXECUTIVE SUMMARY**  
**UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS**  
**POWER COUNTY POWER PROJECT**

October 24, 2024

**INTRODUCTION AND OVERVIEW**

**INTRODUCTION**

This Executive Summary provides an overview of UAMPS' proposed Power County Power Project, summarizes the provisions of the Power Sales Contracts and outlines the Project Agreements. The Power County Power Project is referred to in this Executive Summary as the "*Baseload Project*." The information contained in this Executive Summary has been prepared for the use of prospective Participants in connection with their decision to participate in the Baseload Project by entering into a Power Sales Contract with UAMPS.

This Executive Summary has six parts:

- Part 1: Definitions,
- Part 2: Preliminary Baseload Project description,
- Part 3: Estimated cost of construction; Budget and Plan of Finance,
- Part 4: Interconnection and Transmission,
- Part 5: Summary of the Power Sales Contracts, and
- Part 6: Outlines of the Project Agreements.

The descriptions and summaries contained in this Executive Summary are preliminary, broad and general, and are subject to change as the Project Agreements and the Budget and Plan of Finance for the Baseload Project are developed and finalized under the supervision of the Baseload Project Management Committee. If you have any questions or require any additional information, please contact Jackie Coombs, UAMPS' Managing Director of Corporate and Member Services, at 801-214-6402 or by e-mail to [jackie@uamps.com](mailto:jackie@uamps.com).

## PART 1. DEFINITIONS

As used in this Executive Summary:

*Baseload Project*: the Power County Power Project.

*Contractor*: the contractor under the EPC Contract.

*EPC Contract*: the Engineering, Procurement and Construction Contract to be entered into by UAMPS and the Contractor with respect to the Baseload Project.

*Entitlement Share*: each Participant's percentage entitlement to the capability of the Baseload Project.

*Interconnection Agreement*: the agreement providing for the interconnection of the Baseload Project with the transmission facilities of PacifiCorp.

*Joint Ownership Agreement* means the agreement between UAMPS and UMPA with respect to their joint ownership of the Baseload Project.

*Operating Agreement*: the agreement, if any, providing for the operation and maintenance of all or any portion of the Baseload Project.

*Participants*: the power purchasers under the Power Sales Contracts.

*Power Sales Contracts*: the Power County Power Project Power Sales Contracts between UAMPS and the Participants.

*Project Agreements*: the Joint Ownership Agreement, the EPC Contract, major equipment agreements, the Operating Agreement, the Interconnection Agreement and the Transmission Agreement.

*Project Management Committee*: the committee established under the Power Sales Contracts, consisting of one representative appointed by each of the Participants.

*Transmission Agreements*: the Amended and Restated Transmission Service and Operating Agreement between UAMPS and PacifiCorp, and each other transmission contract, agreement or tariff entered into by UAMPS or the Participant that is used or necessary for the delivery of power and energy from the Point of Delivery to the Participant's System Point of Receipt, whether by direct transmission, displacement, exchange or otherwise.

*UMPA*: Utah Municipal Power Agency.

*Williams Northwest Pipeline*: an interstate natural gas pipeline running from the four corners region of New Mexico to the Pacific Northwest. The system stretches nearly 4000 miles to the Canadian border. This pipeline will be the source of natural gas for the Baseload Project via a pipeline connection with the plant.

Capitalized terms not defined above have the meanings assigned to them in the Power Sales Contracts.

## PART 2. THE BASELOAD PROJECT

*The following is a summary description of the Baseload Project. This description is subject to change as the Baseload Project is developed and based upon the terms of Permits and Approvals, the EPC Contract and the other Project Agreements. The initial Baseload Project description will be approved by the Project Management Committee upon the Effective Date of the Power Sales Contracts and the final Baseload Project description will be approved by the Project Management Committee after the Baseload Project achieves commercial operation.*

### PROJECT DESCRIPTION

The Baseload Project consists of the planning, design, construction and installation of a 364,000 kW natural gas-fired combined cycle generating facility in Power County, Idaho. The principal components of the Baseload Project include:

1. Preliminary planning and design of the facility with a third-party Owner's Engineer, including site studies, long-lead time ordering of equipment and estimation of project costs.
2. Preliminary site work and preparation, including clearing, fencing, grading and concrete foundations work, as well as final site work upon completion of the Baseload Project.
3. A Baseload Generation System consisting of:
  - a. A single combustion turbine (CT) as the prime mover driving (directly-connected to) an electrical generator,
  - b. A heat recovery steam generator (HRSG) system with duct fired burners that recover heat to drive a steam generator to produce electricity,
  - c. All ancillary equipment associated with the prime mover equipment: fuel system, lubricant system, coolant systems, exhaust silencer, etc.,
  - d. Air emission control equipment: Selective Catalytic Reduction (SCR) equipment,
  - e. Major electrical systems: switchgear, disconnects and generator step-up transformers, and
  - f. All balance-of-plant equipment: fire suppression, crane equipment, etc.
4. Electric interconnection facilities including a substation, a step-up transformer, control, metering and communications equipment, and a new transmission line to the Borah substation. See "Transmission and Interconnection" below.
5. A natural gas measurement station and small lateral supplied by Williams Northwest Pipeline.

## ENGINEERING, CONSTRUCTION AND FINANCING

Pursuant to the EPC Contract, it is expected that the Contractor will provide all design, engineering, procurement, construction services necessary for the acquisition and construction of the Baseload Project. If necessary, UAMPS will be responsible for the design and construction work on the remaining components of the Baseload Project.

## PERMITS AND APPROVALS

*Rights-of-Way.* Work performed within the project boundaries (generation, transmission and pipeline) will be a mix of private, state and federal land and will entail a federal nexus for permitting. This is primarily driven by the transmission crossing of the Snake River to gain access to the Borah substation. To obtain a Right-of-Way grant (SF-299) from the Department of the Interior, environmental and cultural studies will need to be performed within the impacted area of the project. As the land under the Snake River is considered state land, an easement with the Idaho Department of Lands will also need to be obtained.

*Air Permits.* The Baseload Project will require an air quality permit under Title V of the Clean Air Act as administered by the Idaho Department of Environmental Quality. The location of the project is outside of state-defined areas of nonattainment for Ozone and PM2.5 and UAMPS expects that these permits will be obtained in due course and will not impact the construction schedule for the Baseload Project.

*Construction and Use Permits.* Construction and operation of the Baseload Project will require building and conditional use permits from Power County, Idaho. UAMPS expects to begin the permitting process upon member subscription and approval and as site-specific design details are determined. The permitting process with Power County is expected to take from three to six months and has been incorporated into project timelines.

*Additional Permits.* In connection with the construction of the project, it is expected that UAMPS will be required to obtain a storm water pollution prevention plan and a storm water discharge permit under the Clean Water Act (Idaho Division of Water Quality) and a wastewater discharge permit and a spill prevention containment control plan (Idaho Division of Water Quality). Additional road permits may be required by Power County and the Idaho Department of Transportation to facilitate the transport of large equipment to construct the project and to encroach on the highway with the transmission line. UAMPS expects that these permits will be obtained in due course and will not impact the construction schedule for the Baseload Project.

## PROJECT CONSTRUCTION SCHEDULE

Various factors will affect the proposed construction schedule and completion date of the Baseload Project. The engineering, procurement and construction of the project is currently estimated to require approximately 30 months after the execution of the EPC Contract. Typical contractual arrangements for an EPC Contract will require UAMPS to make an initial payment to the Contractor upon execution of the EPC Contract to initiate equipment ordering and fabrication. Current challenges for obtaining long-lead items will require that UAMPS will submit a purchase

order deposit for the Generator Step Up Transformer (GSU) once the preliminary engineering is complete. The GSU for the project is the longest lead item in the schedule and may take up to 120+ weeks depending on demand in the market and supply chain constraints. The Project Management Committee will determine when to authorize the execution of the long-lead purchase order and the EPC Contract and execute the initial payment to the Contractor.

An interconnection application for the project has been made to PacifiCorp. However, the current state of electrical transmission service requests within the PacifiCorp system is the most significant unknown that may impact the project schedule. While study agreements for large generator interconnects and transmission service are expected to be submitted in late 2024 or 2025, contingent facilities that may arise as a result of these studies could require an unpredictable number of years to complete. UAMPS will follow the results of these studies and adjust spending and the project execution schedules to ensure that the project can be utilized at the earliest date that transmission services are available. UAMPS will advise the Project Management Committee to determine the timing for purchasing long lead equipment and executing the EPC contract based on results from the transmission service studies.

#### PROJECT CONSULTANTS

UAMPS has retained Burns & McDonnell to assist with the preliminary engineering and to conduct a siting study using transmission and natural gas infrastructure to locate the generation facility and highlighted risks for permitting. Following this work, a technology assessment study was conducted to refine the type and manufacturer of equipment that would meet fuel requirements and generation limits. Finally, a Project Sequencing Plan was developed that utilized a Burns & McDonnell project database to determine high-level costs and develop a high-level project schedule using assumed best-case results from transmission studies.

UAMPS will retain an Owner's Engineer to assist in the writing of the Contractor EPC specifications so that various aspects of the project can be competitively bid. This Owner's Engineer will also help with procuring the long-lead equipment and will provide a specification to the Original Equipment Manufacturer (OEM) that will supply the major equipment (CT engine, generators, cooling fans, etc.) that will entail the bulk of the equipment that needs procurement on the project.

#### OPERATION OF THE BASELOAD PROJECT

UAMPS may perform the general operation and maintenance work on the Baseload Project with its own employees or may contract with a third party for these services. The operations plan for the Baseload Project will be approved by the Project Management Committee.

### **PART 3. COST OF CONSTRUCTION, PLAN OF FINANCE AND COST OF ENERGY**

#### **ESTIMATED COST OF CONSTRUCTION**

Based upon its initial review and analysis of the Baseload Project, UAMPS presently estimates that the total cost of construction of the project will be approximately \$700 million. The project is projected to be below this amount, but uncertainty in the marketplace (transmission, long-lead procurement and constraints in obtaining contractor resources) have resulted in a conservative approach to estimating project costs to cover currently known contingencies. The following table summarizes the estimated costs of construction of the Baseload Project:

<u>COST CATEGORY</u>	<u>ESTIMATED COST</u>
EPC Contract	\$468,000,000
Substation and interconnection	41,000,000
Engineering, permitting and development	28,000,000
Contingency	33,000,000
Financing Costs (interest during construction, fees, etc.)	78,000,000
Owners Costs (insurance, land acquisition, sales taxes, inspection, etc.)	<u>52,000,000</u>
ESTIMATED COSTS OF CONSTRUCTION	\$700,000,000

#### **BUDGET AND PLAN OF FINANCE**

UAMPS is in the process of developing a Budget and Plan of Finance for the Baseload Project. The Budget and Plan of Finance will be approved by the Project Management Committee as provided in the Power Sales Contract. The initial Budget and Plan of Finance will be based on the estimated costs of construction outlined above and will provide for the Development Costs of the Baseload Project to be financed under one or more lines of credit or credit facilities and for the Costs of Acquisition and Construction of the Baseload Project to be financed with the proceeds of Bonds. The intent of the Budget and Plan of Finance is for all Development Costs and the Costs of Acquisition and Construction, including financing and interest charges, to be financed to the Commercial Operation Date of the Baseload Project such that the Participants will not be billed until after they receive energy from the Baseload Project.

If the Baseload Project is terminated by the Project Management Committee at or prior to the end of the Development Period under the Power Sales Contracts, each Participant will be responsible for the repayment of its Development Cost Share of the Development Costs incurred by UAMPS. If Completion of Development of the Baseload Project occurs, each Participant will pay its Entitlement Share of all of the costs of the Baseload Project, including operating expenses, fuel and debt service costs and transmission charges. See the summary of the Power Sales Contracts below for additional information.

## **PART 4. TRANSMISSION OF PROJECT POWER AND ENERGY**

### **INTERCONNECTION**

The Project will interconnect with PacifiCorp's existing Borah Substation utilizing a new 3-mile 345 kV transmission line. UAMPS has submitted an interconnection request for the Baseload Project under PacifiCorp's Open Access Transmission Tariff. An initial scoping study will be performed, and PacifiCorp will prepare a system impact study that will determine the transmission facilities necessary to interconnect the Baseload Project. UAMPS expects that the system impact study will be completed by December of 2026.

The Baseload Project will also interconnect and be supplied by Williams Northwest Pipeline (WNP) transmission pipelines. UAMPS will sign an Interconnection Agreement and pay for facilities with WNP after project is approved and work can be performed within the required project schedule.

### **TRANSMISSION**

UAMPS has a network transmission agreement with PacifiCorp that will provide network service to Participants connected to the PacifiCorp transmission system in Utah. All UAMPS Participants are currently points of delivery on the network transmission agreement.

Transmission service charges for the Baseload Project will be determined under the network transmission agreement.

## PART 5. THE POWER SALES CONTRACTS

*The following provides a summary of the basic terms and provisions of the Power Sales Contracts between UAMPS and its Participants, but does not describe all of the provisions of the Power Sales Contracts. Participants should refer to the text of the Power Sales Contracts for their complete provisions.*

### THE PROJECT

A summary description of the Baseload Project and its components will be approved by the Project Management Committee and attached to the Power Sales Contract as EXHIBIT I.

### SALE OF OUTPUT

UAMPS will sell the Electric Power and Electric Energy from the Baseload Project to the Participants pursuant to the Power Sales Contracts.

### TERM

The Power Sales Contracts will become effective upon the receipt by UAMPS of executed Power Sales Contracts, authorizing resolutions, certificates and legal opinions from Participants that have requested Development Shares (in kW) totaling at least 85% of the expected Project Capability, net of the capacity owned by UMPA pursuant to the Joint Ownership Agreement (the “*Minimum Subscription*”).

Each of the Power Sales Contracts will have a term that extends to the later of (a) the final payment of the Bonds and (b) the date the Baseload Project and any Additional Facilities are permanently removed from service and decommissioned.

### DEVELOPMENT SHARES AND ENTITLEMENT SHARES

In connection with its decision to enter into the Power Sales Contract, each Participant requests a Development Share (in kW) in the expected Project Capability of the Baseload Project. In the event that the requested Development Shares are greater than the Minimum Subscription but less than the expected Project Capability, UAMPS will seek subscription from additional participants under Power Sales Contracts or joint ownership arrangements. If the Baseload Project is not fully subscribed by the time that Completion of Development occurs, UAMPS will downsize the Project Capability to align it with project subscription.

Each Participant’s Development Share is a contractual right to participate in the development of the Baseload Project and in the decision-making over the development of the Baseload Project through the Participant’s Representative on the Project Management Committee. Each Participant’s Development Cost Share (the ratio of a Participant’s Development Share to the Development Shares of all Participants) is a contractual obligation to pay for a corresponding percentage of all of the costs of the ownership, financing and operation of the Baseload Project.

If the Project Management Committee determines that Completion of Development of the Baseload Project has occurred (*i.e.*, development of the Baseload Project is complete and ready to proceed to construction), each Participant's Development Share will automatically convert to an Entitlement Share with the same amount of kW capacity as its Development Share. The Entitlement Share is a contractual right to receive a specific percentage of the Project capability and a contractual obligation to take or pay for a corresponding percentage of all of the costs of the ownership, financing and operation of the Baseload Project.

## FINANCING

UAMPS will use its best efforts to finance the Development Costs and the Costs of Acquisition and Construction of the Baseload Project under lines of credit and the issuance of revenue bonds ("Bonds"). The amount of Bonds issued by UAMPS will be reduced by the amount of any Capital Contributions made by Participants. Additional Bonds may be issued as parity or subordinated obligations to pay future costs of the Baseload Project. Refunding Bonds may be issued by UAMPS to reduce debt service costs or to achieve other objectives.

## SECURITY FOR BONDS

The Bonds will be secured by a pledge of all of the revenues produced by the operation of the Baseload Project, including the amounts paid under the Power Sales Contracts. The Bonds will be special obligations of UAMPS and will have no claim on any of the revenues or assets of UAMPS from its other projects. The Bonds will not be debts or obligations of the Participants.

## CAPITAL CONTRIBUTION OPTION

Prior to UAMPS' issuance of Bonds to finance the Cost of Acquisition and Construction, each Participant has the option (but not an obligation) to make a Capital Contribution to UAMPS. Capital Contributions will be used by UAMPS to pay the Cost of Acquisition and Construction of the Baseload Project, and the amount of Bonds UAMPS issues will be reduced by the amount of Capital Contributions made by the Participants.

UAMPS will provide at least 30 days' written notice to the Participants of their right to elect to make a Capital Contribution and the amount of their Capital Contributions. A Participant's election to make a Capital Contribution must be made by a written resolution adopted by its governing body. Each Participant that has elected to make a Capital Contribution will be required to deposit the payment in a segregated escrow account established under the financing documents for the Bonds.

The Project Management Committee will determine whether to make a capital contribution option available to the Participants in connection with the issuance of Additional Bonds.

## PRICE

The Entitlement Share will be sold at cost. Each Participant will pay its proportionate share (the ratio of its Entitlement Share to the sum of all Entitlement Shares) of all of the costs of the Baseload Project, including:

- amounts payable by UAMPS under the Project Agreements;
- other operation and maintenance expenses of the Baseload Project, including fuel costs and working capital charges;
- Debt Service Costs with respect to Bonds issued to finance the costs of the Baseload Project;
- costs of capital improvements, replacements and additions to the Baseload Project, and reserves for such costs, approved by the Project Management Committee; and
- all other costs incurred in connection with the Baseload Project.

Costs will be allocated proportionately to all Entitlement Shares, except that the allocation of Debt Service Costs on the Bonds will be adjusted to reflect Capital Contributions made by any Participants. Each Participant will pay also pay the Transmission Costs for the transmission of Project output from the Point of Delivery to the Participant's system. The amounts paid by the Participants will be sufficient to enable UAMPS to pay all of the costs of the ownership, operation and financing of the Baseload Project.

## BILLINGS AND PAYMENTS

Billings and payments will be made monthly. All payments will be made on a "take-or-pay" basis (*i.e.*, regardless of whether the Baseload Project is operable, operating, damaged or destroyed in whole or in part) and are not subject to counterclaim, offset or reduction for any reason.

The payment obligations of Participants under the Power Sales Contracts are several and not joint.

## PROJECT MANAGEMENT COMMITTEE

The Project Management Committee will function in the same manner as the project management committees for UAMPS' other projects, and pursuant to the provisions of UAMPS' Joint Action Agreement and Bylaws that govern project management committees. The Project Management Committee will recommend decisions on the Baseload Project to the UAMPS Board of Directors. The Project Management Committee will have complete and comprehensive decision-making authority over the Baseload Project.

Promptly after the Effective Date of the Power Sales Contracts, the Project Management Committee is required to establish a maximum target price for the cost of energy (\$/MWh) from the Project (the “*Target Price*”) and development milestones for determining whether the expected cost of energy from the Project exceeds the Target Price. A determination by the Project Management Committee that the Target Price is exceeded as of any determination date constitutes a determination by the Project Management Committee to terminate the Project.

#### ANNUAL BUDGETS

UAMPS will develop, and the Project Management Committee and the Board of Directors will approve, annual budgets for the Baseload Project that will cover all of the costs of the Baseload Project (see “PRICE” above). The annual budget will be the basis for the monthly billings and payments for the Baseload Project. The annual budget may be revised from time to time as necessary to reflect the actual costs of the Baseload Project.

#### PROJECT OUTPUT

Each Participant will assign the output attributable to its Entitlement Share to the UAMPS Power Pool for operating and scheduling purposes.

Under the Power Sales Contract Project output will be delivered to each Participant at the Point of Delivery (the point of interconnection between the Baseload Project and the transmission grid). Each Participant will be responsible for, and will pay all costs of, the transmission of Project output from the Point of Delivery to the Participant’s System Point of Receipt.

#### CAPITAL REPLACEMENTS, IMPROVEMENTS AND ADDITIONS

The Project Management Committee will have authority to approve capital replacements, improvements and additions to the Baseload Project and to determine whether to expense or capitalize and finance the cost of capital items. In the event that such items are financed by the issuance of Bonds, the Project Management Committee will determine whether to make a capital contribution option available to the Participants.

#### ADDITIONAL FACILITIES

UAMPS may from time to time recommend the acquisition and construction of Additional Facilities to improve or add to the Baseload Project. All Additional Facilities require the approval of the Project Management Committee.

#### DEFAULTS AND REMEDIES; STEP-UP OF NON-DEFAULTING PARTICIPANTS

Upon a default by any Participant, UAMPS is authorized to exercise various remedies in order to ensure that it will have sufficient revenues to meet its obligations as owner of the Baseload Project and to pay the debt service on the Bonds. Among other things, UAMPS is authorized to terminate a defaulting Participant’s Entitlement Share and to make a mandatory reallocation of

such Entitlement Share to the other Participants. No Participant's original Entitlement Share (as adjusted to reflect any voluntary assignments of Entitlement Shares previously accepted by the Participant) may be increased by more than a specified percentage (which is expected to be less than 25%) as a result of all permanent mandatory reallocations of defaulting Participants' Entitlement Shares.

## PART 6. THE PROJECT AGREEMENTS

*The following outlines the purpose and expected terms of the Project Agreements. The Project Agreements have not yet been drafted and will be subject to negotiation. The Project Management Committee's approval is required before execution of any of the Project Agreements.*

### JOINT OWNERSHIP AGREEMENT

The Joint Ownership Agreement will provide the terms and provisions for UMPA's ownership of an undivided percentage interest in the Baseload Project. This interest is expected to be approximately 17.6%, representing approximately 64 MW of the generating capacity of Baseload Project (the "Ownership Percentage").

It is expected that the Joint Ownership will provide that:

- UAMPS will be responsible for all aspects of the development, acquisition, construction and operation of the Baseload Project;
- UAMPS will share information and consult with UMPA regarding the Baseload Project and will not take certain actions without UMPA's consent;
- UMPA will have the right to receive its Ownership Percentage of the power and energy generated by the Baseload Project;
- UMPA will be responsible for the payment of its Ownership Percentage of all Development Costs and Operation and Maintenance Costs of the Baseload Project; and
- UMPA will issue its own bonds to fund its Ownership Percentage of the Costs of Acquisition and Construction of the Baseload Project.

### THE EPC CONTRACT

UAMPS will enter into the EPC Contract with the Contractor to design, engineer, acquire, construct, commission, test and deliver the combined cycle generating facility using a contractual arrangement that emphasizes professional expertise, leverages efficiencies using prior designs and competitively bids at least 80% of the construction phases and materials of the project.

Under the EPC Contractual arrangement, the Contractor will perform generally all necessary and incidental work to bring the combined cycle generating facility to full completion and commercial operation. The work will be completed in accordance with a project schedule with specified milestones and completion dates. The Contractor may be required to pay damages in the event an item is not completed by its guaranteed completion date, and the amount of such damages may be limited.

It is expected that the Contractor will provide certain warranties with respect to the certain components of the generating facility and with respect to the work it performs under the EPC Contract, subject to standard exclusions.

Prior to substantial completion, the Contractor will be required to conduct a range of tests to confirm mechanical completion and the performance of the combined cycle generating facility. The Contractor is required to take remedial actions to correct performance test failures. The EPC Contract will establish various testing protocols and procedures.

It is expected that EPC Contract will require satisfaction of a number of conditions before the Contractor can certify substantial completion of the generating facility, including: (a) the generating facility can be operated in a safe and efficient manner in accordance with its plans and specifications, applicable laws and regulations; (b) the performance tests have been successfully passed and approved by UAMPS and the net deliverable capacity equals or exceeds the guaranteed minimum capacity; (c) the generating facility is capable of delivering electricity to the point of connection with the electrical grid; (d) the generating facility has received all certificates and governmental authorizations to be provided by the Contractor; (e) all quality assurance documentation has been provided to UAMPS in accordance with the quality control and quality assurance plan; (f) the Contractor has provided all training required under the EPC Contract; (g) the Contractor and UAMPS have agreed to a list of punch list items, including estimated costs and schedules completion; and (h) the generating facility has been properly constructed with no defects and all work is mechanically, electrically and structurally sound as set forth in the plans and specifications.

The EPC Contract is expected to include a guaranteed minimum capacity for the combined cycle generating facility at specified design point conditions. The EPC Contractor will be required to take remedial actions or, in certain circumstances, to pay liquidate damages if the generating facility fails to meet the capacity guarantee.

UAMPS will be responsible to pay the Contractor under the contractual arrangement cost, to be set forth in the EPC Contract. The contract price may be adjusted to account for, possibly among other things, scope of work changes from time to time under the EPC Contract. In addition to the contract price, UAMPS may be responsible to pay other costs, such as interest on delayed payments, sales tax reimbursement, costs associated with indemnification and a termination payment in the event the EPC Contract is terminated by UAMPS without cause, as authorized by the EPC Contract.

The contract price will be payable from time to time pursuant to a payment schedule provided in the EPC Contract. A percentage of each payment may be withheld as retainage, as security for the performance of Contractor's obligations under the EPC Contract. The retained amounts will be fully released upon final completion of all work under the EPC Contract by the Contractor.

The EPC Contract will specify events that constitute a default by either party, including, with respect to the Contractor, a material breach by it under the EPC Contract and, with respect to UAMPS, the failure to make payment when due (in each case, subject to specified cure periods).

In the event of a Contractor default, UAMPS may terminate the EPC Contract and take possession and use of various equipment located at the job site for the purpose of completing the remaining work, subject to the terms and conditions provided in the EPC Contract. In the event of a default by UAMPS, the Contractor may suspend service and/or terminate the EPC Contract, in which case the Contractor shall be entitled to a termination payment as specified in the EPC Contract.

#### THE OPERATING AGREEMENT

UAMPS may enter into an Operating Agreement to provide for the general day-to-day operation and management of the Baseload Project until an operations team has been integrated into UAMPS organization. The terms of the Operating Agreement and the identity of the operator will be approved by the Project Management Committee.

#### THE INTERCONNECTION AGREEMENT

The Interconnection Agreement will be the standard form Interconnection Agreement under PacifiCorp's open access transmission tariff.

UAMPS will be responsible to pay for all facilities and equipment needed for the interconnection and its own operating expenses. The Interconnection Agreement will have an initial term of 10 years, and automatically renews for successive one-year terms after the expiration of the initial term.

# Slides for Business

## Items #5 and #6

# Natural Gas Peaking and Base Load Power Sales Contracts

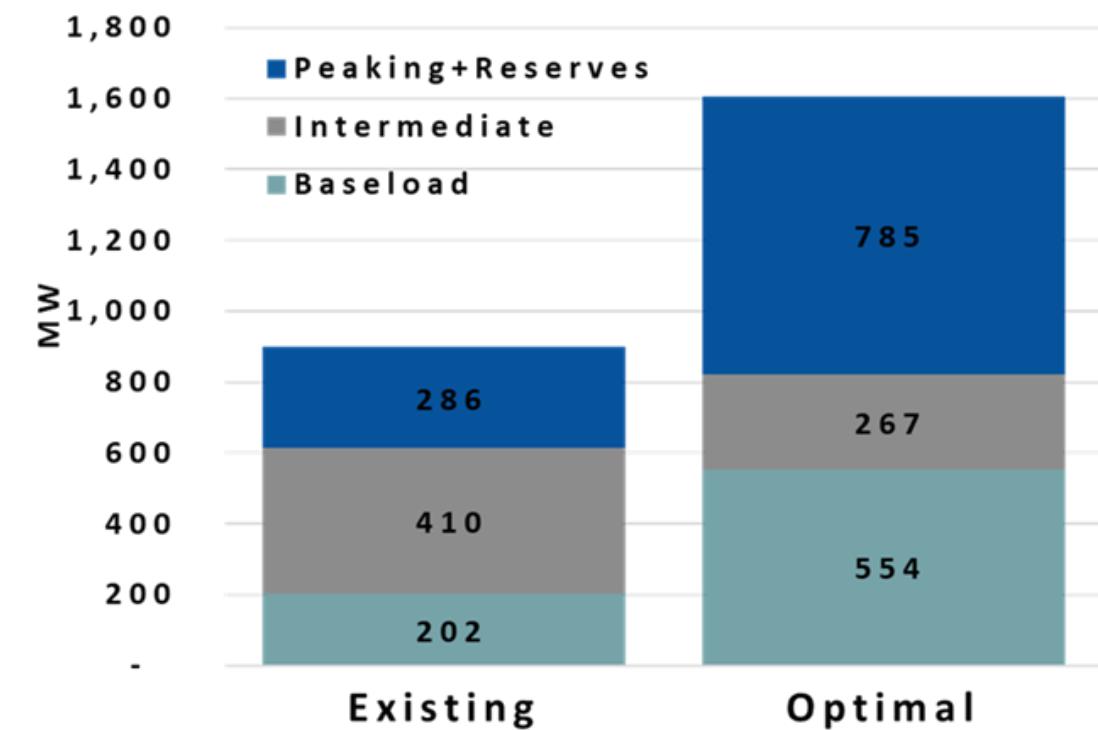
MURRAY CITY COUNCIL MEETING

[Date]



# Alignment with Members Needs

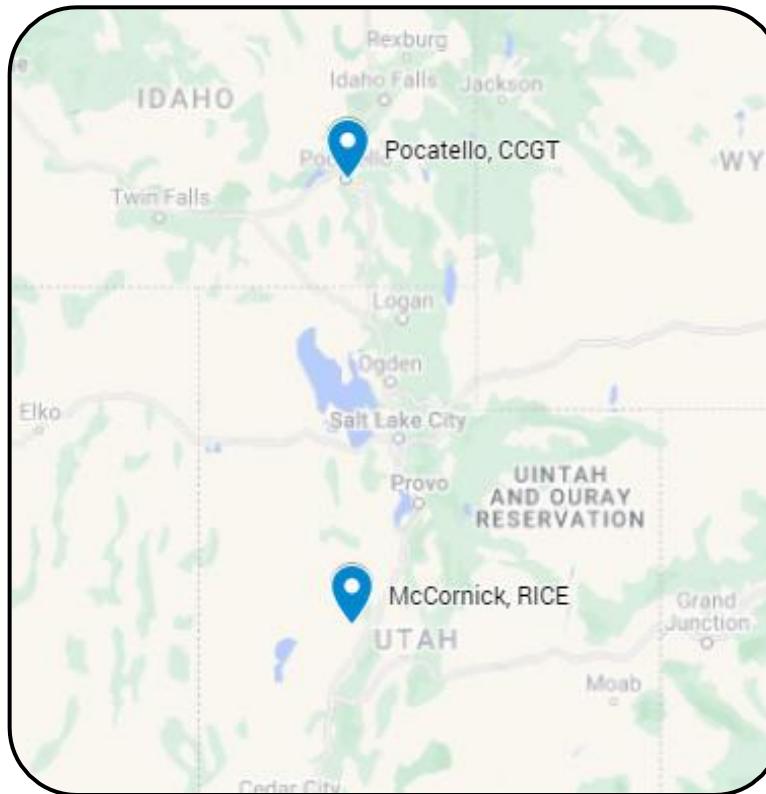
- 2023 Integrated Resource Plan (IRP) identified significant need for both baseload and peaking dispatchable resources
- Natural Gas is cost competitive with other forms of dispatchable power
- IRP also recommended UAMPS project ownership (versus PPA) to hedge against future volatility in the electricity market
- Member 20-year forecasts show need for individual members



# Natural Gas Statistics

**Peaker**  
**Baseload**

	<u>Capacity</u>	<u>COD</u>	<u>Technology</u>
Peaker	200 MW	2029	Gas-Fired Recip Engines
Baseload	360 MW	2031	Combined Cycle



# Peaking Facility

- Located in Millard County
- 200 MW fleet of 10-12 Reciprocating Internal Combustion Units (RICE)
- Able to ramp on and off quickly to meet the members' changing load needs
  - Each engine ramps to full load in 2 to 5 minutes
  - Fast ramp times enable integration of additional clean, less expensive, renewable energy
- Natural gas peaking units compliment members' intermittent resources
- Capable of burning hydrogen mix when available in the future
- Ideally located near natural gas and transmission lines

# Peaking Facility



## TIMELINE & ANTICIPATED DECISION POINTS

### 2026

- Interconnection Scope
- Long Lead Procurements
- Detailed Design

### 2028

- Continued Interconnection Scope
- Continued Long Lead Procurements
- Continued Construction

2025

- Cluster Study
- Preliminary Design
- Permitting

2027

- Continued Interconnection Scope
- Continued Long Lead Procurements
- Construction

2029

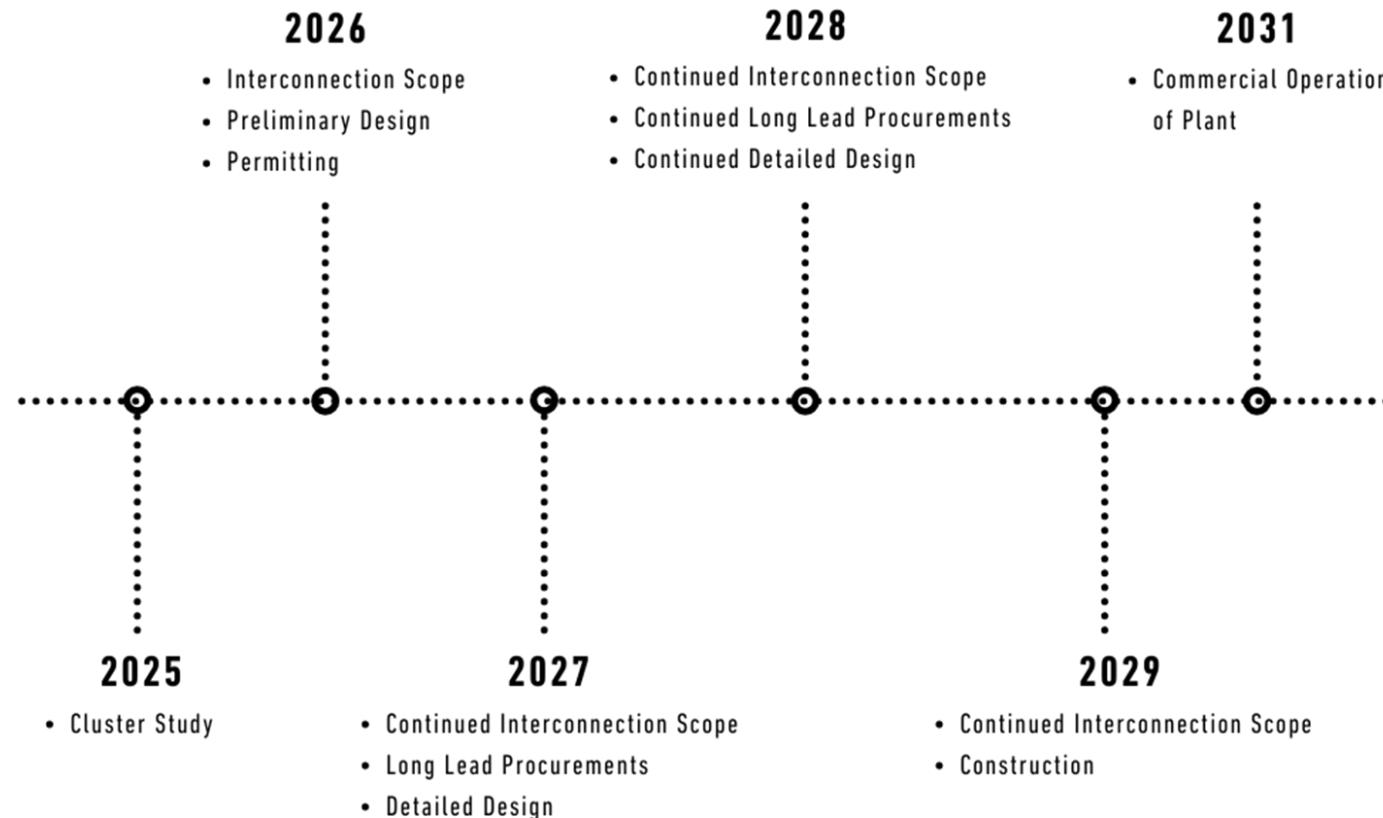
- Commercial Operation of Plant

# Combined Cycle Facility

- Located in Power County, Idaho
- 360 MW 1x1 frame-style combined cycle plant
- Highly efficient system includes a gas turbine and steam turbine, decreasing overall energy cost
- Natural gas baseload generation is critical to support members' reliable generation needs
- Capable of burning hydrogen mix when available in the future
- Ideally located near natural gas and transmission lines

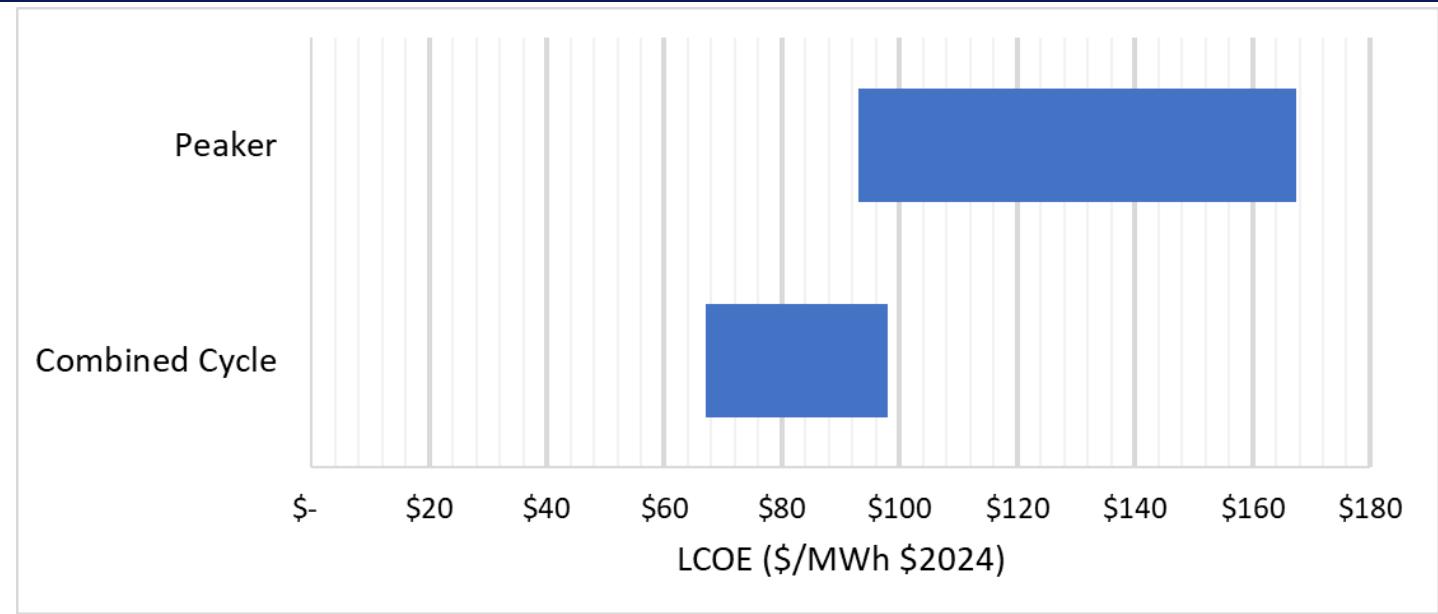
# Combined Cycle Facility

## TIMELINE & ANTICIPATED DECISION POINTS



# Levelized Cost of Energy (LCOE)

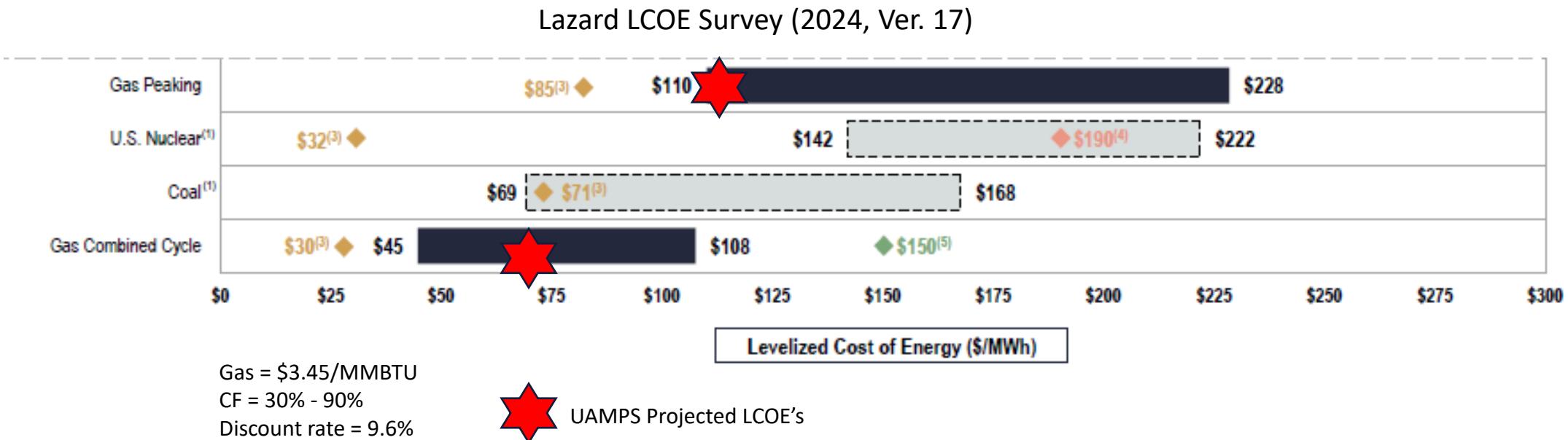
- Peaker LCOE: \$93-\$167 (2024\$)
  - CF 20% = \$167/MWh (2024\$)
  - CF 60% = \$93/MWh (2024\$)
  - **\$112/MWh (2024\$) at 40% CF**
- Baseload LCOE: \$66-\$94 (2024\$)
  - CF 40% = \$94/MWh (2024\$)
  - CF 80% = \$66/MWh (2024\$)
  - **\$69/MWh (2024\$) at 75% CF**
- Values compare well with Lazard data analysis



Gas Price assumed to be based on Rockies  
Combined cycle, duct firing assumed to be 1,000 hrs of annual generation

# Comparable LCOE

Industry-wide estimates provided by Lazard for generic new generation sources show comparable LCOE results as UAMPS estimates (recognizing the assumptions used are not exactly aligned)



# Market Comparison

- Other market opportunities have been investigated
- Best alternative is a long-term agreement to utilize an entity's plant as needed (tolling agreement)
  - Another entity owns and operates the plant
  - UAMPS would purchase the gas and schedule the output
- LCOE Pricing
  - Equivalent usage to the baseload project
    - Between \$160/MWh and \$220/MWh

# Interconnection is Driving Timing

- Missed cluster study window could result in 12+ month delay
- PacifiCorp is conducting a “cluster study” of resources seeking to interconnect to its system
  - Your text here
- Recent reforms to the queue process designed to weed out projects that are not commercially viable include
  - Evidence of site control
  - \$5m deposit for PacifiCorp to conduct the cluster study
  - Withdrawal penalties of 9x study costs
- Deposit and site control required as early as December 2024
- Study will take approximately one year to complete
- Timing of next cluster study unknown—likely January 2026

# Development Next Steps

- Major Milestones on Project
  - Get control of land that meets the criteria
  - Engage an Owners Engineer (OE) to write a specification for equipment/contractor and assist with permitting
- Submit Air Permit for the facility
- Submit County, State Permits
- Procure long lead items (some items have 36 month lead times)
- Once transmission path is transparent, issue a request for proposals for the Engineering, Procurement and Construction

# Power Sales Contract Key Terms

# Natural Gas Power Sales Contracts

- Power Sales Contract contains terms relating to proposed new natural gas projects
- Cradle-to-grave, including: development, acquisition, financing, construction, ownership, operation, and decommissioning
- Contracts must be in place before bonds issue
- Facilitates cost allocation to project Participants
- Provide background about the need for the project and the development work done to date
  - Power County PSC identifies UMPA as potential joint owner

# Natural Gas Power Sales Contracts

- Power Sales Contracts must be in place before financing
  - Language in Power Sales Contracts reviewed by Bond Counsel to ensure adequacy for financing/bonding
- Facilitates cost allocation to project Participants
  - Project costs include all debt service, operating, and other costs incurred by UAMPS for the project
  - Near-term costs include those to obtain transmission, permits, securing land and Class engineering cost estimates
  - Financing instruments will be used to cover near term costs
  - No billings to members until energy is received unless project is terminated

# Natural Gas Power Sales Contract: Key Terms

- Similar to terms in previous power sales contracts, including Nebo, HBW and Veyo
- Effective when subscription of 85% has been reached, Power Sales Contracts authorized, executed and returned to UAMPS
- Project may only be terminated by super majority vote (75% per capita AND entitlement) when obligations have been paid, including any outstanding bonds, and project has been decommissioned
- Individual Participants may only exit the project under terms in Power Sales Contract

# Natural Gas Power Sales Contract: Key Terms

- “Development Period” addresses preliminary stage of project development and allows PMC to determine whether to proceed
- “Construction Period” begins at “Completion of Development,” as determined by the PMC, and ends at Commercial Operation Date
- UAMPS to operate, maintain, and decommission the project
- Participants can use retained earnings from electrical system to make “Capital Contributions” before first long-term bonds issue
- Participant agrees to maintain rates and revenues sufficient to pay its obligations under the Power Sales Contracts
- Participant’s payment obligation is not contingent on energy delivery
- Default of one Participant provides for reallocation of Entitlement Share among non-defaulting Participants on a pro rata basis
  - Non-defaulting Participant Entitlement Share may only increase by up to 25%

# Effective Date, Term, Termination

- Effective upon execution by UAMPS and Participant and after project reaches 85% subscription
  - Participant cannot execute until it receives governing body approvals
  - Authorizing Resolution, Bring Down Certificate, and Opinion of Counsel must be delivered at the same time
- Remains in effect until PMC terminates by supermajority vote
  - Can't terminate without ensuring bonds will be paid
  - UAMPS required to use Commercially Reasonable Efforts to disposition project assets and distribute proceeds to members

# Project Management Committee

- Project Management Committee (PMC) provides primary oversight and decision making
- Delegates “full and complete authority” to Participant’s Representative (defined as the Participant’s representative to UAMPS under JAA) to act on all matters that come before the PMC
- UAMPS Board acts only on recommendation of PMC
- UAMPS Joint Action Agreement and Bylaws govern voting rights
- Same set up as other UAMPS projects

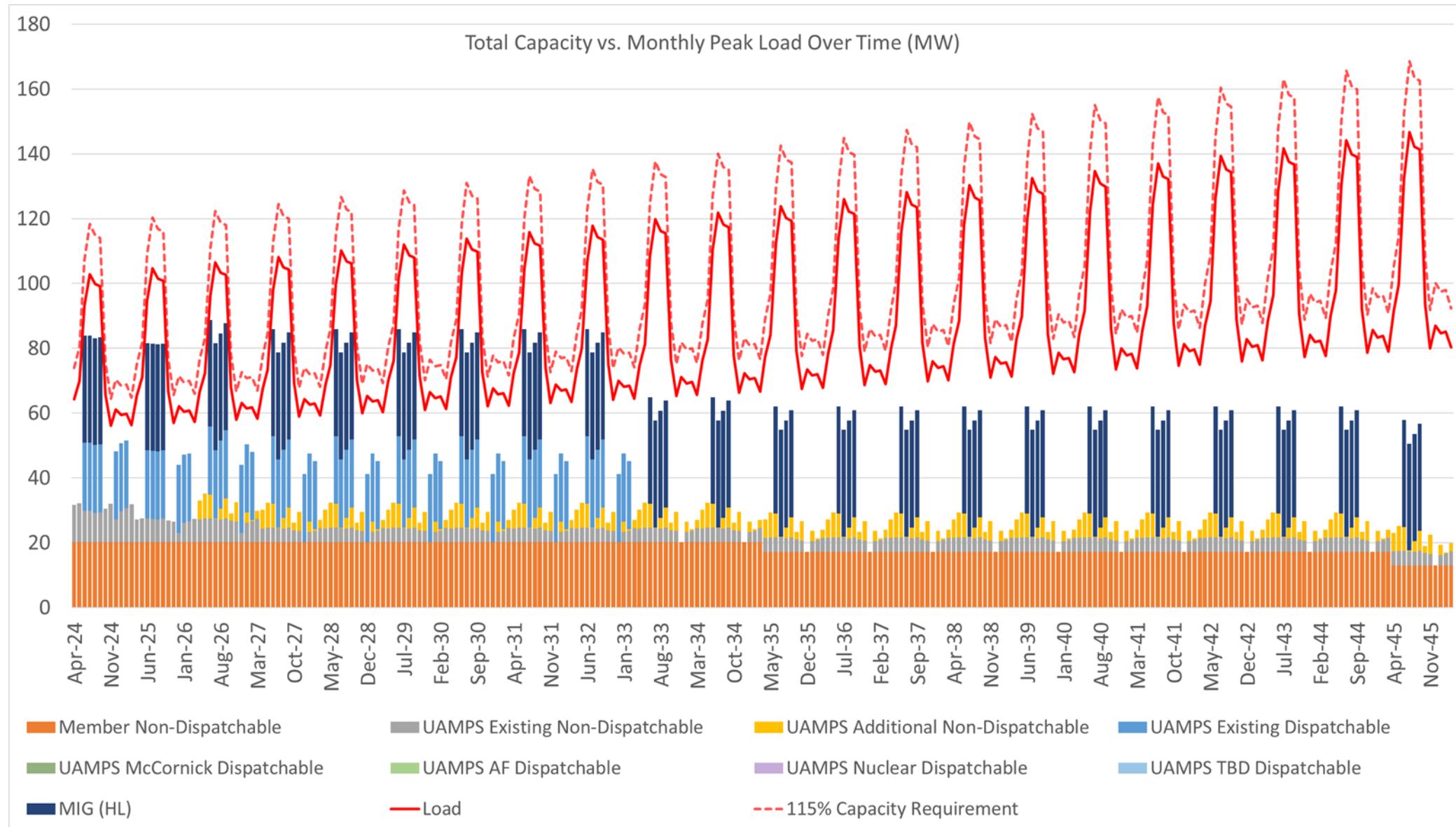
# Project Management Committee Determination

- PMC will determine whether the project will proceed past certain pre-determined development milestones
  - Power Sales Contract effective upon 85%
    - UAMPS will solicit additional participation during Development Period
    - If additional subscription is not achieved, UAMPS will downsize the project
  - Target Price for the maximum cost of energy will be established
    - Create off ramps called “determination dates” for when the maximum cost of energy will be evaluated
    - Determine that Target Price has been exceeded = termination of the project

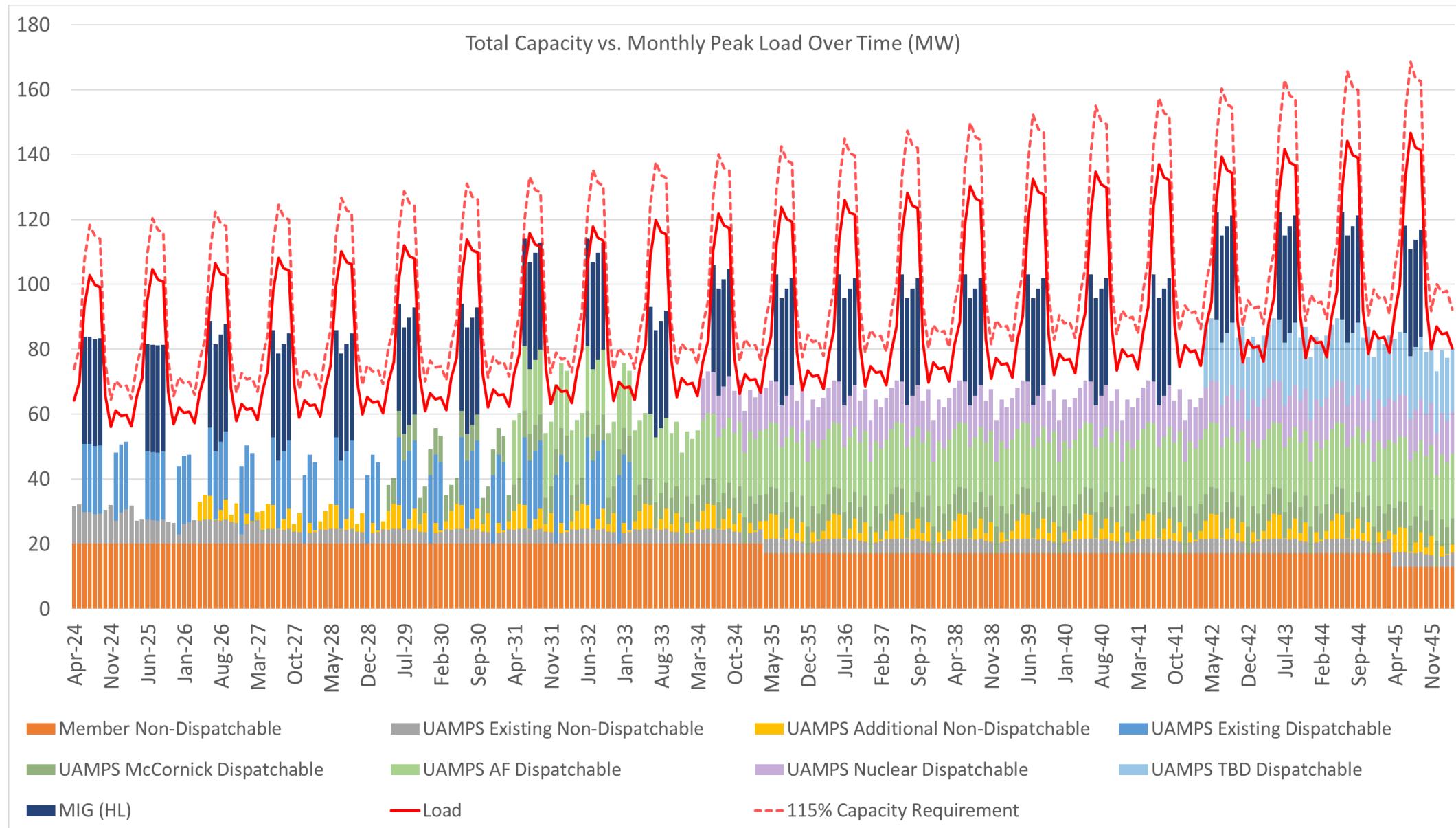
# Subscription Recommendation

- 11.83 MW subscription for **Millard County Peaker**
- 21.00 MW subscription for **Power County Base Load**

# Capacity without Additional Dispatchable



# Capacity with Additional Dispatchable



# Key Methodology – Detailed Assumptions

- Base Year = 2024
- Load is based on 2024 forecast provided by Kelton
  - Load Growth = 1.7%, annual, exponential
- Existing non-dispatchable and/or renewable generation in 2024 forecast is assumed to be constant each year until that resource is retired
- Hunter (if applicable) is assumed to only be available for 7 winter and summer months (consistent with 2024 operating approach)
- Nebo (if applicable) is assumed to operate “perfectly.” If there is any need/load beyond what the non-dispatchable resources + Hunter can provide, the model assumes Nebo will be on, running at least at its min capacity, up to its max capacity
- MIGs also operate “perfectly.” If there is any need/load beyond what Nebo and/or other dispatchable resources can provide, the model assumes any available MIGs will be generating up to the currently available MIG capacity (which varies depending on HL and LL hours)
  - i.e., MIGs run only if all other resources (including new resources in future years) cannot meet load

# Additional Assumptions

- IPP (if applicable) is not credited
- Hunter (if applicable) is assumed to be online through 2032
- Nebo (if applicable) is assumed be online through 2044
- New non-dispatchable/renewable resources considered:
  - HB1 software upgrade (if applicable)
  - Fremont solar
- New dispatchable resources considered:
  - Millard County Peaker
  - Power County Base Load
  - New Nuclear (**included in capacity graph only – not energy graph**)
  - TBD Dispatchable (**included in capacity graph only – not energy graph**)

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# QUESTIONS

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**MURRAY**  
CITY COUNCIL

# Business Item #6



**MURRAY**

# Power Department

## Natural Gas Power Sales Contracts

### Council Action Request

#### Council Meeting

Meeting Date: December 3, 2024

<b>Department Director</b> Greg Bellon	<b>Purpose of Proposal</b> Millard County Power Project Power Sales Contract
<b>Phone #</b> 801-264-2730	<b>Action Requested</b> Approve the resolution.
<b>Presenters</b> Greg Bellon	<b>Attachments</b>
<b>Required Time for Presentation</b> 20 minutes	<b>Budget Impact</b>
<b>Is This Time Sensitive</b> No	<b>Description of this Item</b>
<b>Mayor's Approval</b>	
<b>Date</b> November 18, 2024	

**RESOLUTION No. \_\_\_\_\_**

**A RESOLUTION AUTHORIZING AND APPROVING THE MILLARD COUNTY POWER PROJECT POWER SALES CONTRACT WITH UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS; AND RELATED MATTERS.**

\*\*\*\*\*      \*\*\*\*\*      \*\*\*\*\*

WHEREAS, Murray City, Utah (the “*Participant*”) is a member of Utah Associated Municipal Power Systems (“*UAMPS*”) pursuant to the provisions of the Utah Associated Municipal Power Systems Amended and Restated Agreement for Joint and Cooperative Action, as amended (the “*Joint Action Agreement*”);

WHEREAS, one of the purposes of *UAMPS* under the *Joint Action Agreement* is the acquisition and construction of electric generating, transmission and related facilities in order to secure reliable, economic sources of electric power and energy for its members;

WHEREAS, *UAMPS* proposes to acquire and construct a natural gas-fired electric generating facility consisting of multiple reciprocating internal combustion engines to be known as the “*Millard County Power Project*” (the “*Project*”) to be located at a site in Millard County, Utah, and to sell the capacity and output of the *Project* pursuant to the *Millard County Power Project Power Sales Contracts* (the “*Power Sales Contracts*”) between *UAMPS* and the *Participants* (capitalized terms used and not defined herein have the meanings assigned to them in the *Power Sales Contracts*);

WHEREAS, the Governing Body has reviewed (or caused to be reviewed on its behalf) certain descriptions and summaries of the *Project* and the *Power Sales Contracts*, and representatives of the *Participant* have participated in discussions and conferences with *UAMPS* and others regarding the *Project* and have received from *UAMPS* all requested information and materials necessary for the decision of the Governing Body to authorize and approve the *Power Sales Contract*;

WHEREAS, the *Participant* acknowledges that the obligation of the *Participant* to make the payments provided for in the *Power Sales Contract* will be a special obligation of the *Participant* and an operating expense of the *Participant*’s electric system, payable from the revenues and other available funds of the electric system, and that the *Participant* shall be unconditionally obligated to make the payments required under the *Power Sales Contract* whether or not the *Project* or any portion thereof is acquired, constructed, completed, operable or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of the output thereof for any reason whatsoever; and

WHEREAS, the Governing Body has reviewed (or caused to be reviewed on its behalf) its current and projected needs for electric power and energy and information with respect to the *Project* prepared by *UAMPS* setting forth, among other things, preliminary estimates of the

Development Costs, the Cost of Acquisition and Construction, the estimated timeline for the development and construction of the Project and related matters, and now desires to authorize and approve the Power Sales Contract;

NOW, THEREFORE, BE IT RESOLVED by the Governing Body of Murray City, Utah, as follows:

*Section 1. Approval of Power Sales Contract; Development Share.* (a) The Power Sales Contract, in substantially the form attached hereto as *Annex A*, is hereby authorized and approved, and the Mayor is hereby authorized, empowered and directed to execute and deliver the Power Sales Contract on behalf of the Participant, and the City Recorder is hereby authorized, empowered and directed to attest and countersign such execution and to affix the corporate seal of the Participant to the Power Sales Contract, with such changes to the Power Sales Contract from the form attached hereto as *Annex A* as shall be necessary to conform to the Participant's legal status, to complete the form of the Power Sales Contract or to correct any minor irregularities or ambiguities therein and as are approved by the Mayor, his execution thereof to constitute conclusive evidence of such approval.

(b) A Development Share representing \_\_\_\_\_ kW of capacity in the Project is hereby authorized and approved. The Participant acknowledges that (i) its Development Share may be increased to provide for a full allocation of the Project Output and (ii) by virtue of its Development Share, the Participant will have an Entitlement Share with the same amount of Electric Power as its Development Share from and after the Completion of Development through the remaining term of the Power Sales Contract, all as provided in the Power Sales Contract.

*Section 2. Participant's Representative.* (a) The appointment of Greg Bellon as the Participant's Representative to UAMPS and Matt Youngs as alternate Representatives is hereby confirmed.

(b) Such Representative (or, in his or her absence, such alternate(s)) is hereby delegated full authority to (i) approve any appendix to the Pooling Agreement between UAMPS and the Participant that may be necessary or desirable in connection with the utilization of the Participant's Entitlement Share, and (ii) act on all matters that may come before the Project Management Committee established by the Power Sales Contract, and shall be responsible for reporting regularly to the Governing Body regarding the activities of the Project Management Committee.

*Section 3. Compliance with Tax Covenants.* The Participant agrees in the Power Sales Contract that it will apply all of the electric power and energy acquired under the Power Sales Contract to a Qualified Use and that it will not take or omit to take any action which could adversely affect the Tax Status of any Bond or Bonds theretofore issued or thereafter issuable by UAMPS. In furtherance of that agreement, the Governing Body of the Participant hereby agrees that it will observe and comply with such instructions as may be provided from time to time by UAMPS with respect to the Qualified Use of the electric power and energy acquired under the Power Sales Contract.

*Section 4. Further Authority.* (a) The Mayor and the City Recorder are hereby authorized, empowered and directed to (i) execute the Certificate of the Participant in substantially the form attached as EXHIBIT III to the Power Sales Contract and to deliver the same to UAMPS, and (ii) from time thereafter and upon the request of UAMPS, execute the Bring-Down Certificate of the Participant in substantially the form attached as *Exhibit IV* to the Power Sales Contract and to deliver the same to UAMPS.

(b) The Participant's legal counsel is hereby authorized, empowered and directed to (i) execute the Opinion of Counsel to the Participant in substantially the form attached as EXHIBIT V to the Power Sales Contract and to deliver the same to UAMPS, and (ii) from time thereafter and upon the request of UAMPS, execute the Bring-Down Opinion of Counsel to the Participant in substantially the form attached as EXHIBIT VI to the Power Sales Contract and to deliver the same to UAMPS.

*Section 5. Miscellaneous; Effective Date.* (a) This resolution shall be and remain irrepealable until the expiration or termination of the Power Sales Contract in accordance with its terms.

(b) All previous acts and resolutions in conflict with this resolution or any part hereof are hereby repealed to the extent of such conflict.

(c) In case any provision in this resolution shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(d) This resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED on \_\_\_\_\_, 2024.

MURRAY CITY

By \_\_\_\_\_  
Mayor

ATTEST:

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City Recorder

[SEAL]

**MILLARD COUNTY POWER PROJECT  
POWER SALES CONTRACT**

BETWEEN

UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS

AND

**MURRAY CITY, UTAH**

DATED AS OF DECEMBER 1, 2024

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SCHEDULE D	Schedule of Participants, Development Shares and Development Cost Shares
SCHEDULE I	Schedule of Participants, Entitlement Shares, Prepayment Percentages, Debt Service Percentages and Debt Service Shares
EXHIBIT I	Description of Initial Facilities
EXHIBIT II	Form of Participant's Annual Information Report
EXHIBIT III	Form of Participant's Certificate
EXHIBIT IV	Form of Participant's Bring-Down Certificate
EXHIBIT V	Form of Opinion of Counsel to the Participant
EXHIBIT VI	Form of Bring-Down Opinion of Counsel to the Participant

**MILLARD COUNTY POWER PROJECT  
POWER SALES CONTRACT**

This POWER SALES CONTRACT made and entered into as of December 1, 2024, is by and between UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS, a political subdivision of the State of Utah (“UAMPS”) and MURRAY CITY, a political subdivision of the State of Utah (the “Participant”).

**R E C I T A L S\***

WHEREAS, UAMPS was organized by the Members under the Act and the Joint Action Agreement as a separate legal entity to accomplish the Members’ joint and cooperative action, including securing power supply resources for the Members’ present and future needs;

WHEREAS, UAMPS is organized as an energy services interlocal entity under the Act with the power, among other things, to (i) acquire supplies of electric power and energy by the acquisition or construction of electric generation and transmission facilities or by contracting for the purchase of electric power and energy and (ii) enter into contracts for the sale of the output, services and other benefits provided by such facilities or contracts to public agencies and others inside or outside the State of Utah;

WHEREAS, the Participant is authorized by applicable law to develop, acquire, construct, own and operate electric generating, transmission and related facilities and ownership interests therein and has entered into the Joint Action Agreement to provide for the joint exercise of such powers through UAMPS;

WHEREAS, UAMPS has adopted an integrated resource plan that identifies the need for an additional peaking generating resource to serve the electricity supply requirements of its Members, and has conducted studies to determine the optimal facilities, equipment and location for the additional generating resource;

WHEREAS, in order to develop a long-term source of reliable, cost-effective electricity for the benefit of those Members that elect to participate in the Project (the “Participants,” as defined herein), UAMPS has through its Resource Project examined and is continuing to examine the feasibility of the development, construction and operation of a natural gas-fired electric generating facility consisting of multiple reciprocating internal combustion engines to be located in Millard County, Utah (the “Project”);

WHEREAS, pursuant to the Power Sales Contracts, UAMPS will continue with the development of the Project and, if the Project Management Committee determines the Project to be feasible, will proceed with the acquisition, construction and operation of the Project and will sell Electric Energy from the Project to the Participants;

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\* Capitalized terms used and not defined in the Recitals have the meanings assigned to them in Section 1.

WHEREAS, in order to finance the Development Costs and the Cost of Acquisition and Construction of the Project, UAMPS will enter into the Financing Documents and may issue revenue bonds, notes or other obligations payable from a pledge of the payments to be made by the Participants under the Power Sales Contracts and any other revenues received by UAMPS in connection with the Project;

WHEREAS, prior to its authorization of the execution, delivery and performance by the Participant of this Power Sales Contract, the governing body of the Participant has reviewed (or caused a review to be made of) various descriptions and summaries of the Project, the Project Agreements and this Power Sales Contract, and the Participant's current and reasonably anticipated future requirements for Electric Power and Electric Energy, and the governing body of the Participant has determined that it is necessary and desirable for the Participant to enter into this Power Sales Contract in order to obtain a long-term, cost-based supply of Electric Energy by the acquisition of an Entitlement Share pursuant to the terms and conditions of this Power Sales Contract;

WHEREAS, UAMPS will cause the Project to be operated in accordance with Good Utility Practice and will schedule the Project Output in accordance with the Operating and Scheduling Procedures, all for the joint and ratable benefit of the Participants; and

WHEREAS, UAMPS and the Participant are duly authorized under applicable provisions of law, to execute, deliver and perform this Power Sales Contract and their respective governing bodies and any regulatory agencies having jurisdiction have taken all necessary actions and given all necessary approvals in order to constitute this Power Sales Contract as the legal, valid and binding obligation of the parties.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained, it is agreed by and between the parties to this Power Sales Contract as follows:

*Section 1. Definitions and Rules of Construction.* (a). As used in this Power Sales Contract and in the Recitals set out above:

“*Act*” means the Interlocal Cooperation Act, Title 11, Chapter 13, Utah Code Annotated 1953, as amended, and other applicable provisions of law.

“*Additional Bonds*” means additional Bonds from time to time issued by UAMPS pursuant to the Financing Documents and in accordance with Section 18.

“*Additional Facilities*” means capital additions, betterments and replacements and other capital items directly and functionally related to the Project, including electric transmission, fuel transportation, storage, fuel storage and related facilities, additional electric generating and related facilities located at the Project site, long-term supplies of natural gas or other fuel for the use of the Project and any other facilities, improvements and properties designated by the Project Management Committee as Additional Facilities under the Power Sales Contracts.

*“Annual Budget”* means the budget adopted by UAMPS for each Contract Year pursuant to the provisions of Section 24.

*“Authorized Officer of UAMPS”* means the Chairman of the Board of Directors, the Vice Chairman of the Board, the Secretary, the Treasurer and the Chief Executive Officer of UAMPS and any other officer or employee authorized or having delegated authority to perform specific acts or duties under the Power Sales Contracts by resolution duly adopted by the Board.

*“Billing Period”* means such period of time as shall be established from time to time by UAMPS for the preparation, calculation and billing of the amounts payable by the Participant hereunder.

*“Board”* means the Board of Directors of UAMPS or such other governing body of UAMPS as may be established from time to time pursuant to the Joint Action Agreement and the Act.

*“Bond Counsel”* means a firm of attorneys of recognized standing in matters relating to the tax status of municipal bonds, experienced in matters relating to public power systems and selected by UAMPS.

*“Bond Fund”* means the funds and accounts created by the Financing Documents for the payment of debt service on Bonds and reserves therefor.

*“Bonds”* means (i) bonds, notes, repayment obligations under loan agreements and lines of credit, and other debt obligations issued or incurred from time to time by UAMPS pursuant to the Financing Documents to finance Development Costs and the Cost of Acquisition and Construction, regardless of whether such bonds, notes and other obligations are senior or subordinated obligations, (ii) Additional Bonds and (iii) Refunding Bonds.

*“Budget and Plan of Finance”* means the comprehensive budget and plan of finance for the Development Costs, the Construction Costs and other items of the Cost of Acquisition and Construction approved from time to time by the Project Management Committee, together with proposed financing arrangements for Development Costs during the Development Period and for Construction Costs during the Construction Period, all as more fully described in Section 15.

*“Capital Contribution”* means (i) a capital contribution in respect of the Cost of Acquisition and Construction of, the Initial Facilities that is paid to UAMPS by the Participant pursuant to Section 17 and (ii) a capital contribution paid to UAMPS in connection with the issuance of Additional Bonds or Refunding Bonds as may be authorized by the Project Management Committee pursuant to Section 17(g).

*“Capital Contribution Percentage”* means with respect to each series of Bonds, a percentage calculated by UAMPS obtained by dividing (i) the dollar amount of the Capital Contribution made by the Participant, by (ii) the Reference Project Costs, all as more fully provided in Section 17(e).

*“Code”* means the Internal Revenue Code of 1986, as amended. References herein to the Code are deemed to include the applicable U.S. Treasury Regulations thereunder.

*“Commercial Operation”* means, with respect to the Initial Facilities, the date on which the Initial Facilities (i) have been substantially completed pursuant to the EPC Agreement and any other Construction Agreements that may be applicable, including the satisfaction of all required performance tests thereunder, (ii) are capable of continuous firm operation, (iii) are interconnected and synchronized with, and capable of delivering Electric Energy to, the transmission grid, (iv) have received all Permits and Approvals required for their operation, and (v) meet such additional requirements as may be established by the Project Management Committee. The criteria and standards for the Commercial Operation of any Additional Facilities shall be developed by UAMPS and submitted to the Project Management Committee for its review and approval.

*“Commercial Operation Date”* means, with respect to the Initial Facilities and any Additional Facilities, the date on which all of the Initial Facilities and any Additional Facilities achieve Commercial Operation, as determined by the Project Management Committee.

*“Commercially Reasonable”* or *“Commercially Reasonable Efforts”* means, with respect to any action required to be made, attempted or taken by a party under this Contract or one of the Project Agreements, such efforts as a reasonably prudent business would undertake, consistent with Good Utility Practice, for the protection of its own interest under the conditions affecting such action, including without limitation, the amount of notice of the need to take such action, the duration and type of the action, the competitive environment in which such action occurs, the terms and provisions of the Project Agreements and the Financing Documents, the contractual and legal obligations of, and the risk to, such party in connection with such action; *provided, however*, an obligation to act in a “Commercially Reasonable” manner or to exercise “Commercially Reasonable Efforts” does not include taking actions that would, individually or in the aggregate, cause the party subject to such obligation to incur costs, or suffer any other detriment, that is out of reasonable proportion to the benefits to the other party under this Contract or the Project Agreements.

*“Completion of Development”* means, with respect to the Initial Facilities (i) the completion of all Development Work, (ii) the receipt of all Permits and Approvals necessary for the construction of the Project, (iii) the completion of definitive forms of the principal Construction Agreements, (iv) the completion of the definitive Budget and Plan of Finance for the Cost of Acquisition and Construction, and (v) a determination by the Project Management Committee that the Project is feasible and that the construction of the Initial Facilities should proceed, all as more fully described in Section 6.

*“Construction Agreements”* means the EPC Agreement and each other agreement entered into by UAMPS for the acquisition and construction of any part of the Initial Facilities and any Additional Facilities.

*“Construction Costs”* means all of the Cost of Acquisition and Construction of the Initial Facilities incurred during the Construction Period.

*“Construction Period”* means the period beginning on the date that the Project Management Committee determines that the Completion of Development has occurred and UAMPS delivers the task order directing the EPC Contractor to proceed with construction under the EPC Agreement and ending on the Commercial Operation Date.

*“Contract”* means this Millard County Project Power Sales Contract dated as of December 1, 2024 between UAMPS and the Participant and any amendments permitted pursuant to Section 43.

*“Contract Resolution”* means the resolution of the Participant’s governing body approving and authorizing the execution of this Contract, in substantially the form attached to EXHIBIT III.

*“Contract Year”* means the Fiscal Year of UAMPS, except that the first Contract Year shall commence on the Effective Date and shall end on the last day of the then-current Fiscal Year. In the event that UAMPS changes its Fiscal Year for accounting purposes, the Contract Year shall, without further action, be amended to conform to such Fiscal Year.

*“Cost of Acquisition and Construction”* means all costs and expenses paid or incurred by UAMPS in connection with the acquisition and construction of the Project, whether prior or subsequent to the Effective Date, including all Development Costs. *“Cost of Acquisition and Construction”* includes all costs incurred by UAMPS in connection with planning, designing, acquiring, constructing and placing in operation the Initial Facilities and any Additional Facilities, and amounts paid or payable under the Construction Agreements (including all costs, fees, compensation and incentives payable to the EPC Contractor under the EPC Agreement). *“Cost of Acquisition and Construction”* includes, without duplication of any cost, the following:

(1) working capital and reserve requirements of the Project, including, without limitation, amounts for deposit into the Reserve and Contingency Fund and those items set forth in the definition of Operation and Maintenance Costs, as may be determined from time to time by UAMPS;

(2) interest accruing in whole or in part on Bonds issued to pay all or any portion of the Cost of Acquisition and Construction or the Cost of Additional Facilities prior to and during the acquisition and construction thereof and for such additional period as UAMPS may determine to be reasonably necessary for placing the Project or the Additional Facilities in operation in accordance with the provisions of the Budget and Plan of Finance;

(3) the deposit or deposits, if any, required to be made under the Financing Documents from the proceeds of Bonds into any fund or account established pursuant to the Financing Documents to meet debt service reserve requirements for the Bonds and premiums and fees payable for any credit or liquidity facilities with respect to the Bonds;

(4) the deposit or deposits into the Bond Fund and any other fund or account required to be funded by the Financing Documents;

(5) the payment of principal or redemption price of and interest on any Bonds issued as bond anticipation notes;

(6) planning and development costs, engineering fees, contractors' fees, fiduciaries' fees, auditors' and accountants' fees, costs of obtaining all permits and approvals, the cost of real property, labor, materials, equipment, supplies, training and testing costs, insurance premiums, legal, financial advisory and financing costs and issuance costs of the Bonds, amounts payable under the Real Estate Agreements, administrative and general costs, and all other costs properly allocable to the acquisition and construction of the Project and placing the same in operation;

(7) all costs relating to litigation, claims or judgments not otherwise covered by insurance and arising out of the acquisition, construction or operation of the Project or otherwise related to the Project, the Project Agreements, the Power Sales Contracts or the transactions contemplated thereby;

(8) payment to UAMPS or any Participant to reimburse advances and payments made or incurred for costs preliminary or incidental to the acquisition and construction of the Project;

(9) legally required or permitted federal, state and local taxes, or payments in lieu of such taxes, relating to the Project incurred during the period of the acquisition or construction thereof;

(10) the cost of long-term supplies of natural gas or other fuel supplies necessary or desirable in connection with the operation of the Project and the costs of transporting fuel supplies to the Project and prepayments and advance payments therefor, including the costs of pipelines, laterals, receiving stations or capacity rights therein; and

(11) all other costs incurred by UAMPS, and properly allocable to the acquisition and construction of the Project, including all costs financed by the issuance of Additional Bonds.

*“Debt Service Costs”* means, for each Billing Period of each Contract Year, an amount equal to the sum of:

(1) 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, together with any other amounts required by the Financing Documents to be deposited into the Bond Fund in respect of the interest payments on the Bonds;

(2) the portion of the next due principal installment on the Bonds, together with any other amounts required by the Financing Documents to be deposited into the Bond Fund in respect of the principal payments on the Bonds; provided however, that the amount included in Debt Service Costs pursuant to this clause (2) shall not include the principal of

Bonds becoming due and payable solely as a result of the acceleration of the maturity thereof;

(3) the scheduled amounts falling due during such Billing Period under any Interest Rate Contract with respect to the Bonds;

(4) 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;

(5) Trustee, paying agent, escrow agent and other fiduciaries' fees and expenses payable under the Financing Documents; fees and expenses of remarketing agents, broker-dealers, auction agents and other providing services with respect to Bonds;

(6) the amounts required to be paid to maintain any credit or liquidity facilities for and ratings on the Bonds and other costs payable by UAMPS from time to time in connection with the Bonds; and

(7) the amounts required to be paid under any Financing Document that is a credit agreement, credit facility, loan agreement or other instrument or facility used to finance Development Costs, including the repayment of all drawings thereunder, the interest on such drawings and the fees, expenses and other charges payable by UAMPS thereunder;

*provided, however,* that the additional interest expense on or in respect of any Bonds that are subject to federal income taxation (and not eligible for tax credits or interest subsidy payments) may, as determined by the Project Management Committee pursuant to Section 16(d), be allocated to those Participants whose legal status or use of the Project Capability or the Project Output adversely affects the Tax Status of such Bonds. In the event of such allocation, the Debt Service Costs payable by such Participants shall be increased to include amounts sufficient to pay any such additional interest expense.

*“Debt Service Percentage”* means, with respect to each Participant and as of any date of determination, the percentage obtained by subtracting the Participant’s Capital Contribution Percentage from the Participant’s Entitlement Share. The Participant’s initial Debt Service Percentage will be calculated at the time that it pays a Capital Contribution and will be set forth on SCHEDULE I. The Debt Service Percentages for the Participants may be calculated separately for each separate series of Bonds.

*“Debt Service Share”* means, with respect to each Participant and as of any date of determination, the 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. The Participant’s initial Debt Service Share will be calculated at the time that it pays a Capital Contribution and will be set forth on SCHEDULE I. The

Debt Service Shares for the Participants may be calculated separately for each separate series of Bonds.

*“Decommission”* means all actions necessary to safely retire and remove the Project from service, restore the Project site, satisfy the decommissioning requirements of the Permits and Approvals and satisfy all requirements of the regulatory agencies having jurisdiction over the decommissioning of the Project.

*“Decommissioning Costs”* means the costs and expenses of Decommissioning the Project.

*“Decommissioning Fund”* means the fund or funds established by UAMPS for the payment of Decommissioning Costs as provided in Section 22.

*“Decommissioning Period”* means the period beginning at the end of the Operating Period and continuing to the date on which the Project has been Decommissioned and all Decommissioning Costs have been paid.

*“Development Cost Share”* means with respect to each Participant, the percentage of Development Costs payable by the Participant during the Development Period, determined by dividing the Participant’s Development Share by the sum of the Development Shares of all Participants. The Participant’s initial Development Cost Share will be set forth on SCHEDULE D.

*“Development Costs”* means all costs, fees and expenses incurred by UAMPS in performing the Development Work, including (i) costs, fees and expenses incurred by UAMPS in connection with its initial consideration and examination of the Project through its Resource Project, (ii) the costs of transmission and interconnection studies and deposits for such costs and (iii) pre-construction costs approved by the Project Management Committee, including deposits, advance payments and prepayments for items of the Cost of Acquisition and Construction of the Initial Facilities.

*“Development Period”* means the period beginning on the Effective Date and ending on the earlier of (i) the date that the Project Management Committee determines that the Completion of Development has occurred or (ii) the date that the Project Management Committee determines to terminate the Project, all as provided in Section 6.

*“Development Share”* means the quantity of Electric Power from the Project elected by the Participant as of the Effective Date and shown opposite the name of the Participant in SCHEDULE D attached hereto.

*“Development Work”* means all work and services necessary or desirable in connection with:

(i) the selection of the site for the Project, the negotiation of the Real Estate Agreements and all other work necessary to secure all rights and interests to the real property necessary for the Project;

- (ii) obtaining the transmission and interconnection agreement(s) necessary to deliver Electric Energy from the Project to Participants;
- (iii) the estimating, design and engineering work to be performed with respect to the Initial Facilities;
- (iv) the development and negotiation of definitive Project Agreements and any other contracts and agreements necessary in connection with the Project;
- (v) obtaining all Permits and Approvals necessary for the construction and operation of the Project;
- (vi) the continued development of and updates to the Budget and Plan of Finance; and
- (vii) such other work and services as shall be approved by the Project Management Committee.

*“Effective Date”* means (i) with respect to the initial Power Sales Contracts, the date established pursuant to the provisions of Section 2(a), and (ii) with respect to any Power Sales Contract executed by a Participant after the Effective Date, such date as shall be approved by the Project Management Committee.

*“Electric Energy”* means electric energy expressed in kilowatt-hours (kWh).

*“Electric Power”* means electric power expressed in kilowatts (kW).

*“Electric System”* means the Participant’s electric utility system as established, maintained and operated pursuant to applicable State and local law. With respect to any Participant that does not own and operate an electric utility system that serves retail customers, the term “Electric System” shall be deemed to refer to the applicable utility system designated in its Power Sales Contract.

*“Engineering Studies and Reports”* means collectively, the written studies, analysis, summaries and reports (a) regarding the Participant’s current power supply resources and projected power supply requirements provided by UAMPS in connection with the Participant’s consideration of this Power Sales Contract and (b) regarding such aspects of the Project as the Project Management Committee shall deem necessary or advisable in connection with its governance and oversight of the Project.

*“Enterprise Fund”* means the electric enterprise fund of the Participant as established and maintained pursuant to applicable State and local law. With respect to any Participant that does maintain an electric enterprise fund, the term “Enterprise Fund” shall be deemed to refer to the applicable enterprise fund designated in its Power Sales Contract.

*“Entitlement Share”* means, with respect to each Participant and as the context may require, either the amount of Electric Power or the percentage of the initial Project Capability shown opposite the name of such Participant to be set forth in the SCHEDULE I that shall be approved by the Project Management Committee in connection with the Completion of Development, as the same may be revised from time to time in accordance with the provisions of this Power Sales Contract.

*“EPC Agreement”* means the agreement between UAMPS and the EPC Contractor with respect to the engineering, procurement and construction of the Initial Facilities.

*“EPC Contractor”* means the firm or corporation appointed as the engineering, procurement and construction contractor pursuant to the EPC Agreement.

*“Final Completion”* (or such similar term as may be used in the EPC Agreement) means the final completion of the Initial Facilities as determined pursuant to the EPC Agreement.

*“Financing Documents”* means the bond resolution, indenture, trust agreement or other instrument or instruments providing for the issuance of and the security for the Bonds and all amendments thereto and supplements thereto.

*“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 March 31 of the next succeeding calendar year.

*“Fuel Agent”* means any entity appointed by UAMPS to manage or facilitate the acquisition, transportation and storage of fuel for the operation of the Project and/or the management of the costs of fuel for the Project.

*“Fuel Agreement”* means any agreement entered into by or on behalf of UAMPS for the acquisition, transportation or storage of fuel for the Project, and also includes tolling agreements and any agreement entered into by UAMPS to manage the cost of fuel for the Project, including options, caps, collars, swaps and similar agreements.

*“Good Utility Practice”* means, as of any particular time, any of the practices, methods and acts engaged in or approved by a significant portion of the electric utility industry at such time, or which, in the exercise of reasonable judgment in light of facts known at such time, could have been expected to accomplish the desired results at the lowest reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method or act to the exclusion of all others or to be limited to the lowest-cost practice, method or act, but rather to be a spectrum of possible practices, methods and acts, having due regard for manufacturers’ warranties and the jurisdiction.

*“Initial Facilities”* means the real and personal property, facilities, structures, improvements and equipment to be acquired and constructed in connection with the initial operation of the Project as generally described on EXHIBIT I. In connection with the Completion

of Development and at such other times as it deems necessary, UAMPS shall submit updates to EXHIBIT I to the Project Management Committee for approval.

*“Interconnection Agreement”* means each agreement providing for the interconnection of the Project with the facilities of a transmission provider and all supplements and amendments thereto, together with any successor or replacement agreement providing for the interconnection of the Project with the transmission grid.

*“Interest Rate Contract”* means any International Swap Dealers Association (ISDA) Master Agreement, together with the schedules and confirmations thereto, that is an interest rate swap, cap, floor, collar or similar agreement to manage or hedge interest rates or expenses.

*“Joint Action Agreement”* means the Utah Associated Municipal Power Systems Amended and Restated Agreement for Joint and Cooperative Action dated as of March 20, 2009, as amended and supplemented from time to time.

*“Joint Ownership Agreement”* means (i) an agreement under which UAMPS and another person own the Project or a portion thereof as tenants in common, (ii) agreements between UAMPS and another person or persons for the organization and operation of a Special Purpose Entity and (iii) any other form of joint ownership arrangement approved by the Project Management Committee.

*“Members”* means, collectively, each entity which has executed the Joint Action Agreement or a supplement thereto.

*“Minimum Subscription”* is defined in Section 2.

*“Month”* means a calendar month.

*“Operating Agreement”* means any contract between UAMPS and an Operator providing for the operation and maintenance of all or any portion of the Project.

*“Operating Period”* means the period beginning on the Commercial Operation Date and continuing to the date on which the Project is retired and removed from service.

*“Operating and Scheduling Procedures”* means those standards, procedures and criteria approved from time to time by the Project Management Committee with respect to the operation of the Project and the Project Capability and the scheduling of the Project Output which shall, to the extent practicable, promote the efficient and economic utilization of the Project, the Project Capability and the Project Output consistent with Good Utility Practice for the benefit of the Participants taken as a whole.

*“Operation and Maintenance Costs”* means, with respect to each Billing Period of each Contract Year, all costs and expenses (other than Transmission Costs and Debt Service Costs) attributable to the 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 Project. Operation and Maintenance Costs shall further include, without limitation, the following items of cost:

- (1) the costs of operating and maintaining the Project and of producing Electric Power and Electric Energy therefrom during such Billing Period, including the operation and maintenance expenses and fuel costs of the Project pursuant to the Project Agreements, amounts payable under the Operating Agreement and each Fuel Agreement (including fees, expenses, incentives and other compensation payable to the Operator and the Fuel Agent);
- (2) 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 shall be obligated, but only to the extent that funds for such payment are not provided by the issuance of Bonds or Capital Contributions made by the Participants;
- (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 Project;
- (4) all other amounts, including fuel 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;
- (6) the portion of UAMPS' administrative and general expenses allocable or directly charged to the 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 Project;
- (7) amounts to be deposited into the Reserve and Contingency Fund established pursuant to Section 20;
- (8) legal, engineering and accounting fees and expenses, the cost of any litigation related to the Project, the Project Agreements, this Power Sales Contract and the interests and transactions contemplated by such agreements and this Power Sales Contract, the costs of technical and advisory services and the cost of all Permits and Approvals, all to the extent allocable to the Project;
- (9) the costs of Additional Facilities, but only to the extent not paid or financed as a portion of the Cost of Acquisition and Construction; and
- (10) Decommissioning Costs and amounts for deposit into the Decommissioning Fund.

*“Operator”* means any entity that performs all or a substantial portion of the operation and maintenance work on the Project under an Operating Agreement with UAMPS.

*“Participant”* means the party defined as the Participant in the preamble of this Power Sales Contract and its permitted successors and assigns hereunder.

*“Participants”* means the parties, including the Participant, other than UAMPS, to the Power Sales Contracts and (i) initially named on SCHEDULE D, and (ii) from and after the Completion of Development, named on SCHEDULE I.

*“Participant’s Representative”* means (i) the officer, employee or other agent of the Participant designated from time to time by the Participant as the Representative of the Participant for purposes of the Joint Action Agreement, to whom all notices and other communications to be given by UAMPS to the Participant hereunder shall be sent or (ii) in the event that the individual appointed as the Participant’s Representative is unavailable to act on behalf of the Participant, the individual duly appointed or designated by the Participant as its alternate Representative pursuant to the Joint Action Agreement.

*“Performance Tests”* means all start-up and shakedown procedures and performance tests to be conducted under the EPC Agreement before Final Completion.

*“Permits and Approvals”* means all certificates, permits, licenses, approvals, rulings, orders or other authorizations from any federal, state or local governmental body, board or agency having jurisdiction over UAMPS, the Project or both that are required to be obtained or maintained for the construction, operation, maintenance or repair of the Project or any component of it.

*“Permitted Output Contract”* means a contract that:

(i) (A) has a term (including all renewal options) not longer than three years and is either a negotiated arrangement that provides for compensation at fair market value or is based on generally applicable and uniformly applied rates, or (B) is a requirements-type contract that provides for the sale of electricity to a retail consumer or other end user of electricity; and

(ii) in each case (A) complies with the provisions of U.S. Treasury Regulation Section 1.141-7 and (B) is approved by UAMPS based on guidance provided by Bond Counsel.

*“Point of Delivery”* means the point or points of physical interconnection of the Initial Facilities or Additional Facilities, as applicable, with the electric transmission grid, as determined pursuant to the Interconnection Agreement.

*“Pooling Agreement”* means, collectively, the Power Pooling Agreements between UAMPS and the Members and certain other entities providing for the establishment and operation of the UAMPS Pool and related matters, including all supplements and appendices thereto and as the same may be amended, restated or supplemented from time to time.

*“Power Sales Contract”* means this Power Sales Contract between UAMPS and the Participant and *“Power Sales Contracts”* means all of the Power Sales Contracts, dated the date hereof, between UAMPS and the Participants, all of which are uniform in all material respects in their terms, conditions and provisions, with the exception of: (i) the Development Share, the Development Cost Share, the Entitlement Share, the Capital Contribution Percentage, the Debt Service Percentage and the Debt Service Share for each of the Participants; (ii) for those Participants that are political subdivisions of a State other than Utah, revisions relating to the Participant’s status as a political subdivision of another State and the fact that it is governed by and subject to the laws of that State; (iii) for those Participants that are cooperative utilities, revisions relating to the Participant’s corporate status, the definition of “Qualified Use” and the provisions of Section 32(f); (iv) for those Participants that do not own and operate electric utility systems that serve retail customers, the revisions noted in the definitions of “Electric System” and “Enterprise Fund” and revisions relating to the Participant’s corporate status, the definition of “Qualified Use” and the provisions of Section 32(f); and (v) the matters set forth in the Exhibits.

*“Project”* means the development, acquisition, ownership, construction, improvement, equipping, operation, retirement and decommissioning of the Initial Facilities and any Additional Facilities, and the rights, interests, obligations and liabilities of UAMPS under the Project Agreements and the Permits and Approvals.

*“Project Agreements”* means, collectively, the Construction Agreements, the Operating Agreement, the Real Estate Agreements, each Fuel Agreement, the Interconnection Agreement, the Transmission Agreements, any Joint Ownership Agreement and any other agreements entered by UAMPS to further the acquisition, development, construction, and operation of the Project.

*“Project Capability”* means the nominal Electric Power and associated Electric Energy that the Project is capable of producing, net of (reduced by) the Electric Power (project capability) owned by another person under a Joint Ownership Agreement. The Project Capability initially available to UAMPS shall be based on the aggregate nameplate rating of the generating units included in the Initial Facilities with such adjustments as the Project Management Committee deems necessary to reflect the actual capability of the Initial Facilities. Project Capability initially means the aggregate amount of Electric Power shown on EXHIBIT I hereto and associated Electric Energy.

*“Project Management Committee”* means the committee of the Participants established pursuant to Section 5 which shall make certain decisions and recommendations with respect to the operation and management of the Project as provided herein.

*“Project Output”* means the amount of Electric Power and Electric Energy, if any, which is actually generated by the Project in any particular hour.

*“Qualified Use”* means the sale of electricity to retail customers located within the Participant’s electricity “service area” pursuant to generally applicable and uniformly applied rate schedules or tariffs; *provided that:*

- (a) “Qualified Use” shall not include any sale of electricity that gives rise to “private business use” or a “private loan” within the meaning of Section 141 of the Code;
- (b) “Qualified Use” shall include the use of electricity by a Participant to meet its own requirements; and
- (c) “Qualified Use” shall include sales of electricity under Permitted Output Contracts and other sales and uses of electricity, in each case as may be approved by UAMPS based on guidance provided by Bond Counsel.

For purposes of this definition, “service area” has the meaning assigned to such term in U.S. Treasury Regulation Section 1.148-1(e)(2)(iii) and includes any area recognized as the electricity service area of the Participant under state or federal law.

“*Real Estate Agreements*” means the agreements entered into by UAMPS to obtain necessary site control and easement rights for the acquisition and construction of the Project.

“*Reference Project Costs*” means, for purposes of calculating the amount of a Capital Contribution to be made by the Participant as provided in Section 17, the estimated Cost of Acquisition and Construction determined by UAMPS and approved by the Project Management Committee prior to the first issuance of long-term Bonds to finance the Cost of Acquisition and Construction of the Initial Facilities or any Additional Facilities. Reference Project Costs shall not include amounts for (i) costs of issuance, debt service reserves or capitalized interest on Bonds and (ii) any other items in the definitions of “Development Costs” or “Cost of Acquisition and Construction” not properly allocable to Reference Project Costs, as determined by the Project Management Committee.

“*Refunding Bonds*” means refunding Bonds from time to time issued by UAMPS pursuant to the Financing Documents and in accordance with Section 18.

“*Required Approvals*” means all governmental, regulatory and lender approvals, consents and authorizations required or necessary for (i) the execution, delivery and performance of this Contract (or any amendment hereto) by the Participant and (ii) this Contract (or any amendment hereto) to be the legal, valid and binding obligation of the Participant.

“*Reserve and Contingency Fund*” means the fund, if any, established pursuant to Section 20.

“*Substantial Completion*” (or such similar term as may be used in the EPC Agreement) means the substantial completion of the Initial Facilities as determined pursuant to the EPC Agreement.

“*Super-Majority Vote*” means the affirmative vote of Participants’ Representatives that represent 75% of (i) the number (per capita) of Participants’ Representatives serving on the Project Management Committee, and (ii) during the Development Period, the Development Cost Shares of all Participants or, after the Development Period, the Entitlement Shares of all Participants. For

the avoidance of doubt, in the event that a Super-Majority Vote is required when a Participant's Representative is not entitled to vote on matters before the Project Management Committee pursuant to Section 5(b)(1), such Participant's Representative and such Participant's Development Cost Share or Entitlement Share (as applicable) shall be disregarded in computing the percentages of Participants' Representatives and Entitlement Shares that have voted on the matter requiring a Super-Majority Vote.

*“System Point of Receipt”* means (i) the point(s) of interconnection between the Participant's electric utility system and the transmission facilities of the applicable balancing authority or authorities, or (ii) such other point(s) for the receipt by the Participant of Electric Energy from the Project as may be agreed to by the parties.

*“Tax Status”* means (i) the exclusion from gross income for federal income tax purposes of the interest on any Bonds issued as tax-exempt obligations, or (ii) the right of a bondowner (or other investor) to receive tax credits or the right of UAMPS to receive interest subsidy payments on any Bonds issued as tax credit bonds or interest subsidy bonds, respectively, in each case pursuant to the provisions of the Code.

*“Transmission Agreements”* means each transmission contract, agreement or tariff that is used or necessary for the delivery of Electric Power and Energy from the Point of Delivery to the Participant's System Point of Receipt, whether by direct transmission, displacement, exchange or otherwise.

*“Transmission Costs”* means, 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 Project to the Participant's System Point of Receipt pursuant to the Transmission Agreements or otherwise. The Participant shall be responsible for the payment of Transmission Costs to UAMPS hereunder only to the extent that UAMPS has, at the request of the Participant, entered into or utilized Transmission Agreements for the transmission of Electric Energy from the Point of Delivery to the Participant's System Point of Receipt.

*“Trustee”* means the bank or trust company acting as the trustee under the Financing Documents.

*“UAMPS”* means Utah Associated Municipal Power Systems, a political subdivision organized and existing under the laws of the State of Utah, the Act and the Joint Action Agreement, and its successors. All references to UAMPS in this Power Sales Contract shall include Authorized Officers of UAMPS and their delegates acting pursuant to specific authorization by the Board.

*“UAMPS Pool”* means that electric power pool or pools established pursuant to the Pooling Agreement between UAMPS and the Members under which UAMPS provides certain services with respect to the scheduling, dispatch and the sale of Electric Power and Electric Energy and other matters pursuant to the operating criteria and procedures provided for in the Pooling Agreement.

“*Uncontrollable Force*” means any cause, event or force beyond the control of the party affected, including, but not restricted to failure, or threat of failure of facilities, flood, earthquake, storm, fire, lightning, epidemic, war, acts of a public enemy, riot, civil disturbance or disobedience, labor dispute, labor or material shortage, sabotage, and restraint by court or public authority and action or non-action by, or inability to obtain the necessary authorizations or approvals from, any governmental agency or authority, which by exercise of due diligence and foresight such party could not reasonably have been expected to avoid and which by exercise of due diligence it shall be unable to overcome. “*Uncontrollable Force*” includes any cause, event or force constituting “force majeure,” “uncontrollable force” or similar term as defined in any Project Agreement.

“*Uniform System of Accounts*” means the Federal Energy Regulatory Commission Uniform Systems of Accounts Prescribed for Public Utilities and Licensees Subject to the Provisions of the Federal Power Act, 18 C.F.R. Part 101, as the same may be modified, amended or supplemented from time to time or such other system of accounting as may be applicable by law to UAMPS.

(b) References to Articles, Sections, Schedules and Exhibits are to the Articles and Sections of and Schedules and Exhibits to this Contract, unless otherwise provided. Article and Section headings are included herein for convenience of reference only and shall not constitute a part of this Contract for any other purpose or be given any substantive effect. Any of the defined terms may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. The use of the word “include” or its derivations shall not be construed as language of limitation.

(c) References to contracts and agreements, including the Project Agreements, refer to such contracts and agreements as they may be amended or supplemented from time to time in accordance with their respective provisions and, in the case of the Project Agreements, the provisions of Section 40.

(d) Any representation, warranty, certificate or legal opinion with respect to the enforceability of this Contract or any other contract or agreement made in or provided pursuant to this Contract shall be deemed to be qualified by reference to the effect of applicable bankruptcy, insolvency, moratorium, reorganization or similar laws affecting creditor’s rights generally and by the application of equitable principles, regardless of whether such qualification is expressly stated herein or therein.

*Section 2. Effective Date and Term of Contract.* (a) Promptly upon its governing body’s adoption of the Contract Resolution and its receipt of any other Required Approvals, the Participant shall (i) cause this Contract to be executed by its authorized officers, and (ii) deliver to UAMPS notice of the requested amount of its Development Share (in kW) and an executed counterpart of this Contract, together with its executed certificate (in substantially the form attached hereto as EXHIBIT III) and its executed opinion of counsel (in substantially the form attached hereto as EXHIBIT V). The Effective Date of the Power Sales Contracts shall occur on the date on which UAMPS receives executed Power Sales Contracts and the other items described in the preceding sentence from Participants that have requested Development Shares totaling 85% of the expected Project Capability as of the Effective Date (the “*Minimum Subscription*”). At its

initial meeting, the Project Management Committee shall confirm and declare that the Effective Date has occurred, shall approve any changes to the expected Project Capability and shall approve the completed form of SCHEDULE D. The Authorized Officers of UAMPS shall execute all such Power Sales Contracts as of the date that the Effective Date occurs. Once it has occurred, the Effective Date shall not be affected by any subsequent action, event or circumstance.

(b) If the Minimum Subscription is achieved but the total amount of Electric Power requested by the Participants is less than the expected amount of the Project Capability, UAMPS will during the Development Period solicit additional Project participation by third parties under Power Sales Contracts, Joint Ownership Agreements or other arrangements. Participants that have executed Power Sales Contracts may also elect to increase their Development Shares at such times and in such amounts as may be approved by the Project Management Committee up to and including the end of the Development Period. In the event that less than all of the expected Project Capability is fully subscribed at the end of the Development Period as described in this paragraph, UAMPS shall take such actions as are necessary to downsize the expected Project Capability to the amount of subscription under the Power Sales Contracts and any Joint Ownership Agreements or other arrangements. UAMPS and the Participant acknowledge and agree that it may not be possible to precisely match the final amount of the expected Project Capability with the amount of Project subscription and in this case the Project Management Committee will have the authority to approve such true up adjustments to the Entitlement Shares of all Participants as are necessary at the time that it approves the initial SCHEDULE I.

(c) This Contract will become effective upon the Effective Date, and will, unless terminated pursuant to Section 43, continue until the last to occur of : (i) the date on which all of the Project Agreements have terminated or expired in accordance with their respective terms and all obligations of UAMPS thereunder have been fully paid, satisfied or discharged; (ii) the date on which all Bonds have been paid in full as to principal, premium and interest, or sufficient funds shall 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; and (iii) the date on which the Initial Facilities and any Additional Facilities shall be permanently removed from service and Decommissioned and all Decommissioning Costs shall have been paid or irrevocable arrangements have been made that fully fund all Decommissioning Costs.

*Section 3. Development Share; Entitlement Share.* (a) From the Effective Date through the end of the Development Period, the Participant shall have a Development Share and a Development Cost Share as set forth on SCHEDULE D. A Participant's Development Cost Share shall not exceed [ ]<sup>1</sup> percent, unless otherwise approved by the Project Management Committee.

(b) By virtue of its Development Share and in consideration of its associated Development Cost Share, the Participant (i) shall have the right to participate in the decision-making over the development of the Project through its representative on the Project Management Committee, and (ii) shall, from and after the Completion of Development through the remaining term of this

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1 % amount will be inserted upon completion of credit review of Participant group.

Contract and without any further action on its part or by any other person, have an Entitlement Share with the same amount of Electric Power as its Development Share.

*Section 4. The Project and the Initial Facilities.* (a). The Project shall initially be known as the “Millard County Power Project.” The Project Management Committee may in its discretion adopt a different name for the Project at any time. In such event, all references to “Millard County Power Project” in this Contract shall be changed to the name adopted by the Project Management Committee.

(b) The Project shall consist of the Initial Facilities and any Additional Facilities approved by the Project Management Committee. A preliminary and general description of the Initial Facilities prepared by UAMPS is attached as EXHIBIT I to this Contract. EXHIBIT I shall be reviewed, modified as deemed necessary and approved by the Project Management Committee promptly after the Effective Date.

(c) As the development of the Project proceeds and as the components of the Initial Facilities are designed, engineered, constructed, installed and tested, UAMPS shall from time to time recommend revisions to EXHIBIT I to the Project Management Committee for approval in order that the description therein reasonably corresponds to the Initial Facilities being developed and constructed. EXHIBIT I shall be updated as necessary in connection with the Completion of Development. Following the Commercial Operation Date, UAMPS shall prepare and submit to the Project Management Committee for its review and approval a completed EXHIBIT I that includes a final description of the Initial Facilities and the Project Capability. UAMPS and the Participant agree that in no event will any revisions to EXHIBIT I alter or affect their respective rights and obligations under this Contract.

*Section 5. Project Management Committee.* (a). The Participants hereby establish the Project Management Committee, which shall consist of one voting representative from each Participant (who shall be the Participant’s Representative) and shall be chaired by a Participant’s Representative elected by the Project Management Committee. Pursuant to the Contract Resolution, the Participant has delegated full and complete authority to its Participant’s Representative to act on all matters and decisions that come before the Project Management Committee. Each Representative appointed by the Participant shall serve on the Project Management Committee until the Participant appoints a successor. An Authorized Officer of UAMPS shall attend all meetings of the Project Management Committee and shall cause minutes to be kept of all such meetings.

(b) The Joint Action Agreement and the bylaws of UAMPS shall govern the procedures for and the voting rights on the Project Management Committee, *provided that:*

(1) The Participant’s Representative of any Participant that is in default hereunder (A) shall not be entitled to vote on any matter during the period of such default and the consent or approval of such Participant or such Participant’s Representative shall not be required during the existence of such default and (B) shall be disregarded for purposes of determining whether a quorum of the Project Management Committee is present at any meeting;

(2) A Super-Majority vote of all Project Management Committee Representatives shall be required on all decisions which would result in the termination of the Project; and

(3) All decisions made by the Project Management Committee shall be made by resolution, order or other appropriate action of the Project Management Committee and, except in those instances when the Project Management Committee is acting pursuant to delegated authority from the Board, before such resolution, order or action of the Project Management Committee shall take effect, the same shall be ratified and approved by resolution, order or action of the Board, acting in accordance with the Joint Action Agreement and the bylaws of UAMPS.

The Participants acknowledge that the Joint Action Agreement provides, among other things, that decisions of the Board with respect to the Project shall be made only upon the recommendation of the Project Management Committee and that weighted votes may be called for on any recommendation or decision to be made by the Project Management Committee or the Board, respectively, all as more fully provided in the Joint Action Agreement.

(c) In addition to its other responsibilities under the Power Sales Contracts, the Project Management Committee shall:

(1) review, provide advice and recommendations to and consult with UAMPS regarding the Project,

(2) supervise, review and monitor the Development Work and the development of the Project in accordance with Section 6 and the other applicable provisions of the Power Sales Contracts and the resolutions of the Project Management Committee;

(3) review, provide advice and recommendations to UAMPS on, and approve the Project Agreements and any modifications or amendments thereto;

(4) supervise and provide direction to UAMPS during the construction of the Project, including approval of the construction budget for the Project and approval of all notices to proceed and notices to construct given by UAMPS under the EPC Agreement;

(5) review, approve and revise from time to time the Budget and Plan of Finance for the Initial Facilities and any Additional Facilities;

(6) review, approve and provide advice and direction to UAMPS with respect to the issuance of Bonds, Additional Bonds and Refunding Bonds

(7) review, provide advice and recommendations to and consult with UAMPS regarding the Commercial Operation Date of the Initial Facilities, and the Performance Tests for and the Substantial Completion and the Final Completion of the Facility under the EPC Agreement;

(8) determine and declare the Project Capability upon the Final Completion of the Project and from time to time thereafter as it deems necessary to reflect the actual capability of the Project;

(9) review and approve the Operating and Scheduling Procedures, any Operator of the Project and any Operating Agreement;

(10) review and consult with UAMPS regarding the acquisition and management of supplies of natural gas and any other necessary fuels for the Project and review and approve each Fuel Agreement and any Fuel Agent to be appointed by UAMPS;

(11) review, recommend and approve any Additional Facilities;

(12) assist with the resolution of any billing disputes as provided in Section 28;

(13) review, recommend and consult with UAMPS regarding any actions or remedies to be taken by UAMPS under Sections 34 and 35 of the Power Sales Contracts.

UAMPS and the Participant acknowledge and agree that the responsibilities of the Project Management Committee with respect to the Project are complete and comprehensive and are not limited to the specific responsibilities enumerated herein.

(d) The Project Management Committee may from time to time direct UAMPS to commission, obtain and provide such Engineering Studies and Reports that the Project Management Committee deems reasonably necessary or desirable with respect to the Project. The Project Management Committee shall be entitled to rely upon such Engineering Studies and Reports with respect to its determinations and decisions with respect to the Project, including particularly its determinations under Section 6.

*Section 6. Development Period and Development Work.* (a) During the Development Period, UAMPS shall use Commercially Reasonable Efforts to cause the Development Work to proceed in an expeditious and economical manner. UAMPS shall (i) report not less frequently than monthly to the Project Management Committee (unless otherwise approved by the Project Management Committee) with respect to the progress of the Development Work and the Development Costs incurred or expended, (ii) recommend from time to time revisions and updates to the Budget and Plan of Finance to the Project Management Committee, and (iii) act consistently with and in furtherance of the directions given to it by the Project Management Committee.

(b) Promptly after the Effective Date of the Power Sales Contracts, the Project Management Committee shall by resolution establish a maximum target price for cost of energy (\$/MWh) from the Project (the “*Target Price*”). The Target Price shall be the maximum cost of energy expected to be payable by the Participants under the Power Sales Contracts, and shall exclude only Transmission Costs, taking into account the information and assumptions utilized in the Development Work and the Budget and Plan of Finance. Such resolution shall establish such determination dates based on Project development milestones as the Project Management Committee deems necessary for determining whether the expected cost of energy from the Project

exceeds the Target Price, together with such other matters as the Project Management Committee deems necessary or desirable. A determination by the Project Management Committee that the Target Price is exceeded as of any such determination date, shall constitute a determination by the Project Management Committee to terminate the Project.

(c) In addition to a determination under paragraph (b), the Project Management Committee may by a Super-Majority Vote suspend or terminate the Project at any time during Development Period upon its determination that the Project is not feasible for any reason. UAMPS shall give prompt written notice to all Participants of any such determination of the Project Management Committee under paragraph (b) above or this paragraph (c). In the event that the Project Management Committee determines to terminate the Project during Development Period, UAMPS shall proceed to wind up the Project and the Development Work, determine the remaining amount of the Development Costs and submit billings to the Participants for such Development Costs and the amount necessary to repay and retire any Bonds or obligations that have been issued or incurred to finance Development Costs.

(d) Upon substantial completion of the Development Work, including the Project Agreements and receipt of the Permits and Approvals (or an indication of the terms and conditions thereof), UAMPS will conduct a review and analysis and report to and consult with the Project Management Committee regarding the actions necessary to complete the Development Work, the terms and conditions of the Project Agreements and the Permits and Approvals and the definitive Budget and Plan of Finance, and will make recommendations to the Project Management Committee as to whether the Project should proceed to the Construction Period.

(e) Following its review of the report and recommendations of UAMPS, the Project Management Committee will in its discretion:

(i) determine whether or when Completion of Development has occurred;

(ii) review and approve definitive engineering and feasibility studies for the Initial Facilities, and such other materials as it deems necessary in order to determine that construction and operation of the Initial Facilities is feasible and should proceed;

(iii) review and approve the definitive Budget and Plan of Finance for the Cost of Acquisition and Construction of the Initial Facilities;

(iv) make a determination by a Super-Majority Vote as to whether construction of the Project is feasible and whether the Project should proceed to the Construction Period;

(v) approve the Power Sales Contracts to be entered into with any new Participants any additional terms and conditions for their participation in the Project; and

(vi) review and approve the initial SCHEDULE I for the Project.

A determination by the Project Management Committee that construction of the Initial Facilities is not feasible and should not proceed to the Construction Period will result in termination of the

Project; notwithstanding any such termination, this Contract shall remain in effect until the conditions described above and in Section 2(b) have been satisfied.

(f) Upon a determination by the Project Management Committee that construction of the Initial Facilities is feasible and the Project should proceed to the Construction Period, UAMPS will then execute the Project Agreements, the Construction Contracts for the Initial Facilities and finance the Cost of Acquisition and Construction of the Initial Facilities through the issuance of Bonds.

(g) 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. UAMPS may issue Bonds or incur other obligations pursuant to the Financing Documents to finance all or a portion of the costs incurred in the Development Work and construction of the Additional Facilities.

*Section 7. Joint Ownership Agreement.* As a part of the Development Work and to the extent authorized by the Project Management Committee, UAMPS may also solicit indications of interest from other entities regarding the acquisition of ownership interest in the Initial Facilities. Subject to the negotiation of a definitive Joint Ownership Agreement and the approval of the Project Management Committee, UAMPS may sell a portion of its ownership interest in the Initial Facilities to another entity. UAMPS shall make recommendations to the Project Management Committee regarding (i) the terms and provisions of any Joint Ownership Agreement, and (ii) the identity, operating experience and financial capability of the joint owner under a Joint Ownership Agreement and its ability to meet its obligations thereunder, each of which shall be subject to the approval of the Project Management Committee.

*Section 8. Construction Period.* (a) The Construction Period shall commence upon the determination of the Project Management Committee that Completion of Development has occurred. During the Construction Period, UAMPS shall (i) cause the construction of the Project to proceed in an expeditious and economical manner pursuant to the Construction Agreements and other Project Agreements, (ii) monitor the performance of the contractors under the Construction Agreements, and (iii) report to the Project Management Committee with respect to the progress of the acquisition and construction of the Project as provided herein.

(b) UAMPS shall perform its obligations under the Construction Agreements and shall:

(i) use Commercially Reasonable Efforts consistent with and subject to the terms and provisions of the Project Agreements to cause the Project to be expeditiously and economically acquired and constructed pursuant to the Construction Agreements;

(ii) diligently defend and protect the rights of UAMPS and the Project under the Construction Agreements and enforce the contractors' obligations thereunder;

(iii) monitor the performance of the contractors under the Construction Agreements and report promptly to the Project Management Committee with respect to any default or event of default under the Construction Agreements;

(iv) report not less frequently than monthly to the Project Management Committee (unless otherwise approved by the Project Management Committee) regarding the current status of construction and any changes to the estimated Commercial Operation Date and the estimated Cost of Acquisition and Construction; and

(v) give prompt notice to the Project Management Committee and the Participant of the occurrence of the Commercial Operation Date of the Initial Facilities and any Additional Facilities.

(c) As soon as practicable after the Commercial Operation Date of the Initial Facilities, UAMPS shall prepare a complete statement and reconciliation of the final (or substantially final) Cost of Acquisition and Construction of the Initial Facilities and submit the same to the Project Management Committee for its review and acceptance. In the event that a substantially final statement of the cost of construction of the Initial Facilities is submitted to and accepted by the Project Management Committee, UAMPS shall provide periodic reports to the Project Management Committee regarding the remaining items of the Cost of Acquisition and Construction of the Initial Facilities until a final statement is available for its review and approval.

*Section 9. Operation and Maintenance of the Project.* UAMPS covenants and agrees that, during the Operating Period, it will use Commercially Reasonable Efforts consistent with and subject to the terms and provisions of the Project Agreements to cause the Project to be operated, maintained and managed in an efficient and economical manner in accordance with Good Utility Practice for the joint and ratable benefit of all of the Participants. UAMPS agrees with and covenants to the Participant that UAMPS will vigorously enforce and defend its rights under the Project Agreements. The Participant acknowledges and agrees that UAMPS may, upon the approval of the Project Management Committee, from time to time enter into amendments of and supplements to any or all of the Project Agreements and that, except as otherwise required by Section 40, UAMPS will not be required to obtain the consent or approval of the Participant in connection with any such supplement or amendment.

*Section 10. Scheduling of Electric Energy; Coordination with UAMPS Pool.* (a) From and after the Commercial Operation Date of the Project, the Participant shall be entitled to use the Electric Energy allocable 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. UAMPS shall provide the Participant with notice of any amendment to or modification of the Operating and Scheduling Procedures.

(b) At any time the Project is operable or operating the Participant shall not be entitled to use 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 Participant agrees that, prior to the first delivery of Electric Energy under this Power Sales Contract, it will execute and deliver to UAMPS an appendix to the Pooling Agreement (in a form approved by the Project Management Committee) that assigns the Electric Energy allocable to the Participant's Entitlement Share 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 in accordance with the provisions of such appendix to the Pooling

Agreement. In addition to any sales of surplus Electric Energy requested by the Participant through the UAMPS Pool, UAMPS will utilize Commercially Reasonable Efforts to sell, exchange or otherwise dispose of any incidental surplus Electric Power and Electric Energy attributable to the Project for the benefit of the Participants.

(c) Prior to the first delivery of Electric Energy under this Power Sales Contract, the Participant shall provide to UAMPS a written schedule of the Participant's available electric resources and the order in which such resources are to be applied to meet the Participant's requirements for Electric Power and Electric Energy. UAMPS shall verify all such resources and promptly notify the Participant of any rejection of such resources. The Participant may revise or modify such schedule upon written notice to UAMPS at least one business day prior to the beginning of any Billing Period.

*Section 11. Point of Delivery; Risk of Loss.* (a) The Electric Energy allocable to the Participant's Entitlement Share shall be delivered at the Point of Delivery. The Participant shall be responsible for, and shall pay all costs associated with, (i) the transmission of such Electric Energy from the Point of Delivery to its System Point of Receipt and (ii) the distribution and delivery of Electric Energy from its System Point of Receipt to its customers.

(b) Upon the request of the Participant, UAMPS will use Commercially Reasonable Efforts to enter into one or more Transmission Agreements, or will utilize its transmission rights under existing Transmission Agreements, to provide for transmission service for the Electric Energy allocable to the Participant's Entitlement Share from the Point of Delivery to the Participant's System Point of Receipt. Any future Transmission Agreements entered into by UAMPS for or on behalf of the Participant shall be approved by UAMPS and the Participant, and the Participant shall pay all Transmission Costs thereunder. The Participant agrees that it shall maintain (or cause UAMPS to maintain) during the term of this Contract, such Transmission Agreements as shall be necessary for the firm transmission of the Electric Energy allocable to its Entitlement Share from the Point of Delivery to its System Point of Receipt, except as may be otherwise approved by the Project Management Committee. The Participant shall provide UAMPS with copies of all Transmission Agreements utilized by it and with such other information regarding its transmission arrangements as UAMPS may reasonably request.

(c) From and after the Commercial Operation Date of the Project, the Participant shall be obligated to maintain an appropriate power factor at the Participant's System Point of Receipt consistent with the provisions of the Transmission Agreements. Should the power factor, as metered at such System Point of Receipt, not be maintained within the limits established under the Transmission Agreements, the Participant shall be notified and requested to correct such power factor. If the Participant has not begun corrective action at the end of 90 days, UAMPS may take corrective action and the Participant shall be obligated to reimburse or compensate UAMPS for all sums expended and all services contracted for or performed by UAMPS or for which UAMPS shall be obligated relating to such corrective action.

(d) Electric Energy delivered hereunder and risk of loss shall pass from UAMPS to the Participant at the Point of Delivery. As between the parties to this Contract, UAMPS shall be deemed to be in exclusive control and possession of the Electric Energy delivered hereunder, and

responsible for any damage or injury caused thereby, prior to the time such Electric Energy shall have been delivered to the Participant at the Point of Delivery. After delivery of Electric Energy to the Participant at the Point of Delivery, the Participant shall be deemed to be in exclusive control and possession thereof and responsible for any injury or damage caused thereby. UAMPS assumes all liability for and shall indemnify, defend and hold harmless the Participant (individually) from any claims, including death of persons, arising from any act or incident occurring when title to Electric Energy is vested in it. All costs and expenses incurred by UAMPS under the foregoing indemnity shall constitute a Cost of Acquisition and Construction or an item of Operation and Maintenance Costs, as determined by the Project Management Committee. To the extent permitted by law and solely to the extent of the revenues of its Electric System and any available insurance proceeds, the Participant assumes all liability for and shall indemnify, defend and hold harmless UAMPS and the other Participants from any claims, including death of persons, arising from any act or incident occurring when title to Electric Energy is vested in it.

*Section 12. Interruption or Reduction of Deliveries.* UAMPS may interrupt or reduce deliveries under this Power Sales Contract of Electric Energy if: (a) 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; (b) Electric Energy from the Project is otherwise unavailable whether due to an event of Uncontrollable Force or otherwise; or (c) the transmission of Electric Energy from the Project is interrupted or curtailed by the balancing area authority 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 Commercially Reasonable Efforts to make arrangements to serve the Participant's load through other projects of UAMPS or the UAMPS Pool. UAMPS will also use Commercially Reasonable 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.

*Section 13. Availability of Electric Energy.* (a) Except as provided otherwise by this Power Sales Contract and subject to the provisions of the Project Agreements, Electric Energy allocable to the Participant's Entitlement Share shall be made available in accordance with this Power Sales Contract during the term hereof; *provided, however,* that nondelivery of Electric Energy hereunder for any reason whatsoever (1) shall not relieve the Participant from its obligation to make its payments under Section 27 and (2) shall not impose any liability upon UAMPS for any direct or consequential damages suffered by the Participant.

(b) The Participant acknowledges and agrees that deliveries of the Electric Energy allocable to its Entitlement Share are not firm and are contingent upon the operation of the Project, the availability of transmission and other factors. The Participant agrees that it is solely responsible for any firming transactions with respect to its Entitlement Share.

*Section 14. Insurance.* UAMPS shall maintain, or during the Construction Period shall cause the EPC Contractor to maintain, in force, as part of the Cost of Acquisition and Construction

or Operation and Maintenance Costs, as appropriate, insurance with responsible insurers with policies against risk or direct physical loss, damage or destruction of the Project, including liability insurance and employers' liability insurance, all to the extent consistent with Good 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.

*Section 15. Budget and Plan of Finance.* (a) The Budget and Plan of Finance for the Initial Facilities shall include the following information:

- (i) the amount of Development Costs incurred to the date of the Budget and Plan of Finance and the estimated total Development Costs to the Completion of Development;
- (ii) the estimated Cost of Acquisition and Construction;
- (iii) the estimated timeline for the development and construction of the Initial Facilities to the Commercial Operation Date;
- (iv) the estimated levelized cost of energy (\$/MWh) for Project Output sold to the Participants under the Power Sales Contracts (which may be a range of such costs);
- (v) the proposed funding and financing arrangements for all Development Costs during the Development Period; including Bonds and other funding and financing arrangements; and
- (vi) such other information as may be required to be included in the Budget and Plan of Finance by the Project Management Committee.

(b) UAMPS and the Participant acknowledge and agree that as of the Effective Date, (i) UAMPS has not obtained the Permits and Approvals necessary for the construction and operation of the Project, (ii) the overall development of the Project is at a preliminary stage, and (iii) a definitive estimate of the Cost of Acquisition and Construction will not be available until the Completion of Development. Accordingly, the parties acknowledge and agree that the information contained in the initial Budget and Plan of Finance is necessarily preliminary and is subject to change based on, among other things, additional information that becomes available to UAMPS during the Development Period, the negotiation of the terms and provisions of the Project Agreements, the terms and conditions of the Permits and Approvals, and the development and negotiation of funding sources and financing arrangements for Development Costs and the Cost of Acquisition and Construction.

(c) The Budget and Plan of Finance shall be updated by UAMPS from time to time during the Development Period as necessary. Each update of the Budget and Plan of Finance shall be subject to the approval of the Project Management Committee.

*Section 16. Financing of the Project.* (a) UAMPS shall finance the portion of the Cost of Acquisition and Construction of the Initial Facilities that is not paid from Capital Contributions

made by the Participants through the issuance of one or more series of Bonds pursuant to the Budget and Plan of Finance approved by the Project Management Committee.

(b) Unless otherwise approved by the Project Management Committee, the Budget and Plan of Finance shall provide for the financing of all Development Costs, Construction Costs and other Costs of the Initial Facilities to a date not earlier than the estimated Commercial Operation Date of the Initial Facilities with the objective that the Participant will not be required to make any payments to UAMPS in respect of Debt Service Costs until a date that is after the estimated Commercial Operation Date. UAMPS shall use Commercially Reasonable Efforts to structure and implement the financings for the Development Costs and Construction Costs of the Initial Facilities to achieve this result. The Participant acknowledges and agrees that UAMPS cannot guarantee that it will be able to achieve this result, and under certain circumstances it may be necessary for UAMPS to submit billings to the Participant pursuant to Section 26 to enable it to pay Development Costs.

(c) UAMPS and the Participant acknowledge and agree that:

(i) as of the Effective Date, (A) UAMPS has not obtained the Permits and Approvals necessary for the construction and operation of the Project, and (B) the overall development of the Project is at a preliminary stage;

(ii) UAMPS shall use Commercially Reasonable Efforts to obtain all such Permits and Approvals as a part of the Development Work during the Development Period;

(iii) the Development Costs incurred by UAMPS will be financed by the issuance of Bonds;

(iv) in the event that UAMPS is unable to obtain transmission service for Project Output on reasonable terms, is unable to obtain the required Permits and Approvals for the construction and operation of the Project or the Project Management Committee determines that the continued development of the Project is not feasible for any reason, the Project Management Committee may determine to terminate the Project as provided herein; and

(v) if the Project Management Committee determines to terminate the Project during the Development Period, the Project will not be completed and the Participant will be required to pay, among other things, its Development Cost Share of all Development Costs incurred and its Development Cost Share of Debt Service Costs until all Bonds previously issued are fully paid and retired, as provided in Section 6.

(d) Each Participant may elect to make a Capital Contribution to UAMPS pursuant to Section 17. Prior to the giving by UAMPS of the notice required by Section 17(a), the Project Management Committee shall determine whether any additional interest expense on or in respect of any Bonds that are subject to federal income taxation shall be allocated to those Participants whose legal status or use of Project Output requires the issuance of such Bonds. In the event the Project Management Committee determines to make such allocation, the notice required by

Section 17(a) shall include such information as shall be necessary to generally inform the affected Participants of the additional Debt Service Costs that may be payable by them in the event they elect not to make a Capital Contribution.

*Section 17. Capital Contributions.* (a) Prior to the first issuance of long-term Bonds to finance the Cost of Acquisition and Construction of the Initial Facilities, UAMPS shall give written notice to the Participant of:

- (i) its right to elect to make a Capital Contribution;
- (ii) the date by which it must notify UAMPS of its election, which shall be not earlier than 30 days after the date of such notice;
- (iii) the applicable Reference Project Costs; and
- (iv) the maximum amount of the Participant's Capital Contribution, which shall be an amount equal to the product of (A) such Reference Project Costs and (B) the ratio of the Entitlement Share of the Participant to the Entitlement Shares of all Participants.

The Participant may elect to make a Capital Contribution only from the retained earnings of its Electric System or other legally available funds not derived from any external borrowing.

(b) The Participant's election to make a Capital Contribution shall be made by written resolution adopted by its governing body. An original or certified copy of such resolution shall be submitted to UAMPS with the Participant's notice of its election to make the Capital Contribution. In the event that the Participant does not notify UAMPS of the determination of its governing body by the date specified in the notice provided by UAMPS, the Participant shall be deemed to have elected not to make a Capital Contribution.

(c) Following receipt of the Participant's election to make the Capital Contribution, UAMPS will provide the Participant with notice of:

- (i) the date (which shall be not earlier than 30 days after the date of such notice) by which the Participant must make the Capital Contribution;
- (ii) instructions for the deposit of the Capital Contribution into a separate and segregated special escrow account established under the Financing Documents; and
- (iii) a written statement of information regarding UAMPS, the Project and the Project Agreements for the Participant's use in any offering material for any indebtedness to be issued to finance the Capital Contribution.

The Capital Contribution shall be held and invested in accordance with the provisions of the Financing Documents, which shall provide for the investment of the Capital Contribution, the crediting of any interest earnings for the account of the Participant and the application of the Capital Contribution by the Trustee upon the direction of UAMPS to fund a portion of the Cost of

Acquisition and Construction of the Initial Facilities, and for deposit into certain funds and accounts established by the Financing Documents. If the Participant fails to make the Capital Contribution as and when required by the UAMPS' notice, it shall be deemed to have rescinded its election to make the Capital Contribution.

(d) The Participant acknowledges and agrees that the amount of the Capital Contribution to be made by the Participant will be based upon an estimate of the Cost of Acquisition and Construction of the Initial Facilities, which estimates will be subject to adjustment to reflect the final Cost of Acquisition and Construction of the Initial Facilities approved by the Project Management Committee. Not more than 30 days following the determination of the final Cost of Acquisition and Construction of the Initial Facilities, UAMPS shall deliver a final accounting statement to the Participant showing the Cost of Acquisition and Construction, the amount of and interest earnings on the Capital Contribution and any amounts payable by or credited to the Participant in respect of the final Cost of Acquisition and Construction. The Participant agrees that it will pay any additional amount payable by it shown on such accounting statement on or before the 30th day following the date of such final accounting statement, or on such later date as may be approved by the Project Management Committee.

(e) After Capital Contributions have been made by all electing Participants, UAMPS shall complete (or revise, as applicable) SCHEDULE I and provide a copy of the completed or revised SCHEDULE I to each of the Participants. With respect to all Participants and at all times, SCHEDULE I shall show that:

- (i) the sum of each Participant's Capital Contribution Percentage and Debt Service Percentage equals its Entitlement Share;
- (ii) the sum of the Capital Contribution Percentages and Debt Service Percentages of all Participants equals 100%; and
- (iii) the sum of the Debt Service Shares of all Participants equals 100%.

UAMPS' calculation and determination of the Development Costs and the Cost of Acquisition and Construction of the Initial Facilities and the Participant's Capital Contribution Percentage, Debt Service Percentage and Debt Service Share in accordance with (i), (ii) and (iii) above shall be subject to the approval of the Project Management Committee, and upon such approval shall be conclusive and binding upon UAMPS and the Participant. UAMPS shall revise SCHEDULE I from time to time as provided herein so that it sets forth the correct Entitlement Shares, Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares of all Participants.

(f) The Participant acknowledges and agrees with UAMPS that:

- (i) its election to make a Capital Contribution 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 Capital Contribution in the event that Uncontrollable Force, termination of any Project Agreements or other circumstances result in the suspension, interruption, interference, reduction, curtailment or termination of the Project or the Project Output;

(ii) the Capital Contribution shall not be deemed to constitute an investment by the Participant and the Participant shall not be entitled to any investment earnings or rate of return on the Capital Contribution, except with respect to interest earnings on the Capital Contribution pending its application as provided above; and

(iii) any Capital Contribution made by the Participant shall not change or affect UAMPS' ownership in the Project or any of the rights and obligations of UAMPS and the Participant under this Contract, except as specifically provided herein, including the right of UAMPS to suspend or terminate the Participant's right to receive the Electric Energy allocable to its Entitlement Share as provided in Section 34.

(g) In connection with the issuance of Additional Bonds or Refunding Bonds, the Project Management Committee may determine to provide Participants with the option of making a capital contribution with respect to the Costs of the Project being financed or refinanced by the Additional Bonds or Refunding Bonds under procedures and standards substantially similar to those set forth in this Section, with such adjustments as the Project Management Committee shall determine to be advisable. Any capital contribution made by a Participant pursuant to this paragraph (g) shall constitute a Capital Contribution for all purposes of the Power Sales Contracts.

*Section 18. Additional Bonds and Refunding Bonds.* (a) Additional Bonds may be sold and issued by UAMPS in accordance with the provisions of the Financing Documents at any time and from time to time for the purpose of financing the Cost of Acquisition and Construction. UAMPS may incur other obligations pursuant to the Financing Documents to achieve purposes deemed beneficial to the Project.

(b) Any Additional Bonds shall be secured by the pledge made pursuant to the Financing Documents of the payments required to be made by the Participant under Section 27, as such payments may be increased and extended by reason of the issuance of Additional Bonds, and of other revenues of UAMPS attributable to the Project. Additional Bonds may be issued in amounts sufficient to pay the full amount of such costs and to provide such reserves as may be determined by UAMPS to be reasonably necessary. In the event that the Project Management Committee approves the issuance of Additional Bonds, it shall determine whether to make a capital contribution option available to the Participants and the procedures therefore.

(c) In the event Debt Service Costs may be reduced by the refunding of any Bonds then outstanding or in the event it shall otherwise be advantageous, in the opinion of UAMPS, to refund any Bonds, UAMPS may issue and sell Refunding Bonds in accordance with the Financing Documents.

*Section 19. Pledge of Payments.* All payments required to be made by the Participant pursuant to Section 27, together with other revenues of UAMPS attributable to the Project may be pledged by UAMPS pursuant to the Financing Documents to secure the payment of Bonds and any Additional Bonds or Refunding Bonds.

*Section 20. Reserve and Contingency Fund.* (a) In addition to various funds and accounts established under the Financing Documents, UAMPS may, upon the approval of the Project

Management Committee, establish an additional fund with respect to the Project known as the “Reserve and Contingency Fund” to be funded, held and applied as provided herein. Amounts on deposit in the Reserve and Contingency Fund may be used to pay or provide reserves for unusual or extraordinary Operation and Maintenance Costs, renewals, repairs, replacements, additions or betterments of or to any items included in the Project, the cost of any Additional Facilities or the cost of or reserves for the retirement, decommissioning and termination of the Initial Facilities and any Additional Facilities that will not be paid from the Decommissioning Fund.

(b) The Project Management Committee may direct UAMPS to include in the Annual Budget adopted pursuant to Section 24 an amount for deposit into the Reserve and Contingency Fund. This amount may represent either an appropriation of excess revenues from the operation of the Project during the preceding Fiscal Year or amounts to be billed to and collected from the Participants as an item of Operation and Maintenance Costs during the Fiscal Year covered by the Annual Budget.

*Section 21. Damage, Destruction or Condemnation.* Subject to the provisions of the Project Agreements, UAMPS shall use Commercially Reasonable Efforts to collect or cause to be collected amounts arising from insurance proceeds, condemnation awards, damages due from contractors, subcontractors or others and proceeds from the sale or other disposition of surplus property, all related to the Project, and shall apply all receipts, revenues and other moneys received by it or credited to it from the foregoing sources to the repair, reconstruction or replacement of the Project, to the retirement or defeasance of Bonds (in whole or in part), by purchase, redemption or other arrangements therefor, to the payment of other costs and expenses of UAMPS in connection with the Project or to the credit, pro rata, of the Participants, based upon their Entitlement Shares in the Project, all as provided in the Financing Documents.

*Section 22. Decommissioning.* Upon the retirement of the Project and its removal from service, UAMPS shall take all actions necessary to Decommission the Project. The Decommissioning Fund shall be established as a separate and segregated trust fund or escrow account, and the amounts in the Decommissioning Fund shall be used solely for the payment of Decommissioning Costs and necessary administrative and other charges. The Decommissioning Fund may be funded by a prepayment, by sinking fund deposits or by another method approved by the Project Management Committee. Pending the application of amounts on deposit in the Decommissioning Fund to pay Decommissioning Costs, the Decommissioning Fund may be invested as provided in the trust or escrow agreement. Any amounts remaining in the Decommissioning Fund upon the completion of the Decommissioning of the Project shall be applied or disbursed at the direction of the Project Management Committee.

(b) The Project Management Committee may direct UAMPS to establish other funds or accounts to provide additional reserves for the payment of Decommissioning Costs.

*Section 23. Disposition or Termination of the Project.* (a) Except as otherwise provided in the Power Sales Contracts, UAMPS shall not sell, lease or otherwise dispose of the Project or any substantial part of the Project without the approval of the Project Management Committee by a Super-Majority Vote. Subject to the provisions of the Financing Documents and the Project

Agreements, this Section shall not prohibit a merger or consolidation or sale of all or substantially all of the property of UAMPS.

(b) Subject to the applicable provisions of the Project Agreements, if the Project shall be terminated, UAMPS shall use Commercially Reasonable Efforts to cause the Project to be economically salvaged, discontinued, disposed of or sold in whole or in part. UAMPS shall make accounting statements for each Billing Period to the Participant of all costs and any net proceeds associated therewith. Such accounting statements shall continue for such Billing Periods until the Project has been salvaged, discontinued or finally disposed of, at which time a final accounting statement with respect thereto shall be made by UAMPS at the earliest reasonable time. The costs of salvage, discontinuance or disposition shall include, but shall not be limited to, all accrued costs and liabilities resulting from the acquisition, construction, operation or maintenance of and renewals and replacements to the Project. Such costs and, subject to the provisions of the Financing Documents, the net proceeds, if any, from the sale or salvage of Project components or assets shall be allocated among the Participants based upon their respective Entitlement Shares.

*Section 24. Annual Budget; Accounting.* (a) On or before 15 days prior to the estimated commencement of the first Contract Year and on or before the beginning of each Contract Year thereafter, UAMPS shall prepare and mail to the Participant an Annual Budget for the Project recommended by the Project Management Committee and approved by the Board, based, to the extent appropriate, on budgets received under the Project Agreements, showing an annual estimate of Operation and Maintenance Costs, Transmission Costs and Debt Service Costs, and the Participant's share of each, for the following Contract Year. The Participant shall, to the extent and in the manner deemed appropriate by the Participant, incorporate the estimates shown on the Annual Budget in its annual budgetary process for the Participant's Enterprise Fund.

(a) At the end of each quarter during each Contract Year and at such other times as it shall deem desirable, UAMPS shall review the Annual Budget of Operation and Maintenance Costs, Transmission Costs and Debt Service Costs for the Contract Year. In the event such review indicates that the Annual Budget does not or will not substantially correspond with actual receipts or expenditures, or if at any time during such Contract Year there are or are expected to be extraordinary receipts, credits or expenditures of costs substantially affecting Operation and Maintenance Costs, Transmission Costs and Debt Service Costs, UAMPS shall prepare and provide to the Participant's Representative a revised Annual Budget, recommended by the Project Management Committee and approved by the Board, incorporating adjustments to reflect such receipts, credits or expenditures which shall thereupon supersede the previous Annual Budget. The revised Annual Budget and any written materials that accompany it shall specifically identify the changes from the Annual Budget that was previously in effect.

(b) UAMPS agrees that it will, from and after the date of the acquisition by UAMPS of the Project, keep accurate records and accounts relating to the Project, the Cost of Acquisition and Construction, Reference Project Costs, Operation and Maintenance Costs, Transmission Costs and Debt Service Costs in accordance with the Financing Documents and which are generally consistent with the Uniform System of Accounts, separate and distinct from its other records and accounts; *provided* that UAMPS may establish revenue and operation and maintenance funds that account for more than one project of UAMPS so long as UAMPS shall maintain books and records

adequate to show the amounts in each of such funds allocable to each such Project. Said accounts shall be audited annually by a firm of certified public accountants, experienced in public finance and electric utility accounting and of national reputation, to be employed by UAMPS. A copy of each annual audit, including all written comments and recommendations of such accountants, approved by the Members shall be furnished by UAMPS to the Participant not later than 180 days after the end of each Contract Year.

*Section 25. Billing Periods.* (a) The initial Billing Period to be used for the preparation, calculation and billing of the amounts payable by the Participant hereunder shall be a Month. In order to promote the efficient and economic administration of the 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 hereunder. In addition to the foregoing, UAMPS may, upon the approval of the Project Management Committee, from time to time revise the billing and payment procedures provided for in this Section to promote the efficient and economic administration of the Project or to conform such billing procedures to those utilized in connection with other projects of UAMPS.

(b) Any change in the Billing Period shall be made in the Annual Budget provided for in Section 24 and shall not be effective for at least 30 days after the mailing of notice of such change in the Billing Period or in the billing and payment procedures to the Participant. At the time of the mailing of such Annual Budget, UAMPS shall send to the Participant a revised form of the billing procedures set forth in Section 26(b), which shall reflect any changes in the dates of billing and payment and the method thereof that are necessary or desirable to make this Section correspond to the new Billing Period, such changes to become effective on the date the new Billing Period takes effect. In no event shall any such change in the Billing Period or in the billing and payment procedures increase the amounts payable by the Participant pursuant to this Section in respect of Operation and Maintenance Costs, Transmission Costs and Debt Service Costs.

*Section 26. Billings.* (a) The Participant acknowledges and agrees that it is necessary for UAMPS to recover all of the costs and expenses associated with the Project through billings to and payments by the Participants under the Power Sales Contracts. UAMPS will exercise Commercially Reasonable Efforts to finance all Development Costs during the Development Period. In the event that Development Costs are not refinanced by the issuance of long-term Bonds, the Participant shall pay its Development Cost Share of the amount necessary to repay the financed Development Costs. UAMPS will exercise Commercially Reasonable Efforts to finance all Construction Costs, net of any Capital Contributions, with the proceeds of Bonds issued at the beginning of the Construction Period. The Participant's share of Operation and Maintenance Costs and Debt Service Costs will equal its Entitlement Share (expressed as a percentage of all Entitlement Shares), subject to the adjustments provided for in the Power Sales Contracts.

(b) For so long as the Billing Period is a Month, on or before the 25th day after the end of each Billing Period beginning with the first Billing Period in the first Contract Year, UAMPS shall render to the Participant a billing statement showing the amount payable by the Participant for such Billing Period in respect of: (i) Development Costs, (ii) Operation and Maintenance Costs; (iii) Transmission Costs; (iv) Debt Service Costs; and (v) any other amounts, adjustments or reconciliations payable by or credited to the Participant pursuant to this Contract or the Financing

Documents and not otherwise shown. The Participant shall pay the total of such amounts at the time specified in Section 27, as the same may be revised from time to time. The billing statement for each Billing Period shall be based, to the fullest extent practicable, upon the actual operation of the Project during such Billing Period. To the extent that any billing statement rendered by UAMPS shall have included any estimated amounts in respect of the Participant's share of Operation and Maintenance Costs, Debt Service Costs or the Transmission Costs or other costs allocable to the Participant, such estimated amounts shall be reconciled at least once during each Contract Year with the actual operation and scheduling of the Project and the Participant shall receive a bill or credit, as applicable, to reflect such reconciliations pursuant to clause (v) of this paragraph.

(c) Debt Service Costs, including any adjustments thereto, shall be determined by UAMPS in accordance with the Financing Documents. Operation and Maintenance Costs, including any adjustments thereto, shall be determined by UAMPS in accordance with the applicable provisions of the Power Sales Contracts and the Project Agreements. UAMPS and the Participant acknowledge and agree that certain categories of costs may be financed as a Cost of Acquisition and Construction (and paid by the Participant as Debt Service Costs or through Capital Contributions) or paid by the Participant as Operation and Maintenance Costs, as determined by the Project Management Committee, but without duplication of any item of cost. Transmission Costs, including any adjustments thereto, shall be determined by UAMPS in accordance with the applicable provisions of this Contract and the Transmission Agreements. The Participant shall pay all such amounts pursuant to Section 27.

(d) In the event that the failure of a Participant to make its payments in accordance with its Power Sales Contract shall have resulted in the application of amounts in any reserve or working capital funds for the Project, any amounts thereafter paid to UAMPS, including delayed-payment and interest charges, by such defaulting Participant in respect of past due payments (i) shall be used to replenish such fund or (ii) to the extent that the other Participants shall have made up the deficiency created by such application or paid additional amounts into any such funds, shall be credited, pro rata, on the billing statements of such other Participants in the next Billing Period or Billing Periods as shall be appropriate.

*Section 27. Participant's Payment Obligations.* (a) Payments required to be paid by the Participant to UAMPS shall be due and payable to UAMPS at its principal office or by wire transfer to such account as UAMPS shall designate in writing to the Participant, on the 10th day of the Month following the Month in which the billing statement was rendered or at such other time as may be established by UAMPS pursuant to Section 25.

(b) If payment in full is not made by the Participant on or before the close of business on the due date, UAMPS shall impose a delayed payment charge on the unpaid amount due for each day overdue at a rate equal to the lesser of one percent per month, compounded monthly, or the maximum rate lawfully payable by the Participant; provided, however, that UAMPS, acting upon the direction of the Project Management Committee, may elect to waive such delayed payment charge (or portion thereof) but only to the extent that any such waiver will not adversely affect the ability of UAMPS to meet its payment obligations under the Project Agreements or the Financing

Documents or materially increase the amounts payable by the other Participants. If said due date is not a business day, payment shall be made on the next following business day.

(c) The obligation of the Participant to make the payments for Development Costs, Operation and Maintenance Costs, Transmission Costs, Debt Service Costs and other amounts payable by the Participant pursuant to Section 26 is a several obligation and not a joint obligation with those of any other Participant. Prior to the Commercial Operation Date, the obligation of the Participant to make such payments shall constitute a cost of the development of a new power supply resource. From and after the Commercial Operation Date, the obligation of the Participant to make such payments shall constitute a cost of purchased electric power and electric energy. In all cases, the obligation of the Participant to make the payments required by Section 26 shall be payable as an operating expense and solely from the revenues and other legally available funds of its Electric System. In no event shall the Participant be obligated or required to levy or collect ad valorem property taxes or assessments to meet its payment obligations under this Contract. Such payments shall be made whether or not the Project or any portion thereof is acquired, completed, operable, operating, suspended or terminated, and notwithstanding the damage or destruction of the Project, the suspension, interruption, interference, reduction or curtailment of the Project Output, termination of any of the Project Agreements, loss or interruption of transmission from the Point of Delivery or termination of any Transmission Agreement, for any reason whatsoever, in whole or in part. The obligations of the Participant to make such payments shall not be subject to any reduction, whether by offset, counterclaim, or otherwise, and shall not be conditioned upon the performance by UAMPS under this or any other agreement or instrument.

(d) The payment obligations of the Participant under this Contract are special obligations payable solely from the revenues and other available income of its Electric System and do not, and shall not be deemed to, constitute an indebtedness or liability of the Participant under any constitutional, statutory or other legal limitation or requirement.

*Section 28. Disputed Billings.* In the event of any dispute as to any portion of the billing statement for such Billing Period, the Participant shall nevertheless pay the full amount of the disputed charges when due and shall give written notice of the dispute to UAMPS not later than the 60th day after such billing statement was submitted. Such notice shall identify the disputed billing statement, state the amount in dispute and set forth a full statement of the grounds for such dispute. No adjustment shall be considered or made for disputed charges unless such notice is given by the Participant. UAMPS shall give consideration to, and shall consult with the Project Management Committee with respect to, such dispute and shall advise the Participant with regard to its position relative thereto within thirty (30) days following receipt of such written notice. Upon final determination (whether by agreement or determination by the Project Management Committee) of the correct amount, any difference between such correct amount and such full amount shall be accounted for in the billing statement next submitted to the Participant after such determination. For the avoidance of doubt, any overpayment or underpayment determined pursuant to Section 26(b) shall not be considered to be a disputed payment that is subject to this Section.

*Section 29. Audit Rights.* (a) At its cost, the Participant may, upon the giving of not less than 15 days' prior written notice to UAMPS, but not more often than once during any two-year

period, inspect and audit the books and records of UAMPS relating to the Project for the purpose of verifying the amounts payable by the Participant under this Contract within the three-year period preceding the commencement of the audit. UAMPS agrees to make available to the Participant, to the extent Commercially Reasonable, all relevant records and all requested information relating to the subject matter of any such audit, subject in all cases to any confidentiality restrictions applicable to third-party information or contracts; provided that UAMPS shall make Commercially Reasonable Efforts to obtain a waiver of such restrictions for purposes of the audit and the Participant shall execute such non-disclosure agreements as may be reasonably requested by UAMPS. Any audit shall be conducted during normal business hours, and the Participant will use Commercially Reasonable Efforts to complete any audit within one month, subject to the availability of relevant records and information and the absence of material accounting irregularities.

(b) If any audit discloses that an overpayment or underpayment has been made during the three-year period described above, the amount of the overpayment or underpayment will be promptly paid by the appropriate party, together with interest calculated at an annual rate equal to the Secured Overnight Funding Rate (SOFR) reported on the website of the Federal Reserve Bank of New York, or reported by any successor to the Federal Reserve Bank of New York as administrator of SOFR, plus 100 basis points, compounded daily and on the basis of a 360-day year, from the date or dates of any such overpayment or underpayment through and including the date of the payment correcting the overpayment or underpayment. Any payment made by UAMPS pursuant to this Section shall constitute an item of Operation and Maintenance Costs.

*Section 30. Representations and Warranties.* (a) The Participant represents and warrants to UAMPS as follows:

(i) the Participant is a political subdivision, duly created and validly existing under the laws of the State of Utah, and has all corporate power and authority necessary to enter into and perform its obligations under this Contract;

(ii) this Contract has been duly authorized, executed and delivered by the Participant and constitutes its legal, valid and binding obligation enforceable in accordance with its terms;

(iii) the execution, delivery and performance by the Participant of this Contract does not and will not (A) conflict with any constitutional, statutory or regulatory provision, judgment, decree or order applicable to the Participant and (B) constitute a breach of or a default under any bond ordinance, resolution or indenture or any contract or agreement to which the Participant is a party or to which any of the property, assets or revenues of its Electric System is subject;

(iv) all Required Approvals have been obtained;

(v) to the Participant's knowledge, there is no pending or threatened action or proceeding affecting the Participant which purports to affect the authorization, legality,

validity or enforceability of this Contract, the Joint Action Agreement or the Pooling Agreement; and

(vi) prior to and in connection with its approval and execution of this Contract, the Participant conducted its own review of the descriptions, information and studies regarding the Project, the Project Agreement and this Contract provided by UAMPS and made an independent determination to enter into this Contract.

(b) UAMPS represents and warrants to the Participant as follows:

(i) UAMPS is a political subdivision of the State of Utah and an energy services interlocal entity, duly created and validly existing under the Act and the Joint Action Agreement;

(ii) UAMPS has all corporate power and authority necessary to enter into and perform its obligations under this Contract;

(iii) This Contract has been duly approved by the Project Management Committee and the Board and has been duly authorized, executed and delivered by UAMPS and constitutes its legal, valid and binding obligation enforceable in accordance with its terms;

(iv) the execution, delivery and performance by UAMPS of this Contract does not and will not (A) conflict with any constitutional, statutory or regulatory provision, judgment, decree or order applicable to UAMPS and (B) constitute a breach of or a default under any bond ordinance, resolution or indenture or any contract or agreement to which UAMPS is a party or to which any of its property, assets or revenues is subject;

(v) to UAMPS' knowledge, there is no pending or threatened action or proceeding affecting UAMPS which purports to affect the authorization, legality, validity or enforceability of this Contract, the Joint Action Agreement or the Pooling Agreement; and

(vi) the descriptions, information and studies regarding the Project, the Project Agreements and this Contract provided to the Participant by UAMPS have been prepared in good faith based upon the facts and information known to UAMPS at the time, and UAMPS has no reason to believe that such descriptions, information and studies taken as a whole are incorrect or misleading in any material respect.

*Section 31. Information to Be Made Available.* (a) From and after the effective date of the Power Sales Contracts and subject to their availability under the applicable provisions of the Project Agreements, UAMPS shall make available for examination by the Participant:

(1) all books of accounts, records, documentation and contracts in the possession of UAMPS relating to the operation of the Project;

(2) copies of all agreements and data in the possession of UAMPS relating to the financing of the Project;

(3) copies of all operating and financial records and reports relating to the Project in the possession of UAMPS;

(4) copies of policies of insurance carried pursuant to Section 14; and

(5) such other information and documents with respect to the Project as the Participant may reasonably request from time to time.

(b) UAMPS may from time to time provide information to the Participant or the Participant's Representative that it designates as "non-public, "commercially sensitive," "confidential" or with similar words indicating that public disclosure of such information should not be made and can be expected to cause harm to UAMPS and the Participants. The Participant and the Participant's Representative agree to (i) classify any information as "non-public," "protected" or with such similar words as may be used under all public records laws that may apply to the Participant, (ii) notify UAMPS of any request or demand for disclosure of such information and (iii) cooperate with UAMPS in contesting any such disclosure request or demand.

(c) The Participant acknowledges that the ability of UAMPS to sell the Bonds depends upon, among other things, the credit standing of the Participants and their Electric Systems and that it will be necessary for UAMPS to provide certain information with respect to the Participants and their Electric Systems in connection with the sale of the Bonds (whether or not the Participant is making a Capital Contribution). Consequently, the Participant covenants to and agrees with UAMPS that the Participant will, upon request, provide to UAMPS all information with respect to the Participant and its Electric System, including financial and operating information and all contracts, documents, reports, bond resolutions and indentures, as may be requested by UAMPS or its counsel in connection with the financing of the Project and the issuance of the Bonds.

(d) The Participant covenants to and agrees with UAMPS that the Participant will furnish to UAMPS (1) not later than 180 days after the end of each fiscal year of the Participant, (A) a copy of the most recent annual financial statements of the Participant and its Enterprise Fund, audited by an independent certified public accountant or firm of such accountants, together with copies of all management letters and written recommendations and comments submitted by the accountants making such audit, and (B) the information and documents described in EXHIBIT II attached hereto, and (2) such other information and documents as UAMPS may reasonably request from time to time.

(e) The Participant may notify UAMPS if non-public information is contained in the materials provided under EXHIBIT II. UAMPS agrees to (i) classify any such non-public information as "protected records" within the meaning of, and to the extent permitted under, the Utah Government Records Access and Management Act, (ii) agrees to cooperate with the Participant to appropriately classify any such non-public information under such other public records laws that apply to the Participant and (iii) notify the Participant of any demand for

disclosure of such information and will cooperate with the Participant in contesting any such disclosure demand.

(f) Concurrently with its execution and delivery of this Contract, the Participant shall deliver to UAMPS (i) a certificate, together with attached exhibits, in substantially the form attached hereto as EXHIBIT III and (ii) an opinion of counsel in substantially the form attached hereto as EXHIBIT V. In connection with each issuance of Bonds by UAMPS and at such other times as UAMPS may reasonably request, the Participant shall deliver to UAMPS (iii) a bring-down certificate in substantially the form attached hereto as EXHIBIT IV, and (iv) a bring-down opinion of counsel in substantially the form attached hereto as EXHIBIT VI.

*Section 32. Covenants and Agreements of the Participant.* The Participant covenants to and agrees with UAMPS as follows:

(a) *Maintenance of Rates.* The Participant shall 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 this Contract, to pay all other operating expenses of the Participant's Electric System and to provide revenues sufficient 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 other bonds of the Participant now or hereafter outstanding.

(b) *Maintenance of Revenues.* The Participant shall promptly collect all charges due for electric utility services supplied by it as the same become due. The Participant shall at all times maintain and shall exercise Commercially Reasonable Efforts to enforce its rights against any person, customer or other entity that does not pay such charges when due.

(c) *Sale or Assignment of Electric System or Power Sales Contract.* During the term of this Contract, the Participant shall not sell, lease or otherwise dispose of all or substantially all of its Electric System, except upon compliance with the following provisions respecting the transfer or assignment of its Entitlement Share.

The Participant shall not assign, sell or transfer all or any part of its Entitlement Share or any or all of its interests under this Contract, except upon one hundred twenty (120) days' prior written notice to UAMPS and compliance with the provisions set forth below. Within thirty (30) days after receipt of such notice from the Participant (and if such notice indicates that the Participant proposes to assign its Entitlement Share), UAMPS shall notify all of the other Participants of the proposed assignment or transfer by the Participant of all or part of its Entitlement Share. Each of the other Participants shall have the option of acquiring all or any portion of the Entitlement Share that is proposed to be assigned or transferred and shall notify UAMPS of its exercise of such option within forty-five days of its receipt of the notice from UAMPS referred to in the preceding sentence. In the event that two or more of the other Participants shall exercise their options with respect to the Entitlement Share that is proposed to be assigned or transferred in amounts which exceed the total Entitlement Share proposed to be assigned, UAMPS shall, to the extent necessary, make a pro rata allocation of the such Entitlement

Share among the Participants which have exercised their options, based upon the existing Entitlement Shares of the requesting Participants. In the event that less than all of such Entitlement Share shall be acquired by other Participants, UAMPS shall notify the other Members of UAMPS of the proposed assignment of an Entitlement Share and shall provide such Members with an opportunity to acquire the remaining portion of the Participant's Entitlement Share.

In the event that less than all of the Entitlement Share proposed to be transferred or assigned is to be acquired by other Participants or other Members of UAMPS, the Participant may proceed to transfer or assign its Entitlement Share and its rights under this Contract upon satisfaction of the following conditions: (A) at the sole option of UAMPS either (i) the purchaser or assignee shall assume all obligations of the Participant under this Contract in such a manner as shall assure UAMPS to its sole satisfaction that the Participant's Entitlement Share to be purchased hereunder 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 purchaser or assignee shall enter into an agreement supplemental to this Contract to clarify the terms upon which the Participant's Entitlement Share is to be sold hereunder by UAMPS to such purchaser or assignee; or (ii) such purchaser or 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 this Contract; (B) the senior debt, if any, of such purchaser or assignee, if such purchaser or assignee is not a Participant shall be rated by at least "Baa2" or "BBB", as applicable, by at least one Rating Agency; (C) the Project Management Committee 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 Bond Counsel to the effect that such sale, assignment or disposition will not by itself adversely affect the Tax Status of Bonds theretofore issued or thereafter issuable. UAMPS shall make the determinations required by this subparagraph (3) within one hundred twenty (120) days of receipt by UAMPS of the notice referred to in the first sentence of this subparagraph and shall provide a written copy of such determinations to the Participant.

In the event any sale, lease or other disposition is permitted pursuant to this subparagraph (3), UAMPS may require as additional security to assure the flow of revenues under this Contract, and the transferring and assigning Participant shall provide or cause to be provided either a prepayment or a security deposit for amounts due under this Contract in such amounts as shall be determined by the Project Management Committee.

Upon the completion of any such sale, lease or other disposition, UAMPS shall prepare and send to each of the Participants a revised SCHEDULE I, setting forth the Entitlement Shares, Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares of the Participants, as revised to reflect such sale, lease or other disposition.

(d) *Good Utility Practice.* The Participant shall, in accordance with Good 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, (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, and (iv) duly perform its obligations under all power supply and transmission service agreements to which it is a party.

(e) *Operating Expenses.* UAMPS and the Participant intend that the payments to be made by the Participant to UAMPS pursuant to this Contract will be payable (i) if and to the extent that any payments are required to be made prior to the Commercial Operation Date, from the revenues and income derived from the operation of the Participant's Electric System as a cost of the development of a new long-term power supply resource, (ii) from and after the Commercial Operation Date as a cost of purchased electric power and energy, and (iii) in each case as an operating expense of the Participant's Electric System and a first charge, together with all other operating expenses, on the revenues derived from the operation of the Participant's Electric System; *provided that* if any amount payable by the Participant under this Contract is prohibited from being paid as an operating expense of the Participant's Electric System under applicable law or a binding contractual obligation, such amount shall be payable from the available revenues and income of the Participant's Electric System. The Participant covenants to and agrees with UAMPS that it will, unless otherwise required by applicable law or under a binding contractual obligation, include the annual payments required to be made by it under this Contract as a cost of purchased electric power and energy as an operating expense in the annual operating budget of its Electric System and in any resolution, ordinance or indenture providing for future borrowings for the Participant's Electric System.

(f) *Tax Status.*

(i) The Participant agrees that it will apply all of the Electric Energy acquired under this Contract to a Qualified Use and that it will not take or omit to take any action (whether with respect to the Electric Energy acquired under this Contract or otherwise) which could, either alone or in conjunction with any other similar actions by the Participant or other Participants, adversely affect the Tax Status of any Bonds issued or issuable by UAMPS. Upon any breach of the foregoing covenants, the Participant shall take and pay the costs of all remedial actions as may be directed by UAMPS in order to maintain the Tax Status of the Bonds.

(ii) The Participant represents and warrants that, as of the Effective Date, it has no contracts (and has no current expectation of entering into any contracts) other than Permitted Output Contracts to provide electric service to any purchaser. At least thirty days prior to entering into any such contract, the Participant shall notify UAMPS of its intent to enter into such contract and provide copies of such contract to UAMPS. Within thirty days after receipt of such notice, UAMPS shall advise the Participant as to whether, in the opinion of Bond Counsel, such contract would result in a violation of the covenant in clause (i) above. The cost of such opinion and other reports necessary in connection therewith shall be borne by the Participant.

(iii) The Participant agrees to provide such information as UAMPS may request and to comply with such additional instructions as may be provided by UAMPS in order to confirm and maintain the Qualified Use of the Electric Energy sold under this Contract.

*Section 33. Default by Participant.* Each of the following shall constitute a “default” by the Participant under this Power Sales Contract:

- (a) failure of the Participant to make to UAMPS any of the payments for which provision is made in this Power Sales Contract within five business days after the due date of any such payment; or
- (b) failure by the Participant to observe any of the covenants, agreements or obligations on its part contained herein 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, shall have 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 the Participant and, if instituted against the Participant, said proceedings are consented to or are not dismissed within thirty days after such institution.

*Section 34. Continuing Obligation of Participant; Right of UAMPS to Discontinue Service.* (a) In the event of any default referred to in Section 33, the 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 hereunder and UAMPS shall have the right to recover from the Participant any amount in default. In enforcement of any such right of recovery, UAMPS may bring any suit, action, or proceeding in law or in equity, including mandamus and action for specific performance, as may be necessary or appropriate to enforce any covenant, agreement or obligation of the Participant hereunder or the obligation of the Participant to make any payment for which provision is made in this Contract.

(b) In addition to proceeding with its rights against a defaulting Participant pursuant to paragraph (a) above, UAMPS may, upon not less than thirty 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 this 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 this Power Sales Contract shall not, however, terminate, reduce or modify the Participant's outstanding obligations and liabilities hereunder.

(c) The suspension or termination of a defaulting Participant's right to receive its Entitlement Share and any actions taken by UAMPS pursuant to Section 35 shall not terminate, reduce or modify the defaulting Participant's obligations and liabilities under its Power Sales Contract. The defaulting Participant shall remain liable under all billing statements rendered by

UAMPS, whether prior or subsequent to the default, and UAMPS for itself and on behalf of the nondefaulting Participants shall be entitled to recover from the defaulting Participant all damages, legal fees, costs and expenses incurred by UAMPS and the nondefaulting Participants as a result of such default. UAMPS shall exercise Commercially Reasonable Efforts to mitigate the damages resulting from the Participant's default.

*Section 35. Transfer of Entitlement Share Following Default; Other Actions by UAMPS.*

(a) UAMPS and the Participant acknowledge that a default by any of the Participants under its Power Sales Contract could reduce the revenues available to UAMPS which are necessary in order for UAMPS to meet its obligations under the Project Agreements and the Financing Documents on a timely basis. In the event of an insufficiency of revenues and an inability on the part of UAMPS to meet its obligations under the Project Agreements and the Financing Documents on a timely basis, the ability of UAMPS to deliver Electric Energy from the Project and the interests of all of the Participants will be materially and adversely affected. The provisions of this Section are intended to assure the sufficiency of revenues to UAMPS following a default by a Participant under its Power Sales Contract by the reallocation of the defaulting Participant's Entitlement Share. As set forth below, UAMPS agrees to take certain actions to mitigate the impact of any such reallocation on the nondefaulting Participants. The Participants agree that the provisions of this Section are reasonable and necessary in order for them to achieve the benefits of their joint and cooperative undertaking with respect to the Project.

(b) In the event of a default by any Participant and discontinuance of service pursuant to Section 35 of such Participant's Power Sales Contract, but only if the Project has not been terminated, UAMPS and the nondefaulting Participants shall 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, pro rata on the basis of their original Entitlement Shares. UAMPS shall provide written notice to the nondefaulting Participants of the mandatory allocation of the defaulting Participant's Entitlement Share which notice shall (a) set forth the date of the mandatory allocation, (b) include a revised Schedule I showing the increased Entitlement Shares and (to the extent applicable) the revised Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares of the nondefaulting Participants as a result of such allocation, (c) direct each of the nondefaulting Participants to make an election pursuant to subparagraph (2) below, and (d) set forth the date by which each of the nondefaulting Participants must notify UAMPS of its election pursuant to subparagraph (2) below. Such mandatory allocation of the defaulting Participant's Entitlement Share and the increased Entitlement Shares and the revised Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares of the nondefaulting Participants as a result of such allocation (as shown on the revised Schedule I prepared by UAMPS) shall remain in effect until the completion of the procedures provided for in this paragraph (a). During such period, each of the nondefaulting Participants shall have all of the rights, benefits, obligations and responsibilities associated with its increased Entitlement Share and its revised Capital Contribution Percentage, Debt Service Percentage and Debt Service Share as a result of such allocation.

(2) Within sixty days after the allocation of the defaulting Participant's Entitlement Share provided for in subparagraph (1) above, 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 pursuant to subparagraph (1) 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 pursuant to subparagraph (1) above; or (B) to retain none or less than all of the defaulting Participant's Entitlement Share allocated to the Participant pursuant to subparagraph (1) above. Any Participant that shall have elected to retain all of that portion of the defaulting Participant's Entitlement Share allocated to it pursuant to subparagraph (1) above shall be deemed to have fully satisfied its obligations to UAMPS under this Section 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 pursuant to subparagraph (2), UAMPS shall determine whether the nondefaulting Participants have elected to retain all of the Entitlement Share of the defaulting Participants pursuant to subparagraph (2). 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. To the extent necessary to provide for a complete reallocation of the defaulting Participant's Entitlement Share, UAMPS shall next 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. Proportional reallocations shall be based upon the Entitlement Shares of the nondefaulting Participants in effect immediately prior to the defaulting Participant's default.

(4) In no event shall any reallocation of a defaulting Participant's Entitlement Share, or the total of all mandatory reallocations of Entitlement Shares in the event of two or more Participant defaults under the Power Sales Contracts, cause any nondefaulting Participant's Entitlement Share to increase by more than [ ]%\* over its original Entitlement Share set forth on Schedule I.

(5) Each allocation or reallocation of a defaulting Participant's Entitlement Share shall also allocate or reallocate the defaulting Participant's Capital Contribution Percentage and Debt Service Percentage to the nondefaulting Participants receiving such allocation or reallocation. The Capital Contribution Percentage and the Debt Service Percentage of the defaulting Participant shall be allocated to each of such nondefaulting

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\* This amount will not exceed 25% and will be determined by the Project Management Committee upon the Effective Date of the Power Sales Contracts.

Participants proportionally based upon the respective amounts of the defaulting Participant's Entitlement Share that are allocated or reallocated to them.

(6) UAMPS shall deliver, promptly after making the determinations and reallocations required by this paragraph (b), a notice to the nondefaulting Participants which notice shall (A) set forth the reallocation of the defaulting Participant's Entitlement Share made by UAMPS pursuant to subparagraph (3) above, and the effective date of such reallocation, (B) set forth the amount, if any, of the Entitlement Share of the defaulting Participant that has been mandatorily reallocated to nondefaulting Participants that did not elect to retain or acquire the same, and (C) include a revised SCHEDULE I showing the revised Entitlement Shares, Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares, respectively, of the nondefaulting Participants as a result of the reallocation provided for under subparagraph (3). The Entitlement Shares, Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares shown on such revised SCHEDULE I shall thereafter be the Entitlement Shares, Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares of the nondefaulting Participants.

(7) Any portion of the Entitlement Share of a defaulting Participant transferred pursuant to this paragraph (b) 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 this 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 provided for in this Section.

(c) In the event that any portion of a defaulting Participant's Entitlement Share shall have been mandatorily reallocated to nondefaulting Participants pursuant to paragraph (b)(3) above or in the event that the procedures set forth in paragraph result in the reallocation of less than all of a defaulting Participant's Entitlement Share, UAMPS shall use Commercially Reasonable Efforts to sell or dispose of all or any part of the defaulting Participant's Entitlement Share as follows and in the following order:

(1) UAMPS shall first seek to sell all or any part of the defaulting Participant's Entitlement Share on terms and conditions comparable to those contained in the Power Sales Contracts; and

(2) 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 an Entitlement Share shall be made pursuant to this paragraph (c) 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.

(d) In the event that UAMPS is unable to sell or dispose of any portion of the defaulting Participant's Entitlement Share pursuant to paragraph (c) above within 180 days of commencing Commercially Reasonable 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 or the ability of UAMPS to meet its obligations under the Project Agreements and the Financing Documents, then UAMPS shall take such actions as UAMPS in its sole discretion shall deem 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 any combination thereof):

- (1) UAMPS may sell all or any portion of the Project that is allocable to the defaulting Participant's Entitlement Share on such terms and conditions 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
- (2) 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 (2) above, UAMPS will obtain an opinion of 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 includable in gross income for federal income tax purposes, the Participant acknowledges 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 Participant pursuant to Section 26 will increase correspondingly. The Participant agrees to pay its Debt Service Share of such increased Debt Service Costs pursuant to the provisions of this Power Sales Contract.

(e) Upon any sale or disposition of all or any portion of a defaulting Participant's Entitlement Share or the Electric Energy associated therewith or any sale of the Project pursuant to paragraphs (c) and (d) above, UAMPS shall take into account the proceeds realized or the revenues to be received from such sale or disposition and shall, to the extent necessary, make adjustments to the Entitlement Share, Capital Contribution Percentage, Debt Service Percentage and Debt Service Share of each of the nondefaulting Participants to reflect such sale or disposition and to ensure the receipt of revenues sufficient to enable UAMPS to meet its obligations under the Project Agreements and the Financing Documents. The Participant acknowledges that such adjustments may, under certain circumstances, result in a change in the Participant's share of Operation and Maintenance Costs, Transmission Costs and Debt Service Costs without a corresponding change in the Participant's Entitlement Share. Upon the completion of the

procedures provided for in this Section, UAMPS shall prepare and send to each of the Participants a final revised SCHEDULE I, setting forth the Entitlement Shares, the Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares, respectively, of the nondefaulting Participants after the procedures and actions provided for in this Section.

*Section 36. Other Default by Participant.* In the event of a failure of the Participant to observe, keep and perform any of the covenants, agreements or obligations on its part contained in this Power Sales Contract, UAMPS may, in addition to its other rights hereunder, bring any suit, action, or proceeding in law or in equity, including mandamus, injunction and action for specific performance, as may be necessary or appropriate to enforce any covenant, agreement or obligation of this Power Sales Contract against the Participant.

*Section 37. Default by UAMPS; Dispute Resolution.* (a) In the event of any default by UAMPS under any covenant, agreement or obligation of this Power Sales Contract, the Participant's sole remedy for such default shall be limited to mandamus, injunction, action for specific performance or any other available equitable remedy as may be necessary or appropriate and in no event shall the Participant withhold or offset any payment owed to UAMPS hereunder.

(b) Prior to and as a condition to the filing of any action with respect to this Contract under paragraph (a) above, the Participant shall first submit the dispute or matter in question to the Project Management Committee for mediation by giving notice in writing to UAMPS and the Chair of the Project Management Committee describing the dispute or matter and the issue or issues to be resolved. The Participant agrees to participate fully and in good faith in all mediation proceedings of the Project Management Committee. In the event that the Project Management Committee is unable to resolve or mediate such dispute or matter within 120 days after UAMPS has received written notice of the dispute, the Participant shall have the right to initiate such proceedings as it may deem necessary pursuant to paragraph (a).

*Section 38. Abandonment of Remedy.* In case any proceeding taken on account of any default shall have been discontinued or abandoned for any reason, the parties to such proceedings shall be restored to their former positions and rights hereunder, respectively, and all rights, remedies, powers and duties of UAMPS and the Participant shall continue as though no such proceedings had been taken.

*Section 39. Waiver of Default.* Any waiver at any time by either UAMPS or the Participant of its rights with respect to any default of the other party hereto, or with respect to any other matter arising in connection with this Power Sales Contract, shall not be a waiver with respect to any subsequent default, right or matter.

*Section 40. Relationship to and Compliance with Other Instruments.* (a) It is recognized by the parties hereto that UAMPS, in undertaking, or causing to be undertaken, the planning, financing, construction, acquisition, operation and maintenance of the Project, must comply with the requirements of the Financing Documents, the Project Agreements and all Permits and Approvals necessary therefor, and it is therefore agreed that this Power Sales Contract is made subject to the terms and provisions of the Financing Documents, the Project Agreements and all such Permits and Approvals.

(b) UAMPS covenants and agrees that it will use Commercially Reasonable Efforts for the benefit of the Participant to comply in all material respects with all terms, conditions and covenants applicable to it contained in the Financing Documents, the Project Agreements and all Permits and Approvals relating thereto and that it will not, without the consent of the Participant, enter into any amendment or modification of the Financing Documents or the Project Agreements which will change the Participant's Entitlement Share or which will materially and adversely affect the rights and obligations of the Participant hereunder.

*Section 41. Liability of Parties.* UAMPS and the Participant shall assume full responsibility and liability for the maintenance and operation of their respective properties and each shall, to the extent permitted by law, indemnify and save harmless the other from all liability and expense on account of any and all damages, claims, or actions, including injury to or death of persons arising from any act or accident in connection with the installation, presence, maintenance and operation of the property and equipment of the indemnifying party and not caused in whole or in part by the negligence of the other party; *provided* that any liability which is incurred by UAMPS through the operation and maintenance of the Project or pursuant to the Project Agreements and not covered, or not covered sufficiently, by insurance shall be paid solely from the revenues of UAMPS hereunder, and any payments made by UAMPS to satisfy such liability shall, except to the extent paid from proceeds of Bonds or Capital Contributions, become part of Operation and Maintenance Costs.

*Section 42. Assignment of Power Sales Contract.* (a) This Power Sales Contract shall inure to the benefit of and shall be binding upon the respective successors and assigns of the parties to this Power Sales Contract; *provided, however*, that neither this Power Sales Contract nor any interest herein shall be transferred or assigned by either party hereto except as follows:

(1) UAMPS may assign its interests under this Power Sales Contract or all or any portion of the amounts payable by the Participant hereunder pursuant to the Financing Documents as described in paragraph (b) below;

(2) UAMPS may sell, transfer or reallocate all or any portion of the Participant's Entitlement Share following a default by the Participant and a discontinuance of service as provided in Section 35;

(3) After such point in time as all Bonds issued under the Financing Documents have been paid or deemed to have been paid as provided in the Financing Documents, UAMPS may assign this Power Sales Contract and pledge the amounts payable by the Participant hereunder without limitation;

(4) the Participant shall assign the Electric Energy allocable to the Participant's Entitlement Share to the UAMPS Pool as provided in Section 10; and

(5) subject to the provisions of Section 32, the Participant may assign or transfer all or any portion of its Entitlement Share or its interests under this Power Sales Contract.

(b) The Participant acknowledges and agrees that UAMPS may assign and pledge to the Trustee designated in the Financing Documents all or any portion of its right, title, and interest in and to the payments to be made to UAMPS under the provisions of this Power Sales Contract, as security for the payment of the principal (including sinking fund installments) of, premium, if any, and interest on Bonds and, upon such assignment and pledge, UAMPS may grant to the Trustee any rights and remedies herein provided to UAMPS, and thereupon any reference herein to UAMPS shall be deemed, with the necessary changes in detail, to include the Trustee which on behalf of and together with the owners from time to time of the Bonds shall be third party beneficiaries of the covenants and agreements of the Participant herein contained.

*Section 43. Termination or Amendment of Power Sales Contract.* (a) This Power Sales Contract shall not be terminated by either party under any circumstances, whether based upon the default of the other party under this Power Sales Contract or any other instrument or otherwise except as specifically provided in this Power Sales Contract.

(b) This Power Sales Contract shall not be amended, modified, or otherwise altered in any manner that will adversely affect the security for the Bonds afforded by the provisions of this Power Sales Contract. So long as any of the Bonds are outstanding or until adequate provisions for the payment thereof have been made in accordance with the provisions of the Financing Documents, this Power Sales Contract shall not be amended, modified, or otherwise altered in any manner which will reduce the payments pledged as security for the Bonds or extend the time of such payments provided herein or which will in any manner impair or adversely affect the rights of the owners from time to time of the Bonds.

(c) Subject to Section 6, no Power Sales Contract entered into between UAMPS and another Participant may be amended so as to provide terms and conditions that are substantially and materially different from those herein contained except upon written notice to and written consent or waiver by each of the other Participants, and upon similar amendment being made to the Power Sales Contract of any other Participants requesting such amendment after receipt by such Participant of notice of such amendment.

(d) In connection with any revision or amendment of the billing procedures provided for in Section 25 or of any of the Exhibits, UAMPS shall promptly provide a copy of the revision or amendment to the Participant.

*Section 44. Notices and Computation of Time.* All notices, demands or other communications made pursuant to this Contract (each, a "Notice") may be sent by facsimile, electronic mail, other mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivery. Notice shall be deemed given when received by the addressee, unless received on a day that is not a business day or received after 5:00 p.m. (receiving party's local time) on a business day, in which case Notice shall be deemed to have been received on the next following business day. In the absence of proof of the actual receipt date, the following presumptions will apply: (i) Notice sent by facsimile or electronic mail shall be deemed to have been received upon the sending party's receipt of electronic confirmation of successful transmission; (ii) Notice sent by overnight mail or courier shall be deemed to have been received on the next business day after it was sent or such earlier time as is confirmed by the receiving

party; and (iii) Notice sent by first class mail shall be deemed to have been received five business days after mailing.

(b) All Notices shall be sent by UAMPS to the business address, facsimile address or e-mail address of the Participant's Representative. All Notices shall be sent by the Participant to the business address, facsimile address or designated e-mail address of UAMPS. Either party may change its Notice address(es) by Notice to the other party.

*Section 45. Relationship of UAMPS and the Participant; Relationship among Participants.* (a) This Power Sales Contract is not intended to create, nor shall it be deemed to create, any relationship between UAMPS and the Participant other than that of independent parties contracting with one another for the purpose of effectuating the provisions of this Power Sales Contract.

(b) The covenants, obligations, liabilities, rights and benefits of the Participant under this Power Sales Contract are individual and not joint and several, or collective, with those of any other Participant. Other than giving effect to the joint and cooperative action of UAMPS on behalf of the Participants, the Power Sales Contracts shall not be construed to create an association, joint venture, trust or partnership, or to impose a trust or partnership covenant, obligation or liability on, between or among the Participant and any one or more of the Participants. No Participant shall be or be deemed to be under the control of, nor shall any Participant control or be deemed to control, any or all of the other Participants or the Participants as a group. No Participant shall be bound by the actions of any other Participant, nor shall any Participant be deemed to be the agent of any other Participant or have the right to bind any other Participant.

*Section 46. No Recourse Against Officers, Etc. of UAMPS or Participant.* No member of the governing body, nor any officer or employee of UAMPS or the Participant shall be individually or personally liable for any payment under this Power Sales Contract or be subject to any personal liability or accountability by reason of the execution of this Power Sales Contract; *provided, however,* that this Section shall not relieve any officer or employee of UAMPS or the Participant from the performance of any official duty imposed by law or this Power Sales Contract.

*Section 47. Governing Law; Jurisdiction and Venue.* (a) This Power Sales Contract is made under and shall be governed by the law of the State of Utah; *provided, however,* that if the Participant is organized or created pursuant to the laws of another state, then the authority of the Participant to execute and perform its obligations under this Power Sales Contract shall be determined under the laws of such state. Headings herein are for convenience only and shall not influence the construction hereof.

(b) All judicial proceedings brought against either party arising out of or relating hereto shall be brought exclusively in the courts of the State of Utah or of the United States of America for the District of Utah. By executing and delivering this Contract, each party, for itself and in connection with its properties, irrevocably accepts generally and unconditionally the nonexclusive jurisdiction and venue of such courts; waives any defense of *forum non conveniens*; agrees that service of all process in any such proceeding in any such court may be made by registered or certified mail, return receipt requested, to the party at its address provided in accordance with

Section 44; and agrees that service as provided above is sufficient to confer personal jurisdiction over the party in any such proceeding in any such court, and otherwise constitutes effective and binding service in every respect.

*Section 48. Severability; No Merger.* (a) If any section, paragraph, clause or provision of this Power Sales Contract shall be finally adjudicated by a court of competent jurisdiction to be invalid, the remainder of this Power Sales Contract shall remain in full force and effect as though such section, paragraph, clause or provision or any part thereof so adjudicated to be invalid had not been included herein.

(b) This Power Sales Contract constitutes the entire and complete agreement of UAMPS and the Participant in respect of the Project and shall not be nor shall it be deemed to be modified, amended or superseded by any other agreement or contract between UAMPS and the Participant in respect of any other project or subject.

*Section 49. Contract Beneficiaries.* This Contract is entered for the benefit of and as the binding agreement of UAMPS and the Participant. The Trustee and the owners of the Bonds are the only third-party beneficiaries of this Contract, as and to the extent provided in the Financing Documents.

IN WITNESS WHEREOF, the parties hereto have caused this Power Sales Contract to be executed by their proper officers respectively, being thereunto duly authorized, and their respective corporate seals to be hereto affixed, as of the day, month and year first above written.

MURRAY CITY, UTAH

By: \_\_\_\_\_  
Its Mayor

[SEAL]

ATTEST AND COUNTERSIGN

By: \_\_\_\_\_  
Title: City Recorder

UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS

By: \_\_\_\_\_  
Chairman

[SEAL]

ATTEST AND COUNTERSIGN

By: \_\_\_\_\_  
Assistant Secretary

**PRELIMINARY**

**SCHEDULE D**

**SCHEDULE OF PARTICIPANTS, DEVELOPMENT SHARES AND DEVELOPMENT COST SHARES**

PARTICIPANT	DEVELOPMENT SHARE (kW)	DEVELOPMENT COST SHARE (%)*
TOTAL		100.0000%

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\* Column may not total due to rounding.

**SCHEDULE I**  
**SCHEDULE OF PARTICIPANTS, ENTITLEMENT SHARES**

**SCHEDULE OF PARTICIPANTS, ENTITLEMENT SHARES,  
CAPITAL CONTRIBUTION PERCENTAGES, DEBT SERVICE PERCENTAGES  
AND DEBT SERVICE SHARES\***

PARTICIPANT	kW	ENTITLEMENT SHARE %
TOTAL		%

\* Capital Contribution Percentages, Debt Service Percentages and Debt Service Shares to be added if Capital Contributions are made.

\*\* Column may not total due to rounding.

## **EXHIBIT I**

### **DESCRIPTION OF THE INITIAL FACILITIES**

*The following is a preliminary and summary description of the Initial Facilities. This description is subject to change based upon selection of the Contractor, the negotiation of the final terms of the Construction Contracts and the construction of the Initial Facilities. The final description of the Initial Facilities will be approved by the Project Management Committee after the Project achieves commercial operation.*

PARTICIPANT \_\_\_\_\_  
FISCAL YEAR \_\_\_\_\_

## EXHIBIT II

### FORM OF PARTICIPANT'S ANNUAL INFORMATION REPORT\*

#### SYSTEM DESCRIPTION

Incorporated area of municipality \_\_\_\_\_ square miles.

Service area of utility \_\_\_\_\_ square miles.

Transmission and distribution lines \_\_\_\_\_ miles.

Number of employees in electrical department \_\_\_\_\_. (Include sum of shared employees' time in other city offices to determine equivalent full-time employees.)

Number of customers served outside the city limits \_\_\_\_\_.  
Service area outside of the city limits \_\_\_\_\_ square miles.

#### NUMBER OF ELECTRICAL CUSTOMERS AND TYPE OF LOAD SERVED

CUSTOMER CLASS	NUMBER OF CUSTOMERS
Residential	
Commercial	
Industrial	
Agricultural and Pumping	
Military and Other	
TOTAL	

Annual audit will be sent to UAMPS as soon as completed after the fiscal year.

Electric Rate Schedules for the above classes of service are attached hereto.

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\* Under Section 31(d) of the Power Sales Contract, UAMPS has agreed to classify certain of the information provided by the Participant on this Exhibit II as a "protected record," pursuant to the Participant's request. The Participant must also take any actions necessary on its part to appropriately classify and protect such information provided in this Exhibit.

### Customer Sales by Class

Total sales to your customers \_\_\_\_\_ kWh.

Revenues from energy sales to your customers in \$\_\_\_\_\_.

CUSTOMER CLASS	KWH SALES	REVENUES (\$)
Residential		
Commercial		
Industrial		
Agricultural		
Other		
TOTAL		

**GENERATION  
PRODUCED FOR SYSTEM LOAD**

	GENERATING UNIT PRODUCTION							
	#1		#2		#3		#4	
	kW	kWh	kW	kWh	kW	kWh	kW	kWh
July								
August								
September								
October								
November								
December								
January								
February								
March								
April								
May								
June								
TOTAL								

**SYSTEM PEAK INCLUDING LOAD  
COVERED BY OWN GENERATION**

	kW		kW
July		January	
August		February	
September		March	
October		April	
November		May	
December		June	

### **FIVE LARGEST LOADS**

	TYPE OF BUSINESS	KWH SOLD	ANNUAL ELECTRICAL BILLINGS
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
4.	_____	_____	_____
5.	_____	_____	_____

### **ACHIEVEMENTS**

Provide below the achievements of your utility for the year.

### EXHIBIT III

## FORM OF CERTIFICATE OF PARTICIPANT

The undersigned hereby certify that they are the [Executive Officer] and [Clerk/Recorder/Secretary] of \_\_\_\_\_ (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 pursuant to Section 31(f) of the Millard County Power Project Power Sales Contract, dated as of December 1, 2024 (the "*Power Sales Contract*"), between the Participant and UAMPS, in connection with the execution and delivery of the Power Sales Contract. Capitalized terms used and not otherwise defined herein have the meanings assigned to them in the Power Sales Contract.

2. The Participant is a \_\_\_\_\_, duly created and validly existing under the laws of the State of \_\_\_\_\_ (the "State"), and is governed by a \_\_\_\_\_ (the "Governing Body").

3. Attached hereto as *Exhibit A* is a true, complete and correct copy of a resolution authorizing the execution and delivery of the Power Sales Contract and related matters (the "*Contract Resolution*"). The Contract Resolution was duly adopted by a majority of the Governing Body present and voting at a public meeting of the Governing Body held on \_\_\_\_\_, at which a quorum was present and acted throughout.

4. The meeting of the Governing Body at which the Contract Resolution was adopted was duly called, noticed and held in conformity with applicable laws of the State and procedural rules of the Governing Body. The Contract Resolution is in full force and effect and has not been amended, modified, repealed or supplemented.

5. The names of the [Executive Officer] and the [Clerk/Recorder/Secretary] authorized to execute and deliver the Power Sales Contract on behalf of the Participant are as follows:

NAME	OFFICE
«officer»	«office»
«officer»	«office»

6. (a) No petition was filed with the Participant or any of its officers seeking to refer the Contract Resolution to the electors of the Participant in accordance with the provisions of state law; and (b) no litigation has been instituted, is pending or has been threatened to require a referendum election on the Contract Resolution.

7. The Participant owns and operates an electric utility system (the “*System*”) that distributes and furnishes electric energy to consumers located within the established service area of the System. The Participant will use all of the electric energy from its Entitlement Share in a Qualified Use.

8. The Participant has previously executed the Utah Associated Municipal Power Systems Amended and Restated Agreement for Joint and Cooperative Action dated as of March 20, 2009, and all amendments thereto and supplements thereto (the “*Joint Action Agreement*”) and that certain Power Pooling Agreement (the “*Pooling Agreement*”) between the Participant and UAMPS relating to the power pool administered by UAMPS. The Joint Action Agreement and the Pooling Agreement are each in full force and effect and constitute the legal, valid and binding agreements of the Participant.

9. «Rep» has been duly appointed by the Governing Body as the Participant’s representative to UAMPS.

10. The representations and warranties of the Participant in Section 30 of the Power Sales Contract are true and correct on and as of the date of this certificate.

11. The Participant acknowledges that the information it provides under Section 31(c) and (d) of the Power Sales Contract may be used by UAMPS in connection with the issuance of Bonds to finance the Development Costs and the Cost of Acquisition and Construction of the Project and to provide necessary information to lenders and other interested parties.

Dated: \_\_\_\_\_.

[PARTICIPANT]

By \_\_\_\_\_  
[Executive Officer]

By \_\_\_\_\_  
[Clerk/Recorder/Secretary]

[Seal]

## EXHIBIT A

[Form of Contract Resolution]

**RESOLUTION NO. \_\_\_\_\_**

A RESOLUTION AUTHORIZING AND APPROVING THE MILLARD COUNTY POWER PROJECT POWER SALES CONTRACT WITH UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS; AND RELATED MATTERS.

\*\*\*\*\*      \*\*\*\*\*      \*\*\*\*\*

WHEREAS, \_\_\_\_\_ (the “*Participant*”) is a member of Utah Associated Municipal Power Systems (“UAMPS”) pursuant to the provisions of the Utah Associated Municipal Power Systems Amended and Restated Agreement for Joint and Cooperative Action, as amended (the “*Joint Action Agreement*”);

WHEREAS, one of the purposes of UAMPS under the Joint Action Agreement is the acquisition and construction of electric generating, transmission and related facilities in order to secure reliable, economic sources of electric power and energy for its members;

WHEREAS, UAMPS proposes to acquire and construct a natural gas-fired electric generating facility consisting of multiple reciprocating internal combustion engines to be known as the “Millard County Power Project” (the “*Project*”) to be located at a site in Millard County, Utah, and to sell the capacity and output of the Project pursuant to the Millard County Power Project Power Sales Contracts (the “*Power Sales Contracts*”) between UAMPS and the Participants (capitalized terms used and not defined herein have the meanings assigned to them in the Power Sales Contracts);

WHEREAS, the Governing Body has reviewed (or caused to be reviewed on its behalf) certain descriptions and summaries of the Project and the Power Sales Contracts, and representatives of the Participant have participated in discussions and conferences with UAMPS and others regarding the Project and have received from UAMPS all requested information and materials necessary for the decision of the Governing Body to authorize and approve the Power Sales Contract;

WHEREAS, the Participant acknowledges that the obligation of the Participant to make the payments provided for in the Power Sales Contract will be a special obligation of the Participant and an operating expense of the Participant’s electric system, payable from the revenues and other available funds of the electric system, and that the Participant shall be unconditionally obligated to make the payments required under the Power Sales Contract whether or not the Project or any portion thereof is acquired, constructed, completed, operable or operating and notwithstanding the suspension, interruption, interference, reduction or curtailment of the output thereof for any reason whatsoever; and

WHEREAS, the Governing Body has reviewed (or caused to be reviewed on its behalf) its current and projected needs for electric power and energy and information with respect to the Project prepared by UAMPS setting forth, among other things, preliminary estimates of the Development Costs, the Cost of Acquisition and Construction, the estimated timeline for the development and construction of the Project and related matters, and now desires to authorize and approve the Power Sales Contract;

Now, THEREFORE, BE IT RESOLVED by the Governing Body of \_\_\_\_\_, as follows:

*Section 1. Approval of Power Sales Contract; Development Share.* (a) The Power Sales Contract, in substantially the form attached hereto as *Annex A*, is hereby authorized and approved, and the [Executive Officer] is hereby authorized, empowered and directed to execute and deliver the Power Sales Contract on behalf of the Participant, and the [Clerk/Recorder/Secretary] is hereby authorized, empowered and directed to attest and countersign such execution and to affix the corporate seal of the Participant to the Power Sales Contract, with such changes to the Power Sales Contract from the form attached hereto as *Annex A* as shall be necessary to conform to the Participant's legal status, to complete the form of the Power Sales Contract or to correct any minor irregularities or ambiguities therein and as are approved by the [Executive Officer], his execution thereof to constitute conclusive evidence of such approval.

(b) A Development Share representing \_\_\_\_\_ kW of capacity in the Project is hereby authorized and approved. The Participant acknowledges that (i) its Development Share may be increased to provide for a full allocation of the Project Output and (ii) by virtue of its Development Share, the Participant will have an Entitlement Share with the same amount of Electric Power as its Development Share from and after the Completion of Development through the remaining term of the Power Sales Contract, all as provided in the Power Sales Contract.

*Section 2. Participant's Representative.* (a) The appointment of \_\_\_\_\_ as the Participant's Representative to UAMPS and of \_\_\_\_\_ and \_\_\_\_\_ as alternate Representatives is hereby confirmed.

(b) Such Representative (or, in his or her absence, such alternate(s)) is hereby delegated full authority to (i) approve any appendix to the Pooling Agreement between UAMPS and the Participant that may be necessary or desirable in connection with the utilization of the Participant's Entitlement Share, and (ii) act on all matters that may come before the Project Management Committee established by the Power Sales Contract, and shall be responsible for reporting regularly to the Governing Body regarding the activities of the Project Management Committee.

*Section 3. Compliance with Tax Covenants.* The Participant agrees in the Power Sales Contract that it will apply all of the electric power and energy acquired under the Power Sales Contract to a Qualified Use and that it will not take or omit to take any action which could adversely affect the Tax Status of any Bond or Bonds theretofore issued or thereafter issuable by UAMPS. In furtherance of that agreement, the Governing Body of the Participant hereby agrees that it will observe and comply with such instructions as may be provided from time to time by UAMPS with respect to the Qualified Use of the electric power and energy acquired under the Power Sales Contract.

*Section 4. Further Authority.* (a) The [Executive Officer] and the [Clerk/Recorder/Secretary] are hereby authorized, empowered and directed to (i) execute the Certificate of the Participant in substantially the form attached as EXHIBIT III to the Power Sales Contract and to deliver the same to UAMPS, and (ii) from time thereafter and upon the request of UAMPS, execute the Bring-Down Certificate of the Participant in substantially the form attached as *Exhibit IV* to the Power Sales Contract and to deliver the same to UAMPS.

(b) The Participant's legal counsel is hereby authorized, empowered and directed to (i) execute the Opinion of Counsel to the Participant in substantially the form attached as EXHIBIT V to the Power Sales Contract and to deliver the same to UAMPS, and (ii) from time thereafter and upon the request of UAMPS, execute the Bring-Down Opinion of Counsel to the Participant in substantially the form attached as EXHIBIT VI to the Power Sales Contract and to deliver the same to UAMPS.

*Section 5. Miscellaneous; Effective Date.* (a) This resolution shall be and remain irrepealable until the expiration or termination of the Power Sales Contract in accordance with its terms.

(b) All previous acts and resolutions in conflict with this resolution or any part hereof are hereby repealed to the extent of such conflict.

(c) In case any provision in this resolution shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

(d) This resolution shall take effect immediately upon its adoption and approval.

ADOPTED AND APPROVED on \_\_\_\_\_, \_\_\_\_.

[PARTICIPANT]

By \_\_\_\_\_

ATTEST:

---

[Clerk/Recorder/Secretary]

[SEAL]

## **ANNEX A**

[Attach Power Sales Contract]

## EXHIBIT IV

## FORM OF BRING DOWN CERTIFICATE OF THE PARTICIPANT

STATE OF \_\_\_\_\_ )  
 )  
COUNTY OF «COUNTY» )

The undersigned hereby certify that they are the [Executive Officer] and [Clerk/Recorder/Secretary] of \_\_\_\_\_ (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 Millard County Power Project Revenue Bonds, \_\_\_\_\_ Series \_\_\_\_\_ (the "Bonds"), as more fully described in the Official Statement of UAMPS dated \_\_\_\_\_ (the "Official Statement") prepared in connection with the offering and sale of the Bonds.

2. Pursuant to Section 31(f) of the Millard County Power Project Power Sales Contract, dated as of December 1, 2024, between the Participant and UAMPS, in connection with the execution and delivery of the Millard County Power Project, the undersigned executed and delivered a certificate dated \_\_\_\_\_ (the "*Original Certificate*"). The undersigned hereby reaffirm the statements made in the Original Certificate on and as of the date hereof. Capitalized terms used and not otherwise defined herein have the meanings assigned to them in the Original Certificate.

[3. The undersigned have reviewed the statements and information relating to the Participant and its electric system contained in APPENDIX    to the Preliminary Official Statement and the Official Statement under the caption, "THE 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, (a) were and are true and correct in all material respects and fairly and accurately present the financial and operating position of the System for the periods and as of the dates presented and (b) did not and do not omit to state a material fact necessary in order to make such statements not misleading. Since the dates of the Preliminary Official Statement and the Official Statement, there has been no change in the business, financial position, results of operations or condition of the Participant or the System that would (x) materially affect the accuracy and completeness of such statements and information or (y) materially and adversely affect the ability of the Participant to meet its obligations under the Power Sales Contract.]

Dated this \_\_\_\_\_ day of \_\_\_\_\_ .

[PARTICIPANT]

By \_\_\_\_\_  
Its \_\_\_\_\_

[SEAL]

## EXHIBIT V

### FORM OF OPINION OF COUNSEL TO THE PARTICIPANT

---

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

Ladies and Gentlemen:

I have acted as counsel to \_\_\_\_\_ (the “*Participant*”) in connection with the Millard County Power Project Power Sales Contract, dated as of December 1, 2024 (the “*Power Sales Contract*”), between the Participant and Utah Associated Municipal Power Systems (“*UAMPS*”). I have been advised that, pursuant to the Power Sales Contract, UAMPS has undertaken the Project and has sold all of the Electric Energy from the Project to the Participant and others that have executed Power Sales Contracts with UAMPS.

This opinion is being delivered to you pursuant to Section 31(f) of the Power Sales Contract in connection with the execution and delivery of the Power Sales Contract. Capitalized terms used and not defined herein have the meanings assigned to such terms in the Power Sales Contract.

As counsel to the Participant, I have examined (i) those documents relating to the existence, organization and operation of the Participant and its electric utility system (the “*System*”), (ii) all resolutions and proceedings of the Participant relating to the due authorization, execution and delivery by the Participant of the Power Sales Contract, (iii) an executed counterpart of the Power Sales Contract, and (iv) such other documents, information, facts and matters of law as are necessary for me to render the opinions contained herein.

Based upon the foregoing, I am of the opinion that:

1. The Participant is a \_\_\_\_\_ duly organized and validly existing under the laws State of \_\_\_\_\_ (the “*State*”) and is qualified to own, operate and furnish electric service through the System.

2. The Participant has full legal right, power and authority to enter into the Power Sales Contract and to carry out and consummate all of the transactions contemplated thereby, and the Participant has complied with the provisions of applicable law which would be a condition precedent to entering into the Power Sales Contract or carrying out and consummating such transactions.

3. Each of the Power Sales Contract, the Joint Action Agreement and the Pooling Agreement has been duly authorized, executed and delivered by the Participant and constitutes the legal, valid and binding obligation of the Participant and is enforceable under the present law of the State in accordance with its terms, except as enforceability may be limited by bankruptcy, insolvency, moratorium, reorganization or other laws affecting creditors' rights generally or usual equity principles in the event equitable remedies should be sought.

4. Pursuant to the Power Sales Contract, the Participant's obligation to make payments to UAMPS under the Power Sales Contract is a special obligation payable solely from the revenues and other available income of the System initially as a cost of the development of a new power supply resource and from and after the commercial operation of the Project as a cost of purchased electric energy, in each case as an operating expense of the System. The application of the revenues and other available funds of the System to make such payments is not subject to any prior lien, encumbrance or restriction.

5. The Participant has obtained all Required Approvals.

6. There is no pending or, to my knowledge, threatened, action or proceeding affecting the Participant (nor to my knowledge is there any basis therefor), which (a) purports to affect the authorization, legality, validity or enforceability of the Power Sales Contract, the Joint Action Agreement or the Pooling Agreement or (b) involves the possibility of any judgment or liability, not fully covered by insurance, which may result in any material adverse change in the business, affairs, properties or assets, or in the condition, financial or otherwise, of the System.

7. The execution, delivery and performance by the Participant of the Power Sales Contract will not conflict with or constitute a breach of or default under any agreement, indenture, bond, note, resolution or other instrument to which the Participant is a party or by which it or the properties of the System is bound or affected, or any applicable law, ruling, regulation, ordinance, judgment, order or decree to which the Participant (or any of its officers in their respective capacities as such) or its properties is subject.

8. No event has occurred and is continuing which with the passage of time or the giving of notice, or both, would constitute a material default or event of default under any agreement, indenture, bond, note, resolution or other instrument to which the Participant is a party or by which it or the properties of the System is bound or affected, which breach or default would have a material adverse impact on UAMPS' ownership or operation of the Project or the ability of the Participant to fully perform its obligations under the Power Sales Contract.

9. The Participant has lawful authority to fix and collect rates, fees and charges for the services provided by the System. Such rates, fees and charges for utility services provided to customers located within the corporate boundaries of the Participant are not subject to regulation by any authority of the State or the United States and have been duly and validly adopted by the Participant and are in full force and effect.

10. The Participant has lawful authority to own the System and, to my knowledge, the Participant (a) has good and merchantable title to the properties comprising the System and (b) holds all permits, licenses and approvals necessary for the operation of the System.

I hereby authorize Chapman and Cutler LLP, as bond counsel, to rely on this opinion as though addressed to it.

Respectfully submitted,

## EXHIBIT VI

### FORM OF BRING-DOWN OPINION OF COUNSEL TO THE PARTICIPANT

---

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

Ladies and Gentlemen:

I have acted as counsel to \_\_\_\_\_ (the “*Participant*”) in connection with the Millard County Power Project Power Sales Contract dated as of December 1, 2024 (the “*Power Sales Contract*”) between the Participant and Utah Associated Municipal Power Systems (“*UAMPS*”). I have been advised that UAMPS has made arrangements for the issuance and sale on the date hereof of its Millard County Power Project Revenue Bonds, \_\_\_\_\_ Series \_\_\_\_\_ (the “*Bonds*”).

Pursuant to Section 31(f) of the Power Sales Contract in connection with the execution and delivery of the Millard County Power Project, I rendered to UAMPS an approving legal opinion, dated \_\_\_\_\_ (the “*Prior Opinion*”), with respect to the Participant. In connection with the issuance and sale by UAMPS of the Bonds, I hereby reaffirm the Prior Opinion, as though it was dated the date hereof, in the form it was so rendered on \_\_\_\_\_.

[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 (together with any supplements or amendments thereto as of the date hereof, the “*Preliminary Official Statement*”) and the Official Statement (together with any supplements or amendments thereto as of the date hereof, 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 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, “APPROVAL OF LEGAL PROCEEDINGS,” in the Official Statement. I hereby further authorize [Bond Counsel] and [other reliance parties] to rely on the Prior Opinion and on this opinion in each case as though addressed to them.

Respectfully submitted,

**EXECUTIVE SUMMARY**  
**UTAH ASSOCIATED MUNICIPAL POWER SYSTEMS**  
**MILLARD COUNTY POWER PROJECT**

October 24, 2024

**INTRODUCTION AND OVERVIEW**

**INTRODUCTION**

This Executive Summary provides an overview of UAMPS' proposed Millard County Power Project, summarizes the provisions of the Power Sales Contracts and outlines the Project Agreements. The Millard County Power Project is referred to in this Executive Summary as the "*Peaking Project*." The information contained in this Executive Summary has been prepared for the use of prospective Participants in connection with their decision to participate in the Peaking Project by entering into a Power Sales Contract with UAMPS.

This Executive Summary has six parts:

- Part 1: Definitions,
- Part 2: Preliminary Peaking Project description,
- Part 3: Estimated cost of construction; Budget and Plan of Finance,
- Part 4: Interconnection and Transmission,
- Part 5: Summary of the Power Sales Contracts, and
- Part 6: Outlines of the Project Agreements.

The descriptions and summaries contained in this Executive Summary are preliminary, broad and general, and are subject to change as the Project Agreements and the Budget and Plan of Finance for the Peaking Project are developed and finalized under the supervision of the Peaking Project Management Committee. If you have any questions or require any additional information, please contact Jackie Coombs, UAMPS' Managing Director of Corporate and Member Services, at 801-214-6402 or by e-mail to [jackie@uamps.com](mailto:jackie@uamps.com).

## PART 1. DEFINITIONS

As used in this Executive Summary:

*Contractor*: the contractor under the EPC Contract.

*EPC Contract*: the Engineering, Procurement and Construction Contract to be entered into by UAMPS and the Contractor with respect to the Peaking Project.

*Entitlement Share*: each Participant's percentage entitlement to the capability of the Peaking Project.

*Interconnection Agreement*: the agreement providing for the interconnection of the Peaking Project with the transmission facilities of PacifiCorp.

*Kern River Pipeline*: an interstate natural gas pipeline running from Opal, Wyoming to the San Joaquin Valley near Bakersfield, California, consisting of 1,717 miles of 36- and 42-inch diameter steel pipe. This pipeline will be the source of natural gas for the Peaking Project via an interconnect.

*Operating Agreement*: the agreement, if any, providing for the operation and maintenance of all or any portion of the Peaking Project.

*Participants*: the power purchasers under the Power Sales Contracts.

*Peaking Project*: the Millard County Power Project.

*Power Sales Contracts*: the Millard County Power Project Power Sales Contracts between UAMPS and the Participants.

*Project Agreements*: the EPC Contract, major equipment agreements, the Operating Agreement, the Interconnection Agreement and the Transmission Agreement.

*Project Management Committee*: the committee established under the Power Sales Contracts, consisting of one representative appointed by each of the Participants.

*Transmission Agreements*: the Amended and Restated Transmission Service and Operating Agreement between UAMPS and PacifiCorp, and each other transmission contract, agreement or tariff entered into by UAMPS or the Participant that is used or necessary for the delivery of power and energy from the Point of Delivery to the Participant's System Point of Receipt, whether by direct transmission, displacement, exchange or otherwise.

Capitalized terms not defined above have the meanings assigned to them in the Power Sales Contracts.

## PART 2. THE PEAKING PROJECT

*The following is a summary description of the Peaking Project. This description is subject to change as the Peaking Project is developed and based upon the terms of Permits and Approvals, the EPC Contract and the other Project Agreements. The initial description of the Peaking Project will be approved by the Project Management Committee upon the Effective Date of the Power Sales Contracts and the final Peaking Project description will be approved by the Project Management Committee after the Project achieves commercial operation.*

### PROJECT DESCRIPTION

The Peaking Project consists of the planning, design, construction and installation of a 200,000 kW generation peaking power plant in Millard County, Utah. The principal components of the Peaking Project include:

1. Preliminary planning and design of the facility with a third-party Owner's Engineer, including site studies, long-lead time ordering of equipment and estimation of project costs.
2. Preliminary site work and preparation, including clearing, fencing, grading and concrete foundations work, as well as final site work upon completion of the Peaking Project.
3. A Peaking Generation System consisting of:
  - a. Twelve Reciprocating Internal Combustion Engines (RICE) as the prime movers driving directly-connected electrical generators,
  - b. All ancillary equipment associated with the prime mover equipment: fuel system, lubricant system, coolant systems, exhaust silencers, etc.,
  - c. Air emission control equipment: Selective Catalytic Reduction (SCR) equipment,
  - d. Major electrical systems: switchgear, disconnects and generator step-up transformers,
  - e. All balance-of-plant equipment: fire suppression, crane equipment, etc., and
  - f. RICE Equipment, control and warehouse buildings.
4. Electric interconnection facilities including a substation, a step-up transformer, control, metering and communications equipment, and a new transmission line to the Pavant substation. See "Transmission and Interconnection" below.
5. A natural gas measurement station and small lateral supplied by Kern River Pipeline.

### ENGINEERING, CONSTRUCTION AND FINANCING

Pursuant to the EPC Contract, it is expected that the Contractor will provide all design, engineering, procurement, construction services necessary for the acquisition and construction of

the Peaking Project. If necessary, UAMPS will be responsible for the design and construction work on the remaining components of the Peaking Project.

## PERMITS AND APPROVALS

*Rights-of-Way.* All work performed within the project boundaries (generation, transmission and pipeline) will be done on private land and will not require a federal nexus for permitting.

*Air Permits.* The Peaking Project will require an air quality permit under Title V of the Clean Air Act as administered by the Utah Division of Air Quality. The location of the project is outside of state-defined areas of nonattainment for Ozone and PM2.5 and UAMPS expects that these permits will be obtained in due course and will not impact the construction schedule for the Peaking Project.

*Construction and Use Permits.* Construction and operation of the Peaking Project will require building and conditional use permits from Millard County, Utah. UAMPS expects to begin the permitting process upon member subscription and approval and as site-specific design details are determined. The permitting process with Millard is expected to take from three to six months and has been incorporated into project timelines.

*Additional Permits.* In connection with the construction of the project, it is expected that UAMPS will be required to obtain a storm water pollution prevention plan and a storm water discharge permit under the Clean Water Act (Utah Division of Water Quality) and a wastewater discharge permit and a spill prevention containment control plan (Utah Division of Water Quality). Additional road permits may be required by Millard County and Utah Department of Transportation to facilitate the transport of large equipment to construct the project. UAMPS expects that these permits will be obtained in due course and will not impact the construction schedule for the Peaking Project.

## PROJECT CONSTRUCTION SCHEDULE

Various factors will affect the proposed construction schedule and completion date of the Peaking Project. The engineering, procurement and construction of the project is currently estimated to require approximately 24 months after the execution of the EPC Contract. Typical contractual arrangements for an EPC Contract requires UAMPS to make an initial payment to the Contractor upon execution of the EPC Contract to initiate equipment ordering and fabrication. Current challenges for obtaining long-lead items require that UAMPS will submit a purchase order deposit for the Generator Step Up Transformer (GSU) once the preliminary engineering is complete. The GSU for the project is the longest lead item in the schedule and may take up to 120+ weeks depending on demand in the market and supply chain constraints. The Project Management Committee will determine when to authorize the execution of the long-lead purchase order and the EPC Contract and execute the initial payment to the Contractor.

An interconnection application for the project has been made to PacifiCorp. However, the current state of electrical transmission service requests within the PacifiCorp system is the most

significant unknown that may impact the project schedule. While study agreements for large generator interconnects and transmission service are expected to be submitted in late 2024 or 2025, contingent facilities that may arise as a result of these studies could require an unpredictable number of years to complete. UAMPS will follow the results of these studies and adjust spending and the project execution schedules to ensure that the project can be utilized at the earliest date that transmission services are available. UAMPS will advise the Project Management Committee to determine the timing for purchasing long lead equipment and executing the EPC contract based on results from the transmission service studies.

#### PROJECT CONSULTANTS

UAMPS has retained Burns & McDonnell to assist with the preliminary engineering and to conduct a siting study using transmission and natural gas infrastructure to locate the generation facility and highlighted risks for permitting. Following this work, a technology assessment study was conducted to refine the type and manufacturer of equipment that would meet fuel requirements and generation limits. Finally, a Project Sequencing Plan was developed that utilized a Burns & McDonnell project database to determine high-level costs and develop a high-level project schedule using assumed best-case results from transmission studies.

UAMPS will retain an Owner's Engineer to assist in the writing of the Contractor EPC specifications so that various aspects of the project can be competitively bid. This Owner's Engineer will also help with procuring the long-lead equipment and will provide a specification to the Original Equipment Manufacturer (OEM) that will supply the major equipment (RICE engines, generators, cooling fans, etc.) that will entail the bulk of the equipment that needs procurement on the project.

#### OPERATION OF THE PEAKING PROJECT

UAMPS may perform the general operation and maintenance work on the Peaking Project with its own employees or may contract with a third party for these services. The operations plan for the Peaking Project will be approved by the Project Management Committee.

### PART 3. COST OF CONSTRUCTION, PLAN OF FINANCE AND COST OF ENERGY

#### ESTIMATED COST OF CONSTRUCTION

Based upon its initial review and analysis of the Peaking Project, UAMPS presently estimates that the total cost of construction of the Peaking Project will be approximately \$600 million. The project is projected to be below this amount, but uncertainty in the marketplace (transmission, long-lead procurement and constraints in obtaining contractor resources) have resulted in a conservative approach to estimating project costs to cover currently known contingencies. The following table summarizes the estimated costs of construction of the Peaking Project:

<u>COST CATEGORY</u>	<u>ESTIMATED COST</u>
EPC Contract	\$405,000,000
Substation and interconnection	35,000,000
Engineering, permitting and development	10,000,000
Contingency	25,000,000
Financing Costs (interest during construction, fees, etc.)	75,000,000
Owners Costs (insurance, land acquisition, sales taxes, inspection, etc.)	<u>50,000,000</u>
ESTIMATED COSTS OF CONSTRUCTION	\$600,000,000

#### BUDGET AND PLAN OF FINANCE

UAMPS is in the process of developing a Budget and Plan of Finance for the Peaking Project. The Budget and Plan of Finance will be approved by the Project Management Committee as provided in the Power Sales Contract. The initial Budget and Plan of Finance will be based on the estimated costs of construction outlined above and will provide for the Development Costs of the Peaking Project to be financed under one or more lines of credit or credit facilities and for the Costs of Acquisition and Construction of the Peaking Project to be financed with the proceeds of Bonds. The intent of the Budget and Plan of Finance is for all Development Costs and the Costs of Acquisition and Construction, including financing and interest charges, to be financed to the Commercial Operation Date of the Peaking Project such that the Participants will not be billed until after they receive energy from the Peaking Project.

If the Peaking Project is terminated by the Project Management Committee at or prior to the end of the Development Period under the Power Sales Contracts, each Participant will be responsible for the repayment of its Development Cost Share of the Development Costs incurred by UAMPS. If Completion of Development of the Peaking Project occurs, each Participant will pay its Entitlement Share of all of the costs of the Peaking Project, including operating expenses, fuel and debt service costs and transmission charges. See the summary of the Power Sales Contracts below for additional information.

## **PART 4. TRANSMISSION OF PROJECT POWER AND ENERGY**

### **INTERCONNECTION**

The Peaking Project will interconnect with PacifiCorp's existing Pavant Substation utilizing a new ~8 mile 345 kV transmission line. UAMPS has submitted an interconnection request for the Peaking Project under PacifiCorp's Open Access Transmission Tariff. An initial scoping study will be performed, and PacifiCorp will prepare a system impact study that will determine the transmission facilities necessary to interconnect the Peaking Project. UAMPS expects that the system impact study will be completed by December of 2025.

The Peaking Project will also interconnect and be supplied by Kern River Gas Transmission Pipeline's (Kern) 24 inch natural gas lateral. UAMPS will sign an Interconnection Agreement and pay for facilities with Kern after project is approved and work can be performed within the required project schedule.

### **TRANSMISSION**

UAMPS has a network transmission agreement with PacifiCorp that will provide network service to Participants connected to the PacifiCorp transmission system in Utah. All Utah Participants are currently points of delivery on the network transmission agreement.

Transmission service charges for the Peaking Project will be determined under the network transmission agreement.

## PART 5. THE POWER SALES CONTRACTS

*The following provides a summary of the basic terms and provisions of the Power Sales Contracts between UAMPS and its Participants, but does not describe all of the provisions of the Power Sales Contracts. Participants should refer to the text of the Power Sales Contracts for their complete provisions.*

### THE PROJECT

A summary description of the Peaking Project and its components will be approved by the Project Management Committee and attached to the Power Sales Contract as EXHIBIT I.

### SALE OF OUTPUT

UAMPS will sell the Electric Power and Electric Energy from the Peaking Project to the Participants pursuant to the Power Sales Contracts.

### TERM

The Power Sales Contracts will become effective upon the receipt by UAMPS of executed Power Sales Contracts, authorizing resolutions, certificates and legal opinions from Participants that have requested Development Shares (in kW) totaling at least 85% of the expected Project Capability (the “*Minimum Subscription*”).

Each of the Power Sales Contracts will have a term that extends to the later of (a) the final payment of the Bonds and (b) the date the Peaking Project and any Additional Facilities are permanently removed from service and decommissioned.

### DEVELOPMENT SHARES AND ENTITLEMENT SHARES

In connection with its decision to enter into the Power Sales Contract, each Participant requests a Development Share (in kW) in the expected Project Capability of the Peaking Project. In the event that the requested Development Shares are greater than the Minimum Subscription but less than the expected Project Capability, UAMPS will seek subscription from additional participants under Power Sales Contracts or joint ownership arrangements. If the Peaking Project is not fully subscribed by the time that Completion of Development occurs, UAMPS will downsize the Project Capability to align it with project subscription.

Each Participant’s Development Share is a contractual right to participate in the development of the Peaking Project and in the decision-making over the development of the Peaking Project through the Participant’s Representative on the Project Management Committee. Each Participant’s Development Cost Share (the ratio of a Participant’s Development Share to the Development Shares of all Participants) is a contractual obligation to pay for a corresponding percentage of all of the costs of the ownership, financing and operation of the Peaking Project.

If the Project Management Committee determines that Completion of Development of the Peaking Project has occurred (*i.e.*, development of the Peaking Project is complete and ready to proceed to construction), each Participant's Development Share will automatically convert to an Entitlement Share with the same amount of kW capacity as its Development Share. The Entitlement Share is a contractual right to receive a specific percentage of the Project capability and a contractual obligation to take or pay for a corresponding percentage of all of the costs of the ownership, financing and operation of the Peaking Project.

## FINANCING

UAMPS will use its best efforts to finance the Development Costs and the Costs of Acquisition and Construction of the Peaking Project under lines of credit and the issuance of revenue bonds ("Bonds"). The amount of Bonds issued by UAMPS will be reduced by the amount of any Capital Contributions made by Participants. Additional Bonds may be issued as parity or subordinated obligations to pay future costs of the Peaking Project. Refunding Bonds may be issued by UAMPS to reduce debt service costs or to achieve other objectives.

## SECURITY FOR BONDS

The Bonds will be secured by a pledge of all of the revenues produced by the operation of the Peaking Project, including the amounts paid under the Power Sales Contracts. The Bonds will be special obligations of UAMPS and will have no claim on any of the revenues or assets of UAMPS from its other projects. The Bonds will not be debts or obligations of the Participants.

## CAPITAL CONTRIBUTION OPTION

Prior to UAMPS' issuance of Bonds to finance the Cost of Acquisition and Construction, each Participant has the option (but not an obligation) to make a Capital Contribution to UAMPS. Capital Contributions will be used by UAMPS to pay the Cost of Acquisition and Construction of the Peaking Project, and the amount of Bonds UAMPS issues will be reduced by the amount of Capital Contributions made by the Participants.

UAMPS will provide at least 30 days' written notice to the Participants of their right to elect to make a Capital Contribution and the amount of their Capital Contributions. A Participant's election to make a Capital Contribution must be made by a written resolution adopted by its governing body. Each Participant that has elected to make a Capital Contribution will be required to deposit the payment in a segregated escrow account established under the financing documents for the Bonds.

The Project Management Committee will determine whether to make a capital contribution option available to the Participants in connection with the issuance of Additional Bonds.

## PRICE

The Entitlement Share will be sold at cost. Each Participant will pay its proportionate share (the ratio of its Entitlement Share to the sum of all Entitlement Shares) of all of the costs of the Peaking Project, including:

- amounts payable by UAMPS under the Project Agreements;
- other operation and maintenance expenses of the Peaking Project, including fuel costs and working capital charges;
- Debt Service Costs with respect to Bonds issued to finance the costs of the Peaking Project;
- costs of capital improvements, replacements and additions to the Peaking Project, and reserves for such costs, approved by the Project Management Committee; and
- all other costs incurred in connection with the Peaking Project.

Costs will be allocated proportionately to all Entitlement Shares, except that the allocation of Debt Service Costs on the Bonds will be adjusted to reflect Capital Contributions made by any Participants. Each Participant will pay also pay the Transmission Costs for the transmission of Project output from the Point of Delivery to the Participant's system. The amounts paid by the Participants will be sufficient to enable UAMPS to pay all of the costs of the ownership, operation and financing of the Peaking Project.

## BILLINGS AND PAYMENTS

Billings and payments will be made monthly. All payments will be made on a "take-or-pay" basis (*i.e.*, regardless of whether the Peaking Project is operable, operating, damaged or destroyed in whole or in part) and are not subject to counterclaim, offset or reduction for any reason.

The payment obligations of Participants under the Power Sales Contracts are several and not joint.

## PROJECT MANAGEMENT COMMITTEE

The Project Management Committee will function in the same manner as the project management committees for UAMPS' other projects, and pursuant to the provisions of UAMPS' Joint Action Agreement and Bylaws that govern project management committees. The Project Management Committee will recommend decisions on the Peaking Project to the UAMPS Board of Directors. The Project Management Committee will have complete and comprehensive decision-making authority over the Peaking Project.

Promptly after the Effective Date of the Power Sales Contracts, the Project Management Committee is required to establish a maximum target price for the cost of energy (\$/MWh) from the Project (the “*Target Price*”) and development milestones for determining whether the expected cost of energy from the Project exceeds the Target Price. A determination by the Project Management Committee that the Target Price is exceeded as of any determination date constitutes a determination by the Project Management Committee to terminate the Project.

#### ANNUAL BUDGETS

UAMPS will develop, and the Project Management Committee and the Board of Directors will approve, annual budgets for the Peaking Project that will cover all of the costs of the Peaking Project (see “PRICE” above). The annual budget will be the basis for the monthly billings and payments for the Peaking Project. The annual budget may be revised from time to time as necessary to reflect the actual costs of the Peaking Project.

#### PROJECT OUTPUT

Each Participant will assign the output attributable to its Entitlement Share to the UAMPS Power Pool for operating and scheduling purposes.

Under the Power Sales Contract Project output will be delivered to each Participant at the Point of Delivery (the point of interconnection between the Peaking Project and the transmission grid). Each Participant will be responsible for, and will pay all costs of, the transmission of Project output from the Point of Delivery to the Participant’s System Point of Receipt.

#### CAPITAL REPLACEMENTS, IMPROVEMENTS AND ADDITIONS

The Project Management Committee will have authority to approve capital replacements, improvements and additions to the Peaking Project and to determine whether to expense or capitalize and finance the cost of capital items. In the event that such items are financed by the issuance of Bonds, the Project Management Committee will determine whether to make a capital contribution option available to the Participants.

#### ADDITIONAL FACILITIES

UAMPS may from time to time recommend the acquisition and construction of Additional Facilities to improve or add to the Peaking Project. All Additional Facilities require the approval of the Project Management Committee.

#### DEFAULTS AND REMEDIES; STEP-UP OF NON-DEFAULTING PARTICIPANTS

Upon a default by any Participant, UAMPS is authorized to exercise various remedies in order to ensure that it will have sufficient revenues to meet its obligations as owner of the Peaking Project and to pay the debt service on the Bonds. Among other things, UAMPS is authorized to terminate a defaulting Participant’s Entitlement Share and to make a mandatory reallocation of

such Entitlement Share to the other Participants. No Participant's original Entitlement Share (as adjusted to reflect any voluntary assignments of Entitlement Shares previously accepted by the Participant) may be increased by more than a specified percentage (which is expected to be less than 25%) as a result of all permanent mandatory reallocations of defaulting Participants' Entitlement Shares.

## PART 6. THE PROJECT AGREEMENTS

*The following outlines the purpose and expected terms of the Project Agreements. The Project Agreements have not yet been drafted and will be subject to negotiation. The Project Management Committee's approval is required before execution of any of the Project Agreements.*

### THE EPC CONTRACT

UAMPS will enter into the EPC Contract with the Contractor to design, engineer, acquire, construct, commission, test and deliver the RICE peak power generating facility using a contractual arrangement that emphasizes professional expertise, leverages efficiencies using prior designs and competitively bids at least 80% of the construction phases and materials of the project.

Under the EPC Contractual arrangement, the Contractor will perform generally all necessary and incidental work to bring the generating facility to full completion and commercial operation. The work will be completed in accordance with a project schedule with specified milestones and completion dates. The Contractor may be required to pay damages in the event an item is not completed by its guaranteed completion date, and the amount of such damages may be limited.

It is expected that the Contractor will provide certain warranties with respect to the certain components of the generating facility and with respect to the work it performs under the EPC Contract, subject to standard exclusions.

Prior to substantial completion, the Contractor will be required to conduct a range of tests to confirm mechanical completion and the performance of the combined cycle generating facility. The Contractor is required to take remedial actions to correct performance test failures. The EPC Contract will establish various testing protocols and procedures.

It is expected that EPC Contract will require satisfaction of a number of conditions before the Contractor can certify substantial completion of the generating facility, including: (a) the generating facility can be operated in a safe and efficient manner in accordance with its plans and specifications, applicable laws and regulations; (b) the performance tests have been successfully passed and approved by UAMPS and the net deliverable capacity equals or exceeds the guaranteed minimum capacity; (c) the generating facility is capable of delivering electricity to the point of connection with the electrical grid; (d) the generating facility has received all certificates and governmental authorizations to be provided by the Contractor; (e) all quality assurance documentation has been provided to UAMPS in accordance with the quality control and quality assurance plan; (f) the Contractor has provided all training required under the EPC Contract; (g) the Contractor and UAMPS have agreed to a list of punchlist items, including estimated costs and schedules completion; and (h) the generating facility has been properly constructed with no defects and all work is mechanically, electrically and structurally sound as set forth in the plans and specifications.

The EPC Contract is expected to include a guaranteed minimum capacity for the generating facility at specified design point conditions. The EPC Contractor will be required to take remedial

actions or, in certain circumstances, to pay liquidated damages if the generating facility fails to meet the capacity guarantee.

UAMPS will be responsible to pay the Contractor under the contractual arrangement cost, to be set forth in the EPC Contract. The contract price may be adjusted to account for, possibly among other things, scope of work changes from time to time under the EPC Contract. In addition to the contract price, UAMPS may be responsible to pay other costs, such as interest on delayed payments, sales tax reimbursement, costs associated with indemnification and a termination payment in the event the EPC Contract is terminated by UAMPS without cause, as authorized by the EPC Contract.

The contract price will be payable from time to time pursuant to a payment schedule provided in the EPC Contract. A percentage of each payment may be withheld as retainage, as security for the performance of Contractor's obligations under the EPC Contract. The retained amounts will be fully released upon final completion of all work under the EPC Contract by the Contractor.

The EPC Contract will specify events that constitute a default by either party, including, with respect to the Contractor, a material breach by it under the EPC Contract and, with respect to UAMPS, the failure to make payment when due (in each case, subject to specified cure periods). In the event of a Contractor default, UAMPS may terminate the EPC Contract and take possession and use of various equipment located at the job site for the purpose of completing the remaining work, subject to the terms and conditions provided in the EPC Contract. In the event of a default by UAMPS, the Contractor may suspend service and/or terminate the EPC Contract, in which case the Contractor shall be entitled to a termination payment as specified in the EPC Contract.

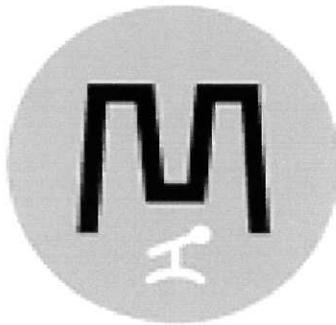
#### THE OPERATING AGREEMENT

UAMPS may enter into an Operating Agreement to provide for the general day-to-day operation and management of the Peaking Project until an operations team has been integrated into UAMPS organization. The terms of the Operating Agreement and the identity of the operator will be approved by the Project Management Committee.

#### THE INTERCONNECTION AGREEMENT

The Interconnection Agreement will be the standard form Interconnection Agreement under PacifiCorp's OATT.

UAMPS will be responsible to pay for all facilities and equipment needed for the interconnection and its own operating expenses. The Interconnection Agreement will have an initial term of 10 years, and automatically renew for successive one-year terms after the expiration of the initial term.



MURRAY  
CITY COUNCIL

# Mayor's Report And Questions



**MURRAY**  
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# Adjournment