NOTICE AND AGENDA
SANTA CLARA CITY COUNCIL WORK MEETING
Wednesday July 17, 2024
TIME: 5:00 PM.
AGENDA

Public Notice is hereby given that the Santa Clara City Council will hold a Work Meeting in the Santa Clara City Downstairs Executive Board Room, located at 2603 Santa Clara Drive, Santa Clara Utah on Wednesday July 17, 2024, commencing at 5:00 PM. The meeting will be broadcast via You Tube linked on our website at **https://santaclarautah.gov**

1. **Call to Order:**

2. **Working Agenda:**

   A. General Business:

   1. Power Department Financial Projections and Rate Design.

   2. BMX Track update. Brooke Seely.

   3. Reuse Agreement discussion with WCWCD. Presented by Morgan Drake, WCWCD.

   4. Fraud Risk Assessment Discussion.

4. **Staff Reports:**

5. **Adjournment:**

Note: In compliance with the Americans with Disabilities Act, individuals needing special accommodation during this meeting should notify the city no later than 24 hours in advance of the meeting by calling 435-673-6712. In accordance with State Statute and Council Policy, one or more Council Members may be connected via speakerphone or may by two-thirds vote to go into a closed meeting.

Zoom Meeting Participants: Participants on the Zoom call are limited to City Staff, Council Members, and applicants on the agenda. Email calendar invitations will be sent out in advance of the meeting. Instructions for each meeting will include the meeting ID, and password to join. When joining the meeting your screen name must show your full name. Each applicant will be accepted into the meeting when their item is up for discussion. Please contact Chris Shelley at (435)673-6712 Ext. 203 with any questions regarding public meetings.

The undersigned, duly appointed City Recorder, does hereby certify that the above notice and agenda was posted within the Santa Clara City limits on this 11th day of July2024 at the Santa Clara City Hall, on the City Hall Notice Board, at the Santa Clara Post Office, on the Utah State Public Notice Website, and on the City Website at http://www.sccity.org. The 2024 meeting schedule was also provided to the Spectrum on January 1, 2024

Chris Shelley– City Recorder

Mayor
Rick Rosenberg

City Manager
Brock Jacobsen

CITY OF
SANTA CLARA
FOUNDED 1854

City Council
Denny Drake
Christa Hinton
Leina Mathis
Ben Shakespeare
Jarett Waite

City Council Application

Meeting Date: July 17, 2024 Agenda Item #: 1

Applicant: Gary Hall **Requested By:** Gary Hall

Subject: Power Department Financial Projections and Rate Design

Description: Utility Financial Solutions, (UFS), has completed an update to the Power Department's financial projections and a rate design for the next 5 years.

Attachments: 2
Recommendation: Discussion
Cost: N/A
Legal Approval: N/A
Finance Approval: N/A
Budget Approval: N/A

2603 Santa Clara Drive, Santa Clara, Utah 84765
Phone (435) 673-6712 Fax (435) 628-7338

UTILITY FINANCIAL SOLUTIONS, LLC

Santa Clara

Electric Department

Financial Projection Study

Mark Beauchamp, President
Jillian Jurczyk, Rates Manager
Utility Financial Solutions, LLC

Projection Assumptions

Fiscal Year	Inflation	Growth	Purchase Power Change	Investment Income	Capital Improvements Plan	Percent Impact Fee Projects
2025	3.0%	3.5%	0.0%	0.5%	$ 1,188,000	12%
2026	3.0%	3.5%	0.0%	0.5%	2,440,000	39%
2027	3.0%	2.5%	0.0%	0.5%	5,241,000	40%
2028	3.0%	2.5%	0.0%	0.5%	3,745,000	38%
2029	3.0%	2.5%	0.0%	0.5%	1,870,000	19%

Fiscal Year	Bond Issues Including Fees	Period	Rate
2025	-	-	0.00%
2026	$ 1,455,738	20	5.00%
2027	3,009,540	20	5.00%
2028	2,185,981	20	5.00%
2029	-	-	0.00%

Santa Clara has a power cost adjustment, therefore change in purchased power cost is modeled as a pass through.

Projection Summary

Current Rates, Includes Bonding

Fiscal Year	Projected Rate Adjustments	Debt Coverage Ratio	Adjusted Operating Income	Optimal Operating Income	Available Cash Balance	Recommended Minimum Cash	Impact Fee Cash (restricted)
2025	0.0%	3.46	$ 757,325	$ 772,802	$ 262,567	$ 3,094,310	$ 3,244,265
2026	0.0%	3.04	793,550	868,394	1,213,601	3,249,070	2,784,265
2027	0.0%	2.33	689,386	1,066,483	1,853,609	3,529,886	1,197,865
2028	0.0%	2.30	569,682	1,202,903	2,502,018	3,627,838	291,865
2029	0.0%	2.10	260,088	1,266,619	1,590,107	3,675,848	436,223

Projection Summary

Five-Year Rate Track with Bonding

Fiscal Year	Projected Rate Adjustments	Debt Coverage Ratio	Adjusted Operating Income	Optimal Operating Income	Available Cash Balance	Recommended Minimum Cash	Impact Fee Cash (restricted)
2025	2.0%	3.79	$ 955,664	$ 772,802	$ 460,907	$ 3,094,310	$ 3,244,265
2026	2.0%	3.61	1,208,218	868,394	1,827,600	3,249,070	2,784,265
2027	2.0%	3.00	1,333,333	1,066,483	3,114,625	3,529,886	1,197,865
2028	2.0%	3.19	1,458,603	1,202,903	4,658,260	3,627,838	291,865
2029	2.0%	3.25	1,410,520	1,266,619	4,907,563	3,675,848	436,223

Debt Coverage Ratio

Current Rates

Description	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
Debt Coverage Ratio					
Net Income	$ 1,202,143	$ 1,175,287	$ 933,677	$ 714,369	$ 420,736
Add Depreciation/Amortization Expense	815,481	888,041	1,041,661	1,221,381	1,333,681
Add Interest Expense	71,233	135,797	275,697	370,571	353,321
Cash Generated from Operations	$ 2,088,857	$ 2,199,125	$ 2,251,035	$ 2,306,320	$ 2,107,738
Debt Principal and Interest	$ 604,275	$ 723,829	$ 965,968	$ 1,004,892	$ 1,005,290
Projected Debt Coverage Ratio (Covenants)	**3.46**	**3.04**	**2.33**	**2.30**	**2.10**
Minimum Debt Coverage Ratio	**1.45**	**1.45**	**1.45**	**1.45**	**1.45**

Minimum Cash

Current Rates

Description	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
Minimum Cash Reserve Allocation					
Operation & Maintenance Less Depreciation Expense	12.3%	12.3%	12.3%	12.3%	12.3%
Purchase Power Expense	13.8%	13.8%	13.8%	13.8%	13.8%
Historical Rate Base	1.0%	1.0%	1.0%	1.0%	1.0%
Current Portion of Debt Service Payment	83%	83%	83%	83%	83%
Five Year Ratebase CIP - Net of bond proceeds	20%	20%	20%	20%	20%
% Plant Depreciated	42%	42%	39%	38%	40%
Calculated Minimum Cash Level					
Operation & Maintenance Less Depreciation Expense	$ 306,805	$ 316,010	$ 325,490	$ 335,255	$ 345,312
Purchase Power Expense	695,678	717,603	735,554	753,984	772,906
Historical Rate Base	296,297	320,697	373,107	410,557	429,257
Current Portion of Debt Service Reserve	501,548	600,778	801,753	834,060	834,391
Five Year Ratebase CIP - Net of bond proceeds	1,293,983	1,293,983	1,293,983	1,293,983	1,293,983
Minimum Cash Reserve Levels	**$ 3,094,310**	**$ 3,249,070**	**$ 3,529,886**	**$ 3,627,838**	**$ 3,675,848**
Projected Cash Reserves (available)	**$ 262,567**	**$ 1,213,601**	**$ 1,853,609**	**$ 2,502,018**	**$ 1,590,107**

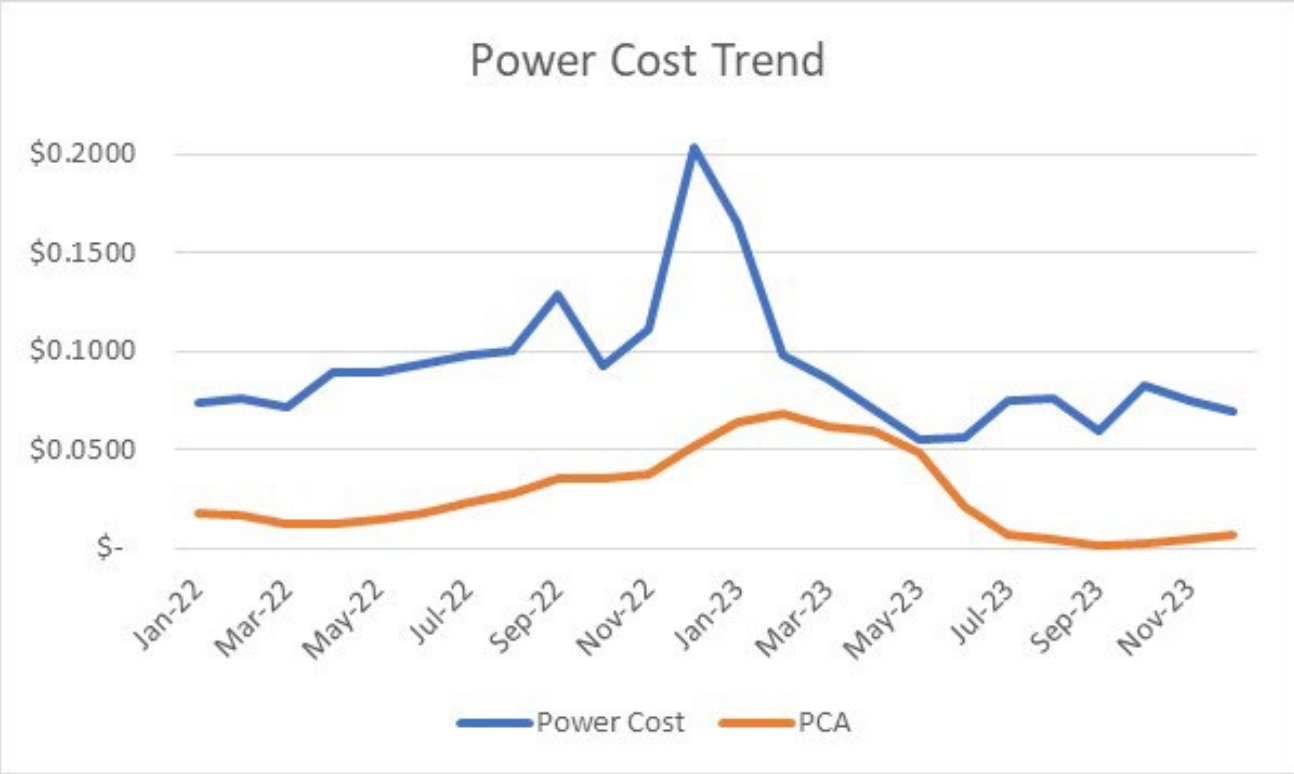
Target Operating Income

Current Rates

Description	Projected 2025	Projected 2026	Projected 2027	Projected 2028	Projected 2029
Target Operating Income Determinants					
Net Book Value/Working Capital	$17,075,098	$18,627,057	$22,826,397	$25,350,016	$25,886,336
Outstanding Principal on Debt	4,033,074	4,900,780	7,220,050	8,771,710	8,119,742
System Equity	$13,042,024	$13,726,277	$15,606,347	$16,578,306	$17,766,594
Debt:Equity Ratio	24%	26%	32%	35%	31%
Target Operating Income Allocation					
Interest on Debt	1.77%	2.77%	3.82%	4.22%	4.35%
System Equity	5.38%	5.34%	5.07%	5.02%	5.14%
Target Operating Income					
Interest on Debt	$ 71,233	$ 135,797	$ 275,697	$ 370,571	$ 353,321
System Equity	701,569	732,596	790,785	832,332	913,298
Target Operating Income	**$ 772,802**	**$ 868,394**	**$ 1,066,483**	**$ 1,202,903**	**$ 1,266,619**
Projected Operating Income	**$ 757,325**	**$ 793,550**	**$ 689,386**	**$ 569,682**	**$ 260,088**
Rate of Return in %	**4.5%**	**4.7%**	**4.7%**	**4.7%**	**4.9%**

PCA True Up

Review of Power Supply Costs



Period	$/kWh
Current PCA Base	$ 0.0656
PCA True Up to Energy Rates	$ 0.0100
Revised PCA Base	$ 0.0756

Rate Designs
Sample Residential (101)

Santa Clara Electric Department

Electric Rate Design

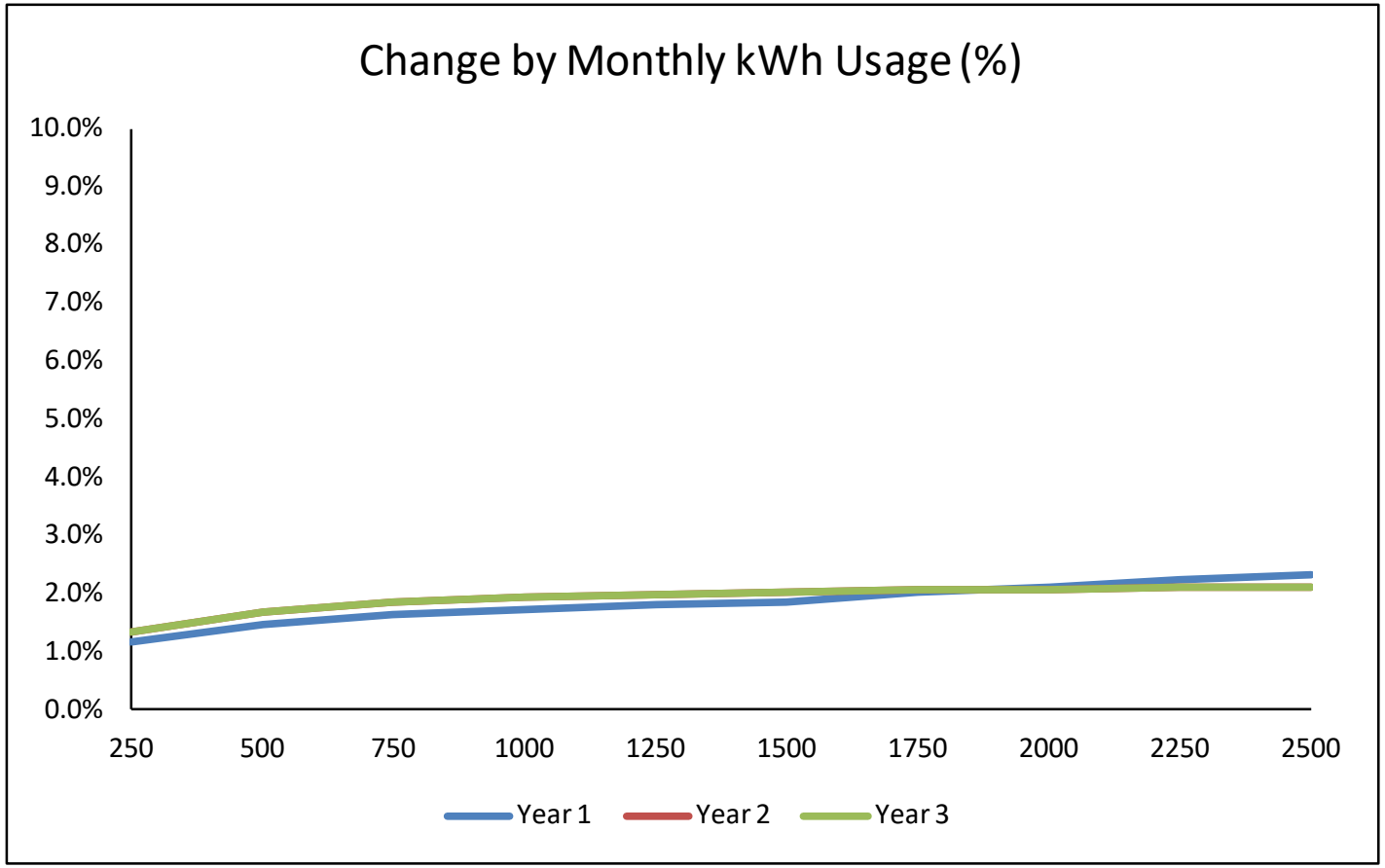
Residential (101)

Rates	Current	Year 1	Year 2	Year 3
Monthly Facilities Charge:				
All Customers	$ 20.00	$ 20.00	$ 20.00	$ 20.00
Energy Charge:				
Block 1 (0 - 500 kWh)	$ 0.09533	$ 0.10769	$ 0.11041	$ 0.11319
Block 2 (501 - 1,500 kWh)	$ 0.09653	$ 0.10904	$ 0.11180	$ 0.11461
Block 3 (Excess)	$ 0.10744	$ 0.12136	$ 0.12443	$ 0.12757
Power Cost Adjustment:				
All Energy	$ 0.02319	$ 0.01319	$ 0.01319	$ 0.01319
Revenue from Rate	$ 5,639,680	$ 5,752,474	$ 5,867,523	$ 5,984,874
Change from Previous		2.0%	2.0%	2.0%

Residential Monthly Impacts

Base Rate (%) – Average Use: 1,229 kWh

Chart Data (% Change)	Year 1	Year 2	Year 3
250	$ 0.59	$ 0.68	$ 0.69
500	1.18	1.36	1.39
750	1.81	2.05	2.09
1000	2.43	2.74	2.80
1250	3.06	3.43	3.50
1500	3.69	4.12	4.20
1750	4.67	4.89	4.99
2000	5.65	5.66	5.77
2250	6.63	6.42	6.55
2500	7.61	7.19	7.33



Considerations

- Three years of 2.0% adjustments - starting 1/1/2025
  - Move classes toward Cost of Service
- True up PCA - $0.01 into base (new base = $0.0756)

Questions?

UFS UTILITY FINANCIAL SOLUTIONS, LLC

Cost of Service Summary

COS by Class 2022

Customer Class	Cost of Service	Projected Revenues	% Change
Residential (101)	$ 4,686,734	$ 4,356,473	7.6%
Small Commercial (103)	53,838	49,524	8.7%
City Street Lighting	39,158	-	0.0%
Medium Commercial (104)	260,161	238,173	9.2%
Large Commercial (105)	464,690	446,843	4.0%
Total	$ 5,504,582	$ 5,091,012	8.1%

Santa Clara Electric Department

Rate Design

5/14/2024

Utility Financial Solutions, LLC
185 Sun Meadow Court
Holland, MI 49424
608 230 5849

Email: mjohnson@utilityfinancialsolutions.com

Submitted Respectfully by:
Mike Johnson
Manager, Utility Financial Solutions



Santa Clara Electric Department
Rate Design
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Santa Clara Electric Department

Rate Design

Rate Design Summary

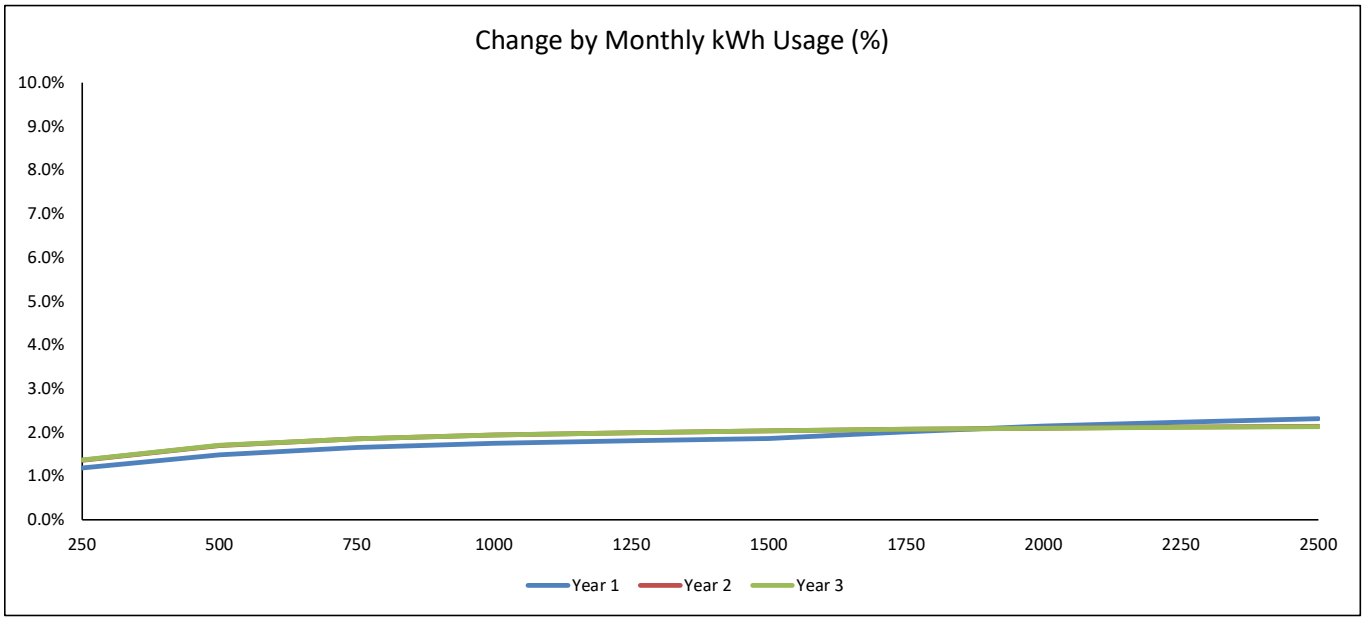
Customer Class	Projected Revenues Under Current Rates (COS)	Projected Revenues Under Proposed Rates Year 1	Projected Revenues Under Proposed Rates Year 2	Projected Revenues Under Proposed Rates Year 3	Jan-25 Projected Percentage Change Year 1	Jan-26 Projected Percentage Change Year 2	Jan-27 Projected Percentage Change Year 3
Residential (101)	$ 4,356,473	$ 5,752,474	$ 5,867,523	$ 5,984,874	2.00%	2.00%	2.00%
Small Commercial (103)	65,036	66,857	68,729	70,653	2.80%	2.80%	2.80%
Medium Commercial (104)	238,173	323,103	332,797	342,780	3.00%	3.00%	3.00%
Large Commercial (105)	446,843	588,119	596,353	604,702	1.40%	1.40%	1.40%
Totals	$ 5,106,524	$ 6,730,554	$ 6,865,402	$ 7,003,010	2.00%	2.00%	2.00%

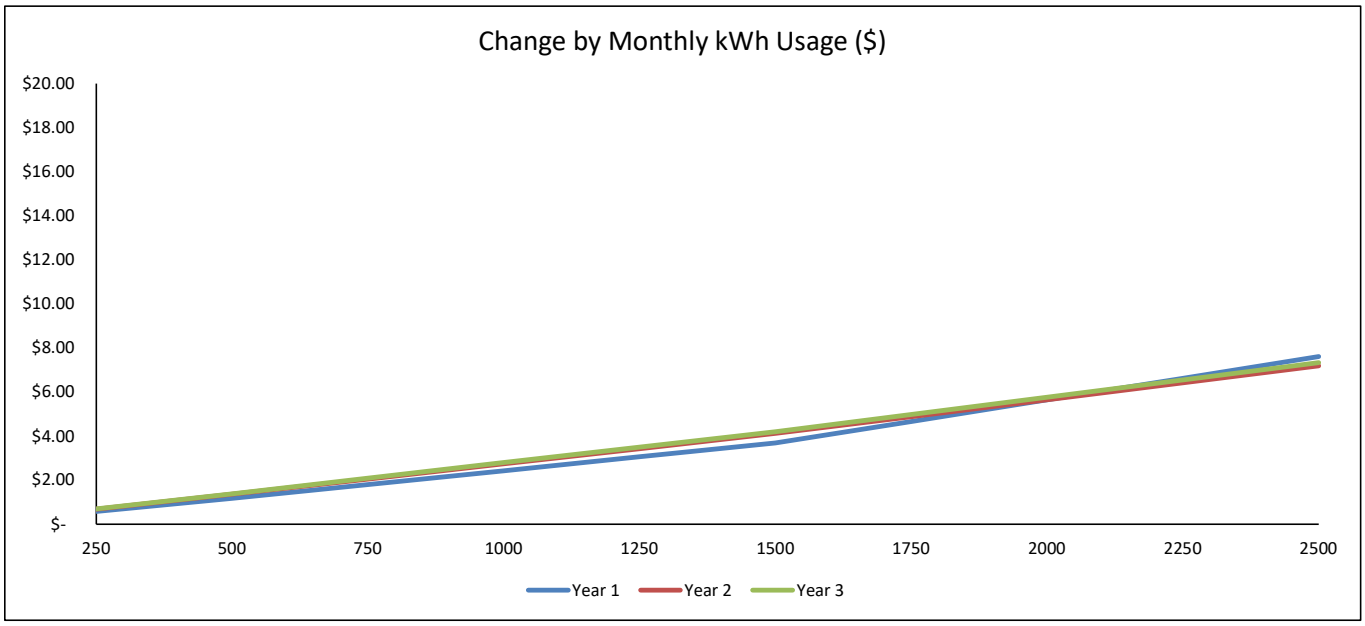
Santa Clara Electric Department

Electric Rate Design

Residential (101)

Rates	Current	Year 1	Year 2	Year 3
Monthly Facilities Charge:				
All Customers	$ 20.00	$ 20.00	$ 20.00	$ 20.00
Energy Charge:				
Block 1 (0 - 500 kWh)	$ 0.09533	$ 0.10769	$ 0.11041	$ 0.11319
Block 2 (501 - 1,500 kWh)	$ 0.09653	$ 0.10904	$ 0.11180	$ 0.11461
Block 3 (Excess)	$ 0.10744	$ 0.12136	$ 0.12443	$ 0.12757
Power Cost Adjustment:				
All Energy	$ 0.02319	$ 0.01319	$ 0.01319	$ 0.01319
Revenue from Rate	$ 5,639,680	$ 5,752,474	$ 5,867,523	$ 5,984,874
Change from Previous		2.0%	2.0%	2.0%



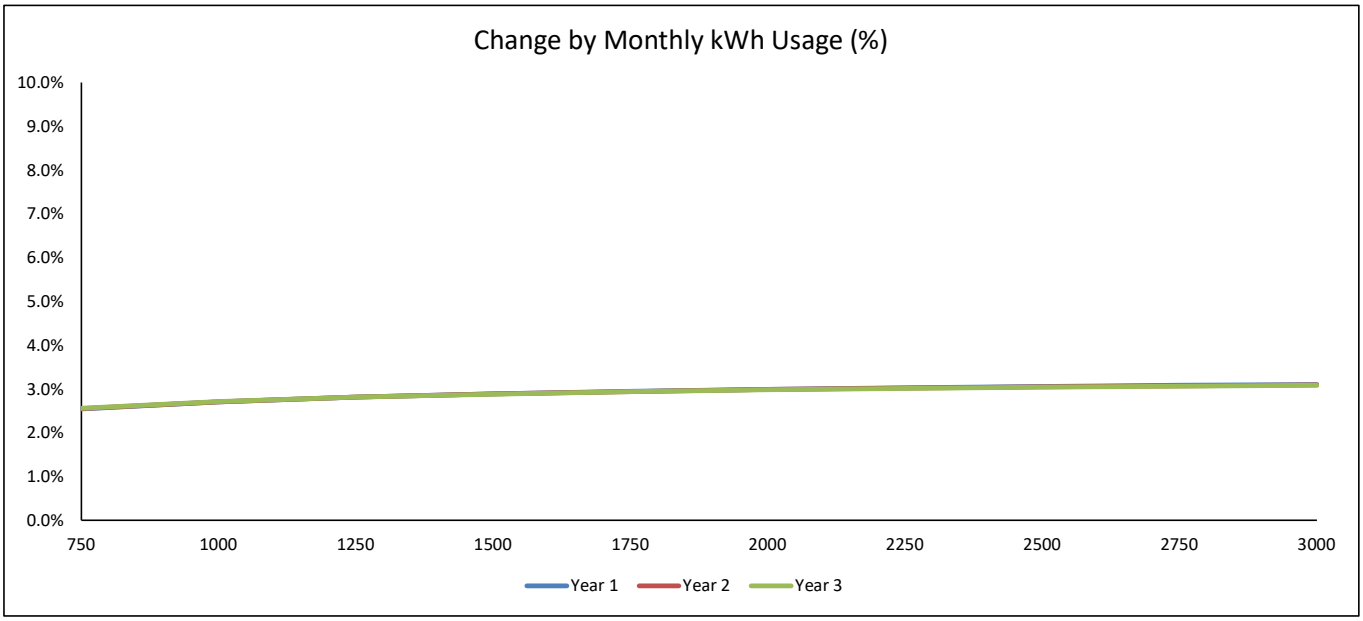


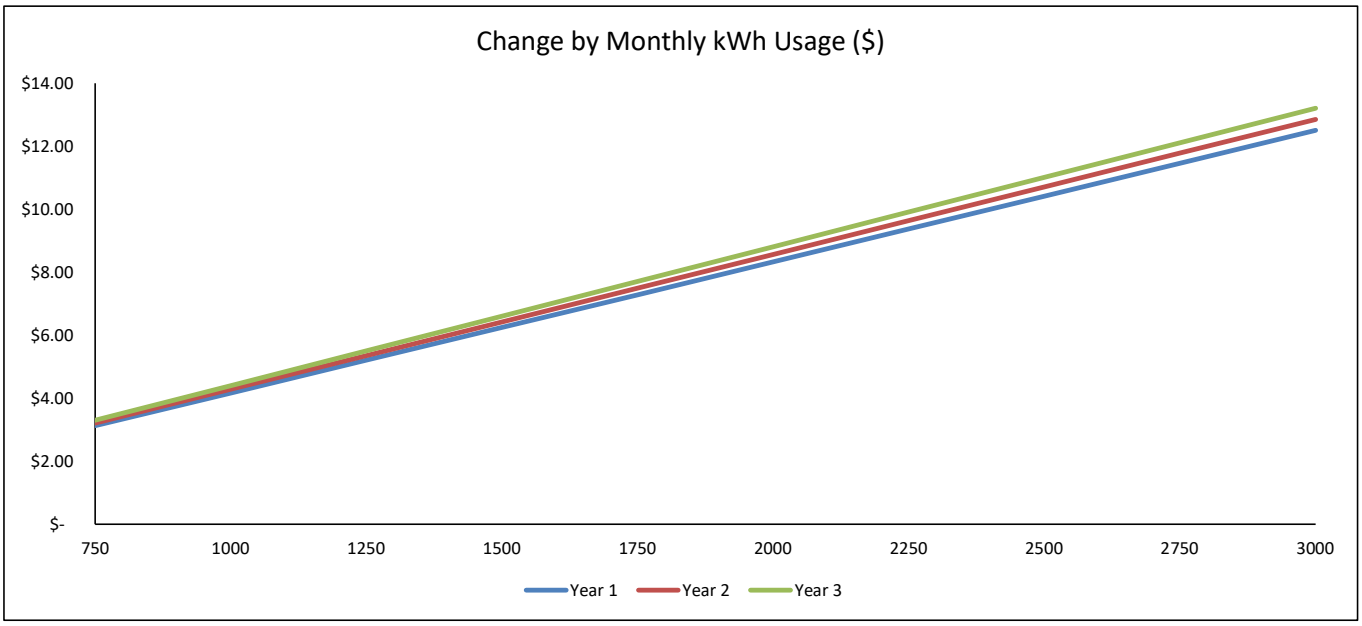
Santa Clara Electric Department

Electric Rate Design

Small Commercial (103)

Rates	Current	Year 1	Year 2	Year 3
Monthly Facilities Charge:				
All Customers	$ 29.50	$ 29.50	$ 29.50	$ 29.50
Energy Charge:				
Block 1 (0 - 1,500 kWh)	$ 0.10139	$ 0.11556	$ 0.11984	$ 0.12425
Block 2 (Excess)	$ 0.10139	$ 0.11556	$ 0.11984	$ 0.12425
Power Cost Adjustment:				
All Energy	$ 0.02319	$ 0.01319	$ 0.01319	$ 0.01319
Revenue from Rate	$ 65,036	$ 66,857	$ 68,729	$ 70,653
Change from Previous		2.8%	2.8%	2.8%



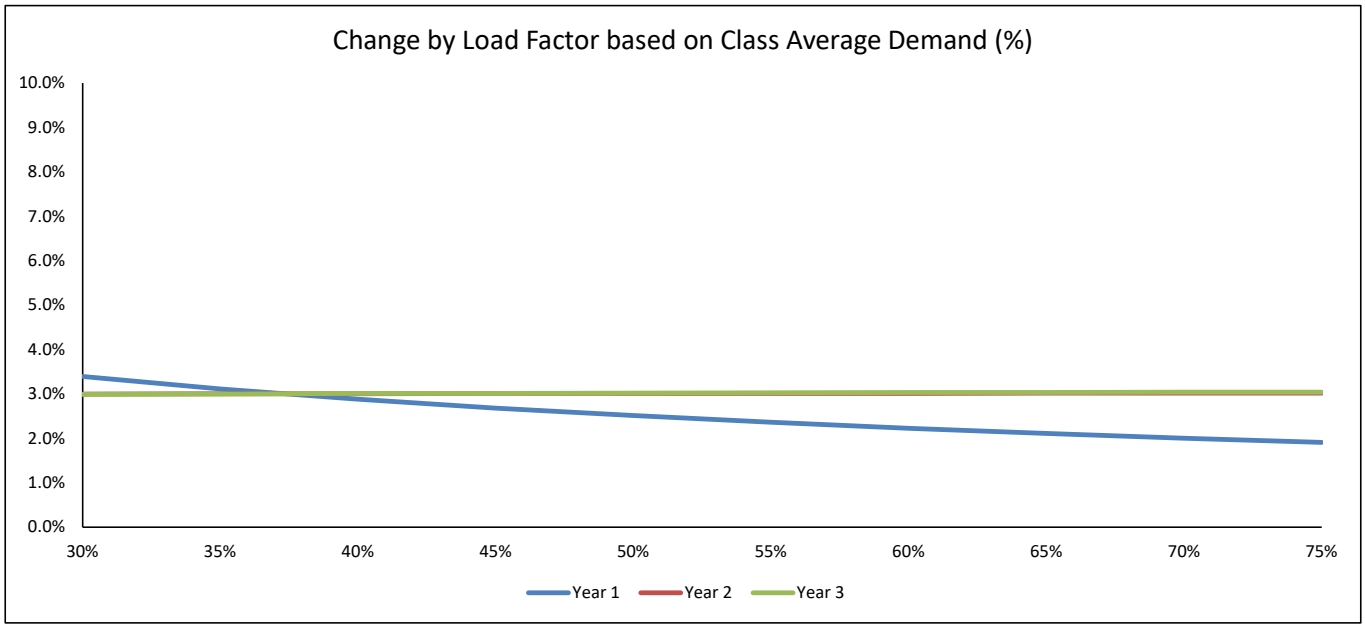


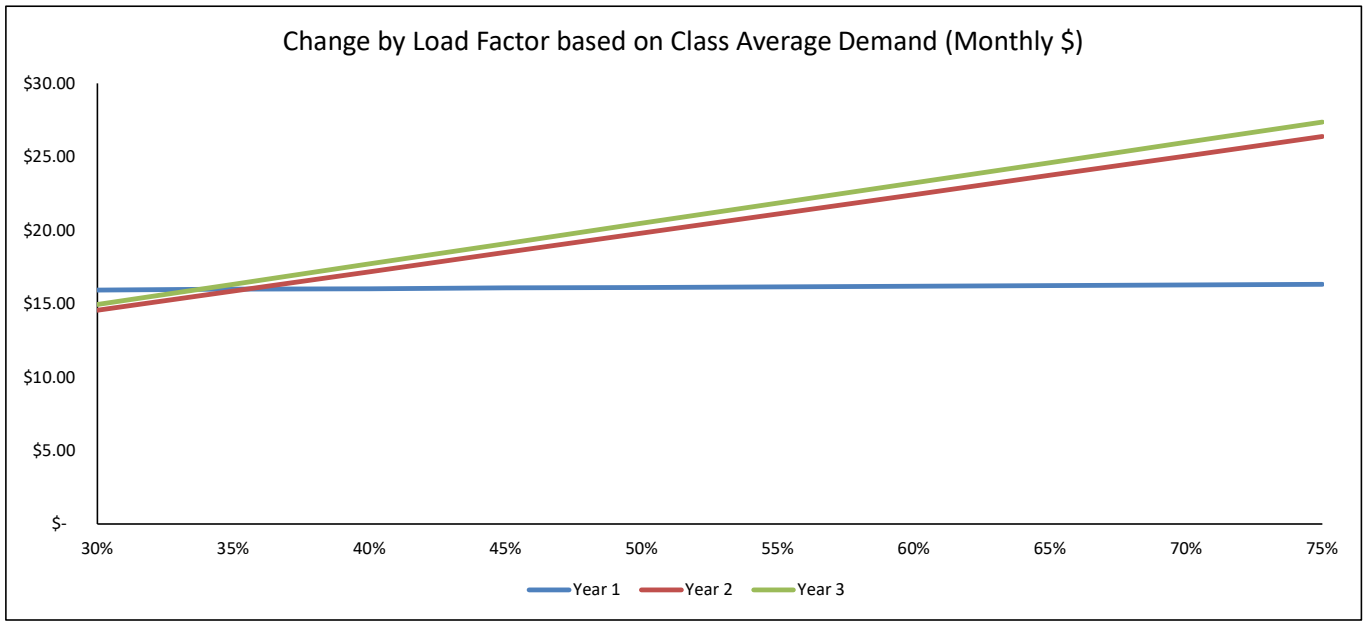
Santa Clara Electric Department

Electric Rate Design

Medium Commercial (104)

Rates	Current	Year 1	Year 2	Year 3
Monthly Facilities Charge:				
Monthly Charge	$ 64.00	$ 73.00	$ 73.00	$ 73.00
Energy Charge:				
All Energy	$ 0.06505	$ 0.07514	$ 0.07783	$ 0.08066
Demand Charge				
All Demand	$ 11.10	$ 11.60	$ 12.10	$ 12.60
Power Cost Adjustment:				
All Energy	$ 0.02319	$ 0.01319	$ 0.01319	$ 0.01319
Revenue from Rate	$ 313,693	$ 323,103	$ 332,797	$ 342,780
Change from Previous		3.0%	3.0%	3.0%



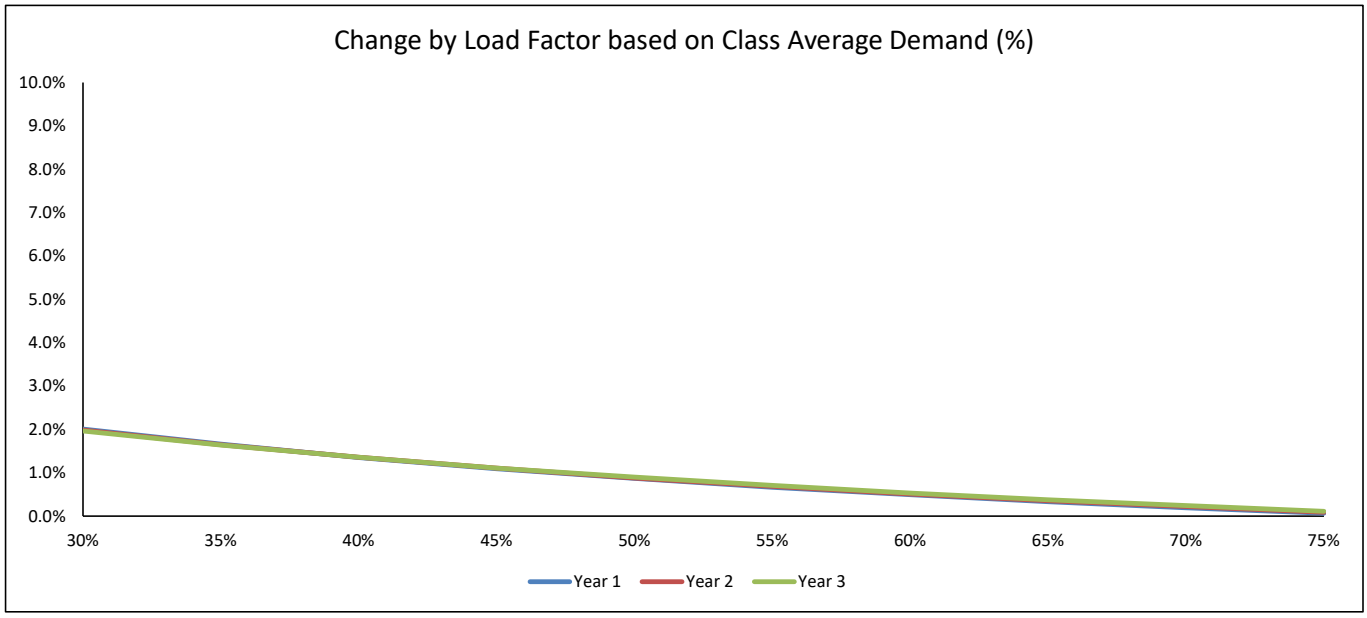


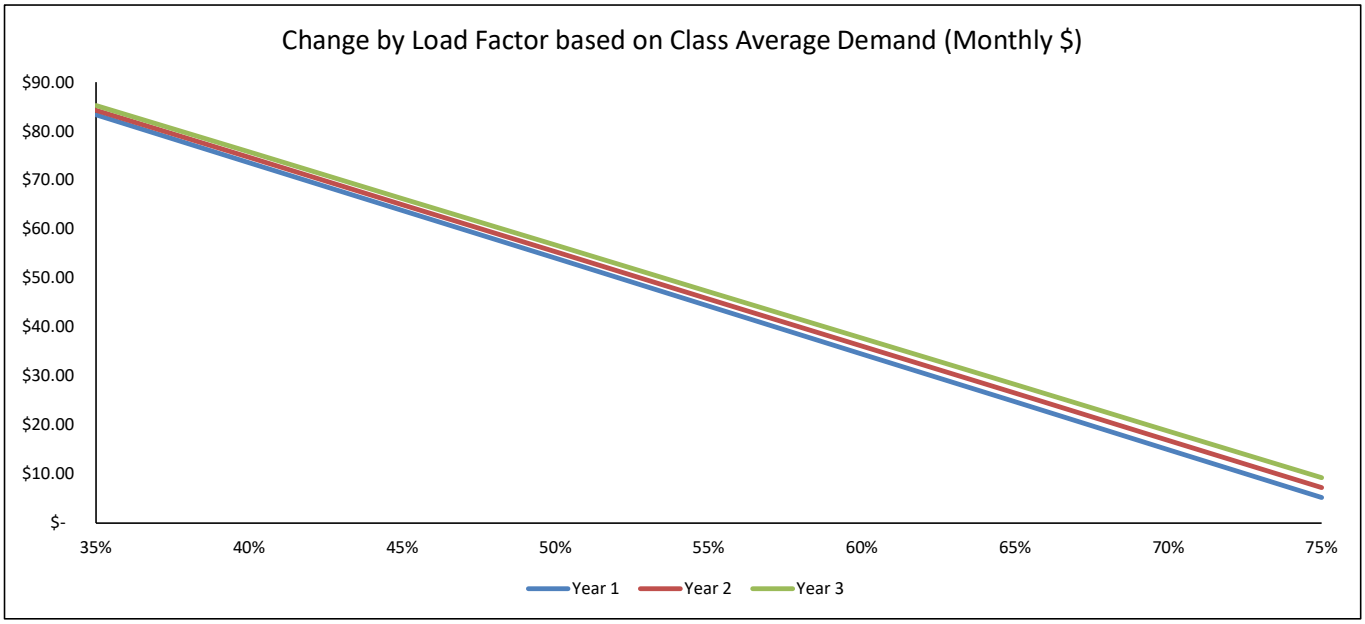
Santa Clara Electric Department

Electric Rate Design

Large Commercial (105)

Rates	Current	Year 1	Year 2	Year 3
Monthly Facilities Charge:				
Monthly Charge	$ 200.00	$ 200.00	$ 200.00	$ 200.00
Energy Charge:				
All Energy	$ 0.04865	$ 0.05688	$ 0.05514	$ 0.05343
Demand Charge				
All Demand	$ 13.55	$ 14.55	$ 15.55	$ 16.55
Power Cost Adjustment:				
All Energy	$ 0.02319	$ 0.01319	$ 0.01319	$ 0.01319
Revenue from Rate	$ 579,999	$ 588,119	$ 596,353	$ 604,702
Change from Previous		1.4%	1.4%	1.4%





Mayor
Rick Rosenberg

City Manager
Brock Jacobsen

CITY OF
SANTA CLARA
FOUNDED 1854

City Council
Janene Burton
Christa Hinton
Dave Pond
Ben Shake5peare
Jarett Waite

Meeting Date: 7-17-24 ***Agenda Item: 2***

Applicant: ***Santa Clara City*** ***Requested by: Brock Jacobsen***

Subject: ***BMX Track Update by Brooke Seely***

Description:

BMX Track Update

Proposed Action: ***Update***

Cost: *N/A*
Legal Approval: *N/A*
Finance Approval: *N/A*
Budget Approval: *N/A*

Mayor
Rick Rosenberg

City Manager
Brock Jacobsen

CITY OF
SANTA CLARA
FOUNDED 1854

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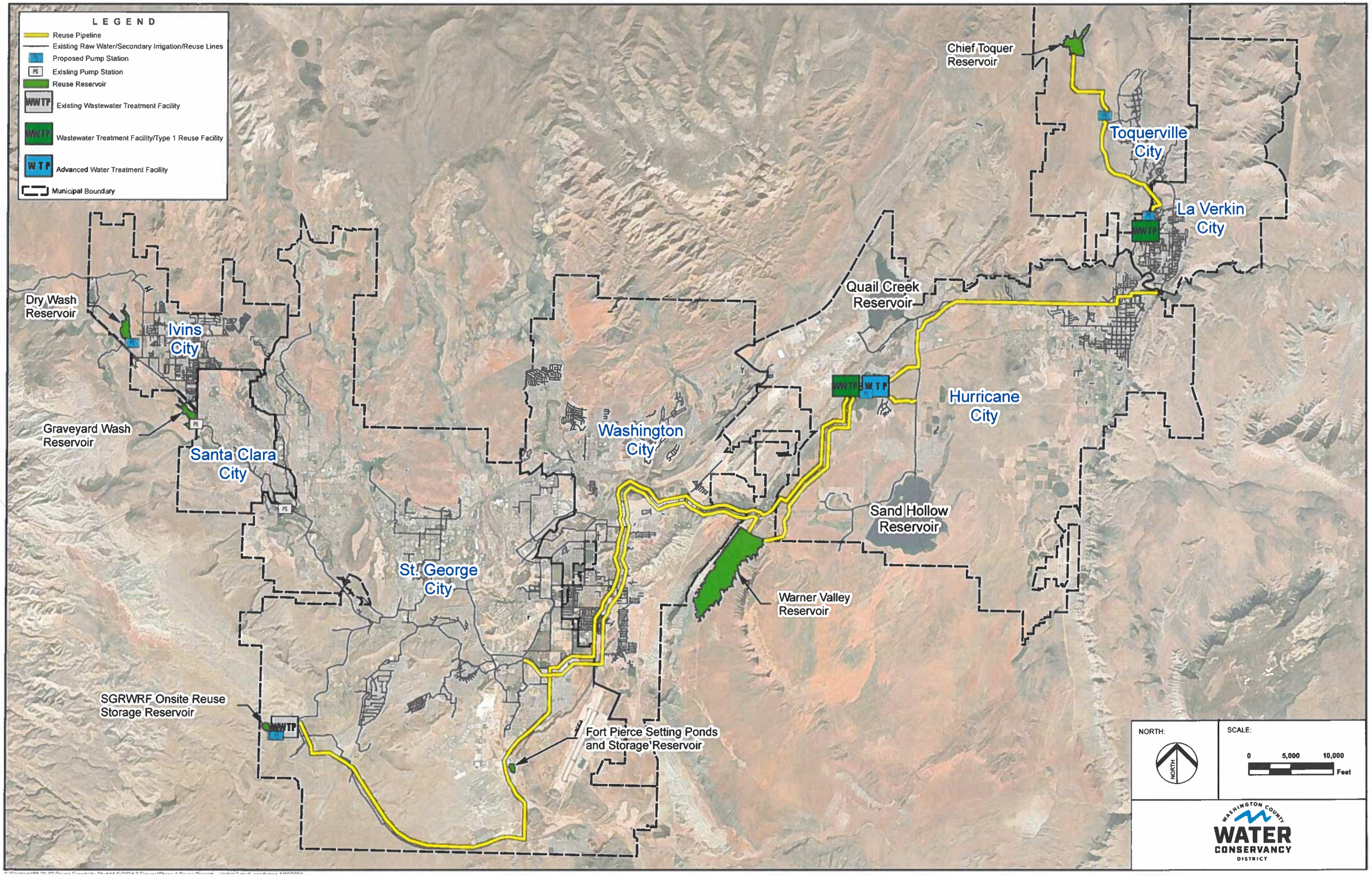
Item: Reuse Agreement with WCWCD **Item: 3**

City Council Work Meeting July 17, 2024

Presented by Morgan with the Washington County Water Conservancy District.

The Washington County Water Conservancy District is proposing an agreement to treat Santa Clara's Sewer Effluent Water for outside irrigation as part of the Districts 20-year plan.

2603 Santa Clara Drive, Santa Clara, Utah 84765
Phone (435) 673-6712 Fax (435) 628-7338


LEGEND
Reuse Pipeline
Existing Raw Water/Secondary Irrigation/Reuse Lines
Proposed Pump Station
Existing Pump Station
Reuse Reservoir
Existing Wastewater Treatment Facility
Wastewater Treatment Facility/Type 1 Reuse Facility
Advanced Water Treatment Facility
Municipal Boundary
Chief Toquer Reservoir
Toquerville City
La Verkin City
Dry Wash Reservoir
Ivins City
Quail Creek Reservoir
Graveyard Wash Reservoir
Santa Clara City
Washington City
Hurricane City
Sand Hollow Reservoir
St. George City
Warner Valley Reservoir
SGRWRF Onsite Reuse Storage Reservoir
Fort Pierce Setting Ponds and Storage Reservoir
NORTH:
SCALE:
0
5,000
10,000
Feet
WASHINGTON COUNTY WATER CONSERVANCY DISTRICT

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT

Regional Reuse System Update

Administrative Advisory Committee

May 29, 2024

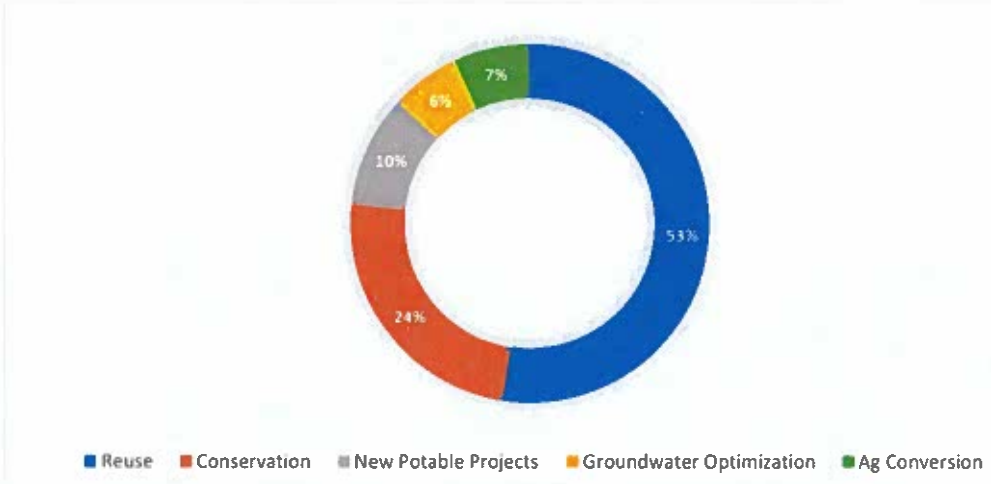
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20-Year Water Supply Plan

- Water Conservation
- Reuse Water
- New Water Supply Development
- Municipal Groundwater Optimization
- Agricultural Conversion

2

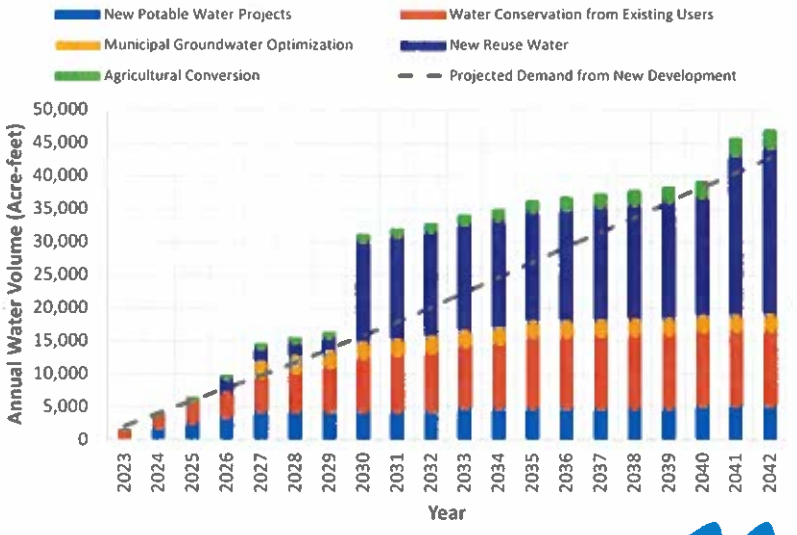
20 Year Plan Water Sources



3

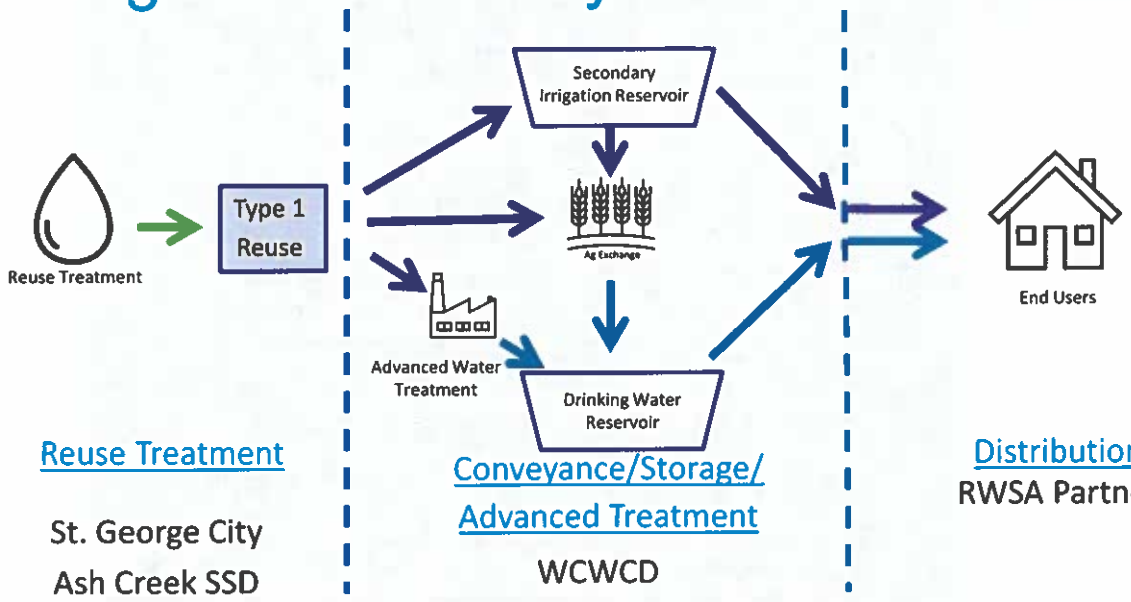
Yields

New Water Supplies	Estimated Annual Yield (AFY)
Conservation	11,421
Reuse	24,716
Potable Projects	4,787
Groundwater Optimization	3,000
Ag Conversion to M&I	3,216
Total New Water	**47,141**
Total Volume Required for 20-Year Growth	**42,746**
Water Supply Surplus	**4,395**



4

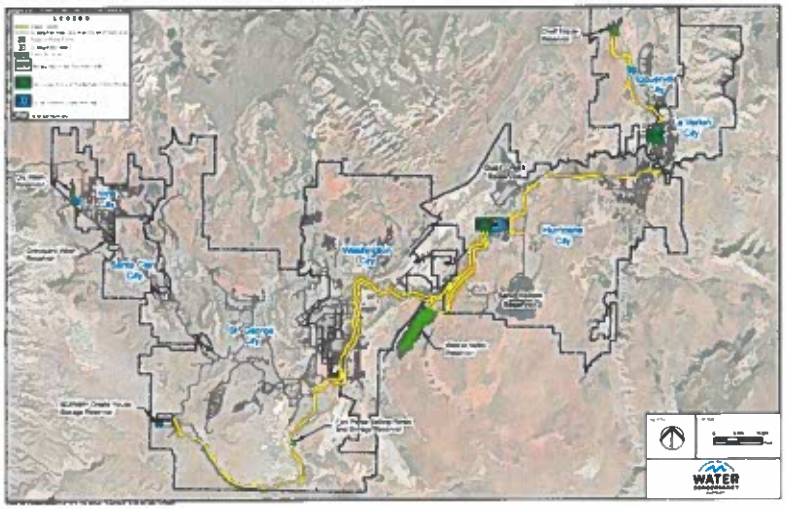
Regional Reuse System



5

Regional Reuse System

- Components
  - New and expanded treatment plants
  - 60 miles of pipeline
  - 4 new reservoirs
  - 5 pump stations
- Estimated 24,000 AFY
- Estimated $1+ billion



6

Reuse Components

Component Type	Component	Description	Owner
Treatment	SGRF Upgrade	Upgrade SGRF Type I technology to allow 14 MGD of capacity	St. George
	SGRF Expansion	Expand SGRF Type I facility capacity an additional 8 MGD (22 MGD total)	St. George
	SGRF Onsite Reuse Pond	Construct 100 acre-foot pond for treatment operational flexibility	St. George
	Ash Creek SSD Type I Reuse Facility	Construct Type I treatment components on future wastewater treatment plant for 7 MGD of capacity	Ash Creek SSD
	Confluence Park Reuse Facility	Construct decentralized wastewater treatment plant for 1.5 MGD of capacity expandable up to 3 MGD	Ash Creek SSD
	Advanced Water Treatment Facility	Treat SGRF and Ash Creek SSD Type I water for IPR for 7 MGD of capacity	Ash Creek SSD
	Potable Reuse Demonstration Facility	Construct 200 gpm demonstration facility of advanced water treatment and brine management processes	Ash Creek SSD
Conveyance	Reuse Forebay	Construct 150 acre-foot centralized Type I reuse storage reservoir	WCWCD
	SGRF to Reuse Forebay Pipeline	Convey reuse water to forebay, ~27 miles	WCWCD
	Reuse Forebay to Warner Valley Reservoir Pipeline	Convey Type I reuse water to Warner Valley Reservoir, ~4 miles	WCWCD
	Warner Valley Outlet Pipeline	Convey Type I reuse water from Warner Valley into RWSA Service Area, ~10 miles	WCWCD
	Reuse Forebay to Quail Creek Ag Exchange Pipeline	Convey Type I reuse water to Hurricane/La Verkin area for agricultural supply exchange, ~10 miles	WCWCD
	AWT to Quail Creek Pipeline	Convey IPR water to Quail Creek/Sand Hollow reservoirs, ~1 mile	WCWCD
	Chief Toquer to TSWS Pond Pipeline	Convey secondary water to TSWS pond, ~2 miles	WCWCD
	CPWRF to TSWS Pipeline	Convey Type I reuse water to TSWS pond, ~4 miles	WCWCD
	Fort Pearce Pond and Desilting Basins	Construct desilting facility and 250 acre-foot distribution storage reservoir	WCWCD
Storage	Dry Wash Reservoir	1,500 acre-foot secondary irrigation reservoir	WCWCD
	Graveyard Wash Reservoir	1,900 acre-foot secondary irrigation reservoir	St. George
	Chief Toquer Reservoir	3,700 acre-foot secondary irrigation reservoir	WCWCD
	Warner Valley Reservoir	Up to 55,000 acre-feet of secondary irrigation reuse water storage	WCWCD

7

Benefits



ENVIRONMENTALLY SOUND

SAFE

RELIABLE

LOCALLY CONTROLLED

DROUGHT RESILIENT

8

Funding

Amount	Reuse Component	Funding Agency	Match	Deadline
$20.5 million	Regional Reuse System	Bureau of Reclamation	$82.2 million	2026
$1.4 million	Regional Reuse System	Bureau of Reclamation	$5.4 million	2025
$11.7 million	Chief Toquer Reservoir	Bureau of Reclamation	$46.9 million	2026
$5 million	Ash Creek Project	Washington County	n/a	2026
$5 million	Chief Toquer Reservoir	Department of Water Quality (DWQ)	$16 million	2026
$2.4 million	Dry Wash Reservoir	DWQ	$7.6 million	2026
$1.9 million	Graveyard Wash Reservoir	DWQ	$8.9 million	2026
$1.7 million	Confluence Park Water Reclamation Facility	DWQ	$2.4 million	2026

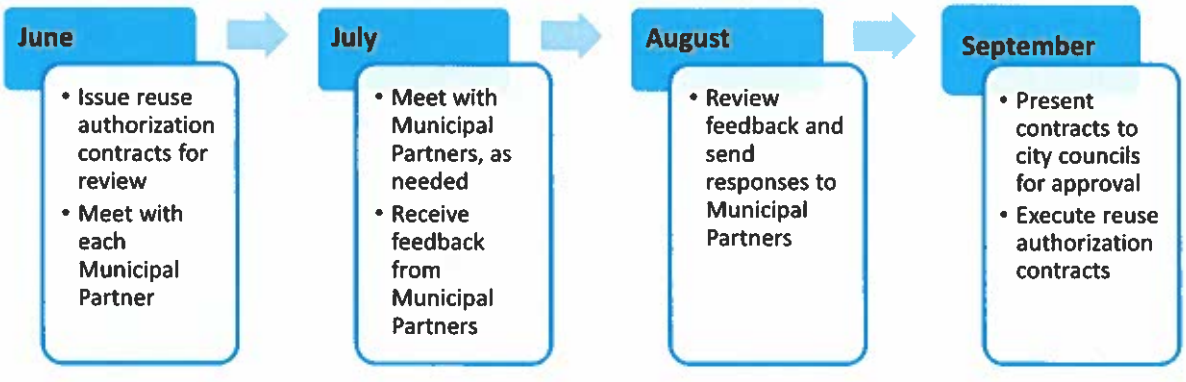
9

Reuse Authorization Contracts

- Treatment
  - Ash Creek Special Service District
  - St. George City
- Delivery
  - Municipal Partners (separate agreements with each)
- Reuse exchange
  - Irrigation and canal companies (separate agreements with each)

10

Municipal Contract Review



11

[CITY] REUSE AUTHORIZATION CONTRACT

This Reuse Authorization Contract ("**Agreement**") is entered into as of _____, 2024 ("**Effective Date**"), by and between Washington County Water Conservancy District, a water conservancy district organized and existing under the Utah Water Conservancy District Act ("**WCWCD**") and [City's Name], a municipal corporation and political subdivision of the State of Utah ("**City**"). WCWCD and the City may be referred to herein individually as a "**Party**" or collectively as the "**Parties**."

RECITALS

A. Capitalized terms that do not have a definition in the Recitals are defined in Section 2 of this Agreement.

B. WCWCD is a Public Agency as defined in Section 73-3c-102(5) of the Utah Wastewater Reuse Act (Utah Code Ann. § 73-3c-101 to -401) ("**Reuse Act**").

C. WCWCD diverts Water Rights and delivers District Water Supplies to Municipal Customers, Retail Customers, and Contract Users.

D. WCWCD and the City are parties to the Revised Regional Water Supply Agreement dated January 1, 2019, as it may be amended and/or renumbered from time to time ("**RWSA**"). The City is a Municipal Customer under the RWSA.

E. WCWCD, in cooperation with the City, other municipal partners, and regional publicly owned treatment works operated by Ash Creek Special Service District ("**ACSSD**") and St. George City, is designing, permitting, and constructing the Regional Reuse System. The Regional Reuse System will be a Water Reuse Project as defined in Section 73-3c-102(9) of the Reuse Act.

F. WCWCD has, or will, enter into Reuse Authorization Contracts for each water reclamation facility that will receive Domestic Wastewater and generate Reuse Water in connection with the Water Reuse Project ("**Water Reclamation Facilities**").

G. The City has entitlements to the beneficial use of water, whether by contract, interest in real property, or rights granted by the State or other governmental entity; these entitlements are identified in Exhibit A, which is attached and incorporated herein by this reference ("**City Water Rights**").

H. As of the Effective Date, the City owns the water company shares listed in Exhibit B, which is attached and incorporated herein by this reference ("**Existing Shares**").

I. The City is a Public Agency, it owns the City Water Rights and Existing Shares, and it supplies retail water to its residents.

J. The City uses its Municipal System to divert the City Water Rights, or receive delivery of them, and to then deliver the City Water Rights to its retail customers. The City will

use the Municipal System to receive delivery of Reuse Water from WCWCD at the Delivery Points and to then deliver the Reuse Water to its retail customers.

K. The City may construct, own, and operate a Wastewater Collection System or it may contract with a third party to own and operate all or a portion of the Wastewater Collection System.

L. Municipal Customers (other than the City), Retail Customers, Contract Users, and Non-RWSA Users may have entitlements to the beneficial use of water, whether by contract, interest in real property, or rights granted by the State or other governmental entity ("**MRC Water Rights**").

M. WCWCD has, or will, enter into Reuse Authorization Contracts with each Municipal Customer, Retail Customer, Contract User, or Non-RWSA User whose MRC Water Rights will be used in the Water Reuse Project or who will receive delivery of Reuse Water from the Water Reuse Project.

N. Delivery and beneficial use of the City Water Rights, District Water Supplies, and MRC Water Rights for culinary use generates Domestic Wastewater. Domestic Wastewater generated from beneficial use of the City Water Rights, District Water Supplies, and MRC Water Rights will be collected and conveyed to one or more Water Reclamation Facilities for treatment. WCWCD's planned Regional Reuse System will receive Reuse Water generated from the Water Reclamation Facilities; convey the Reuse Water using the WCWCD Reuse Facilities; and then deliver it for beneficial use by the City, other Municipal Customers, Retail Customers, Contract Users, and Non-RWSA Users.

O. The City will deliver the Reuse Water it receives from WCWCD to the City's retail customers.

P. WCWCD desires to receive and deliver Reuse Water, as permitted by the Reuse Act. The City desires to authorize WCWCD to use the City Water Rights in connection with the Regional Reuse System and to receive Reuse Water deliveries from WCWCD.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants and agreements contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Recitals. The above-referenced recitals are incorporated into this Agreement by this reference.

2. Definitions.

a. "Applicable Law(s)" means applicable local, state, and federal laws, regulations, rules, and orders of any public authority, as the same may be amended and/or renumbered from time to time.

b. "Delivery Points" means each point of delivery under this Agreement from the WCWCD Reuse Facilities into the Municipal System ("**Delivery Points**").

c. "Non-RWSA User" means any water user that is not a party to the RWSA and has entered into a Reuse Authorization Contract with WCWCD that permits WCWCD to divert and use the Non-RWSA User's MRC Water Rights or provides for delivery of Reuse Water from WCWCD to the Non-RWSA User.

d. "Regional Reuse System" is a Water Reuse Project, as defined in the Reuse Act, and includes all water collection, conservation, development, storage, treatment, supply, transportation, and distribution facilities, hydroelectric generating, transmission and distribution facilities, and related facilities that are used to receive, convey, store, treat, and deliver Reuse Water.

e. "Reservoirs" means above or below ground water storage facilities that are (i) currently owned, jointly owned, operated, or jointly operated by WCWCD, including Sand Hollow Reservoir, Sand Hollow Aquifer Storage and Recovery, Quail Creek Reservoir, Gunlock Reservoir, Kolob Reservoir, Ivins Reservoir, and Chief Toquer Reservoir; or (ii) to be hereafter owned, jointly owned, operated, or jointly operated by WCWCD.

f. Reuse Act. The following capitalized terms shall have the meaning set forth in the Reuse Act, as it may be amended and/or renumbered from time to time: Domestic Wastewater; POTW; Public Agency; Reuse Authorization Contract; Reuse Water; and Water Reuse Project.

g. RWSA. The following capitalized terms shall have the meaning set forth in Section 1.1 (Definitions) of the RWSA, as it may be amended and/or renumbered from time to time: Contract Users; District Water Supplies; Existing Contract User; Municipal Customers; Municipal System; Raw Water; Retail Customers; Treated Water; Water Right; Water Supplies; and Wholesale Rate.

h. "Uncontrollable Forces" means (i) any cause beyond the reasonable control of the Party affected, including inadequate supply of water, failure of facilities, flood, earthquake, storm, lightning, fire, epidemic, war, riot, civil disturbance, labor disturbance, sabotage, accident, unlawful actions or omissions by others, and restraint by court or public authority, which, by exercise of due diligence and foresight, the Party could not reasonably have been expected to avoid, and (ii) the inability to acquire for any particular facility the necessary (A) financing, (B) environmental permits, (C) land use and other required authorizations, or (D) other permits or authorizations.

i. "Wastewater Collection System" means all collection, transmission, and treatment facilities, and related facilities, used to collect Domestic Wastewater from the City's retail customers and convey it to a Water Reclamation Facility.

j. "WCWCD Reuse Facilities" includes all water collection, conservation, development, storage, treatment, supply, transportation, and distribution facilities, hydroelectric generating, transmission and distribution facilities, and related facilities used

to receive, convey, store, treat and deliver Reuse Water that are (i) currently owned or operated by WCWCD; or (ii) to be hereafter owned or operated by WCWCD.

3. **Term and Termination**. This Agreement shall remain in full force and effect for fifty (50) years from the Effective Date; provided, however, that the Parties may (a) terminate this Agreement early through a written agreement signed by each Party or (b) extend the term of this Agreement through a written agreement signed by each Party.

4. **Reuse Authorization**. This Agreement shall constitute a Reuse Authorization Contract for purposes of Sections 73-3c-202(1) and 73-3c-102(7)(a) of the Reuse Act. The City consents to WCWCD's receipt of Reuse Water generated from the City Water Rights and delivery of that Reuse Water through the WCWCD Reuse Facilities and the Regional Reuse System for beneficial use. In addition, the City, as owner of the City Water Rights, an entity that will engage in retail sale of Reuse Water from the Regional Reuse System, and an entity that supplies retail water that will be replaced by Reuse Water, consents to receive delivery of Reuse Water from WCWCD. WCWCD acknowledges that that reuse must be consistent with the underlying City Water Rights, or a change application must be approved by the Utah State Engineer.

5. **Permitting**.

a. Permits.

i. The City, at its sole cost, shall obtain all local, state, and federal permits and approvals required by Applicable Laws to construct and operate the Municipal System.

ii. If the City owns or operates all, or a portion, of the Wastewater Collection System, it shall, at its sole cost, obtain all local, state, and federal permits and approvals required by Applicable Laws to construct and operate the Wastewater Collection System.

iii. WCWCD, at its sole cost, shall obtain all local, state, and federal permits and approvals required to construct and operate the WCWCD Reuse Facilities.

b. Reporting.

i. The City shall comply with all reporting requirements of the Utah State Engineer, Utah Division of Water Quality, and Applicable Laws for the City Water Rights, Municipal System, and, if the City owns or operates all, or a portion, of the Wastewater Collection System, the Wastewater Collection System.

ii. WCWCD shall comply with all reporting requirements of the Utah State Engineer, Utah Division of Water Quality, and Applicable Laws for the District Water Supplies and WCWCD Reuse Facilities.

c. Good Standing. Each Party agrees to file all subsequent applications, requests, reports, or other documents necessary to keep active and maintain in good standing the permits it obtained pursuant to this Section 5.

6. Construction.

a. Subject to Section 6(c), the City shall design, permit, construct, and install, at its sole cost, improvements and upgrades to, or future phases of, the Municipal System (i) in a safe, good, and workmanlike manner and in conformance with its designs and Applicable Law and (ii) as necessary to receive delivery of Reuse Water or District Water Supplies at the Delivery Points and deliver the Reuse Water or District Water Supplies to its retail customers in quantities contemplated by, and in accordance with the terms of, this Agreement.

b. Subject to Section 6(c), WCWCD shall, at its sole cost, design, permit, construct and install the WCWCD Reuse Facilities in a safe, good, and workmanlike manner and in conformance with relevant designs and Applicable Law.

c. The Parties shall cooperate in good faith during design of future improvements, upgrades, and phases of the Municipal System and WCWCD Reuse Facilities to ensure that the infrastructure is designed and constructed in a manner that allows each Party to fulfill its obligations under this Agreement.

7. Inspection.

a. During any period of construction on portions of the Municipal System in reasonable proximity to the Delivery Points, WCWCD's staff and consultants shall have the reasonable right of access to inspect, test, and observe any work thereon.

b. During any period of construction on portions of the WCWCD Reuse Facilities in reasonable proximity to the Delivery Points, the City's staff and consultants shall have the reasonable right of access to inspect, test, and observe any work thereon.

8. Operation and Maintenance.

a. The City shall perform all operations, maintenance, repair, and replacement ("**O&M**") on the Municipal System and its appurtenant facilities consistent with the terms of this Agreement and Section 9.1 (Operation of Municipal Customer Systems) of the RWSA; in a safe, good, and workmanlike manner; in compliance with Applicable Law; and in conformance with industry standards.

b. WCWCD shall perform all O&M on the WCWCD Reuse Facilities consistent with the terms of this Agreement; in a safe, good, and workmanlike manner; in compliance with Applicable Law; and in conformance with industry standards.

9. Delivery Points and Parties' Facilities. The Parties agree to cooperate in good faith to (a) define each Delivery Point and (b) distinguish between the end of the applicable WCWCD Reuse Facilities, which will be owned and operated by WCWCD in accordance with

Section 8(b), and the beginning of the Municipal System, which will be owned and operated by the City in accordance with Section 8(a). The Parties shall agree upon the information required by Section 8(a)-(b) and include a description and depiction of this information as part of Exhibit C, which is attached and incorporated herein by this reference.

10. Reuse Water Treatment Standards. Reuse Water delivered by WCWCD through the WCWCD Reuse Facilities to the City may be Raw Water or Treated Water. At a minimum, all Reuse Water will be treated to permit Type I uses of Reuse Water, as set forth in Rule R317-3-11.4(A) of the Utah Administrative Code and Applicable Law, as these authorities may be amended and/or renumbered from time to time.

11. Water Right Ownership and Reuse Authorization Contracts.

a. WCWCD is the owner of all Water Rights held by WCWCD on the Effective Date, or subsequently acquired by WCWCD.

b. The City is the owner of all City Water Rights held by the City on the Effective Date, or subsequently acquired by the City. The City grants WCWCD the right to use Reuse Water attributable to the City Water Rights and deliver it for beneficial use within WCWCD's service area.

c. The MRC Water Rights are owned by the applicable Municipal Customer, Retail Customer, Contract User, or Non-RWSA User. WCWCD will enter into a separate Reuse Authorization Contract with each other Municipal Customer, Retail Customer, Contract User, and Non-RWSA User that grants WCWCD the right to use and deliver Reuse Water attributable to the applicable MRC Water Rights. The City acknowledges that WCWCD will have the right to use Reuse Water attributable to applicable MRC Water Rights pursuant to Reuse Authorization Contracts entered with Municipal Customers, Retail Customers, Contract Users, and Non-RWSA Users.

d. WCWCD's rights to use Reuse Water generated from the City Water Rights and MRC Water Rights shall be part of the District Water Supplies.

12. Water Deliveries.

a. City Water Rights.

i. *Minimum Delivery.* WCWCD will make available to the City a quantity of the District Water Supplies equal to the quantity of Reuse Water generated from the City Water Rights, less depletions, as calculated in accordance with Section 12(a)(ii) ("**Minimum Delivery**"). WCWCD may deliver District Water Supplies, other than Reuse Water generated from the City Water Rights, to satisfy the Minimum Delivery under this Section.

ii. *Depletion Accounting.* The District's annual Minimum Delivery to the City under Section 12(a)(i) shall be calculated using the procedure set forth in Exhibit D, which is attached and incorporated herein by this reference.

iii. *Rate and Timing of Delivery*. Subject to the physical capacity of, and transit time through, the WCWCD Reuse Facilities, WCWCD will make the Minimum Delivery available to the City at the rate and times that Reuse Water generated from the City Water Rights is discharged from a Water Reclamation Facility.

iv. *Delivery Location*. WCWCD shall deliver the Minimum Delivery to the Delivery Points. WCWCD's deliveries shall be metered at or near the Delivery Points.

v. *Unused Minimum Delivery*. At the end of each calendar year, the City's entitlement to receive Minimum Delivery generated during that calendar year will expire.

vi. *Reservoir Storage*. If WCWCD has unused capacity available in one of the Reservoirs, it may, in its discretion, agree to store portions of the Minimum Delivery to facilitate the City's use of the Minimum Delivery. If WCWCD agrees to store portions of the Minimum Delivery, the Parties shall agree upon the timing, rate, and volume at which WCWCD will release the stored Minimum Delivery from the Reservoir to the City. This Agreement does not entitle the City to storage capacity in any of the Reservoirs.

b. City's Obligations. The City shall evaluate and promote the maximum use of Reuse Water within its jurisdiction. Consistent with Section 18.1 (Water Conservation, Septic Densities, Secondary Systems and Reuse) of the RWSA, the City shall, among other things, "evaluate and promote the maximum use of secondary irrigation systems within [its jurisdiction]; . . . if requested, . . . participate in a planning process to ensure maximum use of the St. George Water Reuse Project water;" and "use secondary water on all municipal facilities for which such use is feasible."

c. Other Water Rights. When delivering water to the City pursuant to this Agreement and the RWSA, WCWCD will deliver District Water Supplies and, in its discretion, may deliver Reuse Water generated from District Water Rights or MRC Water Rights.

d. Non-RWSA Users. The City acknowledges that WCWCD may deliver Reuse Water, including Reuse Water generated from the City Water Rights, to Non-RWSA Users for the purpose of acquiring separate Water Supplies from the Non-RWSA Users, as needed to meet anticipated demand of Municipal Customers, Retail Customers, and Contract Users.

13. Water Right Applications.

a. Reuse Act Requirements. Because it may satisfy its delivery obligations under Section 12(a)(i) using District Water Supplies and it may acquire unused portions of the Minimum Delivery under Section 12(a)(v), WCWCD may want to deliver Reuse Water generated from the City Water Rights to areas within WCWCD's service area but outside the City's service area. Section 73-3c-202(2) of the Utah Code requires WCWCD's

delivery of Reuse Water to be consistent with the underlying City Water Rights. If the City Water Rights do not permit beneficial use within WCWCD's service area, a change application may be required. To help fulfill its delivery obligations under this Agreement, WCWCD may want to file one or more change applications to authorize delivery of the City Water Rights within WCWCD's service area. WCWCD acknowledges and agrees that any change application filed under this Section 13 does not alter the City's ownership of the City Water Rights or the Minimum Delivery under Section 12(a)(i).

b. Change Applications.

i. To the extent that WCWCD desires to file a change application to modify one or more of the City Water Rights by authorizing delivery of Reuse Water within WCWCD's service area, it will prepare a draft change application and deliver it to the City for review and approval, which approval shall not be unreasonably withheld, conditioned, or delayed. Upon approval, the City shall return a signed copy of the change application to WCWCD. WCWCD will then, at its sole cost, file the change application and prosecute it. In the event that (A) a change application is protested, (B) approval of a change application is subject to a request for reconsideration or petition for judicial review, (C) the Utah State Engineer rejects a change application, or (D) the Utah State Engineer imposes conditions on approval of a change application that WCWCD deems unacceptable, WCWCD shall decide whether or how to continue to prosecute the change application to a final, non-appealable Order that is satisfactory to WCWCD. If any of the conditions in this Section 13(b)(i)(A)-(D) are met, WCWCD may elect to withdraw the change application or stop prosecuting it.

ii. WCWCD may, in accordance with the procedures set forth in this Section, (A) file one or more change applications to modify the City Water Rights and (B) file a new change application to replace a previously approved change application that WCWCD filed under this Section.

iii. The City agrees to cooperate with WCWCD, at WCWCD's request, in the preparation, filing, and prosecution of any change application permitted by this Section.

c. Reporting, Good Standing.

i. Consistent with Section 5(b)(i), the City shall comply with the Utah State Engineer's reporting requirements for any change application filed and approved pursuant to this Section.

ii. Consistent with Section 5(c), the City shall file all subsequent applications, requests, reports, or other documents necessary to keep active and maintain in good standing any change application filed and approved pursuant to this Section.

iii. WCWCD will provide documents and information in its possession, and otherwise cooperate, to help the City comply with its obligations under Sections 13(c)(i)-(ii).

14. Rates. Subject to Section 15(a), the City shall pay the Wholesale Rate for all water deliveries from WCWCD to the City made pursuant to this Agreement. The Wholesale Rate will be set and revised, and invoiced, paid, and collected, in accordance with Article 8 (Charges and Payments) of the RWSA, as it may be amended and/or renumbered from time to time. The Wholesale Rate may have separate components for Treated Water and Raw Water, as provided in Sections 8.5.1 (Purpose and Level of Wholesale Rate) and 8.5.2 (Considerations in Setting Charge) of the RWSA. WCWCD will periodically update the Wholesale Rate using the procedure set forth in Section 8.7 of the RWSA.

15. Shares in Water Companies.

a. Existing Shares. WCWCD may enter into one or more reuse exchange contracts with water companies in which the City owns Existing Shares. The City acknowledges and agrees that, under a reuse exchange contract, WCWCD may replace with Reuse Water some or all of the water that a water company would have delivered to the City under the Existing Shares. WCWCD will not charge the City the Wholesale Rate (as described in Section 14) for the delivery of Reuse Water that replaces some or all of the deliveries from the water company for the Existing Shares. The City will remain responsible for assessments, special assessments, and other costs and fees levied by each water company for the Existing Shares.

b. New Shares. After the Effective Date, the City may acquire new shares in the water companies identified in Exhibit B, or in other water companies ("**New Shares**"). WCWCD may enter into one or more reuse exchange contracts with water companies in which the City owns New Shares. The City acknowledges and agrees that, under the reuse exchange contracts, WCWCD may replace with Reuse Water some or all of the water that a water company would have delivered to the City under the New Shares. The City shall pay the Wholesale Rate (as described in Section 14) for the delivery of Reuse Water that replaces some or all of the deliveries from the water company for the New Shares. The City will remain responsible for assessments, special assessments, and other costs and fees levied by each water company for the New Shares.

16. Mutual Indemnity. The Parties are "governmental entities" as defined in the Utah Governmental Immunity Act (Utah Code § 63G-7-101 et. seq.). Nothing in this Agreement will be construed as a waiver by either or both Parties of any rights, limits, protections, or defenses provided by the Utah Governmental Immunity Act. Nor shall this Agreement be construed, with respect to third parties, as a waiver of any governmental immunity to which a Party to this Agreement is otherwise entitled. Subject to and consistent with the Utah Governmental Immunity Act, each Party (as the "**Indemnifying Party**") shall indemnify, defend, and hold harmless the other Party and its Board, City Council, managers, members, agents, and employees (collectively, the "**Indemnified Party**") from and against all claims and liabilities (including reasonable attorney's fees and court costs) caused by or arising out of any third-party claim alleging: (a) a negligent or more culpable act or omission of the Indemnifying Party, including any reckless or

willful misconduct, in connection with the performance of its obligations under this Agreement, (b) any bodily injury, death of any person, or damage to real or tangible personal property caused by the negligent or more culpable act or omission of the Indemnifying Party, including any reckless or willful misconduct, or (c) violation of Applicable Laws by the Indemnifying Party, except to the extent a claim or liability under Section 16(a) and (b) results from the gross negligence, recklessness, or willful misconduct of the Indemnified Party.

17. Default.

a. Subject to Section 17(b), if a Party fails to perform its obligations hereunder, or comply with the terms and provisions hereof, and such failure remains uncured for a period of thirty (30) days ("**Cure Period**") after receiving written notice of default from the non-breaching Party, then the non-breaching Party may, in its discretion, pursue all rights and remedies which it may have at law and in equity, including but not limited to injunctive relief, specific performance, damages, and/or termination of the Agreement;

b. If a default described in Section 17(a) cannot reasonably be cured within the Cure Period, and the defaulting Party has commenced to cure such default within the Cure Period and thereafter uses reasonable efforts to cure the default, then the Cure Period shall be extended so long as the defaulting Party continues diligently pursuing cure of the default.

18. Force Majeure. No Party shall be considered to be in default with respect to any obligation herein and no Party shall forfeit any right provided herein if the defaulting Party was prevented from fulfilling such obligation or exercising such right by reason of Uncontrollable Forces. A Party rendered unable to fulfill any obligation or exercise any right by reason of Uncontrollable Forces shall use every reasonable effort to remove such inability with all reasonable dispatch.

19. Notice. Any and all notices, demands, or other communications required pursuant to this Agreement must be in writing and shall have been properly given and effective when received by the Party to be noticed, or when deposited in the United States mail, certified or registered, or when deposited with a nationally recognized overnight delivery service which keeps receipts of delivery, to the following addresses:

To WCWCD at:
Washington County Water Conservancy District
Attn: General Manager
533 East Waterworks Drive
St. George, Utah 84770

To City at:
[City's Name]
[City's Address]

Either Party may change its address for the purpose of receiving notices, demands and other communications set forth in this Agreement by providing written notice in the manner set forth above.

20. Further Assurances.

a. The Parties to this Agreement agree to do such further acts, take such action, and to execute and deliver to each other such additional agreements, certificates, documents, applications, and instruments as may reasonably be required or deemed advisable to effect the purposes of this Agreement.

b. Each Party (as the "**Non-Financing Party**") acknowledges that the other Party (as the "**Financing Party**") may finance or refinance design, construction, and operation of the WCWCD Reuse Facilities (in the case of WCWCD) or the Municipal System or portions of the Wastewater Collection System owned by the City (in the case of the City) from time to time with bonds, loans, grants, and other financial instruments ("**Instruments**"). The Non-Financing Party shall execute all agreements, consents, certificates, and other documents reasonably requested in order that any Instruments be issued in compliance with Applicable Laws, and shall provide whatever additional information is reasonably requested by the Financing Party in connection with complying with Applicable Laws. The Non-Financing Party agrees to comply with requirements set forth by bondholders, lenders, or similar parties as necessary for the Financing Party to secure and maintain the Instruments.

21. Assignment. Except as provided in Section 22, or as otherwise agreed to by the Parties in writing, neither WCWCD nor City may assign or otherwise transfer any of its rights or obligations under this Agreement and any such purported assignment or other transfer shall be void.

22. Permitted Assignments. A Financing Party may assign any of its rights and obligations under this Agreement in connection with the Instruments.

23. Binding Effect. This Agreement shall bind and benefit the respective successors and assigns of the Parties.

24. No Relationship. Nothing in this Agreement creates, or is intended to create, any interlocal entity, partnership, joint venture, or fiduciary relationship between the Parties.

25. No Third-Party Rights. The obligations of WCWCD and the City set forth in this Agreement shall not create any rights in or obligations to any other persons or parties not a party to this Agreement.

26. Entire Agreement. This Agreement, together with the Exhibits attached hereto, and the RWSA collectively contain the entire agreement by and between the Parties with respect to the subject matter hereof, and supersede any prior promises, representations, warranties, inducements, or understanding between the Parties which are not contained herein. If there is any conflict or inconsistency between this Agreement and the RWSA, the RWSA shall control.

27. No Waiver. Any Party's failure to enforce any of the provisions of this Agreement shall not constitute a waiver of the right to enforce such provision. The provisions of this Agreement may be waived only in writing by the Party intended to be benefitted by the provision, and a waiver by a Party of a breach hereunder by the other Party shall not be construed as a waiver of any succeeding breach of the same or other provision.

28. Severability. If any provision of this Agreement is held to be invalid, illegal, or unenforceable by a final decision of a court of competent jurisdiction, any enforceable portion thereof, and the remaining provisions of this Agreement, shall continue in full force and effect.

29. Governing Law and Venue. The laws of the State of Utah shall govern this Agreement and the transactions contemplated by this Agreement, without giving effect to the choice of law rules thereof. The Parties agree that any judicial action associated with this Agreement shall be taken in the St. George District Court of the Fifth Judicial District of the State of Utah.

30. Amendment. This Agreement may only be amended, modified, or supplemented by a written agreement signed by WCWCD and the City.

31. Interpretation. The Parties hereto acknowledge and agree that: (i) each Party has had a full and fair opportunity to have counsel review and to negotiate the terms of this Agreement; and (ii) the terms and provisions of the Agreement shall be construed fairly to all Parties hereto and not in favor of or against any Party, regardless of which Party was generally responsible for the preparation of this Agreement.

32. Paragraph Headings. The paragraph and subparagraph headings used herein are for convenience only and shall not be considered in the interpretation of this Agreement.

33. Counterparts. This Agreement may be signed in counterparts, each of which will be deemed an original and all of which taken together will constitute one and the same instrument. The Parties intend that fax or emailed .pdf signatures constitute original signatures and that a faxed or emailed agreement containing the signatures (original, .pdf, or faxed) of all the Parties is binding on the Parties.

[*Signatures on following page*]

IN WITNESS WHEREOF, the Parties have executed this Agreement by and through their respective, duly authorized representatives as of the Effective Date.

WASHINGTON COUNTY WATER CONSERVANCY DISTRICT, a Utah water conservancy district

By: _____
Name: Ed Bowler
Its: Chair, Board of Trustees

ATTEST:

_____
Secretary, Board of Trustees

APPROVED AS TO FORM:

_____
By: Jodi Richins, WCWCD's Counsel

[CITY'S NAME], a municipal corporation and political subdivision of the State of Utah

By: _____
Name: _____
Its: _____

ATTEST:

_____
City Recorder

APPROVED AS TO FORM:

By: _____
Name: _____
Its: City Attorney

Exhibit A
[To City Reuse Authorization Contract]

City Water Rights

Exhibit B
[To City Reuse Authorization Contract]

City's Existing Shares

Water Company	No. of Shares	Certificate No.	Comments

Exhibit C
[To City Reuse Authorization Contract]

Delivery Points

[Before WCWCD delivers water to a Delivery Point pursuant to the terms of this Agreement, the Parties will identify, describe, and provide a depiction of the Delivery Point under Section 9. The description and depiction will distinguish between the WCWCD Reuse Facilities and Municipal System.]

Exhibit D
[To City Reuse Authorization Contract]

Procedure for Depletion Accounting

The District's Minimum Delivery to the City under Section 12(a)(i) shall be calculated by identifying the quantity of the City Water Rights diverted and delivered for indoor use and subtracting (A) depletions that occur between the City Water Rights' points of diversion and the outfall of the applicable Water Reclamation Facility, calculated based on Utah State Engineer's Orders approving Reuse Applications and supporting documentation; (B) depletions of 10%, which approximate transit losses between the outfall of the applicable Water Reclamation Facility and the Delivery Points; and (C) if WCWCD has agreed to store portions of the Minimum Delivery in a Reservoir pursuant to Section 12(a)(vi), depletions associated with evaporative losses from the Reservoir, calculated by determining the proportion of the volume of the stored Minimum Delivery to the total water stored in the Reservoir and then multiplying by the daily evaporative loss and the duration of storage.

Mayor
Rick Rosenberg

City Manager
Brock Jacobsen

CITY OF
SANTA CLARA
FOUNDED 1854

City Council
Janene Burton
Christa Hinton
Dave Pond
Ben Shake5peare
Jarett Waite

Meeting Date: 7-17-24 ***Agenda Item: 4***

Applicant: ***Santa Clara City*** ***Requested by: Brock Jacobsen***

Subject: ***Fraud Risk Assessment Discussion***

Description:

Fraud Risk Assessment discussion.

Proposed Action: ***Discussion***

Cost*: N/A*
Legal Approval: *N/A*
Finance Approval: *N/A*
Budget Approval*: N/A*
