

RESOLUTION 22-18
AUTHORIZING NATURAL GAS TRANSACTIONS

WHEREAS, Hyrum City ("Hyrum") desires to purchase and sell natural gas in connection with the operation of its electric distribution system (the "System"); and

WHEREAS, Hyrum desires the flexibility to engage in a program to store or hedge natural gas for the purpose of managing the cost of natural gas for the System; and

WHEREAS, Hyrum is a Member of the Utah Associated Municipal Power Systems ("UAMPS"), a political subdivision of the State of Utah; and

WHEREAS, Hyrum desires to become a Participating Member in UAMPS Natural Gas Project for the purpose of efficiently acquiring, selling, transporting, storing, and hedging natural gas;

WHEREAS, Hyrum desires to enter into a Natural Gas Project Master Agreement, including, without limitation, related confirmations and credit support annexes or any necessary amendments thereto (the "Agreement") with UAMPS which will provide for (i) long term purchases or sales of natural gas which may be sourced from gas prepaid with the proceeds of tax-exempt bonds, (ii) short term purchases or sales of natural gas, including remarketing of prepaid gas, (iii) transportation or storage of natural gas, and (iv) hedging of the rate to be paid by the City with respect to a notional amount of natural gas during a stated period (each a "UAMPS Gas Transaction"); and

WHEREAS, each UAMPS Gas Transaction will be evidenced by a written confirmation issued under the Natural Gas Project Master Agreement between UAMPS and Hyrum or other electronic means setting forth the terms and conditions of such UAMPS Gas Transaction (a "Confirmation" and collectively, the "Confirmations"); and

WHEREAS, the payments to be made by Hyrum to UAMPS under the Natural Gas Project Master Agreement constitute a cost of natural gas and constitute operation and maintenance expenses of the System;

NOW THEREFORE, BE IT RESOLVED:

1. The entry by Hyrum into the Natural Gas Project Master

Agreement or subsequent amendments thereto including one or more Confirmations is hereby approved. The payments to be made by the City thereunder constitute operation and maintenance expenses of the System.

2. The Mayor, and the City Recorder (collectively, the "Primary Authorized Officers") are hereby authorized to execute and deliver the Natural Gas Project Master Agreement, on behalf of Hyrum, in such form as the Primary Authorized Officer executing it may approve, such approval to be conclusively evidenced by the execution thereof.

3. The Primary Authorized Officers, and the UAMPS Representative (collectively, the "Participant Gas Representatives") are hereby authorized to enter into, from time to time, one or more Confirmations in such form as the Officer executing it may approve, issued under an Agreement in accordance with the following parameters:

(a) The notional amount of gas purchased under all Confirmations may not exceed in any calendar year;

(b) The term of any transaction under a Confirmation may not exceed years, unless such Confirmation is for the purchase of Prepaid Gas in which case the term may not exceed thirty years.

(c) At the time of execution, the expected price for gas purchases in a calendar year shall not exceed [\$]. For purposes of this limitation, a forward curve as of the date of any Confirmation shall be used to approximate the price of any index based transaction.

ADOPTED by the City Council of Hyrum City on 20th day of October, 2022.

Hyrum City

By: _____
Stephanie Miller
Mayor

Attest and Countersign:

By: _____
Stephanie Fricke
City Recorder