

Brad, please include the following with the Strategic Planning Meeting package and include on the agenda "Utilities owned by the City".

The City owns interests in two utilities, Heber Light and Power and Midway Irrigation Company. I would like to discuss some ideas concerning the organization of both entities. I would like to a discussion and thought among the Council regarding these matters and eventually your input.

## Midway Irrigation Company

Like HL&P, MIC's history is a mystery . . . to me. The City is the largest owner of stock in MIC. It operates with a separate board of directors. The City has only one director on the Board. The remainder of the Board are other stockholder representatives and community members, primarily irrigators. I've been told that eventually the idea was that the City would "take over" the irrigation operations. However there is no agreement or other indication in the record to that effect. Some time back agreements were entered into addressing the financing of the MIC infrastructure improvements to provide pressurized irrigation. Also the Water Advisory Board was organized as an advisory group to coordinate between the culinary and irrigation needs of property owners/developers in the City.

In essence, MIC manages the sources of water and the delivery of pressurized irrigation water to properties in the City, with a few exceptions. The City co-administers the sources and administers delivery of culinary water. By agreement, some written and some historical but unwritten, there are financial transfers between MIC and the City. Also, while there is coordination of water needs of developments through the Water Advisory Board, there needs to be more coordination between the City and MIC regarding not just the quantum of water needs but also the capacity of the production and delivery systems. The Planning Department will start requesting will serve letters from MIC separate and apart from the Water Advisory Board's recommendations. This should require MIC staff to assess system capacities. An example of this recently is the Reserve (aka Midway Vista/Zenger) project's irrigation system.

I believe that with better documentation of agreements, I see no reason for dramatic changes in MIC.