

## Exhibit A





# TICABOO ELECTRIC IMPROVEMENT DISTRICT

## RULES AND REGULATIONS MANUAL

2009

### **1.0 GOVERNMENT SUBDIVISION.**

#### **1.1 Mission Statement**

1.1.1 The Ticaboo Electric Improvement District (hereinafter referred to as "District") was created September \_\_, 2009, as an independent local improvement district in under Section 17B-2-301 of the Utah Code Annotated ("UCA §") (2009), by petition of the registered voters within the District to the County Commission of Garfield County, Utah, to provide the generation, distribution and sale of electricity. The District is a political subdivision and operates as an improvement district in accordance with Title 17B, Chapter 2a, Part 4 of the Utah Code (2009) and a local district in accordance with Title 17B, Chapter 1 of the Utah Code (2009).

#### **1.2 District Government Vested in the Board of Trustees**

1.2.1 The District is governed by a Board of Trustees, hereinafter referred to as the "Board," which shall manage and conduct the business and affairs of the District and shall determine all questions of District policy. The Board shall exercise all powers and perform all functions in the operation of the District and its properties as are ordinarily exercised by the governing body of a political subdivision of the State of Utah and as are necessary to accomplish the purposes of the District. (UCA § 17B-1-301 (2009)).

1.2.2 The Board is composed of three (3) Trustees elected for terms of four years, except that the initial terms shall be staggered so that the term of approximately half of the Board expires every two (2) years. (UCA § 17B-1-303 (2009)).

1.2.3 The District Manager and the subordinate officers and employees will execute the will of the Board as expressed by Board policy and direction.

### **1.3 Functions of the Board of Trustees**

1.3.1 In every case, the will of the Board shall be expressed by at least a majority vote of the Board. No statement or act of any individual member of the Board shall be viewed as the will of the Board.

1.3.2 The Board shall appoint, as the need arises, qualified persons to function as District Manager and any other officers as the Board may be deemed necessary for the good government of the District and shall regulate and prescribe the powers and duties of all officers of the District, except as provided by law. The Board shall also approve the hiring of qualified persons or entities to provide legal, accounting, engineering, and other professional services, when necessary

1.3.2.1 The District Manager administers the policies and directives of the Board and manages the day-to-day operations and affairs of the District. The Board will review the District Manager's performance. When a non-Trustee is hired to fill this position, the Board will review the District Manager's compensation level annually.

1.3.3 The Board will review this document annually to ensure that it is pertinent and current.

1.3.4 No Trustee shall simultaneously hold the position of Trustee and employee of the District except as provided by law (UCA § 1713-1-11(2)(109)).

### **1.4 Board Committees**

1.4.1 The Board may from time to time appoint committees of its own members to conduct investigations into the conduct of District government, any District officer or any matter relating to the welfare of the District, and delegate to those committees such powers of inquiry as the Board may deem necessary.

### **1.5 Oath of Office**

1.5.1 Prior to assuming official duties, each Trustee shall take an oath before an officer authorized to administer oaths that the Trustee will support, obey and defend the Constitution of the United States and the Constitution of the State of Utah, and faithfully discharge the duties of the office of Trustee.

### **1.6 Chair of the Board of Trustees**

1.6.1 The Board shall elect from its members a Chair every time Board membership changes, who shall serve at the pleasure of the Board unless the Board sets a term for officers.

1.6.2 The Chair shall:

1.6.2.1 Preside at all meetings of the Board.

1.6.2.2 Execute, on behalf of the District, all bonds, resolutions of the Board and, where required, contracts and other written obligations, and countersign disbursement checks.

1.6.2.3 Attend and, if appropriate, preside at ceremonial activities (including, but not limited to ribbon cutting, open houses, and receptions) in which ceremonial representation is needed or sought.

1.6.2.4 Be a spokesperson for the Board, unless the Board directs otherwise. When the Chair acts as a spokesperson for the Board or the District, the Chair should speak for the majority of the Board. When speaking in his or her capacity as an individual member of the Board, the Chair should clearly state that limited capacity.

1.6.2.5 Not also be the District Clerk or Treasurer.

1.6.2.6 Represent the will of the Board.

1.6.2.7 Have no duties other than those specified in this section.

1.6.3 The Chair has the right to vote as a Trustee

## **1.7 District Clerk**

1.7.1 The Board shall appoint a District Clerk who shall attend the Board's meetings and keep a record of the proceedings of the Board. (UCA § 17B-1-631 (2009)). The District Clerk shall also maintain the financial records of the District and related subsidiary records. (UCA § 17B-1-632 (2009)). The District Clerk may not also be the Chair or the Treasurer. The District Clerk may, but need not, be a Trustee.

1.7.2 Until such time as there is an employee of the District who can act as the District Manager, the District Clerk shall assume the duties of the District Manager.

## **1.8 Treasurer**

1.8.1 The Board shall appoint a Treasurer who shall be the custodian of the funds of the District. (UCA 17B-1-633 (2009)). The Treasurer may not also be the Chair or the District Clerk. The Treasurer may, but need not, be a Trustee.

## **1.9 Trustee Compensation**

1.9.1 Each member of the Board of Trustees shall receive reimbursement for necessary travel and other expenses actually incurred while engaged in the performance of official Board duties. (UCA § 17B-1-307 (2009)).

1.9.2 The Board may compensate its members for their service as Trustees up to the limit set forth in UCA § 17B-1-307 (2009), as it may be amended from time to time.

## **2.0 DISTRICT ADMINISTRATION**

### **2.1 Structure of District Administration**

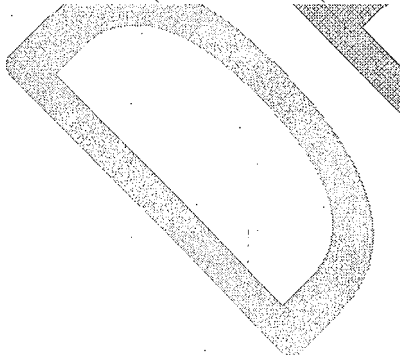
2.1.1 District administration consists of the District Manager and other officers as may be needed in the discretion of the Board.

2.1.2 The administrative powers of the District are vested in and exercised by the District Manager.

2.1.3 Each officer of the District shall have such authority as is necessary to enable such officer to carry out duties and responsibilities as assigned by this Document or at direction of the District Manager. The designation of a duty or responsibility shall constitute such authority as is necessary to affect the duty or responsibility so imposed.

### **2.2 Fidelity Bonds**

2.2.1 All elected or appointed officers of the District shall, before assuming the duties of office, obtain an official bond conditioned for the faithful performance of the duties of the office and the payment of all monies received by such officers according to the laws and ordinances of the District with corporate sureties. The premium of the surety bond shall be paid by the District. The coverage and amount shall be at least the minimum required by the laws and other amounts as required by the courts, or financing obligations of the District (51-7-15(2009)).



## **2.3 Appointment of the District Manager**

- 2.3.1 The Board shall by majority vote hire an employee to serve as the District Manager solely on the basis of that individual's ability, integrity, and prior experience relating to the duties of the office, including but not limited to managerial capabilities that, in the opinion of the Board, will provide the District with the professional direction it needs.

## **2.4 Power and Duties**

- 2.4.1 The District Manager shall:

2.4.1.1 Faithfully execute and enforce all applicable laws, rules and regulations and see that all franchises, leases, permits, contracts, licenses, and privileges granted by the District are observed;

2.4.1.2 Carry out the policies and programs established by the Board;

2.4.1.3 Establish standards, qualifications, criteria, and procedures to govern the appointment of employees within the District, subject to any applicable provisions of this Document and any future personnel rules and regulations adopted by the Board;

2.4.1.4 Submit to the Board plans and programs relating to the development and needs of the District, and annual or special reports concerning the financial, administrative and operational activities of the District;

2.4.1.5 Attend all meetings of the Board and take part in its discussions and deliberations.

2.4.1.6 Recommend to the Board for adoption such measures as deemed necessary or expedient;

2.4.1.7 Prepare a financial estimate of the annual budget and advise the Board of the financial condition and needs of the District;

2.4.1.8 Schedule such public hearings before the Board as are required by law including, but not limited to, rate hearings and budget hearings and cause notice thereof to be published as required by law;

2.4.1.9 Execute such contracts as are necessary for the good order and operation of the District, provided the expenditures pursuant to such contracts are within the appropriations contained within the appropriate budget as adopted by the Board;

2.4.1.10 Implement and administer such plans as approved by the Board for the compensation of District employees;



2.4.1.11 Approve expenditures made for official District business, provided such expenditures are within the appropriations contained within the appropriate budget as adopted by the Board;

2.4.1.12 Act as the Records Officer for the District (UCA § 63G-2-103(25) (2009));

2.4.1.13 Act as the HIPAA Privacy Officer and the HIPAA Security Officer under the Health Insurance Portability and Accountability Act of 1996 and any federal regulations enacted thereunder and shall be responsible for complying with such Act and related regulations; and

2.4.1.14 Discharge any other duties specified h\* statue or designated by the Board. **2.5**

### **Removal of the District Manager**

2.5.1 The District Manager serves at the pleasure of the Board and may be removed by unanimous vote of the Board.

## **3.0 DISTRICT FINANCE**

### **3.1 Budget Officer**

3.1.1 The District Manager shall function as the Budget Officer, as appointed by the Board in accordance with Title 17B, Chapter Pari h 01 the Utah Code (2009). The District Manager is authorized to make expend i f a r e s tor:

3.1.1.1 Payroll;

3.1.1.2 Repetitive contractual obligations such as utility bills; and/or

3.1 3 All item approved by the Board in the annual budget or by specific Board action .

### **3.2 Preparation of Budget**

3.2.1 Prior to the regularly scheduled meeting of the Board in November of each year, the Budget Officer shall present an outline of concepts for operating and capital project budgets, and any other budget for funds established and maintained by the District (collectively, the "Budget").

3.2.2 On or before the first regularly scheduled meeting of the Board in November of each year, the Budget Officer shall prepare for the ensuing fiscal year and file with the Board a tentative Budget, together with specific work programs and any other supporting data required by the Board (UCA § 17B-1-629 (2009)).

- 3.2.3 The Board shall review, consider and tentatively adopt the tentative Budget at any regular meeting or any special meeting called for that purpose. The Board may make any changes considered advisable in the tentative Budget prior to the public hearing to consider the adoption of the final Budget.
- 3.2.4 After holding a properly noticed public hearing on the Budget, the Board shall adopt by resolution the final Budget that shall be in effect for the budget year, subject to later amendment. During the budget year, the Board may, in any regular meeting or special meeting called for that purpose, review the Budget for the purpose of determining if any amounts therein should be increased.
- 3.2.5 The Budget may be reopened at any time during the fiscal year at a properly noticed meeting held in accordance with the law.
- 3.2.6 The Budget shall contain a reserve to pay any unanticipated expenses or to cover budget line items over-runs. The reserve may only be used upon approval by the Board.
- 3.2.7 When a total line item appropriation is exceeded, the over-run may be covered by a transfer from another line item in the Budget with the approval of the Board.

### **3.3 Financial Reports**

- 3.3.1 The District Manager shall prepare and present to the Board quarterly summary financial reports showing the financial position and operations of the District for the quarter and year-to-date. (UCA § 17B-1-638).
- 3.3.2 Within 180 days after the close of each fiscal year, the District Manager shall present to the Board an annual financial report prepared in conformity with generally accepted accounting principles, as prescribed in the Uniform Accounting Manual for Local Districts. This requirement may be satisfied by presentation of an audit report furnished by an independent auditor. (UCA § 17B-1-639).

### **3.4 Independent Auditor**

- 3.4.1 When the revenues and expenses of the District exceed \$100,000, an independent auditor or certified public accountant shall be hired to determine whether the District's financial statements have been prepared in conformity with generally accepted accounting principles. Copies of the annual financial report or the audit report furnished by the independent auditor shall be filed with the state auditor and shall be filed as a public document in the office of the District. (UCA § 51-2a-201) Until an independent audit is required under Title 51, Chapter 2a of the Utah Code, the District may prepare and submit a fiscal report on forms provided by the state auditor.
- 3.4.2 The District Manager shall, with the approval of the Board, select the District's independent auditor.

### **3.5 Checks**

- 3.5.1 All checks drawn on accounts of the District shall be signed by both the Chair and the Treasurer.

## **4.0 DISTRICT MEETINGS**

### **4.1 Types of Meetings**

- 4.1.1 Regular Meeting: A regularly scheduled meeting of the Board for which notice of the date, time and place has been given in the Annual Meeting Schedule.
- 4.1.2 Special Meeting: Any meeting of the Board that replaces or is held in addition to a regular meeting.
- 4.1.3 Emergency Meeting: A special meeting held as a result of unforeseen circumstances to consider matters of an urgent or emergency nature.

### **4.2 Public Notice of Meetings**

- 4.2.1 Annual Schedule: An annual schedule of the meetings of the Board shall be posted at all times in a conspicuous place at the principal office of the District or, if none exists, at the building where the District's meetings are to be held and at the office of the Garfield County Commission in Panguitch, Utah.
- 4.2.2 Regular Meeting Notice: Notice of the date, time, place and agenda for each regular meeting shall be posted at the principal office of the District or, if none exists, at the building where the meeting is to be held, and at the office of the Garfield County Commission in Panguitch, Utah, not less than 24 hours before the beginning of each meeting.
- 4.2.3 Special Meeting Notice: Where possible, the notice described above in section 4.2.2 shall be given for special meetings; however, when unforeseen circumstances require a special meeting, including but not limited to an emergency meeting, such notice requirements may be disregarded and the best practicable notice given. No special meeting shall be held until a reasonable attempt has been made to notify all Trustees and a majority of such Trustees are contacted and polled and agree to hold such special meeting.

### **4.3 Conduct of Meetings**

4.3.1 All meetings of the Board shall be conducted according to Robert's Rules of Order when so requested by any member of the Board.

4.3.2 Any member of the Board shall have the right to place any matter on the agenda if a reasonable notice is given. The meeting shall follow the agenda unless otherwise agreed.

4.3.3 The Board may hold electronic meetings provided the Board has first adopted a resolution governing the use of electronic meetings in accordance with UCA § 52-4207 (2009).

### **4.4 Quorum**

4.4.1 A majority of the actual number of Trustees shall constitute a quorum for the transaction of District business. A concurrence of a majority of the quorum in any matter within the scope of the duties of the Board shall be sufficient for the determination of such matter, except as otherwise required by statute or herein.

### **4.5 Presumption of Assent**

4.5.1 A Trustee who is present at a meeting of the Board at which action on any matter is taken shall be presumed to have assented to the action unless such Trustee's dissent shall be entered into the minutes of the meeting and unless such Trustee shall file a written dissent to such actions with the Chair or the District Clerk before the adjournment of the meeting. A written statement shall not apply to a Trustee who voted in favor of such action.

### **4.6 No Proxy**

4.6.1 No Trustee may appoint another individual by proxy or otherwise to assume the responsibilities of the Trustee.

### **4.7 Open and Closed Meetings; Actions Taken**

4.7.1 Open Meeting: All meetings of the Board, except for closed meetings as defined below in 4.7.2, shall be open to the public and noticed and held in accordance with Title 52, Chapter 4 of the Utah Code, the Open and Public Meetings Act.

4.7.2 Closed Meetings:

4.7.2.1 Purposes of Closed Meetings. Closed meetings may be held:

4.7.2.1.1 To discuss the character, professional competence, or physical or mental health of an individual;

4.7.2.1.2 To discuss deployment of security personnel, devices or systems;

4.7.2.1.3 To investigate allegations of criminal misconduct. 4.7.2.1.4 As strategy sessions to discuss collective bargaining;

4.7.2.1.5 As strategy sessions to discuss pending or reasonably imminent litigation;

4.7.2.1.6 As strategy sessions to discuss the purchase/exchange/lease of real property if public discussion would disclose property valuations or would prevent the District from getting the best possible terms; or

4.7.2.1.7 As strategy session to discuss the sale of real property if (a) public discussion would disclose property valuations or would prevent the District from getting the best possible terms; (b) prior public notice has been given that the property would be offered for sale; and (c) the terms of the sale are publicly disclosed before the sale is approved.

#### 4.7.2.2 Procedures for Calling a Closed Meeting

4.7.2.1 The proposal for a closed meeting must be made in a properly noticed open meeting.

4.7.2.1.1 The proposal for a closed meeting must be made in a properly noticed open meeting.

4.7.2.2.3 the proposal for a closed meeting must be approved by two-thirds of the Trustees present at the open meeting.

4.7.2.2.4 The vote of each Trustee on the proposal must be recorded in the minutes.

4.7.2.2.5 The general reason(s) for the proposed closed meeting must be recorded in the minutes (e.g., to discuss a land purchase).

4.7.2.3 Except as otherwise directed by the Board, participation in closed meetings shall be limited to the Board, the District Manager, and other invited District staff.

4.7.2.4 No resolution, rule, regulation, contract, or appointment shall be approved in a closed meeting.

## **4.8 Minutes of Meetings to be Kept by District Clerk**

4.8.1 Open Meeting: An audio recording and written minutes shall be taken of all open meetings. The written minutes, once approved, shall be the official record of the meeting. Such minutes shall include:

- 4.8.1.1 the date, time, and place of the meeting;
- 4.8.1.2 the names of Trustees present and absent;
- 4.8.1.3 the names of all matters proposed, discussed, or decided, and a record, by individual Trustee, of votes taken;
- 4.8.1.4 the names of all citizens who appeared and the substance in brief of their testimony;
- 4.8.1.5 any other information that any Trustee requests be entered in the minutes

### 4.8.2 Closed Meetings:

4.8.2.1 In closed meetings held to discuss the character, professional competence, or physical or mental health of an individual or the deployment of security personnel, devices or systems, the presiding official in the closed meeting shall sign a sworn statement affirming that the sole purpose of the meeting was to discuss the character, professional competence, or physical or mental health of an individual or to discuss deployment of security personnel, devices or systems, and no other record of the meeting is to be made.

4.8.2.2 In other closed meetings, a complete and unedited audio recording and detailed written minutes shall be taken of the discussions that occur at the meeting. The recording and minutes shall include the date, time, and place of the meeting; the names of Trustees present and absent; and the names of all others present except where the disclosure would infringe on the confidentiality necessary to fulfill the original purpose of closing the meeting.

4.8.2.3 The written minutes shall be the official record of the meeting. **5.0**

## **INDEMNIFICATION OF EMPLOYEES**

**5.1** Trustees, officers, and employees of the District shall be indemnified for acts and omissions occurring during the performance of their duties, within the scope of their employment or under color of authority pursuant to the provisions of the Utah Governmental Immunity Act.

## **6.0 ETHICAL CONDUCT**

- 6.1** The purposes of this section are to establish standards of conduct for Trustees and officers and employees of the District and to require these persons to disclose actual or potential conflicts of interest between their public duties and their personal interests.
- 6.2** The conduct of Trustees and District officers and employees shall be consistent with, among other things and not by way of limitation, Title 67, Chapter 16 of the Utah Code, the Utah Public Officers' and Employees' Ethics Act: UCA § 17B-1-637; Sections 105, 201, 202, 203 and 402 of Title 76, Chapter 8 of the Utah Code, Offenses Against the Administration of Government.

## **7.0 AUDIT COMPLIANCE**

### **7.1 Cash Management**

- 7.1.1 All funds are to be deposited on a daily basis when possible, or at least every three days (UCA § 51-4-2(2) (2009)).

### **7.2 Investments'**

- 7.2.1 The investment of any District funds shall be made only with institutions authorized by the Utah Money Management Act; Title 51; Chapter 7 of the Utah Code.

- 7.2.2 Funds may not be invested for terms which exceed the anticipated rate of the expenditure of the funds. (UCA § 51-7-11 (2) (2009))

- 7.2.3 Funds may only be invested in instruments and assets authorized by the Utah Money Management Act (UCA § 51-7-11(3) (2009)).

- 7.2.4 All securities are to be delivered to an authorized safekeeping custodian within 15 days of the transaction (UCA § 51-7-11(7) (2009)).

- 7.2.5 Selections of investment shall be made with the exercise of that degree of judgment and care which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety for their capital, as well as the probable benefits to be derived. (UCA § 51-7-14 (2009)).

- 7.2.6 All public funds invested in deposit instruments should be invested with qualified depositories within Utah, unless national market rates on instruments of similar quality and term significantly exceed those offered by qualified depositories within the state.

### **7.3 Public Debt**

7.3.1 The District shall have the power to incur indebtedness; however, it shall contract no debt in excess of state statutory limits.

### **7.4 Other General Compliance**

7.4.1 Abandoned Property: Any tangible or intangible property which is presumed abandoned over one year will be submitted to the State Treasurer's Office. The annual abandoned property report (ST-2) will be filed regardless of whether or not the District holds any abandoned property.

7.4.2 The District shall provide annually its name, telephone number, and address to the telephone directory publisher serving the geographical area within the District.

7.4.3 No District officer or Trustee may ~~emirly~~, appoint, or vote for or recommend the appointment of a relative to any position ~~car~~ employment, when the salary, wages, pay, or compensation of the appointee will be paid ~~fan~~ public funds and the appointee will be directly supervised by a relative, except as; ~~otlierwise~~ otherwise permitted by law (UCA § 523-1 et seq).

## **8.0 PURCHASING**

### **8.1 Scope**

8.1.1 This section ~~slid~~ ~~I. c s c c p i v v h c m o t h e r v v i s e~~ noted, govern the acquisition of real or personal ~~propert~~ supplies or ~~Pert i s~~, and disposal of property, whether real or personal, by the District.

8.1.2 No purchase shall be made and no encumbrances shall be incurred for the benefit of the District except as provided herein.

8.1.3 No purchase shall be made and no encumbrance shall be incurred unless funds sufficient to cover the purchase or encumbrance have been budgeted and are available within the approved Budget or unless the purchase or encumbrance is approved by the Board by a vote at a regular Board meeting.

### **8.2 Chief Procurement Officer:**

8.2.1 Designation: The District Manager shall act as and is herein designated to be the Chief Procurement Officer (the "CPO") of the District, subject to final Board approval.

8.2.2 The CPO is hereby charged with the responsibility of staying within the Budget and authorizing no expenditures in excess of the Budget as required by Utah Fiscal Procedures Act for Local Districts.



### **8.3 Purchasing and Contacting Procedures:**

8.3.1 Except as otherwise approved by the Board, a purchase of goods and services in an amount greater than \$2,000.00 requires the solicitation of price quotations from [three] prospective vendors or suppliers to reasonably ensure that the District receives the best price. Price quotes in excess of \$2,000.00 shall be in writing.

8.3.2 Except as otherwise approved by the Board, whenever the total amount of a contract or purchase exceeds \$10,000 the contract shall be awarded through competitive bidding or proposal process.

8.3.3 Funds designated for the purchase of goods or services under a particular Budget line item may not be used for the purchase of goods or services under a different Budget line item without the prior approval of the Board.

8.3.4 All purchases shall be reported to the Board for review at the next regular Board meeting.

8.3.5 Bond Construction Fund and Other Capital Fund Expenditures: 8.3.5.1 Projects shall be submitted to the Board for authorization of funding.

8.3.5.2 Construction Change Orders of 15% or less may be approved by the CPO and submitted to the Board for review at its next regular Board meeting.

8.3.5.3 Construction Change Orders exceeding 15% shall be submitted to the Board for approval.

8.3.5.4 Upon completion of each project, a final summary of costs shall be submitted to the Board for review.

8.3.6 Other Expenditures of Fund Transfers: All other expenditures or fund transfers shall be submitted to the Board for review.

8.3.7 The Board may waive the above requirements at such time as the public good justifies such action, and shall not be prohibited by the terms of this section from awarding contracts or purchase orders without advertisement or other solicitation if the item to be procured is a brand-name type product which can be procured from only one source. No contract or purchase order in excess of \$5,000.00 may be awarded for such brandname type of product without the review of the Board.

8.3.8 An official copy of each awarded purchase order or contract, together with all necessary attachments, including assignments, shall be retained by the District Manager in an appropriate file open to the public for such period of time after termination of the contract as an action against the District might ensue under applicable statutes of limitations. After such period of time, purchase orders, contracts and attachments may be destroyed by the direction of the District Manager.

## **8.4 Emergency Procurements**

8.4.1 Notwithstanding any of the provisions of these rules and regulations, when an imminent threat to public health, welfare, or safety exists, the CPO may make or authorize others to make emergency procurements, PROVIDED that the emergency procurements shall be made with as much competition as practicable under the circumstances.

8.4.2 A written determination of the basis for the emergency and the selection of the particular contractor shall be included in the contract file.

## **8.5 Exceptions to Competitive Bidding**

8.5.1 Contracts which by their nature are not conducive to competitive bidding, such as personal service contracts, shall not require competitive bids.

8.5.2 Products for services currently defined and contracted for open purchase by the State of Utah shall not require competitive bids.

## **9.0 RECORDS MANAGEMENT**

### **9.1 General Purpose**

9.1.1 It is the District's policy to establish and implement guidelines for open government information recognizing the need to maintain and preserve accurate records, provide public access to public records and preserve the right of privacy of personal data collected or received by the District.

### **9.2 District Policy**

9.2.1 In adopting the policy contained in this Article 9.0, RECORDS MANAGEMENT (the "Records Policy"), the District recognizes the enactment of Title 63G, Chapter 2 of the Utah Code, the Government Records Access and Management Act (the "Government Records Act") and the application of the Government Records Act to District records. The purpose of this section is to conform to UCA § 63-2-701 which provides that each political subdivision may adopt an ordinance or a policy relating to information practices including classification, designation, access, denials, segregation, appeals, management, retention and amendment of records. The District's Records Policy modifies the general provisions of the Government Records Act, as allowed by law, to best meet the public needs, operation, management capabilities and resources of the District.

### **9.3 Compliance with State Law**

9.3.1 In adopting the Records Policy, the District recognizes that the Government Records Act applies to the District and is adopted by this reference as part of the District's Records Policy.

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## **9.4 Definitions**

9.4.1 In addition to the terms previously defined herein, the following definitions shall be applicable with regard to the Policy.

9.4.1.1 "Computer software program" means the series of instructions or statements that permit the functioning of a computer system in a manner designed to provide storage, retrieval, and manipulation of data from the computer system, and any associated documentation, manuals, or other source material explaining how to operate the software program. "Software" does not include the original data or records which are manipulated by the software.

9.4.1.2 "Controlled record" shall refer to a record containing data on individuals that is controlled as provided in the Government Records Act.

9.4.1.3 "Data" shall refer to individual entries (for example, birth date, address, etc.) in records.

9.4.1.4 "Dispose" means to destroy, or render meaningless or illegible, a record of the information contained in it by any physical, electrical or other means, including unauthorized deletion or erasure of electronically recorded audio, visual, non-written formats, data processing or other records.

9.4.1.5 "District" means the Ticaboo Electric Improvement District, or any public or private entity which pursuant to contract with the District has agreed to produce and maintain public District records.

9.4.1.6 "Private record" shall refer to a record containing data on individuals that is private as provided in the Government Records Act.

9.4.1.7 "Protected record" shall refer to a record that is classified protected as provided by the Government Records Act.

9.4.1.8 "Public record" means a record that is not controlled, private, or protected and is not exempt from disclosure as provided in the Government Records Act.

9.4.1.9 "Record" means all books, letters, documents, papers, maps, plans, photographs, films, cards, tapes, recordings, or other documentary materials, and electronic data regardless of physical form or characteristics, prepared, owned, used, received or retained by the District where all the information in the original is reproducible by some mechanical, electronic, photographic or other means.

9.4.1.10 "Record" does not mean temporary drafts or similar materials prepared for the originator's personal use or prepared by the originator for the personal use of a person for whom he is working; materials that are legally owned by an individual in his or her private capacity; materials to which access is limited by the laws of copyrights or patent; junk mail or commercial publications received by the District or by an officer or employee of the District; proprietary computer software programs as defined in paragraph 10.4.1.2 above that are developed or purchased by or for the District for its own use; and other materials as provided by the Government Records Act.

## **9.5 Public Right to Records**

9.5.1 Members of the public shall have the right to see, review, examine and take copies, in any format maintained by the District, of all District governmental records defined as a "public record" under the provisions of the Records Policy, upon the payment of a reasonable fee pursuant to the provisions of the Records Policy and the Government Records Act.

9.5.2 The District has no obligation to create a record series in response to a request from a member of the public, if the record requested is not otherwise regularly maintained or kept.

9.5.3 When a record is temporarily held by the District's custodial agent pursuant to the custodial agent's statutory functions, such as records storage, investigation, litigation or audit, the record shall not be considered a record of the custodial agent for the purposes of the Records Policy. The record shall be considered a record of the District and any requests for access to such records shall be directed to the District, rather than the custodial agent, pursuant to the Records Policy.

## **9.6 Public, Private, Controlled, and Protected Records**

9.6.1 Public records of the District shall be made available to any person. All District records are considered public unless they are (1) expressly designated, classified, or defined otherwise by the District in accordance with policies and procedures established by the Records Policy, (2) are so designated, classified or defined by the Government Records Act, or (3) are made non-public by other applicable law.

9.6.2 Private records are those records defined as "private" within the meaning of the Government Records Act or are classified or designated as "private" by the District as provided in the Government Records Act or the Records Policy. Private records shall be made available to the following persons: (1) the subject of the record, (2) the parent or legal guardian of a minor who is the subject of the record; (3) the legal guardian of an incapacitated individual who is the subject of the record, (4) any person who has power of attorney or a notarized release from the subject of the record or his or her legal representative, or (5) any person in possession of or serving a legislative subpoena or a court order issued by a court of competent jurisdiction.

9.6.3 Controlled records are those records defined as "controlled" within the meaning of the Government Records Act or are classified or designated as "controlled" by the District as provided in the Government Records Act or the Records Policy. Controlled records shall be made available to a physician, psychologist, or licensed social worker who submits a notarized release from the subject of the record or any person presenting a legislative subpoena or a court order issued by a court of competent jurisdiction.

9.6.4 Protected records are those records defined as "protected" within the meaning of the Government Records Act or are classified or designated as "protected" by the District as provided in the Government Records Act or the Records Policy. Protected records shall be made available to (1) the person who submitted the information in the record, (2) a person who has power of attorney or a notarized release from any person or governmental entity whose interests are protected by the classification of the record, (3) any person presenting a legislative subpoena or a court order regarding the release of the information issued by a court of competent jurisdiction.

## **9.7 Privacy Rights**

9.7.1 The District recognizes and upholds the personal right of privacy retained by persons who may be the subject of governmental records.

9.7.2 The District may, as determined appropriate by the District Manager, notify the subject of a record that a request for access to the subject's record has been made.

9.7.3 The District may require that the requester of records provide a written release, notarized within thirty (30) days before the request and from the subject of the records in question before access to such records is provided.

## **9.8 Designation Classification and Retention**

9.8.1 All District records and record series, regardless of format, shall be designated, classified and scheduled for retention according to the provisions of the Government Records Act and the Records Policy. Any records or record series generated in the future shall also be so designated, classified and scheduled for retention. Records shall be designated, classified and scheduled for retention under the supervision of the District Records Officer.

## **9.9 Procedures for Records Request**

9.9.1 Records requests shall be in writing and presented to the District on forms provided by the District. The date and time of the request shall be noted thereon and will start the time periods contained in the Records Policy. Persons requesting a record that is not a "public record" within the meaning of the Government Records Act and the Records Policy shall adequately identify themselves and their status prior to receiving access to such a record.

9.9.2 The District may respond to a request for a record by approving the request and providing the records, denying the request, or such other appropriate response as may be established by the District.

9.9.2.1 Except as provided below in paragraph 10.9.3.2, the District shall respond to a written request for a public record within ten (10) business days of the receipt of the request.

9.9.2.2 In the event of extraordinary circumstances as defined below, the District shall be allowed more than ten (10) business days to respond to a written request for a public record as may be reasonably necessary to respond to the request, as determined by the District Manager. Extraordinary circumstances shall include but not be limited to the following:

9.9.2.2.1 Some other governmental entity is currently and actively using the record.

9.9.2.2.2 The record request, For a voluminous quantity of records or requires the District to review a large number of records or perform extensive research to locate the requested record;

9.9.2.2.3 The District is currently processing a large number of record requests and/or is subject to extraordinary seasonal work loads in the processing of other work;

9.9.2.2.4 The record request involves an analysis of legal issues to determine the proper response to the request.

9.9.2.2.5 The record request involves extensive editing to separate public data in a record from that which is not public; or

9.9.2.2.6 Providing the requested record requires computer programming or other format manipulation.

9.9.2.3 When a record request cannot be fulfilled within the (10) days, the District Manager shall give the requester an estimate of the time required to respond to the request.

9.9.3 The failure or inability of the District to respond to a record request within the time frames set forth herein, or the District's denial of such a request, shall give rise to the right to appeal as provided in Section 10.11 herein.

## **9.10 Rates**

9.10.1 The District will charge the following rates for services provided in response to record requests under the Government Records Act and the Records Policy.

- 9.10.1.1 Reviewing a record to determine whether it is subject to disclosure ..... No Charge
- 9.10.1.2 Inspection of record by requesting person ..... No Charge
- 9.10.1.3 Photo copy of record ..... \$1.00/page
- 9.10.1.4 Computer disk copy of record ..... Actual Cost  
(including District overhead and staff time)
- 9.10.1.5 Other forms of records, including maps ..... Actual Cost  
(including District overhead and staff time)

**9.11 Appeal Process**

- 9.11.1 Any person aggrieved by the District's denial of a record inquest or claim of extraordinary circumstances in responding to a record request may appeal such denial or claim by filing a written notice of appeal with the District Manager within 30 days of the District's action. The notice of appeal shall contain the petitioner's name, address, and phone number and the relief sought; and may contain a short statement of the facts, reasons and legal authority for [lc appeal\_
- 9.11.2 If the appeal involves a record that is subject to business confidentiality or affects the privacy rights of an individual, the District Manage' may send a notice of the appeal to the affected person.
- 9.11.3 The District Manager shall make a decision regarding the appeal within fifteen (15) days after receipt of the notice of appeal. During that 15-day period, the District Manager may schedule an informal hearing or request any additional information deemed necessary to render a decision. A copy of the District Manager's decision shall be mailed by the District to all appropriate parties promptly thereafter and shall include the reasons for the District Manager's determination.
- 9.11.4 If the District Manager affirms the denial in whole or in part, the denial shall include a statement that the requester has a right to appeal the denial to the District's Board.
- 9.11.5 A written notice of appeal of the District Manager's decision shall be filed with the Board within 30 days of the decision and the appeal shall be heard at the next regularly scheduled meeting of the Board. If there is no meeting scheduled in the next 30 days, the Board shall schedule a meeting for the purpose of hearing the appeal. The final decision of the Board shall be by majority vote of a quorum of the Board. The Board shall prepare a written decision stating their final determination and reasons therefore.
- 9.11.6 If the Board affirms the denial, in whole or in part, the Board's decision is subject to judicial review in district court as provided in UCA § 63G-2-404.

## **9.12 Reasonable Accommodation**

9.12.1 Reasonable accommodations regarding access to governmental records shall be provided to persons with disabilities in accordance with the Americans with Disabilities Act upon specific request of the record requester.

## **9.13 Record Amendments**

9.13.1 Government records held by the District may be amended or corrected as needed. Requests for amendments, corrections, or other changes to records within the custody of the District shall be made in writing, setting forth, with specificity, the amendment or correction requested. When an amendment or correction of a government record is made, only the amended or corrected record shall be retained, unless provided otherwise by the Government Records Act or other State or Federal law.

## **9.14 Penalties**

9.14.1 District employees who knowingly refuse to permit access to records in accordance with the Government Records Act and this Records Policy, who knowingly permit access to records that are not "public records," or who knowingly, without authorization or legal authority, dispose of, alter, or remove records or allow other persons to do so in violation of the provisions of the Act, the Records Policy or other law or regulation may be subject to criminal prosecution and disciplinary action, including termination.

9.14.2 In accordance with the Act, the District ( i.e. Trustees, and District officers and employees shall not be liable for damages resulting from the release of a record where the requester presented credible evidence of authority to obtain the record, even if it may be subsequently determined that the requester had no such authority.

## **9.15 Records Officer**

9.15.1 The Records Officer shall be the District Manager. The Records Officer shall oversee and coordinate records access, management and archives activities. The Records Officer shall make annual reports of record service activities to the Board.

## **9.16 Records Maintenance**

9.16.1 Records maintenance procedures shall be developed to ensure that due care is taken to maintain and preserve District records safely and accurately over the long term. The Records Officer shall be responsible for monitoring the application and use of technical processes in the creation, duplication and disposal of District records. The Records Officer shall also monitor compliance with required standards of quality, permanence, and admissibility pertaining to the creation, use and maintenance of records.



- 9.16.2 All District records shall remain the property of the District unless federal or state legal authority provides otherwise. Property rights to District records may not be permanently transferred from the District to any private individual or entity, including those legally disposable obsolete District records. This prohibition does not include the providing of copies of District records produced for release or distribution under this Records Policy.
- 9.16.3 Custodians of any District records shall, at the expiration of their terms of office, appointment or employment, deliver custody and control of all records kept or received by them to their successors, supervisors, or the District's Records Officer.

## **10.0 General Rate and Connection Rules and Regulations**

### **10.1 Rate Schedule**

- 10.1.1 The District has developed a separate schedule of rates, fees, charges, and penalties which may be revised and amended from time to time when in the opinion of the District's Board of Trustees, revisions are necessary to yield revenues adequate for the payment of operating expenses, capital improvements, bond indebtedness, and other obligations existing against the system together with any interest due thereon. This schedule is attached hereto as Addendum A entitled "Ticaboo Electric Improvement District Rates" (the "Rate Schedule") and is adopted Ad incorporated by this reference.
- 10.1.2 Prior to the implementation of any rate increase, the District will hold a public meeting for all its customers and members. Notice will be mailed at least ten days prior to the meeting. In addition, any schedule of new rates or other change that results in new rates must be approved by the District's Board of Trustees.
- 10.1.3 All charges not specifically listed on the Rate Schedule which are the responsibility of the applicant or customer, including for example, the cost of cutting and replacing pavement and cement where necessary, shall be fixed and charged as determined by the District Manager.
- 10.1.4 All actual costs occasioned by a nonstandard request of a customer shall be paid by the customer. The District's rates for items necessitated by such requests, as set forth in the Rate Schedule, shall also be paid by the customer.
- 10.1.5 Unless the District is otherwise contractually bound, the rates shall be determined from the Rate Schedule in effect at the time payment is made and shall not be determined by any estimate received from the District. There shall be no guarantee that any quoted rate, whether oral or written, will be in effect when the payment is actually made. If an applicant or customer desires to fix a rate quoted by the District, he must make the payment at that time.
- 10.1.6 Part or all of any rate in the Rate Schedule may be waived by the District's Board of Trustees for any project deemed to serve a beneficial public purpose. Waivers are

granted on a case-by-case basis considering the District's circumstances as well as the project's circumstances and therefore cannot be used to create any right for future waivers on the same or similar projects. The applicant must request the fee waiver and provide any requested support for justification of the waiver.

## **10.2 Meters**

10.2.1 All customers of the District shall be metered and all meters must be purchased through the District. All meters shall be purchased and installed at the expense of the customer. If, for any reason, any meter fails, does not register accurate readings, or cannot be read, District personnel may make an estimate of usage based on historical usage and other relevant information.

## **10.3 Electric Connections**

10.3.1 All applicants for electrical connections shall pay the applicable fees, including but not limited to engineering, connection, meter set, inspection, and permit fees, as set forth in the Rate Schedule. The applicant is responsible for all installation costs in addition to the District's fees. If a line extension is required to serve the applicant, the applicant must arrange for a connection according to the District's Line Extension Policy.

## **10.4 Inspections**

10.4.1 Prior to commencing any service, District personnel shall have the right to inspect all lines and related facilities within and upon the premises. If the District Manager does not approve of the same, the applicant shall cause each deficiency identified to be corrected at the applicant's sole expense so as to meet the requirements of the District and of any other governmental entity having jurisdiction.

10.4.2 After service has commenced, District personnel shall have the right to inspect all lines, and related facilities within and upon the premises with reasonable notice to the customer to ensure that the District's rules and regulations are being complied with and may require that deficiencies and/or violations be corrected at the customer's sole expense.

10.4.3 The applicant or customer must pay all reasonably required inspection fees.

## **11.0 RULES OF CONSTRUCTION**

11.1 The singular number includes the plural where the context and application of the rules and regulations contained herein reasonably suggest.

11.2 Words used in the present tense include the future.

11.3 Words used in the masculine gender comprehend, as well, the feminine and neuter.

**11.4** The work "person" includes bodies politic and any individual, partnership, association, corporation or group of individuals, however styled or designated.

**12.0 CONFLICTS AND INVALIDITY CLAUSE**

12.1 If any provision, paragraph, word, section, or chapter hereof is invalidated by any court of competent jurisdiction or by any state or federal statute, the remaining provisions, paragraphs, words, sections, and chapters hereof shall not be affected and shall continue in full force and effect.

**Adopted by the Ticaboo Electric Improvement District Board of Trustees on the \_ day of 2009.**



## Exhibit C

**TICABOO ELECTRIC IMPROVEMENT DISTRICT**  
**LINE EXTENSION POLICY**

1. Overview. This Line Extension Policy governs the basic rights and duties of the District and the customer, for the extension of new electrical service. This Policy is not intended to cover every specific situation or eventuality. The Board of Trustees is therefore authorized to make policy adjustments to accommodate those unique situations as they arise.
2. Definition of Extension. An extension is any continuation of, or branch from, the nearest available existing service line of the District, including any increase in capacity of an existing line to meet the customer's requirement.
3. Costs. The total cost of an extension, including engineering, labor and material shall be paid by the applicant. The District shall provide to the customer or applicant a good faith estimate of the cost of the project which shall be based upon the actual necessary cost of constructing and installing the line extension and facilities necessary to adequately supply the service requested by the customer or applicant. Where more than one applicant is involved in an extension, the costs shall be prorated on the basis of the street frontage distances involved. Sufficient infrastructure shall be included with every installation. The applicant must pay 100% of the extension cost of the line.
4. Construction Standards. Facility sizes shall be designed by the District, but the size shall never be smaller than necessary for sufficient transmission and voltage. The District shall be responsible for choosing the contractor, but may provide a list of approved contractors from which the customer may choose.
5. Ownership. Completed facilities shall be owned, operated, and maintained by the District, including the meters, as detailed in the Rules and Regulations.
6. Electric Power Supply. All costs, other than line extension costs, for providing needed electric power supply shall be paid by the District. This cost shall include the installation and operation of transformers and voltage regulators as required for proper regulation of the system.
7. Temporary Service. The customer will pay the total cost for the installation and removal of any extensions for service to a venture of a temporary or speculative permanency. The District will receive the estimated cost from the customer before beginning work on the extension.
8. Service from Prior Extension. Customers desiring service from a prior extension less than five (5) years old, to which a contribution has been made by another customer, must pay their proportionate share of that contribution in advance of construction. This amount is in addition to any contributions required by this policy.

9. Refunding Contributions. The District shall refund contributions by new customers on a preexisting line extension, to the contributor(s) to that extension, or to the current owners of the affected properties. The purpose of this refund is that all customers served from the extension share proportionally in the cost of the extension. Refunds apply to monetary contributions only and shall be made to the legal owner(s) of the property(s) served by the extension at the time of the refund.

Approved by the Ticaboo Electric Improvement District Board of Trustees on: , 2009

## Exhibit D



## Outline to Create the Ticaboo Electric Improvement District

1. Request submitted by registered voters. The Request proposes that Garfield County provide residential and commercial electric services within the Ticaboo area, or, in the alternative, that a local improvement district be created to provide the same services.
  - The Garfield County Clerk has already certified the Request
  - The Garfield County Commission has already called a public hearing to consider the Request
2. On July 30, 2009 at 6:00 p.m., the Garfield County Commission will hold a public hearing to consider the request.
3. After receiving public comment at the public hearing, the Garfield County Commission will either deny or approve the Request to provide electric services. It is anticipated that the Commission will deny the Request by resolution at a regularly-scheduled public meeting on August 10, 2009.
4. It is anticipated that immediately after the Commission denies the Request to provide electric services, the registered voters within the District will submit a Petition to establish the District. The Request and Petition Sponsor, Chuck Birrenbach, has already collected enough signatures for the Request and Petition.
5. Because the requisite number of registered voter signatures, as required by statute, for the Petition have already been gathered, it is anticipated that the Garfield County Clerk will certify the Petition and that the Certification will be approved by resolution of the Garfield County Commission adopted at a regularly-scheduled public meeting on August 24, 2009.
6. After the Petition is certified and approved, a notice of District creation will be mailed to the Utah State Lt. Governor. The Lt. Governor will issue a Certificate of Creation, probably sometime in at the end of August or early September, 2009.

## Exhibit E

## **Description of Existing Electric Facilities**

Currently, electric power is provided in the Ticaboo area by three diesel generators owned and operated by a private company, Uranium One Ticaboo, Inc. Upon the District's creation, it is anticipated that the District will assume ownership or management of one or more of those generators. The District is currently pursuing negotiations regarding the transfer of those generators.

In addition to the diesel generators, the existing facilities include two step-up transformer banks, an underground distribution system comprised of 21 padmount transformers and nearly three miles of 25 kV concentric neutral URD primary cables with #1/0 AWG Aluminum conductors.

### Description of Approved Generators

Only two of the three generators are currently approved for operation under the Utah Air Approval Order (DAQE-AN0141380002-08) issued by the Utah Department of Environmental Quality, Air Quality Division on September 23, 2008.

Here is a description of the two approved generators:

1. Cummins 1000DQFAD producing 900 ekW
2. CAT 3412C DITA producing 500 ekW

The generators are manually started and stopped local to each generator. The generators are manually cycled with respect to service hours to ensure that the hours put on each generator are rotated equally. When the load is transferred from one generator to the other, the non-operating generator is started, warmed-up, and ready-to-load. The operating generator is then shut down, isolated, and the load is tied to the other generator, which causes an interruption in service to complete the switch over.

Because the generators are not operating as standby units, the continuous ratings apply to the Ticaboo electric generating facility. They may be operated at the standby rating if the total duration of the loading in excess of the continuous rating does not exceed two hours per day. The average three-phase load measured at the facility was 160.50 kW or 200.6kVA.

### Description of Existing Electric Distribution System

The primary (high voltage) cable system at Ticaboo is generally comprised of 25 kV rated (100 and 133 percent insulation) #1/0 AWG aluminum concentric neutral URD cable, with an overall jacket. The cable system is a radial system with very limited in line and tap over current protection. When a fault occurs in the present cable system most, if not all, of the electric loads will experience an outage, which will persist until the faulted cable can be located and repaired. The underground cable is a Doubleseal model manufactured by Pirelli Cable Corporation.

## Exhibit F

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Loa Business Office

**Garkane**  
'07  
*eNe/N)y*

[www.garkaneenergy.com](http://www.garkaneenergy.com)

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July 22, 2009 \* >

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siW(TH HARTVIGSEN

SMITH HARTVIGSEN,  
PLLC ATTN: J. Craig  
Smith  
215 South State Street, Suite  
600 Salt Lake City, UT  
84111

RE: Verification that proposed Ticaboo Electric Improvement District's  
Boundaries do not overlap Garkane's certificated service area

sl

Dear Smith Hartvigsen, PLLC:

The purpose of this letter is to verify that the proposed boundaries for Garfield County's electric improvement district (the "district") do not overlap Garkane Energy Cooperative, Inc.'s certificated service area. I have reviewed the attached map and legal description of the district's boundaries, and I confirm that the proposed district's boundaries do not overlap Garkane's certificated service area.

Sincerely,

GARKANE ENERGY COOPERATIVE,  
INC.

Carl R.

Albrecht  
CEO

## Exhibit G



# TICABOO ELECTRIC IMPROVEMENT DISTRICT

## RATE SCHEDULE

### Applicability

Applicable in entire service area for Electric Power and domestic purposes at one point of delivery for use at a single dwelling unit, and for commercial purposes at a single business connection.

### Rate Charges

The following rates are for the period of one month: ,

	<b>Residential Usage</b>
Monthly Service Fee	\$ 1 ii. HO/month /meter
<i>Plus Usage:</i>	
First 500 KWH	\$0.26 KWH
Over 500 KWH	\$0.28k\ [ [
Monthly Service Fee	Commercial Usage \$2500/month/meter
<i>Plus Usage:</i> Usage	\$038KWH
Charge	\$0.38/KWH

Service Connection Charges

Turn-on service to property line, vti lrere  
service fronts property line,  
including meter and materials.,  
One time charge for each service  
requiring new meter installation. \$200.00

Turn-on service where meter is  
already in place \$25.00

Turn-off service \$25.00

Approved by the Ticaboo Electric Improvement District Board of Trustees on \_\_\_\_\_ 200\_.